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## The New Metropolitan Alliances: Regional Collaboration for Economic Development

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# **The New Metropolitan Alliances: Regional Collaboration for Economic Development**

## **A Report for**



**for Cities**

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# **The New Metropolitan Alliances: Regional Collaboration for Economic Development**

## **Executive Summary**

### **Overview**

In this report we provide an initial scan of development-focused regional alliances. We begin with a brief assessment of the growing interdependence of cities and their surrounding suburbs, highlight some of the political, constitutional and economic barriers that make regional collaboration difficult, and conclude with a summary of the lessons to be learned from present experiences in city-suburban alliances. The report is based on an analysis of over one hundred traditional and emerging regional collaborations in the thirty largest metropolitan areas in the country and five in-depth cases that more clearly identify the challenges to regional alliance building, the strategies employed to meet these challenges, and the outcomes to such strategic action.

### **Project Rationale**

As we enter the new century, the nation's cities face a new reality and challenge. Recent Census data reveal that as the distinctions between urban and suburban economies are becoming more transparent, so are demographic distinctions within regions becoming more blurry. The uneven conditions of poor "minority-majority" cities surrounded by wealthy white suburbs are no longer a common reality. While cities have recently enjoyed increases in population and decreases in crime, older suburbs are facing increases in crime, unemployment, and poverty formerly seen only in inner cities.

Cities and their regions have developed complex interdependent economies with fates that are inextricably linked. As a recent study by Robert Weissbourd study confirms, the economies of cities and suburbs now move in tandem, not opposition.<sup>i</sup> To illustrate this claim, he shows a correlation in wages among cities and suburbs -- suggesting that if a city is doing well, a suburb is doing well, and vice versa. Economic distinctions between cities and suburbs are eroding as the era of global trade redefines regions as economic units.<sup>ii</sup>

As recently as five years ago, most leaders of urban and suburban entities would have seen each other as combatants in a zero-sum game. Recently, the nation's most innovative and astute political and business leaders have created structures that recognize the fundamental interdependence of cities and the surrounding suburbs. While the structures may vary, what they have in common is a recognition that in order to ensure a better future, regional cooperation and alliances are essential.

## Not a New Phenomenon

The development of regional agencies is not a new phenomenon. Throughout the 20th Century, multijurisdictional intergovernmental agreements and special districts have expanded beyond the boundary of any one municipality in a metropolitan area. In addition, most metropolitan areas are served by regional systems of water, sewers and transit – all of which benefit from economies of scale that far outweigh the benefit of local control over municipal service delivery. Partly in response to federal mandates and funding opportunities, other forms of planning agencies have also been created such as Councils of Government (COGs) and metropolitan or regional planning commissions. The strength of these agencies has usually been directly proportional to the external funding they control. When federal policies changed and the mandates were unfunded, the authority of these regional entities faded. Neither their power nor jurisdiction were constitutionally defined and their authority was, and remains, advisory rather than binding.<sup>iii</sup>

## What's New

The mixed history of regional action to date has not necessarily been shaped by economic and political imperatives driving new city-suburban economies. However, a host of new city-suburban alliances have emerged, built in part on past structures and regional entities and in part on new modes of engagement, resource mobilization and recognition of the growing interdependence of city-suburban economies. Most of these new alliances involve collaboration among partners that have not worked together before, or in the same way.<sup>iv</sup>

## Barriers to Regional Action

While the data and demographics support the increasing city-suburban interdependence, the barriers to regionalism in major metropolitan areas are real and include:

**Local control over land use** makes it extremely difficult to arrive at cross-jurisdictional agreements about land development, regulation and use alternatives, even in regions with flexible annexation and municipal boundary agreements.

**Rigidity of political jurisdictional boundaries** presents legal and practical hurdles to organizing across governments.

**Increasing devolution of state power to localities under home rule** means that services are decentralized and fragmented, further exacerbating jurisdictional concerns.

**Resistance to tax sharing** creates fiscal encapsulation among political jurisdictions. In the final analysis, local politics is “tax politics” not “policy”, regional or otherwise. Municipal leaders try to keep taxes low and the provision of services as transparently focused as possible on the local citizenry.

This short list of barriers makes it clear that although the city-suburban region may be the “new unit” of economic activity and the citizens of the metropolis may live cross-border lives – living, working and playing in a host of municipalities on a daily basis –without *leadership*, regionalism will remain a theory of planning without meaningful regional action or real application.

## Case Studies

After exploring over 100 examples of these alliances throughout the country, we have selected five cases to illustrate the key ingredients in the formation of regional alliances. The case studies focused on two types of alliances with clear links to economic development: (1) political and civic

alliances and (2) sectoral economic development strategies and regional training partnerships. The alliances of regional action selected here are particularly interesting on two counts.

- First, they are cases of how both new political and more established, business-based, civic alliances can be built to overcome the jurisdictional barriers of metropolitan politics as well as add new levels of civic investment and regional collaboration in the private sector.
- Second, they are also examples of how traditional types of alliances (COGs, chambers of commerce, economic and workforce development commissions, and fiscal and functional alliances) are transforming themselves to address new strategic demands of economic development (including regional clustering and sectoral change in such areas as biotechnology).

**1. The Metropolitan Mayors Caucus (MMC)** was created in 1997 after Chicago Mayor Richard Daley invited the other 269 mayors of the six-county metro region to form a mechanism through which to identify common regional problems as well as potential solutions.

- **Challenges:** No matter how regional the lives and economy of the Chicago metropolitan area have become, the reality is that the region is still governed by over 1200 units of government. This fragmentation of the region is further exacerbated by a divisive “us versus them” politics at the local level and a partisan anti-city politics at the state level. Chicago’s MMC has chosen to address these conditions by collectively responding to air quality compliance, shared utility purchase agreements, and economic development as major issues of regional alliance.

- **Strategies:** The MMC utilizes a pre-existing network of nine sub-regional COGs to build a political alliance that represents all 270 municipalities in the Chicago metropolitan area. With membership limited to “mayors only,” the MMC uses a consensus model of decision making to confront the jurisdictional barriers of municipal fragmentation and arrive at task-force driven regional policies and actions. The Caucus works through a process of peer-to-peer interaction between the top local political leadership in the region— creating a new pragmatic approach to “municipal regionalism”.

- **Results:** The MMC’s Clean Air Task Force has led to the creation of a “Clean Air Counts” initiative and a regional dialogue on clean air and redevelopment. The Chicago MMC also has negotiated long-term energy rates from the region’s electrical utilities for its municipal members.

In 2000, when the energy deal was struck, it included the largest purchase in the U.S. of renewable energy by a non-utility customer and represented a significant regional advance in the campaign for air quality. The MMC also represents a new, forceful lobbying mechanism for municipalities with the state legislature. The MMC has also created task forces on affordable housing and balanced growth.

**2. The Milwaukee Jobs Initiative (MJI)** is one of six programs participating in the Annie E. Casey Foundation’s \$30 million 8-year Jobs Initiative. Started in 1995, the Initiative helps local government, community organizations, and educational institutions create a workforce development system that targets well-paying jobs with benefits and advancement potential. The MJI links inner-city workers to manufacturing jobs throughout the region.

- **Challenges:** The MJI was created to reduce the gap in unemployment rates between the city and suburbs.

- **Strategies:** The Initiative focuses on recruiting and training inner-city residents for jobs throughout the metropolitan region in order to reduce the gap in unemployment rates between the city and suburbs. In addition to manufacturing, it targets printing, health care, automotive/transportation, information technology, and hospitality.

- **Results:** To date, more than 1,100 workers have been placed in manufacturing jobs with an average wage of \$11.00 per hour and Milwaukee is building a new \$50 million technical high school to meet the ongoing need for workers in the skilled trades.

**3. The San Diego Regional Biotechnology Initiative** is a cooperative effort of six organizations to respond to the needs of existing biotechnology and biomedical firms and to attract new firms to the region. The partners in this regional alliance- a regional association of governments, a regional economic development organization, community colleges, a university, and the industry association are in fact the “usual suspects” yet each organization is assuming new roles and responsibilities to achieve a common goal. It is an uncommon level of cooperation and joint planning that extends across jurisdictional boundaries.

- **Challenges:** The economic development challenge in San Diego was to help defense-related industries convert to other products and services and to expand a high tech base into a thriving sector.
- **Strategies:** The San Diego Association of Government’s (SANDAG) analyzed the regional economy and recommended an economic development agenda that targets nine high-tech clusters as the focus of its economic development activities. The partners in this regional alliance—SANDAG, a regional economic development organization, community colleges, a university, and the industry association are creating joint programs and initiatives to meet the needs of the biotechnology and biomedical products industries.
- **Results:** The number of biotechnology firms in the region has expanded and a workforce for biotechnology is being created. Community colleges are revamping curriculum to meet industry needs. Programs are being developed to encourage high school students to consider careers in biosciences. Universities are assisting their faculty in marketing products of their research. Biotechnology companies are receiving technical assistance. State policy is better supporting the needs of the industry.

**4. The Bay Area Council** in San Francisco is a purely private-sector business-sponsored public policy organization involving the CEOs of over 275 corporations within the Bay region and dedicated to “promoting economic prosperity and quality of life in the region”. Created in 1945, the Council mobilizes business leadership to address key economic issues facing the Bay area, including sustainable economic development, education and workforce preparation, and telecommunication and information technology.

- **Challenges:** To create multi-stakeholder regional alliances to address workforce and economic development issues facing the Bay Area’s employers- especially the supply of affordable housing in the region.
- **Strategies:** In the Bay Area, affordable housing and sustainable development have proven to be regional issues around which broad consensus can be reached by environmentalists, business interests, government agencies, and nonprofit community development organizations, and where the ability of the private sector to raise capital ensures that employers will play a key role in fashioning solutions. As a result, the BAC helped create the Bay Area Alliance for Sustainable Development, a consortium of 40 organizations and five government agencies, in order to develop consensus on regional development policies. It also established the Community Capital Investment Initiative to generate private-sector funds for affordable housing.
- **Results:** The Bay Area Alliance’s draft policies on regional sustainability have been adopted by over half the local governments in the region and the Bay Area Council raised about \$100 million of private funds for affordable housing and redevelopment in the region’s poorest 46 neighborhoods.

**5. The Jane Addams Resource Corporation (JARC)**, a nonprofit community development corporation created in 1985, was organized to preserve and strengthen the industrial base of Chicago's Northwest side. Since then, organization's reach has expanded to meet the training needs of manufacturers throughout the region. In 1999 JARC helped to create a regional organization to provide training and technical assistance to manufacturers throughout the Chicago region. This case illustrates how locally based initiatives can join forces to have impact on a regional scale.

- **Challenges:** The industrial retention challenge for JARC was to establish relationships with existing employers in the region to identify their needs, to develop responses that would make it economically viable to stay, and to create job-training programs to meet their needs for skilled labor.

- **Strategies:** JARC and other leading community-based training organizations as well as City of Chicago Mayor's Office of Workforce Development, the City Colleges of Chicago, South Suburban Community College, the Northwest Suburban Manufacturers Association formed the Regional Manufacturing Training Collaborative in 1999.

- **Results:** JARC has grown into a leading provider of technical assistance and job training to metalworking firms throughout the Chicago metropolitan area. JARC's training is helping to keep high-paying manufacturing jobs in Chicago and the metropolitan area. The pilot training program started in early 1991 with seven workers and currently serves 280 workers and 30 companies per year. By 2000, JARC had trained more than 1,200 workers in at least 70 companies. Since 1997, the program has had a completion rate of over 90 percent. The Regional Manufacturing Training Collaborative has received funds from the U.S. Department of Labor to expand its services.

## Lessons

The new civic, political, and sectoral alliance case studies suggest important lessons for civic leaders wanting to promote more metropolitan collaboration within their regions:

1. **Focus on issues where communities' interests are aligned.** Issues like affordable housing, the environment, sustainable development, and smart growth provide successful and effective issues around which private and public sector leaders can reach consensus. These topics are regional in scope, yet can reflect the parochial economic concerns of business leaders, especially their ability to attract and retain high quality employees, and the equally parochial land use control and quality of life concerns of local officials.
2. **There is no substitute for leadership.** While it may seem obvious, the alliances that engaged and sustained the participation of top executives were more successful than those that were staff driven.
3. **Broad support matters.** Having broad support (i.e. labor, business, community groups, city) enhances the ability to gain bipartisan support and public/private funding for the regional initiative.
4. **Keep divisive issues off the table.** Trying to use regional alliances to address long-standing conflictual issues (such as citing of major facilities with regional benefits but with undesirable local impacts) often just preserves, and may even heighten, long-standing parochial discord.
5. **Use existing structures when possible.** New regional alliances do not necessarily require new organizations. Working within existing regional structures (e.g. established

civic coalitions or political structures) is a good way to build successful regional alliances. Traditional agencies or structures can adapt to new circumstances and important relationships that are already in place.

**6. Foundations can play an important convening role.** Foundations are able to bring local parties together through incentives established in their funding priorities as well as their role as an “external” player.

**7. Create an organizational structure that prevents any one organization from dominating.**

Given the history of discord among many of the interested parties, building trust and establishing a “level playing field” is often essential to sustaining the alliance.

**8. Private sector expertise in raising capital can help finance regional alliances.** At a time when governmental resources are constrained, the ability of private sector stakeholders to raise capital becomes important in sustaining regional alliances and their initiatives.

**9. Find a common language with which all partners are comfortable.** The rhetoric used by the alliances is critical --- especially when the partners include such diverse interests as business, labor and community groups.

**10. Don’t always go at it alone.** Regional alliances can allow cities and their surrounding suburbs to more effectively compete in the global economy and better address the larger political forces in their state.

## **CASE STUDY 1: THE CHICAGO METROPOLITAN MAYORS CAUCUS**

### **Building the “Municipal Region”**

#### **THE CHALLENGE**

Chicago and its surrounding suburbs comprise a region influenced by the contradictory elements of increasing regional interdependence and ongoing political fragmentation. The region’s legendary governmental fragmentation and overlapping jurisdictions have long been topics for critics arguing for greater efficiency in service delivery and greater equity in the mismatch of resources and needs between cities and suburbs. More recently, as the increasing economic and demographic interdependence of the region’s cities and suburbs portends future regional economic competitiveness, new modes of city-suburban alliance appear warranted.<sup>v</sup>

The challenge for the Chicagoland area is to overcome the conditions that contribute to its being one of the most politically fragmented regions in the country<sup>vi</sup> and produce regional actions<sup>vii</sup> that respond to the increasingly regional lives of its citizens and the fact that the competitive future of the Chicago economy is also increasingly regional and not dependent on political boundaries.<sup>viii</sup>

#### **BACKGROUND**

##### **1. History of Political Fragmentation**

The Chicago metropolitan region (the core of which is comprised of the city of Chicago, its home Cook County, and the surrounding Dupage, McHenry, Will, Kane and Lake Counties) is home to a strong political culture of local autonomy and partisan city-suburban political divisions that has held sway since the 19th century. This city-suburban division was only further reinforced with the passage of the 1970 constitutional reform establishing strong municipal home rule.<sup>ix</sup>

Traditionally, the city of Chicago has remained solidly democratic, while the politics of the suburbs have been almost as dramatically republican—with local suburban leadership responding critically to both the political influence and the managerial efficiency and control of Chicago<sup>x</sup>. Through the early 1990’s this political culture of partisan division was further exacerbated by the decline in the importance of the city of Chicago in state politics. Where the 3.6 million people living in Chicago in 1950 represented 40% of the population and contained 80 percent of all state voters, by 1980 the city had lost over 800 thousand residents and its surrounding counties were growing by two thirds and in some cases even doubling their populations. The 1990 census reported similar conditions. The concomitant increase in the political importance of the growing suburban population around Chicago and of their elected (mostly republican) legislative

officials reinforced an anti-city politics both locally and at the state level, led by strong state leaders like Senate majority leader James ‘Pate’ Philip from the collar county of Dupage.

The increasingly rigid combination of local and state political divisions only further magnified an even greater set of fragmenting conditions: the Chicago region was governed by 1246 units of government: including 270 incorporated municipalities, 113 townships along with hundreds of special districts, public authorities, and counties as well as special county-wide infrastructure commissions and authorities.

In sum, by the early 1990’s, these two trends of entrenched politics of partisan ‘city vs suburb’ division and the multiplication of governmental units reflected the demographic rise of the suburbs and socio-economic decline of the central city.

## **2. New Regional Realities**

But in the 1990’s the region’s demography and economy both underwent appreciable change. “Chicago in the 1990’s experienced an urban renaissance based on a strong economy and efforts by Mayor (Richard M.) Daley to make Chicago a ‘world-class’ city.

Young, well-educated professionals, Mexican households, and immigrants from Eastern Europe, the Middle East and Asia located in the city’s neighborhoods. Chicago’s population increased by 112,000...reversing 50 years of decline.”<sup>xi</sup> At the same time Chicago’s suburbs entered what some have called a “post-suburban” era as evidenced by substantial increases in Latino and African American residents (especially in the southern and western suburbs), population shifts, increasing unevenness in patterns of income and job formation, increasing crime rates, new demands for affordable housing and accessible transportation, grid lock and other “big city” conditions.<sup>xii</sup>

## **3. Summary**

In short, key economic, social and demographic differences between city and suburb have lately become blurred. The needs of citizens have become, in some real ways, more “regional,” even as the politics of city vs. suburbs have remained clearly in place at local and state levels.<sup>xiii</sup> Yet, no matter how compelling the information concerning the regional lives and economy of the Chicago metropolitan area, the reality is that the region is still governed by over 1200 units of government, each with its full constitutional complement of powers, boundaries and barriers. This fragmentation of the region is further exacerbated by a divisive “us versus them” politics at the local level and a partisan anti-city politics at the state level.<sup>xiv</sup>

## THE STRATEGY

Regional action that does not overcome the longtime divisiveness of city-suburban politics will be limited at best. The realities of such structural and political fragmentation became more problematic by the mid-1990s as leaders of both city and suburbs began to find common concerns of clean air, transportation, workforce development, the high costs of energy, and affordable housing that took them beyond politics as usual. One event in August 1995 in particular seemed to catalyze<sup>xv</sup> this growing regional awareness: Mayor Richard Daley was invited to a meeting of the suburban Northwest Municipal Conference. Scheduled to speak for an hour, the conversation between Daley and forty suburban mayors stretched to three hours—“the environment was charged, not with disagreement but the opposite. As the mayor (Daley) talked about his problems the heads of the other mayors nodded—over and over again. We found we had much more in common than we had ever thought. Also the mayor had come out to visit us—this might seem like a small thing but it wasn’t lost on us either” said one person who attended the meeting. “It was one of those moments,” said another person interviewed for this case study, “everyone just started talking...transportation, mandates...there was a tremendous amount of agreement...”

A bit over a year later, Mayor Daley established a new position in the executive office with liaison responsibilities with the suburbs. In January, 1997 he chose the highly respected Director of the suburban Northwest Municipal Conference, Rita Athas, to head this office. While working with his new liaison and reviewing various models of alliances around the country<sup>xvi</sup>, Daley ventured to the suburbs in August, and at a meeting of the Elk Grove Village Chamber of Commerce he told over 500 business leaders and government officials that “Our futures are linked together... We cannot compete with each other... we must think of our region as one.”<sup>xvii</sup> Soon after he invited the other 269 mayors to join him in a regional development forum because “we as elected representatives of our respective cities and villages, need to build stronger relations.”<sup>xviii</sup> At the ensuing forum the mayors agreed to establish the Metropolitan Mayors Caucus (MMC),<sup>xix</sup> to be staffed by Athas.

The Caucus took its form from a variety of sources and developed the following strategy and modes of action:

### 1. Precedent and Scale

- In part MMC was analogous to a similarly *named*, highly successful organization of 31 mayors in the Denver region, started in 1993.
- The *scale* of the Chicago MMC required a significantly different approach than that of the much smaller, regionally more coherent, Denver MMC. The MMC of Chicago needed to be of a scale and order that allowed for authentic representation of all 270 municipalities and yet be flexible enough to act without

requiring that every municipality participate in every decision. To meet the challenge of scale the MMC is organized around the pre-established network of nine suburban sub-regional conferences of government and mayors and manager's conferences<sup>xx</sup>. The mayoral members of each regional conference are charged with selecting five to seven of their members to serve annually on the Caucus. This means that the Caucus is comprised of forty five members who meet regularly as the designated representatives of all 269 suburban municipalities and the City of Chicago.

## **2. Mayors Only**

- Membership in the Caucus was confined to *mayors only*. There are certain key features of incorporation and structure that give each of the 270 municipalities their power and identity: including home rule, tax, bond and revenue generating authority, regulation of land use, annexation ability and electoral constituency, to name the most important. The Caucus is comprised of those leaders who can speak for and *past* these jurisdictional elements: that is the mayors of the incorporated municipalities. By limiting membership to mayors only the Caucus allows for the most meaningful level of government representation and the highest level of dialogue on issues that have the potential to bind municipalities into regional alliance.
- The *mode of representation* really took much from that very first meeting in 1995, between Mayor Daley and the mayors of the Northwest Municipal Conference. That meeting had been a gathering of mayors with other mayors—talking directly with each other, learning clearly from each other about common concerns and issues. It was determined that MMC would work the same way—the only active participants at meetings would be the mayors themselves, they would not be allowed to send a substitute. As a result, the meetings are not staff-driven, but mayor-led. The goal of MMC said one interviewee has been to have “unmediated discussions—not watered down by staff, assistants or substitutes.” When they arrive at a Caucus meeting, “they check their egos at the door” says one participant-- the differentials of power between big cities and small towns are replaced by issues of common concern.

## **3. Building Trust and Consensus**

- As another long time observer of the MMC put it—“maybe the most important thing being produced here is *trust* between the city and the suburbs.” Given the deeply partisan and highly fragmented nature of city-suburban relations this seems to make sense—city-suburban alliances in the Chicago region will take time and “the trust built between the political leadership will be key to our success” argues Athas.
- This trust is, in large part, a product of the Caucus decision-making process. From the beginning, it was determined that all decisions of the MMC would be

arrived at through *consensus*. If there is not consensus on an issue, it will not be a topic for MMC. For example the Caucus was able to agree to establish a task force to work for a joint agreement to purchase electric power by its members but ruled “off the table” Caucus action on O’Hare Airport or a third airport.

#### **4. Closed-Door Discussions**

- By closing the meetings of the Caucus to the media, the discussions are perceived to be more candid and open—directed to the members and the regional agenda of MMC and not to the media.

### **THE RESULTS**

The early story of the Chicago MMC is really the story of mayors, who have historically been politically and structurally divided, trying to work together. Rather than describing their issues as “city” issues and “suburban” issues Caucus members use their organization as a mechanism designed to help them find the commonalities that come from working on issues that are “municipal” issues. They identify (i) local issues that knit them jurisdictionally together and/or (ii) state and federal issues that join them in political alliance.

By 1999, the MMC had initiated task forces from among its members to establish comprehensive approaches to several key regional concerns:

#### **1. Clean Air**

One early example of MMC success was the Caucus’ ongoing effort to confront the region’s severe non-attainment status for ozone levels under federal air quality standards. A 1998 EPA Toxic Release Inventory showed that the suburbs had actually surpassed the city as a major source of cancer-causing chemicals—with Chicago dropping to fifth overall and 36 other suburban communities seeing substantial increases in pollution levels. Such conditions threatened the region’s continued economic competitiveness, the ability of cities and suburbs to garner future federal support for highways and mass transit, and public health.

A task force made up of representatives from each of the eight regional COGS was formed to establish a regional understanding of the impacts of these conditions. It commissioned a study and struck a partnership between the Caucus and the International City Managers Association to identify the best practices for attacking these conditions and conducted its own regional survey of what might work best in the area. For Mayor Daley the Caucus was beginning to work-- mayors were coming together to confront the reality that tied air pollution and economic development together without respect municipal boundaries: “A region that has been designated as failing to meet EPA air quality standards will have a tough time attracting business”, said Daley, “that’s why its so important that mayors take a regional approach to address air pollution issues.”<sup>xxi</sup>

In 1999, the MMC expanded its efforts and, “in partnership with the US EPA, the Illinois EPA and the Delta Institute, convened the Regional Dialogue on Clean Air and Redevelopment. A year later the Dialogue “unveiled its new identity ‘Clean Air Counts’”<sup>xxii</sup> and began a multi-level, region-wide program of action and evaluation meant to reduce ozone-causing emissions and improve air quality—thereby enhancing the ability of suburbs and cities, according to MMC, to meet jurisdictional as well as regional goals of health and economic development. The 270 municipalities of the Caucus have evolved a five point program to reverse the conditions of non-attainment: (i) the aforementioned Regional Clean Air Dialogue/Clean Air Counts program to engage all parties (private, municipal state and federal) in the problem and its solutions (ii) a lawn mower buy back program—to reduce dependence on gas powered mowers and replace them with electric units (iii) a region-wide, thirty community network of alternative fuel stations for automobiles (iv) a new regional model to track the impact of such changes (v) a new regulatory approach that shifts the focus from industrial pollution to small area and mobile sources of emissions because MCC estimates that where fixed facilities account for 18 percent of air emission, cars and trucks account for 50% of such emissions, thereby arguing for small incinerator bans, green buildings and transit oriented development.

## **2. Electric Power**

A second issue that gained consensus within the Caucus was an agreement by many of the members of the Caucus to join with the Chicago Power Alliance to purchase electricity in bulk. In the first round of this agreement, 48 units of government collaborated to purchase 400 megawatts of electricity. To win the approval of the group, the power supplier agreed to lower costs for each member of the group and generate at least 20 percent of all the power from renewable sources of energy such as solar or wind power. In 2000 when the deal was struck this constituted the largest purchase in the U.S. of renewable energy by a non-utility customer and represented a significant regional advance in the campaign for air quality. Equally importantly, suburban Northbrook Village President Mark Damisch of the MMC suggested, “that by joining with these bigger customers, smaller governments can realize the same savings and have a bigger impact on things like renewable power.”

## **3. Local-State Relations**

As a corollary to Mayor Damisch’s point, the Caucus also provides mayors from small jurisdictions throughout the region with new levels of political access and coalition building. For example, regular, direct contact with Richard Daley is not unimportant, argue several members of the Caucus.

Collaborative contact with major state and federal officials is also a benefit to municipal leaders. When George Ryan was elected governor in 1998, one of his

first local meetings was with the Caucus. Here Caucus members who would have had little or no direct individual policy contact with the governor were, all at once, high on his list when they mobilized as a region. This should not be surprising, if the findings of a new study of local state legislative relations are correct: The authors of this study find that “governors (including those in Illinois) - have a stronger and better understood interest in promoting regional cooperation than do many political actors (in the state legislature or) within the region itself.”<sup>xxiii</sup> This has certainly been apparent during the term of Governor Ryan, who, working closely with Mayor Daley and the MMC, announced two new programs, *Illinois Tomorrow* and *Illinois First*, meant to respond to regional issues of vanishing open spaces, decaying urban infrastructure and increased traffic congestion. Mirroring the MMC calls for regional concern at the state level, the Governor created a new “Balanced Growth Cabinet” made up of Secretary of Transportation and directors of the departments of Natural Resources, Environmental Protection, Development Finance Authority and Illinois Housing Development Authority.

#### **4. New Lobbying Coalition**

Finally the MMC is an example of how mayors can work with mayors to create a municipal approach to regionalism. This is best exemplified in the change the MMC represents to lobbying for major policy in the state legislature. One clear example of this occurred during the last legislative session, when the state legislature was scheduled to vote on the state Infrastructure Maintenance Fee—to maintain technologically vulnerable communications facilities throughout the state and pay for use of rights of way. The loss of these funds would have meant an estimated \$80 drop in these basic features of regional infrastructure delivery in Chicago and the other regional municipalities. Dupage Senator and Majority leader James “Pate” Philip, was opposed to this funding program on the grounds that it would disproportionately advantage Chicago, at the expense of the suburbs. The MMC saw the issue as a loss for municipal telecommunication infrastructure everywhere and the Caucus mayors were able to convince their legislative representatives that the infrastructure maintenance fee was not a city-vs-suburb issue but a municipal revenue concern: all municipalities have similar infrastructure needs and to cut off funding on “city-suburb” terms would be counterproductive.

#### **5. Expanding the Agenda of the ‘Municipal Region’**

In the past year the MMC has established a task force to consider the regional issues of affordable housing and sensible or balanced growth. Just as it has become apparent to regional bodies throughout the country that regional economic development is critically tied to affordable housing for everyone,<sup>xxiv</sup> it has become clear to the MMC as well, and the Caucus is now undertaking its own review affordable housing conditions throughout the region and preparing for policy action. A new task force is working on a regional transportation action

plan, with the goal of achieving consensus on between five and seven projects from within the region. Another task force has been established to create an integrated, region-wide emergency preparedness plan. Most recently, the MMC has established a task force on education funding reform—with the goal of creating alternatives to the property tax as a source of school funding.

## **THE LESSONS**

### **1. No Need to Remake the Wheel**

MMC is built upon existing models of regional action. It takes pieces of successful models in place elsewhere (i.e. Denver) and adds them to an established structure of COGs that is already at work in this region.

### **2. There Is No Substitute for Leadership**

MMC employs a process built solidly on political collaboration and direct communication between the top levels of municipal leadership. In other words, the Caucus is comprised of mayors only—jurisdictions cannot be represented by substitutes for their elected executives.

### **3. Successful Projects Are Built with Consensus**

The economic development of the region has been furthered by the consensual efforts of the MMC in the areas of clean air, renewable energy initiatives tied to joint purchase agreements, and emerging consensus around affordable housing initiatives, transportation agreements and increased discussions of balanced growth.

### **4. Establish Trust**

Perhaps the most important element of the MMC is the clearly pragmatic and political process it represents for bringing regional political leadership together in truly new ways. With this process MMC has the potential to overcome a deep history of political divisiveness and the barriers of jurisdictional fragmentation and replace it with new levels of understanding and trust between cities and suburbs.

### **5. Working Towards “Municipal Regionalism”**

In the final analysis, MMC is an alliance of political leaders who have historically been divided –politically and jurisdictionally. It has the potential to contribute to changing the language of the state-local relations on key urban issues from one of “city versus suburb” to one of “municipal regionalism.”

## **CASE STUDY 2: THE MILWAUKEE JOBS INITIATIVE**

### **An Alliance Formed in Response to an External Foundation**

#### **THE CHALLENGE**

The Milwaukee region began to recover from the dramatic decline in manufacturing in the late 1980s. The renewal of manufacturing, the diversification of the regional economy, and the retirement of an aging workforce all combined to create an increasingly severe skills shortage by the mid 1990s. At the same time, the strict work requirements of welfare reform in the state resulted in the sharpest decline in caseload in the country. The challenge was to reform the workforce development system for low-income community residents to qualify for better jobs in targeted industries of the regional economy.<sup>xxv</sup> The Milwaukee Jobs Initiative (MJII) focuses on recruiting and training inner-city residents for jobs throughout the metropolitan region in order to reduce the gap in unemployment rates between the city and suburbs. In addition to manufacturing, it targets printing, health care, automotive/transportation, information technology, and hospitality. The \$30 million Jobs Initiative of the Annie E. Casey Foundation created a financial incentive for business, labor, and community leaders to join together to create the Milwaukee Jobs Initiative.

This Initiative allowed participants to expand the scale of their operations beyond what any one organization could achieve working alone, while bringing new partners into the workforce development arena. The challenge was to unite the business community, unions, and the workforce development community around a common workforce development agenda in several key sectors and maintaining good jobs in the region.

Responding to the challenge required overcoming the historical mistrust that existed among these groups.

#### ***THE STRATEGY***

Milwaukee is one of six cities<sup>xxvi</sup> participating in the Annie E. Casey Foundation's 8-year Jobs Initiative grant program. Since several labor and community organizations in the Milwaukee region already had workforce development programs addressing welfare recipients, the Casey Foundation was interested in choosing Milwaukee as one of its demonstration grant recipients. But, in order for these organizations to receive funding from the Casey Foundation, they had to meet the Foundation's requirement of strong business support and involvement. Collaboration with the region's business leaders proved to be the Initiative's greatest challenge in building an effective workforce development alliance in the Milwaukee metro area.

To receive Casey Foundation funding, the Wisconsin Regional Training Partnership, the Milwaukee County Labor Council, and the Campaign for a Sustainable Milwaukee joined with the Greater Milwaukee Committee in order to create the Milwaukee Jobs Initiative. The first three of these organization are union-oriented, community-based and politically progressive while the Greater Milwaukee Committee is a civic group of top business, labor, and education leaders formed in 1948 to improve the economic and cultural base of Milwaukee.

The labor-based organizations created a natural coalition through their web of prior relationships and interlocking agendas. The Wisconsin Regional Training Partnership (WRTP), for example, was created in 1992 from the HIRE (Help in Reemployment) Milwaukee Center, an AFL-CIO dislocated worker project. It started with 20 union-represented workplaces and grew to a consortium of 100 manufacturers and labor unions that have invested over \$15.4 million in training.<sup>xxvii</sup> The Center on Wisconsin Strategy (COWS) at the University of Wisconsin, Madison – one of the nation's first advocates of sectoral strategies organized around workforce development issues – provides technical assistance to WRTP.<sup>xxviii</sup> COWS also helped

create the Campaign for a Sustainable Milwaukee (CSM), a community and labor-based organization that ran the Central City Workers Center, a “one-stop” employment center. Under the consortium’s proposal to the Casey Foundation, the Campaign for Sensible Milwaukee initially assumed responsibility for administering the MJI under the Foundation’s grant.

But, in order to obtain the grant money, the Milwaukee Jobs Initiative also had to actively involve local business interests. The city’s labor- and community-based job training consortium turned to the Greater Milwaukee Committee to represent these interests. Unlike many other CEO-led civic organizations that focus only on regional marketing, the Greater Milwaukee Committee (GMC) promoted “brick and mortar” projects in the region including the construction of the Performing Arts Center, the Milwaukee Art Museum, the Regional Medical Center, the Grand Avenue Mall and Miller Park. At the time that the Casey Foundation was considering awarding a grant to Milwaukee, the GMC had begun working with labor leaders on inner city and workforce development issues. In adopting this new agenda, the GMC recognized that the political boundaries of the city or county did not define their region’s labor markets.

The support of city government was also a precondition for becoming part of the initiative. The City contributes between \$10,000 and \$15,000 annually to support it, as does Milwaukee County. The city and county also provided some matching funds in the first years of the initiative. Annually, MJI receives \$700,000 from the foundation, about \$350,000 from other sources, and an additional \$190,000 from the Governor’s Discretionary Funds for the state’s Welfare-to-Work funding.

In 1995, the Annie E. Casey Foundation awarded the Milwaukee Jobs Initiative a grant and these four organizations became members of the advisory board of the Milwaukee Jobs Initiative (Table 1). The Greater Milwaukee Committee, however, was concerned that the politics of the other partners were too left leaning. In particular, CSM’s strongly identified political agenda around issues of a living-wage amendment were a sore point to the business CEOs.xxix To assuage the concerns of business members on the MJI advisory board, the organizational structure was changed to make the MJI an independent entity with its own separate board of directors rather than being housed under the Campaign for a Sustainable Milwaukee, but with MJI subcontracting with CSM to provide its job training services.

**Table 1. Milwaukee Jobs Initiative Organizing Partners**

<b>Partner</b>	<b>Role</b>
Greater Milwaukee Committee	Nominate Board members, fundraising.
Wisconsin Regional Training Partnership (WRTP)	Operate training programs
Milwaukee County Labor Council	Nominate Board members
Campaign for a Sustainable Milwaukee	Nominate Board members, operate training programs

Under the new organizational structure, each of the three key groups – the Milwaukee County Labor Council, the Campaign for a Sustainable Milwaukee, and the Greater Milwaukee Committee – would vote on all policy decisions. The bylaws also required that a super majority must approve all major policy decisions, thus giving each organization veto authority over that decision. The Greater Milwaukee Committee insisted on this veto power in order to get more of the local business community invested in the MJI. This governance arrangement calmed fears among organizations that had not worked together enough to develop trust that the other two organizations would not join forces to ignore the wishes of one group.

Once MJI became an independent entity with its own staff, rather than being run under the CSM, many of the tensions were eased. Over time the concerns of the business community were further

eased as a common strategy was developed with the MJI adopting the WRTP's successful training strategy.

In this approach, community-based organizations identified people in their neighborhoods who are eligible for, and interested in, job training in one of the targeted sectors. The local Partnership organizations provide case management, coordinating all the services clients need during training and after placement. The WRTP subcontracts some training to community colleges, with the WRTP approving curriculum, selecting the participants, and providing post-placement education and training. Business partners agree to hire workers, offer input on curriculum, and work with MJI partners on structuring additional training and career advancement opportunities for entry-level workers.

Further problems with the partnership emerged when the Campaign for a Sustainable Milwaukee, employing WRTP's workforce development strategies, failed to achieve its training objectives and outplacing participants as effectively as the WRTP had. Conflict of interest concerns were also raised about an organization receiving funds also managing the initiative and having veto power. At this point CSM closed its Central City Workers Center and ceased operations the following year. The WRTP then became the primary program operator for MJI. WRTP began developing its own referral network and searching for new community partners.

## **THE RESULTS**

After a year of planning and organizing, MJI began funding initiatives in 1997. To date, more than 1,100 workers have been placed with an average wage of \$11.00 per hour. Another 300 have been placed in the printing industry. The combined sectoral initiatives are placing about 500 people per year throughout the metropolitan area. The MJI has demonstrated the viability of workforce training partnerships in maintaining the profitability of firms in key sectors and to engage firms in creating career advancement opportunities for workers.

The success of this labor-business partnership has created opportunities to expand into related areas. Milwaukee is building a new \$50 million technical high school to meet the ongoing need for workers in the skilled trades, a "bricks and mortar" project that the Greater Milwaukee Committee would probably not have supported but for its involvement with the MJI. A workforce training collaboration between the WRTP and YWCA has also received \$850,000 from welfare-to-work funds and \$450,000 in apprenticeship preparation funds from the Milwaukee Metropolitan Sewerage District.

In order to achieve the systems change expected by the foundation, the MJI would have to influence the practices of the Private Industry Council (PIC), which is the Milwaukee area Workforce Investment Board. Although the PIC provides funding (through vouchers) for MJI training providers, it is widely acknowledged that its practices have not changed much. WRTP and GMC staff has been having conversations with the PIC's president about having PIC adopt the MJI's approach as its workforce development strategy. The PIC now identifies regional sectoral strategies as a central component of its overall workforce development plan.

The MJI has identified weaknesses in the region's workforce development system and is taking steps to resolve them. The WRTP is partnering with the YWCA of Greater Milwaukee to develop a centralized training and placement center for the entire workforce system. This Workforce Training Center will be housed at the YWCA. It will offer work stations, learning labs, classrooms, career counseling, and case management to people leaving the TANF system. Both organizations will increase their capacity through this partnership and will be able to leverage funds from a variety of sources to create a comprehensive workforce system. The WRTP and YWCA have received \$850,000 from the Milwaukee PIC welfare-to-work funds and \$450,000 in apprenticeship preparation funds from the Milwaukee Metropolitan Sewerage District, and plan to submit proposals for additional Workforce Investment Act and Workforce Attachment and Advancement funds this spring.

## THE LESSONS

One of the most important achievements of the Milwaukee Jobs Initiative has been to establish on-going collaborative relationships between business, labor, community, and public sector organizations.

• **The labor and business communities are learning that they each has strengths that complement each other.** A strength that labor leaders have brought to the MJI is strong connections to federal and state government agencies that provide workforce development, such as the federal Department of Labor and the Wisconsin Department of Workforce Development. Historically, business people have viewed labor and even these government agencies as “the enemy,” while unions view them as assets. Similarly, the support of the business community is seen as an asset by government agencies and increases the chances of funding by competitive programs.

• **Trust can be built structurally through alliance governance.** Creating an organizational structure that prevents organizations from ganging up to dominate an agenda reduces initial mistrust that might prevent or slow a working partnership from developing. The MJI partnership did not start out smoothly. Many business partners, including some from the Greater Milwaukee Committee, were skeptical of labor and community organizations, particularly the Campaign for a Sustainable Milwaukee (CSM). As the MJI’s management structures were created that allowed each organization to become more confident that its agenda was being advanced through the partnership, trust between the organizations grew.

• **Language Matters.** Regional alliances need to find a common language with which all partners are comfortable. Every organization came to the alliance with different objectives. Employers wanted qualified workers. Unions wanted more members. Community organizations wanted better jobs. Although they also had a common agenda –providing training for high-wage, high-skill jobs in manufacturing, printing, and other key sectors – they framed their goals differently. In particular, the MJI’s business partners viewed the rhetoric of the Campaign for a Sustainable Milwaukee as too conflictual. The language used to describe the MJI strategy now focuses on “industry strengthening” and “market recovery” objectives, in the common interest of firm owners, management, and labor.

• **Foundations can act a catalyst for alliance formation.** All of the pieces for developing a regional training partnership were in place before the Annie E. Casey Foundation invited Milwaukee to be part of its Jobs Initiative. The large influx of funds for planning and implementing sectoral initiatives provided an economic incentive for these individual efforts to go to scale and to be coordinated into a larger system.

## CASE STUDY 3: SAN DIEGO REGIONAL BIOTECHNOLOGY INITIATIVE

### Promoting Biotechnology as Part of a Regional Strategy for Prosperity

#### *THE CHALLENGE*

When defense downsizing in the early 1990s struck a critical blow to the San Diego economy, the region's cities looked to the San Diego Association of Governments (SANDAG) to analyze the economy and to develop a regional economic development strategy that would help defense-related industries convert to other products and services. In 1998 SANDAG unveiled its regional economic prosperity strategy, *Creating Prosperity for the San Diego Region*, a report that analyzed the region's economy and presented a plan for maintaining the region's high paying jobs by preserving existing industries and by expanding a high-tech base into a thriving sector. The organizational challenge was to coordinate the activities of the region's education institutions, workforce and economic development organizations, and industry associations to achieve this goal.

#### *THE STRATEGY*

The regional economic development strategy of the San Diego region is well defined. It starts with analysis of key sectors with respect to employment, growth potential, and potential income for workers. Then a strategy for promoting the sector is developed and implemented by economic development agencies, education institutions, industry associations and other organizations. The background research on drivers of the regional economy was conducted by the San Diego Association of Governments (SANDAG).

SANDAG is the San Diego region's metropolitan planning organization. Created in the 1960's, SANDAG coordinates regional planning activity in economic development, transportation, solid waste management, and water supply and water resources management.<sup>xxx</sup> SANDAG's recent analysis of the region's economy, *Creating Prosperity for the San Diego Region*, identified "Biomedical products" and "Biotechnology & Pharmaceuticals" as two of the high-tech sectors that could provide needed high wage employment in the region.

"Biomedical Products" include manufacturers of medical equipment and devices, while "Biotechnology & Pharmaceuticals" refers to the research and development for and production of pharmaceuticals. SANDAG found that both of these sectors provide wages that are higher than the average regional wage, even though the biomedical products sector had declined in total employment while the number of firms grew from 94 to 130 between 1990 and 1998 (see Table 1).

**Table 1**  
***Employment and Wages in San Diego's Biotechnology Clusters***

Sector	Emp. 90	Emp. 98	% change	No. firms	Av. Wage 98
Biomedical Products	7363	5774	-22	130	\$41,464
Biotechnology & Pharmaceuticals	11,267	22,999	104	449	\$55,974
Total Regional Empl.	977,400	1,110,700	14	73,817	\$28,854

Source: California Employment Development Department; SANDAG.<sup>xxxi</sup>

Once SANDAG identified the clusters and identified some key needs for promoting their growth, other regional organizations worked together to form the San Diego Biotechnology Initiative to coordinate and implement programs and activities to promote the biomedical and biotechnology clusters (Table 2). The group meets monthly to develop and report on progress on its agenda for cooperation. The alliance is also discussing the feasibility of creating a biowarfare defense research center that would conduct research and develop diagnostics products that defend against biochemical agents.

A key partner in the alliance is the San Diego Regional Economic Development Corporation, which facilitates activities to promote growth in the high-wage, high-growth clusters identified by SANDAG. For example, the Corporation attracted seven pharmaceutical companies to the region by locating sites, providing contacts with city officials, and by encouraging the university to develop strong relationships with the companies. The Corporation also acts as a liaison between companies and appropriate government agencies, such as promoting highway improvements in an area with many biotechnology firms to address traffic congestion.

BIOCOM is the biotechnology trade association in the San Diego region. It started out in the late 1980s as a public policy advocacy organization and now promotes the industry's interests nationally and within the state and region on issues such as availability of water, traffic congestion, air transportation, housing, zoning, and workforce development. Membership dues and program fees fund BIOCOM's activities.

**Table 2**

**Partners in San Diego's Biomedical and Biotechnology Sectors**

<b>Organization</b>	<b>Role in Promoting Biotechnology</b>
SANDAG	Conducts research on the local economic base to identify high growth clusters. Identifies issues that prevent growth of cluster industries and policies that are needed to support it.
BIOCOM (an industry association)	Promotes the industry's needs in state and local policy. Assists education institutions in curriculum development.
San Diego Regional Economic Development Corporation	Works directly with existing firms to assess their needs and with firms considering locating in the area. Facilitates activities of organizations working to assist firms in the targeted clusters. Advocates for state policy to promote economic development.
San Diego Workforce Partnership	Develops overall workforce development strategies for targeted clusters. Works directly with employers to develop training programs that meet their needs.
San Diego City Colleges	Develops curriculum in cooperation with employers to meet the needs of key regional industries. BioScience Workforce Development Center & Technology Business Incubator develops biotechnology education and enterprise programs and services and coordinates development of a regional community college-based bio-technician and other training programs
University of California, San Diego	Connect Program assists faculty in getting patents or licensing agreements to encourage new business startups.

**Organization Role in Promoting Biotechnology**

BIOCOM and SANDAG are working together to advocate and identify a site for a new international airport. Both Joe Panetta, President of BIOCOM, and Marney Cox, SANDAG's Director of Economic Planning and Research, argue that the lack of a true international airport in 7th largest city could prevent the region from maximizing on expansion in biopharmaceuticals.

The current airport cannot initiate transatlantic flights and cannot be expanded to do so because it is completely surrounded by the city. Scientists and executives in this fast-growing international industry need to have access to more direct flights. Panetta suggests there is an element of “NIMBYism” that makes finding a location difficult.

In education, the San Diego Workforce Partnership (a not-for-profit organization that also manages the Workforce Investment Board) and BIOCOM are promoting better high school math and science education and encouraging high school students to consider careers in biotechnology. While many workforce boards focus on moving people from welfare to work, the Partnership is building a workforce development strategy that links the region’s economic development goals of expanding key clusters.

San Diego City College has been especially active in the process of assisting companies in the transition from R & D into production. As many of the research and development firms move into production, the demand for sophisticated technicians skilled in factory automation, specialized equipment maintenance and repair, and environmental systems control will increase. Augustine Gallego, Chancellor of the San Diego Community College District, and Joe Panetta, President and CEO of BIOCOM, examined the educational needs of people working in biotechnology manufacturing and visited associate degree programs at community colleges outside of the region. As a result, SDCC has been asked to accelerate its development of programs in Environmental Control Technology, Equipment Calibration, Maintenance and Repair, Small Batch BioProcessing and Large Scale Bio-Pharmaceutical Production and to develop a specialized interdisciplinary training facility. SDCCD’s Mesa campus started a chemical processing technician program with funding from Pfizer. Gallego hopes that by working closely with BIOCOM as manufacturing increases, the jobs being created can be stepping-stones to advancement through further education at SDCC.

San Diego City College also provides technical assistance to biotech firms on modernizing production techniques and developing technician-training programs. The first of SDCC’s Advanced Technology Centers, the Center for Applied Competitive Technologies, was created in 1990 with funds from the California Economic Development Program of the California Community Colleges Chancellor’s Office.<sup>xxxii</sup> The Advanced Technology Centers @ SDCC developed a clear specialization in biotech in 1997 when designated to host the State’s BioScience Workforce Development Center.<sup>xxxiii</sup> In this capacity, the college is developing and testing new technical education programs in the biosciences. The BioScience Center has been awarded close to \$2 million in funds since 1997 from state and federal government programs (including the National Science Foundation) to develop and disseminate technician education programs for production, service, and support positions in biotechnology companies and biomedical device firms. Dr. Joan A. Stopsis, Dean and Director of the ATCs @SDCC and the San Diego Technology Incubator, a technology product and enterprise development center located on the college campus, reports that the programs are currently hosting a dozen start-up enterprises including a number of biotech and biomedical device companies.

The University of California, San Diego is also active in promoting biotechnology and other high-tech sectors. The Connect program was created in 1985 to assist faculty in getting patents or licensing agreements for biotechnology and other high-tech products. As its name implies, the program connects faculty and other entrepreneurs with venture capital and technical assistance in business startup. The self-supporting program is funded by membership dues, course fees, and foundation and corporate grants.<sup>xxxiv</sup>

The San Diego Workforce Partnership, a not-for-profit organization that manages the Workforce Investment Board, is also linking its workforce development strategy with the clusters defined by SANDAG and is doing additional research on drivers of the economy, including biotechnology. While many workforce boards focus on moving people from welfare to work, the Partnership is building a workforce development strategy that links the region’s economic development goals of expanding key clusters. Executive Director Larry Fitch argues that the goal of workforce

development should be to link training to the jobs with the best pay, benefits, and advancement potential. The Partnership is working with BIOCOM to access additional training funds from the California Employment Training Panel. The goal is to obtain funds for retraining of individuals displaced from other sectors, upgrade training for those already in the industry, and promotion of good manufacturing practices to keep the industry competitive. Such a program involving a leveraged partnership between BIOCOM, the NIST sponsored California Manufacturing Technology Center (CMTC), the Advanced Technology Centers at San Diego City College, and San Diego State University was recently announced.

## THE RESULTS

- At least 200 biotechnology and biomedical firms have started in San Diego. It is almost impossible to determine which program influenced the location decisions of these firms, but it is likely that at least some of the organizations in the regional alliance have had some influence in attracting this economic development to the San Diego region.
- The San Diego Workforce Partnership is working with BIOCOM to access training funds from the California Employment Training Panel and its Workforce Investment Board is also developing a training program in collaboration with the San Diego Community College system and with Idec, a biotech firm that was recently granted FDA approval to produce a new cancer drug. Idec's new facility will create 650-700 jobs over the next few years.
- At the request of the San Diego Community College system, the San Diego Workforce Partnership is playing a lead role in bringing together community college presidents and the heads of five of the SANDAG industry clusters to identify gaps in training. In the case of biotech, for example, BIOCOM is identifying skills needed for various types of employers and these skills are being compared to the community colleges' existing curricula and the graduate curricula at San Diego State University and at the University of California at San Diego.
- The Advanced Technology Center of the San Diego Community College system has received close to \$1 million in funds since 1997 from state and federal government programs (including the National Science Foundation) for developing technical programs for production, service, and support positions for biotechnology companies and biomedical device producers.

## THE LESSONS

- **New regional alliances do not require new organizations.** The organizations in the San Diego Regional Biotechnology Initiative have been around for years. Traditional economic and workforce development agencies can adapt to meet the demands of new sectors.
- **Strong leadership in all the organizations makes cooperation possible.** Traditional economic development actors – SANDAG, BIOCOM, the colleges, and the workforce development organizations – have joined together to create a new, sector-based alliance. The heads of the organizations have been working with each other for years and serve on each other's boards. This leadership helps build trust and strong working relationships between the organizations.<sup>xxxv</sup>

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i Weissbourd, Robert. 2001. *Cities and Economic Prosperity: A Data Scan on the Role of Cities in Regional and National Economies*. Boston: CEOs for Cities, 18-20, Barnes and Ledebur, 1998, chap 4., Voith, 1998, 445,

- ii Hill and Wolman 1995; Savitch, Collins, Sanders and Markham, 1993; Ledebur and Barnes 1992; Voith, 1992
- iii Templeton, J. M. 1999, *Land Use Planning Tools in Illinois: Preventing or Promoting Sprawl*. Chicago: Great Cities Institute, p. 5.
- iv See appendix XXX in the final report for a representative matrix of regional alliances.
- v Weissbourd, R. 2001. *Cities and Economic Prosperity: A Data Scan on the Role of Cities in Regional and National Economies*. Boston: CEOs for Cities, Wolman, H., T. Swanstrom, M. Wier, and N. Lyon. 2002. *Testing the Orfield Hypothesis: Cities, Coalitions, and Influence within State Legislatures*, Boston: Urban Affairs Association.
- vi See E. Fuchs. 1992. *Mayors and Money: Fiscal Policy in New York and Chicago*. Chicago: University of Chicago Press. on the increase in special districts and the impact of incorporation on debt formation in the region and also see Nardulli, P. F. (ed.) 1989. *Diversity Conflict and State Politics: Regionalism in Illinois*. Urbana and Chicago: University of Illinois Press
- vii The term “regional action” has been used by governance scholar Kathryn Foster to describe a new pragmatic approach to regional alliances that eschews the more ideological rhetoric of regionalism advocates.
- viii Weissbourd, 1999.
- ix Templeton, J. M. 1999. *Land Use Planning Tools in Illinois: Preventing or Promoting Sprawl*. Chicago: Great Cities Institute, Illinois Constitution, Article Seven, Section 6.
- x Wolman et al, 2002, 24-25. Interviewees for this study note that while the intensity of the political divide between city and suburbs is one of long standing duration in the region, it is, recently, most readily found at the state legislative level. At the local level, such city-suburban divisiveness is not uniformly manifest throughout the suburban municipalities.
- xi Lindstrom, B. 2001. *Innovation, Institutionalization and Functional Regionalism: A Case Study of the Chicago Power Alliance Electric Power Purchase*. Unpublished paper, 7.
- xii Lucy, W.H. and D.L. Phillips. 2000. *Confronting Suburban Decline: Strategic Planning for metropolitan Renewal*. Washington D.C.: Island Press.
- xiii Nardulli, P. F. (ed.) 1989. *Diversity, Conflict, and State Politics: Regionalism in Illinois*. (Urbana and Chicago: University of Illinois Press).
- xiv Wolman et al, 2002.
- xv Numerous local and national news accounts point to the importance of this meeting. In interviews conducted for this case study, several attendees from the Northwest Municipal Conference also attested to the importance of the meeting.
- xvi From interviews with staff assigned to develop a regional forum.
- xvii Worthington, R. and J.L. Griffin. 1997. “We’re All In This Together, Daley Tells Suburbs,” *Chicago Tribune* (April 13) 2:3.
- xviii From the letter of invitation to the mayors of the region’s councils of governments as quoted in Presecky, 1997. “Daley to Host 40 Suburban Mayors in Area of Economic-Health Forum,” *Chicago Tribune* (December 1) 2:2.
- xix Lindstrom, B. 2001.
- xx As in any metropolitan region there are a host of regional entities at work in the Chicago area—from multi-jurisdictional and countywide special purpose authorities and regional planning entities to intergovernmental agreements civic and business associations. Of particular interest here are the intergovernmental practices of regional councils of governments. Today there are eight sub-regional COGs and mayors and managers conferences in the metropolitan area. Their roots go back to the 1950’s and 1960’s where mayors formed voluntary sub-regional municipal leagues that, in some cases, evolved into legally constituted councils of mayors to organize around common issues. As early as 1958 the Northwest Municipal Conference organized around issues of transportation, joint contracting, flood control, waste management and shared fire and safety concerns, as did the DuPage Mayors and Managers Conference and the South Suburban Mayors and Managers Association. They were later joined by the West Central Municipal Conference, the Lake County Municipal League and the Will

County Governmental League. These COGs attracted and retained membership not only because they began to produce joint purchase agreements for public services and lobby for common issues at the state level but also because they supplied membership services for municipal member employees, a service especially valued in the smallest municipalities.

xxi U.S. Conference of Mayors. 1999. Daley Leads Regional Effort to Make Clean Air, Economic Redevelopment Goals Compatible. (April 5) <http://www.usmayors.org/uscm/>

xxii Lindstrom, 2001.

xxiii Wolman et al. 2002, 31.

xxiv See our review of the Denver Metropolitan Mayors Caucus and the Bay Area Council found elsewhere in this report.

xxv The challenge was framed by Eric Parker, Executive Director of the Wisconsin Regional Training Partnership and a long time activist in this arena in the Milwaukee region.

xxvi. The other cities are Denver, New Orleans, Philadelphia, Seattle and St. Louis. The criteria for selecting the sites were a strong civic base, an organization willing to take responsibility for planning and implementation (a development intermediary), an existing track record of jobs projects, and local philanthropic support to match the foundation investment.

xxvii This description draws from an article, Workplace Change Comes to Wisconsin, on the Center on Wisconsin Strategy web site. For a more detailed description, go to <http://www.cows.org>.

xxviii <http://cows.org/about/story.php>

xxix These concerns intensified in 1997 when a reporter in town on another story published a *Wall Street Journal* article claiming that the Committee's goals were incompatible with Campaign for a Sustainable Milwaukee and that the Greater Milwaukee Committee was being "bamboozled" by CSM.

xxx SANDAG's web site provides a history of the organization:

<http://www.sandag.cog.ca.us>.

xxxi SANDAG Info. 2001. San Diego Employment Clusters. San Diego: SANDAG. (page 6).

xxxii <http://www.cact-sd.org/about-us.htm>

xxxiii The other targeted industries are manufacturing, software, wireless communication, and medical services.

xxxiv See <http://www.connect.org>.