



The Mid-size City: Exploring Its Unique Place in Urban Policy

A Summary of the Rochester Conversation on Mid-Size Cities, November 2002

Dear Col Leagues:

Are mid-size cities unique? Do they have special assets or liabilities that help or hinder their governance and success?

On November 12 and 13, 2002, mayors, academics, urban policy experts, writers and others from the United States and Canada accepted my invitation to gather in Rochester, NY to discuss the realities of mid-size cities. We debated and discussed key issues of definition, regionalism, economic development and governing. We also listened intently to a stimulating presentation by Dan Carp, CEO of Eastman Kodak Company, as he detailed the challenges and opportunities of a large multi-national corporation in a mid-size city.

What follows is a summary report of the Rochester Conversation on Mid-Size Cities. I hope that it will serve as a chronicle of an important event and as a framework and foundation for future exploration.

Mid-size cities can and should play a more significant role in urban policy-making. The Rochester Conversation was successful in setting a context for determining how this role can be promoted and fostered. And it also raised the question as to whether being "mid-size" calls for developing a new awareness of the importance and need for partnerships among these special places.

Finally, I acknowledge with grateful appreciation our co-sponsors, Partners for Livable Communities and Cornell University and the funders of the Rochester Conversation: The Rochester Area Community Foundation, The Ford Foundation, Eastman Kodak Company, John Summers, and Cornell University.

Sincerely,

William A. Johnson Jr.

*William A. Johnson, Jr.
Mayor*



Staff:

**Thomas R. Argust, Commissioner (retired)
Department of Community Development, City of Rochester, NY**

Laura Durham, Partners for Livable Communities

Writer:

William Fulton, President, Solimar Organization

Facilitator:

Robert Rich, Cornell University

Cover Photo:

Rochester, NY center city

**For additional copies
or more information
contact:**

**Mayor's Office,
City of Rochester, NY
Room 307A - City Hall I
30 Church Street
Rochester, NY 14614**

(585) 428-7045

**Copyright 2003
City of Rochester, NY
All rights reserved**



The Mid-Size City: Exploring Its Unique Place in Urban Policy

A Summary of the Rochester Conversation on Mid-Size Cities, November 2002



Rochester Conversation on Mid-size Cities November 12 & 13, 2002 Rochester, New York

Carl Anthony, Program Officer
The Ford Foundation
New York, NY

Joseph Borgia, City Councilman
City of Erie, PA

Pierre Clavel, Professor
Cornell University
Ithaca, NY

H. Brent Coles, Mayor
City of Boise City, ID

Sydney Cresswell, Assistant Dean
Rockefeller College
Albany, NY

Richard Filippi, Mayor
City of Erie, PA

Michael Finney, President/CEO
Greater Rochester Enterprise
Rochester, NY

William Fulton, President
Solimar Organization
Ventura, California

William W. Goldsmith, Professor
Cornell University
Ithaca, NY

Peter Harkness, Editor & Publisher
Governing Magazine
Washington, DC

Harvey Johnson, Jr. - Mayor
City of Jackson, MS

William A. Johnson, Jr. - Mayor
City of Rochester, NY

Neema Kudva, Assistant Professor
Cornell University
Ithaca, NY

Jennifer Leonard,
President & Executive Director
Rochester Area Community
Foundation
Rochester, NY

John H. Logie, Mayor
City of Grand Rapids, MI

Eugene Lowe,
Assistant Executive Director
The United States
Conference of Mayors
Washington, DC

Gary Lyman, Chief of Staff
City of Boise City, ID

David Miller, Associate Dean
University of Pittsburgh
Pittsburgh, PA

Robert H. McNulty, President
Partners for Livable Communities
Washington, DC

Eugene "Gus" Newport,
Former Mayor
City of Berkeley, CA

Neal Peirce, Columnist
Citistates Report
Washington, DC

**Kenneth M. Reardon, Associate
Professor**
Cornell University
Ithaca, New York

Tanya Rusak,
**Project Coordinator -
Municipalities in Transition
Program**
The National League of Cities
Washington, DC

Mark Seasons, Assistant Professor
School of Planning
University of Waterloo
Waterloo, ON, Canada

Table of Contents

Introduction to The Rochester Conversation on the Mid-Size City	7
What Is A Mid-Size City?	8
Mid-size City Issues	
No. 1: Equity	9
No. 2: Smart Growth and Regionalism	10
No. 3: Economic Development	12
No. 4: Governance	13
The Corporation and the Mid-Size City	15
Conclusion and Next Steps	17



Introduction

Policy debate regarding the global “New Economy” has increasingly revolved around the idea that economic growth is driven worldwide at a regional level. It is often said that economic competition around the world is not competition among nations but, rather, economic competition among metropolitan regions.

Most of the attention has been focused on the largest metropolitan regions which are themselves driven by the presence of large cities. It’s not uncommon to discuss “the regional world” by talking about competition between super-metropolises like New York, Los Angeles, London, Tokyo, and San Francisco.

Yet all cities are not created equal. Chicago is not Hartford or Des Moines and Chattanooga and Rochester are not Seattle. In the context of “the regional world,” these differences are becoming more important. Many mid-sized cities in the United States have stagnant or declining populations, and they are less dense — and, in many ways, less complex — than their larger counterparts. Yet many more are also the focal point of metropolitan regions that play an important role in the New Economy — or are struggling to find that role.

Many of these midsize urban centers are confronting the loss of their traditional economic base in agriculture, manufacturing and trade. They are doing so at a time when many families and firms, attracted by cheaper real estate and lower taxes, are moving to the

urban periphery, robbing many cities of their most highly educated and productive workers. The ability of these mid-size cities to respond to these economic challenges is further complicated by the increasing concentration of poverty in urban centers and the increasing disparity of wealth between cities and suburbs.

Large cities have benefited from research, conferences, and forums sponsored by academic institutions, think tanks, and other national organizations. And smaller communities have benefited from similar work done by various rural development institutions. However, the challenges facing the nation’s (and globe’s) midsize cities tend to be overlooked.

In response to these and other challenges, midsize cities are beginning to reevaluate their assets to determine their competitive advantage in the New Economy. Should mid-size cities clarify their unique place in society? Should research be encouraged to gain a better understanding of mid-size cities, their governance, culture, problem solving abilities, citizen engagement and other sociological and political factors? Is there a uniqueness about being “mid-size” that calls for a new identity, a new awareness, a new consciousness and a new partnership among these special places?

To begin exploring answers to those questions, the City of Rochester Mayor, William A. Johnson, Jr., hosted the Mid-Size Cities Conversation, in collabora-

tion with Partners for Livable Communities and Cornell University. In November 2002, a group of mayors, scholars, journalists, and practitioners met in Rochester to discuss how to address these issues, and to explore the feasibility of promoting ongoing dialogue among such urban centers. The mid-size city leaders included Mayor Johnson, of Rochester, Mayor John Logie of Grand Rapids, Mayor Brent Coles of Boise, Mayor Richard Filippi of Erie, Mayor Harvey Johnson, Jr. of Jackson, Mississippi, and former Mayor Gus Newport of Berkeley.

The conversation itself had several aspects to it, including:

1. *A discussion of the definition of a mid-size city.*
2. *Four separate discussions about specific issues of mid-sized cities, including equity, regionalism and smart growth, economic development, and governance.*
3. *A presentation by and discussion with Kodak CEO Daniel Carp about the relationship between the corporate world and the mid-sized city.*
4. *A discussion of what the “next steps” might be in the Conversation.*

The Rochester Conversation was the first initiative in developing the place of the mid-size city in American public policy. Further collaboration could help to translate, analyze and understand the experience of mid-size cities throughout the world with respect to government structures, their particular models of citizen engagement, their role in a global or domestic economy, their place as a regional market and cultural centers and retaining/recruiting a highly talented and creative workforce. With the influence and consequences of “globalization” and the “New Economy” looming large, the issues unique to mid-size cities cannot and should not be ignored.



L to R: David Miller - University of Pittsburgh; Sydney Cresswell - Rockefeller College; Laura Durham - Partners for Livable Communities

The Rochester Conversation began with the assumption that any city with a population of between 100,000 and 300,000 persons, located within a Metropolitan Statistical Area of 1 million persons or more, could qualify as a “mid-sized city”. There were about 180 such cities in the United States according to the 2000 Census. However, there are many different **types** of mid-sized cities, and so the Rochester Conversation devoted a significant time to understanding those differences.

The discussion about what defines a mid-size city was framed by William Goldsmith, a professor of city and regional planning at Cornell University. In his introductory remarks, Goldsmith suggested that there were at least four different elements in defining a mid-size city. These were:

1. The Forgotten Middle. *“World-class cities” — that is, large central cities in large metropolitan areas such as New York and Los Angeles receive significant attention in the political and policy arena. Mid-sized cities are also important to national and regional economies. However, they get little attention. Cities might qualify as “mid size” in part simply because they don’t get as much attention as their larger counterparts.*

2. The Hub of Mid-Sized Metro. *One important attribute of many mid-sized cities is that even though they are smaller than large cities — and may have a stagnant or declining population, they are nevertheless the hub of a mid-size metropolitan area. This means they are still serving as the cultural, economic, and governmental centers for a larger region of many other communities.*

3. The Thinning City. *Many of America’s mid-size cities are actually “thinning”. That is, they have stagnant or declining populations and they are located in metropolitan regions in which the population is being spread more thinly across an ever-larger area.*

4. The Divided City. *One definition of a city is simply a place that is divided, often by race, class, or income. Almost all cities — even small ones — are divided places in one way or another. A mid-size city might be one that it is simply large enough so that these issues of division have reached a critical mass that they cannot be ignored.*

During the breakout sessions and in the subsequent discussions, it became clear that there are many types of cities that meet the statistical definition, and these cities might not all share the same commonalities.

For example, many mid-size cities — despite their fairly large population — are really suburbs or satellites of another, much larger city. Most of these suburban cities are located in the West and especially in California, where about 25% of all cities 100,000 to 300,000 persons are located. The vast majority of these cities are really suburbs of Los Angeles or San Francisco.

These cities are confronting urban issues typical of older, inner-ring suburbs throughout the nation, including increasing ethnic and economic diversity, loss of jobs, and a decaying and inadequate public infrastructure. These are important and difficult issues, but they are often tied to the urban issues of a larger central city that is located adjacent or nearby to the mid-sized city.

In that sense, then, the suburban mid-size city is a different type of “urban animal” than one such as Rochester or Erie, which remain the undisputed hubs of a larger metropolitan area.

By the same token, a city smaller than 100,000 persons — located in a metropolitan region of less than 1 million persons — might play an important regional *function* that is more typical of a larger city. For example, Erie, Pennsylvania — represented at the Rochester Conversation by Mayor Richard E. Filippi and Councilmember Joseph Borgia — is a city of barely 100,000 persons in a metropolitan area of barely 200,000 persons. Yet Erie clearly plays the pre-eminent role both in the metropolitan area and in the surrounding region. It is the center of government and regional services, and no surrounding city in the Erie “orbit” plays a similar role. Even if Erie dropped below the 100,000 population mark — which is likely in the near future — it will remain a mid-sized city in function.

In that sense, most of the discussion at the Rochester Conversation revolved around the idea that a mid-size city is *the diverse central hub of a larger urban region*. Furthermore, there was general agreement that one thing that all mid-sized cities may face — no matter what their other circumstances — is that they *suffer from obscurity* in urban and metropolitan policy discussions. In the end, however, the Rochester Conversation did not decide to explicitly include or exclude any mid-sized city from future involvement. Instead, the group decided to permit cities to self-define themselves as *mid-size* and further discuss these and other common issues.



(L) Ken Reardon; (R) William Goldsmith both from Cornell University

Mid-Size City Issues



Bill Fulton - President, Solimar Organization



Carl Anthony, Ford Foundation

Cities and some inner suburbs are still uniquely burdened by problems of impoverished neighborhoods, we live in a political environment in which people would like to wish away poverty and racism. But it's really alive on the American scene.

No. 1: Equity

The issue of equity is always a concern in cities. Almost by their nature, cities are divided places — divided by extreme differences in economic class and often by differences in racial and ethnic groups as well. But there is a difference between large cities and mid-size cities in this regard. Most successful large cities still retain a mixture of rich and poor, as well as a mixture of races and ethnicities. This may not be true for mid-size cities.

Even though they often retain a crucial role in its region's economy, its governmental administration, and its cultural life, the mid-size city itself is often thinning out, and suburban areas are relatively inexpensive, meaning that most affluent and middle-class residents of the region go elsewhere. Indeed, in many smaller Northeastern and Midwestern metropolitan areas, rapid suburbanization continues even though the region's population is stagnant or in decline. Not surprisingly, urban-suburban tension is great and cooperative action is difficult to accomplish.

Given these considerations, how should the equity issue be addressed in mid-size cities as opposed to larger cities?

At the Rochester forum, these issues were framed by Professor Goldsmith from Cornell, co-author of *Separate Societies: Poverty and Inequality in U.S. Cities*. In his opening remarks, Goldsmith argued that, even with the direct subsidies to cities, the federal government's overall pattern of spending and investment dramatically favors the suburbs, largely because of transportation expenses and the mortgage interest deduction. He noted that the 2000 Census shows a suburbanization of immigrants and an increased integration in suburban communities, but argued that these modest gains are outweighed by enduring problems. "Cities and some inner suburbs are still uniquely burdened by problems of impoverished neighborhoods," he said.

"We live in a political environment in which people would like to wish away poverty and racism. But it's really alive on the American scene."

In challenging the participants to think about the equity issues of mid-size cities, Professor Goldsmith asked two specific questions, one dealing with race and one dealing with economic class.

On the question of race and ethnicity: *"What is being done in your own metro area and with your city as part of a coalition that extends from the city to some suburbs — to promote either consolidation or grassroots supports, to improve budgets or social programs, to invent alternatives to incarceration for victimless crimes, to give hefty support for schools — in order to really dismantle American apartheid?"*

On the question of economic class: *"What is being done to offer political support to outspoken and progressive state and federal candidates, to support efforts to establish multi-jurisdiction tax-sharing programs, to legislate for living wages for public employees and employees of enterprises that benefit from public funds, to increase the supply of affordable housing in all jurisdictions — so as to improve the basic distribution of household disposable incomes?"*

The answers from the breakout groups covered a broad range of issues and possibilities, many of which focused on attempts — successful and unsuccessful — to create cooperative regional partnerships between midsize cities and their suburban neighbors.

Most participants agreed that — at least on the high policy level — very little is being done to directly address the questions that Professor Goldsmith raised. Yet, as one of the breakout groups noted, there is high-level policy activity on a wide range of issues that deal with social and economic equity, including workforce preparedness, school change, and the need to position cities and regions to compete in the global economic marketplace. In

many cases, mid-size cities may need to use these issues as leverage to approach the question of equity.

Some mid-size cities may have a chance at achieving success in cooperating with suburbs. In a few extremely rare cases, a merger between the city and the surrounding county might be possible. This was the case recently in Louisville, where the city grew in size from 250,000 to 700,000 by merging with the surrounding county — instantly transforming itself into a big city. In other cases, cities and suburbs might come together on specific issues.

For example, Mayor John Logie of Grand Rapids told the story of his city's willingness to participate in a reorganized regional transit agency. Under the old system, Grand Rapids appointed 9 of 18 board members, but most suburban communities did not dedicate property taxes to the agency and as a result transit service was limited to daytime, Monday through Friday. After lengthy negotiations, the board was reorganized (so that Grand Rapids appoints only 5 of 15 board members) and property taxes were passed in four new suburban communities to support the system. The mid-size city surrendered some control, but the entire region — including the city, whose residents are more dependent on transit — got more service as a result.

In many other cases, the mid-size city may be able to force a more equitable distribution of resources within the region by using its leverage over suburban communities. Under the metropolitan structure in many older mid-size regions, the city may be small and stagnant in population but it controls key pieces of regional infrastructure, such as airports and water and sewer systems. Suburban communities have often “piggybacked” on these systems, and cities can use their leverage to recapture costs and, in the process, obtain a more equitable distribution of public resources.

The question of zoning and land use came up in almost every breakout group. There is little question that regional inequity in mid-size metropolitan areas is, in some measure, the re-

sult of suburban zoning restrictions, especially large-lot zoning. Mid-size cities are often characterized by older neighborhoods with a great diversity of land uses — including different housing types in close proximity to one another. Some of these neighborhoods have held up well; some have deteriorated.

In many of these same mid-size metropolitan regions, however, nearby suburban communities have effectively exercised large-lot zoning for decades. Because the price of suburban land is still relatively inexpensive in these smaller markets, this has proven an attractive alternative to the city for middle-class residents — while, of course, excluding people of more modest means and thereby increasing the race/class divide.

No. 2:

Smart Growth & Regionalism

Smart growth and regionalism aren't really the same. However, in the context of mid-size cities they are closely related. “Smart growth” has many definitions, but the best one is probably that smart growth is a development pattern that is more compact and less auto-oriented, allowing for the creation of more vibrant, diverse, and “centered” neighborhoods as well as the protection of agricultural land and other open space. Regionalism isn't necessarily tied to growth patterns — it's really about overcoming parochial jealousies within a region and gaining a sense of common destiny. Regionalism can be encouraged or discouraged by patterns of growth within the region itself.

The smart growth and regionalism discussion was framed by William Fulton, a native of Upstate New York and president of Solimar Research Group in California. In his remarks, Fulton talked mostly about smart growth, acknowledging that many aspects of the regionalism issue had been discussed under the topic of equity. Most specifically, he argued that “smart growth” strategies are more feasible in areas with limited land supply, high land costs, and strong market demand for real estate development. So, for mid-size Northeast



Jennifer Leonard - President & Executive Director, the Rochester Area Community Foundation

Smart growth and regionalism aren't really the same. However, in the context of mid-size cities they are closely related.



Neil Peirce, Syndicated Columnist

Mid-size cities may be at a competitive advantage compared to larger cities... because they may retain a greater share of regional assets and there is less likely to be a large, rich suburban jurisdiction able to seriously compete to acquire them.

and Midwest cities, smart growth can be a challenge.

This can be a problem for mid-sized cities and especially for hub cities in mid-sized regions in the Northeast and Midwest. As revealed by the recent “Who Sprawls Most” report, co-authored by Fulton and released by the Brookings Institution Center on Urban and Metropolitan Policy, smaller metros have bigger sprawl problems since that they are often urbanizing large amounts of land to accommodate modest increases in population (or even declining populations). This is especially true in the Northeast and the Midwest.

The reason is simple: in such metropolitan areas, the “push” factor outward is much stronger than the “pull” factor inward. Outlying areas aren’t that far away from the central city, and traffic congestion is not as bad as it is in larger cities. There are fewer topographical constraints to growth (compared to the West, for example) and land is inexpensive. Also, there is often a differential tax structure that makes living in the suburbs cheaper in terms of property taxes. How do you deal with the temptation of cheap, abundant land and lower taxes?

Surprisingly, little of the discussion in the breakout groups focused on constraining growth on the edge through open space and agricultural protection. Rather, most of the discussion revolved around creating and maintaining a regional core in the mid-sized city that is attractive and valuable to the entire region.

Whatever it is lacking — or losing — a mid-size city that serves as the hub of a mid-size region is still likely to have most of the region’s cultural and institutional assets, including universities, performing arts centers, medical centers, sports parks, and so forth. They may also control airports, even if those airports are not located inside the city limits. Mid-size cities may be at a competitive advantage compared to larger cities in this regard, because they may retain a greater share of regional assets and there is less likely to be a large, rich suburban jurisdiction able to seriously compete to acquire them.

The consensus of the group appeared to be that mid-sized cities must understand what these assets are and use them as wisely as possible to reinforce the city as the regional core. Many of these institutions, especially medical centers and universities, are likely to have such a heavy sunk cost in the central city that they are unlikely to move and therefore willing to invest in the city as the regional core. Universities, in particular, were identified as an underused asset, because they are not only economic engines but also vehicles through which research and action related to the city’s own role and activities can be stimulated.

The participants spent relatively little time discussing schools and other neighborhood issues, such as crime, as a factor in discouraging further city population growth and encouraging suburban sprawl. However, all acknowledged that such regional inequities — especially regional inequities in the school arena — play an extremely important role. This role can be accentuated in a mid-size city because, once again, suburban areas have better proximity and access to the central city in a mid-size region than a large one.

One participant, Peter Harkness of *Governing* magazine, warned other participants not to take on sprawl in the guise of regionalism. He said attempts to do so will likely alienate suburban jurisdictions and he advised the group to fight sprawl on its own terms rather than disguise it as regional cooperation.

Having accepted that point, however, the group did acknowledge that government reorganization in older mid-size cities may be an important step, both to foster regional cooperation and to stay competitive. Several participants mentioned the city-county merger in Louisville, as well as struggling attempts to do the same in Rochester and nearby Buffalo. In the end, regionalism might best be promoted by good old “government efficiency” efforts — merging together units of government that have outlived their purpose, especially in those mid-sized “thinning metropolises”.

No. 3: Economic Development

Economic development has proven particularly nettlesome in the last decade for mid-size cities without highly diversified economies. The increased pace of structural changes on both the national and international level has put smaller, concentrated economies at a severe disadvantage. Cities whose economies were based on manufacturing have been particularly hard hit and they've been left to wonder how to transform themselves for the 21st Century. That task seems to hinge on the ability to attract the New Economy's creative class of workers.

In introducing these economic issues and their implications, Robert McNulty, president of Partners for Livable Communities, discussed the role of a mid-size city in its regional contexts. He noted that those contexts might change depending on the focus—economy, hydrology, transportation—but that the point of any regional strategy is to create places in which a good life is accessible to all. Economic opportunity makes a good life more possible. For economic opportunity to be present in individual cities, a number of elements seem critical:

- *A downtown gathering place that is safe, accessible, and attractive to both residents and visitors.*
- *An inclusive culture that imbues the place with sense of excitement, diversity and energy that will attract and retain young people.*
- *A marketing plan that creates a buzz and establishes a brand.*

The participants then tackled the expansive issue of how mid-sized cities can hone a 21st Century competitive edge by breaking it down into the following three questions:

- *How can mid-size cities transform themselves into the highly competitive hubs that will attract the creative, highly educated workers that New Economy businesses demand?*

- *How can mid-size cities that are homes to colleges and universities effectively partner with their academic institutions to bring their joint resources to bear on economic redevelopment challenges of the 21st Century?*
- *How can mid-size cities work cooperatively with other neighboring jurisdictions for the economic health of their entire region while still satisfying the unique needs of each municipality?*

After returning from the breakout groups, the participants concluded, with regard to the economic transformation many mid-size cities need — that no “one-size-fits-all approach” exists. Each community needs to assess its strengths and weaknesses. Cities should consider what new applications are possible for existing resources. “Creative Centers,” or hubs, might be built, for example, by encouraging suburban schools to open satellite centers in a mixed use downtown district.

Regarding universities, most participants agreed that higher education is an underutilized resource in economic redevelopment. While cities should encourage the participation of universities, they frequently are not positioned to do so effectively despite the fact that the benefits of university location flow both ways.

Several strategies were identified for increasing community-university partnerships, including:

- *Creating of inter-institutional development networks and public service endowments at universities.*
- *Reaching formal agreements between cities and universities so that the two can work together more easily.*
- *Convening local forums to identify areas where government, non-profits, community benefit organizations, universities might collaborate and coordinate efforts.*

One breakout group also identified ways of moving college and university



Bob McNulty - President, Partners for Livable Communities

How can mid-size cities transform themselves into the highly competitive hubs that will attract the creative, highly educated workers that New Economy businesses demand?



Mayor William A. Johnson, Jr. - Rochester, NY (standing); Mayor John H. Logie, Grand Rapids, MI



Assistant Professor Neema Kudva - Cornell University

In cities plagued by fragmentation, as many mid-size cities are, the consequence is widespread incidence of "Who's in charge?" syndrome. This can be confusing and frustrating for those seeking municipal services.

involvement beyond voluntarism and into local economic development. Local university research programs, especially applied research, can be an avenue for academic involvement in the local economy. On a broader scale, a privately funded organization, akin to the Community Outreach Partnership Center program, could be a vehicle to promote research alliances between communities and their universities.*

Regarding competition over tax base, all cities shared concerns about how to facilitate business and investment, and to stabilize their tax base. It was agreed that addressing most concerns will require state involvement through the passage of new or amended laws. Few mechanisms exist for working regionally. As in the earlier discussions, the possibility of consolidating services — especially in "thinning metropolises" — was seen as one way to act regionally.

The consensus was that competition among cities was for upscale, not affordable, housing. Particularly in 'thinning' cities, an increasing supply of housing in the newer suburbs leaves older suburbs vacant and dilutes their property value. Similarly, newer shopping malls often leave older ones empty in their wake. Changing building and zoning laws might facilitate the renovation of older buildings to accommodate more modern uses. However, in the absence of tax reform and fiscal incentives, these may not be powerful enough tools to reverse the flow out of older areas.

No. 4: Governance

The first of three questions used to frame the discussion on how mid-size cities are best governed was this: *Does size matter a lot or a little?*

The answer that emerged from the session moderated by Peter Harkness, Editor and Publisher of *Governing Magazine*, was "It all depends." It depends on the resources available, on the governmental structure, and on the local economy. Big doesn't necessarily mean unwieldy — Harkness pointed to New York and Chicago as success stories in his introductory comments — but the

problems of large cities are quite different than those that face mid-size ones and they do not all relate to scale.

The participants agreed that, within limits, size is not as important as other factors in some respects, though it counts for a lot in matters of influence on the larger stages of state and national politics. In these instances, coalitions can be powerful, as rural organizations have shown. On the local stage, the structure of metropolitan region appears to be at least as important.

This was certainly so in Harkness' example of Buffalo. At the start of the 20th Century Buffalo was the 8th largest city in the U.S.; it now has a population of less than 300,000. And like its peers in Erie County, it labors under a heavy burden of government. Though the county only has 3 cities, it has 875 special taxing districts, so that every citizen is taxed by 6 different jurisdictions. In cities plagued by fragmentation, as many mid-size cities are, the consequence is widespread incidence of "Who's in charge?" syndrome. This can be confusing and frustrating for those seeking municipal services.

Particularly in mid-size cities, the private sector complicates the problem by adding the insult of 'absentocracy,' which Harkness describes as the situation where none of a city's newspaper, television and radio stations, or largest banks are headquartered there, but are owned by corporations which may be thousands of miles away. This intensifies the disenfranchisement of citizens because institutions which citizens might once have enlisted as powerful allies are generally disengaged from the community.

If size is not all important, is the structure of a city's government the key determinant in whether it is well-governed?

The discussion revealed that no structure is without its problems. With Hartford as an example, Harkness pointed out that, depending on governmental structure, even when a problem is clearly in the city's purview, there may be no one person to go to for a decision. In a weak mayor system, the

mayor can't speak for the city and council representatives frequently take a parochial view, concentrating on their own neighborhoods. In some instances, Harkness noted, a strong city manager fills the role of the citizens' central contact, but there is no guarantee this system won't go awry as it did in Cincinnati. After years of stability, a deep division in the City Council caused the city government to destabilize. The crisis later led to the establishment of a strong mayor system. Harkness hastened to say that there are examples of highly successful weak mayor-strong city manager systems, such as those in Austin, Phoenix and Oakland. And in the end it may well depend on the individuals involved. Participants agreed that who the actors are is hugely important. Charismatic leadership can be crucial to successful community visioning and planning processes, in shaping workable implementation plans and in seeing that they are carried out.

Along with strong leadership, participants identified five additional components of a well-governed city. These included: citizen participation, coordination of programs (which they related to leadership), responsiveness to citizen concerns, systematic linkage between policy direction and action, and access to resources, in particular financial resources.

The last question considered was *How does a mid-size city create a strategic plan that goes on to be more than an unfulfilled wish?*

In his introduction, Harkness noted that there is a great deal of skepticism surrounding strategic plans. Chattanooga is held up as the standard, but as with most successes, the birthing process was much more difficult than it appeared to detached observers. Other efforts look better on paper than they turned out to be in execution; St. Louis' plan was beautifully printed and promised significant results, but the specifics are not spelled out and it is unclear how the ambitions relate to the social and economic realities. It is all too common in strategic planning to be all flash and no show—to raise expectations, fail to deliver, and leave a sooty legacy of

cynicism. Success lies in measured, steady steps toward achievable goals.

The strategic planning process, the group agreed, will only be successful when there is an agency to provide continuity and sustained attention to the plan. Because long term plans require political will to endure for the long haul, it was generally felt that plans should focus on shorter terms. It was also agreed that they should be formulated bottom-up, though it was cautioned that a realistic approach to public participation is essential. The success of Rochester's Renaissance 2010 Plan illustrates the importance of significant neighborhood engagement as the basis for formulating a city-wide plan.



Mayor Harvey Johnson, Jr. - Jackson, MS



L to R: Gus Newport - Former Mayor of Berkeley, CA; Assistant Professor Mark Season - University of Waterloo, Ontario, Canada; Mayor Brent Coles - Boise, ID



Peter Harkness - Editor/publisher, Governing Magazine

Because if the mayors and stakeholders in mid-size cities do not act on this awareness that they are important and that they do matter, then no one else will.

The Corporation and the Mid-Size City



Daniel Carp - C.E.O., Eastman Kodak Company

"I urge you, as leaders of mid-sized cities, to leverage the power of brand equity. Your brand ...conveys to potential developers and companies why they should invest in your community..."

One of the most important — but frequently overlooked — elements in municipal success stories is the relationship between cities and their corporate citizens. Addressing Conversation participants at dinner held near Eastman Kodak Company headquarters in the revitalized High Falls entertainment district of Rochester, Kodak Chairman and CEO Dan Carp spoke of the partnership that Kodak and the city have formed—one that is built on "shared values and dreams." Carp noted that corporations and cities face similar challenges and opportunities in the New Economy of the 21st Century. Since a city's municipal economic well-being is wedded in large part to the success of its corporate citizens, Carp advised mid-size cities to adopt strategies for success similar to those that ensure competitiveness in the business world. Selected below are excerpts from Mr. Carp's presentation.

Those who study expansion management say the ability to build strong alliances and public/private partnerships ranks among the top 10 most important factors that attract business to particular cities.

Cities of all sizes must make strategic collaboration a priority — but it is especially critical for those cities in the Northeast and Midwest where population declines continue. The ability to form coalitions with older suburban areas to stimulate reinvestment and economic development is critical.

All it takes is vision, hard work and a little courage — because your challenges and opportunities are not so very different from companies competing in the global marketplace.

At Kodak our continuing success hinges on our ability to deliver on six things:

Satisfied Customers

At Kodak, our commitment to customer satisfaction is total...We solicit, respect and act on feedback from customers across all our businesses, around the world.

Things are no different in your cities, where you track the needs and wants of your customers — your constituents. We've found that no matter how complex the process or the technology that drives a product or service, it must be accessible, and easy to use. If it's not, we won't get our constituents' votes.

Motivated Employees

Our second common need is for motivated and talented employees. I have a personal mission to insure that Kodak is an employer of choice, particularly as it relates to issues of inclusion and equal opportunity.

It's a business imperative, as well as a moral one. We serve diverse markets around the world, in a very tough competitive environment. We need to leverage the backgrounds, ideas and talents of all contributors in order to foster a climate in which each contributor can develop to his or her fullest potential.

Strong Balance Sheet

I'm certain mid-size cities share our third challenge — maintaining a healthy balance sheet, especially in the midst of unpredictable economic cycles.

Our focus on fundamentals — conserving cash, reducing costs — has been helping us weather the storm. Our earnings are up and cash flow is strong — even with flat sales and an exceptionally sluggish economy.

But to get here we've had to make tough decisions. These decisions are never easy. But I know we've both found

— cities and corporations, alike — that taking costs out of our operations must be a continual process.

Growth

Our next shared challenge is growth. From Jackson, Mississippi to Berkeley, California, you wisely speak of smart growth — development that serves the economy, community and environment. Growth for the sake of growing just isn't acceptable anymore. Quality-of-life issues have become increasingly important for your communities. This can mean walking away from opportunities — something that would have been unthinkable a few years ago. But it also means taking bold steps into completely new areas that have the potential to transform your communities.

Of course, any discussion of smart growth has to take into consideration the changing demographic composition of many mid-size cities. The Brookings Institution analysis of data from the 1990 and 2000 Census indicates the growth of medium-sized cities depended largely on an influx of new Asian and Hispanic resident, which requires an understanding of the household structures of new populations — many of which may be younger, and of a larger size.

The challenge becomes to provide jobs, housing, schools, services and amenities that are appropriate and attractive to families and individuals of varying race and ethnic background; and to do so in a way that insures growth. This means not only addressing and leveraging an increasingly inclusive workforce, but also developing powerful new businesses in strong and emerging markets that consistently contribute profit to the corporation.

Building and Protecting the Brand

Establishing and maintaining a strong brand is essential to building a

robust customer base, whether that brand is for a company named Kodak or a city named Stamford.

At Kodak, our brand is our reputation. All of us take seriously our responsibility to uphold it, protect it and make it stronger. We do this in large part through a set of [six] common guideposts, or corporate values:

1. *Respect for the dignity of the individual*
2. *Uncompromising integrity*
3. *Trust*
4. *Credibility*
5. *Continuous improvement and personal renewal, and*
6. *Recognition and celebration*

These values underpin all that we do, every day and at every level of the organization in every region throughout the world. Practicing them is essential, especially during these times of great change and substantial skepticism.

I urge you, as leaders of mid-sized cities, to leverage the power of brand equity. Your brand is a true market differentiator and conveys to potential developers and companies why they should invest in your community and not next door. The connections they make with your brand, whether through perception or experience, can strongly influence their purchasing behavior and impact your bottom line.

Innovation

The sixth challenge we share is the need for innovation. I recognize that inventions and getting products to patent may not be at the top of the challenge list for mid-size cities. But, according to some widely credited research that's taken place recently,

your future success may very well be determined by the creativity of your community.

Dr. Richard Florida, professor of regional economic development at Carnegie Mellon University, has been tracking a societal shift that strongly suggests that human creativity is the key factor in our economy. In *The Rise of the Creative Class*, he writes, "In virtually every industry the winners in the long run are those who can create and keep creating."

Having access to talented and creative people, says Dr. Florida, "is to modern business what access to coal and iron ore was to steelmaking. It determines where companies will choose to locate and grow, and this in turn changes the ways cities must compete."

And in our highly competitive global market, we must constantly look at ways to shift resources to the best economic advantage. This is an ongoing process at Kodak that occurs in every location around the world. The end result can be job losses or job gains for people and communities. Many of you manage cities that are home to global companies, and you know that despite the ebbs and flows, a hospitable climate for business encourages growth.



Eastman Kodak Company headquarters viewed from downtown Rochester.

Conclusion and Next Steps

After a day-and-a-half of discussion and debate about mid-size cities, the mayors, the academics, and the practitioners began to debate whether it made sense to move forward with a research and policy effort. Their answer, in a word, was “Yes.”

But the more difficult question was *how* to move forward and what roles each of the participant groups might play. To hammer that one out, the participants divided into three groups — the mayors, the academics, and the “partners,” which included nonprofit organizations, journalists, and association representatives from the National League of Cities and U.S. Conference of Mayors.

The mayors themselves concluded that it made sense to work together to address common challenges of mid-size cities and also to share best practices — something that is clearly lacking at the moment. More specifically, they suggested:

- *Working together to overcome obscurity by building legislative clout. This may not only be at the federal level, but at the state level as well.*
- *Convening conversations about mid-size cities at larger meetings of their two professional associations, the U.S. Conference of Mayors and the National League of Cities.*
- *Re-convening the Rochester Conversation with more mayors involved in the Spring of 2003.*

The academics concluded that they could play several important roles as the mid-size cities effort moves forward, including:

- *Reorient urban policy research to focus more on midsized cities.*
- *Incorporate discussion and focus on mid-size cities into their curriculum.*
- *Promote the idea of Community Outreach Partnership Centers —*

or a similar concept — specifically for mid-sized cities.

- *Promote universities as significant assets that mid-size cities can enlist in their efforts to compete globally.*

The partners had three ideas that focused mostly on outreach and publicity:

- *Encouraging foundations to become more actively involved with mid-size cities.*
- *Helping shape a public relations and marketing strategy for mid-sized cities.*
- *Documenting the similar issues shared by mid-size cities and helping to shape a public policy agenda that specifically addresses them.*
- *Participants concluded the Conversation by agreeing to work with the National League of Cities and U.S. Conference of Mayors to promote discussion of midsize cities at their respective meetings and conferences; to recruit more mayors and other key persons for the effort; and to reconvene in the spring.*

In his remarks at the closing luncheon, syndicated columnist Neal Peirce noted that “cities are cities.” Meaning that, throughout history, cities have always had a common set of elements, such as a concentration of activities in the core and an expansive economic reach into the hinterland. In that regard, mid-size cities are similar to larger ones. They have both had the same basic functions for thousands of years.

Yet it became clear during the Rochester Conversation that mid-size cities are unique. They have different sets of problems and different sets of assets than larger or smaller municipalities.

Compared to their larger counterparts, mid-size cities often lack economic diversity. They cannot find “pull” factors strong enough to combat the

“push” factors that lure people away. They struggle to retain longtime residents and attract new ones. They often retain poverty but lose wealth. And they often get lost — both in the global economy and in the domestic policy debate.

Yet mid-size cities have assets, too — and those assets are a function of their size and role. They are inexpensive. They are relatively free of congestion. They are often friendly places, and places where the local power structure is easier to organize toward a specific mission. And they have institutional assets, such as universities, that can play a critical role in their future more easily than is the case in larger cities.

With this unique set of problems and assets, these cities have an important role to play, both in the global economy and in the vibrant community life of America. In a word, they *matter*.

But mid-size cities are just beginning to develop an awareness of themselves and the role they play in the world. They must further develop this awareness and create a plan of action. Because if the mayors and stakeholders in mid-size cities do not *act* on this awareness that they are important and that they do matter, then no one else will.

The Rochester Conversation on Mid-Sized Cities represents an important first step in developing a greater self-awareness and a plan of action. But the next steps are even more important. More mayors will be needed, so that it truly represents a cross-section of mid-sized cities in the nation. More universities, think tanks, scholars, journalists, and organizations will be needed as well, so they can play a role in analyzing, understanding, and communicating the role of mid-size cities. Together, these players — and other stakeholders as well — can make a difference in putting America’s mid-size cities “on the map” and helping them continue to play a key and important role in America’s future.

