



TOGETHER WE CAN...

—

Charting a Course to Cooperation
for Greater Birmingham



Measuring What Matters.

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Produced by

Thomas Spencer, Senior Research Associate

Jim Williams, Affiliated Researcher

Graphic Design by Lewis Communications.

Layout and art direction by Ginny Fowler, Awful Cool Branding & Creative Communications.

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Ryan C. Hankins, Executive Director

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Charting a Course to Cooperation for Greater Birmingham

A Report prepared by the Public Affairs Research Council of Alabama
for the Community Foundation of Greater Birmingham

June 2017



Measuring What Matters.



COMMUNITY FOUNDATION
OF GREATER BIRMINGHAM

As a trusted community partner, the Community Foundation of Greater Birmingham has been helping to transform the landscape of our region since 1959. In addition to funding the work of our nonprofit partners, we are also addressing larger community issues—issues that have an impact on the long-term well-being of our region. One such issue is regional cooperation—or, in the case of the Greater Birmingham area—the LACK of regional cooperation.

The following report is a starting point for a community discussion that needs to occur if we, the greater Birmingham area, hope to remain relevant in the future. It is about exploring structures that position us to work collectively so that we can address regional issues that allow our metropolitan area to grow and prosper for everyone.

As you will see in the report, the evidence is overwhelming that regions that speak with one voice prosper better than those that don't. With 35 independent municipalities in Jefferson County, our history has been one of competition over cooperation. We remain one of the most fragmented communities in the South which has led to economic stagnation and stunted growth...and the future does not bode well for us unless we do things differently.

This report has been made possible by two important entities, the Catalyst donors of the Community Foundation and PARCA (Public Affairs Research Council of Alabama). Our Catalyst donors feel the time is right to take a fresh look at what can be done to overcome the consequences of our fragmentation. PARCA, in turn, has taken a deep dive in exploring our past and offering encouraging models from other cities that have successfully overcome their fragmentation.

The obvious question is, "What do we hope to accomplish through this report?" The answer is quite simple: we hope this comprehensive analysis of our region's fragmentation will engage the community in a conversation about how to position us, and our children,

for a better future. This report does not promote any specific solution. Rather, our objective is to underscore the need for a "call to action" and help facilitate a strategy moving forward to address this issue that has plagued us throughout our history.

We are not naive to the fact that there is much skepticism around this issue due to numerous failed attempts in the past. However, we cannot allow cynicism to paralyze us and prevent our region from reaching its potential. Change is difficult. Our research shows that it takes, on average, four attempts over an extended period of time, before communities finally acknowledge action is needed and muster the will-power and leadership to move their communities forward.

Ultimately, the final chapter of this report will not be written by the Community Foundation or PARCA. It will be written by all of us—the citizens and leaders of Jefferson County.

Will we do nothing and run the risk of our metro area becoming less and less competitive? Or will we recognize our shared fate—and our shared potential—and work together toward a future that will be more prosperous for all?

Together, we can build on our strengths. Together, we can create a stronger legacy for our children and grandchildren. Together, we can...

That is what this report is about. I invite you to be part of this important conversation.

Christopher Nanni

President & CEO

Community Foundation of Greater Birmingham

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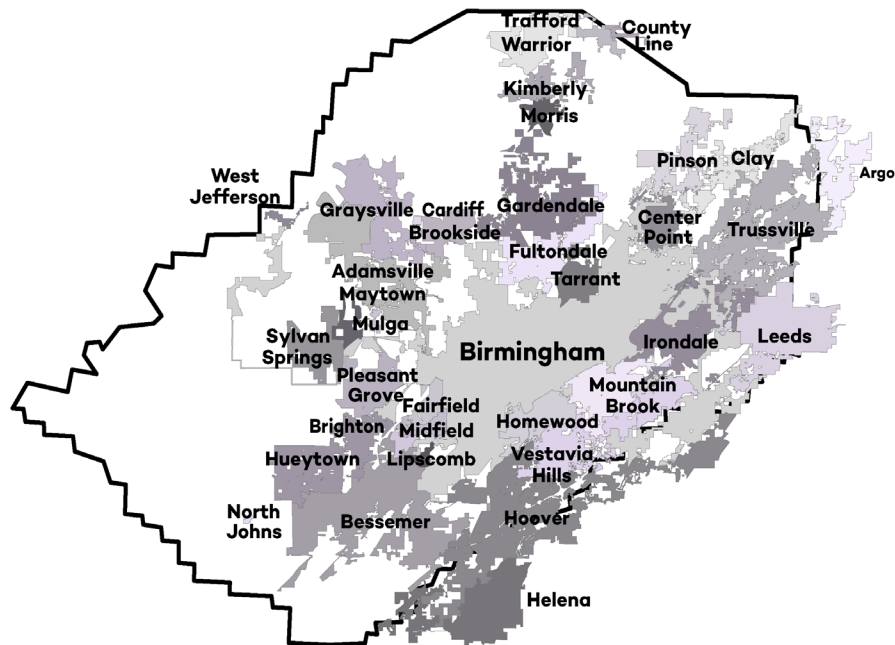
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Executive Summary



With the clouds of Jefferson County's bankruptcy lifting and downtown Birmingham showing impressive signs of revival, optimism about our region's future is high.

Considering the positive signs, it's important to ask whether we, as a community, are prepared and positioned to capitalize on our current momentum.

In recent decades, Birmingham and its metro area have underperformed in job and population growth in comparison to comparable cities. That begs the question: Why?

Nationally, a substantial body of research indicates that metro areas with more broad-based, cooperative governmental arrangements grow faster and generate greater prosperity than metro areas that are governmentally fragmented, divided into a multitude of independent municipalities.

Our central city of Birmingham is surrounded by more independent suburbs than any other southern city.¹

This pattern of fragmentation has consequences. It leads to duplication, creates intra-regional competition, concentrates economic advantage and disadvantage, and diffuses resources and leadership. It makes it difficult to arrive at consensus, pursue priorities of regional importance, or deliver services that transcend municipal boundaries. In sum, it puts the metro area at a disadvantage.

Figure 1 compares job growth since 2000 in two groups of metropolitan areas. The seven cities on the left are fragmented like Birmingham: a diminished central city ringed by a multitude of suburbs.

¹ Rusk, David. *Cities without Suburbs: A Census 2010 Perspective*. Fourth Edition ed. Baltimore, Maryland: Johns Hopkins UP, 2013. Print.

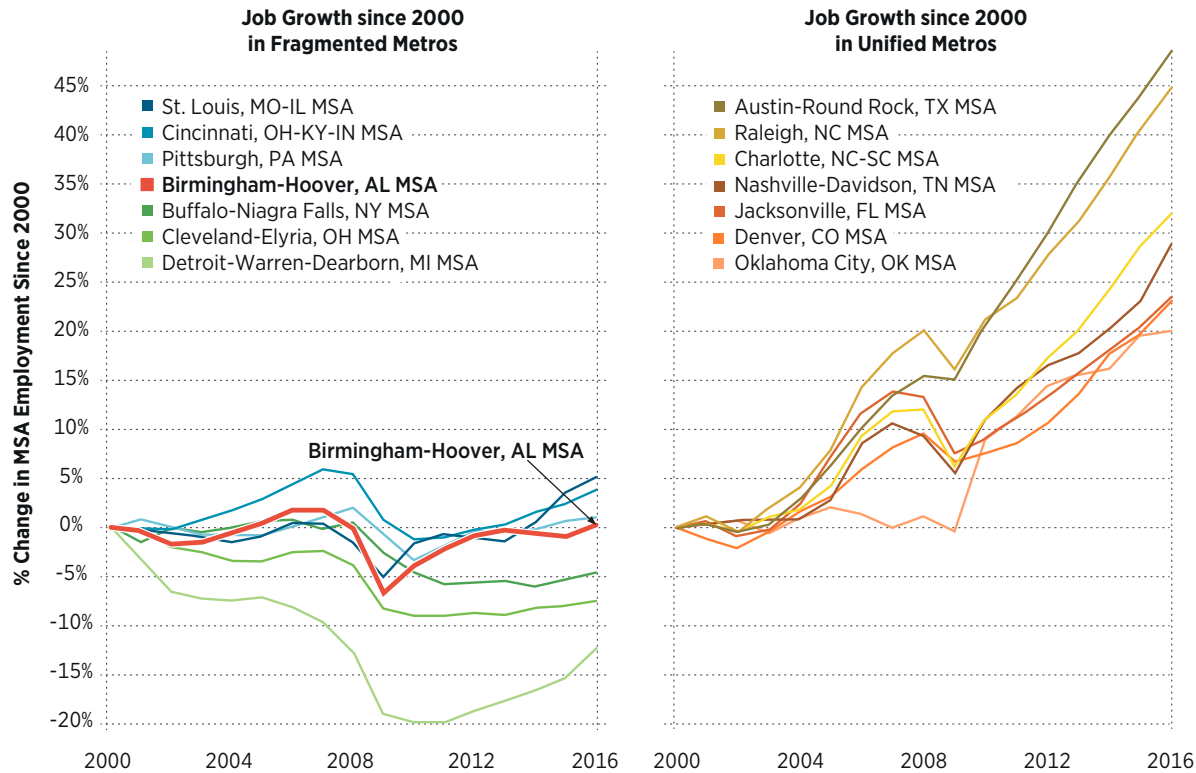


Figure 1. U.S. Bureau of Economic Analysis

The seven metros on the right have governmental structures that unite the region. In the more unified metros, job growth since 2000 ranges from 20 percent to 50 percent. In the fragmented metros, job growth ranges from 5 percent to -12 percent.

Average annual employment in Birmingham-Hoover MSA has increased by only 0.24 percent since 2000.

The same contrast emerges when comparing median income and poverty and unemployment rates: In cities where government is fragmented, growth is slower, and social and economic problems are more concentrated.

The negative effects of fragmentation weigh not only on the center city but also on the metropolitan area as a whole. The fortunes of the central city and its suburbs are interlocked.²

Fragmentation is a long-term process, a deeply ingrained pattern of development that Birmingham shares with northern cities that have a similar industrial heritage. It is not easily undone. In no instance in the post-World War II era has there been a mass political consolidation that dissolved existing cities or school districts. However, cities across the country have developed alternative approaches that promote unity and increase cooperation within their metro areas.

² Rappaport, Jordan; "The Shared Fortunes of Cities and Suburbs." Federal Reserve Bank of Kansas City Economic Review, Third Quarter, 2005.

In 2016, the Community Foundation of Greater Birmingham commissioned the Public Affairs Research Council of Alabama (PARCA) to conduct a study of the current structure of government in Greater Birmingham, with Jefferson County as its primary focus. The study was to examine Greater Birmingham's historic development and its current state in comparison with other cities, to describe different options other cities have pursued to overcome fragmentation, and finally, to explore how those different options might work in the Birmingham context.

This resulting report was developed with advice and review from a Strategic Advisory Group convened by the Community Foundation. Members of the Strategic Advisory Group were selected to provide a range of perspectives representing the larger Jefferson County community.

Locally, a wide range of public officials from the central city, the suburbs, and the county were also consulted, as were leaders in business and civic groups.

KEY FINDINGS

Fragmentation has led to a decline in Birmingham's prominence and its ability to lead the region.

In 1950, Birmingham was the 34th largest city in the U.S. According to the latest population estimates, the city has fallen out of the top 100. Though the latest estimates indicate the city may have halted its population decline, other Alabama cities where growth is strong may eventually displace Birmingham as Alabama's largest city.

The population of the City of Birmingham now represents only 32 percent of Jefferson County's population compared to 60 percent in 1950. The city still holds a position of regional leadership thanks to its ability to draw taxes from businesses and commuters who come into the city to work or shop. Over 90,000 people commute into the city each day, filling more than half of the jobs in the city. According to

PARCA's analysis, city residents contribute 33 percent of city taxes, non-residents contribute 28 percent, and businesses 39 percent.

However, Birmingham's role as chief supporter of regional assets and projects is under increasing strain, as it struggles to meet not only that role but also the needs of economically distressed neighborhoods and residents.

Fragmentation is a drag on metropolitan growth.

The Birmingham-Hoover MSA is currently the 49th largest in the U.S., but its growth in employment and population is slow compared to peer MSAs. Growth is particularly lagging in its central county, Jefferson. Recent projections estimate Jefferson County will add only 8,967 new residents by 2040, a 1.4 percent increase over the current population.

Greater Birmingham has not developed a viable alternative for regional leadership.

While Jefferson County has positioned itself to better play a regional leadership role thanks to recent improvements in its finances and management, it still lacks an executive branch. Nearly half of the large counties in the U.S. are now headed by an elected CEO, creating a strong and capable executive branch charged with the management of the county government. Jefferson County is still governed by a five-member commission elected by district. Additionally, the 26-member Jefferson County Legislative Delegation exercises substantial control over local affairs.

Greater Birmingham needs a spirit of governmental innovation.

Across the country, local governments are innovating with form and function, finding new ways to collaborate, economize, and deliver better customer service. Greater Birmingham need not be bound to traditional ways of doing things.

INSIGHTS FROM OTHER CITIES

PARCA's research identified four different approaches cities and metro areas take toward building and maintaining regional unity. Four cities representing the four different approaches were selected for study.

The four approaches are:

1 | Functional Consolidation

Decreasing duplication and increasing efficiency through cooperative agreements between local governments.

Example Metro: Charlotte, North Carolina

2 | Modernizing County Government

Structuring county government to provide regional leadership.

Example Metro: Pittsburgh, Pennsylvania

3 | Cooperation Through Regional Entities

Using regional bodies to deliver services or coordinate strategy on a region-wide basis. These can be public or private, or a fusion of the two.

Example Metro: Denver, Colorado

4 | Political Consolidation

Most often, the merger of the central city with the central county, creating an umbrella metro government to deliver regional level services.

Example Metro: Louisville, Kentucky

Once labeled “the most segregated city in America,” Birmingham is justly proud of its historic role in breaking down the walls of segregation that once legally separated blacks and whites.

The time is now right to re-examine the barriers to unity that were created in the past and develop a new approach that better meets the needs of all the people in the Birmingham metropolitan area—urban, suburban, and rural. No one approach rules out the others. In crafting an approach that meets its unique needs, Birmingham might borrow ideas from each.

This is not a new issue for our region, and we are not alone in having tried multiple times to resolve it.

Louisville and Nashville each failed twice before achieving governmental consolidation, and Charlotte created its intergovernmental cooperation strategy as an alternative to unachievable structural change. Pittsburgh took a first step to attack fragmentation by reforming county government, just as Denver did by creating special-purpose regional authorities with their own tax sources.

The question of community unity has been a recurring strain in Birmingham's history. Greater Birmingham was catapulted to the status of major American city through a consolidation in the first decade of the 20th Century. Multiple votes from the 1940s through the 1960s presented city-suburban merger as an option but failed to garner adequate support. A different approach, the Metropolitan Area Project Strategies, was proposed in the late 1990s.

With the negative effects of fragmentation having become very clear, it is time for fresh ideas and new conversation about how Greater Birmingham can chart a new, more prosperous course. The public seems ready to engage in this conversation, as evidenced by public opinion polling and focus groups conducted in concert with the research.

PUBLIC OPINION

In December of 2016, a poll of 400 registered voters in Jefferson County was conducted by Montgomery-based Southeast Research.

Most respondents expressed high levels of satisfaction with the direction of their local community but were less satisfied when it came to the direction of Jefferson County as a whole.

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The poll found strong support for the concept of communities cooperating to deliver services with 81 percent of those polled saying they would support cooperation.

Support for cooperation was strong across a spectrum of services: police and fire protection, garbage pickup, road maintenance, public transit, economic development, and the provision of public parks and recreational facilities.

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Support for cooperation was even higher in the rising younger generation, with support for cooperation in virtually every domain exceeding 90 percent among 18- to 34-year-olds.

NEXT STEPS

Based on PARCA's research commissioned by the Community Foundation of Greater Birmingham, the Strategic Advisory Group recommends the following steps:

1 | Dissemination of the report

During the summer and fall of 2017, the findings in this report should be shared as widely as possible in hopes of reaching a wide variety of interested audiences and fostering dialogue throughout the various communities in Jefferson County.

2 | Identification of champions for change

During the dissemination phase, key leaders willing to lead the call for increased cooperation should be identified and enlisted.

3 | Decision on a course of action

Based on feedback from the community and considering Birmingham's current governmental landscape, the most feasible and effective course for change should be identified.

4 | Campaign for change

With champions identified and a course of action selected, a broad, grass-roots campaign should be pursued in order to raise awareness of and garner support for the model of change most suitable for Greater Birmingham.

This effort to build the structures needed for a more cooperative community is not aimed at a particular outcome or policy area. Instead, it is aimed at improving Greater Birmingham's ability to identify and pursue common ambitions and address common concerns.

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Our communities are inextricably linked. Our future is shared. As Martin Luther King, Jr. wrote in his “Letter from Birmingham Jail,” “We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly.” Recognizing those connections is a first step. Our challenge will be to forge those connections into structures for cooperation.



CHAPTER ONE

Governmental Fragmentation in Jefferson County:

Why It Matters, How It Happened, and Efforts To Overcome It

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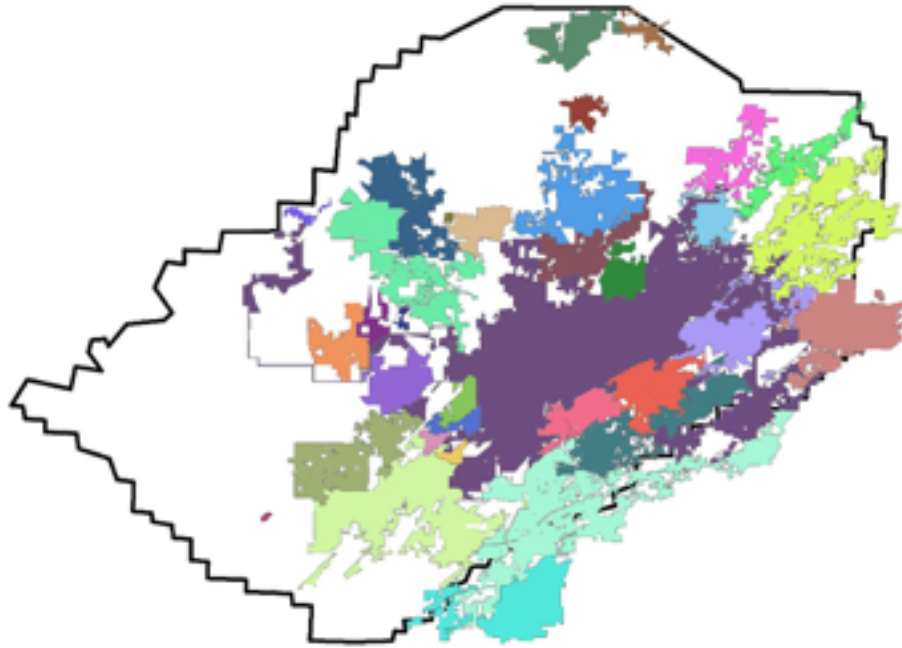
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Introduction



Look at the map of Jefferson County and its patchwork quilt of municipalities and unincorporated areas. The most common adjective used to describe a community governed in this way is “fragmented.” Yet Jefferson County *is* a community, despite all the boundaries that divide its people from one another. Every day, thousands of them cross those boundaries to work, shop, and enjoy the amenities of the area. They expect—and deserve—efficient local governance of public services.

Imagine how difficult it is for dozens of local governments to come together in order to manage a

network of roads, coordinate a mass transit system, provide police and fire protection when and where they are needed, and create good schools to serve every neighborhood effectively.

The task is even more complicated than this visible representation of fragmentation conveys. The map does not capture the overlapping of county and municipal functions, or the power of state legislators to intervene in local matters. Nor does it reveal the social and economic divisions that lie underneath the municipal boundaries.

How can a landscape so divided be drawn together around broad community goals?

How can Greater Birmingham act like “One Great City”?

These questions have been asked in Birmingham and Jefferson County throughout its history. Through the decades, various attempts have been made to draw our collection of communities into a greater whole. More often than not, those endeavors have failed.

Greater Birmingham is by no means alone in grappling with these questions. Communities across the country engage in continuous conversation around these issues. Some bring governmental functions together under a consolidated government structure. Others forge agreements and cooperative ventures that tie governments together in partnership.

The general concept that governments within a region should cooperate or even combine to deliver services more efficiently and effectively is commonly spoken of in positive terms, at least in a theoretical sense. However, when it comes to forging a formal arrangement for cooperation, the theoretical concept runs into more difficult realities.

Cooperative arrangements require trust. They often require a party to give up control or share resources. Greater Birmingham has a particular history that makes cooperation and trust difficult.

The region has a long tradition of fragmentation. It has a history of division along racial and economic lines. Recent problems with corruption, political disputes, and intergovernmental competition make it more difficult to forge cooperative arrangements.

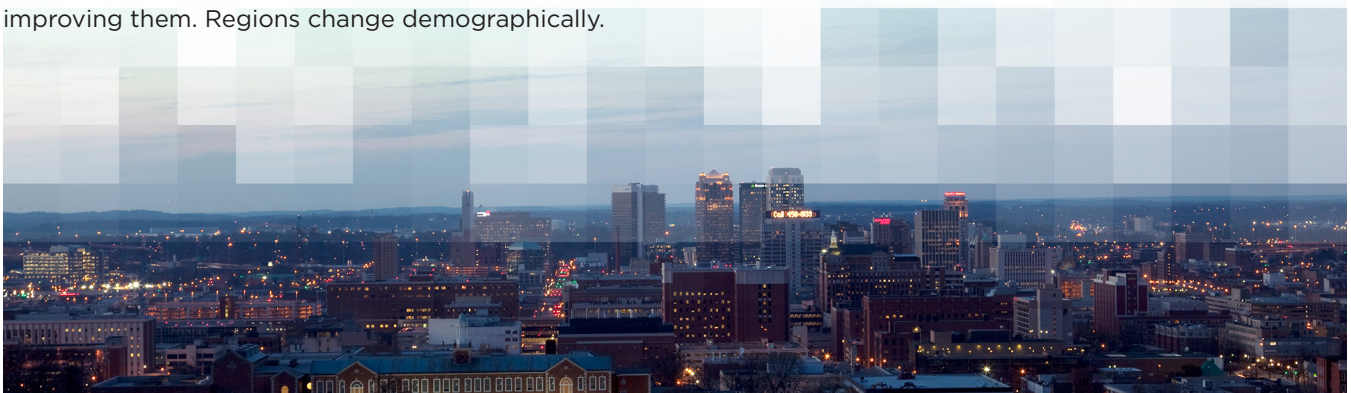
However, tradition and history should not be a barrier to examining current arrangements with the aim of improving them. Regions change demographically.

New generations rise to leadership for whom the baggage of past conflict does not weigh as heavily. Time brings greater clarity to the fact that the region is interconnected, that we should be engaged in encouraging prosperity and facilitating its spread, and that problems in one place, if left unaddressed, will affect conditions elsewhere.

With Jefferson County recovering from bankruptcy and Birmingham showing signs of growth and revitalization after five decades of population loss, there has been a renewal of conversation about how we, as a community, can best organize ourselves to nurture growth and encourage broader shared prosperity.

In light of the positive momentum currently enjoyed by Greater Birmingham, the Community Foundation of Greater Birmingham has commissioned the Public Affairs Research Council of Alabama to conduct a study of the current structure of government in Greater Birmingham, with Jefferson County as its primary focus.

In this first chapter, we will examine Birmingham's current landscape with comparisons to other cities, and we will review the history that shaped Birmingham and its governmental arrangements. In subsequent reporting, we will explore a variety of approaches other cities have taken to foster unity and look at the results of those efforts. A final installment will consider the research on other models, take into account Birmingham's current landscape, and point to approaches that might be desirable and feasible here.



The Concept of Fragmentation

We form governments to pursue common aspirations and to address community challenges. In our region in general, and in Jefferson County in particular, we have organized in smaller units and therefore lack the leadership to address issues that transcend the boundaries of those smaller units.

Individual municipalities pursue their own self-interest and sometimes find themselves in counter-productive competition. The fractured nature of local government reflects and to some extent drives racial and economic segregation.

Greater Birmingham spent the past 50 years growing apart: a diminished center city, surrounded by a jigsaw puzzle of municipalities. Some of those municipalities have prospered and grown, while others find themselves at an increasing disadvantage. Viewed as a whole, the metropolitan area lags its peers in population and economic growth, and in other measures of economic and social health.

Jefferson County government, which could be a unifying and coordinating force, has been plagued by ineffective organization, corruption, and dysfunction. The County has made major strides since emerging from what was at the time the largest municipal bankruptcy in American history. The 2011 appointment of a County Manager, who carries out executive functions under the supervision of the Commission, has significantly improved county government operations.

However, the county still lacks elected executive leadership. County voters never come together to elect an executive, like a president, governor, or mayor who would be elected and empowered to pursue a shared vision for the county.

Instead, the five members of the Jefferson County Commission work to represent the county as a whole, but are elected from individual districts. Furthermore, under Alabama's constitutional structure, Jefferson County's state legislative delegation plays a major role in local affairs. Too often, the working relationships between the delegation, the county, and the various municipalities have been contentious rather than cooperative.

Regional cooperation is talked about as a civic good, but we have yet to develop effective governmental structures for achieving cooperation. In dividing itself so intricately, Greater Birmingham has difficulty coming together around common purpose, marshaling community resources, and pursuing projects that would benefit the larger populace.

Thus, the question arises: What steps can be taken to more effectively align ourselves? For cities and metropolitan areas across the country, this is a recurring question. A wide variety of approaches have been employed, and each solution has aspects that are unique to the conditions of that locale. **To generalize, there are four basic approaches to such reform efforts:**

1 | Functional Consolidation

Cooperation through inter-local agreements, in which existing governments either jointly manage particular services or divide responsibility for particular functions.

2 | Modernizing County Government

Empower and properly structure county government to enhance its ability to provide for and manage a set of services that are regional in nature.

3 | Cooperation Through Regional Entities

Creation of an independent, area-wide entity to support and even deliver selected governmental services.

4 | Political Consolidation

Merging governments, most often governments of the largest city with the central county.

Each of these approaches is aimed at coping with the tendency of regions to develop multiple independent governmental entities to answer the immediate needs of a local community.

Various regions have undertaken these reforms because they believed that fragmentation mattered.

DOES FRAGMENTATION MATTER? REGIONALISM VS. PUBLIC CHOICE

Over the past 30 years, there has been considerable debate over whether an area's form of government has a bearing on its socioeconomic health of communities. There are two main schools of thought. One can be described as the regionalist approach. Regionalists hold that a more inclusive, less divided governmental framework is better able to harness public resources within a metropolitan area for the common good.

Regionalism: A Case for a Unified Vision

David Rusk, former Mayor of Albuquerque, New Mexico, has been one of the most vocal proponents of this regionalist way of thinking about urban development. His influential book, *Cities without Suburbs*, was first published in 1993 and has since been updated, most recently in 2013.¹

Using Census and other economic data, Rusk compares the demographic and economic performance of cities and metropolitan areas across the U.S. Rusk and other regionalist researchers who have studied this issue argue that communities that overcome fragmentation can better focus a region's public resources toward addressing issues of community concern. They argue that a larger, more diverse political structure allows communities to come together around a common vision for the area's future. Governance on a more extensive scale leads to effective administration of services that are regional in nature.

As regionalists see it, communities where governance is fractured do not have political or governmental structures in place that can develop and carry out functions of area-wide significance. Divided communities tend to have higher levels of racial and economic segregation. With more concentrated poverty comes associated problems like higher rates of joblessness, eroding home values, and blight.

The Public Choice Approach: A Case for Efficiency

An opposing group of researchers favors what is known as the public choice approach. Charles Tiebout was one of the originators of this theory with his 1956 piece "A Pure Theory of Public Expenditures."² He and his successors hold that competition between governments fosters more efficient provision of services and promotes higher quality service delivery. Given a choice of municipalities, residents and businesses are able to shop for the package of services they want and for which they are willing to pay.

This theory rests on a number of assumptions, most notably that citizens accurately state their preferences, that these preferences are not mutually exclusive, and that citizens are willing and able to relocate based on these preferences. Perhaps more important for this study, the theory assumes that the positive and negative effects of municipal independence can be isolated within a given community. That assumption doesn't take into account that negative effects, like higher poverty or crime in one city, can have a spillover effect into other jurisdictions. Nor does it account for the fact that beneficial actions and investments in one community, like environmental protections or the provision of cultural amenities, can benefit citizens in surrounding jurisdictions.

Research by public choice theorists calls into question the assumption that a single consolidated entity can be more cost-effective in delivering services. They point out that studies of consolidated governments have failed to document systematic evidence of the hoped-for cost-savings.³

Across the landscape of our region, one can find conditions that support both theoretical approaches.

¹ Rusk, David. *Cities without Suburbs: A Census 2010 Perspective*. Fourth Edition ed. Baltimore, Maryland: Johns Hopkins UP, 2013. Print.

² Tiebout, C. (1956), "A Pure Theory of Local Expenditures", *Journal of Political Economy* 64 (5): 416-424

³ Leland, Suzanne M., and Kurt Thurmaier. "When Efficiency Is Unbelievable: Normative Lessons from 30 Years of City-County Consolidations." *Public Administration Review*, 2005. https://localgov.fsu.edu/readings_papers/Boundaries%20of%20Government/Leland_Thur_PAR.pdf

Greater Birmingham offers appealing choices. Several local public school systems rank among the best in the state. Several municipalities in Jefferson County see consistently appreciating home values and stable or growing populations, markers of satisfaction with the level of services offered.

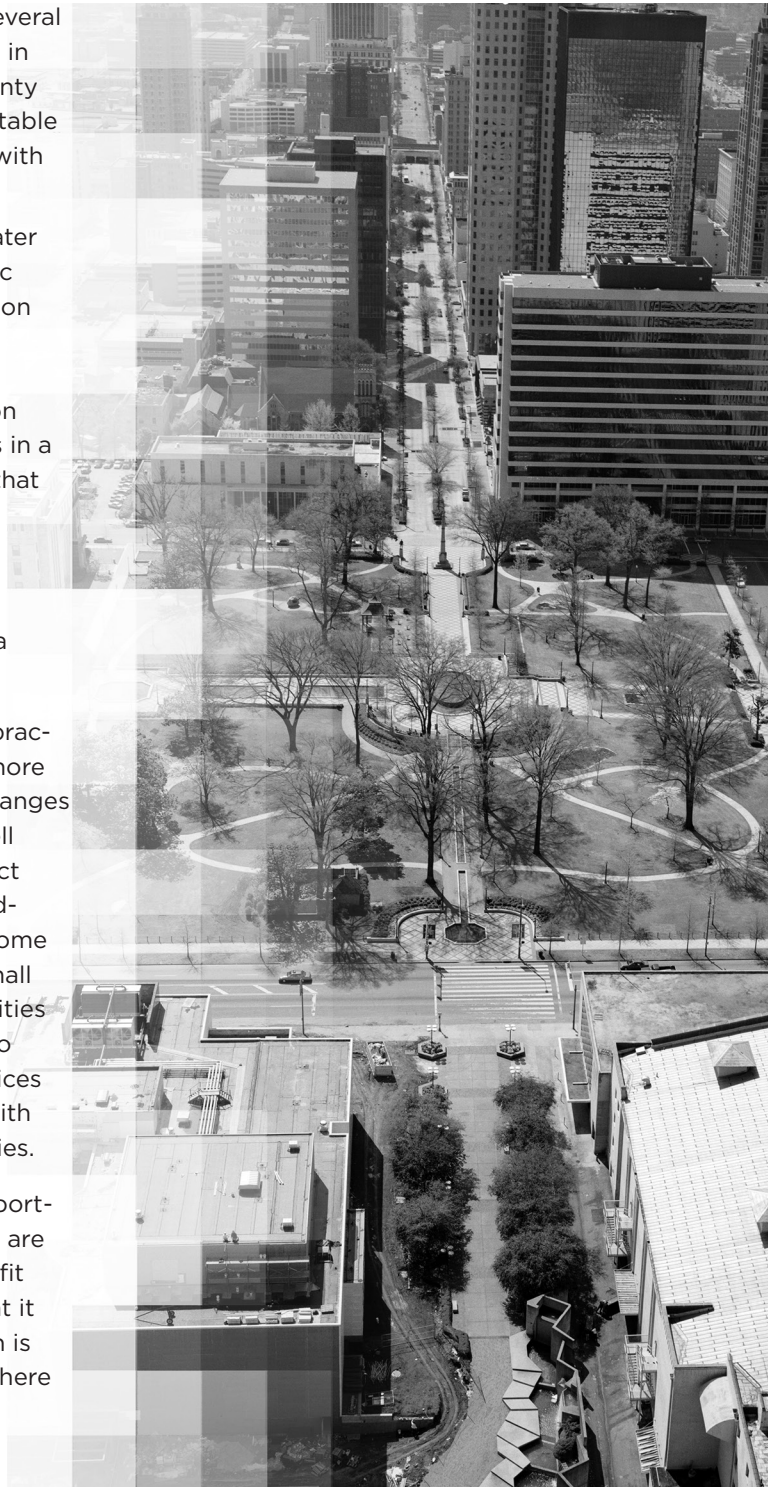
At the same time, though, viewed as whole, Greater Birmingham lags peer cities in terms of economic and population growth. Competition and migration between municipalities has created inequities, a concentration of problems in some cities and a concentration of advantages in others. The region has difficulty planning for and providing services in a coordinated fashion, particularly those services that cross municipal boundaries.

A Pragmatic Middle Approach

While the theoretical debate continues, there is a pragmatic middle approach.

This approach recognizes that the political and practical challenges of moving from fragmented to more cooperative governance are formidable. Such changes in organization are rarely accomplished in one fell swoop. Existing municipal lines and school district boundaries are rarely erased. And from the standpoint of efficiency, bigger is not always better. Some governmental services are best delivered at a small scale and in an arrangement in which the authorities in charge of delivering those services are close to and responsive to the people served. Other services are more efficiently delivered at a larger scale, with coordination that transcends municipal boundaries.

The pragmatic approach recognizes that it is important to make distinctions between which services are best delivered at a smaller scale and which benefit from larger economies of scale. It recognizes that it is important to identify areas where coordination is desirable and the pursuit of it worthwhile, and where it is not.



Measuring Fragmentation: Common Markers

The debate over fragmentation and its effects is complicated in that fragmentation can be measured in a variety of ways. Because of the wide range of regional differences in municipal organization across the country, it is difficult to identify, with a single metric, which areas are fragmented and which are not.

In the discussion that follows, we identify some of the markers of fragmentation and determine how Birmingham stands. For the purposes of this discussion, we have identified 20 peer cities from the 50 largest **metropolitan statistical areas (MSAs)** in the U.S.

Included are cities that the Birmingham Business Alliance considers comparison cities: Atlanta, Austin, Charlotte, Raleigh, Nashville, Memphis, Louisville, and Oklahoma City. Added to that list are Jacksonville, Indianapolis, Minneapolis, and Denver, four cities that have taken steps toward more unified regional governance. Also added to the list are Buffalo, Cincinnati, Cleveland, Detroit, Milwaukee, Pittsburgh, and St. Louis, seven cities that share the pattern of extreme suburbanization that affects Birmingham.

This pattern is marked by a decline in the dominance of the central city and a proliferation of suburbs surrounding the central city, cutting off avenues for growth for the central city.

ERODED DOMINANCE OF THE CENTRAL CITY

The most obvious marker of fragmentation in a metropolitan area is the central city's population as a percentage of the central county's population. Generally speaking, the more the population of an area is divided by municipal boundaries into separate, independent jurisdictions, the harder it is to foster cooperation. Local self-interest naturally tends to create a barrier to ventures that cross political boundaries.

In communities where the central city represents a high proportion of the central county population, the city is in a better position to act as the central organizing unit. On the other hand, a central city that has a smaller share of the central county population is in a more competitive environment and cannot function as effectively as the leading unit of local government. This competitive situation is sharpened when the central city's population is declining while suburban growth is occurring, and when the municipal boundaries tend to encourage a sorting along economic and racial lines.

Table 1. Measuring Fragmentation, *U.S. Census Bureau*

MSA CENTRAL CITY	CENTRAL CITY AS % OF CENTRAL COUNTY POPULATION
Denver, CO	100%
Nashville, TN	96%
Jacksonville, FL	95%
Indianapolis, IN	91%
Oklahoma City, OK	81%
Louisville, KY	81%
Charlotte, NC	80%
Austin, TX	79%
Memphis, TN	70%
Milwaukee, WI	63%
Atlanta, GA	46%
Raleigh, NC	44%
Detroit, MI	38%
Cincinnati, OH	37%
Minneapolis, MN	34%
Birmingham, AL	32%
Cleveland, OH	31%
Buffalo, NY	28%
Pittsburgh, PA	25%
St. Louis, MO	24%

Table 1 shows the central-city population share for the peer 20 communities. The eight highest central cities on this measure all have 79 percent or more of their central county's population and suffer least from fragmentation so measured. The eight lowest have 40 percent or less of the central-county population and are at the center of fragmented metro areas.

Lack of a dominant central city population is associated with, but does not automatically condemn an MSA to, poor economic performance. There are cooperative alternatives that allow a community to overcome this as other barriers.

For some cities, this measure fails to capture unique local conditions. Minneapolis, for example, ranks relatively low on this list. However, it is one of the few places in the country that has a regional council in place, a governing body that addresses issues on a regional basis, creating a unifying regional force not reflected on this measure.

Raleigh also ranks lower than it might otherwise since the rapid growth of its core city has been relatively recent. Thanks to North Carolina's permissive annexation laws, the central city of Raleigh should be able to grow in population relative to the rest of the county. Beyond that, Raleigh—like its fellow North Carolina city, Charlotte—makes extensive use of inter-local contracts to overcome the barriers to regional cooperation.

Faster growing Southern cities, either through annexation or consolidation with the surrounding county, have been able to capture suburban growth. In those cities, the central city remains the dominant force and voice in the development of the region.

By contrast, Greater Birmingham has organized itself as a confederation of "little boxes" around the central city.

—

Birmingham is surrounded by more incorporated suburbs than any other Southern city.

A PROLIFERATION OF SUBURBS

Birmingham has followed a pattern of municipal organization found in industrialized cities in the North, like Detroit, Cleveland, and Pittsburgh. In those areas, the central city has been surrounded and hemmed in by independent municipalities. In Birmingham and its Rust Belt cousins, the central city lost out to the suburban expansion of the last half of the 20th Century and the first decades of the 21st.

Older industrial suburbs in these Rust Belt communities have suffered along with the central cities. The population exodus has taken a toll on the central city and the surrounding central county, creating a drain on resources and resulting in greater economic and racial segregation than is found in communities with a more unified governmental structure.

The absence of a dominant, broadly representative central city or central county creates a vacuum in regional leadership, with no overarching organizing body and executive to address regional issues.

In 1950, the City of Birmingham accounted for 60 percent of Jefferson County's population and, at 43 percent, the largest share of the MSA population as well. For all intents and purposes, Birmingham City government was the governmental body that spoke for the region, the organizational unit that led economic development and the provision of governmental services. Today, the population of the City of Birmingham represents only 32 percent of Jefferson County's population and 19 percent of the region's population.

One way to visualize the fragmentation of a metropolitan area is by simply looking at a map. The long-run health of a metropolitan area is tied not only to the population of its central city but also to the growth potential of that central city. When a central city becomes hemmed-in by suburbs, its potential for new development shrinks, potentially to zero.

Figures 1-4 are maps that depict the municipal landscape of the central counties in four fragmented metropolitan areas.

The central city is represented in red, while the surrounding suburbs are pictured in shades of gray and the unincorporated remainder is shown in white. Municipal suburbs are independent of the central city and possess the same municipal powers and political establishments. They represent a barrier to the expansion of the central city.

Cleveland, Cincinnati, Birmingham, and Detroit are all surrounded by dense rings of suburbs. Of the four, Birmingham is in the most favorable position; 52 percent of the land area of Jefferson County is unincorporated territory. However, this unincorporated area isn't well-connected to Birmingham, is sparsely populated, lacks infrastructure, and is largely inaccessible. Though there may be some expansion possibilities, a large-scale consolidation with Birmingham would be greeted with strong opposition and the area would be very expensive to develop.

Once a central city has become hemmed-in with suburbs, particularly if its population is not dominant

in the region, the options for solving regional issues are significantly reduced. The natural advantage of a central city's leadership fades, particularly if the region has become stratified along economic and racial lines. Who will provide leadership becomes a crucial question.

The logical alternative is the central county, which may retain a dominant position in terms of both population and land area. But counties, for historical reasons, typically have weak governance structures, lacking an elected executive branch.

Another possibility is intergovernmental cooperative ventures, possibly led by the central-county government. These are entirely dependent on trust among participants, and require the willing participation of the central city and central county in order to address key issues. Inter-local contracts are a major strategy fueling metropolitan progress in North Carolina. In the Charlotte metro, for example, the central city runs the transit system and the police force, while there are countywide schools and planning.

Figure 1. Cleveland, OH

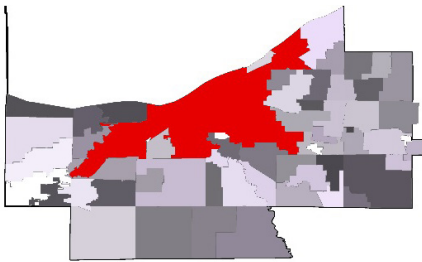


Figure 2. Cincinnati, OH

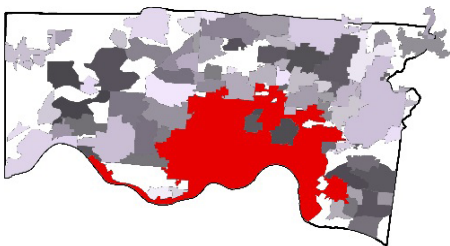


Figure 3. Birmingham, AL

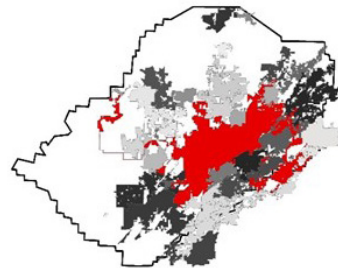
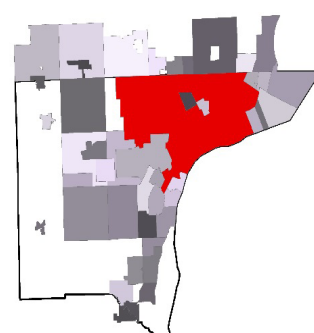


Figure 4. Detroit, MI



Figures 5-8 are maps of four metropolitan central counties that are not plagued with rings of municipal suburbs. Three of these have been formed by voter-approved consolidations of a central city and the central county that surrounded it. Nashville-Davidson County was the first of them, with the voters approving a merger in 1962. The Jacksonville-Duval County consolidation followed in 1967; the Louisville-Jefferson County merger is the most recent, taking place in 2000. As shown in **Figures 5-7**, suburbs are generally not required to merge with the central city and central county but are able thereafter to join the consolidated government. In the meantime, the consolidated government acts as a county government to them.

Charlotte and Mecklenburg County have followed a different path to avoid the problem of becoming landlocked by the proliferation of suburbs. First, North Carolina law is favorable toward annexation. Since 1959, cities have been able, at their discretion, to annex contiguous areas when they become urbanized. No vote is required. By making use of this power, Charlotte has expanded as development occurred along its boundaries. Additionally, the city and county cooperate in delivering services, using inter-local contracts that have built trust between city and county governments.

Figure 5. Nashville, TN

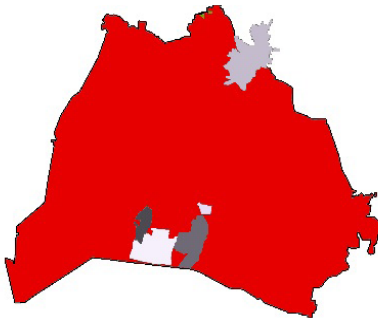


Figure 7. Jacksonville, FL

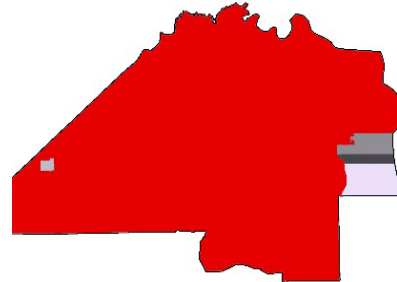


Figure 6. Louisville, KY

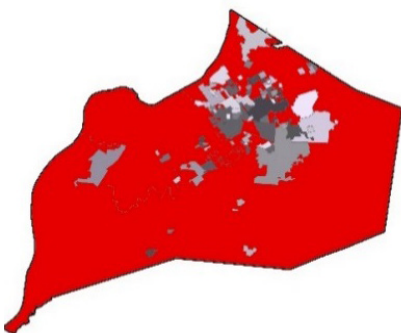
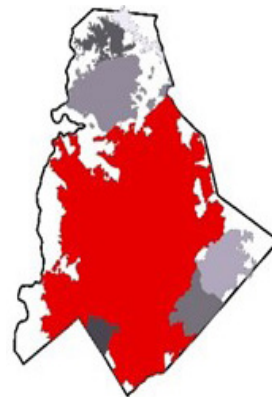


Figure 8. Charlotte, NC



STAGNANT CENTRAL CITIES MEAN SLOWER REGIONAL GROWTH

In the Federal Reserve Bank of Kansas City Economic Review, senior economist Jordan Rappaport documents a phenomenon he describes as the “Shared Fortunes of Cities and Suburbs.”⁴

Table 2. Estimated Population Change 2010–2015, Ranked by Central City Population Change

	CENTRAL CITY	CENTRAL COUNTY	MSA
Austin, TX	15%	15%	17%
Denver, CO	14%	14%	11%
Charlotte, NC	12%	12%	9%
Raleigh, NC	12%	14%	13%
Atlanta, GA	10%	10%	8%
Oklahoma City, OK	9%	8%	8%
Nashville, TN	8%	8%	10%
Minneapolis, MN	7%	6%	5%
Jacksonville, FL	6%	6%	8%
Indianapolis, IN	4%	4%	5%
Louisville, KY	3%	3%	3%
Milwaukee, WI	1%	1%	1%
Memphis, TN	1%	1%	1%
Cincinnati, OH	1%	1%	2%
Birmingham, AL	0%	0%	2%
Pittsburgh, PA	0%	1%	0%
St. Louis, MO	-1%	0%	1%
Buffalo, NY	-1%	0%	0%
Cleveland, OH	-2%	-2%	-1%
Detroit, MI	-5%	-3%	0%

Rappaport describes the correlation between the health of the center city and its suburbs. While it is often thought that cities and suburbs tend to grow at each other’s expense in competition for residents and

jobs, Rappaport observes that a deeper look shows cities and suburbs are fundamentally linked: “while cities and suburbs do sometimes grow at each other’s expense, more often they grow or decline together.”⁵

Rappaport argues there are strong incentives for cities and suburbs to cooperate to make their metro areas attractive and productive places to live and work.

Rappaport examined data throughout the 20th Century and came to similar conclusions as Rusk: in places where the central city has remained healthy, viable and growing, the entire metropolitan region has enjoyed a higher rate of growth. On the other hand, in regions where the central city struggles, the MSA grows more slowly as well.

The most recent population estimates from the U.S. Census Bureau support this notion. In looking at population growth between 2010 and 2015, the fragmented communities in our comparison group lag behind more unified cities. This is true when we look at the central cities and counties, but it is also true at the metropolitan level. The health of the central city appears to have an effect on the region as a whole. The results are shown in **Table 2**.

The top seven metros in **Table 2** had population increases of 8 to 15 percent among both their central cities and central counties, and 8 to 17 percent in the MSAs as a whole.

In contrast, the bottom six metro areas in the table, which included Birmingham, experienced little or no growth in the central cities, central counties, and MSAs as a whole. All of the lagging metros are fragmented regions.

It is clear that the prosperity of cities and suburbs, counties, and metropolitan regions are linked.

⁴ Rappaport, Jordan; “The Shared Fortunes of Cities and Suburbs.” Federal Reserve Bank of Kansas City Economic Review, Third Quarter, 2005. <https://www.kansascityfed.org/publicat/econrev/pdf/3q05rapp.pdf>

⁵ Ibid.

FRAGMENTATION IS LINKED TO SLOW JOB GROWTH

Fragmented metropolitan areas have experienced anemic growth in employment in comparison to less fragmented metros.

Table 3. Percentage Change in Employment, *Bureau of Economic Analysis*

MSA CENTRAL CITY	PERCENT CHANGE IN JOBS IN THE MSA, 2007–2015
Austin, TX	23%
Oklahoma City, OK	18%
Raleigh, NC	15%
Charlotte, NC	14%
Nashville, TN	12%
Denver, CO	9%
Louisville, KY	5%
Minneapolis, MN	5%
Jacksonville, FL	5%
Indianapolis, IN	4%
St. Louis, MO	4%
Atlanta, GA	2%
Milwaukee, WI	2%
Birmingham, AL	0%
Pittsburgh, PA	-1%
Memphis, TN	-1%
Cincinnati, OH	-2%
Detroit, MI	-3%
Cleveland, OH	-4%
Buffalo, NY	-5%

Table 3 shows the rate of job growth for selected MSAs during the period from 2007–2015, which bridges the recent “Great Recession.”

On this measure, the more fragmented metro areas fared poorly; as of 2015, they still had not recovered

the level of employment enjoyed in 2007. Most of the metro areas in the table did better, with the top-performing areas achieving double-digit growth in employment over the period.

In May 2016, The Birmingham Business Alliance (BBA) announced that in 2015 the surrounding seven-county area recorded \$1.1 billion in capital investment and 3,509 announced jobs in new and expanding industries, one of the largest investment years in Birmingham history.

The region’s central county, Jefferson, captured 61 percent of the new jobs and 72 percent of the investment. Birmingham, the central city, accounted for 42 percent of those jobs and 47 percent of the region’s investment.

The good economic news was rightly celebrated. However, Greater Birmingham’s recent gains need to be viewed in comparative context. It was not until 2015 that Birmingham’s total number of jobs in the metropolitan area finally returned to the level reached before the economic downturn.

The causes of sluggish job growth and lagging economic performance in more fragmented MSAs are complex. In Birmingham’s case, the region’s traditional reliance on heavy industry is a factor. Technological change and foreign competition have fundamentally reshaped those industries.

Birmingham’s relatively low levels of educational attainment, rooted in the state’s history of segregation and lack of investment in schools, can also help explain the region’s competitive disadvantage. Persistently high levels of poverty are a related contributing factor.

But it is also worth asking whether the way we have organized ourselves governmentally has had a negative effect on our ability to improve the region’s fortunes.

FRAGMENTED REGIONS LAG ON ECONOMIC AND SOCIAL INDICATORS

Whether we look at the central city, the central county, or the MSA as a whole, we also find that fragmented metro areas fall behind their peers on social and economic indicators of performance.

Table 4 looks at our comparison group of 20 metro areas, focusing on the central city in terms of four socio-economic measures drawn from the U.S. Census Bureau's American Community Survey for 2014.

On these measures, note the similarities between the performance of the bottom six—all fragmented metros like Birmingham—and how they contrast with the performance of the faster-growing areas at the top of the table. It is clear that the more fragmented areas at the bottom of the table have significantly higher percentages of the population not participating in the workforce, lower median income, and higher poverty rates.

Table 4. Central City Social & Economic Characteristics, *Census 2014*

MSA CENTRAL CITY	% NOT IN LABOR FORCE	MEDIAN HOUSEHOLD INCOME	POVERTY RATE	CHILD POVERTY RATE
Austin, TX	27%	\$55,216	19%	27%
Raleigh, NC	29%	\$54,581	16%	23%
Charlotte, NC	28%	\$53,274	17%	24%
Denver, CO	29%	\$51,800	18%	28%
Minneapolis, MN	27%	\$50,767	23%	31%
Oklahoma City, OK	33%	\$47,004	18%	27%
Jacksonville, FL	34%	\$46,768	18%	26%
Nashville, TN	31%	\$46,758	19%	31%
Atlanta, GA	35%	\$46,439	25%	39%
Louisville, KY	35%	\$44,806	18%	27%
Indianapolis, IN	32%	\$42,076	21%	32%
Pittsburgh, PA	38%	\$40,009	23%	32%
Memphis, TN	36%	\$37,099	27%	42%
Milwaukee, WI	35%	\$35,489	29%	43%
St. Louis, MO	35%	\$34,800	28%	42%
Cincinnati, OH	35%	\$34,002	31%	47%
Buffalo, NY	40%	\$31,668	31%	48%
Birmingham, AL	41%	\$31,217	31%	49%
Cleveland, OH	41%	\$26,179	36%	54%
Detroit, MI	47%	\$26,095	40%	56%

The same characteristics also generally hold true for the central counties in the metro areas, as shown in **Table 5**.

Table 5. Central County Economic & Social Characteristics, *Census 2014*

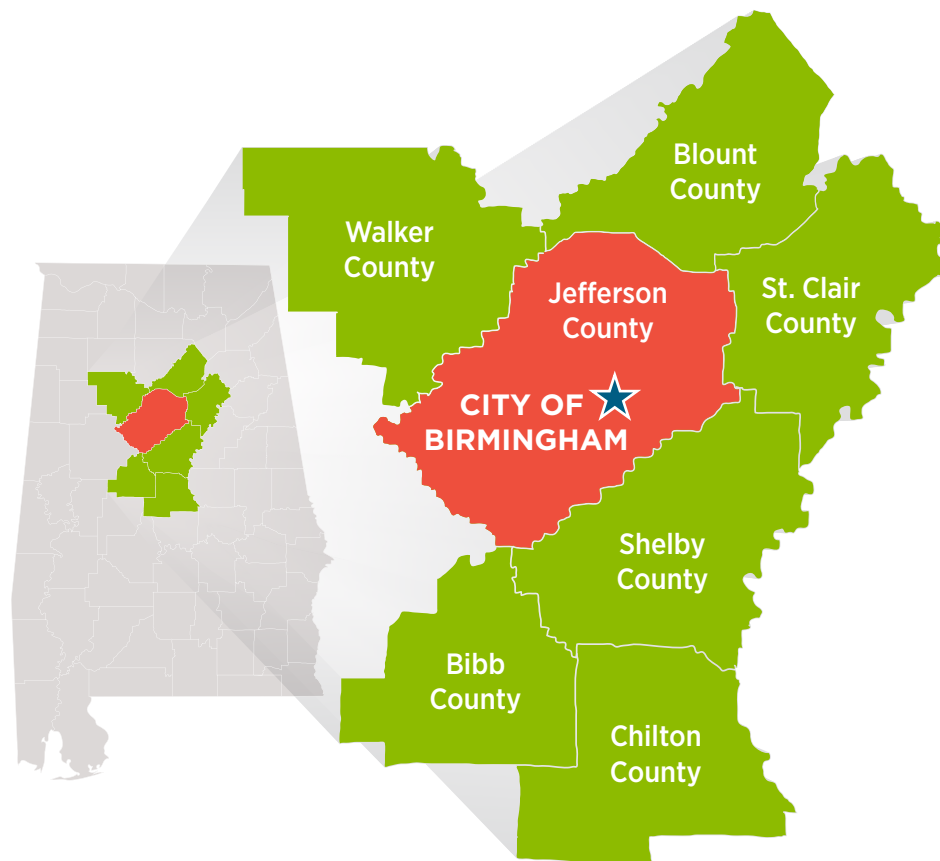
MSA CENTRAL COUNTIES	% NOT IN LABOR FORCE	MEDIAN HOUSEHOLD INCOME	POVERTY RATE	CHILD POVERTY RATE
Wake County, NC	29%	\$66,579	11%	15%
Hennepin County, MN	28%	\$65,033	13%	18%
Travis County, TX	28%	\$59,620	18%	24%
Fulton County, GA	33%	\$56,642	18%	25%
Mecklenburg County, NC	28%	\$56,472	16%	21%
Allegheny County, PA	36%	\$52,390	13%	18%
Denver County, CO	29%	\$51,800	18%	28%
Erie County, NY	37%	\$51,050	15%	22%
Hamilton County, OH	34%	\$48,927	18%	28%
Jefferson County, KY	34%	\$47,692	17%	25%
Duval County, FL	34%	\$47,582	17%	25%
Davidson County, TN	31%	\$47,434	19%	31%
Oklahoma County, OK	34%	\$46,584	19%	27%
Shelby County, TN	34%	\$46,213	21%	33%
Jefferson County, AL	38%	\$45,239	19%	28%
Cuyahoga County, OH	37%	\$44,203	19%	28%
Milwaukee County, WI	34%	\$43,385	22%	33%
Marion County, IN	32%	\$42,378	21%	31%
Wayne County, MI	41%	\$41,421	25%	36%

At the MSA level (**Table 6**), there is some differentiation in the ranking, but the basic pattern holds true again, with the metro areas.

Table 6. Metro Area Economic & Social Characteristics, *Census 2014*

METRO AREA	% NOT IN LABOR FORCE	MEDIAN HOUSEHOLD INCOME	POVERTY RATE	CHILD POVERTY RATE
Minneapolis-St. Paul-Metro Area	28%	\$68,019	11%	14%
Denver-Aurora-Lakewood, CO Metro Area	29%	\$64,206	12%	17%
Raleigh, NC Metro Area	30%	\$62,794	12%	17%
Austin-Round Rock, TX Metro Area	30%	\$61,900	15%	19%
Atlanta, GA Metro Area	32%	\$56,618	16%	22%
Cincinnati, OH-KY-IN Metro Area	34%	\$55,204	14%	20%
St. Louis, MO-IL Metro Area	34%	\$54,959	13%	19%
Milwaukee, WI Metro Area	33%	\$53,628	16%	23%
Nashville-Davidson, TN Metro Area	33%	\$52,805	14%	21%
Charlotte, NC Metro Area	33%	\$52,591	15%	21%
Indianapolis, IN Metro Area	33%	\$52,434	15%	21%
Detroit, MI Metro Area	37%	\$52,305	17%	25%
Jacksonville, FL Metro Area	36%	\$52,067	15%	21%
Pittsburgh, PA Metro Area	37%	\$51,883	12%	17%
Oklahoma City, OK Metro Area	35%	\$50,967	16%	22%
Buffalo, NY Metro Area	37%	\$50,726	15%	22%
Louisville, KY Metro Area	35%	\$50,386	15%	21%
Cleveland-Elyria, OH Metro Area	36%	\$49,551	16%	23%
Birmingham-Hoover, AL Metro Area	39%	\$48,438	17%	25%
Memphis, TN-MS-AR Metro Area	35%	\$47,647	19%	29%

The Evolution of Fragmentation in Birmingham



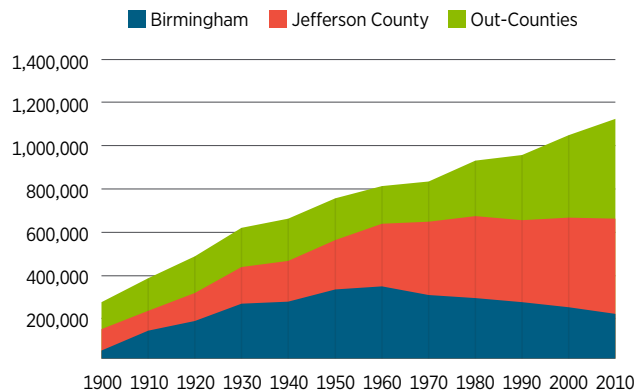
Birmingham is the central city of Alabama's largest metropolitan area. Jefferson County is the region's central county. Surrounding these central jurisdictions are six "out-counties" that are connected to the center of the region by commuting patterns. These counties make up the Birmingham-Hoover Metropolitan Statistical Area and the economic region represented by the Birmingham Business Alliance.

Historically, the six out-counties have not always been as closely tied to Birmingham as they are now, but it is useful to look at today's region in historical context to see how the connections have been created. By analyzing the growth of the metro area in terms of its

three geographical components (central city, central county, and out-counties), we can see that the region has developed in a divided, or fragmented, way, socially and economically. It is no accident, then, that its governance is also characterized by fragmentation.

A fourth of Alabama's population resides in this urban region. According to Census data, the Birmingham metro area's population (defined in terms of today's seven-county configuration) has grown at an annual rate of a little over 1% per year (11% per decade) since 1900. The increase has been relatively steady over the years, as shown by the red line in **Chart 1**.

Chart 1. Population of the Birmingham Metro Area, 1900–2010



The chart indicates that the population of the seven counties in today's official Birmingham-Hoover Metropolitan Statistical Area (MSA) increased from 267,000 residents in the Census of 1900 to 1.1 million in the Census of 2010. However, when we divide this growth into its geographical components, we find a striking pattern in the data.

BIRMINGHAM AND JEFFERSON COUNTY DOMINATE EARLY GROWTH

The blue band in the chart shows that the City of Birmingham had fewer than 40,000 residents in 1900. In the first decade of the 20th Century, several surrounding municipalities were annexed into the City, boosting its 1910 population to more than 132,000, making Birmingham the 36th most populous city in the U.S. From 1910 to 1960, the City continued to grow and maintained this high ranking among the country's large municipalities. Growth also occurred during this half-century in suburban Jefferson County, outside the Birmingham city limits, as shown by the red band in **Chart 1**. Together, the population increases in these two central jurisdictions drove the growth of the Greater Birmingham area for the 50-year period that stretched from 1910 to 1960.

POPULATION BEGINS TO SHIFT TO OUTLYING COUNTIES

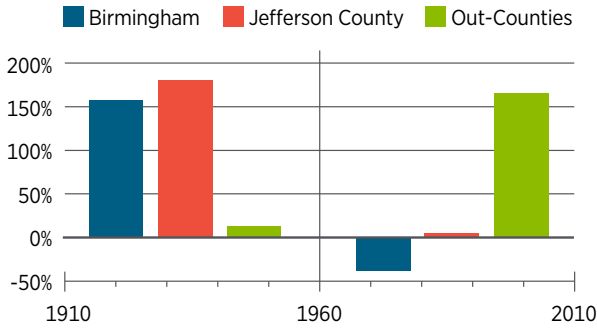
Around 1960, an accelerated period of out-migration began as new highways stretched out from the city and as racial conflict and school integration rocked Birmingham.

Birmingham's population began a slide that has continued in every Census since. In the 2010 Census, Birmingham had fewer residents than it had in 1930, and its ranking among large U.S. cities had dropped from 36 to 9. Subsequent Census population estimates indicate that the city's population has stabilized, but because of growth in other cities, Birmingham has fallen out of the top 100 cities, ranking 102 according to the latest estimates.

Suburban Jefferson County continued after 1960 to show population increases, but they have been sufficient only to maintain the county's overall population at a stable size. Population growth in the metropolitan area from 1960 to 2010 shifted to the out-counties (Bibb, Blount, Chilton, Shelby, St. Clair, and Walker). There was virtually no growth in the central county of the MSA.

Chart 2 contrasts the population growth rates for Birmingham, Jefferson County, and the out-counties during the two 50-year periods. In the first 50 years (1910 to 1960), population growth was concentrated in the center of the metro area; in the second half-century (1960 to 2010), virtually all growth occurred in the out-counties.

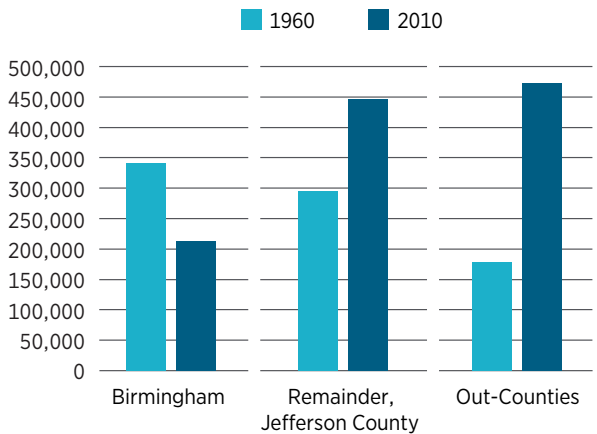
Chart 2. Population Growth Rates, 1910–1960 vs. 1960–2010



The dramatic population shift from the center to the periphery of the metropolitan area during the period from 1960 to 2010 is pictured in **Chart 3**, which shows that Birmingham’s population fell by almost 129,000 (38%), while the remainder of Jefferson County grew by 152,000 (52%) and the out-counties gained over 294,000 residents (166%).

In 1960, Birmingham had the largest share of the regional population, with slightly more residents than the remainder of Jefferson County and double the population of the out-counties. By the time of the 2010 Census, this population distribution had been reversed, with Birmingham making up the smallest segment and the out-counties having the largest share. The out-county population is now more than double the Birmingham population. The out-county population also exceeds that of suburban Jefferson County.

Chart 3. Population of the Birmingham Area, 1960 vs. 2010



What is occurring, in population terms, is the hollowing-out of the Birmingham metro area.

To put it another way: the periphery has grown at the expense of the region’s center.

The population density of Birmingham has declined sharply, while the densities of the remainder of Jefferson County and the out-counties of the region have increased markedly. **Table 7** shows changes in population density that have taken place over this 50-year period, as tabulated by the Census Bureau. Birmingham’s population per square mile has fallen by 69%, while the density in the remainder of Jefferson County has increased by 64%. The out-county population density has risen by 166%. While Birmingham’s population density remains higher than the other portions of the metro area, the trend is away from the center of the region and toward the periphery. Had Birmingham’s population remained stable over this period, the City would have had a 2010 population density of 2,244 persons per square mile, 60% greater than the density shown in the table.

Table 7. Population Density in the Birmingham Metro Area, 1960 vs. 2010

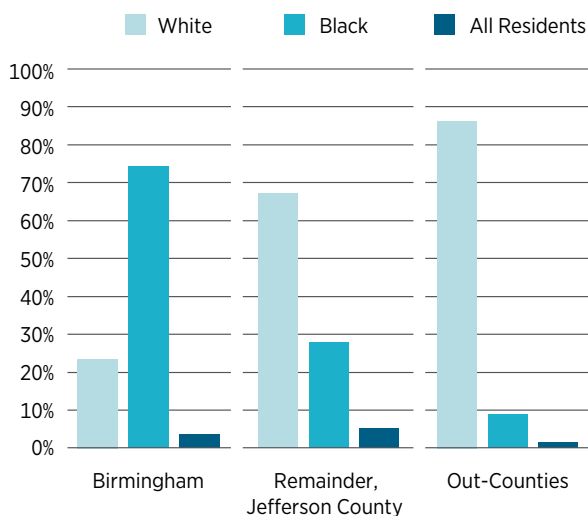
Population per Square Mile			
	1960	2010	% CHANGE
Birmingham	4,576	1,397	-69%
Remainder, Jefferson County	284	465	64%
Out-Counties	43	113	166%

FRAGMENTATION'S SOCIAL AND ECONOMIC IMPLICATIONS FOR GREATER BIRMINGHAM

The population shift from the center to the periphery of a metropolitan area tends to be accompanied by economic and social stratification that divides the metropolitan community along race, income, and poverty lines. These patterns can be seen in the Birmingham metro area.

As the population of a metropolitan area shifts from the center to the out-counties, those who remain in the central city tend to be disproportionately from minority groups. **Chart 4** shows how this pattern has developed in the Birmingham metro area. In the City of Birmingham, over 70% of the current resident population is black. In suburban Jefferson County, blacks comprise less than 30% of the residents, and in the region's out-counties, the black population is less than 10% of the total. Conversely, as we move from the central core to the out-counties, the white percentage of the population rises from 20% to 86%.

Chart 4. Racial Makeup of the Birmingham Metro Area



After a metropolitan out-migration, the population remaining in the central core of the metro area tends to have higher rates of poverty, lower per capita income, and lower participation in the labor force than the population residing in the outer parts of the region.

Charts 5-7 show how this pattern has played out in the Birmingham metro area.

Chart 5 shows the poverty rates in Birmingham, suburban Jefferson County, and the out-counties of the metro area. The poverty rate among residents of Birmingham is twice the rate in the remainder of the metro area.

Chart 5. Poverty Rate (%) in the Birmingham Metro Area, 2014

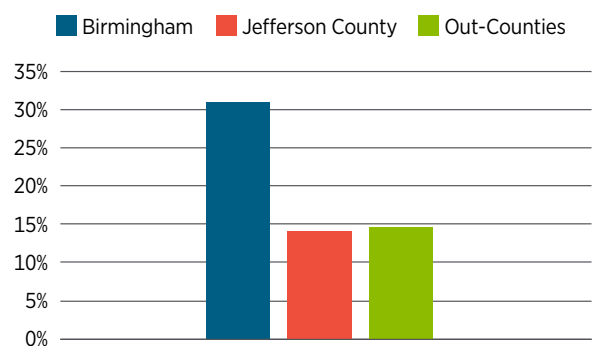


Chart 6 shows the per capita income of the three geographic parts of the Birmingham metro area. The per capita income of Birmingham residents is \$10,000 below the level of income in suburban Jefferson County and \$6,000 less than that of the out-county area.

Chart 6. Per Capita Income for the Birmingham Metro Area, 2014

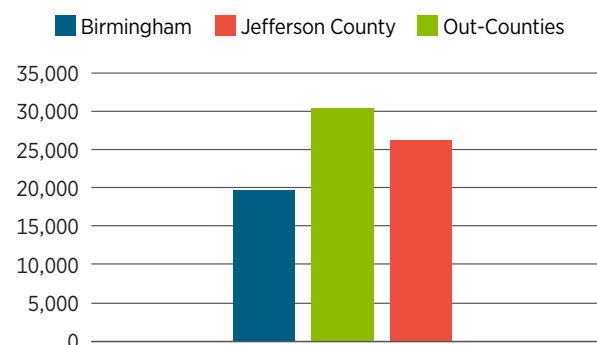
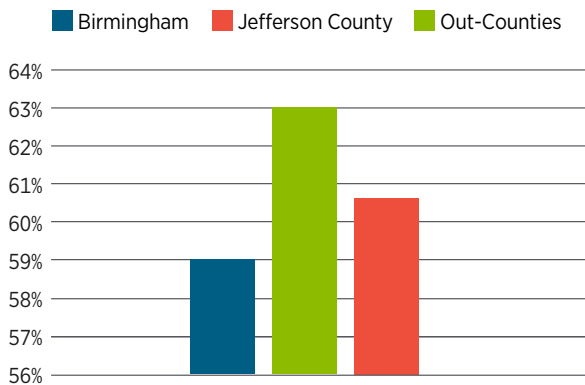


Chart 7 shows the labor force participation rates in the three geographical components of the Birmingham metro area. Participation in the work force is lowest among Birmingham residents, highest in suburban Jefferson County, and midway between the two in the out-county area.

Chart 7. Labor Force Participation Rate for the Birmingham Metro Area, 2014



As the preceding charts show, the population dynamics of the Birmingham region and similar metropolitan areas, such as Detroit, Cleveland, Pittsburgh, and St. Louis, tend to stratify residents geographically, dividing the region along racial, poverty, income, and workforce participation lines.

On the other hand, the financial investments and resulting economic activity that fueled the initial growth of the area tend to remain concentrated in the central core of the metro region, where they benefit from economies of scale. This results in a mismatch between the social and economic effects of regional growth.

Charts 8 and 9 provide a basic picture of the concentration of financial investments and economic transactions in Birmingham, at the center of this metro area.

Chart 8 shows the distribution of real and personal property value, excluding the value of personal automobiles, within Jefferson County, measured on

a per-capita basis. Similar property values in the out-counties of the region were not readily available.

In Birmingham, the market value of business and utility property (Classes I and II) amounts to \$64,000 per capita, compared to \$26,000 of residential and agricultural property value (Class III). The business-related classes are 72% of the total market value.

A very different pattern is seen in the remainder of Jefferson County, where residential and agricultural property make up 59% of the total value. The high value of business-related property in Birmingham reflects the concentration of investment in the central city, while the high value of residential property in the suburban area of the county reflects the higher value of residential property in the suburbs.

Chart 8. Market Value of Class I-III Property Per Capita Jefferson County, 2012

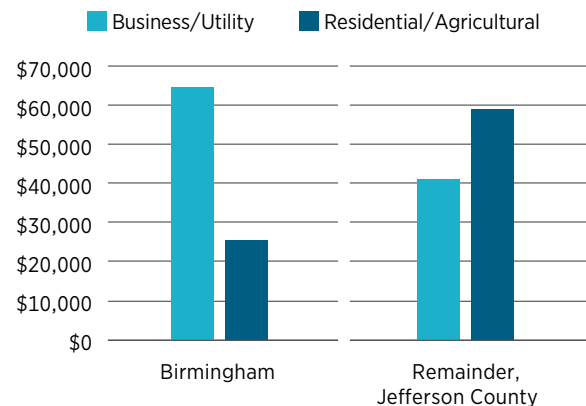
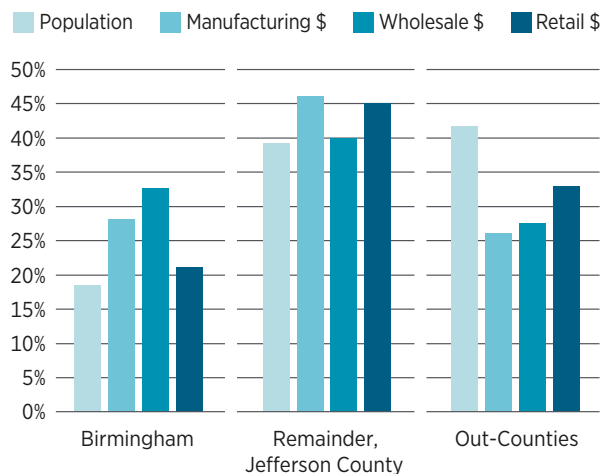


Chart 9 pictures the concentration of economic transactions in Birmingham. The blue bars in the chart show the 2010 population distribution within the region: Birmingham (19% of the region's residents), suburban Jefferson County (39%), and the out-counties (42%). These population shares are compared with other bars showing the distribution of manufacturing shipments, wholesale transactions, and retail sales within the region. Birmingham's shares of the region's economic outputs are higher in every

case than its 19% share of the regional population. In the remainder of Jefferson County, the economic and population shares are consistent with each other, while in the out-counties, economic outputs are much smaller than the population share for this segment of the region's population.

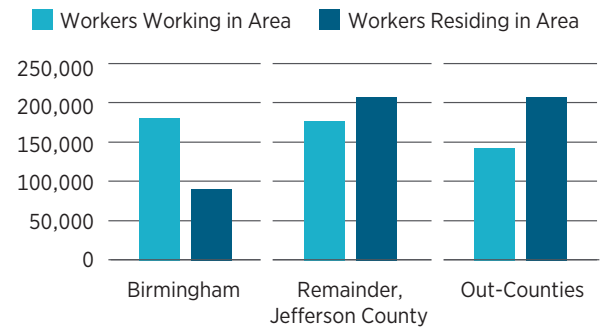
Chart 9. Distribution of Population and Economic Activity in the Birmingham Metro Area, 2010–2012



The economic divisions pictured in **Charts 8-9** run in opposite directions from the social divisions described in **Charts 4-7**. Whereas the population dynamics of the Birmingham region favor the periphery, the metro area's economy is concentrated in the center. This results in a mismatch between workers and jobs across the region, as shown in **Chart 10**. The light blue bars show how jobs are distributed. The dark blue bars indicate where workers reside. Birmingham has the largest number of jobs in the region, but the lowest number of resident workers. Its jobs are filled

by commuters, most of whom come from the suburban parts of the region, where there are more workers residing than the number of jobs provided. This situation places stress on the transportation network and can create a mismatch in resources available to serve radically different daytime and nighttime populations.

Chart 10. Workplace vs. Residence of Workers in the Birmingham Metro Area, 2010



The data in the charts above describe the social and economic patterns by which the region has developed in a divided, or fragmented, way.

While it is apparent that the entire region is interconnected and that there should be opportunities throughout the metro area, we will focus on Jefferson County and its municipalities for further exploration of fragmentation and its effects.

Governmental Fragmentation in Jefferson County

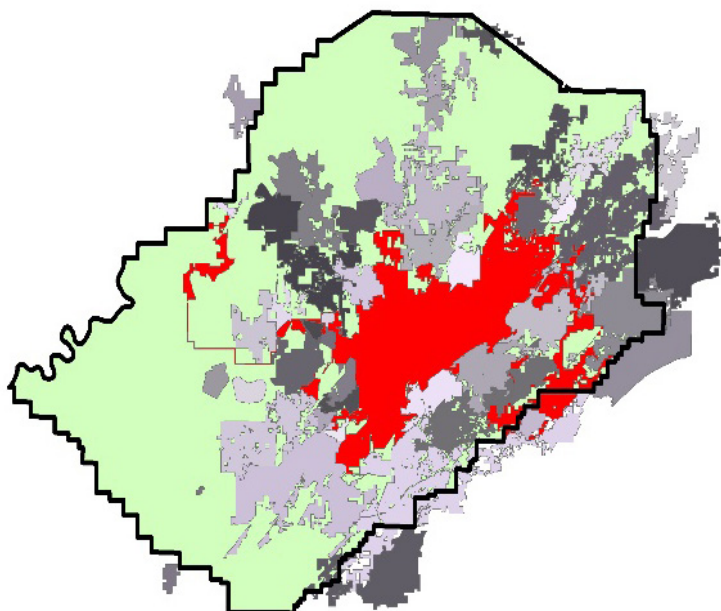


Figure 9. Local government in Jefferson County

The map above pictures the current structure of local general-purpose governments in Jefferson County, the central county of the Birmingham metropolitan area.

There are 35 municipal governments in Jefferson County. The City of Birmingham is pictured in red, other municipalities in various shades of gray.

Table 8 lists the municipalities, their population, estimated change in population since 2010, and the racial and ethnic composition of their populations.

Birmingham is surrounded by suburbs; it occupies just 14 percent of the land area of the county and is home to only 32 percent of its population.

Suburban municipalities occupy 30 percent of the county's land area and account for 57 percent of its population. All of these municipalities exist to provide basic services such as police and fire protection, and most do so independently. The unincorporated

remainder of the county has only 16 percent of the population but occupies 56 percent of the land area. This area is served solely by the county government, which has limited governing powers.

Examination of the table shows that the County is divided among a large number of relatively small municipalities, 20 of the 35 cities and towns have populations under 10,000. About half of the municipal population (296,709 people) live in cities or towns that are predominately white. About half the population in municipalities (283,202 people) live in cities that are predominately black. About 16 percent (107,147 people) live in unincorporated Jefferson County. The population of the unincorporated portion of the county (not shown in the table) is approximately 71 percent white. (Totals do not equal to total Jefferson County population due to municipal boundaries that cross into adjacent counties).

Table 8. Population, Change, and Demographics in Jefferson County Cities and Towns, *U.S. Census Bureau*

CITY OR TOWN	2015 POPULATION ESTIMATE	CHANGE SINCE 2010	PERCENT CHANGE SINCE 2010	% WHITE	% BLACK	% HISPANIC
Kimberly city	2,982	289	10%	96%	1%	1%
Fultondale city	9,048	668	8%	65%	20%	13%
Trussville city	21,023	1,027	5%	91%	5%	0%
Hoover city	84,848	3,818	5%	71%	15%	7%
Morris town	1,934	75	4%	98%	0%	1%
Homewood city	25,708	543	2%	76%	15%	6%
Pleasant Grove city	10,260	152	2%	51%	48%	1%
Leeds city	11,936	164	1%	76%	14%	8%
County Line town	261	3	1%	98%	0%	0%
Mountain Brook city	20,691	207	1%	96%	1%	1%
Warrior city	3,199	23	1%	73%	22%	4%
Irondale city	12,423	69	1%	55%	34%	9%
Vestavia Hills city	34,174	67	0%	89%	3%	1%
Birmingham city	212,461	257	0%	21%	73%	4%
Pinson city	7,438	(24)	0%	75%	22%	2%
Clay city	9,655	(34)	0%	79%	19%	1%
Sylvan Springs town	1,524	(18)	-1%	98%	1%	1%
West Jefferson town	336	(4)	-1%	98%	0%	0%
Gardendale city	13,711	(179)	-1%	84%	14%	1%
Center Point city	16,655	(269)	-2%	29%	67%	2%
Cardiff town	54	(1)	-2%	76%	24%	0%
Fairfield city	10,907	(206)	-2%	5%	91%	2%
Trafford town	634	(12)	-2%	95%	4%	0%
Mulga town	819	(17)	-2%	85%	13%	1%
North Johns town	142	(3)	-2%	51%	48%	0%
Lipscomb city	2,155	(55)	-2%	24%	53%	19%
Brookside town	1,329	(34)	-2%	78%	21%	0%
Hueytown city	15,710	(407)	-3%	70%	26%	2%
Midfield city	5,222	(141)	-3%	13%	86%	0%
Bessemer city	26,730	(733)	-3%	24%	72%	3%
Adamsville city	4,400	(122)	-3%	49%	41%	9%
Brighton city	2,862	(83)	-3%	6%	83%	12%
Maytown town	374	(11)	-3%	88%	11%	1%
Graysville city	2,096	(62)	-3%	82%	17%	0%
Tarrant city	6,210	(184)	-3%	36%	51%	6%

Not shown in this map are the 12 local school systems in Jefferson County. In Alabama, each county has a school system, and every municipality that reaches 5,000 residents may opt out of the county system and create one of its own. Eleven of the 18 eligible municipalities in Jefferson County have separate school systems, and a twelfth is in the process of separating.

Table 9 shows the number of counties, municipalities, and school systems that have been created in the seven-county Birmingham metro area. In the six out-counties, there are 54 municipalities and 11 school systems in addition to the 35 municipalities and 12 school systems in Jefferson County.

Table 9. Local Units of Government in the Birmingham Metro Area.

	COUNTIES	MUNICIPALITIES	SCHOOL SYSTEMS
Jefferson County	1	35	12
Out-Counties:			
Bibb	1	4	1
Blount	1	12	2
Chilton	1	4	1
Shelby	1	13	3
St. Clair	1	10	2
Walker	1	11	2
	7	89	23

SCHOOL SYSTEM FRAGMENTATION IN JEFFERSON COUNTY

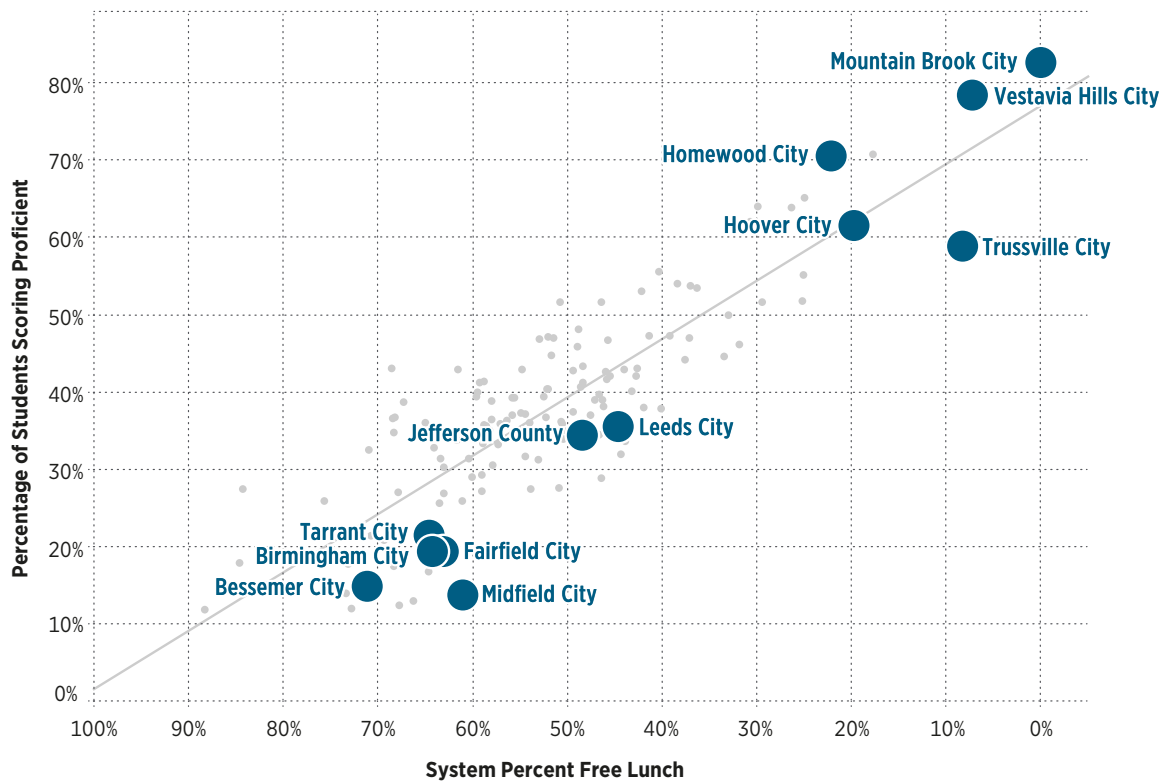
The ability of local communities in Jefferson County to create and control their own schools has created an atmosphere in which the citizens of the county are highly engaged in their local schools. According to Census estimates, more than 90 percent of school-age children in Jefferson County attend K-12 public schools. Comparing that to the peer group of cities identified earlier in this chapter, that rate of participation is greater than 18 other counties in that grouping. Only Wayne County in Detroit has a greater public school participation rate.

The establishment of independent systems reflects the desire of individual communities to exercise more direct control over and put extra investment in their community schools. Public schools in Jefferson County are generally better funded than those in the rest of the state of Alabama. Three of the top four school systems in the state on measures of academic success (Mountain Brook, Vestavia, and Homewood) are located in the county.

However, the proliferation of school systems has also had a negative effect. Historically, some of this proliferation was due to communities wishing to avoid court-ordered desegregation of schools. The exodus of whites to these suburban schools has left some systems overwhelmingly black. As time has passed, more affluent blacks have also moved to suburban systems creating an additional economic segregation within the schools.

The socio-economic composition of a school strongly correlates with measures of academic performance. In Alabama and throughout the country, students who grow up in households in poverty don't perform as well as their more affluent peers. **Chart 11** compares the schools in Jefferson County both in terms of the academic achievement and percentage of the student body coming from poverty backgrounds. Data is from the 2014-2015 school year.

Chart 11. Percentage of Students Scoring Proficient by System Arrayed by Percentage of Students in the System in Poverty



In the upper right-hand corner of the chart is a cluster of schools in which poverty levels are lower, and the percentage of students measured as academically proficient is higher. School poverty percentages are measured by the percentage of students directly qualifying for free lunches through the National School Lunch Program, a qualification based on their families' low level of household income. Academic performance is measured by a composite of reading and math proficiency scores in grades 3-8 on the ACT Aspire, a test administered statewide in all school districts.

In the lower left-hand corner is a cluster of school systems where the percentage of students in poverty is higher and the percentage of students deemed to be academically proficient is lower. The smaller gray circles on the chart represent other systems in

Alabama outside of Jefferson County. The trend line that cuts across the chart represents the average performance rate for schools along the spectrum from low poverty to high.

In the lower poverty systems, (Homewood, Hoover, Mountain Brook, Trussville, and Vestavia), the average percentage of students scoring proficient ranges from 59 percent in Trussville to 83 percent in Mountain Brook. Among the higher poverty school systems (Bessemer, Birmingham, Fairfield, Midfield, and Tarrant) the average percentage of students scoring proficient ranges from 21 percent in Tarrant to 14 percent in Midfield. Two systems with slightly lower poverty percentages (Jefferson County and Leeds) sit between the high scoring and lower scoring systems, with student proficiency rates in the mid-30s.

Thus, fragmentation in Jefferson County's school systems has produced distinctions in both the socio-economic composition of the schools and the academic proficiency rates of the various systems. Again, it must be said that neither school segregation stemming from housing patterns nor gaps between poverty and non-poverty students are unique to Birmingham. These disparities can be found in consolidated city and county systems but may not be apparent, hidden in the overall broader average.

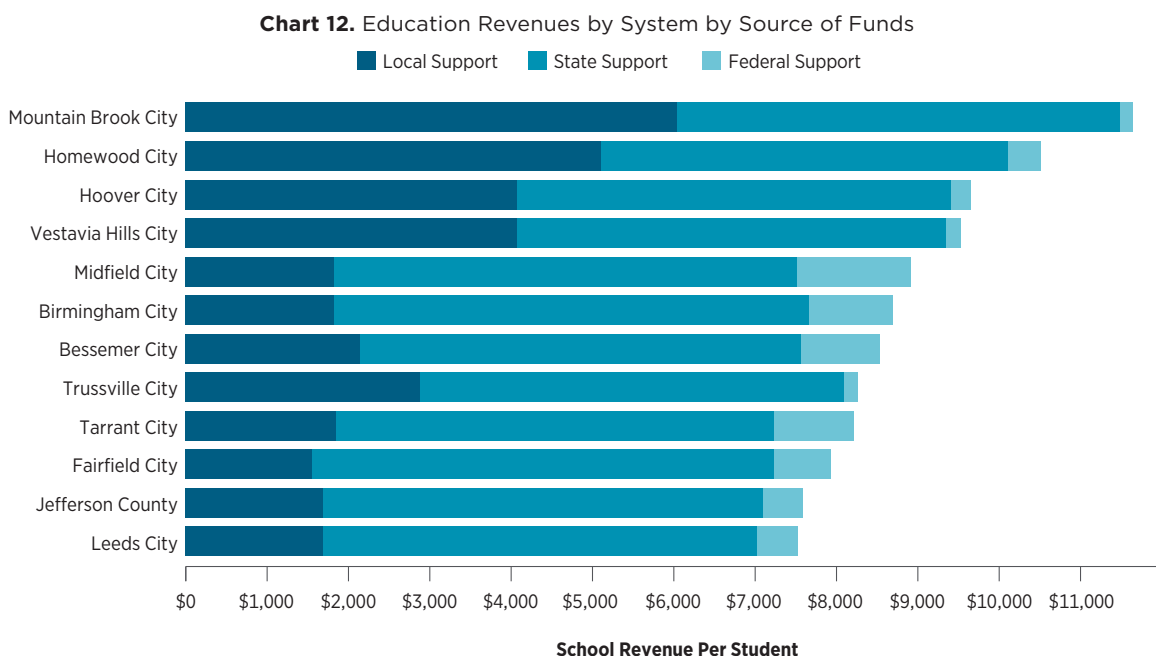
When it comes to providing funding to schools, differences in funding levels also exist between the systems. There are some mechanisms in place aimed at leveling the playing field. Support from the federal government goes predominately to districts with higher rates of poverty. The state funding formula for schools also contains a mechanism aimed at creating some measure of equity among schools: 10 mills of local property tax is sent to the state and redistributed on a school enrollment basis.

Furthermore, in Jefferson County, a portion of the property taxes for schools (8.2 mills) is collected throughout the county and distributed back to the

schools based on enrollment. The County also collects countywide a 1 cent of sales tax for education, which paid for a bond issue for school construction, which was also distributed on the basis of school enrollment.

Despite those measures, there is a difference in per student funding for schools in Jefferson County. Local communities impose property taxes within their jurisdictions to support schools. In addition, some cities provide support for schools from other tax revenues. The ability of individual communities to provide such support is determined both by the willingness of voters to support taxes for education and also by the tax base of the city. Cities with higher property values or greater taxable resources are able to generate more revenue for schools.

The net result of federal, state, and local revenue for education produces a range in per-student funding across school systems, with budgeted revenues from the 2016-2017 represented in **Chart 12**. At the upper end, Mountain Brook schools have almost \$12,000 per student per year to provide for its students' educations while Leeds schools have about \$7,500 dollars per student to spend.



Whenever greater cooperation or consolidation between governments is discussed, concerns about the merging school districts arises as the principal objection. Existing municipalities and school systems are virtually always left out of efforts to consolidate. In cities like Nashville, Jacksonville, and Louisville, consolidated school systems existed prior to city-county consolidation.

Still, the existence of independent school systems should not be an impediment to exploring cooperation between local governments. Nor should the existence of independent school systems be a barrier to discussing cooperative arrangements through which the education of all children can be improved.

“VERTICAL” FRAGMENTATION: THE STATE LEGISLATURE’S POWER TO ENACT LOCAL LAWS

Another form of fragmentation, less frequently noted, exists on a vertical axis. Municipal governments are not completely autonomous. They are subdivisions of state government, and their actions are to some extent governed by state legislatures. Counties were created as arms of the state government, to provide local administration of state-level functions such as courts and elections. They possess only those powers given them by the State Legislature. County government can serve as a vehicle for addressing the needs of a broader community of interest. However, county government, even more so than cities, is intertwined with state government and in particular, the State Legislature.

The ability of governments to operate to serve constituents depends on aligning the interests and perspectives of multiple layers of government. Too often in Jefferson County, conflict, overlapping authority, and poor structural organization impede the ability of Jefferson County to come together around shared goals and purpose.

Fragmentation comes from too many voices speaking from narrow perspectives. In the Birmingham community, fragmentation stems not only from large numbers of local governments, each focused on its own short-term interests. It also derives from the active role of the State Legislature in local affairs.

The State Level

Local government in Greater Birmingham begins in Montgomery. It is in the State Legislature that the form of local government is spelled out. Beyond those basics, the Legislature, principally through the work of the 26-member Jefferson County delegation, often becomes intimately involved in local issues, despite the fact that they are elected to pass laws and create budgets that apply to the state as a whole.

In Alabama, much governmental power is retained in Montgomery rather than being delegated to local cities and counties. The Legislature keeps a tight rein on local governments, particularly when it comes to questions of taxation.

The primary method by which the Legislature exerts its will in community matters is by adopting “local acts”—statutes that apply only to specified units of local government rather than the state as a whole. In the Legislature, local acts are processed through local “delegations,” which are committees composed of the lawmakers from a given county. To enhance the role of local delegations, the Legislature long ago developed the practice of “legislative courtesy,” through which the entire Legislature normally defers to the decisions of a county’s delegation. Often members don’t even vote on local bills from other areas.

The County Level

A metropolitan county may well have Senators and Representatives from districts that cross county lines. In Jefferson County, the Senate delegation has eight members, with five crossing county lines; the House delegation has eighteen members, with five crossing county lines. One or two members of the delegation

can bottle up a local bill, including members who actually live outside the county and may not place a high priority on the smooth functioning of the county's local governments.

Many Alabama counties are dependent on direction by local legislative act. Jefferson County's governmental structure, for example, has been defined by local acts for over a century; whenever there is need for change, going to the Legislature is the only way to make it happen.

Strange as it may seem, Jefferson County has been given governmental responsibilities but has no inherent power to levy any taxes other than property taxes at rates up to 7.5 mills (0.75 percent). The Legislature has levied or authorized virtually all of the County's taxes—and specified how much of the money is to be spent.

Table 10 lists the Jefferson County taxes levied or authorized by the Legislature since 1947. It is a long and varied list. All of the acts are local in nature, which means the taxes were approved by the legislative delegations in the Senate and House (GBLA's or "General Bills of Local Application" are sometimes known as "bracket bills" because they identify the locality by its population bracket rather than by name.) Most of the acts concerning local taxes earmark the uses of the revenue and distribute some or all of the money to entities other than the County.

Because these local tax bills not only raise but also spend county revenues, they are actually budgets—decisions about how much public support will be given to local governmental and even nonprofit functions.

When problems arise or changes need to be made in the allocation of tax resources, the issue has to be addressed in Montgomery, rather than in Jefferson County. For instance, in recent years, the Jefferson County legislative delegation has been intimately involved with Jefferson County's financial affairs. Jefferson County's bankruptcy was rooted in corruption-tainted decisions made by prior Jefferson County

Commissions and was triggered by the crisis in financial markets. The Legislative Delegation contributed to the situation and complicated its resolution through its control of county tax revenue, particularly the distribution of occupational and sales tax revenue.

From 1999 when Jefferson County's occupational tax was challenged in court until 2010, the County Commission and the Jefferson County legislative delegation engaged in series of confrontations over the tax, which the delegation alone had power to change. During the fray, lawmakers sought to increase their control over the distribution of the tax proceeds and repealed the tax when no agreement was reached. Ultimately the legislative delegation could not agree on a replacement, and the County Commission could not prevent the expiration of its major source of general-purpose revenue. In the post-occupational tax and post-bankruptcy era that has followed, the county continues to struggle financially, with the delegation's allocation of Jefferson County's 1-cent sales tax for schools still under legal challenge.

The Municipal Level

Municipalities are less susceptible to control by local act. Court rulings have led the Legislature to create eight classes of municipalities, based on population, and to legislate in general bills for each class. However, these classes have frequently been manipulated by the Legislature to allow them to set terms for the individual locale. For instance, the Legislature made Birmingham the only Class 1 city, preserving its ability to legislate directly for the state's largest municipality.

Municipalities also have broad authority to levy sales and excise taxes, but as the table shows, the Legislature can restrict their power to tax as well, using local acts not aimed at them directly. In writing local acts to create gasoline and cigarette taxes for Jefferson County in 1947, the Legislature provided that no municipality in the County could levy such taxes on its own. Rather, they receive shares of the county taxes that the Legislature controls.

Other states have also allowed the Legislature to play a dominant role in community governance. South Carolina once gave its legislative delegations power to adopt the budgets for their counties. But they realized the lack of accountability this created, and in 1970 adopted constitutional amendments that eliminate the ability of the Legislature to pass any bills that pertain to a single county or municipality. As the reformers put it, local government should be run from the courthouse, not the statehouse.

Table 10. Jefferson County Taxes Authorized by State Legislature

YEAR	ACT NO.	TYPE OF ACT	TYPE OF TAX	PROCEEDS EARMARKED?	DISTRIBUTION TO OTHERS?	LEGISLATURE'S ROLE	OTHER FEATURES OF THE ACT
1947	385	GBLA	Gasoline	No	Yes	Levied the tax	Municipalities cannot levy
1947	424	GBLA	Cigarette	No	Yes	Levied the tax	Municipalities cannot levy
1957	697	Local	General sales	Yes	Yes	Authorized a vote	
1959	510	Local	General sales	Yes	Yes	Required a vote	
1961	847	GBLA	Cigarette	Yes	Yes	Levied the tax	
1965	387	GBLA	General sales	Yes		Levied the tax	
1965	388	GBLA	Alcohol	Yes		Authorized the tax	
1965	524	GBLA	Cigarette	Yes	Yes	Levied the tax	
1965	525	GBLA	Lodging	Yes	Yes	Levied the tax	
1967	405	GBLA	General sales	Yes		Levied the tax	
1967	406	Local	Occupational	No		Authorized the tax	
1969	794	Local	Lodging	Yes	Yes	Levied the tax	
1979	126	Local	Lodging	Yes	Yes	Levied the tax	
1982	177	Local	Ad valorem	Yes	Yes	Authorized a vote	
1991	170	Local	Real estate license	No	Yes	Levied the tax	Municipalities cannot levy
1995	783	Local	Lodging	Yes	Yes	Levied the tax	
1999	406	Local	Occupational	Yes	Yes	Levied replacement tax	Overtaken by court decision
1999	699	Local	Occupational			Repealed the tax	
2000	215	Local	Occupational	Yes	Yes	Levied replacement tax	Overtaken by court decision
2001	546	Local	Lodging	Yes	Yes	Levied the tax	
2001	550	Local	Auto rental	Yes	Yes	Levied the tax	
2003	288	Local	Alcohol	Yes	Yes	Levied the tax	
2009	811	Local	Occupational			Levied replacement tax	Overtaken by court decision
2011	662	Local	Business License	No		Authorized the tax	
2015	226	Local	General sales	Yes	Yes	Authorized the tax	Overtaken by court decision

FRAGMENTATION IN THE STRUCTURE OF JEFFERSON COUNTY GOVERNMENT

Beyond its problem with vertical fragmentation, Jefferson County government has also been hampered by a form of internal fragmentation. Unlike local, state, and federal governments, county government lacks an elected chief executive. Lacking a leader who is elected countywide to run the county, Jefferson County government leaves both executive power and the legislative oversight to five commissioners, elected by district.

Not only does the County lack the unifying leadership of an executive elected county-wide, but it also lacks the traditional system of checks and balances found in national, state, and city governments.

The Significance of Separating Executive from Legislative Powers

The separation of executive from legislative powers is one of the bedrock principles of American government. James Madison first articulated this principle in *The Federalist Papers*. His historical studies had led him to conclude that failure to effectively separate the powers of government and provide checks and balances for official behavior virtually guarantees the eventual abuse of power.

Putting this in modern terms, we would say that properly structuring a unit of government is a crucial matter of risk management. Governments that operate without effective separation of legislative from executive powers are prone to misusing the dollars provided them by taxpayers.

The default or general-law structure of county government in Alabama dates back to 1866 when the Alabama Legislature designated the elected probate judge to be the ex officio chairman of the county legislative body, also elected and known at the time as the “commissioners’ court.” This created a separation

of powers between a part-time policy-making or legislative body and a full-time executive, charged with managing the administrative affairs of the county government.

Over time though, the Alabama Legislature allowed the various counties to alter forms. In Jefferson County, the role of a county chief executive disappeared.

Jefferson County: A Prime Example of Poor Structure

In the 1930s, Jefferson County did away with a model that provided for an executive and adopted the Commission form of government, in which three commissioners, all elected county-wide divided up the administrative responsibilities of the county. One member became the Commissioner of Public Works, with responsibility for administration of the sanitary sewer system as well as roads and bridges; another became the Commissioner of Public Welfare, with responsibility for hospitals, clinics, jails, and other institutions as well as social services; and the President took responsibility for Finance and General Administration, with the associated agencies and functions.

While the form was popular at the time, organizing in this way creates multiple executives and eliminates the separation of powers and checks and balances that are well understood to minimize the risk of mismanagement in the governmental environment.

In 1985, as a result of a federal lawsuit, the Commission was changed in form to one in which five county commissioners would be elected by district rather than at-large, thereby creating the opportunity for minority representation on the Commission. Those commissioners would serve as the legislative body for the county, but, in addition,

and despite the change to districts, the new commission retained the practice of dividing the executive power or responsibility for administering the various departments of county government.

Thus, one commissioner, elected by a specific district, was given oversight over the central administrative functions of county government, including such activities as budgeting, personnel management, and purchasing. The other individual commissioners were assigned the responsibility of administering specific departments: Roads and Transportation, Community Development, Environmental Services, Health and Human Services, and Technology and Land Development.

Each commissioner held an executive function over his or her department, while the commissioners as a whole acted as the legislative body. Conflicts were inherent in this set-up, with the Commission as a body deferring to the individual commissioner in the running of his or her department.

Thus, the management of the massive sewer rehabilitation was left to one Commissioner, without an effective check on his decision making by a separate oversight body. The same situation occurred in the County's finance and budget management operations, as well as in other departments.

Under this system, missing proper checks and balances, the county experienced corrupt practices in administering and financing sewer improvements that resulted in felony convictions for some county officials and contractors. It borrowed billions of dollars through risky techniques that later backfired, leaving the county unable to make debt payments. It paid excessive fees related to debt issuance. In 2011, the County filed for bankruptcy and remained in that status for two years.

The county government that has emerged from bankruptcy is significantly smaller. In fiscal year 2016 the County plans to employ around 1,600 people and spend about \$178 million through its general fund

budget. Eight years earlier, the County's general fund budget was about \$340 million and its employment level 2,900.

Recovering From Mismanagement

County government's structure has improved. Recognizing the flaws that helped cause bankruptcy and corruption, the Jefferson County legislative delegation reformed the structure of county government by creating the position of county manager.

A county manager, appointed by the county commission, now functions as the administrative head in charge of all departments. The commissioners now have a more traditional check and balance role of functioning as a body that funds and provides oversight of the various departments that are run by the county manager. Hiring or firing the county manager requires a fourth-fifths vote of the commission.

The manager and the Commission both report significant progress in the transformation. County budgeting has improved significantly. The various departments of the county now operate under the management of trained professionals, rather than elected officials. However, the County still has no elected official who represents all the county and derives his or her authority from a county-wide electoral mandate.

In a national context, Jefferson County was late in moving toward a separation of powers in county government. According to the National Association of County Commissioners, only 5 of the 126 large counties in the U.S. (over 500,000 in population) have neither a county manager or elected chief executive; 65 have a county manager but not an elected executive; and 56 have an elected county executive (27 of those counties also have a county manager). The elected executive is an innovation frequently pursued in government reform efforts.

Lingering Financial Hangover

Despite progress, the County is still struggling to find the revenue it needs to provide services. Because of its inability to enact taxes, the County has to first convince the state Legislature that it needs the revenue it lacks and then lobby for a solution. The current County Commission did persuade the legislative delegation to pursue a fix. A bill was passed to refinance the County's debt for school construction which would have allowed the county to spend about \$30 million additional annually out of its general fund. An additional \$30 million was allocated by the bill to other purposes, schools, the Birmingham-Jefferson County Transit Authority, the Birmingham Zoo, and \$3.6 million a year towards local legislators' personal projects in their districts. However, the refinancing scheme was challenged in court and ruled unconstitutional. An appeal of that ruling is pending.

A final impediment hobbling the County is that its hiring is still under the oversight of a court-appointed receiver thanks to a long-running lawsuit over County employment practices. It will take a resolution of that lawsuit, the stabilization of County finances, and continued structural improvement to county government before the Jefferson County can emerge as a full-fledged leader of cooperative regional initiatives.

A FRAGMENTED SYSTEM OF TRANSIT IN JEFFERSON COUNTY

Thanks to its fragmented nature, Birmingham has not been able to create a truly regional system for mass transit. At a time when growing cities and metros across the country are investing in expanding and improving transit, Birmingham remains stuck in a state of dysfunction.

Ideally, a transit system should be able to determine where to run routes between areas where there is the potential greatest demand. For the Birmingham-Jefferson County Transit Authority (BJCTA), the construction of a route map is more an exercise in

working a puzzle, piecing together segments through the various municipalities willing and able to pay for the service.

The BJCTA receives the bulk of its funding from the City of Birmingham. Jefferson County contributes a smaller share as a mandated distribution from its property tax. A portion of the Jefferson County beer tax is also earmarked for the BJCTA. A missing piece of the funding puzzle is support from the state. Alabama is one of three states that does not provide state funding for transit.

The rest of the municipalities receiving service contribute on the basis of the number of transit service hours offered in the city. Thus, BJCTA is dependent on contributions from 10 different cities (Bessemer, Birmingham, Hoover, Homewood, Mountain Brook, Midfield, Fairfield, Center Point, Tarrant, and Vestavia Hills). Irondale, Fultondale, Gardendale, and Trussville do not participate.

Each participating city has the option of paying for the services BJCTA proposes or negotiating for less service in order to avoid higher costs. Municipalities can pull out any time. Since transit routes often run through multiple jurisdictions, BJCTA encounters difficulty in providing a level of service that satisfies the multiple jurisdictions on the route.

An example of how this system breaks down is taking place this year in Fairfield. That city, located on the transit route between Birmingham and Bessemer, is on the verge of bankruptcy and owes the BJCTA almost \$500,000 for service already provided.

BJCTA has said it might have to cut off service to Fairfield if payment isn't received, a situation that will leave riders stranded while buses pass through the city without stopping.

BJCTA funding instability creates a vicious cycle. As the system's finances are constrained and its service level dictated by cities' willingness to pay, the frequency and reliability of service are difficult to

maintain. The service does not operate on Sundays, and its hours are further limited by cities unwilling to subsidize night service.

Declining frequency and reliability drives down ridership. When ridership falls, cities are less likely to increase support.

Limitations of the system have also left it operating on an inefficient “hub and spoke” model, under which all routes converge downtown. A trip from Bessemer to Hoover, which would normally take 30 minutes from point to point, may take two hours because a rider has to journey from Bessemer to downtown and transfer to a bus headed to Hoover.

A 2011 study by the Brookings Institution ranked Birmingham’s transit system 94th out of 100 metros in terms of its coverage area, service frequency, and its ability to link residents with jobs. The Brookings Report makes the point often overlooked: transit is not just a convenience; it is a vital tool for linking people to jobs.

As the region’s employment opportunities increasingly spread across the map and across municipal boundaries, reliable and frequent service is vital for

employers that need workers and people who need work. In other cities, mass transit is viewed as an economic engine and driver of development. A high functioning transit system can be a tool in decreasing traffic congestion. It can also provide a cornerstone in supporting an urban environment that makes living downtown a more appealing option.

In its current configuration, BJCTA has difficulty playing the role that transit plays in other cities.

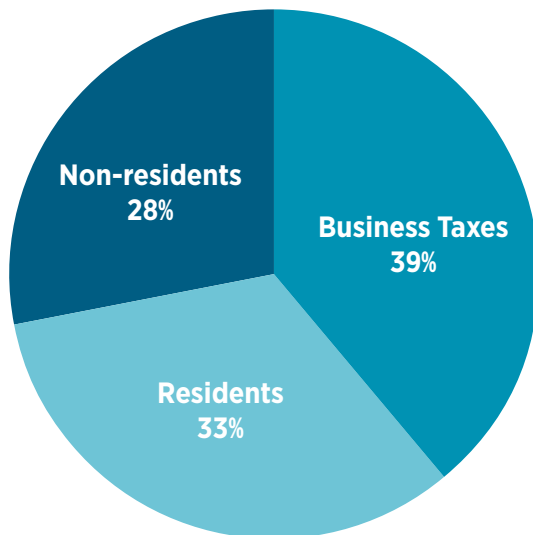
The transit system’s ability to expand and improve is undermined by issues of territoriality, control, and trust. Birmingham, in providing the bulk of the funding and controlling the majority of appointments to the board, is the dominant voice in control of the system. Birmingham is resistant to surrendering control of a system centered in the urban core and disproportionately funded by the city. Meanwhile, suburban governments, with limited representation on the BJCTA board and, in some cases, an ambivalence about the value of the service, have tended to avoid playing an active role in attempting to shape transit policy.

Overcoming Fragmentation

For all its problems with fragmentation, Greater Birmingham has also devised ways to cope with it. Some of these mechanisms for cooperation are long-standing, while other initiatives seem to be gaining momentum. The examples that follow show that cooperation, though sometimes difficult, does occur. They provide the basis for hope that success can be built upon.

BIRMINGHAM'S BALANCING ACT

Chart 13. Percent Contributed to Total City of Birmingham Tax Revenue, FY 2016



Despite losing one-third of its population since 1960, Birmingham has managed to retain an outsized proportion of the employment and business base of Jefferson County and the region as a whole, thus somewhat mitigating the effects of fragmentation.

The U.S. Census Bureau estimates that in total 184,549 people work in the City of Birmingham. Slightly over half of the workforce, 51 percent or 94,085 people, commute into the city, according to the Census data. The City also remains a regional leader in retail, dining, and entertainment offerings, drawing in sales tax from a base much larger than its resident population.

Birmingham's three largest sources of revenue are its sales tax, its occupational tax, and its business license tax. All draw in taxes from throughout the region.

Using data from the U.S. Census Bureau, plus information from the City of Birmingham's Budget, and its annual financial statements, PARCA estimated the percentage of city revenues supplied by three different categories of taxpayers: residents, non-residents, and businesses.

Table 11. Birmingham taxes by source and payer, FY 2016

TAXES PAID BY BUSINESSES		TAXES PAID BY RESIDENTS		TAXES PAID BY NON-RESIDENTS	
Ad Valorem Class I		Ad Valorem Class III			
Property Tax Revenue	23,450,000	Property Tax Revenue	23,450,000		
Class I Percent of AV	8.4%	Class I Percent of AV	15.6%		
Estimated Revenue	1,971,855	Estimated Revenue	3,650,387		
Ad Valorem Class II		Ad Valorem Class IV			
Property Tax Revenue	23,450,000	Property Tax Revenue	23,450,000		
Class I Percent of AV	65.2%	Class I Percent of AV	10.8%		
Estimated Revenue	15,284,049	Estimated Revenue	2,543,709		
General Sales & Use Taxes		General Sales & Use Taxes		General Sales & Use Taxes	
Sales & Use Revenue	158,645,000	Sales & Use Revenue	158,645,000	Sales & Use Revenue	158,645,000
Estimated %	25%	Estimated %	41%	Estimated %	34%
Estimated Revenue	39,602,771	Estimated Revenue	64,813,624	Estimated Revenue	54,228,606
		Occupational License		Occupational License	
		Occupational Revenue	82,385,000	Occupational Revenue	82,385,000
		Estimated % Resident	50%	Estimated % Non-Resident	50%
		Estimated Revenue	41,192,500	Estimated Revenue	41,192,500
Business Licenses					
Business License Revenue	64,300,000				
Public Utilities Tax					
Public Utilities Revenue	17,500,000				
		Sales & Excise Taxes		Sales & Excise Taxes	
		Alcoholic Beverages Rev.	1,508,000	Alcoholic Beverages Rev.	1,508,000
		Estimated % Resident	50%	Estimated % Resident	50%
		Estimated Revenue	754,000	Estimated Revenue	754,000
		Lease/Rental Tax Rev.	6,000,000	Lease/Rental Tax Rev.	6,000,000
		Estimated % Resident	50%	Estimated % Resident	50%
		Estimated Revenue	3,000,000	Estimated Revenue	3,000,000
				Lodging Tax Revenue	2,500,000
				Estimated % Resident	100%
				Estimated Revenue	2,500,000
Total Tax Revenues	138,658,674	115,954,220		101,675,106	

According to the analysis, city residents paid about one-third, 33 percent of city taxes. Non-residents paid 28 percent, and businesses contributed 39 percent of tax revenues to the City of Birmingham.

Thanks its ability to tap the wider region for tax resources, Birmingham has been able to continue to serve as the principal supporter of systems of regional importance like transit and of regional attractions like Railroad Park, Region's Field, and the Birmingham Museum of Art. Among Jefferson County cities, Birmingham spends the most on economic development and recruitment and on attracting events to the City. Such spending is important to the City precisely

because of its heavy reliance on business taxes to fund government. Preserving and expanding that business and retail base, drawing tourists, and creating an urban center that attracts new residents are vital to the City's bottom line.

However, it can also lead to tension in a city where a large proportion of residents live in neighborhoods that were hard hit by the suburban exodus, neighborhoods plagued by blight, poverty, and crime.

Table 12 lists items in the City budget that might be considered expenditures playing a regional role in supporting culture and tourism. These items account for about 5 percent of city operating expenses.

Table 12. Birmingham Budget Support for Regional Attractions and Events, FY 2016

VENUES AND PROGRAMS	AMOUNT	EVENTS	AMOUNT
Birmingham Crossplex	\$3,885,832	Magic City Classic	\$675,000
Museum of Art	\$3,501,476	World Games	\$500,000
Birmingham Zoo	\$2,080,000	UAB Football	\$500,000
Sloss Furnaces	\$1,185,546	Birmingham Bowl	\$350,000
Railroad Park Foundation	\$1,057,280	Indy Racing League	\$350,000
Southern Museum of Flight	\$825,086	Senior Games	\$250,000
Arlington	\$785,198	High School Basketball Championship	\$175,000
Birmingham Civil Rights Institute	\$775,000	World Heritage	\$137,500
Vulcan Park Foundation	\$476,500	Southern Intercollegiate Athletic Conference	\$95,000
Alabama Jazz Hall of Fame	\$233,328	AL High School Athletic Association	\$83,500
Ruffner Mountain Agency	\$200,000	Magic City Smooth Jazz	\$80,000
Rickwood Field	\$115,000	City Fest	\$75,000
Total for Venues	\$15,120,246	Empowerment Week	\$50,000
		UNESCO	\$50,000
		Sporting Event Recruitment	\$50,000
		AHSAA Wrestling	\$50,000
		Alabama Parks and Rec Championship	\$21,000
		Veteran's Day	\$20,000
		Total for Events	\$3,512,000
		Total for Events and Venues	\$18,632,246
		Percent of City Operating Expenses	5%
OTHER	AMOUNT		
Birmingham Jefferson Transit Authority	\$10,800,000		
Jefferson County Civic Center	\$4,951,988		
Total Other	\$15,751,988		
Percent of City Operating Expenses	4%		

Another four percent of operating expenses go to support operations that could be described as regional in nature. The City is by far the biggest contributor (and biggest recipient of services) from the Birmingham-Jefferson County Transit System (\$11 million annually). Birmingham also currently contributes \$4.9 million a year to the Jefferson County Civic Center Authority. That contribution pays the debt that allowed the BJCC to finance the construction of Uptown, the entertainment district adjacent to the convention complex.

The 2017 budget also contains another \$6.6 million for incentives to businesses for redevelopment projects.

Meanwhile, almost 60 percent of City spending (excluding debt service) goes for public safety: police, fire, inspection services, and public works. Another 18 percent is spent on general government, the expenses of the mayor and city council, administrative and financial operations, planning and community development functions.

It is difficult to make a judgment about whether or not Birmingham is carrying too much of a burden when it comes to programs and activities that benefit the wider region. Birmingham is well-positioned to receive a return on its investment because of continued preeminence as the commercial center of the metro.

However, there is an increasingly tense debate as public and private investment has surged in the city center and satellite commercial districts. Some residents of the neighborhoods feel as if they have been left behind and increasingly resent the fact that the vitality of the city center has not stimulated higher levels of investment in beleaguered neighborhoods.

Birmingham's ability to serve as regional catalyst and supporter of initiatives that broadly benefit the region would be undermined if tensions over this balancing act increase.

FIGHTING FRAGMENTATION IN PUBLIC SAFETY

Fragmentation poses a problem for law enforcement and public safety agencies in Jefferson County. For example, the Jefferson County Sheriff's Office and 22 municipal police departments are faced with the challenge of patrolling a county and its communities in the face of division through jumbled municipal boundaries. Though information is willingly shared on a case-by-case basis, departments tend to function in their own municipal silos, policing their own borders. Meanwhile, criminal activity pays no heed to city limits.

Despite the barriers to cooperation, law enforcement, and public safety are areas in which the various communities in Jefferson County have made strides in cooperation and where additional cooperative ventures are currently under development.

COOPERATING ON A COUNTY WIDE RADIO SYSTEM

Historically, law enforcement agencies and other public safety entities were on their own when it came to procuring and operating radio systems. The radio systems in individual municipalities allowed two-way communication between police officers and the city dispatcher. But departments couldn't talk to one another.

In the early 1990s, the Jefferson County Commission spearheaded the establishment of a county-wide radio network, which allows participating agencies to communicate both within departments and across agencies.

The County and the City of Birmingham jointly fund the operation and maintenance of the towers and communication systems while each agency is responsible for paying for their own radio equipment.

Participation in the system now includes 95 agencies ranging from the police and fire departments to public works departments of various cities, housing authorities, and school systems.

Challenges for maintaining the system remain. Additional costs for upgrades are expected, and Jefferson County will be looked to for the funding. However, with the County still struggling financially, paying for the upgrades will be difficult.

COOPERATING ON E 9-1-1



Another win for cooperation was the establishment in 2015 of a shared E 9-1-1 center, operated by the Jefferson County Emergency Communications District. The center, located in Center Point, answers emergency calls for the Jefferson County's Sheriff's

Department, and 18 other smaller incorporated cities and towns, plus 17 additional fire districts and volunteer fire departments. For all but five of those cities, the center also provides dispatch services.

Jefferson County Sheriff's Office alone is anticipated to save close to a million dollars a year on salaries and equipment costs and upgrades under the arrangement.

With funding provided by charges on phone lines in its service area, the consolidated center spares the expense of each city equipping and manning a E 9-1-1 center. Another 15 cities in Jefferson County operate E 9-1-1 centers. Vestavia now contracts for E 9-1-1 service with Shelby County, a move that Vestavia City officials say saves the city \$1 million annually. The Jefferson County Emergency Communications District is forging a closer working relationship with the City

of Birmingham with the two systems becoming more interconnected through technology eliminating delays in the transfer of data between the districts. The two centers will serve as backups to one another.

The Jefferson County District can also provide the technological backbone for other E 9-1-1 systems in the county that wish to participate. Under such an arrangement, cities can retain independent call answering and dispatch functions but would receive cost savings by not having to buy computer equipment and pay for upgrades in each individual city.

COOPERATION IN CRIME FIGHTING



The Jefferson County Sheriff's Office is currently spearheading a project to establish a Metro Crime Center, a high-tech data and intelligence sharing system. The Crime Center, to be housed in space the Sheriff's Office

formerly used for its own 9-1-1 and dispatch operation, will be manned by Sheriff's office employees and representatives of 17 municipal law enforcement agencies from around the county.

The center will include a system for monitoring public security cameras, including four mobile video surveillance units that can be deployed to target areas. The mobile units have sophisticated technology that can provide streaming video and can automatically record and analyze license plate numbers.

The Sheriff's Office is also giving cities the opportunity to use or buy into multiple data search and analysis systems. Among them are a systems for mapping crime and identifying areas where crime is likely to occur so that law enforcement personnel can be deployed effectively. Other offerings include the ability to track the location of crime suspects' cell phones and to track vehicle repair and sales activity.

In addition to the technological advances, the joint center will allow the representatives of the various departments to share information and work to counter criminal activity that crosses municipal boundaries.

COOPERATION AMONG LIBRARIES



One of the longest-running cooperative arrangements in Jefferson County is the Jefferson County Library Cooperative, a non-profit that operates a

system for sharing resources and joint-purchasing amongst 40 municipal libraries in the county.

Established in 1978, the Cooperative allows Jefferson County residents to check out and return books at any library on the system. Through a centralized catalog, patrons of any library can request books and materials housed at any of the other libraries and have them delivered to the local branch. With 376,717 library card holders, the system has 2 million items available for check out. In 2014, 4.5 million items were checked out, and 264,911 audio books were downloaded.

The Cooperative gets 58 percent of its funding from dues paid by member libraries. The State of Alabama supplies another 21 percent, and Jefferson County contributed 9 percent (\$101,000) in grant funding in 2014. The rest comes from various sources, including donations.

Jefferson County's role in funding the Cooperative used to be much greater. Before the county's financial collapse, the county was providing \$1 million annually.

The elimination in funding has forced the cooperative to shift some expenses to the member libraries and cut some services, such as book delivery to nursing homes. In some instances, the Birmingham Public Library System has taken on some of the services once provided by the Cooperative.

COOPERATION IN GOVERNMENTAL PURCHASING



Another long-running cooperative venture among Jefferson County government is the Purchasing Association of Central Alabama (PACA). The idea for PACA grew out of a research study on governmental cooperation by PARCA commissioned by the Birmingham Area Chamber of Commerce in the early 1990s. Established in 1994 and hosted by Jefferson County, PACA is a cooperative of governmental entities who have entered into a mutual covenant agreement to conserve tax revenue through joint purchasing.

The agreement allows PACA members to achieve volume discounts on material, services or equipment for economic advantages of its members. Membership is open to all public entities that are subject to the State of Alabama Competitive Bid Law within the State of Alabama. Currently, members of PACA include 22 cities, two county commissions (Jefferson and Tuscaloosa), 19 fire departments, 20 school boards, and two community colleges, plus eight other governmental agencies.

Competitive bids for commonly purchased products and services are solicited and contracts awarded through the bidding process. PACA's aims are to:

- Promote economic cooperation between government and public entities.
- Provide convenience access to a variety of products and services.
- Pursue joint bidding collaboration for goods and services not currently available.
- Achieve competitive pricing and reduce administrative costs associated with preparing a bid, including research, resources, and time.
- Improve vendor relations as a result of volume business.
- Ensure through the work of procurement professionals the process of soliciting bids and awarding contracts follows the legal guidelines of the State of Alabama's Bid law.
- Increase purchasing power for smaller agencies that are unable to command the best contracts for themselves.
- Provide local, accessible representation to answer questions and provide assistance.

COOPERATIVE EFFORTS TO EXPAND GREENSPACE

Efforts by multiple groups and agencies, public and private, have in recent years led to the robust expansion of greenspace and walking and biking trails in Jefferson County.

The wider community's desire for more parks and outdoor recreation offerings emerged as one of the most popular priorities identified through the regional visioning process, known as Region 2020. The Region 2020 public involvement process forged lasting coalitions between individuals and organizations interested in this work and spurred communities in Jefferson County to work individually and collaboratively on projects.

Around the same time, a community land trust was established



as part of the 1996 settlement of the lawsuit over pollution problems caused Jefferson County's sewer system. Funded with an initial \$30 million, the land trust, now known as the Freshwater Land Trust set about acquiring buffer zones land along Jefferson County streams as a way to protect water resources. As a side benefit, much of that land became available as public greenspace.

Working in partnership with other entities, such as the state's Forever Wild Land Trust and local governments, the Freshwater Land Trust helped establish Turkey Creek Nature Preserve in Pinson and continues to develop greenway projects along the Cahaba River, Village, Valley, and Five Mile Creeks. The Land Trust led the development of a visionary master plan for the Red Rock Ridge and Valley Trail System, a network of interlocking trails, tying together urban walking trails and streamside greenways.

The Freshwater Land Trust's efforts also opened the door to the acquisition and eventual development of Red Mountain Park, a 1,500-acre park on the



Red Mountain Ridge west of Interstate 65. The Red Mountain Park project has involved Jefferson County government, the City of Birmingham, federal officials, the Jefferson County Legislative delegation, and private businesses and philanthropic organizations.

Jefferson County and Birmingham also collaborated with private donors to develop Railroad Park, a 22-acre greenspace in the heart of downtown. The nationally-acclaimed park provided the spark for additional public and private investment in the surrounding area, including the construction of Region's Field, a downtown ballpark of the city's minor league baseball team, the Birmingham Barons.

Community coalitions formed around these projects helped the city secure a \$10 million grant from the U.S. Department of Transportation to repair streets and sidewalks in the tornado-ravaged Pratt City neighborhood in Birmingham as well as supporting the construction of urban greenway projects in other parts of the city. Another partnership formed between the City of Birmingham and the Rotary Club of Birmingham to develop a linear park along an abandoned rail corridor on First Avenue South, helping to link Railroad Park with Sloss Furnace and Southside's Lakeview area.

BOLD GOALS: COOPERATION THROUGH PUBLIC-PRIVATE PARTNERSHIP

In 2013, a group of the major charitable organizations serving the metro area began a process for bringing together governmental agencies, foundations, social service agencies, businesses, and individuals in hopes of aligning efforts to address disparities in health, education, and economic opportunity throughout the region.



Coordinated by the United Way of Central Alabama, The Bold Goals Coalition of Central Alabama (BGCCA) initiative has tapped prominent business leaders, education, and elected officials to guide its work, as well as assembling a grassroots coalition of individuals and organizations working on the frontlines of service delivery. Along with the United Way, the Community Foundation of Greater Birmingham, the Jefferson County Department of Health, and the Birmingham Business Alliance serve as backbone organizations providing support for the Coalition.

Working through that network, the Coalition has established a set of goals for the improvement of the community in three focus areas: education, health, and financial stability. The Coalition has assembled an action network composed of smaller working groups that concentrate in specific areas of interest. Through the process, promising strategies for addressing problems are identified, and resources and investment are steered toward implementing those strategies.

Progress toward regional goals is tracked through a regularly updated data dashboard. The aim of the Coalition is to promote communication, coordination, and cooperation between regional partners, both public and private. The hope is this “collective action” produces a greater amplification of benefit than more diffuse and fragmented endeavors.

Learning From the Past To Plan for the Future

BIRMINGHAM'S FRAGMENTED BEGINNINGS

The challenges facing Birmingham and Jefferson County are not new. From its beginnings, Birmingham has struggled to shape itself into a city.

Founded with grand ambitions, it almost immediately collided with problems that would haunt it throughout its history: inadequate attention to public infrastructure, a community ethos rooted in competition rather than cooperation, and divisions along economic and racial lines.

Founded in 1871, Birmingham was in effect a business venture launched by entrepreneurs who were developing the railroads being built to tap the mineral resources of the area.

The founders of the Elyton Land Company (which would later become Birmingham Realty Company) bought 4,150 acres where new rail lines converged. They laid out a city with the railroads and a planned manufacturing district at the heart of the city, enticing entrepreneurs to build blast furnaces with offers of free land and financial incentives.

Colonel James R. Powell, president of the Elyton Land Company, promoted the new city worldwide through letters and circulars. His public relations campaign worked; the London Times, for example, carried a story which declared that “Birmingham, Ala. is destined to be America’s greatest metallic-workers’ city.”⁶

But the grand ambitions were not matched by adequate support for public infrastructure. Problems quickly arose because unlike most cities, Birmingham was located at the headwaters of the region’s watershed, not by a major river.

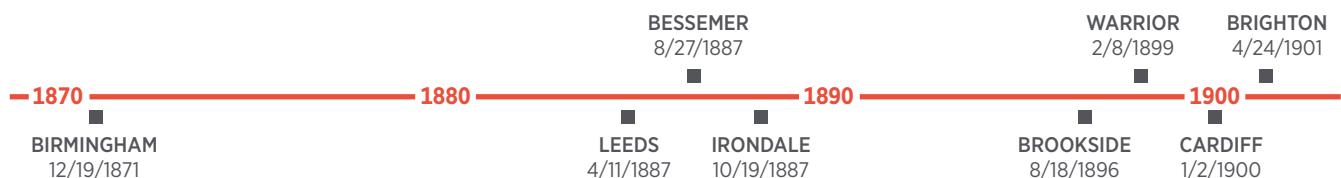
This made it difficult to provide a clean drinking water supply and a system for disposal of sewage. These difficulties quickly became a crisis.

In the early days of the city, drinking water was drawn from springs and small waterways. Those sources became contaminated during rain events as privies flooded and overflowed into the water sources.

In 1873, a cholera epidemic nearly snuffed out the nascent city, killing approximately 500 people and cause another 1,500 to leave, reducing Birmingham’s population from 4,000 to 1,200.

In response to the crisis, the City constructed a brick sewer system that would drain the city. For water, reservoirs on Village Creek and later on Five Mile Creek quickly proved inadequate, so in the late 1880s, the Birmingham Water Works Company built a pumping station on the Cahaba River to pipe water over Red Mountain to supply the city.

Meanwhile, fragmentation was already occurring. Satellite communities sprung up around mills, quarries, and coal and ore mines. Oftentimes, the same companies launching a mill or a mine built company housing or formed separate real estate companies to develop a surrounding community.⁷ These com-



⁶ Public Affairs Research Council of Alabama. The History of the Jefferson County Sanitary Sewer System: A Report Prepared for the Jefferson County Commission, 2001.

⁷ White, Marjorie Longenecker. The Birmingham District: An Industrial History and Guide. Birmingham Historical Society. 1981.

munities were eventually connected by railroads and streetcars, moving material and labor around the district. In addition to those cities listed above, multiple other independent municipalities were formed that would later be annexed into Birmingham, including Highlands, Woodlawn, Avondale, Pratt City, and North Birmingham.

Already, some of these communities viewed Birmingham not as a partner but a rival. Bessemer and Ensley were both founded with the belief that they could outgrow burgeoning Birmingham.

As the population grew, the problem of inadequate sewage disposal returned to the center of public debate, with community leaders recognizing the need to connect the various municipalities of a unified county sewer system. In 1901, the Legislature created a Sanitary Commission for Jefferson County and authorized financing of the system with a half-mill property tax in the county. The county was to build the trunk system. Cities maintained their own sewer lines but were required to tie on to the county's trunk lines when the service was available.

UNITING TO FORM A GREATER BIRMINGHAM

While the County built a trunk system, it quickly became apparent that the collection of small cities did not have the financial wherewithal to build adequate systems of their own to tie to the County's.

Beyond that, the original legislation didn't require residences to connect to the sewer system. It was estimated that 50,000 people living in and around Birmingham were still not being served by the sewage system.⁸

The urgent need to provide adequate sanitation was

a symptom of a larger flaw in the region's development. Fundamentally, growth and development had been driven by industrial entrepreneurship, leading to a fragmented and uneven development. There was a recognized need to transform the region from a collection of company towns into a full-fledged city.

In 1907, at the urging of health officials and with the backing of the Birmingham Commercial Club (The forerunner of the Chamber of Commerce), the Greater Birmingham bill was drafted. The bill provided for the unification of the eleven cities and other outlying communities with the central city of Birmingham.

An outbreak of typhoid fever, (79 cases were recorded in Birmingham in July of 1907) gave particular urgency to the matter. In a letter to Alabama senators, 81 physicians urged passage of the bill:

"We are now afflicted with a local epidemic of typhoid fever, and unless all this territory is put under our city government and the sanitation is urgently enforced, we may suffer terrible consequences in the future from the ravages of said epidemic. We regard the passage of this bill as absolutely necessary for the public safety."

After a hard-fought legislative battle, the bill passed in 1907. The passage of the bill was only the beginning of a multi-year struggle. After local elections, more legislation, lawsuits, and court decisions, eleven municipalities and portions of the unincorporated county were brought together to form Greater Birmingham. Among the merged communities were East Lake, Avondale, Woodlawn, West End, Elyton, Ensley, Fairview, Graymont, Thomas, North Birmingham, Pratt City, and East Birmingham.

Just in time for the 1910 Census, Birmingham's population increased from 38,415 in 1900 to 132,685 in 1910.

⁸ Public Affairs Research Council of Alabama. The History of the Jefferson County Sanitary Sewer System: A Report Prepared for the Jefferson County Commission, 2001.

Writing in the *Jemison Magazine*, Robert Jemison, one of the city's most optimistic promoters crowed about the 245 percent increase in the Greater Birmingham's Census count, predicting that Birmingham would soon surpass New Orleans, Memphis, and Atlanta, the only larger Southern cities: "Already Birmingham is looking forward to 1920, and the world is freely predicting that Birmingham will be the largest city in the South."⁹

Along with the heady optimism, community leaders also recognized that Birmingham, so focused on achieving industrial preeminence, had not yet built the kind of amenities expected of a city and needed a plan for doing so: John L. Kaul upon assuming the presidency of the Chamber of Commerce in May 1908 called for the community to come together to do this work:

*"Birmingham has an opportunity for civic development and beauty that few other cities enjoy. It is new. It is in the formative state. An expert, the best there is to be had, should be employed to visit Birmingham and Jefferson County and, after thorough investigation, outline a scheme of public improvement. As it is, we are developing largely by whim and caprice. Someone suggests a great highway, another suggests a tunnel through Red Mountain, another suggests a new park somewhere—all of them worthy in themselves, but made absolutely without thought of other improvements. What is needed is a comprehensive and complete plan of civic and county improvement, covering a period of many years, involving probably the outlay of millions of dollars. If this plan were adopted, nothing would be wasted in the way of improvement. Everything accomplished would tend to a final harmonious creation that would be the admiration of all men, and which would make Birmingham beyond all other cities the most desired for the making of homes."*¹⁰

FACING REALITY

The leap in population recorded in the 1910 Census added further fuel to the ambitions of the city. Birmingham saw a building boom in the first decades of the 20th Century. Many of today's landmark buildings, including the skyscrapers at "The Heaviest Corner on Earth" were erected in that era.

Rickwood Field opened as a home for the Birmingham Barons. The Lyric Theatre raised its curtain. The Tutwiler Hotel was touted as "the South's most palatial hotel."

But behind the scenes, there were lingering problems of social inequity, inadequate city services, and an underfunded city government.

In 1912, *The Survey*, a leading journal of the social work profession and social reform, published a comprehensive study of Birmingham and its surroundings. While the report gave its due to Birmingham's notable achievements, it also detailed its shortcomings: its poor sanitation, inadequate health care, the continuing use of convict and child labor, its lack of parks and recreation, the absence of a public library, its racially separate and unequal schools, its general lack of public gathering places and amenities.

"In 1920 Birmingham completes its first half-century," The Survey's authors wrote: *"What will it have done by that time to match its civic condition to its industrial achievements? Civic advance, also, will need its handful of civic heroes, but it will come finally only through an awakening of the whole people. Birmingham is today on the threshold of another experiment. Her early leaders saw material wealth before furnace and mills were there to testify to it. Will her citizens of today—all of them together—discover for themselves the wealth that is latent in human welfare?"*¹¹

⁹ *The Jemison Magazine and the Selling of Birmingham, 1910-1914*. Birmingham, Alabama: Birmingham Historical Society, 2011. Print.

¹⁰ *The Survey: Social, Charitable, Civic: A Journal of Constructive Philanthropy*. Vol. 27. New York: Charity Organization Society of the City of New York, 1912. Page 1449 and following.

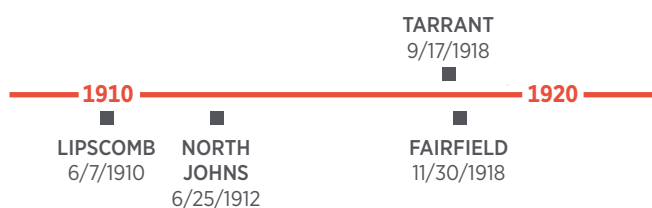
¹¹ *Ibid.*

Meanwhile, unification was not a panacea. Paying for the development of municipal sewers brought with it additional financial problems in a city where government was always cash-strapped.

Thanks to the strict limits on property taxes in the still-agrarian oriented state, Birmingham depended for revenue instead on taxing local businesses through a license system. Its property tax proceeds were further diminished since the largest industrial operation in the district, U.S. Steel's Ensley Works, was excluded from the city's expansion thanks to vigorous lobbying by the company to avoid the higher tax and potential regulation joining the city would entail.

Still, progress was made. Under the administrations of Mayor George Ward, the city developed parks which are still major assets in contemporary Birmingham including Avondale, East Lake, and Green Springs. However, though extensive city plans were commissioned in 1914 and later in 1925, the city failed to carry out most of the suggestions for expanding parks, building libraries, and the improvement of municipal buildings.

FRAGMENTATION RETURNS



Despite the enthusiasm that accompanied the 1910 consolidation, the Birmingham area returned to its tradition of fractured development. The City of Fairfield, a model city designed by Robert Jemison to house the workforce of U.S. Steel's expanding operations,

was incorporated in 1918. The Fairfield area had been left out of the 1910 consolidation because of resistance from U.S. Steel, which was building new plants there. Tarrant, a town developed by principals of the National Cast Iron Pipe Company, was incorporated the same year.

Within Birmingham itself, the city practiced its own version of fragmentation, maintaining certain areas for blacks and others for whites.¹²

Blacks made up a sizable portion of the workforce in early Birmingham. In the 1880s, blacks constituted more than 45 percent of all registered voters in the city.

However, in subsequent decades, that political power gradually diminished, culminating with the adoption of Alabama's 1901 Constitution, which severely curtailed voting rights for blacks and poor whites. By 1928, only 352 blacks were registered to vote in the Birmingham.

After the 1910 consolidation, blacks constituted 39.4 percent of the city's population. That percentage was higher than that of any other city in the nation at the time, except Memphis. Jim Crow laws had created defacto segregation of neighborhoods, and in 1926, Birmingham adopted a zoning code that delineated areas of the city where blacks could live from areas in which whites could live, reinforcing the already unequal housing and neighborhood conditions that had developed.

The 1910 consolidation did not put an end to Birmingham's desire to expand and grow, but it encountered barriers. A bill that would have annexed additional industrial properties into Birmingham was blocked, and shortly thereafter, in 1923, the Legislature amended the Alabama Code to make it harder to

¹² Connerly, C. E. "One Great City" Or Colonial Economy?: Explaining Birmingham's Annexation Struggles, 1945-1990." *Journal of Urban History* 26.1 (1999): 44-73. Web.

annex unincorporated areas, particularly those owned by large landholders. The restrictions on annexation contrasted sharply with those found in other Sunbelt states and cut off a route to capturing suburban growth that allowed peer cities like Charlotte to thrive in the post-World War II suburban boom.

SUBURBANIZATION

Meanwhile, the 1920s saw the emergence of a new type of independent community. Unlike the residential communities founded to serve industrial employers, these new residential developments, made possible by the proliferation of the automobile and the extension of streetcar lines, offered an escape from the industrial city.

In 1926, Homewood was incorporated, bringing together the previously established residential communities of Edgewood, Hollywood, and Rosedale. The development of Mountain Brook began in 1926, though the difficulties brought on by the Great Depression delayed that city's incorporation until 1942.

In the early 1940s, Birmingham approached Tarrant, Fairfield, and Homewood about merging with Birmingham but was turned away. As Mountain Brook debated whether to incorporate itself in 1941, The Birmingham News described residents as "bristlingly hostile to incorporation with Birmingham."

Unlike in 1910, when outlying cities saw advantages to joining Birmingham in order to receive better munic-

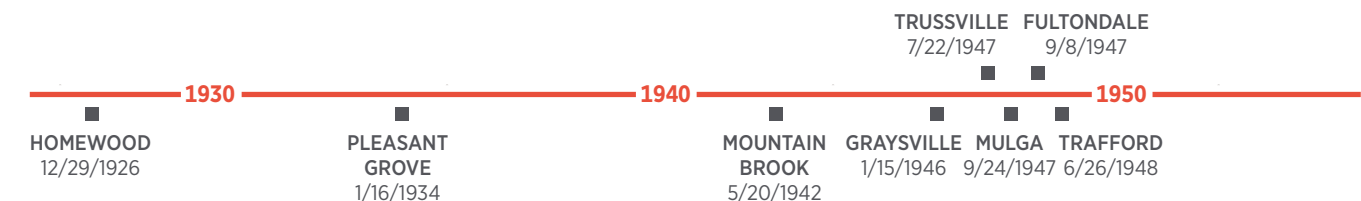
ipal services, the suburban communities in the 1940s did not.¹³ The independent communities believed they could enjoy an equal level of service while avoiding the higher taxes of the larger city.

In other Southern cities, favorable annexation laws, which allowed cities to take in unincorporated areas without a public referendum, allowed cities like Nashville and Charlotte to capture the emerging suburbs. The municipal annexation power also created pressure to consolidate the principal city with the county, as occurred in Nashville in 1962.

In Birmingham, the number of suburban municipalities multiplied in the period between the 1940s and the 1960s.

With less favorable annexation laws, Birmingham had to depend on persuading municipalities to merge with it. In 1949, the Alabama Legislature authorized a referendum on annexation for certain unincorporated areas and consolidation with Birmingham for Homewood, Mountain Brook, Fairfield, Irondale, and Tarrant.

In the election, the unincorporated areas, including U.S. Steel's Ensley Works and other industrial sites, were brought into the city, thanks to the fact that Birmingham voters supported it, overwhelming the no votes in the unincorporated areas. However, in the case of the suburbs, success required a majority vote by residents of each suburb. The referendum failed in all five suburbs, though 41 percent of Homewood voters and 46 percent of Mountain Brook voters voted yes. The no vote was much stronger in Fairfield, Tarrant, and Irondale.



¹³ "The Most Segregated City in America": City Planning and Civil Rights in Birmingham, 1920-1980. Charlottesville: U of Virginia, 2005. Print.

RACIAL RUMBLINGS

The efforts to achieve consolidation were occurring against a backdrop of social and demographic pressure.

The return of soldiers from World War II and the resulting Baby Boom stimulated the desire for new housing. Federal support for home mortgages and highway construction further encouraged investment in new housing.

As population flowed to the suburbs, Birmingham officials were increasingly concerned about the long-term prospects for the city. An accompanying concern was maintaining the precarious racial balance of the city. Whites made up about 60 percent of the population a roughly stable percentage between 1910 and 1960, but one that would begin to shift after 1960.

Expectations of this shift were a subtext of consolidation campaigns throughout the South. Atlanta tried and failed in 1947 to annex the affluent white suburb of Buckhead, but a second attempt, Atlanta's 1950 Plan for Improvement, brought more than 100,000 new residents into the city, preserving its tax base and, in the short term, increasing its white majority.

Meanwhile, within Birmingham tensions were mounting. The City's racial zoning restrictions had kept blacks confined to overcrowded, underserved neighborhoods, which they were eager to escape.

In 1946, blacks in Birmingham launched a campaign and court battle to challenge racial zoning. While the

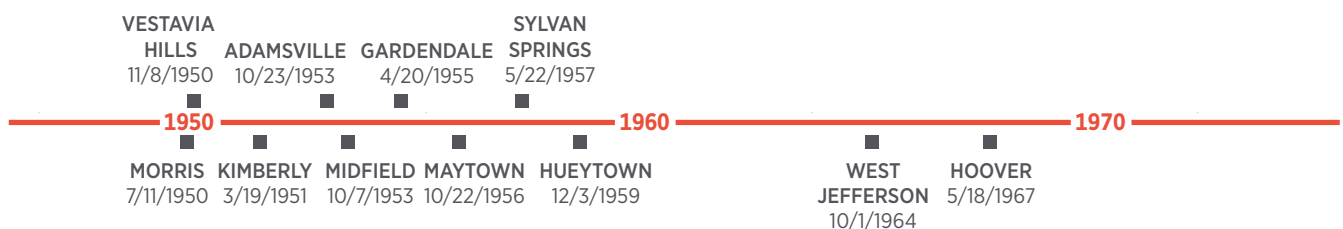
city resisted in the courts, a campaign of bombings began, aimed at blacks who bought homes in areas zoned for whites.

In 1952, the U.S. Supreme Court found Birmingham's racial zoning scheme to be unconstitutional. That ruling was followed by the 1954 *Brown vs. Board of Education* decision, which signaled the end to legal segregation of schools and brought the issue of integration to the fore.

With more affluent professionals migrating to the suburbs, the city's voting population became increasingly dominated by working class whites, who perceived demands for racial equality as a threat to white working-class advantages built into the wage structure and employment practices of Birmingham industry. With blacks still largely disenfranchised, those voters were the dominant force in city politics and tended to support the aggressive resistance to desegregation championed by city leaders like Police Commissioner Bull Connor.¹⁴

Birmingham did manage to bring new land into the city in 1950 in the areas of Huffman, Roebuck and Center Point. In 1959, another merger drive aimed at Homewood and Mountain Brook was mounted. This time, it was initiated by suburban professionals who worked downtown. The initiative had the support of business leaders and prominent citizens and the city's newspapers.

Younger professionals argued that the proposed merger would set the stage for more progressive leadership for the city. At the same time, arguments



¹⁴ Eskew, Glenn T. *But for Birmingham: The Local and National Movements in the Civil Rights Struggle*. University of North Carolina Press, Chapel Hill, 1997.

both for and against merger were inflected with race. Opponents in the predominantly white suburbs pointed to the looming possibility of integrated schools, while proponents of the merger argued that merger would preserve white political dominance. Again, when the issue went to voters, the referendum failed: 62 percent of Mountain Brook voters and 56 percent of Homewood voters cast no votes.

At roughly the same moment, the Mountain Brook City Council voted to move forward with the development of an independent school system.

1963

The titanic year of Birmingham's Civil Rights confrontation, 1963, coincided with yet another push for merger. On Mother's Day 1961, the severe beating of the Freedom Riders at Birmingham's Greyhound Bus Terminal brought international notoriety to the city.

The next year Birmingham city commissioners, led by Connor, closed public parks in the city rather than comply with a court order to desegregate them.

Business leaders resolved to remove Connor from office. They devised an unlikely method for doing it. Since Connor's term as commissioner ran until 1965, a group of business and civic leaders launched a campaign to change Birmingham's form of government from a three-man commission to a mayor-council form.

In addition to creating an opportunity to replace Connor, the change of government was advertised as a way to make merger more attractive, by modernizing Birmingham's government.

In November of 1962, Birmingham voters approved a transition to the Mayor-Council form of government. The following year Connor was defeated in the race for mayor but held onto power long enough to deploy

dogs and firehoses during the climactic Civil Rights confrontations of 1963, doing lasting damage to Birmingham's national reputation.

Finally, with Connor replaced by a new Mayor, Albert Boutwell, advocates made yet another push for merger with a referendum held in Fairfield, Irondale, Midfield, Mountain Brook, and Homewood.

This time, though it lost in the other cities, Homewood actually voted for merger by a six-vote margin.

However, a legal challenge arguing that Homewood had not provided the legally required notice, succeeded in nullifying the vote. A 1966 merger vote in Center Point was also defeated.

ONE GREAT CITY

A final concerted effort to join the fractured city began in 1969 and persisting through 1971, in what came to be known as the "One Great City" movement.¹⁵

Three different but interconnected groups pushed the concept. One group, the Young Men's Business Club (YMBC), a progressive group of young leaders, launched a public speaking campaign and published a proposal for legislation to create a consolidated city.

Another set of business leaders, led by a younger generation but also including more of the business and Chamber of Commerce establishment pushed ahead with crafting more detailed legislation that built on the framework of the YMBC approach. The Jefferson County Legislative delegation also formed a study commission to come up with an approach considering various proposals.

As the movement garnered attention, opposition groups also emerged with its leadership coming primarily from the suburban members of the Jefferson County Mayors Association.

¹⁵ Whiting, Marvin Yeomans. *One Great City: The Campaign for Consolidated Government, Birmingham, Alabama, 1970-1971*. Birmingham, Ala.: Birmingham Public Library, 1997. Print.

As a general outline, the consolidation proposal was to form a unified city consisting of the entire urbanized area of Jefferson County, merging the existing cities into a single city. The proponents estimated the consolidated city would have a population of 550,000, which would make Birmingham the largest city in the South. Proponents argued the approach would do away with duplicate services and create a broad base of resources to support the future growth of the city.

The proposal included provisions that would allow existing municipalities to retain some autonomy and identity. The preexisting cities would become towns with elected councils. Those councils would retain certain powers over zoning, community recreation, and parks, and if desired some services like garbage pickup.

Existing school districts would also be allowed to remain independent under local boards of education, supported by taxes within the jurisdiction of each system. The consolidated city would have an elected mayor and a 19-member city council. The Council President would be elected at large, and the council representatives would be elected from nine districts with each district electing two representatives.

The districts would be drawn to reflect conglomerations of existing communities. The consolidated city would provide fire and police protection throughout the consolidated city, technical support to the town for zoning and planning, and garbage and trash disposal. In addition, the consolidated city would take on overall powers taxation, assume responsibility for existing and new debt, and serve as the provider of other services and amenities that were regional in nature.

Despite the attempts to accommodate the suburbs, opponents raised doubts that the federal courts would allow the proposed independent school systems to remain so under consolidation.

A three-bill package was drafted. One bill would postpone Birmingham City elections scheduled for 1971. A second 102-page bill spelled out the structure of the proposed consolidated city and its subdivisions and provided for the elections to bring the city into existence. A third would amend the Alabama Constitution to allow for the creation and financing of the independent school districts.

On a separate track, the Jefferson County Legislative delegation was studying and gathering public input on both the One Great City proposal and other approaches. In those debates, a counter proposal emerged to modify and empower the Jefferson County government to serve as the umbrella organization for consolidation.

With both opponents and proponents mounting vigorous campaigns and dueling proposals being considered by the Legislative delegation, pressure mounted as time grew short in the 1971 Legislative session. Deadlocked between supporters of the alternative proposals and faced with strong opposition from the mayors and councils of suburban communities, the Legislature failed to advance any proposal.

THE AFTERMATH

In the wake of the defeat of the “One Great City” legislation, Birmingham had to come up with a Plan B. Between 1960 and 1970, the city lost 40,000 residents, which led to a rapid erosion of its tax base. In 1970, the city enacted its occupational tax, a tax on income generated in Birmingham, in order to capture some of the revenue it was losing as those who worked in the city increasingly chose to live outside the city.

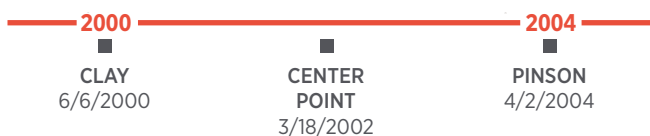
A second strategy emerged through creative use of annexation. Despite generally unfavorable annexation laws, one little-used method existed that allowed a city to call an annexation election without petition from landowners or residents.

If a majority of the voters in the affected area approved, the city could absorb the area, though it couldn't collect city taxes in the newly annexed territory for a period of time. The city identified pockets of population favorable to annexation and crafted expansions that took in those residents and also took in large undeveloped tracts owned by corporations and landowners.

The annexation campaign faced challenges by those corporate interests and provoked suburbs like Fultondale, Tarrant, Irondale, and Trussville to annex areas in an attempt to halt Birmingham's expansion. But the city succeeded in taking in the land that would be home to the Birmingham Race Course and expanding into the Cahaba River Valley, the Oxmoor Valley, and to the west to the along a narrow corridor to the Warrior River. In the process, Birmingham captured land along the US 280 corridor that would see valuable commercial and jobs growth, including the Summit, Brook Highland, and the Colonnade, as well as the continuing development in the Oxmoor Valley.

However, despite expanding from 79.5 square miles in 1970 to 148.5 square miles by 1990, Birmingham continued to see population loss and little in terms of new residential development.

COOPERATIVE EFFORTS EMERGE



The annexation campaign and the transition of Birmingham from a majority white to a majority black city by 1980 led to a defensive relationship between Birmingham and its suburbs. While talk of consolidation and merger disappeared from the civic radar screen, efforts to foster cooperation re-emerged in the late 1990s.

In 1998, a steering committee of business, civic, and political leaders came together to craft a proposal known as the Metropolitan Area Projects Strategy (MAPS). Modeled after similar efforts in other cities, the campaign proposed a countywide one-cent sales tax, which would support \$525 million in projects including a domed multi-purpose facility designed to host both sporting events and conventions. Other support would go to creating a regional transit system, \$75 million for education and the expansion of the McWane Science Center, \$20 million for police and fire protection needs throughout the county; \$25 million for cultural and historic facilities; \$40 million for a regional zoo; \$10.3 million for the development of a regional greenway system; \$21 million for multi-sport complex as well as other projects at Vulcan Park and the Lyric Theater.

With concerted support from the business establishment, the proposal made it through the Legislature and a vote was scheduled.

However, opposition mobilized, raising questions about the size and scale of the proposal. Questions were raised about the accountability of the Progress Authority, the body that would have been established to distribute the funding. Though the proceeds of the tax would have been distributed throughout the county, much of the investment would have been downtown. Old lines of distrust and race emerged. The referendum failed with 57 percent of the county voting against it. The predominantly black city voted overwhelming for the proposal. In the suburbs, the vote was overwhelming against it.

Occurring at virtually the same time was Region 2020, a process that gathered citizen input from throughout the region to craft a vision of what the community should look like by the year 2020. Region 2020 drew together that citizen input and produced a report highlighting a wide-range of community ambitions and goals, with top priorities including expanding parks and green space, improving education and mass transit.

The effort resurrected conversation about regional cooperation and helped stimulate a variety of initiatives that have been realized, particularly in the area of expanding parks and trails. However, Region 2020 was never intended as a formal implementing body and has since ceased to exist.

After a quiet period between 1970 and 2000, three more municipalities formed in the early years of the 21st Century.

THE SEWAGE BACKUP

In the late 1990s, another regional issue came to the fore, one that had haunted Birmingham since its beginnings and would lay the groundwork for Jefferson County's bankruptcy in 2011.

It was the disposal of sewage. And at its roots, it was a problem created by fragmentation.

As explained earlier, Jefferson County's sewer system was established to build the backbone of the sewage disposal system, leaving to municipalities the responsibility of delivering sewage from households and businesses within those bounds.

The two-level concept of sewer development had an "Achilles heel," in that it splintered the responsibility for lateral sewer lines among a growing number of municipalities. The County had no method of holding accountable all those who tapped into its trunk lines; and the cities had little incentive to view wastewater disposal as a major issue since their job was simply to transport sewage to another unit of government charged with its disposal. Maintenance of the System suffered as a result.

By the 1990s, poorly maintained municipal lines would swell with storm water during rain events. The resulting surge of water and sewage would overwhelm the capacity of the County's treatment plants, and untreated sewage would be released into rivers.

The process of unifying the sewer system under the direction of Jefferson County began in 1996, with the signing of a consent agreement between the County and the U.S. Environmental Protection Agency. The terms of this agreement required the County to assume responsibility for the lateral lines that had been maintained by the cities and to develop the capacity within the unified system to process the volume of waste generated within Jefferson County while meeting federal and state environmental standards.

This resulted in the need for a \$2 billion upgrade to the sewer system, increasing the treatment plants capacity and rebuilding the leaking feeder lines.

The construction project was plagued by corruption, eventually resulting in jail terms for public officials and private contractors. The financing for the deal, also tainted with corruption and also resulting in criminal prosecutions, came unraveled during the financial crisis of the mid-2000s.

Ultimately, this failure by elected officials at the County to responsibly handle countywide needs, cast doubt on the County's ability to be the leader of community-wide initiatives.

NEW HOPE

Consistent themes emerge when discussing Greater Birmingham's historical development.

Birmingham was founded on a grand ambition. Boosters and entrepreneurs believed they were building the industrial capital of the New South. But early and often thereafter, those ambitions were undermined by a tendency to protect narrow interests rather than supporting a wider civic good.

Industries sought protection from city taxes and regulation. Burgeoning communities sought to go it alone without recognizing they were inescapably tied together.

Though it may be an unpleasant metaphor, the chronic problem with sewage disposal provides a persistent example. A lack of community-wide planning and investment and a system of divided and disconnected governance led to repeated crises. A cholera epidemic nearly wiped out the young city. At the turn of the century, a typhoid outbreak threatened the emerging industrial powerhouse. Most recently, the failure to adequately maintain municipal sewers ultimately led to Jefferson County's bankruptcy.

In moments of crisis, we have responded by drawing together. In 1910, Birmingham united with its satellite communities to form Greater Birmingham. The Jefferson County Sewer System is now consolidated and, at great expense, has worked to address our collective sanitation problems.

But more often, when presented with proposals to knit the community together, voters have rejected those efforts. Repeated attempts to consolidate Birmingham and its suburbs were rejected in the 1940s, the 1950s, and the 1960s. By the middle of the 20th century, suburban governments could provide a level of city services on par with those offered by the central city. Unburdened by some of the more costly investments a full-fledged city has to make, the suburbs advertised lower taxes, further diminishing the appeal of joining with the center city.

Also working against the sense that Birmingham was a unified city was the racial makeup of the city. From its consolidation in 1910 up until 1960, the City of Birmingham was 60 percent white and 40 percent black, one of the highest ratios of black to white anywhere in the country. Throughout that period, the city had a legal framework that maintained two cities, one black and one white.

However, by the 1950s, as integration was mandated by the federal courts, Birmingham's ability to maintain segregation eroded. Suburbanization received added energy, offering whites with means to escape the complexities living in a racially segregated commu-

nity. The process of school integration in particular bolstered the movement to exit the city. In contrast to the prevailing model across the Southeast, where school districts are organized at the county level, Alabama law allowed cities of 5,000 or more to form independent school districts.

With suburban flight, Greater Birmingham has reorganized itself, sorted racially and economically, clustering distress and advantage. Dug in to defensive positions, with a native suspicion of government power, we have tended to view community development as a zero-sum game. Birmingham saw some of the most intense racial conflict of the Civil Rights Era play out on its streets, and the resulting hangover of anger and distrust has lingered. Long oppressed, blacks are suspicious of white intentions, while whites look skeptically at potential partnerships. Mechanisms for regional cooperation are lacking.

The history of failure—first with mergers and then with regional cooperation initiatives like MAPS—has left Greater Birmingham with a sense that such enterprises are futile. The acrimonious politics, corruption convictions, and Jefferson County's bankruptcy have all worked to undermine confidence in government and elected leaders.

However, as disastrous as the sewer crisis and bankruptcy was, it has also laid the groundwork for the future. Coming out of the sewer crisis and bankruptcy, the County began a long-overdue process of reform, improving its ability to lead cooperative efforts.

Though they receive fairly little attention, cooperative ventures have succeeded and shown promise, from the long-standing Jefferson County Library Cooperative, to the Jefferson County Purchasing Cooperative, to intergovernmental cooperation on radio systems and emergency response. New promising efforts are underway such as the establishment of a cooperative Metro Crime Center by the Jefferson County Sheriff's Office.

At the same time, Birmingham has begun to feel the positive effects of a national trend of rediscovering the value of urban centers. With the cooperation of the county, and philanthropic and private sector investment, the central city is enjoying revitalization.

As the fortunes of the City of Birmingham improve and the management of the Jefferson County rebuilds trust, the possibilities for cooperation improve.

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Greater Birmingham has, of late, surprised itself with success. It has begun to dispel the notion that we are fated to be a divided community, that individual municipalities are on their own when it comes to making improvements or addressing problems.

Further installments of this project will identify ways in which other cities have fostered cooperation and broad-based community investment and improvement.



CHAPTER TWO

Overcoming Governmental Fragmentation:

Options for Pursuing Cooperation

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Introduction

In the preceding chapter, Governmental Fragmentation in Jefferson County, we have established that Greater Birmingham is fragmented and that fragmentation in metro areas correlates with lower rates of economic and population growth and increases racial and economic segregation.

We also described the historical development of fragmentation in Greater Birmingham, as well as efforts made locally to counter the forces of fragmentation and promote regional cooperation. In this chapter, we look at four metro areas that have taken varying approaches to countering the forces of fragmentation.

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To prepare this report, we researched and visited Charlotte, North Carolina; Pittsburgh, Pennsylvania; Denver, Colorado; and Louisville, Kentucky.

In each of the metros studied, there has been a long-running and robust conversation about increasing cooperation and sharing the burden for investments made to improve the region. In each metro area, leaders in business, universities, civic groups, and foundations have been instrumental in pushing for and implementing regional cooperation efforts. It is not a matter simply left to politicians.

While each metro studied has pursued a different path toward greater cooperation, they share goals.

Common Goals of the four metros studied:

- 1 |** Decreased duplication and better coordination for the efficient delivery of services
- 2 |** A more equitable arrangement for sharing the burden of paying for government
- 3 |** A deeper collective pool of resources to address community needs
- 4 |** A more unified vision for progress
- 5 |** A more efficient and effective structure for pursuing community goals

Discussion of regional cooperation and government reform has occurred in Greater Birmingham, but it has not received, here, the sustained energy and action present in the communities studied.

Governmental fragmentation prevents Greater Birmingham from working together, from sharing resources to pursue common goals. Our municipal boundaries separate us and amplify racial and economic disparities.

Fragmentation fractures lines of responsibility and authority and obscures accountability. Our cobbled-together structures for working around fragmentation create mismatches between who pays for services, who delivers them, and who elects the representatives that decide how money is spent.

How might we build common ground and create an improved framework for cooperation?

FOUR APPROACHES TO REGIONAL COOPERATION

Fragmentation is a condition or process that, if recognized as a problem, can be countered by adjusting or reinventing governmental structures. Around the country, cities and metropolitan communities apply various levels of effort to combating fragmentation. While every community's response is unique in its particulars, PARCA has identified four general approaches to countering fragmentation.

To further explore how each of these approaches works, PARCA identified an example metro for each approach. Researchers collected information on each of those metro areas and visited each to talk to local officials and citizens.

1 | Functional Consolidation

The use of cooperative arrangements between existing governments to provide services.

Example Metro: Charlotte, North Carolina

2 | Modernizing County Government

Using a modernized county government or alternative arrangement to provide services that cut across municipal boundaries.

Example Metro: Pittsburgh, Pennsylvania

3 | Cooperation Through Regional Entities

The creation of special-purpose authorities or organizations to deliver or support services that are regional in nature.

Example Metro: Denver, Colorado

4 | Political Consolidation

The merger of governments, most often a combination of the central city and the central county.

Example Metro: Louisville, Kentucky

In each locale, we have examined their primary approach to encourage regional cooperation, but in each case, we also note additional measures taken in the subject metro to facilitate cooperation. For example, in Pittsburgh, we feature its efforts to modernize the government of its central county, Allegheny. However, we also identified other measures that area has taken to cooperate. Those include a countywide sales tax and distribution system to support arts, parks, and the library system.

In all metros studied, approaches are mixed. And it wouldn't be accurate to say Birmingham and Jefferson County haven't developed arrangements for regional cooperation and burden-sharing. We have. None of the selected cities may provide an exact road map, but they each offer possibilities for Greater Birmingham to consider in strengthening regional cooperation in an effort to counter the negative effects of fragmentation.

In the cities studied, the climate and avenues for cooperation are different and are heavily influenced by existing facts on the ground. For instance, both Louisville and Charlotte have consolidated school systems in their counties. Those communities already have a common ground for cooperation. That con-

solidated structure for schools removes one of the strongest reflexive opposition points to cooperation or merger of governments.

However, having multiple school districts in the region does not rule out reforms that can lead to greater regional cooperation. Pittsburgh and Metro Denver have multiple school districts, but both have made advances toward greater cooperation, leaving school systems out of the equation.

—
In fact, it should be noted emphatically here that moves toward greater regional cooperation rarely, if ever, involve the merger of school systems or the merger or disincorporation of existing cities or towns.

When Louisville consolidated in 2000, no existing cities and towns were merged into the consolidated government. The cities and towns simply came under the umbrella of the merged city-county government. The form of the overarching county government changed, but their local governmental structures remained.

Additionally, no single approach to increased cooperation rules out using elements of other approaches. For example, a metro area might encourage cooperation between existing governments through inter-local agreements, the approach known as functional consolidation. At the same time, that metro area could modernize its county government in order to make the county a leader in providing services that cross jurisdictional boundaries. Similarly, special purpose districts that provide a regional support base for services, such as transit, parks or culture, can be created to overlay existing or reformed governments.

Further, it is important to emphasize that, in all cases studied, overcoming fragmentation is a long and incremental process, the result of multiple efforts and steps along the way, requiring persistent effort. Every city studied developed its own approach, taking advantage of available opportunities for improving government and strengthening cooperation over time.



CITY

Charlotte, North Carolina

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Approach: Functional Consolidation

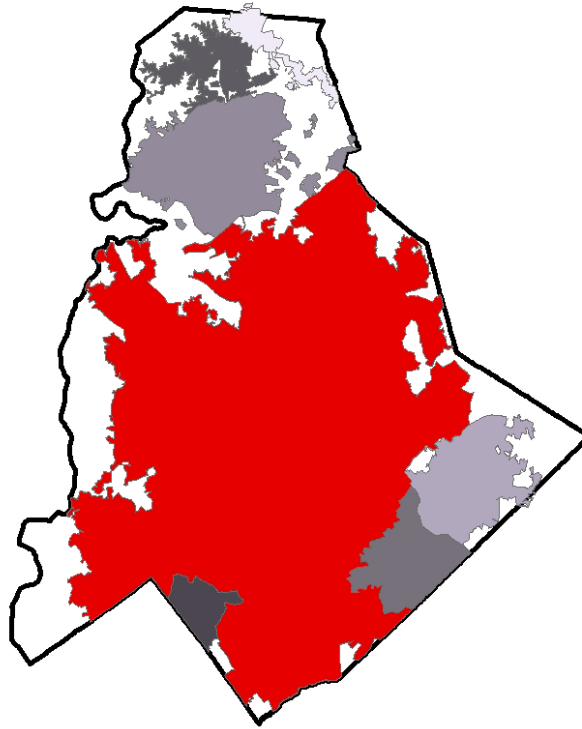


Figure 1. Charlotte is pictured in red, independent towns in gray. Areas in white are unincorporated land in the county.

WHY SELECTED: COOPERATION THROUGH FUNCTIONAL CONSOLIDATION

Fast-growing Charlotte, North Carolina, is held up nationally as a model of functional consolidation as a means of regional cooperation. Instead of consolidating governments, the elected bodies remain intact, but the governments of the city and the county divide up responsibilities for certain services.

Through multiple interlocal agreements, which are, in essence, contracts between governments, the City of Charlotte and Mecklenburg County have consolidated all major government services, giving the responsibility for some, such as police, fire and transit, to the city government and others, such as building inspection, tax collection and operation and development of parks to the county government.

The City and the County share a building and use the same chambers for city council meetings and county commission meetings.

This arrangement avoids duplication of services and administration in an attempt to deliver those services efficiently.

KEY STEPS/FACTORS ENCOURAGING COOPERATION

The current state of cooperation in Charlotte results from decades of effort to avoid fragmentation and duplication of governmental services. A number of pre-existing conditions and progressive steps facilitated Charlotte's journey to its present state.

Professional Management of Government

North Carolina city and county governments have a long and strong tradition of professional management of government. The idea of professional management of government arose in the early part of the 20th century. It was developed in reaction to what had been the prevailing model, the spoils system. Under the spoils system, elected political leadership of government made virtually all decisions about who would work in government.

The spoils system often led to abuses: heavy turnover when political leadership changed and the appointment of friends and allies to posts regardless of qualifications. Reformers advocated for a new system that included civil service employment protections and professional management of governments. The position of city manager and, later, county manager arose under these reforms. The idea was that elected leadership would provide policy direction to the government but that they would rely on the objective advice and expertise of trained governmental managers to carry out those policies through professional management.¹

Though the transition was gradual, North Carolina was an early and eager adopter of both the city and county manager form. By 2012, all but 36 of the 222 North Carolina cities with populations exceeding 2,500 had appointed a manager under their charters. Today, all of North Carolina's 100 counties employ a full-time professional county manager.

The professional management system supports Charlotte's use of interlocal agreements to achieve functional consolidation by providing expertise and continuity of operations despite changes in the elected leadership.

Meanwhile, in structure and practice, both the Mecklenburg County Commission and elected officials of the city are relatively weak in comparison to coun-

terparts in other parts of the country. All the elected officials are elected for two-year terms. The mayor, council, and the commission are part-time positions. The legislative bodies function as a board of directors, appointing the managers, enacting ordinances and setting policy. Managers of the city and the county run day-to-day operations.

Mecklenburg's Board of County Commissioners has nine members, with six commissioners elected by district and three commissioners elected at-large. In 2015, for the third time since 1985, Mecklenburg County voters rejected a proposal to create four-year terms for commissioners.

In Charlotte, the mayor and four at-large council members are elected by a citywide vote; seven council members are elected from districts by voters who reside in each district.

Strong Business Community Interest and Support for Functional Consolidation

Functional consolidation has also been supported by Charlotte's business establishment. The business community in Charlotte has a tradition of strong involvement in partnership with government and is pointed to as the driving force in shaping and propelling Charlotte's extraordinary growth.

Unified School District

Charlotte's city and county school systems were merged in 1960 after a vote of the people. In the late 1960s, the unified system was sued for failing to fully integrate schools, resulting in a landmark U.S. Supreme Court case, *Swann v. Charlotte-Mecklenburg Board of Education*, which required the school district to use busing to achieve integration. Charlotte's busing efforts, though contentious, served as a national model for achieving desegregation through busing. Because of busing, the location of one's home didn't necessarily dictate where children would go

¹ County and Municipal Government in North Carolina, University of North Carolina School of Government.

to school. The unified school district and the busing plan removed one of the strong forces that drives fragmentation and prevents cooperation. The busing order is no longer in effect, but the countywide school system remains, forcing a countywide approach to educational improvement. Though a strong network of private schools has developed, the Charlotte-Mecklenburg Schools are considered one of the strongest urban systems in the U.S.

Liberal Annexation Laws

North Carolina has some of the most liberal annexation laws in the U.S., which has allowed the city to prevent fragmentation by expanding its borders to take in emerging suburban development. By majority vote of the council, the City could take in new territory without needing the consent of those being annexed. Those laws, which operated basically unchanged from 1959 until 2012, allowed Charlotte

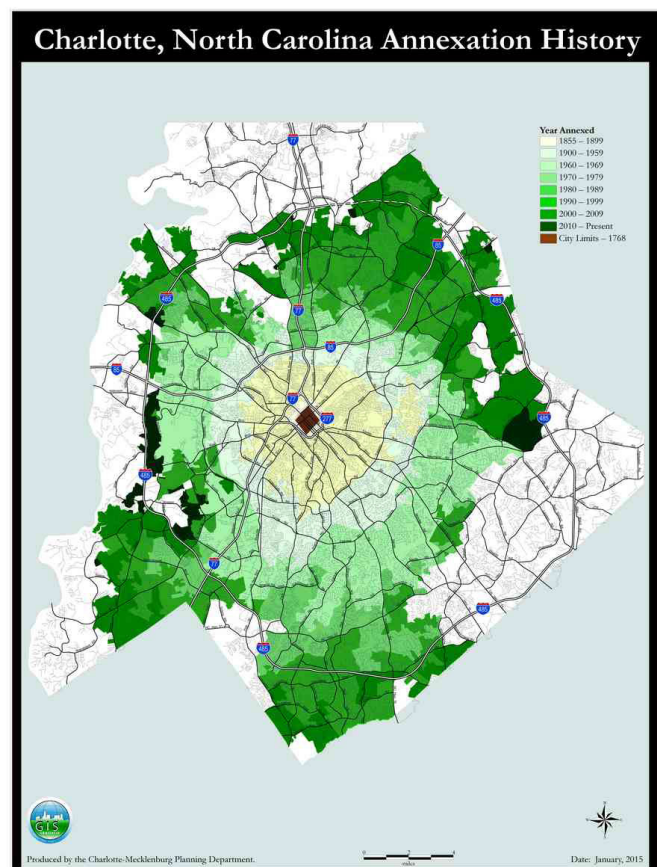
to expand massively, capturing suburban growth and limiting the emergence of multiple independent suburbs. Besides Charlotte, only six other suburban municipalities exist in Mecklenburg County, compared to Jefferson County, Alabama, where there are at least 35 municipalities. Today, only a small portion of Mecklenburg County is outside the limits of one of the incorporated cities in the county, with 80 percent of the county's population living in Charlotte. This expansive power of the city encouraged cooperation because the county had a shrinking geographical base in which it was solely responsible for services. The emergence of functional consolidation was somewhat a response to these forces.

Figure 2. Darker shades of green represent more recent annexations.

CONTEXT

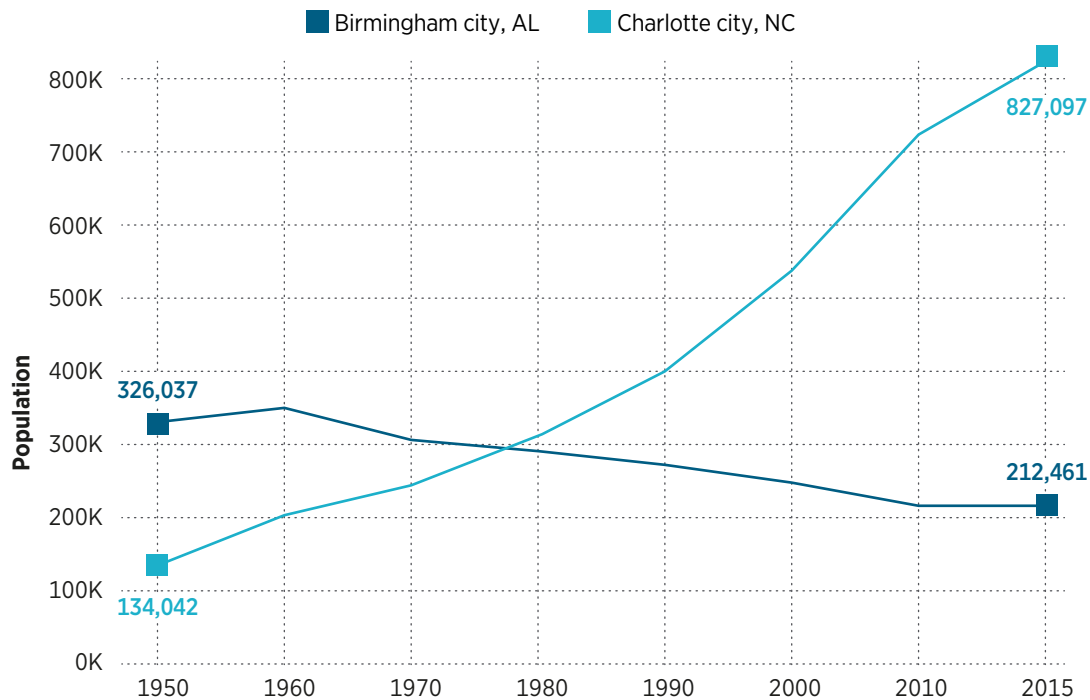
For much of its history, Charlotte was a minor trading crossroads, a regional backwater, far from ports and major navigable rivers.

After the Civil War, entrepreneurs in the sleepy southern town recognized the opportunity to create an industrial economy based on textile manufacturing. Prior to the Civil War, most of the South's cotton was shipped to mills in the North to be turned into finished products. The Charlotte area offered itself as an alternative and became the center of the Southern textile industry. As the textile industry grew, the local banks who had helped finance the mills' development prospered, laying the groundwork for the financial services hub Charlotte would later become. Still, by 1950, Charlotte had only barely cracked the top 100 of U.S. cities in terms of population and was much smaller than its Southern cousin, Birmingham.



Birmingham was larger than Charlotte in 1950, but has grown while Birmingham's population has declined.

Chart 1. Birmingham vs. Charlotte City Population Change, 1950–2015, *U.S. Census Bureau*



However, growth was on the way. The city had already had some important wins before its coming boom years. In 1927, Charlotte was chosen as the site of a branch of the Federal Reserve Bank, a boon to the emerging banking industry there. The city had also built an airport in the 1930s, which would grow into a regional airport hub.

Unlike Birmingham, Charlotte avoided major turmoil in the racial conflicts of the 1960s. As in Atlanta, “The City Too Busy to Hate,” Charlotte business leadership helped diffuse racial tensions. Charlotte dubbed itself the “Spearhead of the New South.”

In 1963, while in Birmingham Bull Connor was deploying dogs and fire hoses to hold back protestors demanding integration of downtown businesses, in

Charlotte, black and white civic leaders went to out lunch together at prominent downtown restaurants, publicly signaling an end of segregation.

The desegregation of schools also occurred in Charlotte with much less turbulence than in Birmingham. Black students enrolled in city schools in the late 1950s. After the city and county school system merged in 1960, there were efforts to desegregate, but ultimately the incomplete integration of the schools launched a lawsuit that ended with the Supreme Court decision mandating busing. Again, Charlotte earned a reputation for progressive thinking, as the community and school leadership, in the end, devoted great effort to making busing work in Charlotte.

Table 1. Birmingham vs. Charlotte Demographic Comparison, *U.S. Census Bureau, American Community Survey, 2015*

	TOTAL POPULATION	WHITE	BLACK	HISPANIC	OTHER
CITY					
Charlotte city, NC	774,807	44%	34%	13%	8%
Birmingham city, AL	211,705	21%	73%	4%	2%
COUNTY					
Mecklenburg County, NC	968,500	50%	30%	12%	8%
Jefferson County, AL	658,834	51%	42%	4%	3%

The 1970s saw the beginning of extremely robust engagement of the Charlotte business community with the city and county government, which was the driving force in shaping modern Charlotte. The most significant figure in the movement was Hugh McColl, who at the age of 39, became the president of North Carolina National Bank. McColl set his sights on growing the bank into a national and even an international powerhouse, an ambition he eventually realized with the merger of his bank, NationsBank with Bank of America. The combined bank established its headquarters in Charlotte in 1998. It is the second largest bank in the U.S. with assets of \$2.15 trillion.²

But at the same time as he was building the bank, McColl was determined to build the city, as well. To attract talent from the world capitals of finance, McColl believed he needed a city that offered the urban form and amenities offered in major league cities. Others in the corporate community joined McColl in his ambition, including the leadership of First Union Bank, another Charlotte bank that grew into a financial powerhouse. Through mergers and acquisitions, that bank became Wells Fargo. Though it is now headquartered in California, Wells Fargo's East Coast operations are centered in Charlotte, contributing to Charlotte's prominence in the financial services world.

One of McColl's first projects was the revitalization of the Fourth Ward, a formerly affluent district adja-

cent to Charlotte's Uptown business district. The district was suffering the same inner city decline seen elsewhere in urban America in the period. NationsBank saw potential in transforming it into a revitalized neighborhood within walking distance of downtown, giving the urban-oriented workforce McColl was importing a more familiar environment in which to live.

McColl's bank loaned the city \$100,000 to establish a pool for low-interest loans available to homeowners willing to buy and rehabilitate the homes in the ward. His bank's involvement attracted similar-sized loans to the city from six other Charlotte banks. Duke Energy also cooperated with the city, underwriting infrastructure improvements such as the installation of brick sidewalks, decorative lighting and underground electric utilities.

The program was so successful that eventually it was replenished by a second round of funding at an even higher level of investment.

In 1983, Charlotte elected Harvey Gant, an architect and the first African-American mayor of Charlotte. Gant was an early promoter of Smart Growth, taming suburban sprawl and redirecting energy to the city center. Working closely with McColl during his two terms as mayor, Gant initiated the process of thoughtful downtown revitalization that continues today.

² BankRate.com, <http://www.bankrate.com/finance/banking/americas-biggest-banks-1.aspx>

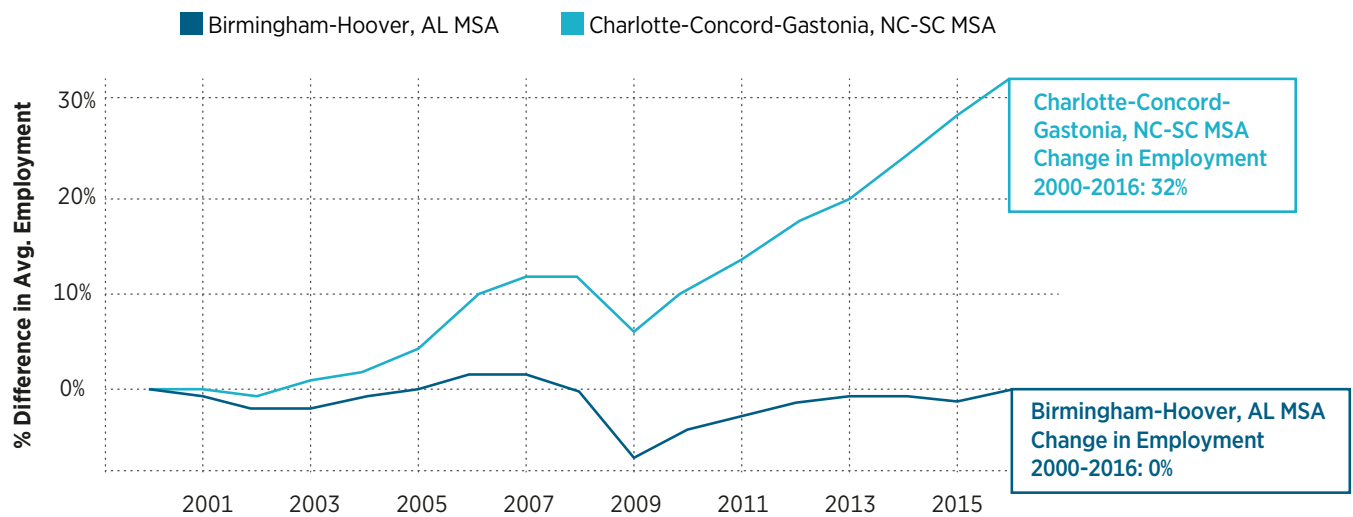
Working with a succession of city and county managers and elected officials, the business community and philanthropists cooperated to build sports facilities and secure sports teams. The public-private coalition built arenas, convention centers, museums, and parks in Uptown Charlotte. Those additions were complemented with a flourishing of office towers, hotels, and downtown residential developments. After a 1998 referendum, a county half-cent sales tax for public transit was enacted. That revenue provided the local match for remaking Charlotte's transit system, improving bus service and adding light rail and streetcar lines.

The confluence of those investments and a unified strategy for creating a fully realized urban center has transformed the city. The city and the suburbs are growing in tandem, with both jobs and population being added.

Table 2. Birmingham vs. Charlotte MSA Population, U.S. Census Bureau Population Estimates, 2015

GEOGRAPHY	POPULATION ESTIMATE 2015	POPULATION CHANGE SINCE 2010
Charlotte-Concord-Gastonia, NC-SC Metro Area	2,426,363	9%
Birmingham-Hoover, AL Metro Area	1,145,647	1%

Chart 2. Birmingham vs. Charlotte MSA Employment Change, 2000–2016, U.S. Department of Labor Quarterly Employment Reports



Because of Charlotte's ability to grow its boundaries and capture suburban growth, the economic condition of the central city is far stronger in Charlotte than in Birmingham. Additionally, economic performance measures in Charlotte, the city, the county and the metro area are much more evenly matched, compared to Birmingham, where there is a sharp disparity between the city, the county and the metro area in household income, unemployment, labor force participation and poverty rate.

Table 3. Birmingham vs. Charlotte Economic Measures, *U.S. Census Bureau, American Community Survey, 2015*

GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	UNEMPLOYMENT RATE	PERCENT NOT IN LABOR FORCE	POVERTY RATE
CITY				
Charlotte city, NC	\$53,919	7%	29%	16%
Birmingham city, AL	\$32,378	10%	39%	29%
COUNTY				
Mecklenburg County, NC	\$56,883	7%	29%	14%
Jefferson County, AL	\$48,492	8%	37%	18%
METRO				
Charlotte-Concord-Gastonia, NC-SC Metro Area	\$54,836	7%	33%	14%
Birmingham-Hoover, AL Metro Area	\$51,459	7%	39%	16%

Getting Governments To Cooperate

That same cadre of business leaders also saw the need for high-functioning and non-duplicative government services. They helped cultivate a climate in Charlotte that pushed governments to look for ways to cooperate and consolidate services where possible.

Like most cities, Charlotte has periodically considered political consolidation as a route toward efficiency and unity. As early as 1927, enabling legislation was passed to permit a referendum on consolidating Charlotte City and Mecklenburg County government. However, that referendum was never held. The idea was revived in the 1960s but failed at the ballot box. Though the idea has continued to bubble up ever so often, it has failed to gain support. The limited number of suburban communities in the county has tended to oppose the idea, fearing that they'd be subsumed in a consolidation. City residents haven't been enthusiastic about the idea either, with entrenched interests and minority groups fearing a dissipation of their influence if consolidation were to occur.

Besides, Charlotte's extensive use of functional consolidation and the city's annexation expansions have diminished much of the impetus for political consolidation. Many of the gains in efficiency promised by political consolidation have already been achieved through functional consolidation.

Table 4. Functional Consolidation in Charlotte, *Governing Charlotte-Mecklenburg*, Timothy D. Meade

SERVICE	PRODUCER		YEAR
	CITY	COUNTY	
Parks and recreation		x	1988
Planning and zoning	x		1984
Police	x		1993
Solid waste disposal	x		1984
Storm water	x	x	1993
Public transit	x		1999
Computer services and licensing	x	x	1998, 1995
Charlotte-Mecklenburg utilities (water and sewer)	x		1972
Building inspection		x	1982
Animal control	x		1982
Community relations	x		1989
Historic landmarks/districts	x		1989
Cable television regulations	x		1992
Elections		x	1982
Purchasing	x		1982
Tax administration		x	1982
Communications	x	x	1982
City-county government center	x	x	1985
Wrecker zones, youth council	x		1990

Some functional consolidation had taken place before the 1980s. The department of health, the library system, the school system, and tax collection were handled at the county level, while planning and zoning and water and sewer utilities were provided by the city for both Charlotte and the unincorporated areas.

But with the arrival of Mecklenburg County Manager Jerry Fox in 1980 and Charlotte City Manager Wendell White in 1982, a new era began, with both managers oriented toward finding the most efficient and effective ways to deliver government services. Fox would go on to serve 20 years in his post; White 17 in his.

White and Fox developed strong relationships not only with the elected leadership but also with the business community. As the city and county were experiencing a development boom, the two managers began by looking at ways to streamline and unify the process for planning and permitting projects. As that relationship was established, they began to look at other areas where it made sense to consolidate.

The county had a police department, but as Charlotte grew and annexed more territory, the county had less area to patrol. So it made sense for the city to provide a unified law enforcement agency for both the city and the unincorporated area. The Mecklenburg County Sheriff's Office exists as a countywide service, but the Sheriff's duties are now administrative functions relating to the court system, rather than law enforcement.

In something of an exchange, it was decided that the county would operate a consolidated city and county park system. The city had a larger purchasing program and took over bulk purchasing for both governments. The county provided building permitting and inspection services, as well as air, water, and storm water regulation on major streams.

In a move that was both symbolic and functional, the city and the county entered into a cooperative agree-

ment in 1985 to construct a new joint city-county governmental building to house both the city and the county government headquarters. Now, the city, the county, and the Charlotte-Mecklenburg School Board meet in the same council chambers.

By the mid-1990s, all significant public services had some form of functional consolidation, with the service offered countywide by either the City of Charlotte or Mecklenburg County. The six other municipalities may choose to participate in the consolidated service or may opt out.

Charlotte's experience suggests that functional consolidation is fruitful in areas in which capital investment is needed, and economies of scale can be achieved through a larger system, such as water and sewer. Other areas in which functional consolidation may be beneficial are those in which greater size allows a department to provide a more advanced level of service, such as a countywide approach to examining construction plans and inspecting buildings.³

Functional consolidation is more flexible than political consolidation and easier to achieve. Most political consolidation votes fail, and when they succeed, the political compromises made to achieve passage often undermine efficiency gains. Under political consolidation, merger is permanent; under functional consolidation, agreements can be modified or ended as conditions change. Functional consolidation can also be expanded to include other governments within and even beyond county boundaries.⁴

While functional consolidation cuts down on duplication, it still presents challenges. Cooperating city and county departments still operate under separate governance structures, and considerable energy must be spent in communicating across structures. While functional consolidation preserves local autonomy, it can also be less stable. As political administrations change, new leadership can pull out of existing arrangements.

³ Governing Charlotte-Mecklenburg, Timothy D. Mead, *State and Local Government Review* Vol. 32, No. 3 (Fall 2000)

⁴ Political and Functional Local Government Consolidation, Suzanne Leland and Kurt Thurmaier, *American Review of Public Administration*, 2014, Vol. 44(4S) 29S-46S

COOPERATION ACHIEVEMENTS

Government Service and Efficiency Improvements

In Charlotte, professionally managed governments both at the city and county are committed to cooperation and avoiding duplication. They both follow processes designed to encourage continuous improvement of efficiency and customer service.

One way to get a sense of how integrated the county and city services are in Charlotte-Mecklenburg is visiting the city or the county website.

From both sites, citizens or businesses can look for the service or information and follow links to the specific services, regardless of whether they are provided by the city or the county.

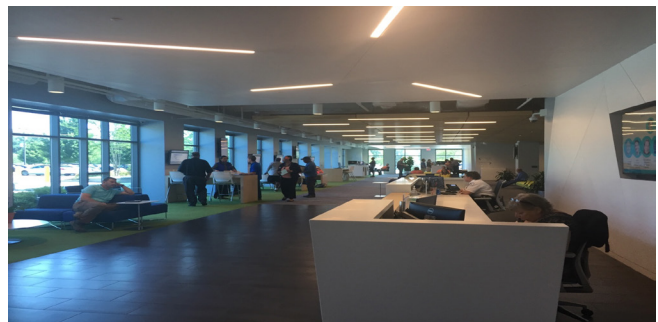
Similarly, the city operates a 311-call center set up to answer any requests for services from citizens. Despite the fact the 311 center is operated by the city, its operators can connect citizens directly to county services, as well.

Additionally, the county operates a customer service center, a building that serves as headquarters for the county land use and development agency.

A resident arriving there is greeted by a customer service specialist who can guide them through their requests to the proper agency whether that be from the city or the county.

Both the city and the county, through the leadership of their respective managers, are managed and evaluated for performance. Customer satisfaction is frequently assessed, and identified problems are addressed.

Figure 3. Mecklenburg County's Customer Service Center helps residents connect homeowners and construction professionals with building code officials and with outside agencies that connect with the development process.



Evidence of that persistent attention to process improvement can be seen in a [2015 evaluation of city and county services by Gartner Consulting](#).⁵ The 287-page report evaluated the city and county processes for development planning, building permitting and inspection services. The city handles planning and zoning. The county issues reviews and permits for construction plans. The evaluation revealed strengths in customer service and advanced technology from both the city and the county. However, the city and county have separate software systems that don't talk to one another.

In the wake of the Gartner Study, the city and county staff and their respective governing bodies are working to come up with a unified software solution so that electronically submitted plans can be reviewed and moved through both city and county processes simultaneously.

Functional consolidation in Charlotte-Mecklenburg avoids redundancy of staff, but it is always a work in progress. The county has the more advanced GIS service and shares that technology with both city

⁵ Gartner Study, City of Charlotte Land Development and Mecklenburg County Code Enforcement, <http://charmec.org/development/Pages/Gartner-Study.aspx>

and county departments. However, the county's GIS resources aren't unlimited, and they do come at a cost. Allocating and recouping those costs across two governments can be difficult.

While there are trust and cooperation between the city and the county and close working relationships, there are times (from the city's point of view) when it would be simpler to be able to work with a collection of departments under one unified government. Former Charlotte City Manager Ron Carlee points to the example of crafting a neighborhood redevelopment plan. Carlee could pull together department heads for transit, housing, and community development. However, the city manager doesn't necessarily have everyone at the table he needs. For example, the countywide parks department or representatives of the county library system have to be invited into the project for consultation.

Mass Transit Reshaping the City

Charlotte has established a countywide support system and governance structure for mass transit. More than most southeastern cities, Charlotte has put mass transit at the forefront of its community development plan. With local support for the transit system provided by 0.5-cent countywide sales tax, the system has been able to launch a light rail system and streetcar line along with enhanced bus service.

After the 1998 vote on the tax, Charlotte's transit system was reformed as the Charlotte Area Transit System (CATS). It has since grown to the largest transit system between Washington, D.C., and Atlanta, with 95,000 unlinked weekday daily trips. For comparison, Birmingham's system provides about 12,000 unlinked trips on weekdays. CATS is a department of the City of Charlotte, but its policy board is the Metropolitan Transit Commission (MTC), which is comprised of the chief elected official of each member

jurisdiction and a representative of the state department of transportation. The MTC sets policy, approves work plans and budgets, and prioritizes projects.

Charlotte invested much of the new local revenue into improving bus service. However, it also chose to pursue and invest in fixed route solutions, such as light rail and streetcars. Though these modes come with a high upfront investment, they provide not only transportation advantages but also urban development advantages. Charlotte's light rail line opened in 2007, after an investment of \$465 million and an additional \$50 million investment in community connectivity enhancements, including new street connections, street and intersection enhancements, 9 miles of pedestrian and bicycle access routes, and 16 miles of new sidewalk.⁶

Figure 4. Charlotte's light rail system is reshaping the city



Rail projects provide assurance to developers that the transit put in place will stay in place. With that assurance, developers are more willing to build dense residential and associated commercial development along the rail line. This approach has borne fruit in Charlotte. The corridor along the 9.6-mile Linx Blue line, which now runs from Uptown Charlotte to the southern interstate beltway, is filling with condo and apartment complexes that are now just a short train ride from downtown.

By 2010, Charlotte had seen almost \$2 billion in construction development along the Blue Line corridor.⁷

⁶ Connect Our Future, <http://www.connectourfuture.org/tools/transit-oriented-development-incentives/>

⁷ Charlotte LYNX Blue Line Economic Development Impact, National Governors Association, <https://www.nga.org/files/live/sites/NGA/files/pdf/1012TRANSPORTZEILER.PDF>

That public transit development is being complemented by the development of bike and pedestrian greenways, which also connect residential developments to the office and entertainment districts of Uptown Charlotte. An extension of that line, which will eventually connect to the University of North Carolina at Charlotte campus, is under construction. Under its long-range plan, the transit system plans to build out from Center City Charlotte along five different corridors.

Connecting the light rail to surrounding neighborhoods is a street car system, now 1.5 miles in length with planned extensions.

Voters have continued to show their support for the developing transit and community development along the routes. They approved \$146 million in city bonds in 2014, and in November of 2016 voted for another [\\$218.4 million in City bonds](#) for transportation, housing and neighborhood improvements.

Systematically Pursuing Improvements to Parks and Greenways

Until the 1992 merger of Charlotte's Parks Department with the County Parks Department, neither entity spent much time or money expanding parks, despite the fact that Charlotte was seeing rapid suburban and urban growth. As a consequence, Charlotte compared unfavorably with other cities in the amount and proximity of park space available for residents.

With the merger of the two departments under county government, the consolidated parks department began playing a methodical game of catching up by building new parks with a long-term goal of ensuring that a park or greenway is within six blocks or a half-mile of every county resident.⁸

In 2008, county voters approved a \$250 million bond issue for parks, with \$60 million set aside for land acquisition and \$190 million for new capital projects. The Parks Department has developed a series of

frequently updated 10-year master plans for expanding park and recreation offerings. The planning and land acquisition process is guided by a sophisticated, GIS-based analysis of available land, existing parks, and population density. The department considers itself to be in something of a race against time. As rapid development continues in Mecklenburg County, the department estimates that by 2030, 96 percent of the county will be "built out" or developed. A regular program of strategic buying now should enable the county to reach its park acreage and coverage goals before cost and development foreclose opportunities.

Since the initial master plan in 1998, eight neighborhood parks have opened and 10 community and regional parks have been added, as have two nature preserves. Two showcase urban parks in Uptown Charlotte have been added: Romare Bearden Park, opened in 2013, and First Ward Park, opened in 2016. Both are approximately five acres in size, and both have spurred adjacent hotel, office and housing developments.

Figure 5. Romare Bearden Park in Uptown Charlotte.



⁸ National ranking puts Charlotte near bottom for 'ParkScore', <https://ui.uncc.edu/story/parkscore-charlotte-trails-park-land-accessibility-0>

During that period, the county has added 13 miles of paved greenways, bringing the total to 40 miles of paved trails, with a long-range vision of a system of 200 miles of trail by 2030. Walking and cycling accommodations are being built alongside the transit extensions, increasing the appeal and connectivity of the neighborhoods near the transit stations and further stimulating development.

The county now has a total of more than 210 parks and facilities with 20,472 acres of parkland. In addition to the paved trails, the county has 200 miles of hiking and biking unpaved trails in their parks, 14 disc golf courses, five golf courses, three nature centers and three senior centers. The county manages 240 athletic fields and 18 recreation centers, 21 gyms and seven fitness centers.

OUTCOMES IN CHARLOTTE

Improvements Through Functional Consolidation

- Decrease in duplication across governments
- Savings generated through sharing of buildings and assets
- Greater efficiency gained through economies of scale
- Greater expertise enabled by specialization and scale

Criticism of Functional Consolidation

- Division of responsibility between governments can complicate collaboration
- Partnerships between the City of Charlotte and Mecklenburg County are numerous but more rarely are other suburbs involved in the functionally consolidated service
- Functional consolidation is incremental rather than the kind of wholesale change forced by political consolidation

CITY

Pittsburgh, Pennsylvania

—

Approach: Modernizing County Government

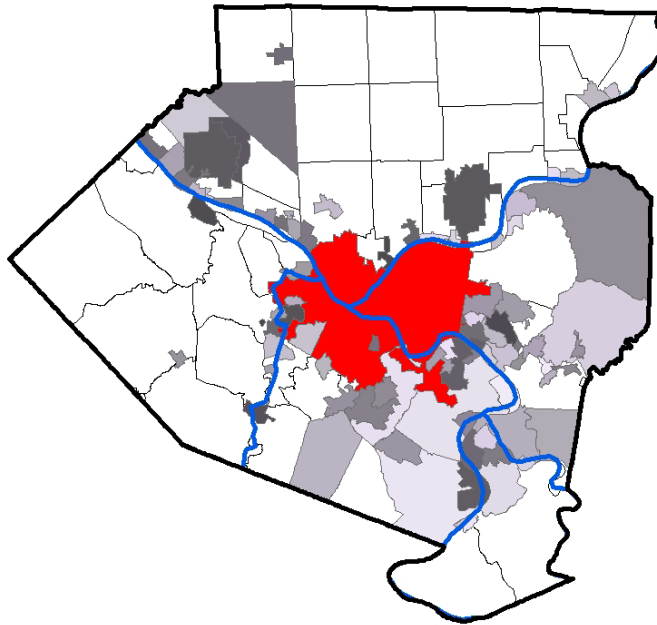


Figure 6. Pittsburgh in red, other municipalities in gray, townships in white.

WHY SELECTED: COUNTY PROVIDES REGIONAL LEADERSHIP

Greater Pittsburgh is arguably the national champion of fragmentation with 130 general purpose governments and 43 school districts in its central county of Allegheny. It's configured a lot like Birmingham, a core city built on an industrial base ringed by suburbs, which captured most of the population growth in the second half of the 20th century.

While Pittsburgh remains more fragmented than Birmingham, the area has taken steps to unite at the county level by reforming county government and by creating a county-level system of support for arts, parks, cultural and entertainment facilities and for transit.

KEY STEPS/FACTORS ENCOURAGING COOPERATION

The current state of cooperation in Pittsburgh results from decades of effort to overcome fragmentation and forge cooperative arrangements.

Regional Support System for Cultural Amenities

In 1993, the Pennsylvania Legislature created the Allegheny Regional Asset District, which distributes one-half of a 1 percent sales tax to support libraries, museums, trails, parks, arts entities, and to support debt service on stadiums for the Pittsburgh Steelers and the Pittsburgh Pirates.

County Government Reform

In 1998, voters approved a home rule charter that replaced Allegheny County's three-member county commission with a county council, elected by district, and a chief executive elected countywide. The county government was restructured to create a separation of executive and legislative powers with checks and balances between them.

County-based Support for Transit

In the mid-2000s, Allegheny County initiated a tax on alcoholic drinks, now at 7 percent, to support public transit. Along with a more recent infusion of state funds, the countywide transit system has stabilized its finances, modernized and expanded,

increased service frequency and reliability, extended its light rail system and created three rapid bus corridors, which have both improved transportation between job centers and revitalized neighborhoods with transit-oriented housing development.

Public-Private Partnerships for Regional Cooperation

Outside of those formal governmental arrangements, Pittsburgh has pursued several initiatives designed to promote cooperation between governments and the private sector in the region. In a move similar to the formation of the Birmingham Business Alliance, Pittsburgh developed a regional approach to lobbying for legislative priorities, recruiting new business, marketing the region, and performing research and strategic planning.

While there continues to be resistance to merging or consolidating governments, Pittsburgh has pursued intergovernmental cooperation through organizations such as the nonprofit Congress of Neighboring Communities, which brings Allegheny County municipalities together to work on issues of joint concern.

All of Greater Pittsburgh's efforts at regional cooperation were driven by concerted efforts of an engaged corporate, university, and philanthropic leadership. This public and private commitment to working for the betterment of the community has been instrumental in bolstering the health of downtown and transforming former industrial sites into corporate parks, public parks, and new housing developments.

A broad coalition has continually pushed higher expectations for governmental efficiency and cooperation. A broad base of support has helped support a flourishing arts and cultural scene, new sporting venues for professional sports franchises, expanded trails and parks, and an energized technology sector which hosts regional offices for tech companies, such as Google, Apple, and Uber.

Bill Flanagan, Chief Corporate Relations Officer for the Allegheny Conference on Community Development, said Pittsburgh's comeback wasn't happenstance. It was the result of tireless effort. "None of this just happened," he said.

CONTEXT

Birmingham's nickname, "the Pittsburgh of the South," rings true for more than the obvious reasons.

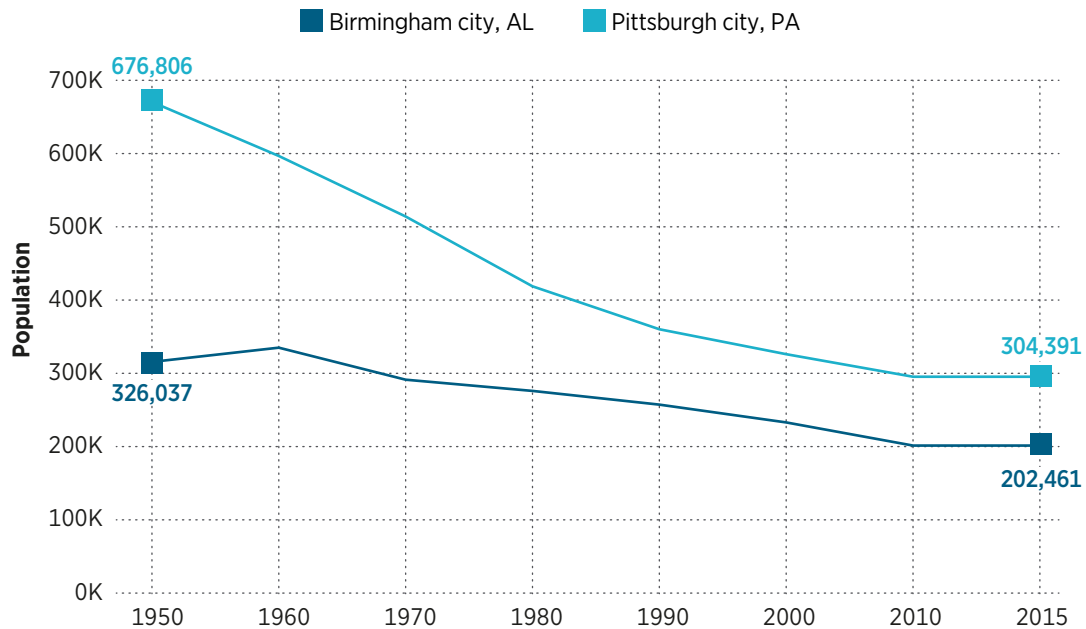
Both cities were smoky steel towns, blessed with natural resources that helped build an industrial-centered, blue-collar economy.

Both have since transitioned to a more diversified economy centered on education, health care, and financial services. Both might be considered "under-rated," with a leftover reputation from a polluted past that obscures present realities of clearer skies, lush and mountainous landscape, and first-class art and food offerings.

Both cities developed in a fragmented fashion, with numerous municipalities ringing a central city. Fragmentation is common in communities built on an industrial base, such as Birmingham and Pittsburgh or Detroit and Cleveland. That underlying pattern of fragmentation laid the groundwork for steep inner-city decline as suburbanization gathered momentum and the steel industry shrank.

Both central cities have lost a significant percentage of their populations to outlying municipalities. That outmigration left both center cities with higher concentrations of poverty and blight. In 1950, 45 percent of the population of Allegheny County was concentrated in the city of Pittsburgh with the remaining 55 percent in the rest of the county. By 2015, only 25 percent of the population was in the city with 75 percent in the county. Birmingham, by comparison, dropped from 60 percent of Jefferson County's population in 1950 to 32 percent in 2015.

Chart 3. Birmingham vs. Pittsburgh City Population Change, 1950–2015, *U.S. Census Bureau*



In Birmingham, outmigration from the central city is often talked about in racial terms as “white flight.” However, Pittsburgh, where whites make up 65 percent of the city population, has experienced an even more acute population decline, suggesting that race is by no means the sole driver of outmigration.

Table 5. Birmingham vs. Pittsburgh Demographic Comparison, *U.S. Census Bureau, American Community Survey, 2015*

	TOTAL POPULATION	WHITE	BLACK	HISPANIC	OTHER
CITY					
Pittsburgh city, PA	306,045	65%	24%	3%	8%
Birmingham city, AL	211,705	21%	73%	4%	2%
COUNTY					
Allegheny County, PA	1,229,172	80%	13%	2%	6%
Jefferson County, AL	658,834	51%	42%	4%	3%

While there are numerous similarities between the two cities, Pittsburgh, unlike Birmingham, has engaged in an almost continuous conversation about community cooperation since the 1940s. Though the faces have changed through the years, the leadership of the city and the county, business and industry and the university and philanthropic community have promoted the concept of cooperating as a region.

Table 6. Birmingham vs. Pittsburgh MSA Population, U.S. Census Bureau, Population Estimates, 2015

GEOGRAPHY	POPULATION ESTIMATE 2015	POPULATION CHANGE SINCE 2010
Birmingham-Hoover, AL Metro Area	1,145,647	1%
Pittsburgh, PA Metro Area	2,353,045	0%

Post-War Renaissance

During World War II, Pittsburgh was an industrial powerhouse, accounting for 20 percent of worldwide production of steel. As the war was drawing to a close, civic leaders took stock of what that massive industrial output had wrought.

Civic leaders recognized that the region was overly dependent on its steel industry. Situated in a valley at the point where the Monongahela and Allegheny Rivers converge to form the Ohio, Pittsburgh sat in a thick cloud of smoke that blackened city buildings. Its rivers were contaminated with industrial and municipal sewage.

To develop a response to the situation, Pittsburgh Mayor David Lawrence enlisted the cooperation of industrial and corporate leaders to form the Allegheny Conference on Community Development, created to

coordinate private and public efforts to rehabilitate downtown, diversify the economy, and combat the air and water pollution that made the region unattractive for new business and residents.

With the leadership of the city's most prominent businessmen, such as Richard K. Mellon, president and chairman of Mellon Bank, the Conference helped spawn a collection of projects that came to be known as Pittsburgh's Renaissance.

The collaboration between business and government led to the formation of the Urban Redevelopment Authority of Pittsburgh, which forged deals to revitalize downtown properties and begin the conversion of contaminated brownfield sites into post-industrial uses. The Renaissance also included the first efforts to reclaim the city's waterfronts, creating Point Park, which even today is the basis for an expanding system of riverfront greenways. The Conference also brokered an agreement for the phased-in implementation of smoke control that became city policy. A comprehensive anti-pollution law was passed for Allegheny County in 1949.

Through the 1960s and 1970s, the initial Renaissance and successor civic initiatives helped Pittsburgh's downtown avoid the ravages of retail and office decentralization that debilitated so many other American downtowns.¹

Figure 7. The junction of Three Rivers at Point Park, Pittsburgh.



¹ Downtown Pittsburgh: Renaissance and Renewal, Edward K. Muller. <http://www.upress.pitt.edu/htmlSourceFiles/pdfs/9780822942825exr.pdf>

The Concerted Response to the Decline of Steel

However, in the late 1970s and early 1980s, the steel industry collapsed, resulting in economic distress and another wave of civic soul-searching. As the Pittsburgh region was experiencing the nation's highest percentage decline in jobs during the period, civic leaders came together again to produce a series of economic analysis and strategic plans, each one building on the last, each prompting incremental changes that have helped the region regain its footing.

The first, [Strategy 21](#), published in 1985, laid out a joint strategy for regional economic development agreed to by the governmental leaders from the City of Pittsburgh and Allegheny County. The plan was developed in cooperation with the presidents of the University of Pittsburgh and Carnegie Mellon University. Both those universities—Carnegie Mellon with its nationally known science and technology programs and the University of Pittsburgh ranked among the top 20 medical research facilities—were identified as key building blocks in the transformation of the region. The joint agenda formed the basis for a unified request to the Pennsylvania Legislature for investment in strategic initiatives for the Pittsburgh region.

The strategic plan identified four goals:

- 1 | Build on existing strengths as a metal manufacturing and corporate headquarters hub
- 2 | Convert former industrial sites into locations for new technology and biosciences businesses
- 3 | Enhance quality of life and tourism
- 4 | Expand opportunities for displaced workers

The investments requested from the state Legislature included:

- Expansion of the airport and highway connections
- Investments in new technology development at universities related to the metals and manufacturing base, including robotics and software engineering, as well as biotechnology. Several of these investments made use of vacant industrial land.
- The rehabilitation of the cultural districts and the riverfront to increase tourism
- Evaluation of surviving industrial businesses with aid for enhancing the competitiveness of survivors with long-term potential and aid for conversion of faltering businesses to new purposes.

Figure 8. Historically, Herr's Island was home to a railyard, stockyard and rendering plant, a no-man's island in the Allegheny River. (*Pittsburgh Post-Gazette*)



Figure 9. Through a multiyear, multi-agency, public-private rehabilitation process, the island was reclaimed, cleared of contamination and renamed Washington’s Landing. It is now home to a housing development, marina, and corporate office park.



In the early 1990s, *Strategy 21* was revisited in a second report, led by Carnegie Mellon University President Robert Mehrabian. Mehrabian’s 1993 report, known as the “White Paper,” along with his 1994 follow-up report, *The Greater Pittsburgh Region: Working Together to Compete Globally*, identified lingering weaknesses in Pittsburgh’s efforts to transform its economy.

The two reports expanded on the *Strategy 21*’s focus on Pittsburgh and Allegheny County to include a 10-county region in Southwestern Pennsylvania. *Working Together* laid out a multipronged plan to attack weaknesses and build on existing strengths. This reframing of the conversation to include outlying counties eventually resulted in the formation of the Southwestern Pennsylvania Growth Alliance, a coalition of businesses and governmental representatives from the 10-county region. The Alliance served as a consensus-building mechanism and a vehicle for making unified requests to the state Legislature for each county and for the region as a whole.

Figure 10. Pittsburgh International Airport, operated by the Allegheny County Airport Authority, was seen as a key regional investment in keeping Pittsburgh as a city for corporate headquarters. Expansions were made in the 1990s to preserve and expand the airport’s role as a hub airport for U.S. Airways. However, U.S. Airway’s bankruptcy and decision to end hub operations in Pittsburgh dealt the airport a severe setback. The airport is now adding flights and passengers again, hoping to fulfill its potential.



In 1996, another report, *ComPAC 21*,² produced under the leadership of Duquesne University President John Murray, took on the governmental fragmentation shortcomings identified in previous reports. *ComPAC 21* advanced the case that Allegheny County's governmental structure was interfering with the county's efforts to compete economically. *ComPAC 21* recommended doing away with the county commission form and replacing it with an elected county executive and a county council.

In arguing for the governmental reform, *ComPAC 21* researched competing metro areas and found that, "Counties that are experiencing significant economic growth have developed targeted and coordinated economic development programs. These same counties have streamlined their governmental organizations and functions to support their roles as major players in economic development."³

ComPAC 21 identified multiple reasons for the modernization of county government. It argued that the county needed a single executive to serve as the chief representative and spokesperson for the entire region. A reformed county government could eliminate governmental fragmentation by combining county departments and eliminating a host of elected officials who were simply carrying out administrative functions. A reformed county government, *ComPAC 21* argued, could serve as the vehicle for reducing the duplication of services by pursuing efforts to consolidate or cooperatively provide solid waste disposal, emergency management, specialized police services, public safety dispatch, fleet management, public works, provision of low-income housing, purchasing, property tax collection, computer systems and park maintenance. Finally, a reformed county government could coordinate the provision of services for citizens living in a small city, should that city decide to disincorporate.

"We cannot afford nor do taxpayers expect to pay for unnecessary and duplicative public services," the report concluded.

The *ComPAC 21* report served as a blueprint for county government reform.

County Government Reform

Historically, three commissioners, elected at large, governed Allegheny County. Reformers argued that the three-commissioner system often led to feuds between commissioners and a lack of unified leadership in dealing with Pittsburgh or the other municipalities.

Reformers proposed a new government that would replace the three commissioners with a high-profile executive, charged with driving toward a more efficient and effective county government. In creating the executive office, the county would have a single voice and point of contact for recruiting business and industry, and for forging cooperation with the mayor of Pittsburgh, other municipal leaders and with lawmakers in the state capital. Under the chief executive would be a county manager, a governmental management professional in charge of running the day-to-day operations of government.

A 15-member county council was proposed as a legislative branch to check the power of the executive and provide representation to smaller geographies that had lacked representation in the at-large commission elected system. While *ComPAC 21* criticized the internal fragmentation of county government, the initial change of government proposal did not eliminate any of those row officers (officials elected independently to head certain departments) over concerns that eliminating the row officers would create additional opposition to the change in government form. The change in government proposal also included a measure of "home rule," giving the county government greater latitude and less interference from the state Legislature.

The campaign for the change in government form was hard fought. Key to its success was the sup-

² Preparing Allegheny County for the 21st Century: A Report to the Allegheny County Board of Commissioners, 1996.

³ Ibid

port of both Republican and Democratic county commissioners. The region's business community through the Allegheny Conference on Community Development championed the effort, along with the leadership from university presidents and foundations. Allegheny County is predominantly Democratic, and much of the Democratic establishment opposed the change. However, in 1998, the [new home rule charter](#)⁴ squeaked by for approval with a slim 564-vote margin.

After Allegheny County voters had approved the charter, civic leaders recognized that there was much work to be done before the transition to the new form in 2000. Reform leaders enlisted nearly 500 people for a transition team. They brainstormed about how to refine the new government, examined every department, broke the government into 32 distinct functions and came up with some 800 recommendations for procedures, rules, cuts, and consolidations.⁵

The first elected county executive was Republican Jim Roddey, a former county commissioner. Roddey and the two succeeding county executives, both Democrats, have built the Allegheny County Executive position into what is widely considered the third most powerful elected official in the state, after the governor of Pennsylvania and the mayor of Philadelphia.

The county executive provides strategic direction to county operations and appoints members of boards and authorities, including the county public transit system and the Airport Authority. He also appoints the county manager, with the consent of the county council. The manager oversees budget and finance operations, the health department, the office of economic development, the jail, emergency services, public works, the county police department, and the county's 12,000-acre regional park system.

OUTCOMES IN PITTSBURGH

Improvements under the New Government

- The Allegheny County Executive is considered the third most powerful elected official in the state of Pennsylvania.
- A single individual is accountable for the performance of county government.
- The executive serves as the chief economic development officer and advocate for the region.
- The county fund balances and bond rating have improved; outstanding debt has been reduced.
- Through consolidation of departments, attrition and careful management the county's workforce has been reduced over the time.
- Initiated Review Commission that thoroughly evaluates county operations every five years.
- Cooperation with other governments, including the City of Pittsburgh, has increased.
- Allegheny County and the City signed an inter-governmental agreement to share financial management software and services. Additionally, the County and City share use of document management and imaging software that reduces reliance on paper and improves efficiency. Sharing resources saves taxpayers money, improves accountability and reduces redundancy.

Criticism of the New Government

- The County Executive is considered by some to be too powerful.
- The County Council, with 15 part-time counselors, doesn't serve as an effective check on the county CEO.

⁴ Home Rule Charter for Allegheny County: Approved by the Voters of Allegheny County at the election held on May 19, 1998 Effective January 1, 2000.

⁵ Pittsburgh's Allegheny County offers Cuyahoga some lessons in reform, Cleveland Plain Dealer, Jim Nichols. http://blog.cleveland.com/metro/2009/11/pittsburghs_allegheny_county_o.html

COOPERATION ACHIEVEMENTS

An examination of the accomplishments listed by the current county executive, Rich Fitzgerald, gives a feel for the scope of the job. Fitzgerald, now in his second term, lists among his accomplishments sound budget management and growth in the county reserves, upgrades to the county bond ratings, improvements and service additions to both the airport and county transit system, the reorganization of the Health Department, new wellness initiatives, improvements to parks and the completion of long-distance bike trails.

Fitzgerald has forged a close working relationship with the mayor of Pittsburgh, facilitating cooperation between the city and county governments.

Voters signaled their approval with the new government arrangement by voting in 2005 to eliminate six of the 10 remaining row offices, leaving only the treasurer, who collects taxes, the controller, an auditor and watchdog, and the district attorney and sheriff as elected officials. The move further consolidated government functions under the single county executive.

The original home rule legislation also created a built-in review process for the improvement of county government. Every five years, The Allegheny County Government Review Commission conducts a top-to-bottom review of county government, [its most recent published in 2016](#). In 2016, the commission recommended 22 changes in a public report to the citizens of Allegheny County. The county council reviews the recommendations and considers them for adoption. Among the suggestions were to allow the county ethics commission to launch investigations independently and to create a County Bond Board to ensure transparency and fairness in the issuing of bonds.

While there seems to be a general consensus that the new governmental form has been an improvement, it does have its critics. Some members of the 15-member, part-time county council have expressed concern that the size of the council means that its

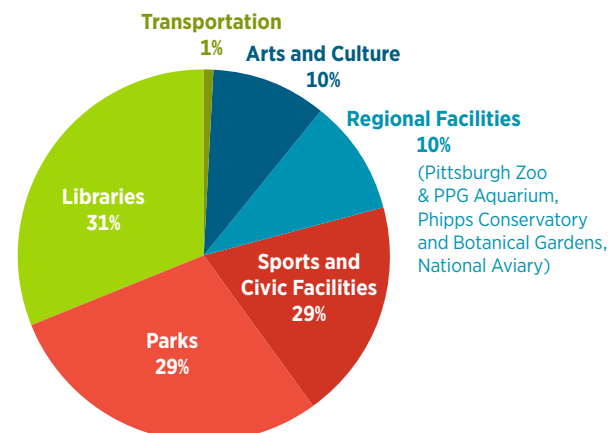
individual members don't have enough influence, and consequently, the council is not an effective check on the county executive, vesting too much power in that office. With a firm Democratic majority on the council, Republican representatives complain of a lack of influence.

Providing Regional Support for Entertainment, Parks, Art and Culture

Another innovation made by Pittsburgh to increase regional cooperation was the formation and voter-approved funding for the Allegheny Regional Asset District (RAD).

Prior to the 1993 creation of RAD, the City of Pittsburgh was the main entity depended on to support libraries, arts, culture, museums, and regional attractions such as sports venues. However, with the decades-long flight to the suburbs, the City of Pittsburgh's tax base had dramatically eroded. By the early 1990s, a "quiet crisis" had emerged. Parks were overgrown. The National Aviary, a nationally known indoor zoo dedicated to education and conservation of birds, was on the verge of closing. The deteriorating condition of Three Rivers Stadium, home to both the Pittsburgh Steelers and the Pittsburgh Pirates, had spawned a lawsuit by the Pirates. The Carnegie Library System, long the pride of Pittsburgh, was in dire financial straits.

Chart 4. Distribution of RAD Funding Over 20 Years, Allegheny Regional Asset District



The local legislative delegation, working with governmental and civic leaders, crafted legislation to create a regional support system for these regional assets. The law imposed a one-cent sales tax in Allegheny County. Half the revenue of that sales tax would go to the county and municipal governments in the area with the stipulation that the revenue would be used to provide property tax relief. The other half would go to the Regional Asset District, which in turn would distribute it to local entities. In 2014, the sales tax generated \$184 million, with \$92 million going to the Regional Asset District.

An unpaid board, whose members are appointed by the county and city, was created to oversee the distribution. A small staff was hired to support the board and evaluate the entities applying for funding. The legislation stipulates that total administrative costs for the district cannot exceed 1 percent of revenue.

Figure 11. RAD funding supports museums, including Pittsburgh's Andy Warhol Museum.



Under the legislation, entities that have been supported by the city and the county were guaranteed the same amount they'd been receiving from the governments. The district established an application process that requires the submission of a wide range of information, including audited financial data. The distributions are voted on after a yearlong process that includes public meetings, hearings, and site visits to applicants. Six members of the seven-member board have to approve a distribution for it to be made. The legislation identified as assets recreational facilities, libraries, cultural entities, and sports facilities. The RAD Board may consider other entities as regional assets as times change and funds are available. The law specifically prohibits funding health care, educational institutions or small parks (under 200 acres).

In general, the grants do not provide more than 10 percent of operating expenses for an institution. A separate pool of money is made available for capital improvement grants. Over 20 years of operation, RAD has distributed more than \$3 billion. RAD pays the debt service on \$176 million in bonds issued for the construction of the new baseball and football stadiums, PNC Park and Heinz Field. It is also helping pay for a new arena built for the Pittsburgh Penguins hockey team.

District funds support 15,287 acres of parkland, including five large city parks, and nine county-operated regional parks. They've also been used to create or improve 91 miles of trails. RAD funding has provided \$500 million for libraries, supporting new libraries and technology investments. RAD funding helped make possible the Senator John Heinz History Center, the Soldiers and Sailors Memorial Hall and Military Museum, and the Andy Warhol Museum.

Figure 12. RAD funding has helped expand a network of pedestrian and bike paths.



Countywide Support for Mass Transit

Pittsburgh was early in recognizing that it needed a coordinated system of mass transit, launching a countywide system in 1964. But in recent years, with a fresh infusion of state and local support, the system has made substantial improvements. Most notably, transit is being used as a tool for neighborhood revitalization. Establishing express busways (bus-only expressways that allow rapid, uncongested

travel between centers of employment and outlying neighborhoods) has sparked new transit-oriented housing developments.

It's clear that in Pittsburgh, with its more dense population base, there is a much heavier user of mass transit than Birmingham. In downtown Pittsburgh, all walks of life from blue-collar workers to urban professionals cluster at bus stops. Pittsburgh's transit system operates within the 745-square miles of the county, serving a population base of 1.4 million people. The Transit Authority operates 722 buses, a 25.4-mile light rail system, and three exclusive busways. The Authority also provides ACCESS service, a coordinated, shared-ride paratransit system offering door-to-door, advanced reservation transportation for elderly and handicapped persons.

The Port Authority of Allegheny County was established in 1958 and began operating in 1964, consolidating 33 private transportation carriers. In the early 2000s, as the service was struggling financially, the state Legislature authorized a special sales tax, now at 7 percent, on alcoholic drinks served in Allegheny County, which provides the county's share of funding, about \$36 million for operations and \$10 million for capital improvements.

The Port Authority of Allegheny County's Board of Directors has 11 members who are appointed by the governor, two caucuses of the General Assembly, the County Executive, and County Council. The board structure provides representation from the funding stakeholders.

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Unlike Alabama, which does not provide state support for public transit, Pennsylvania provides 55 percent of the agency's operating revenue, with the federal funding contributing 11 percent, county funding 8 percent, and passenger revenue 26 percent.

Pittsburgh, like many other urban centers nationwide, has come to see public transit as something more than a mechanism for moving riders from place to place. When transit systems create fixed line routes, like light rail, streetcars, or bus rapid transit corridors, private developers can invest with confidence in inner-city housing and commercial developments along those fixed routes.

Figure 13. A new pedestrian bridge links the bus rapid transit station at East Liberty with new housing and commercial developments in the revitalized neighborhood.



An example in Pittsburgh is the East Liberty Transit Center project, which opened in 2015, built on six acres of underutilized public and private land. In the early 20th century, East Liberty was one of the wealthiest neighborhoods in the nation, home to Pittsburgh industrialists such as Andrew Carnegie, H.J. Heinz, and George Westinghouse. It included a commercial hub that served residents and those of the neighboring Shadyside neighborhood, still one of Pittsburgh's most prosperous sections. However, suburbanization and urban renewal took its toll, and East Liberty declined into a depopulated and blighted neighborhood.

But beginning in the 1990s, a concerted effort to revive the neighborhood began. East Liberty is located five miles from downtown, between the city center near the Pittsburgh Zoo, the Carnegie museums of art and natural history, and the university district of Oakland, which includes the campuses of Carnegie Mellon University and the University of Pittsburgh. A private nonprofit, East Liberty

Development Inc. began strategically buying and rehabilitating housing in the neighborhood. The City enticed Home Depot to open a location in 1998.

With momentum in the neighborhood gathering, the Port Authority and multiple partners began a reconstruction of the East Liberty Transit Station, which is located on the Martin Luther King Jr. East rapid bus transit system. The reconfigured transit station includes 3,000 square feet of mixed commercial space, 360 units of market-rate housing, a 554-space shared-use parking facility, a new pedestrian bridge, a 120-space bike garage, lighting, streetscape improvements, landscaping and plaza facilities. A wave of redevelopment drew Target, Trader Joe's, a Whole Foods Market and Google's new Pittsburgh offices, which are located in a former Nabisco factory remodeled into an office-retail complex named Bakery Square.

Non-Governmental Efforts To Encourage Regional Cooperation

At the same time that governments were taking steps to bring more coherence to a fragmented region, leaders of non-governmental organizations in Greater Pittsburgh were promoting greater regional cooperation.

Since the 1940s, The [Allegheny Conference on Community Development](#) has served to bring together the interests of civic leaders in Allegheny County. In 1998, in response to the growing appreciation that the 10-county surrounding region would benefit from greater cooperation, the Conference created and staffed the Southwestern Pennsylvania Growth Alliance. The Alliance brought together government and business leaders from the 10 counties to streamline and focus economic development-related priorities. By combining the lobbying efforts of the 10 counties, the region saw a rise in its clout in the state capital.

During the same period, the Pittsburgh Regional Alliance was formed, creating a joint marketing and business recruitment platform for the 10-county region.

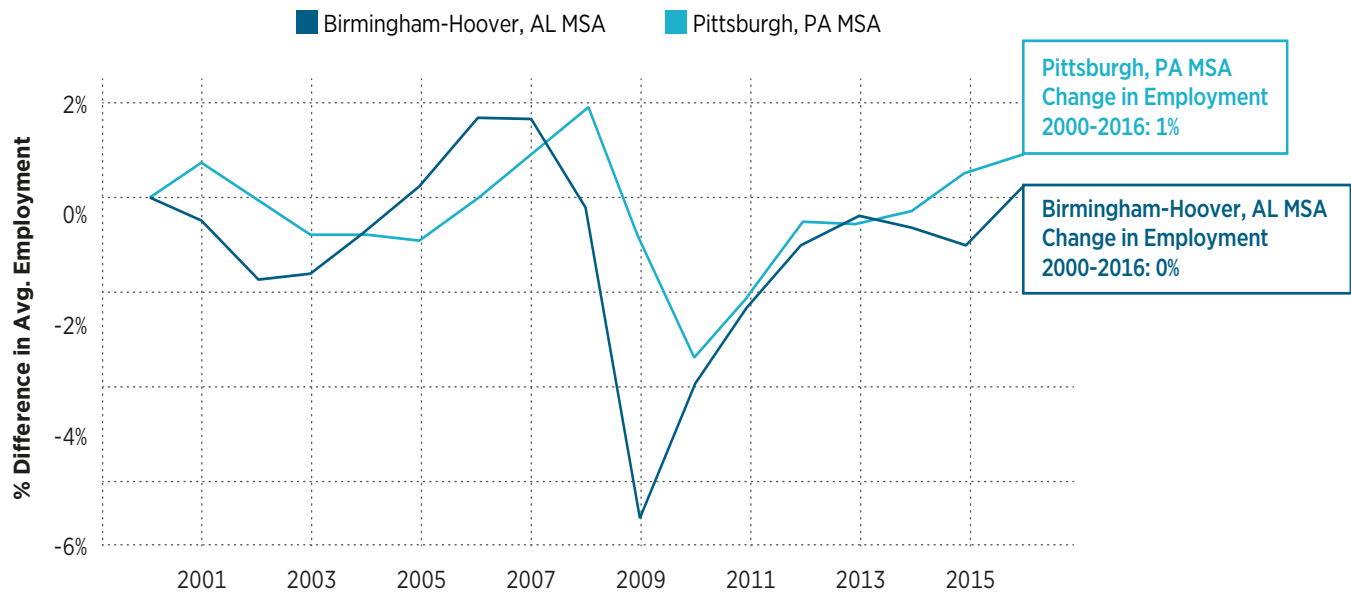
In 2000, the Conference entered into a "joint venture" with the Pittsburgh Regional Alliance, the Greater Pittsburgh Chamber of Commerce, and the Pennsylvania Economy League of Greater Pittsburgh, a public policy research organization. The joint venture united the four organizations under a common CEO, with a consolidated membership structure. Under the leadership of the Allegheny Conference board of directors, the organizations pursue their individual missions: The Chamber advocates for the region, the Economy League provides research and analysis, and the Pittsburgh Regional Alliance markets the region. Every three years, the Conference engages in an agenda-setting process, soliciting input from members and key stakeholders from across the region. The process involves listening sessions in each of the 10 counties, ultimately resulting in the crafting of a three-year agenda that focuses on specific strategies designed to move the region forward.

Over the long term, Pittsburgh has continued to diversify its economy and has scored some major wins in recent years. The largest project is the recently announced natural gas petrochemical plant being developed in Beaver County by Shell Chemicals. The project is expected to create 6,000 construction jobs and 600 permanent jobs when complete.

Pittsburgh has also become a regional technology mecca. Drawn by the talent and technology generated by Carnegie Mellon software and robotics programs, Pittsburgh landed Uber Technologies Inc.'s New Advanced Technology Center, which is pioneering the development of driverless Uber vehicles. Apple has expanded its Pittsburgh operation into a 20,000 square-foot building in Pittsburgh's Strip District. Facebook has an established a research center for its Oculus virtual reality division. And Google now has 400 employees at its Bakery Square office.

Pittsburgh's growth in employment is still not as robust as some other faster-growing metros. But it experienced less job loss than Birmingham during the Great Recession and rebounded to higher levels.

Chart 5. Birmingham vs. Pittsburgh MSA Employment Change, 2000–2016, *U.S. Department of Labor Quarterly Employment Reports*



Economic Comparison

Table 7. Birmingham vs. Pittsburgh Economic Measures, *U.S. Census Bureau American Community Survey, 2015*

GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	UNEMPLOYMENT RATE	PERCENT NOT IN LABOR FORCE	POVERTY RATE
CITY				
Pittsburgh city, PA	\$41,293	7%	39%	23%
Birmingham city, AL	\$32,378	10%	39%	29%
COUNTY				
Allegheny County, PA	\$54,467	6%	35%	12%
Jefferson County, AL	\$48,492	8%	37%	18%
METRO				
Pittsburgh, PA Metro Area	\$54,080	6%	38%	12%
Birmingham-Hoover, AL Metro Area	\$51,459	7%	39%	16%

The Congress of Neighboring Communities (CONNECT)

A final example of how Pittsburgh is working to overcome municipal fragmentation can be found in the Congress of Neighboring Communities, a non-profit headquartered at the University of Pittsburgh's Graduate School of Public and International Affairs. The Congress brings together the leaders of 40 local governments to identify common issues and work collaboratively to determine solutions.

Over the years, civic leaders have continued to discuss ways to cut down on the number of local governments in Pittsburgh. In 2008, then-chancellor of the University of Pittsburgh, Mark Nordenberg, led the production of [*Government for Growth: Forging a Bright Future—Built on Unity, Equity and Equality—for the People of Allegheny County and the City of Pittsburgh*](#).⁶ The study process began in 2006 when the Allegheny Chief Executive and the Mayor of Pittsburgh came together to form an advisory committee to look at improving the efficiency and cooperation between the City of Pittsburgh and Allegheny County. In studying the issue, the Commission explored the potential for consolidating the city government with the county's. Along the way, the commission visited Louisville, Kentucky, the most recent city to pursue such a consolidation. They also paid for a [*study of city-county consolidation*](#).⁷ performed by the Rand Corporation. The Rand study gathered considerable evidence that indicated that city and county consolidation had the potential to improve economic development in the Pittsburgh region by creating unity of leadership, streamlining the regulatory processes faced by businesses, and decreasing unnecessary duplication of services. However, the study also candidly admitted conclusive proof that city-county consolidation would produce those results was not available. City-county consolidations have been relatively rare, and the specifics and timing of those consolidations vary greatly, making evaluations of their impact difficult to compare.

Based on the Rand study and information gathered locally, the Government for Growth report recommended advancing toward a city-county consolidation model for Pittsburgh. However, by the time the study was published, the initial coalition interested in pursuing that approach had become splintered. The release of the report prompted some civic conversation about city-county consolidation, but no real movement resulted.

With consolidation off the table for the time being, the nonprofit Congress of Neighboring Communities (CONNECT) was formed in 2009 to continue the conversation around how local governments can cooperate. CONNECT is primarily grant-funded, with approximately 75 percent of annual funding coming from foundations, such as the Heinz Endowments and the Richard King Mellon Foundation, and 25 percent from municipal contributors, including Allegheny County. CONNECT started with the 36 municipalities sharing borders with Pittsburgh and has since grown to 40 municipalities. Meetings are primarily attended by city managers but are also open to other elected officials of the municipalities.

Examples of the issues being approached cooperatively through CONNECT are sewer and storm water infrastructure problems, community blight, and coordination of street-paving efforts.

Sewers: When it comes to sewers, Pittsburgh faces greater fragmentation problems than Jefferson County. The Allegheny County Sanitary District (ALCOSAN), a countywide agency, operates the main lines and treatment facilities, while municipalities are responsible for the feeder system. Problems with the aging feeder systems in dozens of discrete municipalities led to sewer overflows and capacity problems with the main collection system. In 2013, CONNECT helped establish the Sewer Regionalization Implementation Committee (SRIC). This committee is working toward sewer regionalization through the transfer of ownership of multiple municipal sewer lines

⁶ Government for Growth, The Report of the Citizens Advisory Committee on the Efficiency and Effectiveness of City-County Government

⁷ Government Consolidation and Economic Development in Allegheny County and the City of Pittsburgh, Rand Corporation

and wet weather facilities from the municipalities to ALCOSAN. To date, more than 250 miles of pipe have been identified for transfer.

Blight: CONNECT has helped arrange legal advice and representation to communities on matters regarding blighted, vacant and abandoned housing, an acute problem in communities that have lost population due to suburban migration. CONNECT municipalities convened for a workshop where they shared tools and resources for combating blight and collaborated on developing action plans to address specific sample properties. The continuing collaborative work and projects in individual jurisdictions are being compiled into a collection of “best practices” to tackling these issues.

Infrastructure: In a region carved up into multiple municipalities, the paving of streets often happens in a fashion that isn’t coordinated with adjacent municipalities or utility providers. Often fresh repaving projects are shortly thereafter torn up again due to projects carried out by other agencies. In 2015, CONNECT hosted two utilities summits with municipalities and the major utility companies in hopes of reducing duplication of road repair. As a result, CONNECT has been charged with leading the development of a common data platform that allows municipalities and utilities to electronically track paving plans to identify opportunities for collaboration.

Shared Services: The [City of Pittsburgh now provides some city services by contract for neighboring municipalities](#). Pittsburgh began trash collection for the borough of Wilkinsburg in 2007 and started fire protection services in 2011. In 2016, Pittsburgh began providing fire protection in another small community, Ingram.⁸ Despite the modest moves toward shared services, local communities remain resistant to giving up community-based operations to the bigger city.

⁸ Suburbs wary of Pittsburgh’s attempts to share public services, Tribune-Review, <http://triblive.com/news/allegheeny/10347354-74/pittsburgh-services-fire>

CITY

Denver, Colorado

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Approach: Cooperation Through Regional Entities

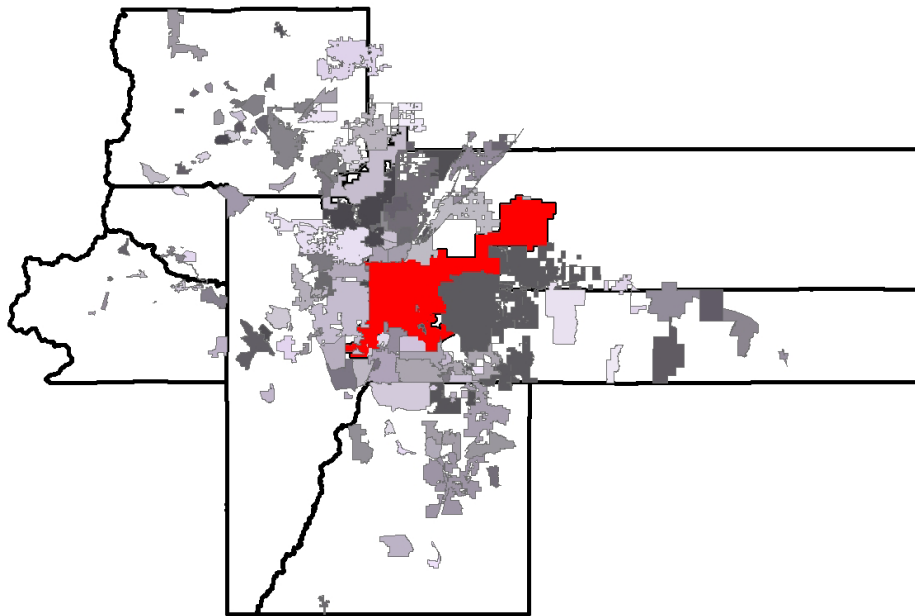


Figure 14. The City and County of Denver is depicted in red, other municipalities in shades of gray and adjacent counties outlined.

WHY SELECTED: COOPERATION THROUGH REGIONAL ENTITIES

Denver is nationally recognized as a leader in regional cooperation, using both governmental and public-private partnerships to tie together seven counties surrounding the central city. Through cooperative ventures, Denver has developed a regional approach to supporting the arts, a nationally recognized transit system, a regional model for cooperative economic development and regional organizations that bring together elected leaders to tackle issues that are regional in nature.

KEY STEPS/FACTORS ENCOURAGING COOPERATION

The current state of cooperation in Denver results from decades of effort to counter the effects of fragmentation and duplication. Unlike Charlotte, which was able to expand to capture suburban growth, and unlike Louisville, which was able to achieve consolidation, Greater Denver experienced a proliferation of independent suburban communities surrounding the central city. Recognizing the futility of forcing combinations of those governments, Denver devised a regional approach that united Greater Denver in cooperative ventures.

Scientific and Cultural Facilities District (SCFD)

An early step in regional cooperation, the SCFD was created in 1988, funded by a voter-approved 0.01 percent sales tax in seven counties, includ-

ing and surrounding Denver. The tax proceeds, now amounting to about \$50 million a year, are distributed to the region's five largest cultural attractions, to 28 regional attractions, and 242 cultural organizations throughout the seven-county district.



cooperative approach to economic development rather than engaging in intra-regional competition for prospects.

The elected mayors of the region cooperate through the Metro Mayor's Caucus, a group of 40 mayors in the region who meet regularly to address regional problems not effectively dealt with jurisdiction-by-jurisdiction.



Regional Transportation District (RTD)

An eight-county district supporting a regional transit system, RTD is governed by a board elected by district and oversees the operation and expansion of a transit system that combines buses, light rail

and commuter rail. Funded by a voter-approved, 0.4 percent sales tax increase, RTD is in the midst of a \$5 billion multi-modal expansion linking the entire region.



Many of the same elected officials are involved in the Denver Regional Council of Governments (DRCOG), the area's regional planning commission. DRCOG is one of the oldest and most extensive organizations of its kind. Through DRCOG, Denver communities have developed the Mile High Compact, a set of voluntary growth management guidelines, agreed to by 45 communities in the region. The guidelines encourage resource conservation and community planning to guide compact and sustainable development.



Regional Cooperation Bodies

Denver's approach to economic development is held out as a national model of regionalism. The Metro Denver Economic Development Corporation, an affiliate of the Denver Metro Chamber of

Commerce, brings together more than 70 cities, counties and economic development agencies in the nine-county Metro Denver and Northern Colorado area. Participating member governments are bound by a pledge to pursue a



CONTEXT

Denver currently enjoys a reputation as a hot city, a destination for job creation and innovation. The region's current prosperity has been built on the work of more than three decades of regional cooperation. And this carefully and incrementally built regional cooperation came in response to what had been a prevailing trend toward Balkanization and central city decline.

In the 1970s, Denver was facing a plight familiar to American cities of that era: racial turmoil and suburban flight. Early in the 20th century, Denver had taken the then very unusual step of consolidating its city and county governments. The merged entity prospered as a center of mining supply and industry,

situated at the far western end of the Great Plains in the shadows of the rising Rocky Mountains. In the 1960s and 1970s, however, as suburban development gathered steam outside Denver's borders, Denver lost population, leaving the region's blacks and Hispanics increasingly concentrated in the city and in its schools. Under federal court orders to desegregate the schools through busing, Denver saw increasing rates of flight to predominately white and more affluent communities outside the city.

Denver's population was declining until 1990. It's rapid growth since then coincided with movement for greater regional cooperation.

Chart 6. Birmingham vs. Denver City Population Change, 1950–2015, *U.S. Census Bureau*

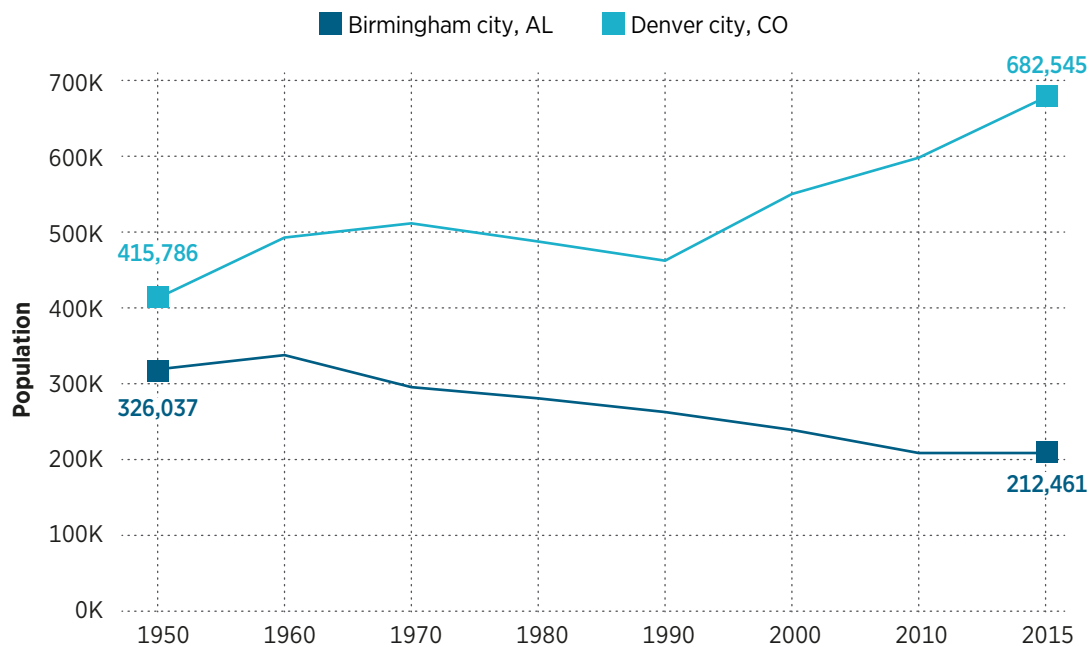


Table 8. Birmingham vs. Denver Demographic Comparison, *U.S. Census Bureau, American Community Survey, 2015*

	TOTAL POPULATION	WHITE	BLACK	HISPANIC	OTHER
CITY					
Denver city, CO	633,777	53%	10%	31%	6%
Birmingham city, AL	211,705	21%	73%	4%	2%
COUNTY					
Denver County, CO	633,777	53%	10%	31%	7%
Jefferson County, AL	658,834	51%	42%	4%	3%

In response, the city attempted to capture suburban growth through annexation, maneuvers that sparked resentment in surrounding counties. The resistance to annexation became so strong that in 1974, the surrounding counties gained support for an amendment to the Colorado Constitution that effectively ended the city's ability to expand through annexation. Under the Poundstone Amendment, if Denver wanted to annex territory, it had to obtain a majority vote of the area being annexed and a majority vote of the county in which the territory was located.

In the 1980s, the national recession and a bust in the energy sector on which Denver had come to rely threw the city into an even worse situation, with compounding population loss, high unemployment and downtown office vacancy rates of nearly 40 percent.

The corporate leadership in Denver came together behind a plan to reverse Denver's declining fortunes. The first prong of that strategy was to replace Denver's existing and inadequate airport with a state-of-the-art international airport to tie Denver to the national and international economy. The second, aided by the first, was to put Denver on the map as a global city, competitive nationally and internationally. And underlying all of that was the third prong in the strategy, bringing the region together to cooperatively pursue a cohesive economic development strategy.

Under the leadership of Denver Mayor Federico Peña, the airport plan began to take shape. Finding the ideal location and open land for the new facility would require going beyond the city and county limits of Denver into adjacent Adams County. Instead of the heavy-handed tactics employed by Denver in the past, Peña employed humility and persuasion to gain the support of skeptical Adams County. In exchange for allowing the annexation that would make the airport possible, Denver agreed to finance the airport

construction, build the access roads, and share the development gains with Adams County.

In 1988, Adams County voters approved the annexation into Denver of the land for the new airport. Though initially plagued with cost overruns and technical problems, the \$5 billion project to build Denver International Airport (DIA) has paid off. Denver International Airport, opened in 1995, is now the sixth busiest airport in the U.S. In 2013, the Colorado Department of Transportation calculated DIA's annual economic impact for the region at \$26.3 billion.¹

The vote for regional cooperation around the project helped launch a new era in Denver. The city's population began to rebound, and the region at large awakened to the benefits of working together.

Table 9. Birmingham vs. Denver MSA Population, U.S. Census Bureau, *Population Estimates, 2015*

GEOGRAPHY	POPULATION ESTIMATE 2015	POPULATION CHANGE SINCE 2010
Denver-Aurora-Lakewood, CO Metro Area	2,814,330	10%
Birmingham-Hoover, AL Metro Area	1,145,647	1%

In Denver, there is no distinction between the central city and the central county on social and economic performance measures since the city and the county merged at the turn of the 20th century. While there is some disparity on those performance measures between the City and County of Denver and its surrounding metro area, both are prosperous in comparison to Birmingham.

¹ Colorado Airports Economic Impact Study, https://www.codot.gov/programs/aeronautics/PDF_Files/2013_CO_EIS_ExecutiveSummary_WEB.pdf

Table 10. Birmingham vs. Denver Economic Measures, *U.S. Census Bureau, American Community Survey, 2015*

GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	UNEMPLOYMENT RATE	PERCENT NOT IN LABOR FORCE	POVERTY RATE
CITY				
Denver city, CO	\$58,003	5%	29%	16%
Birmingham city, AL	\$32,378	10%	39%	29%
COUNTY				
Denver County, CO	\$58,003	5%	29%	16%
Jefferson County, AL	\$48,492	8%	37%	18%
METRO				
Denver-Aurora-Lakewood, CO Metro Area	\$70,283	5%	29%	10%
Birmingham-Hoover, AL Metro Area	\$51,459	7%	39%	16%

COOPERATION ACHIEVEMENTS

The cultivated awareness of Denver as a region rather than a collection of cities and suburbs grew on multiple fronts and blossomed with the formation of bodies and initiatives to knit the region together.

Regional Support for Art and Culture

In the 1980s, cultural institutions in Denver were hurting. During the recession and the energy bust of that era, the largest cultural institutions in Denver lost all state funding. Local leaders came together to support the formation of a seven-county district surrounding Denver to create a regional base of support not only for major museums, performance venues, and arts organizations but also for community-based cultural attractions and groups. In 1988, a one-tenth of 1 percent tax on all sales in the seven-county Scientific and Cultural District was proposed and won approval from 75 percent of voters.

That tax has now been extended three times, most recently in November 2016.

The proceeds of that tax, which now produces approximately \$50 million a year, is distributed to three tiers of organizations. The distribution to the region's five largest cultural attractions—The Denver

Zoo, the Denver Center for Performing Arts, The Denver Botanic Gardens, The Denver Museum of Art, and The Denver Museum of Nature and Science—are based on public access and operating costs. These organizations receive about 65 percent of the total.

Figure 15. Denver Center for the Performing Arts is one of the busiest regional performance centers in the U.S.

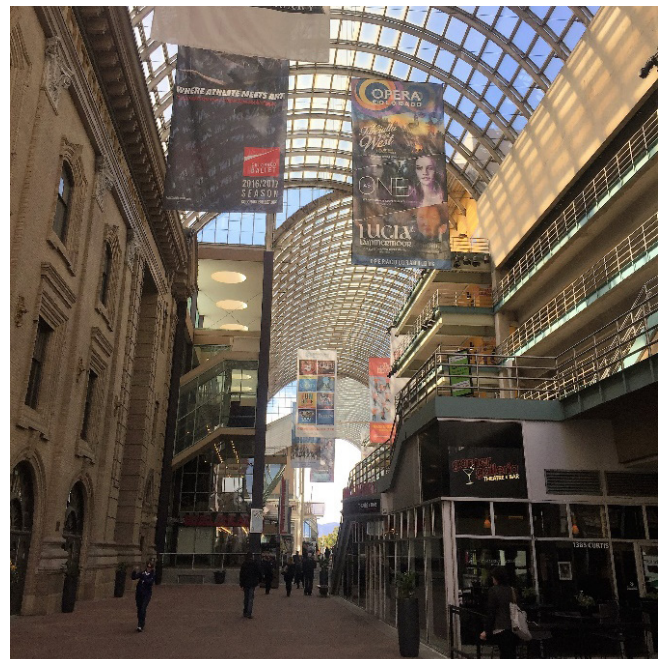
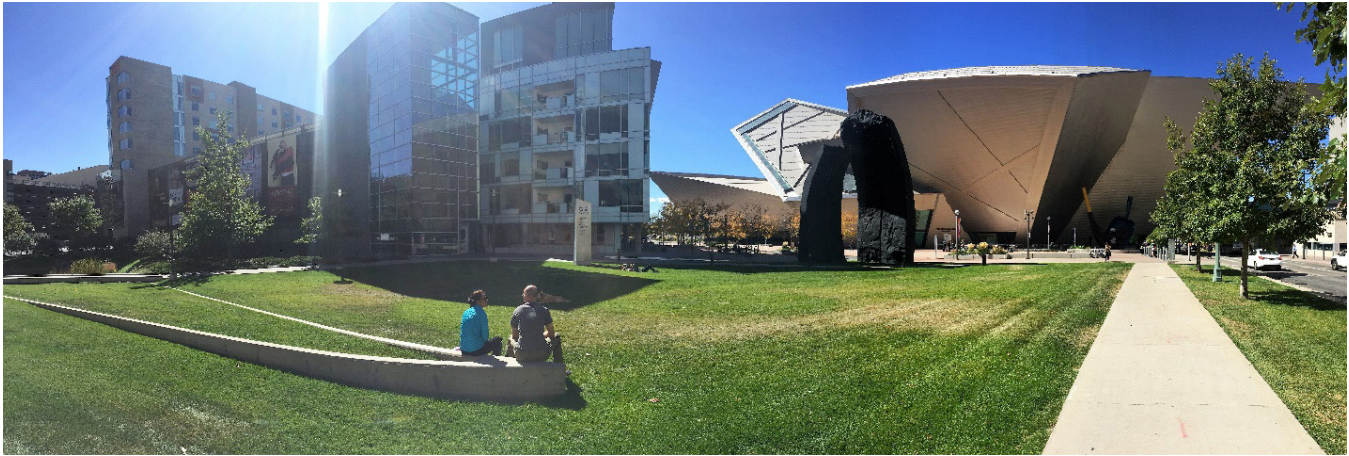


Figure 16. Denver's Golden Triangle Museum District is home to eight museums and more than 50 galleries.



Distributions to 28 second-tier regional attractions, which include the symphony, ballet, opera, contemporary art museums and a variety of other groups, are based on income and paid attendance. These organizations receive about 22 percent of the total.

Grant awards for 242 tier three organizations, ranging from dance, stage, music, and film to folk art groups, are decided by county cultural councils, which receive a proportional allocation of the tax, about 14 percent of the total.

The District is governed by an 11-member volunteer board of directors appointed by the governor and the county commissions or councils of participating counties. The District has a small paid staff; only 0.75 percent of the revenue collected is allocated for administrative costs. The staff is tasked with reviewing the applications from organizations. The grant review process includes site visits and submitted financial documentation to demonstrate compliance and financial viability.

The regional investment in art and culture seems to be paying off. A 2015 study by the Colorado Business Committee for the Arts estimated that Denver-area arts and culture spending had a \$1.8 billion economic

impact on the region. Denver's major institutions enjoy high national ranks for visitation, attendance, and membership. A 2015 study by the National Endowment for the Arts ranked Colorado No. 2 among states in the percentage of adults who attend live music, theater, and dance performance and in the percentage of adults visiting art museums.²

Transportation

Alongside the growth with the airport expansion, Denver has been simultaneously building one of the country's newest and most advanced transit systems, combining bus, light rail and commuter rail in an integrated system to serve the region.

The Denver region had already come together to support a transit system, supported by a 1-cent sales tax covering eight counties, which is operated by the Denver-area Regional Transit District, (RTD). RTD is governed by a 15-member elected board representing the residents of the eight counties.

In the late 1990s, leaders of the region first launched a proposal for a \$6 billion plan to revamp the transit system, but voters rejected the initial proposal in a 1997 ballot measure. Opposition was especially strong

² <https://www.arts.gov/artistic-fields/research-analysis/arts-data-profiles/arts-data-profile-11/research-tables>

in suburbs, as the plan was viewed as too focused on the city of Denver. Subsequent to that, voters did approve a state bond issue that financed the construction of an initial 19-mile light rail connecting Denver to the suburbs southeast of the city.

In 2004, after riders had begun to see the success of light rail, regional leaders again banded together behind a revamped proposal for expanded bus service, more light rail, and the addition of commuter rail lines. FasTracks, which added another 0.4 percent to the sales tax, was approved 58 to 42 percent.³

Figure 17. A Denver light rail line at Union Station with high-rise development in the background.



The FasTracks program, now a \$5.3 billion program, will add 122 miles of new commuter rail and light rail, 18 miles of bus rapid transit, and 21,000 new parking spaces at rail and bus stations, expanding and enhancing service across the eight-county district.

While some federal money has been secured for the project, most of the public funding is coming from the local tax.

So far, 42 miles of light rail service has been developed. In 2016, Denver opened the metro area's first high-speed commuter rail line—the University of Colorado A Line, connecting downtown Denver, Denver International Airport, and communities along the Interstate 70 corridor. Also opened in 2016, the B-Line expanded commuter rail service from downtown Denver to Westminster. RTD anticipates opening two additional rail lines.

Denver's establishment of mass transit has been reshaping surrounding communities. While suburban growth is ongoing, a major building boom is occurring in multi-family residential buildings close to train and bus lines. The most visible manifestation of the collateral growth and development from the expanded rail system can be seen at downtown Denver's Union Station. The once-battered train terminal has been restored, and all around it, cranes tower above new office buildings and residential high-rises. It is estimated that the 19.5 acres of land around Union Station has drawn \$1 billion in private investment.⁴

³ The Metropolitan Revolution, Bruce Katz and Jennifer Bradley, Brookings Institution Press, Washington, D.C., 2013.

⁴ Denver Union Station area draws \$1 billion in private development, Denver Business Journal.
http://www.bizjournals.com/denver/blog/earth_to_power/2014/04/denver-union-station-areadraws-1-billion-in.html

Figure 18. The area around Denver’s Union Station transportation hub has drawn \$1 billion in private investment.



Building Organizations for Regional Cooperation

Denver’s awakening to the benefits of regional cooperation didn’t appear out of nowhere. It was the product of a sustained drive by community leaders, particularly the business leadership, to support the concept.

Essential to that movement was the formation of what is now known as the Metro Denver Economic Development Corporation (EDC). Funded with \$8 million from the business community, the new regional economic development organization waged a campaign for the airport, but more broadly, united a collection of competing municipalities and far-flung counties into a globally competitive city. Metro Denver EDC emphasized the connection between the central city and the suburbs and emphasized the region’s shared economic fortunes and devised a system for diffusing local rivalries.

Relatively isolated from other major metropolitan areas, Denver area communities had a history of competition for new jobs and housing developments.

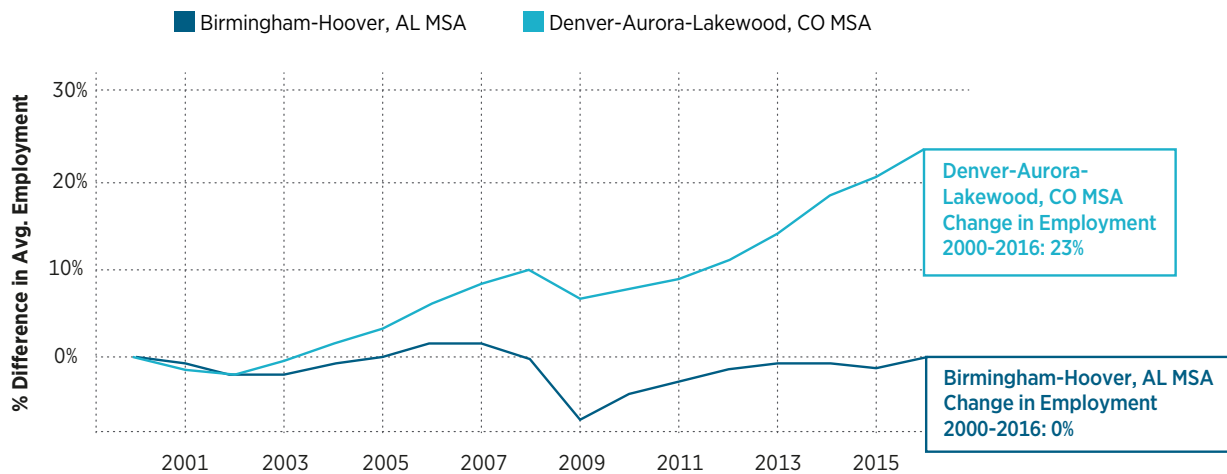
Metro Denver EDC founder Tom Clark devised a centralized system for collecting and sharing economic development leads among all the participating entities in nine counties.

The regional network offered a powerful tool to local communities to pull resources together for marketing and business intelligence. But to join the regional network, members had to agree to a [Code of Ethics](#).⁵ The code of ethics forbade poaching of others’ economic development prospects. It required participants to share leads on potential projects interested in the region. Under the new system, information on a company looking to relocate was distributed simultaneously to all members. If a community believes it has a competitive site to offer, that proposal is submitted to the Metro Denver EDC. The central organization then presents all the proposed sites together to the interested party, bundled in a unified regional pitch.

As the regional approach gathered momentum, Denver became a bigger and more successful player. And as the economic development successes mounted, the participating communities became more and more convinced that a win for the region translated into a benefit for the local community.

⁵ Denver Metropolitan Development Corp. Code of Ethics, <http://www.metrodenver.org/about/partners/code-of-ethics/>

Chart 7. Birmingham vs. Denver MSA Employment Change, 2000–2016, *U.S. Department of Labor Quarterly Employment Reports*



Metro Denver EDC took on a role greater than a marketing and recruitment organization. It was an organizer and proponent of regional advancement, particularly when it came to transit and revitalization of downtown Denver, both of which were considered essential to recruiting and retaining new business.

As the region developed a more cohesive economic development approach, it was apparent that an organization was needed to draw the region's political leadership together, as well.

In 1993, the Metro Mayor's Caucus was formed. The new organization pulled together the dozens of mayors from 40 cities, ranging in size from Denver to small towns of 500.

The mayors convene on a regular basis in a noncompetitive forum to discuss issues of common concern from drought and youth violence to transportation, growth management, affordable housing and homelessness, air quality, energy conservation, wellness, and hunger. Every mayor has an equal voice at the table, regardless of the size of the community they represent. The organization takes positions on issues of regional importance but only through a consensus model, rather than majority vote.

Figure 19. A meeting of the Metro Mayor's Caucus in 2016 brought together mayors from around the region to discuss issues of common concern.



The Metro Mayors Caucus has been a vital tool in coalescing political support around Denver's transit initiatives and has supported measures to encourage water and energy conservation, affordable housing, and health and wellness initiatives.

The Metro Mayors Caucus also collaborated with Denver's Regional Council of Governments (DRCOG) to create the Mile High Compact. The Compact, signed in 2000, is a binding commitment (though participation is voluntary) by governments to adopt

comprehensive land use plans that include growth management tools to foster sustainable development. Those tools include setting community-specific boundaries for urban growth. Under the Compact, those boundaries and other growth management measures are established within the framework of Metro Vision, the regional plan developed by DRCOG.

With Denver facing rapid growth and limited resources, Metro Vision and the Mile High Compact encourage greater urban density so open space, air and water quality can be preserved and existing infrastructure can be used to its fullest potential.

DRCOG is itself a vehicle for regional collaboration and long-predates any of Denver's current initiatives. Created in 1955 to foster regional collaboration and cooperation, it is one of the nation's oldest councils of governments. Representatives of 56 governing bodies make up DRCOG's board of directors. It's mission to craft a collaborative plan for sustainable growth is more important than ever. By 2040, Denver's population is forecasted to increase nearly 50 percent, from around 3 million to approximately 4.3 million people.

OUTCOMES IN DENVER

Improvements Through Regional Cooperation

- Unified approach to economic development
- Better communication and cooperation between elected officials
- Wider base of support for regional initiatives
- Coordinated regional approach to land-use

Criticism of Regional Approaches

- Separate regional districts not always aligned with the priorities of individual towns
- Questions can arise about the equitable distribution of resources and services across the participating region.

CITY

Louisville, Kentucky

—

Approach: Political Consolidation

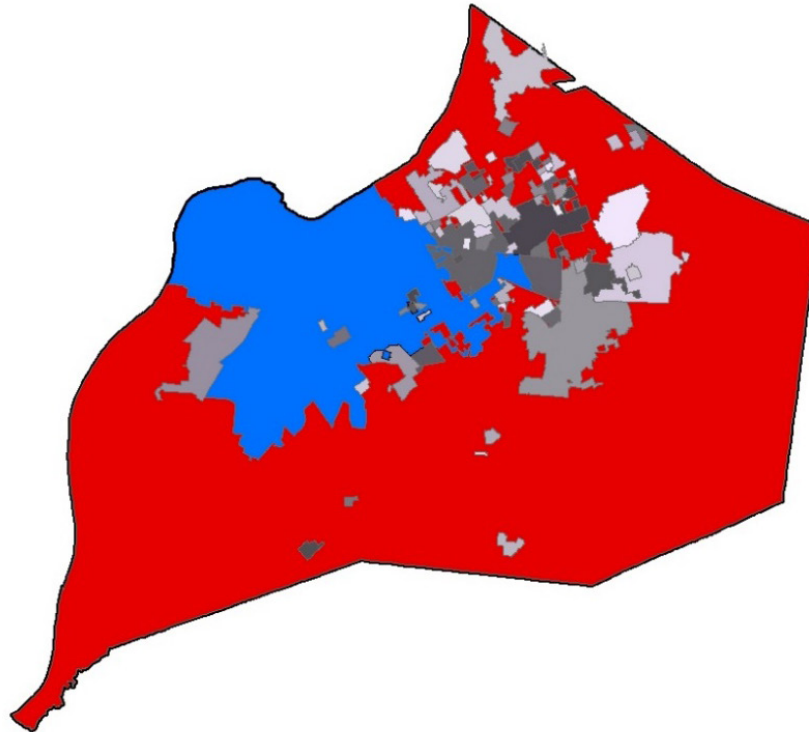


Figure 20. Prior to consolidation, the City of Louisville (represented in blue) competed for people and jobs with 92 other municipalities and also with the unincorporated portions of the county found, which were governed by an elected judge-executive and a three-member legislative body known as the Fiscal Court.

WHY SELECTED: CONSOLIDATED CITY AND COUNTY GOVERNMENT

Louisville is the most recent major city to consolidate its central city government with its county government, creating a new metro government. Prior to consolidation, Jefferson County, Kentucky, had, including Louisville, 93 municipalities.

None of those municipalities were dissolved in the merger, but all agreed to unite under the umbrella of Greater Louisville, with the new city-county government providing county-level services throughout the county, as well as delivering city services within

the footprint of the old city, designated as the urban service district. Under the new system, the Mayor of Louisville is elected in a countywide vote and a 26-member Metro Council is elected by districts.

The consolidation shrank government by eliminating duplication. It also created a single executive for the county charged with managing the government and serving as a singular voice in economic development and civic agenda setting.

KEY STEPS/FACTORS ENCOURAGING COOPERATION

The current state of cooperation in Louisville results from decades of effort to overcome fragmentation and forge cooperative arrangements. Here are some pre-existing conditions and progressive steps Louisville made prior to city-county consolidation.

Pre-existing City-County Agencies

During the era of court-ordered public school desegregation, a federal court ordered the merger of the Louisville City School system, which had a high concentration of black students, with the predominately white county system.

While the 1975 merger was extremely contentious at the time, the unified school district removed one of the strongest objections typically encountered in a consolidation campaign: the status of school systems under a merged government.

Prior to the merger, the city and county maintained joint agencies for parks and recreation, the library system, business services and purchasing, the Louisville/Jefferson County Redevelopment Authority, and planning and zoning.

Louisville had tried proposed city-county consolidation before. Proposals for merger were rejected in 1956, 1982 and 1983.

Intergovernmental Compact

After the second loss in the 1980s, city and county leaders agreed instead to an intergovernmental compact, which combined the proceeds of the city and county 1.25 percent occupational tax. Though the distribution formula was complicated, the aim of the combined countywide tax was to eliminate the intra-county competition for new businesses by sharing the revenue growth of the tax, regardless of where the business located. The compact also placed a moratorium on annexations by the City of Louisville. Through

the compact, the city and the county also merged several departments, including planning and zoning. It also created a joint office for economic development.

Trusted Leadership

A final key to preparing the ground for city-county consolidation was the popularity of Louisville's long-serving mayor Jerry Abramson. Abramson was well regarded in both the city and the county at large and his support for consolidation, including the expectation that he would eventually lead the combined entity, set the stage for success.

CONTEXT

Louisville was founded in 1778 at the Falls of the Ohio River, the northernmost point at which you could travel the river without obstruction to the Gulf of Mexico. Because of that, Louisville grew into an important inland port, making it a shipping and transportation hub. That river commerce was later reinforced with rail, interstate connections and air connections. It remains so today. UPS's global air-freight hub is located at the Louisville International Airport.

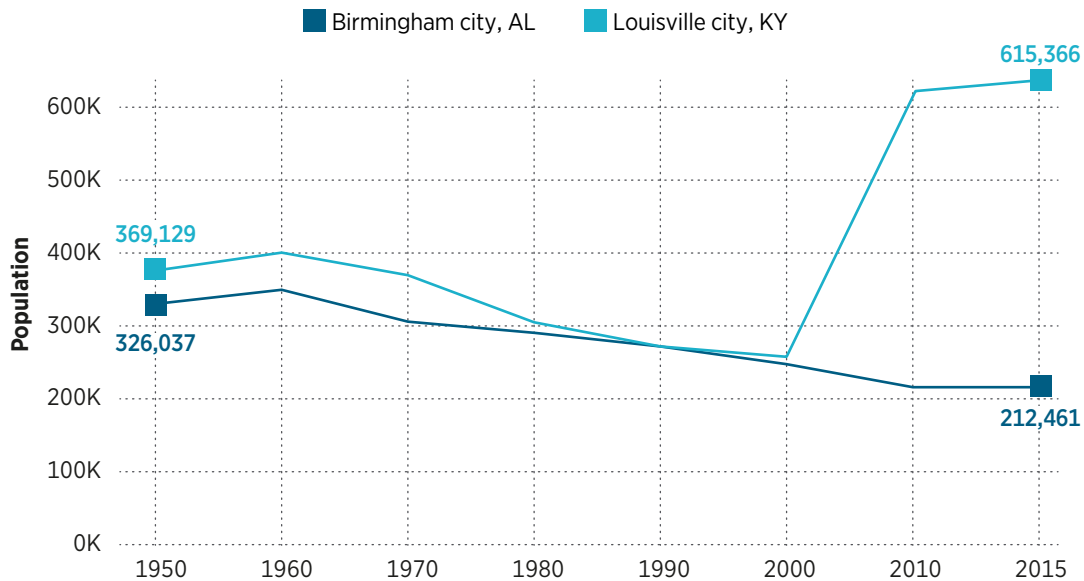
Sometimes called the Northernmost Southern City or the Southernmost Northern City, Louisville mixes southern flavor, the home of the Kentucky Derby and a capital of bourbon production with an industrial base more characteristic of the Midwest or Northeast.

Louisville, like Birmingham, grew rapidly during the industrial rise of the United States and, like Birmingham, its population began to erode in the latter half of the 20th century with the growth of suburbia. By the mid-1970s, more Jefferson County, Kentucky, residents lived outside the city than in it.

Both cities saw their populations peak in 1960; Louisville at 390,636 and Birmingham at 340,887. Both saw their populations fall after that. By 1990, the two cities were roughly equal in population.

Before consolidation, Birmingham and Louisville experienced similar population trends. The 2010 Census was the first to reflect the population of Louisville's new Metro Government.

Chart 8. Birmingham vs. Louisville City Population Change, 1950–2015, *U.S. Census Bureau*



Like Birmingham, Louisville also saw a shift in its socio-economic composition over that period. In 1960, 18 percent of Louisville's population was black; by 2000, 33 percent of the city's population was African-American. After 2000, when Louisville consolidated its city and county governments to create a unified Metro Government, the population mix was altered by adding the predominately white population in the unincorporated county to the city's population total.¹ Looking at the population base eligible to vote for the new Louisville Metro Government, approximately 20 percent of the population is black.

Table 11. Birmingham vs. Louisville Demographic Comparison, *U.S. Census Bureau, American Community Survey, 2015*

	TOTAL POPULATION	WHITE	BLACK	HISPANIC	OTHER
CITY					
Louisville Metro Gov, KY	605,762	68%	22%	5%	5%
Birmingham city, AL	211,705	21%	73%	4%	2%
COUNTY					
Jefferson County, KY	751,485	70%	20%	5%	5%
Jefferson County, AL	658,834	51%	42%	4%	3%

¹ Louisville and the U.S. Census Bureau on Louisville's population. Louisville counts the county population (around 751,000) as its population total. That would make Louisville the 18th largest US city. Census counts only the old city plus the former unincorporated area population (around 615,000). Counting population that way puts Louisville at 30th nationally.

In terms of metropolitan populations, Louisville is larger than Birmingham by about 130,000 people. According to the U.S. Census Bureau population estimate, Louisville has grown at a slightly faster pace than Birmingham since 2010, 3 percent for Louisville compared to 1 percent for Birmingham.

Table 12. Birmingham vs. Louisville MSA Population, U.S. Census Bureau, Population Estimates, 2015

GEOGRAPHY	POPULATION ESTIMATE 2015	POPULATION CHANGE SINCE 2010
Birmingham-Hoover, AL Metro Area	1,145,647	1%
Louisville/Jefferson County, KY-IN Metro Area	1,278,413	3%

Cooperation Through Compact

Like Birmingham, Louisville pursued attempts at merger and consolidation in the 1950s, but voters rejected the proposal. Like Birmingham, Louisville attempted to use annexation to capture suburban growth, but both were ultimately thwarted by “annexation wars.”² By the 1980s, there were more than 90 municipalities in the Jefferson County, Kentucky—each with its own government, mayor and city council, some with their own sewer systems. The central city’s tax base was eroding, and there was intra-county competition for jobs. Both the city and the county had occupational taxes. If a business located in the city, the central city would benefit from the revenue. If it located outside the city, the county would benefit.

Jerry Abramson, who served as mayor of the city from 1986–1999 and as the first mayor of the Metro Government from 2003–2011, explained that a visiting corporate executive might be welcomed by the mayor with a proposed site in the city and later meet with the county executive who’d offer a different site in the county. As Abramson described the situation, the

business delegation would depart saying, “Call me when you’ve got your act together.”

By 1985, community leaders were working on a compromise solution to end this confusion and competition. These negotiations would lead to the city-county compact of 1986. Authorized by the Kentucky State Legislature, the compact called for the parties to create a cooperative framework for cohesive government operations.

- 1 | New revenue from the occupational tax collections would be shared.
- 2 | The City froze annexation efforts, and no new city could be incorporated during the period of the compact.
- 3 | Existing joint city and county operations—such as the airport, the board of health, air pollution control, the library system, the zoo, and the park system—were divided up, with the city taking full responsibility for the management of some, the county of others. Both governments agreed to continue their current contribution levels to the services.

The Unity Campaign

While the compact arrangement increased cooperation and decreased competition, by the 1990s, business and political leadership had revived calls for merger in the interest of streamlining government and economic development efforts.

The business community took its own step toward regionalism and consolidation in 1997 by forming Greater Louisville Inc. (GLI). GLI was the merger of the Greater Louisville Economic Development Partnership and the Louisville Area Chamber of Commerce. The city contracted with the regionally focused organization for marketing, business attraction, and expansion services.

² A history of Louisville’s Municipal Sewer District, <http://www.msdlouky.org/aboutmsd/history.htm>

In addition to the good government arguments made for city-county consolidation, a matter of civic pride was at stake. Louisville had been the 30th largest city in the U.S. in 1950 but had fallen out of the top 50 by 1990. Worse, nearby Lexington, which had merged its city and county in 1974, was on track to surpass Louisville's population in the 2000 Census. Louisville, long the largest city in the state, would no longer be the largest city in Kentucky, eclipsed, at least in a statistical sense, by its nearby rival. The impending Census count (which did indeed record Lexington as larger by about 4,000) added impetus to the consolidation effort.

Another blow to civic pride during the period came in the form of a bobbled bid to bring an NBA team, the Houston Rockets, to Louisville. The effort's failure was blamed on the disjointed bid put forth, undermined by division between the city and the county.

In 1998, a task force of 56 local elected officials in Louisville and Jefferson County was formed to study a potential merger. Supporters of consolidation looked back at the elections for city-county consolidation, which failed in 1982 by just over 1,000 votes and in 1983 by a heavier margin.

Polling was conducted. The decision was made by backers to stay away from the terms "consolidation" or "merger" and instead stress "unity."

Over \$1 million was raised for the Unity Campaign. Supporters, armed with carefully crafted talking points, fanned out across the community.

They stressed four main points:

Unity: Consolidation would create one leader with one agenda for the community representing the city in relations with the state Legislature and Congress.

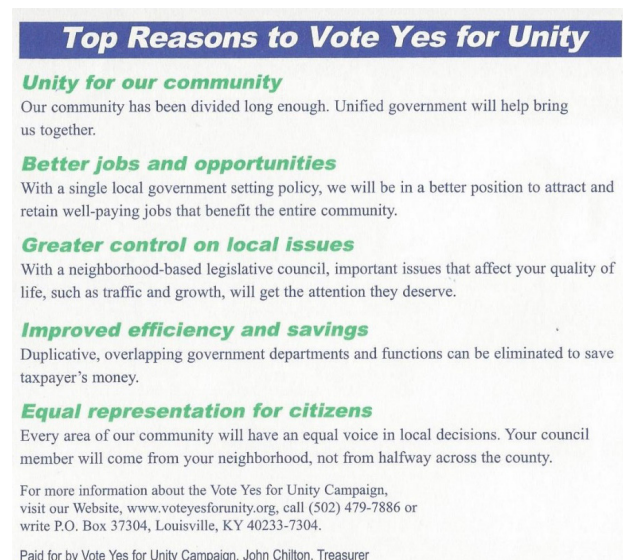
Efficiency: Unity would eliminate duplication and operate more efficiently in a modernized structure.

Representation: The merger would increase representation by replacing commissioners representing

200,000 people with council members representing 26,000 residents.

Visibility: The merger would allow Louisville to reclaim its rightful place among the Top 50 U.S. Cities, better positioned to attract jobs and major corporations.

Figure 21. Unity Campaign Flyer.



Opponents rallied as well. Members of the Louisville Board of Aldermen and the current county commissioners voiced opposition, as did the NAACP, gay rights organizations such as the Fairness Campaign and PUSH/Rainbow Coalition, the Kentucky Alliance Against Racist and Political Repression, Taxpayers Action Group, the Fraternal Order of Police and the Louisville firefighters' union.

The African-American community feared their clout in city government would be diminished. Gay rights groups feared a new Metro Government would roll back protections enacted by the more liberal city when the more conservative suburban representatives were added to the council. Public sector unions were worried about their collective bargaining rights.

Opponents argued that taxes would go up and that the city residents would be left behind and suburban

cities would eventually be absorbed. It was derided as a plot from the white corporate executives in office towers.³

As the campaign moved toward a more concrete proposal, some of the concerns were addressed. African-American representation on the new council was assured by a commissioning a University of Louisville demographer to draw districts for the new council that would assure five majority black districts, a similar level of representation as the existing city council.

To entice union members, the merger would leave in place collective bargaining agreements. There would be no mandated consolidation of services; decisions would be left up to the new government. The proposal was simplified. Existing cities and fire districts would be left intact under the proposal developed. There would be no change in taxes or services.

The ballot language simply asked: “Are you in favor of combining the City of Louisville and Jefferson County into a single government with a mayor and legislative council, keeping all other cities, fire protection districts and special districts in existence?”

The Winning Coalition

Essential to the success of the campaign was the out-front leadership of the county’s most prominent politicians. Chief among them was Louisville Mayor Jerry Abramson, who’d reached a term limit after his third term in office. The charismatic mayor, respected in both the city and the county, was widely expected to win election as the mayor of the merged entity if the campaign succeeded.



Figure 22. Jerry Abramson served three terms as Louisville’s mayor and followed by two terms as the mayor of the consolidated Metro Government. He went on to serve as the Obama Administration’s envoy to local governments.

Abramson, a Democrat, was joined in the campaign by the sitting Jefferson County Judge-Executive, a Republican. In fact, proponents managed to line up support from every living Louisville mayor and county judge-executive. That included Mitch McConnell, a former Judge-Executive, who had gone on to win a seat in the U.S. Senate representing Kentucky.

Added to that bipartisan support was a sophisticated and well-funded campaign that included phone banks, tracking polls and direct mail. The Unity Campaign eventually overwhelmed the opposition. The referendum passed on Nov. 7, 2000, with 54 percent of the county voting yes and 46 voting against.

Reinventing Government

Figure 23. Unity Campaign Flyer.



Winning the referendum was just the beginning of the work. Perhaps even more challenging was the three-year window Louisville had to invent a new government that merged the functions of the city and the county.

Despite the challenges, those involved said the process of designing a new government was a powerful, energizing, once-in-a-lifetime experience that allowed the community to ask fundamental questions: Why were we organized like this? How can we better organize for the future?

The legacy governments appointed a legal task force to begin the process of reconciling and combining city and county ordinances. A Merger Transition Task

³ Lesson Learned from Merger: What other communities can learn from the merger of Louisville and Jefferson County, Kentucky governments, City of Louisville.

Force began studying departments and organizational structures of the two governments to make recommendations about how to combine.

Without a major rival on the horizon, Jerry Abramson appeared to be assured of election as the first mayor of the merged Louisville. Regardless of the fact he hadn't been officially elected, Abramson launched a series of listening sessions in each of the new council districts gathering citizen input. He visited corporate leaders whose companies had been involved in mergers and acquisitions to get their advice on how to bring together two governments.

The community aided the planning for the new government with contributions to pay for outside expertise to study Louisville's current state and help map a plan for the future. The Community Foundation of Louisville and other foundations came together to hire the Brookings Institute to produce a major evaluation of the region, [Beyond Merger: A Competitive Vision for the Regional City of Louisville](#).

National experts from the private sector, the National Academy of Public Administration, the U.S. Department of Housing and Urban Development and the Annie E. Casey Foundation were enlisted to consult with local officials on building the new government.

City- and county-owned property and equipment were inventoried. Work began on combining separate payroll and budgeting systems.

The first budget was built from the ground up on a zero-basis, with every expenditure, old and new, needing to be explained and justified.

Savings were identified through eliminating duplicative staff and getting rid of 600 funded-but-unfilled positions across departments. With the reshuffling and reductions, excess office space was identified. That allowed some agencies that had been leasing buildings to move into government-owned buildings, saving money.

Along with reductions in staff, the reorganization identified ways to use existing staff more efficiently. For example, prior to the merger, about a dozen Health

Department employees oversaw mosquito control for the 386-square mile county. During the merger process, field employees in six departments, as well as water and sewer employees, were trained to add mosquito control activities to their duties, increasing service without increasing staff.

Another example could be found in the city and county police departments. Though it was not mandated by the merger, the city and county police forces worked toward combination. As an end result, the combined force was able to decrease administrative positions and put more officers on patrol.

Merging departments was by no means easy. There were contentious negotiations over seemingly minor details, such as the uniform design of the new police force.

And the merger was not without costs. As is typical in consolidations, when employees of two similar departments are merged the combined forces receive pay and benefits equal to the higher paid of the two departments. In total, the government faced millions in increased costs while at the same time, expected a \$1.2 million drop in revenue.

Some of that shortfall was made up with staff and other expense reductions. The new government also imposed a short-term pay freeze and instituted a performance review evaluation of all grants to groups outside the government. As a result, those grants were trimmed from \$10 million to \$4 million.

In the end, the Metro Government managed a balanced budget without any new revenue, as was promised.

The new Metro Government also had to establish new relations with extant suburban governments. The mayor appointed a full-time liaison to cities who helped identify benefits to the cities from cooperation. The cities were offered participation in buying bulk asphalt and fuel in the same pool as the Metro Government. Some services that had previously only been offered to city residents were expanded countywide, such as weed abatement and removing junked cars.

COOPERATION ACHIEVEMENTS

The complex and ambitious merger attracted national attention to Louisville, and as predicted, the city's profile rose as it was restored to large-city status. A 2011 poll found that 56 percent of people were satisfied with the city-county merger, though only 18 percent reported being highly to extremely satisfied. Satisfaction levels were lower in the African-American community, particularly when it came to police services. Most city services earned high satisfaction ratings, but only a slim majority, 51 percent, were satisfied with public transit. Ten years after the merger, contrary to fears from opponents, the size of government budgets and levels of taxation had remained level with the premerger governments, and government employment levels had decreased.⁴

After two terms in office, Abramson stepped aside to run for Kentucky Lieutenant Governor. Elected to replace him was Greg Fischer, a businessman whose family company developed the automated ice and beverage dispenser commonly used in convenience stores and restaurants. Fischer brought with him a data-driven business management style, prompting a new round of government reinvention. One of Fischer's most high-profile initiatives has been LouieStat and Fischer's Office of Performance Improvement and Innovation (OPI). City departments develop missions and goals and track performance for key metrics with up-to-date reporting of statistics on the LouieStat website. The Mayor and his senior leadership team meet with each department every six to eight weeks to discuss achievements and problems, looking for ways to improve efficiency and save money.

Across all departments, the Metro Government continuously tracks data on overtime pay, employee health, and workplace safety. OPI provides management-consulting services to departments,

helping set up continuous improvement project management processes. The city has also put an emphasis on publicly sharing the data and publishing data sets, allowing both departments and citizens greater access to city data.

Louisville's initial effort drew a \$4.2 million grant from the philanthropies, and in 2015, the city received a second round of grant funding to advance the project. Louisville Metro has been ranked a top digital city, placing in the top 10 in the Center for Digital Government's Digital Cities Survey.

Figure 24. City web page publishing performance data on departments.



⁴ Jeff Wachter, *A 10-Year Perspective of the Merger of Louisville and Jefferson County, KY*, 2013.

Innovation in Economic Development



Figure 25. Louisville brought city marketing and recruiting operations as a department of Metro Government.

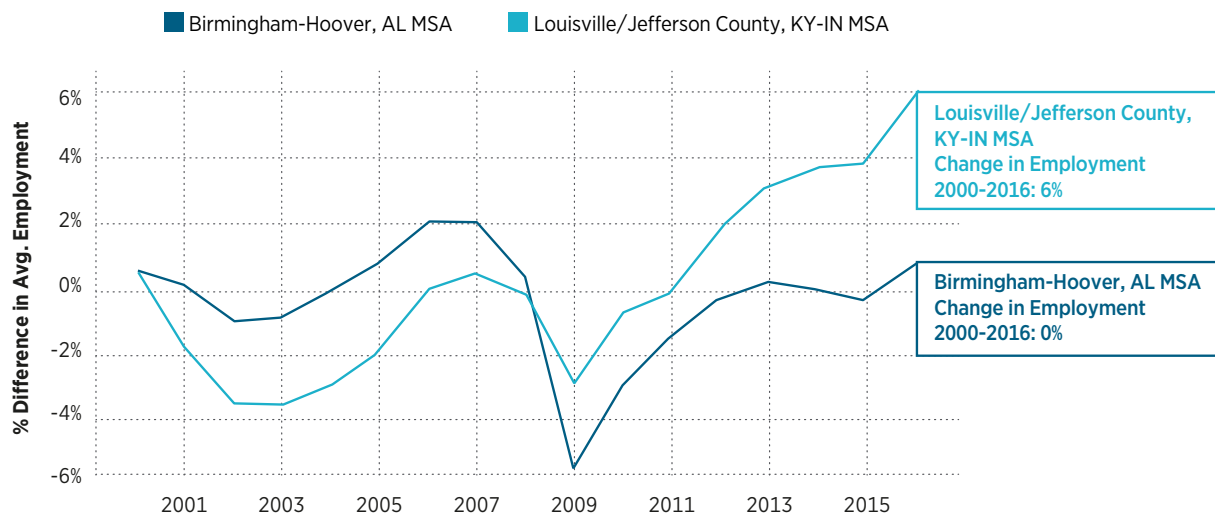
Around the country, there are different models for public-private collaboration for regional economic development and recruiting. As previously described, Louisville initially followed a model seen in Denver and elsewhere in which a private nonprofit, similar to our Birmingham Business Alliance, brings together business leadership in the region to market, recruit, and retain businesses and to lobby state and federal officials on economic development issues. In 2014, after Greater Louisville Inc. (GLI) went through a period of financial and leadership struggles, Louisville Metro Government significantly reduced its contractual relationship with GLI and created a governmental agency, [Louisville Forward](#), to handle an array of business

service and recruitment activities for the city. Because of the consolidation and the greater geographic coverage area, the Metro Government believed itself to be in a better position to perform the marketing, recruitment, and retention efforts, integrating those services with governmental programs such as zoning, permitting and incentives, financing programs, small business creation efforts, brownfield redevelopment, as well as neighborhood redevelopment. [GLI](#) continues to exist as an independent, regional, non-governmental voice for business advocacy.

Business executives and those involved in recruitment have reported that the post-merger environment has created a strategic advantage for Louisville in that a unified government team can be assembled to address questions and streamline the permitting and regulatory process.⁵

Since the Great Recession, job creation in the Louisville Metro Area has exceeded Birmingham's. While Louisville's MSA job additions don't match those of hot cities like Charlotte, its performance appears to have made a change in course, exceeding those of more fragmented post-industrial cities.

Chart 9. Birmingham vs. Louisville MSA Employment Change, 2000–2016, *U.S. Department of Labor Quarterly Employment Reports*



⁵ Jeff Wachter, A 10-Year Perspective of the Merger of Louisville and Jefferson County, KY, 2013.

Economic Comparison

On other economic measures, Louisville also outperforms Birmingham to some degree. When comparing the central cities, the merged Louisville now includes a much wider base. Consequently median income is higher, and poverty and jobless rates are lower.

At the metropolitan level, Birmingham and Louisville are much closer cousins, though Louisville's MSA posts better marks in all categories.

Table 13. Birmingham vs. Louisville Economic Measures, *U.S. Census Bureau, American Community Survey, 2015*

GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	UNEMPLOYMENT RATE	PERCENT NOT IN LABOR FORCE	POVERTY RATE
CITY				
Louisville Metro Government, KY	\$48,100	7%	36%	17%
Birmingham city, AL	\$32,378	10%	39%	29%
COUNTY				
Jefferson County, KY	\$51,259	6%	35%	15%
Jefferson County, AL	\$48,492	8%	37%	18%
METRO				
Louisville, KY-IN Metro Area	\$52,898	6%	36%	13%
Birmingham-Hoover, AL Metro Area	\$51,459	7%	39%	16%

Unified Local Voice Pushes Along Big Projects

Prior to the merger, Louisville, as a community, had difficulty coming together to pursue big-ticket projects. [Observers note](#) that since the merger took effect, the dueling priorities of different governmental bodies have been replaced by “a quicker pace of decision-making, conflict resolution, and priority setting.” As a result, Louisville has seen speedier action and more effective collaboration with both private and other government partners.⁶

One example can be found in a huge transportation project, now nearing completion. It was long recognized that Louisville needed to make improvements to its transportation connections with Southern Indiana across the Ohio River from the city.

There was a perceived need for improvements to the downtown bridge carrying Interstate 65 across

the river, and there was also a desire to create a separate crossing upstream. The tension between the two needs kept either from gaining full support. In the end, it was decided two new bridges would be built, using tolls to help pay for the \$2.6 billion project. The [Downtown Bridge](#) has been completed and is open to traffic. The [East End Bridge](#) opened in December 2016.

Figure 26. New Downtown Bridge.



⁶ Edward Bennett and Carolyn Gatz, *A Restoring Prosperity Case Study: Louisville Kentucky* (Washington, DC: Metropolitan Policy Program at Brookings).

Figure 27. New East End Bridge.



The unified government was also able to coalesce support around the construction of a new downtown arena, the KFC Yum! Center. The arena, which opened in 2010, now hosts basketball and other sporting events for the University of Louisville, along with concerts and other community events. The City partnered with the State of Kentucky to finance the \$238 million arena.

Metro Government is also partnering with the State of Kentucky on the renovation of the Kentucky International Convention Center, a \$207 million renovation of the facility, which originally opened in 1977.

Louisville's Waterfront Park, a green space along the Ohio River, adjacent to downtown, began long before

consolidation as a partnership between the city, the county, and the State of Kentucky and a private nonprofit formed to develop and operate the park.

Metro Government has continued that partnership and is supporting a planned expansion of the park, which now covers 85 acres. While the partnership to build and operate the park preceded the consolidation of the governments, the Metro Government has had positive effects when it comes to recognizing the centrality of downtown and its amenities. One fear prior to the merger was that suburban representatives would bring the narrow interest of their communities before the needs of downtown, whose needs would be neglected.

However, the merger may have had the opposite effect, according to proponents. With the suburban representatives serving on a governmental body that is based in downtown Louisville, the awareness of the critical importance of the city center has increased. At the same time, urban planning expertise that had been concentrated in downtown can be tapped to help manage the growth in the burgeoning suburban communities.

Figure 28. KFC Yum! Center opened in 2010, jointly supported by the Metro Government and the State of Kentucky. The 22,000-seat arena is home to the University of Louisville basketball and also hosts concerts and other events.



Figure 29. Louisville's Waterfront Park, now at 85 acres with plans for expansion, has been a 20-year project sponsored by the State of Kentucky, local governments in Louisville, and private donors. The project reclaimed blighted and underutilized land along the Ohio River, near downtown.



Parks for a New Century

In addition to Waterfront Park, Louisville, under the new Metro Government is working with private partners and other governments to reinvigorate its traditional parks while at the same time ambitiously expanding new parks and amenities.

In 1891, Louisville commissioned Frederick Law Olmsted, the designer of New York's Central Park, to design a park system for Louisville. Olmsted and his sons laid the groundwork for 18 parks and six parkways connecting them. The parks became central to the city's character and shaped its development. The city developed and maintained those large urban parks while the county developed its own system of parks in the outlying counties. In the 1960s the two park systems and their recreation programs were consolidated.

In the 1970s and 1980s, citizens of Louisville became concerned about the condition of the original Olmsted Park System, which had fallen into disrepair. Those citizens formed the Olmsted Parks Conservancy, a nonprofit, which has partnered with the city and unified park system to restore the Olmsted Parks. Since 1989, the Conservancy has raised \$30 million to fund park improvements.

Expanding on that model, the new Metro Government, under the leadership of Mayor Abramson and Louisville philanthropist and Humana co-founder David A. Jones, unveiled an expansion

and improvement plan, the City of Parks initiative. The initiative calls for the establishment of new parks in the developing outer county, expansion of existing parks, and connecting those parks with a 100-mile greenway trail system, the Louisville Loop. With the help of U.S. Senator Mitch McConnell in securing federal appropriations, the backing of the Metro Government and a major private fund-raising initiative, the City of Parks initiative has grown over the course of a decade into a \$125 million project that has drawn more than \$70 million in private donations, combined with almost \$50 million from federal, state and local government sources.

Figure 30. Map of Louisville Loop (dotted line) and City of Parks initiative (green areas are existing or planned parks).



The private nonprofit, 21st Century Parks, is developing one of the nation's largest new metropolitan parks projects, The Parklands of Floyds Fork, in eastern and southeastern Louisville. The Parklands of Floyds Fork is a nearly 4,000-acre donor-supported public park system along Floyds Fork in eastern and southeastern Louisville. Operations and maintenance are funded solely through private donations and an endowment fund.

Meanwhile, the Metro Government is spearheading the development and interconnection of the Louisville Loop, greenways that pass through the new parks and connect to the existing park system. The additions are creating recreational resources on the outer periphery of the city's housing development, putting a park system in place before development envelops the area and drives up land prices.

Metro Parks system includes 120 parks covering more than 13,000 acres, with nine golf courses, 12 community centers, two arts and cultural centers, an Adapted and Inclusive Recreation (AIR) center, five swimming pools (including an Aquatic Center), two historic homes, and the nation's largest municipal urban forest.

Figure 31. A rest stop on the Louisville Loop bike trail as it enters Turkey Run Park, a portion of the donor-supported Parklands at Floyds Fork.



Metro Council

Much of the attention surrounding the Louisville's consolidated city-county government is focused on the power of the executive branch of the new government, Louisville's Metro Mayor. However, the metro council also bears examination, since it effectively replaced the Louisville City Council and Jefferson County's County Commission. Before the merger, the city's legislative branch consisted of a 12-member Board of Aldermen, while the county had a three-member commission. Aldermen represented about 21,000 people, and three county commissioners

represented 230,000. The Metro Council created 26 districts, with each council member representing about 26,000 people.

Proponents of the merger argued that having more representatives allowed for greater representation, particularly for smaller communities. On the other hand, as individuals, each representative is now less powerful than they would have been in the former city and county arrangements. Before the merger, blacks held one-third of the seats on the city council and one-third of the seats on the county commission. Now, black representatives make up about 20 percent of the council.

Though they are part of a Democratic majority on the Metro Council and exercise influence over a wider geography and larger population, black council members say they have more difficulty forming majority coalitions to support their particular concerns. The mayor of the Metro Government is elected county-wide and consequently owes allegiance to the county as a whole, not to what was the center city.

There are also some misgivings among other council members who represent districts in the old city. The boundaries of the old city exist in the form of an urban service district, which pays higher taxes and receives the full suite of city services. It was expected that after merger, some of the existing cities would fold and portions of what had been unincorporated county would join the urban services district so that they would receive additional city services, such as garbage and waste pickup and street lighting and maintenance. That has not occurred. Council members representing the urban services district sometimes take issue with city expenditures on services such as snow removal and road paving that are performed throughout the Metro by the unified government.

Figure 32. A recent meeting of the Louisville Metro Government Council.



OUTCOMES IN LOUISVILLE

Improvements Under the New Government

- Statistical and psychological boost from being considered a larger city
- Reinvented government, cutting duplication and improving the efficiency of services
- Unified governmental and economic development operations
- Single executive better able to lead a concerted agenda for regional improvement
- Single executive able to represent the city in businesses recruitment and relations with other governments
- Broke the logjam on the two bridges project and other civic initiatives

Criticism of the New Government

- Perception that the old City of Louisville essentially dissolved in the merger, diminishing the political power of African-Americans
- Disagreements over the fairness of the allocations of taxes and services between old Louisville, suburbs and the old unincorporated areas, with the old city still paying higher taxes while some services have been extended countywide
- Expectations that existing municipalities would fold into the merged city have not borne out, thus preserving some duplication and fragmentation
- Unincorporated areas have not chosen to join the urban services district, which means the tax base for paying for services has remained unchanged

CONCLUSION

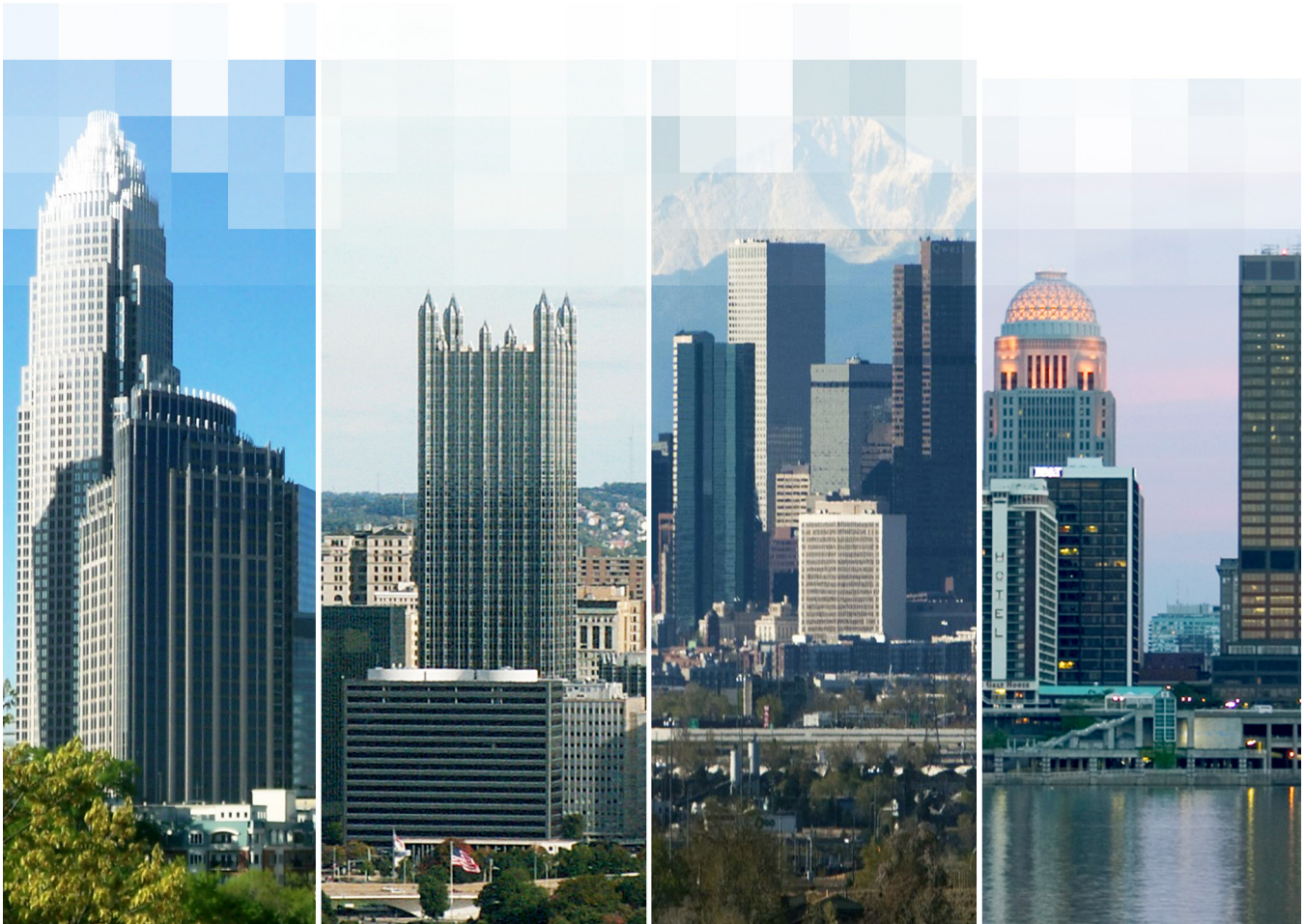
In all four regions studied, the work to counter the forces of fragmentation and promote cooperation has been in progress for decades and continues.

In all four, this work was not left up to elected leaders. Though the degree of involvement of the various sectors differed, in each city, it took a combination of business, university, civic and foundation leadership to drive the process forward.

Through the work, these cities have been able to redefine themselves. They've made improvements

through cooperation much greater than could have been accomplished with a fractured base of support or with an incoherent structure for leadership.

In a chapter in this series, we will look at how the lessons learned from these other cities might be applied in Birmingham, considering our current state and distinctive history.





CHAPTER THREE

Overcoming Governmental Fragmentation:

Birmingham's Opportunities and Obstacles

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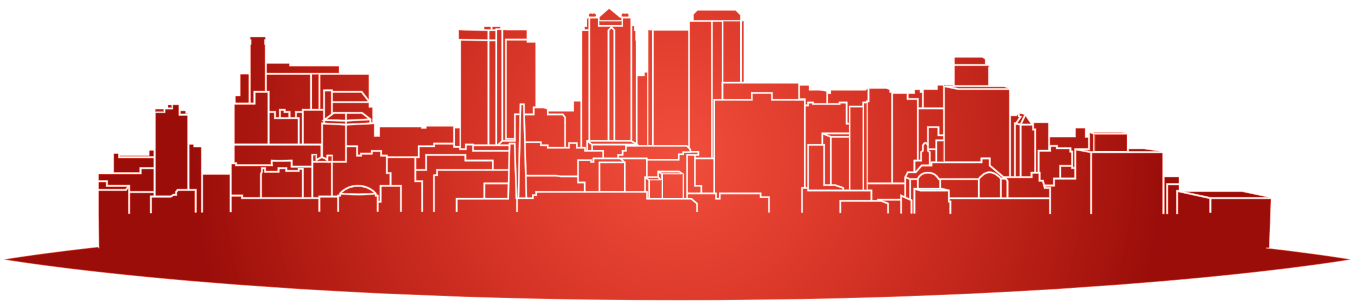
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Introduction



Greater Birmingham has the power to reshape itself.

Once upon a time, singular cities were the primary organizing unit for community advancement. They served as the vehicle for pooling resources to provide for roads, water and sanitation, public safety, and schools. In some places, large singular cities still play this role. But in most places in 21st century America, residents are more dispersed across the landscape. They are divided into collections of cities and suburbs.

Despite this organizational separation, the residents of metropolitan areas are intimately linked in an economy and culture that flows freely across these boundaries. Their fortunes are linked. They share a collective pool of opportunities and challenges.

All communities are subject to forces of history and economics.

—
Dynamic communities respond with creative solutions. They play offense.

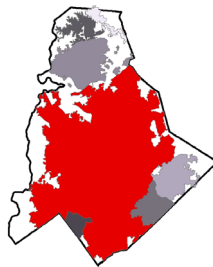
Static communities play defense. They focus on the fear of losing ground, rather than taking the risks necessary to make gains.

In the previous chapter, *Options for Pursuing Cooperation*, we profiled four dynamic cities that have reshaped their local governments to better respond to the interconnected nature of the modern metropolitan economy. The four cities present four different approaches to creating a framework for cooperation that transcends municipal boundaries.

1 | Charlotte, North Carolina

Approach: Functional Consolidation

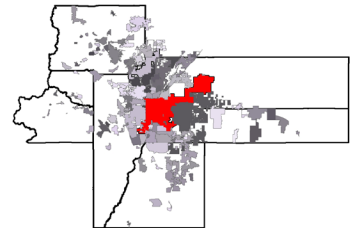
Charlotte, North Carolina, chose to create alliances between governments through what's known as functional consolidation. City and county governments there united common operations that can be better delivered at scale and across jurisdictional boundaries.



3 | Denver, Colorado

Approach: Cooperation Through Regional Entities

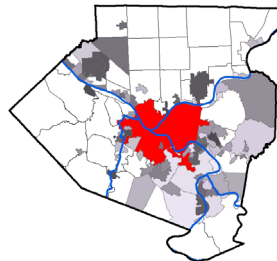
Denver, Colorado, chose to unite its sprawling metropolitan region by forming regional organizations that address common causes: economic development and recruiting, support for arts, culture, transportation, and the management of growth and development.



2 | Pittsburgh, Pennsylvania

Approach: Modernizing County Government

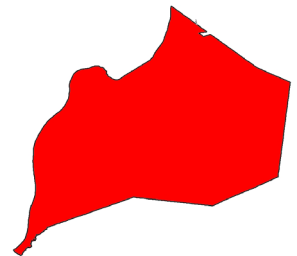
Pittsburgh, Pennsylvania, chose to reform its county government so that it could provide leadership in the effective and efficient delivery of services that are regional in nature.



4 | Louisville, Kentucky

Approach: Political Consolidation

Louisville, Kentucky, chose to meld its central city and central county, creating a consolidated city to take the initiative on issues of regional importance, while leaving its smaller suburban municipalities intact and independent.



These dynamic cities have actively reshaped themselves, and their actions appear to have paid dividends in the form of economic growth and more accountable and ambitious community advancement.

For decades, Greater Birmingham was more static than dynamic. Governmental forms and patterns of organizations have been taken as givens, inevitable results of the tide of history. Jefferson County descended into bankruptcy, thanks to mismanagement and corruption enabled by a poorly structured county government. Meanwhile, in comparison to its Sunbelt neighbors, Birmingham has lagged in growth and prosperity.

More recently, a spirit of optimism and ambition has returned to the area. In the wake of the bankruptcy, the local delegation of the State Legislature took initial steps to reform county government with the creation of a county manager position, a change that has led to an improvement in county operations and a return to solvency.

Cooperative investment by the City of Birmingham and Jefferson County and community partners made possible the development of Railroad Park and Red Mountain Park. The Railroad Park project helped spawn Regions Field, a new downtown ballpark for the Birmingham Barons. In turn, those projects have spurred further private commercial and residential investment in downtown.

Persistent advocacy by the local business community for state-level historic tax credits paid off and has catalyzed prominent projects, including the restoration of the historic Lyric Theatre, the Thomas Jefferson Tower, and the Pizitz Building.

Birmingham, in partnership with the Birmingham-Jefferson Civic Center Authority, sponsored the development of the Westin Hotel and the Uptown

entertainment district. A new stadium is under consideration, which among other uses could serve as home to a revived University of Alabama at Birmingham football program.

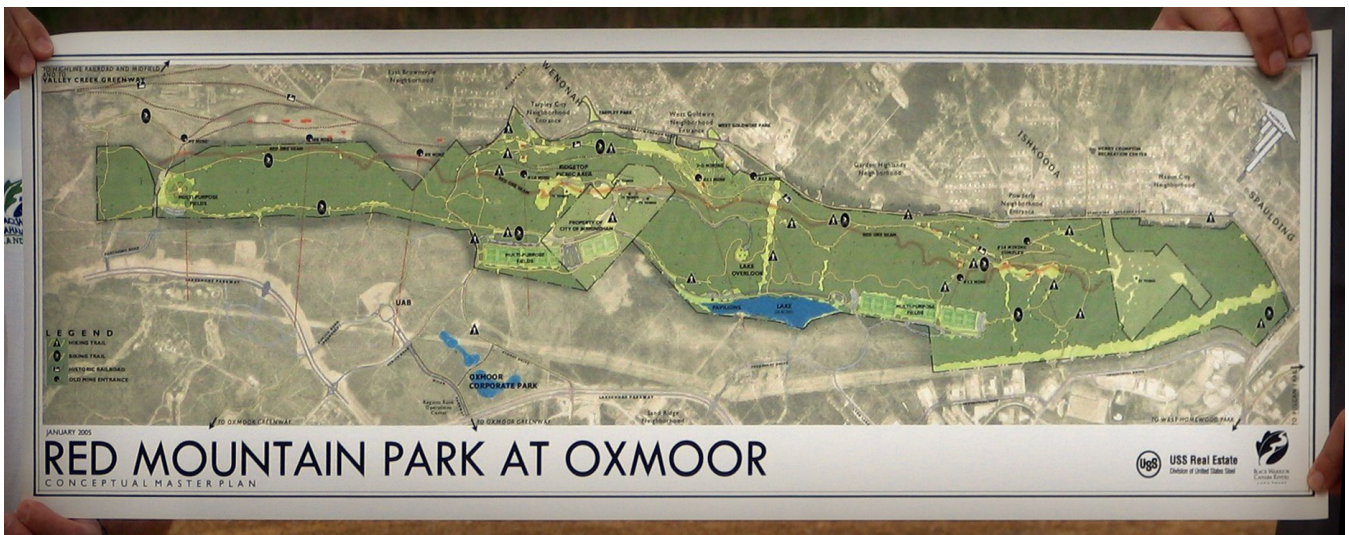
At this moment of opportunity, it is worth asking whether our governmental institutions are optimally designed to capitalize on this momentum.

Could Greater Birmingham's governmental organizations be restructured to improve leadership and cooperation around regional ambitions?

When exploring options for improvements, it is important to remember:

- No one approach excludes the others. Often the various approaches are complementary. For example, improving the functional operation of county government could also improve the likelihood of success in functional consolidation or cooperation to deliver certain services.
- No suggestions for improvement of government form or function should be construed as criticism of current office holders.
- None of the possible approaches necessitate the dissolution of current municipalities or school systems.
- Ultimately, cooperation is voluntary. No changes are possible without the support of a majority of residents or of their elected representatives.

However, it must also be said that change is hard. Any approach employed could lead to changes in roles and responsibilities of certain office holders or elected bodies. New arrangements would require trust. In some cases, current advantages might have to be traded for broader, long-term benefit.



COMMON STRAINS IN MOVEMENTS FOR GREATER REGIONAL COOPERATION

Before examining models of regional cooperation and how they might work in Birmingham, it is instructive to look at the commonalities of the four cities profiled in the previous chapter.

An Identity Crisis

In each city, the move toward regional cooperation was spurred by the recognition that the region as a whole needed to redefine itself. Facing economic changes, leaders in each region seized an opportunity to pursue a new aspirational destiny.

- In Pittsburgh, it was the collapse of the steel industry in the early 1980s that spurred an emergency call for the region to work cooperatively to diversify its industrial base. The steel industry's collapse exacerbated the outflow of the population and further undermined the City of Pittsburgh's tax base, prompting state intervention. With the city in crisis, residents refashioned the county to lead regional economic development efforts.
- In Denver, the oil bust of the 1980s hit Denver and the State of Colorado hard, spurring leaders there to look for regional solutions to diversify the economy and knit fragmented communities together into a globally competitive metropolis.
- In Louisville, due to population loss, the central city was losing its claim to being a major American city. In the 2000 Census, its in-state rival, Lexington, temporarily edged out Louisville to become the largest city in Kentucky. By consolidating Louisville with the county, the merged Metro Louisville reclaimed its "big city" status and created a platform for the shared pursuit of prosperity.
- In Charlotte, it was less a crisis than a swelling ambition and determination to be a global financial

center that drove cooperation efforts. Business leaders there saw cooperation there as a way to enable the city and county governments to be an efficient and effective partner in growth.

In many regards, Birmingham is faced with similar crises. The region was rocked by the downturn in the steel industry. Suburban growth and urban flight took its toll on the city. Jefferson County filed for bankruptcy and saw several of its former leaders convicted for corruption. Birmingham once had six Fortune 500 companies headquartered in the region, but now has only one, Regions Financial Corp. By the end of 2015, Birmingham still had fewer total jobs in the MSA than it did prior to the Great Recession. In terms of population, Birmingham has fallen out of the top 100 cities in the U.S., with Huntsville, Montgomery, and Mobile approaching Birmingham in size. Jefferson County, as a whole, is growing only anemically, while population is surging in the central counties of other Sunbelt metro areas.

—
Despite repeated blows, Greater Birmingham has not engaged in the kind of civic soul-searching that prompted other cities to sound the civic alarm bells and rethink its organization to better compete.

Leadership and Vision

Though the composition of the leadership team varied from city to city, champions arose to campaign for regional unity.

In Pittsburgh, a succession of university presidents took the lead in calling for that region to refocus and reform. In Denver and Louisville, charismatic political leaders called on their cities and metro areas to think big. In Charlotte, the business leadership led the way.

Whatever the original source of the leadership, a broad chorus formed in each city and unified around

aspirational visions, building coalitions between political, governmental, business, education, and civic institutions. Proponents were sometimes vilified and opposed but pressed on.

For whatever reason, Birmingham has not yet found its champions for cooperation.

Common Obstacles Faced

Suzanne Leland, a University of North Carolina at Charlotte Political Science and Public Administration Professor, and her research partner, Kurt Thurmaier at Iowa State University, looked at the history of city-county consolidation attempts over the past 35 years for a paper published in the 2006 Municipal Yearbook.

While their research focused on city-county consolidation, the most aggressive form of cooperative reform, the lessons could apply to the various approaches.

- **Fears of Higher Taxes:** Successful cooperative movements often include guarantees taxes won't change or will be reduced.
- **Skepticism of Efficiency Claims:** Eliminating duplication and increasing efficiency through cooperation may be a goal, but it is difficult to find clear evidence the approach works, and ultimately, voters don't buy the idea that government can be efficient.
- **The Polarizing Nature of Calls for Equity:** Arguments made on the basis of increasing regional equity and fair burden sharing may have merit, but they also tend to arouse hostility when presented to the general public.
- **Fears of Diluting Minority Representation:** Proposals to changes to government structure can affect minority voting rights and representation. Successful efforts take pains to address and accommodate those concerns.

- **Threats to Municipal Independence:** Existing independent municipalities and school districts are left intact in successful efforts. Forced cooperation doesn't succeed.

- **Threats to Government Employment:** Pains are taken to ensure job protections for existing employees. Otherwise, motivated opposition arises.

- **Antagonizing Current Political Leadership:** Elected officials tangential to any governmental consolidation are left intact in their roles in successful campaigns.

Many of the compromises mentioned above sap the ability of reform efforts to deliver on cost and efficiency results in the short term. That may be why it's hard to point to bottom line savings. The benefits of cooperation tend to be long-term and future oriented.

Winning Arguments

Leland and Thurmaier found that voters are receptive to arguments that cooperation will improve economic competitiveness.

They wrote:

"In all the cases where the argument for consolidation has been based on efficiency and economy, or economies of scale, the referenda have failed; where the argument has been based on economic development, however, the referenda have been successful."

The common element in successful consolidation cases appears to be the ability of civic elites to define the economic development vision for the community and then convince the average voter that the existing political structure is inadequate to support and implement that vision and that the solution lies in consolidation."

Public Attitudes in Jefferson County Toward Cooperation



As part of the research for this report, a poll of 400 registered voters in Jefferson County was conducted in December of 2016 by Montgomery-based Southeast Research.

The poll found a general receptiveness to increased cooperation among governments in Jefferson County.

OVERALL RESULTS

- **Direction of Local Community:** A high percentage of residents (74 percent) said they felt their local community was headed in the right direction. Satisfaction with direction of their local community was highest in midsize suburbs (Hoover, Bessemer, Vestavia Hills, Trussville, Mountain Brook, and Homewood at 84 percent) and smaller communities in the county (83 percent) but lower in the City of Birmingham (65 percent) and in unincorporated areas (58 percent).
- **Direction of Jefferson County:** Satisfaction with the direction of Jefferson County as a whole was lower at 54 percent overall. Residents of unincorporated parts of the county were most pessimistic about the direction of the county with only 46 percent saying they believed the county was on the right track.
- **Quality of Life:** Better than 90 percent of residents of midsize and small cities rated the quality of life in their local communities as good or excellent, compared to 64 percent of Birmingham city residents.
- **Current Services:** Generally, residents were satisfied with the services they were receiving except for transit. Only 40 percent of those polled were satisfied with their transit service. Fire protection received the highest rating with a 96 percent satisfaction rate, followed by police (88 percent), parks and recreation (77 percent), and roads (60 percent).
- **Efficiency:** 76 percent of residents of midsize and 72 percent of residents in small communities said they felt services were being run efficiently in their local communities compared to 63 percent of Birmingham residents and 55 percent of residents in the unincorporated areas of the county.
- **Cooperation:** There was strong support for the concept of communities cooperating to deliver services with 81 percent of those polled saying they would support cooperation. Support for cooperation was highest in the City of Birmingham (90 percent) and lower in midsize cities (74 percent).

CENTERS OF SUPPORT

Throughout the survey, blacks and females showed higher levels of support for cooperation than the population as a whole. But the strongest support came from young adults, voters between the ages of 18 and 34. The results suggest that this rising generation is more receptive to change and more oriented to thinking of Greater Birmingham as a united, interconnected region. In the poll, residents were asked about the cooperative delivery of services in a variety of areas.

Q | Would you support or oppose your local government working cooperatively with other governments in your region to provide services for all communities in the region?

AREA OF COOPERATION	YOUNG ADULTS VS. TOTAL SURVEYED	PERCENTAGE SUPPORTING
Economic Development	18-34	94.2%
	Total Sample	84.4%
Cooperate on Legislative Agenda	18-34	92.1%
	Total Sample	85.4%
Transportation	18-34	92.4%
	Total Sample	82.5%
Streets	18-34	96.4%
	Total Sample	82.7%
Parks	18-34	91.7%
	Total Sample	79.7%
Police	18-34	86.3%
	Total Sample	78.4%
Fire	18-34	93.9%
	Total Sample	81.6%
Local Government	18-34	91.7%
	Total Sample	80.6%

All groups expressed appreciation for the area's regional amenities centered in the City of Birmingham, but again young people were the most likely to see those amenities as being highly valuable.

Q | How important is the Birmingham Zoo, the Museum of Art, Railroad Park, and other amenities available in the City of Birmingham to you and other members of your household? Would you say these are very important, somewhat important, or not very important to you?

GROUP	VERY OR SOMEWHAT IMPORTANT
18-34	91%
Total Sample	80%

Beyond being supportive of intergovernmental cooperation, young adults were supportive of the most dramatic form of regional cooperation: consolidation or merger. They were the only age group supportive of the concept, and, overall, residents opposed the idea. However, residents of the City of Birmingham (64 percent) and blacks (67 percent) indicated support for city-county consolidation.

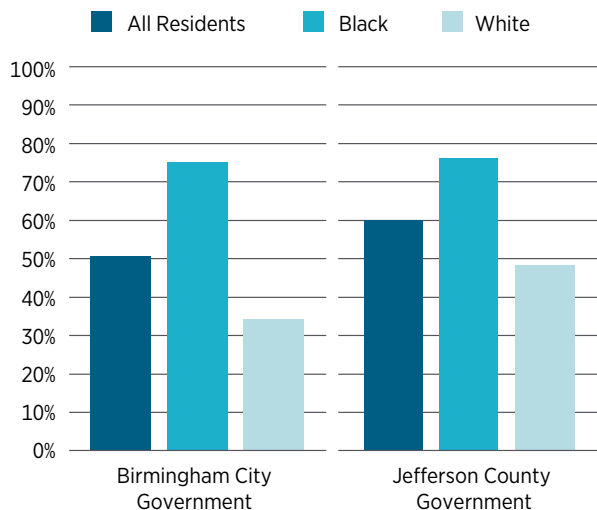
Q | As a way to provide services to their residents on a regional basis, some cities have merged with their counties. Would you support or oppose a merger between your city or town and Jefferson County?

GROUP	SUPPORT	OPPOSE	NOT SURE
18-34	68.6%	31.4%	.0%
Total Sample	42.8%	53.0%	4.3%

FAULT LINES

The poll also did find some evidence of division and dissatisfaction. Just over half of residents had a favorable or somewhat favorable opinion of the City of Birmingham, while 60 percent countywide had a favorable or somewhat favorable opinion of county government.

Chart 1. Favorable or Somewhat Favorable Opinions of Government



But when broken down by race, opinions were divided along racial lines. Only 34 percent of whites had a favorable opinion of Birmingham city government, compared to 76 percent of blacks surveyed. In the case of Jefferson County government, the divide is present but less stark; 48 percent of whites have a favorable opinion of the county, while 77 percent of blacks do.

Focus Group Results

To further investigate the concepts explored in the poll, Southeast Research convened a demographically and geographically representative focus group with 11 participants.

Focus group participants had a positive perception of Jefferson County as a place to live. Participants described Birmingham as “up-and-coming,” “progressive,” affordable, and offering good choices when it came to schools, places to live, and entertainment options.

Some of the side effects of fragmentation, like the choice in local school systems, were appreciated as positive attributes, though there was concern about the inequities in performance and financial support between the systems.

There was an appreciation of the centrality of the City of Birmingham to the region and pleasure in seeing revitalization in the city. However, some participants expressed concerns about crime and safety in the central city. There was frustration with the poor performance of schools and a general distrust of and frustration with the political establishment of the city.

Participants wanted to see new and better leadership and more transparency in government. They also saw opportunities for cooperation, particularly in the areas of transit and law enforcement.

Overall, participants wanted to see more cooperation in growing the economy and meeting the needs of citizens and less intra-regional competition.

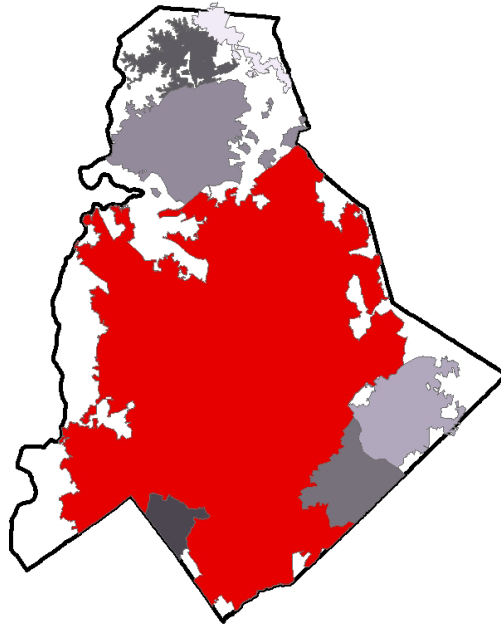
Communities position themselves to cooperate in a variety of ways. In the following sections, we look at four different approaches to cooperation and how they might work in Jefferson County.

APPROACH

Functional Consolidation

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Example Metro: Charlotte, North Carolina



MODEL CITY: CHARLOTTE, NORTH CAROLINA

The simplest way to encourage regional cooperation is to forge cooperative agreements between existing governments.

Under functional consolidation, one government can provide a service for multiple jurisdictions, eliminating the need for several duplicative departments. Functional consolidation can also allow for joint ventures between governments, allowing them to share governance over an activity.

Adjacent municipalities may share a police force, for example. Or, by agreement, a county could deliver a service—the collection of taxes or business licenses, the provision of GIS services, a joint platform for technology—that is common to all municipalities throughout the county, saving cities the expense of maintaining independent departments.

Arrangements for cost-sharing and governance are worked out between the governments entering into the contracts.

Charlotte, North Carolina, and Mecklenburg County are known nationally for advancing regional cooperation through interlocal agreements.

For example, parks both in the city and in the county are operated by a county department. The same goes for libraries. Building inspections and storm water management are handled at the county level.

Meanwhile, the Charlotte-Mecklenburg Police Department covers both the city and the county. The Charlotte Area Transit System is a city department, but with a countywide representative board that develops transit plans and reviews the finances of the agency.

In some cases, the city and county jointly manage assets or services. In Charlotte, for example, the city and the county share municipal buildings, decreasing cost and more efficiently using space. A collection of copies of these interlocal agreements from Charlotte can be found in the project's Resource Collection.¹

¹ [Project Resource Collection](#)

PUBLIC ATTITUDES IN JEFFERSON COUNTY TOWARD FUNCTIONAL CONSOLIDATION

In Southeast Research's December 2016 poll, Jefferson County residents expressed receptiveness for the concept of cooperation between governments in the delivery of services. Registered voters were asked:

Q | If your local government determined they could provide some services to residents more efficiently by participating in cooperative programs with all other governments in the region, would you support or oppose this initiative?

GEOGRAPHY	SUPPORT	OPPOSE	NOT SURE
Birmingham City	92.7%	6.9%	.4%
Midsize City/Town	72.2%	19.9%	7.8%
Small City/Town	76.7%	21.6%	1.6%
Unincorporated	78.9%	14.6%	6.6%
Total	80.6%	15.5%	3.9%

Support for cooperative service delivery was most strongly favored by City of Birmingham residents. But voters across the area expressed strong support for cooperative ventures if they increased efficiency.

When asked about individual areas of service, support for cooperative efforts to provide services was strongest for public transportation and road maintenance (83 percent expressed support in both these areas). Strong support was also expressed for cooperation in providing fire protection (82 percent), parks and recreation (80 percent), and police protection (78 percent). The weakest support for cooperation came from residents of midsize cities, particularly in terms of police protection. Still, 64 percent of midsize city residents expressed support for police cooperation with other governments in the region.

LEGAL CHANGES NEEDED TO IMPLEMENT

No legal changes would be needed to increase the use of functional consolidation in Jefferson County.

Alabama law² allows cities, county governments, and other municipal bodies to enter into contracts with one another for the joint delivery of services.

In fact, there are already several examples of functional consolidation in Jefferson County.

- **The Jefferson County Sheriff's Office** provides police patrol services by contract for cities that don't want to pay for their own departments. Currently, Pinson, Clay, and Graysville contract with the sheriff's department. In addition to not having to employ and equip a police department, those cities do not have to provide municipal courts, a judge, a prosecutor, or a jail. Contracting for the sheriff's services also saves the cities on the cost of liability insurance.
- **Jefferson County's consolidated 9-1-1 Center** is another example. A call center in Center Point provides 9-1-1 call processing and dispatch services for the Jefferson County Sheriff's Office, 18 cities and towns, and 26 fire departments. This functional consolidation eliminates duplicate systems and equipment, improves operational efficiency, promotes better interagency information sharing, and produces overall cost savings.

Other examples of existing intergovernmental cooperation through agreement include the Jefferson County Emergency Management Agency and the Purchasing Association of Central Alabama (PACA), joint purchasing organization staffed by Jefferson County's purchasing department.

² See [Project Resource Collection](#) for relevant Alabama Code sections.

ADVANTAGES OFFERED

- **Efficiency:** Functional consolidation offers advantages when a service is delivered more efficiently through economies of scale, where the cost of delivering a service is lowered when it serves more people. A water system or sewer system requires a large investment for basic operation. The more customers it has, the greater the utility's ability to divide the cost over the wider base of ratepayers.
- **Expertise:** Functional consolidation can also provide advantages when the service being delivered benefits from greater sophistication or expertise. Smaller units may not be able to afford the advanced hardware, software, or expertise that can be deployed by a consolidated operation.
- **Flexibility:** Functional consolidation is flexible. Contracts between governments can be expanded to include additional governments, renegotiated, or terminated.

WHO IT WOULD INVOLVE

Functional consolidation involves only willing participants. Municipalities and counties can participate where an advantage is seen in the shared provision of a service.

However, functional consolidation needs a champion. Opportunities for shared services would need to be identified and publicized. Mayors, city council representatives, and county commissioners would need to be made more aware of potential benefits.

In effect, the community needs to create demand for functional consolidation in instances where it is appropriate and advantageous.

In Charlotte, it was the business community that consistently advocated for cooperation. The

business community there saw an opportunity to decrease the overhead cost of government, streamline regulatory processes, and increase the responsiveness of government.

The business community found common ground with the professional managers who oversee day-to-day government operations in Charlotte and Mecklenburg County. Since county and city managers are charged with driving toward the efficient functioning of governments, the professional managers in Charlotte and Mecklenburg County saw opportunity in pursuing interlocal agreements.

HELPFUL PRECONDITIONS

Certain existing conditions in Charlotte made the implementation of functional consolidation more likely to succeed.

A Professional Management Model

As mentioned above, the professional management of governments helps facilitate interlocal agreements. In North Carolina, almost all cities and counties are run by managers rather than elected officials. Elected officials determine policy and overall direction, but managers design and run the operations. In the case of Charlotte, both the city and the county hired managers who enjoyed relatively long terms in office. This allowed for long-term relationship building between the city and county professionals. A foundation of trust was established and built upon. And the relationship between the professional managers was somewhat removed from the disruptive forces of politics.

Unlike other Southeastern states, Alabama has been slow to adopt the professional management model for government.

In North Carolina, 98 percent of cities with a population over 10,000 employ a manager; in Virginia, 97 percent; Florida, 89 percent; South Carolina, 70 percent. Only 13 percent of Alabama cities over 10,000 operate under the council-manager form.³

In Jefferson County, Mountain Brook and Vestavia Hills use the council-manager form, while Hoover uses an adapted form with the mayor and a city administrator dividing up executive duties.

Prior to 2012 when it hired its first manager, Jefferson County was one of the few remaining large counties in the U.S. without one.

A History of Cooperation

A second helpful precondition for increased use of functional consolidation is a track record of cooperation. Charlotte and Mecklenburg County have had a single countywide school system since the 1960s. Its water and sewer utilities have operated as a countywide entity since the 1970s.

A Simple Government Landscape

A final precondition that helped drive functional consolidation in Charlotte was the simplified government landscape in Charlotte. The population of the City of Charlotte represents 80 percent of the county's population and well over half its land area. Thanks to liberal annexation laws, Charlotte continued to expand as growth occurred, leaving Mecklenburg County with less territory over which it was the sole authority. In cases like police patrol, the county had less and less territory to cover as Charlotte expanded.

Only a handful of other smaller cities exist in the county. Those smaller cities participate in some of the consolidated services, but, in many instances, still operate autonomously. Still, joint ventures and functional consolidation between Charlotte and the county cover most of the county.

POTENTIAL OBSTACLES

Some of the appealing aspects of functional consolidation can also be viewed as disadvantages.

Functional consolidations are voluntary. They require champions. They require multiple parties to agree on terms of shared support and governance.

Since they are implemented on a case-by-case basis, they won't produce the wide scope of reform achievable by other approaches like political consolidation.

When it comes to the delivery of government services, bigger is not always better. A small bureaucracy directly controlled by a city or county can sometimes be more responsive. A larger bureaucracy controlled by a separate government entity can be more difficult to involve in cross-departmental collaboration.

As an example, when the City of Charlotte wants to assemble a team to launch a revitalization effort in a neighborhood, improvements to parks and local libraries might well be a part of the equation. But in Mecklenburg County, both the parks and recreation department and the library system are operated by county departments. While city and county governments have good relationships in Charlotte, the city has to take an extra step by involving the departments from another government. And sometimes in those cases, the priorities of one governmental body may not match the agenda of the agencies that operates under a different governmental umbrella. That can slow down initiatives.

Other potential obstacles to implementing functional consolidation in Jefferson County include:

- **Unfamiliarity:** By the nature of traditional organization and through habit, independently functional governments are the norm. Any decision to share responsibly carries risks and requires trust. At the same time, as mentioned, there are examples of

³ [Professional Management of Alabama Cities, Dr. Douglas J. Watson, ACCMA Conference January 28, 2016.](#)

cooperative ventures between governments in Jefferson County. The climate of cooperation in Charlotte and Mecklenburg County was developed over decades.

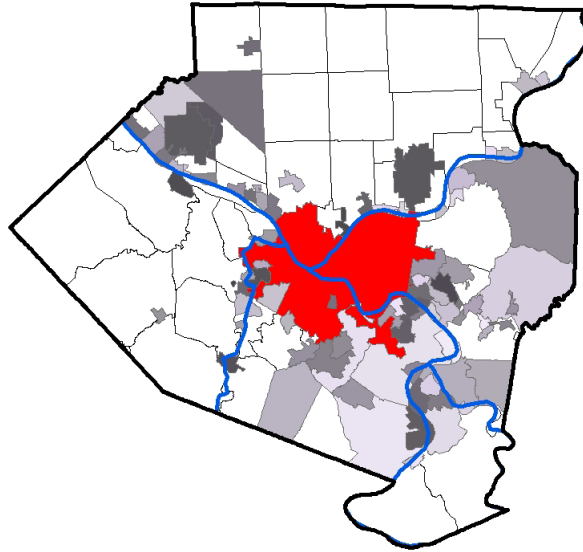
- **Government Employee Protections:** Any reorganization of government can be perceived as a threat to the employees of departments under consideration for functional consolidation. The governments seeking to functionally consolidate a service most often negotiate assurances of pay equity and preserve work rules, seniority, and chain of command. The trade-offs in these negotiations may mean that functional consolidation may not save money in the short run and might actually raise costs. However, in the long-term, the merged operation can increase efficiency by redeploying resources and, if well managed, can realize savings down the road.
- **Political Objections:** Political leaders may also resist functional consolidation. Giving up control of a department or a group of employees can be viewed as a loss of power and influence. In Charlotte, some of the major moves toward consolidation were made strategically, balancing loss of control in one area with gains in responsibility elsewhere.

APPROACH

Modernizing County Government

—

Example Metro: Pittsburgh, Pennsylvania



MODEL CITY: PITTSBURGH, PENNSYLVANIA

Across the country, and particularly in situations of fragmentation, communities have turned to modernized county government as a solution for uniting a region for a shared purpose.

County governments, originally set up as administrative arms of state government, today function more like a separate layer of local government.

This layer of government is in a position to take responsibility for governmental services that cross municipal boundaries.

Counties have a broader resource base, avoiding the inequities of wealth and poverty that tend to arise along municipal lines.

Counties are positioned to carry out those services that are most effectively delivered at a large scale or that benefit from coordination throughout the geographic area, regardless of boundaries. A trusted partner at the county level can take on roles that all cities have to perform, thereby decreasing duplication of effort and expense.

In exploring county government form, PARCA visited Allegheny County, home to Pittsburgh.

Pittsburgh has long struggled with high levels of fragmentation. Similar to Birmingham, Pittsburgh has lost population to the surrounding suburbs in the second half of the 20th century and consequently saw an erosion in its tax base. The decline endangered city finances and hampered the city's ability to provide leadership and support arts, culture, and regional infrastructure and attractions. While some in Pittsburgh have advocated for the merger or consolidation of cities and the central county of Allegheny, those proposals have never found adequate support. Instead, advocates of government reform in Greater Pittsburgh took aim at the county government.

In 1998, voters in Allegheny County approved a new home rule charter that replaced three commissioners elected at-large with a single elected County Executive to lead the county. A 15-member County Council serves as the legislative branch. The chief executive appoints a county manager with approval from the county council. The manager is responsible for seeing that the government's day-to-day operations run effectively and efficiently.

As a result of this structural shift toward unified executive leadership, the Allegheny County Executive gained influence and is now considered the third most powerful elected leader in Pennsylvania behind the governor and the Mayor of Philadelphia. He serves as the single voice and point of contact for recruiting business and industry. He is the chief negotiator in forging cooperation with the Mayor of Pittsburgh, other municipal leaders, and with lawmakers in the state capital.

Departments under the management of the executive branch include the county roads and public works departments, regional parks, health department, jails, budget and finance, and economic development. He also has significant influence in the operation of countywide services, such as the mass transit and the operation of the regional airport, since he is empowered to make appointments to those boards and authorities.

The expanded County Council, most of whom are elected by district, provide increased representation for communities that hadn't had a voice in the former government.

Allegheny voters signaled their approval of the unified executive approach in subsequent elections that eliminated other independently elected county offices and replaced them with appointed positions, further consolidating government under the management of the chief executive. The county maintains a separately elected district attorney, sheriff, treasurer, and controller. The Treasurer collects and invests county funds. The Controller serves as a government watchdog through accounting and auditing responsibilities.

A separate move to regionalize came with the adoption of a 1-cent countywide sales tax. Half that tax is distributed to municipalities and is required to be used to reduce collection of other municipal taxes. The other half-cent in sales tax goes to support the [Allegheny Regional Asset District](#) (RAD). RAD funds are distributed by a nonpolitical appointed board for the support of libraries, regional parks, greenways, civic and cultural entities, and sports facilities.

PUBLIC ATTITUDES IN JEFFERSON COUNTY TOWARD MODERNIZING COUNTY GOVERNMENT

In a 2016 poll of 400 registered voters in Jefferson County, about 60 percent had a favorable opinion of current Jefferson County government. However, residents were even more supportive of a potential change: the election of a managing official for county government rather than leaving it to the County Commission to appoint a manager.

Q | In your opinion, should Jefferson County's manager of government operations be appointed by the County Commission, or should he or she be elected by voters?

APPOINTED BY		
COUNTY COMMISSION	ELECTED BY VOTERS	NOT SURE
11.8%	83.5%	4.7%

Support for electing a manager was strong across all geographic and demographic lines. The lowest level of support was from those households surveyed with incomes over \$100,000 a year. Among those respondents, 67.3 percent favored electing the manager.

LEGAL CHANGES NEEDED TO IMPLEMENT

A Modern Organizational Model

For county governments to take that on a regional leadership role, they need to adopt an appropriate model of organization.

In both the American system of government and in the free-enterprise system, the most common governance model is an organizational structure that divides power between an executive and a legislative branch.

Executives, such as a president or CEO, manage the government operation. A legislative branch, such as Congress or a board of directors, provides oversight of the executive branch and sets a policy and direction that represents the interests or the people or the shareholders.

Such a system establishes rules for operation, clear lines of accountability, and checks and balances that orient the government toward efficiency and guard against mismanagement and corruption.

Around the state and around the country, county governments are undergoing reform and evolution that recognizes the altered role of a modern county government. It has been widely recognized that modern counties need a centralized management system, generally led by an appointed or elected manager.

Jefferson County has been slow to respond to this trend. In 1986, the county underwent a major change in form, transitioning from a system under which three commissioners were elected at-large to one under which five commissioners were elected by district. From 1986 until 2012, Jefferson County in effect functioned with five executives. Those same five commissioners also functioned as the county's legislative branch.

This arrangement did not allow for a separation of powers.

While the potential for corruption and mismanagement exists in any government, the poor structure of Jefferson County government, with its lack of checks and balances and its absence of central executive management, likely contributed to the implosion of county government that followed.

Five different commissioners who served between 1986 and 2012 were subsequently convicted in public corruption cases. For a three-year period, finances were in such disarray that the county couldn't produce an audit. As a result of mismanagement and corruption in the execution and financing of a massive sewer rebuilding program, Jefferson County declared bankruptcy in 2011.

Recognizing the problem, the Jefferson County Legislative Delegation required the county to hire a county manager. With the hiring of county manager in 2012, Jefferson County became the last county in the state to hire a manager or administrator. The county manager system is widely credited with significant improvements in the operation and financial health of Jefferson County. Still, with no elected executive and with county commissioners still exercising some executive functions, the current system does not conform with the classic arrangement of separated executive and legislative powers.

Of Alabama's 67 counties, 29 have an official that is elected countywide who serves as chairman of the county commission.⁴ While their roles and responsibilities vary, those counties at least have a central elected individual who is accountable for how the

county operates. That official is answerable to the voters of the county at large rather than voters in an individual district.

Jefferson County is among 126 counties in the U.S. with a population over 500,000. According to the National Association of Counties, in those counties:

- 65 have:
 - + an appointed county administrator
 - no elected executive
- 56 have an elected executive:
 - 27 have:
 - + an elected county executive AND
 - + an appointed county administrator
 - 29 have:
 - + an elected county executive
 - no appointed county administrator
- 5 large counties have:
 - no appointed county administrator
 - no elected county executive

Arkansas, Kentucky, and Tennessee now mandate that counties in those states be headed by an elected executive.

Under the county manager system, Jefferson County can continue to improve and grow into a trusted provider and partner for regional cooperation. However, regions that have put an emphasis on the county government as a central player in providing regional services have increasingly turned to having a single elected executive as the head of government. A single executive, operating with checks and balances from the legislative branch, can more effectively serve as the county's singular representative, negotiating contracts and managing services for efficiency and responsiveness.

⁴ Alabama Association of County Commissions, [Comparative Data on Alabama Counties](#).

House Bill 53

The creation of an elected executive for Jefferson County would require a local act of the Alabama Legislature. In fact, in 2010 a bill (House Bill 53) that would have created an elected county executive was introduced by former state Rep. Owen Drake.

Representative Drake, now deceased, had served as a department director in Jefferson County government prior to his election to the State Legislature. The structure created by House Bill 53 would be very similar to the organization of the government of Allegheny County. The text of that bill is included in this report's Resource Collection.⁵

Drake's bill would have created:

1 | A county council of five members, reflecting the current county commission districts

Among the powers and responsibilities of the county council would be to:

- Adopt ordinances
- Craft budgets, make appropriations, authorize borrowing, and levy taxes under the limitations of state law
- Confirm or reject appointments made by the county executive
- Review, modify, or eliminate departments
- Override executive vetoes with a two-thirds majority

2 | A chief executive

Among the powers and responsibilities of the executive would be to:

- Approve or reject ordinances
- Enforce ordinances

- Attend but not vote in meetings of the County Council
- Submit to the county council the comprehensive fiscal plan and budget
- Control and be accountable for the administration of all departments and agencies
- Represent the county in all meetings and negotiations involving economic development
- Negotiate and execute contracts
- Represent the county, or designate a county representative, in all meetings and negotiations with the heads of other governmental bodies
- Make appointments to boards and authorities
- Appoint, with the approval of the Council, the County Manager and the County Attorney

3 | An appointed professional county manager

Among the powers and responsibilities of the manager would be to:

- In consultation with the chief executive, appoint and remove the directors of all executive branch departments, except the law department.
- Supervise county business operations
- Hire, fire, and otherwise manage executive branch employees
- Prepare the budget and financial plan

A Question of Representation

While Drake's bill mirrors Pittsburgh's in most regards, his bill creates a County Council with only five county council members, mirroring the current Jefferson County Commission. Pittsburgh and other counties that have revamped their county gover-

⁵ A copy of Drake's bill can be found in this report's [Resource Collection](#).

nance structure have expanded the council in size, allowing for greater representation. They also chose to make the county council representatives part-time rather than full-time.

It is worth considering whether a larger, more representative and part-time council would be a more ideal structure than what Jefferson County has today. The current commission districts are large, with each commissioner representing over 100,000 people. That compares to a State Legislative district, which contains about only about 40,000 people.

The county's current commission districts were set up to conform with a federal court consent decree stemming from a 1985 Voting Rights Act lawsuit. It is possible that any change to the county's governing structure would require amendment of that consent decree. To make such a change, the county would need to file a motion with the federal court to gain approval.

Due to the 2013 U.S. Supreme Court decision known as *Shelby County v. Holder*, states and localities no longer have to seek preclearance from the Department of Justice when making changes that have the potential to affect voting rights.

Considering that, nothing bars the Legislature from changing the structure of government and representation. However, the implementation of the change may require a return to the federal court for approval.

The county executive form could also be set up through a general act of the Legislature. In this case, the county executive-county council form would be created as an option for large counties to select as their organizational form. This route would need to involve a mechanism for triggering a public referendum on the choice of government form.

Even if the local delegation of the Legislature passed a local law creating the executive, that procedure could also include a stipulation that county residents vote on whether or not to accept or reject the model.

ADVANTAGES OFFERED

When Pittsburgh was considering changes to its governmental structure, civic leaders there commissioned a study to examine characteristics of benchmark communities that were experiencing better economic performance than the Pittsburgh region.

That study concluded that:

- Counties that are experiencing significant economic growth have developed targeted and coordinated economic development programs.
- These same counties have streamlined their governmental organizations and functions to support their roles as major players in economic development.⁶

That report, which came to be known as *ComPAC 21*, recommended creating an elected executive, a county manager, and a county council. It laid the groundwork for the Home Rule charter that was adopted by Allegheny County voters in 1998.

ComPAC 21 recommended a single elected executive for Allegheny County because:

"The county urgently needs government modernization and focused economic development. These kinds of changes require central administrative and political authority. No major corporation is operationally led by a committee. In today's world of aggressive regional competition, government needs a single strong and forward-thinking leader.

"In addition to being the chief policy maker of the county, this individual would be the chief representative and spokesperson for the entire region. Key responsibilities of this position would include representing the region at the state, federal, and international levels."

The report also argued for a professional county manager in recognition of the complex and varied opera-

⁶ *Preparing Allegheny County for the 21st Century*, 1996.

tional nature of county government. The report states that the political leadership (the County Council and the elected County Executive) “should focus on overall vision and policy, while the manager concentrates on the day-to-day management of the county.”

It is essential, the report argued, that the manager be a “professional and highly qualified individual,” considering the importance of management, strategic planning, and budgeting functions that should be included within the manager’s operation.

The current Jefferson County Commission, working in concert with the appointed county manager, has made impressive progress in improving the reputation of county government. County departments now run under the day-to-day direction of the county manager.

The Commission provides oversight and sets policy, and does not direct the management of employees.

However, under the current structure, Jefferson County still lacks a governmental leader who is elected countywide and charged with the welfare of the county at large, who is the chief spokesperson and lead negotiator for the county. The county manager owes his position to the elected commission. While the current commission and manager have forged an arrangement that seems to be working, a different manager or differently constituted commission might not be as successful, due to the persisting structural tensions.

WHO IT WOULD INVOLVE

In Pittsburgh, the proposal for a change in county government form grew out of a civic reform movement led by a succession of college presidents, including the president of Carnegie Mellon University and the University of Pittsburgh. Business and civic leadership were also at the forefront.

Here, the support of the local delegation of the State Legislature would be needed if a change of government was made through local law. If the change in form was attempted through general law, the leadership of the State Legislature would need to be approached.

Most change-in-government-form initiatives succeed when there is broad support among current elected officials. Accordingly, county commissioners, as well as other elected officials in the county, such as the sheriff, the treasurer, tax collector, tax assessor, probate judge, and others who would be tangentially affected by the change, would need to be consulted and their support sought.

—
The mayors and city councils of Jefferson County municipalities would need to be persuaded that the change would not harm and would potentially improve relations between the county and municipalities.

Allegheny County’s home rule charter specified that the change in government would not affect municipal powers and prerogatives.

If the change in structure proposal were to go before voters, supporters would need to conduct a public relations campaign to make the case for the change.

HELPFUL PRECONDITIONS

In Pittsburgh, the change in government vote came after almost a decade of public conversation about the need for greater regional cooperation in tackling the Pittsburgh’s economic and demographic challenges.

In the decade prior to the vote, the mayor of the City of Pittsburgh and Allegheny County commissioners

had been persuaded by the business, educational, and civic leadership in Pittsburgh to forge a common agenda for the advancement of the region. Organizations such as the Allegheny Conference on Community Development had labored toward pulling the private and public sector together in the both the county and in the surrounding counties in Southwest Pennsylvania.

This persistent focus on the shared fortune of the region helped create the appetite for the change.

POTENTIAL OBSTACLES

The creation of a county executive-county council form would lead to a change in role for the current county commission. The commission, when transformed into the county council, would retain its role in representing the voice of the people, in oversight, and policy setting.

However, it would shed the elements of executive function the commissioners still retain. Commissioners who prefer the status quo might oppose.

In Pittsburgh, complaints are sometimes voiced that individual county council members are diminished in power, and the county executive has powers and influence that are too robust.

This would likely be an objection raised in Jefferson County, as well. Adding fuel to that concern is the current political alignment of county voters. The current county commission is elected in partisan elections. The current commission consists of three Republicans and two Democrats.

If a partisan election were held for a county executive position, there is a reasonable likelihood that a Democrat would be elected as the County Executive.

In the 2016 General Election, every countywide race was won by a Democrat. Of all the ballots in that election, 65 percent of the ballots cast were as straight ticket ballots, a method of voting in a partisan election that allows voters to vote for one party's nominees in all races, rather than picking and choosing between candidates. In 2016, far more Democrats cast straight party ballots than Republicans.

Table 1. November 2016 Jefferson County Election Totals

	BALLOTS CAST	PERCENT OF ALL BALLOTS CAST
Total Ballots	305,851	100%
Total Straight Party	197,865	65%
Democrat Straight Party	115,903	38%
Republican Straight Party	81,962	27%
Split Ticket	107,986	35%

In an election with straight ticket voting, contests down the ballot, such as Jefferson County races, are heavily influenced by the national and statewide races at the top of the ticket. This phenomenon provided a built-in advantage for Democratic candidates running for countywide office.

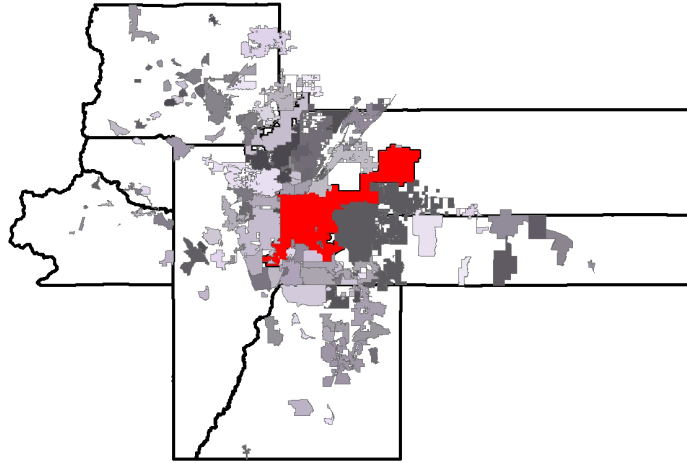
In order to encourage voting on the basis of candidate qualifications rather than party affiliation, consideration should be given to holding nonpartisan elections for county government posts. This is not an unusual approach. After all, Alabama mayoral and city council races are nonpartisan.

APPROACH

Cooperation Through Regional Entities

—

Example Metro: Denver, Colorado



MODEL CITY: DENVER, COLORADO

Another approach to regional cooperation uses existing organizations or creates new ones to facilitate cooperation around specific regional goals.

These organizations, which can cover a county or even span multiple counties, come in the form of voluntary non-governmental associations or in the form of independent public entities created by law to achieve a particular purpose.

Both types exist locally. For example, in the realm of economic development, the private, nonprofit Birmingham Business Alliance serves as an economic development recruiting and marketing organization that represents seven counties in central Alabama.

On the governmental side, an example of a special purpose government can be found in the Birmingham-Jefferson County Transit Authority (BJCTA), which provides public transit across multiple municipal jurisdictions in Jefferson County. However, for reasons discussed below, Denver's special purpose districts are set up differently than the BJCTA and are provided with dedicated revenue and direct accountability to voters.

Denver, Colorado, has both voluntary and governmental organizations that operate on a regional basis. Over the course of three decades, Denver has become a national model for regional cooperation through these organizations.

Voluntary Regional Associations

In the realm of voluntary regional organizations, Metro Denver's Economic Development Corporation (EDC) pioneered a regional approach to economic development that has been widely emulated. While similar to the Birmingham Business Alliance, Metro Denver EDC has key features that enhance its ability to lead economic development for the region.

Also showcased in the previous chapter were Denver's [Metro Mayor's Caucus](#) and the [Denver Regional Council of Governments](#). In both cases, Birmingham has similar organizations in place. However, in both cases, our local organizations might benefit from features of Denver's organization.

Special Districts

Special districts or special purpose governments are governmental entities created to carry out a particular mission. They come in a variety of forms with a variety of control structures. They can span multiple counties and communities.

In Denver's case, the Regional Transportation District (RTD) is a governmental body that provides mass transit for eight counties, including all of Boulder, Broomfield, Denver, and Jefferson counties, parts of Adams, Arapahoe and Douglas Counties, and a portion of Weld County. The RTD is governed by a 15-member, publicly elected board of directors, with each member representing residents of a specific area. The RTD receives the proceeds of a 1-cent sales tax collected in the District. In total, the District includes 2.8 million people spread over 2,400 square miles and provides services such as bus, rail, shuttles, ADA paratransit services, and demand-responsive services in an integrated, interconnected system.

Another example of a special district is the Denver region's Scientific and Cultural Facilities District (SCFD). The District receives the proceeds of a one-tenth of one percent sales tax in a district that spans six counties and a portion of a seventh.

SCFD is governed by an appointed board and distributes the proceeds of the tax to museums, performing arts and cultural groups by formula. The SCFD is subject to periodic renewal, periodically giving voters the opportunity to decide whether or not to extend the tax and the organization.

PUBLIC ATTITUDES IN JEFFERSON COUNTY TOWARD COOPERATION THROUGH REGIONAL ENTITIES

As previously recounted, the 2016 poll conducted by Southeast Research found support for the concept of cooperative regional service delivery. More than 80 percent of respondents said they would be willing to support cooperative arrangements between governments. However, the poll didn't specifically ask question about special districts.

Table 2. Support for Cooperative Arrangements

AREA OF COOPERATION	PERCENTAGE SUPPORTING
Economic Development	84.4%
Cooperate on Legislative Agenda	85.4%
Transportation	82.5%
Streets	82.7%
Parks	79.7%
Police	78.4%
Fire	81.6%
Local Government	80.6%

LEGAL CHANGES NEEDED TO IMPLEMENT

Voluntary Regional Associations

Voluntary regional associations don't require a legal framework. However, those organizations may need to adopt bylaws or rules that encourage more effective cooperation.

Special Districts

Special-purpose districts are established by law. They are generally created by the State Legislature through a local law, a general law, or through the Alabama Constitution. In some cases, the Legislature has given local governments the authorization to create special districts and authorities.

Special purpose districts are distinct from general-purpose governments because of their narrower function and because their boards are empowered to make policy independent of elected general-purpose governmental bodies. In situations of fragmentation, special purpose districts can be created to carry out a particular function in a district that spans several municipalities. The districts can even span multiple counties.

ADVANTAGES OFFERED

Through both voluntary regional associations and the creation of special districts, Denver was able to overcome a landscape of fragmentation and create a sense of regional identity.

Because both the voluntary organizations and the special districts spanned wide geographies, Denver has been able to draw on a wide base of support to pursue ambitious undertakings. Over time and thanks to successes, an appreciation of the shared fortunes of everyone in the region has replaced what had been an “us against them” attitude that pitted local interests against one another.

Voluntary Regional Associations

Through voluntary organizations, Denver was able to develop a regional approach to economic development and recruitment.

In the 1980s, after decades of growing apart, Denver began recognizing how interconnected its metropolitan economy was.

Leaders there concluded that a lack of cooperation and common vision was splintering the region's resource base. Communities were competing against one another rather than banding together to compete with other metro areas in attracting new talent and new business.

Based on that realization, Denver developed the nation's first regional economic development and recruitment organization. Denver and surrounding communities pooled their resources through the Metro Denver EDC to market their communities and recruit business and industry on a regional basis. Novel to that organization was a [Code of Ethics](#),⁷ which bound the member organizations by rules of cooperation rather than competition. The code, signed by participating governments, forbids poaching economic development prospects from regional partners. It set up a system for information sharing that gave all participants equal access to information on potential economic development projects. Within that framework, each community had the opportunity to craft proposals for recruitment targets, all of which would be presented together to the prospect.

Through voluntary associations, Denver was able to develop a common approach to land use planning and resource conservation.

The budding awareness of their regional shared fortunes spurred greater energy and creativity in collaboration and communication. The cities and counties in the region came together through the Denver Regional Council of Governments to craft [Metro Vision](#),⁸ an aspirational, long-range plan that identifies best practices in planning for growth and protecting natural resources. Fundamentals of that plan were the basis for the [Mile High Compact](#), a set of guidelines for sustainable development and planning adopted by most of the governments in the region.

Through voluntary associations, Denver was able to increase cooperation and coordination between cities.

⁷ <http://www.metrodenver.org/about/partners/code-of-ethics>

⁸ <https://www.drcog.org/planning-great-region/metro-vision>

Another outgrowth of that regional awareness was the formation of the Metro Mayor's Caucus, a regular meeting of the mayors in the region, which helps develop consensus and cooperation between cities on issues of regional importance. Through consensus, the mayors form a powerful and effective voice to lobby the state legislature and the federal government for solutions to regional and municipal problems.

Special Districts

Through the creation of special districts, Denver was able to build a broadly supported regional transit system.

The creation of special districts might also be a model for increasing regional cooperation in Greater Birmingham.

The two prominent special districts in Denver, the Regional Transportation District and the Scientific and Cultural Facilities District, create a broad-based regional system of support in their respective fields. Taxes applied throughout the districts that are served support the targeted mission of the two districts.

Through the Regional Transportation District, Denver now has a nationally envied transit system that mixes commuter rail, light rail, buses, and other transportation modes. A 1-cent sales tax in the region generates more than \$340 million annually to support the operation and expand the system.

Through the creation of a special district for the support of the arts, Denver was able to provide a broad-based foundation for regional arts and culture.

The Scientific and Cultural Facilities District (SCFD), created in 1989 and most recently reauthorized by voters in November 2016, provides a regional base of support for museums, cultural attractions, and per-

forming arts groups throughout the region. The SCFD distributes more than \$50 million a year, generated by a tax of one penny on every \$10 of retail spending. An economic impact study published in 2016 estimated that cultural arts spending in the Denver region generated an economic impact of \$1.8 billion in 2015.

Both districts operate in cooperation with, but are independent from, the control of local governments. This allows them to carry out their respective missions using revenue streams that aren't subject to the ups and downs and shifting priorities of the localities.

WHO IT WOULD INVOLVE

Voluntary Regional Associations

Birmingham already has a framework of voluntary associations. Using lessons from Denver, those organizations could further advance regional cooperation.

- **Birmingham Business Alliance (BBA):** Denver's model for coordinated regional economic development inspired the formation of our own BBA, through the 2009 merger of the Greater Birmingham Regional Chamber of Commerce and the Metropolitan Development Board. The BBA developed a strategic plan for regional economic development, known as Blueprint Birmingham, and in December 2016, adopted an updated plan, Blueprint 2020. One aspect of Denver's model that the BBA has not adopted is the operational rules, or code of ethics, which prevents intra-regional competition for economic development prospects.
- **Jefferson County Mayor's Association:** Mayors in Jefferson County meet periodically through the Jefferson County Mayor's Association. Our Mayor's Association could look at the Colorado [Metro Mayor's Caucus](http://www.metro-mayors.org/)⁹ for ideas on how to organize in support of municipal goals. A similar model for

⁹ <http://www.metro-mayors.org/>

municipal cooperation was created in Pittsburgh, [the Congress of Neighboring Communities](#) (CONNECT), which also can offer lessons.

- **Regional Planning Commission of Greater Birmingham:** Birmingham's counterpart to the Denver Regional Council of Governments (DRCOG) is the Regional Planning Commission of Greater Birmingham (RPCGB). Like DRCOG, RPCGB provides staff support developing a plan for how federal and state transportation money is spent in the region. RPCGB also provides planning assistance to municipalities that request it. However, unlike DRCOG, RPCGB does not engage in planning on the regional scale.

Special Districts

The creation of a special district to carry out a particular mission over an area that transcends city and even county boundaries, such as the RTD or SCFD in Denver, would require the involvement of the local delegation of the State Legislature. Other parties involved would vary, depending on the role the special district would play.

A special district could be established to support and/or operate a regional transit system. A special district could provide funding for the arts and culture. A special district could acquire and/or manage parks and greenways. While special districts could play a variety of roles, they must:

- meet an identified need
- be seen as the best vehicle for fulfilling that role
- gain the support of voters
- be set up to ensure accountability to the voters

A key feature of the special districts in Denver is that they are independent of other governmental bodies and have a dedicated source of revenue to support their mission. Both the RTD and the SCFD have provisions for direct public accountability to voters in the district they serve.

For the sake of clarity, it may be useful here to point out how the characteristics described above set Denver's RTD apart from its Jefferson County, Alabama, counterpart, the Birmingham-Jefferson County Transit Authority (BJCTA).

While a small portion of BJCTA's funding comes from a broad-based tax in Jefferson County, the City of Birmingham supplies the bulk of the Authority's public funding. The Birmingham City Council appoints five members of the nine-member BJCTA board. Bessemer, Hoover, Jefferson County, and Vestavia Hills appoint other members. In the case of the BJCTA, Birmingham's majority representation is justified in that Birmingham provides the lion's share of the funding for the agency and receives 90 percent of the service.

However, BJCTA's structure is an impediment to providing transit service throughout the region. Without regional funding and regional governance, the service remains predominantly an enterprise of the City of Birmingham.

Denver's RTD, by contrast, is supported on a regional basis and is governed by an elected board representative of the wide multi-county district it serves. The table below contrasts the coverage area, the governance structure, and the revenue sources for the two entities. Denver's independent RTD is able to make decisions about routes and operation based on the demand for its services, population concentrations, employment centers, and in the interest of traffic mitigation.

Table 3. BJCTA/RTD Comparison

	BJCTA	RTD (DENVER)
Geographic Coverage	Within the boundaries of participating municipalities	Throughout the defined district
Governance	Board appointed by formula by member governments	Board elected by residents of the district
Predominant Local Revenue Source	Negotiated payments from municipalities based on level of service	1% sales tax collected in the district

Thus, in Denver's case, RTD is directly accountable to voters and is not dependent on contributions from cities.

Denver's SCFD governing board is not elected but appointed by governments that cover the participating districts. However, it has built-in accountability measures, as well. Its enabling legislation sets formulas and rules for the distribution of the tax revenue it is charged with distributing. It is a pass-through organization and not a service provider.

It is also accountable to voters, since it must be periodically reauthorized by a vote of the people, allowing the electorate to decide whether or not to continue the tax and the organization.

If Greater Birmingham were to see special districts as a method of meeting regional needs, any district created would need the support of the Legislature and the support of the citizens. Special districts are flexible in their ability to span municipal and country boundaries. They can be created to provide a broad and equitable source of support for regional endeavors. But they should be carefully designed to provide the organizational and representative structure that ensures accountability.

HELPFUL PRECONDITIONS

A Cultivated Sense of Regionalism

Fostering regional cooperation through voluntary organizations or special districts requires a community to believe in the concept of shared interests.

Denver's cooperation movement grew out of an economic crisis: The energy bust of the 1980s left the Denver economy in dire straits. Denver was an isolated city on the edge of the Great Plains with an economy that was overly dependent on mining and gas and oil extraction. The central city had seen a population outflow to the suburbs. The downturn in

the economy also undermined state finances. The erosion of corporate support and state funding for the arts and cultural attraction left museums, zoos, and performing arts groups battered as well.

In response to the crisis, business, civic, and political leaders formulated a plan to redefine Denver as the business, cultural, and lifestyle capital of the Mountain West. And they recognized that the City of Denver alone could not provide the platform for that transformation. It required a regional vision.

Trusted Political Leaders

Denver was blessed to have charismatic political leaders come to the forefront and make the case for regional cooperation. Mayor Federico Peña, who would later become U.S. Transportation Secretary, built a regional coalition to build a new airport. His successors, Wellington Webb and John Hickenlooper, who went on to become Governor of Colorado, carried on his work. The business community maintained unified and persistent support for the ambitions of the region.

Identifiable Common Interests

After an initial crisis of economic challenge, Denver's regionalism was also fueled by the ramifications of its success. Population growth spurred concerns for resource management and preservation of open space. This population pressure also helped bolster the appetite for transportation alternatives to automobiles and the pollution and congestion they caused.

POTENTIAL OBSTACLES

Current controversies over the management of the Birmingham Water Works Board and the persistent difficulties of the Birmingham-Jefferson County Transit Authority may dampen public confidence in our ability to function cooperatively through special districts. At the same time, it should be clear that the flaws in those bodies can be traced in part to design flaws in those organizations that interfere with representation and accountability.

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In its habits of operation and its pattern of fragmentation, Greater Birmingham tends to look for localized solutions rather than regional approaches.

A pertinent example was rejection in 1999 of the Metropolitan Area Projects Strategy (MAPS). In a sense, MAPS was proposed as a special district: an independent entity, which would receive a stream of tax revenue, including a 1-cent sales tax in Jefferson County, and distribute to a host of identified causes.

MAPS was rejected by 57 percent of voters. However, the rejection of MAPS may not have been a rejection of regionalism but may have had more to do with the complicated details of the proposal. Opposition centered on the wisdom of building a domed stadium, the composition and role of the appointed board that would manage the tax revenue, and the permanence of the tax. MAPS had a broad focus, not a targeted one, and lacked the accountability to voters built into Denver's special districts.

There is evidence that Jefferson County residents do support regional initiatives. In 2004, the Jefferson County Commission enacted a 1-cent Jefferson County-wide sales tax for school construction. The funds generated were distributed to school systems throughout the county. The move, which had a clear cost benefit and a sunset provision attached, generated little opposition.

Finding a palatable tax revenue source to support a special district is always problematic. That's particularly true in the case of Jefferson County. With a combined sales tax rate of 10 percent in many Jefferson County municipalities, the sales tax has effectively reached a ceiling. Repurposing an existing tax might be more feasible.

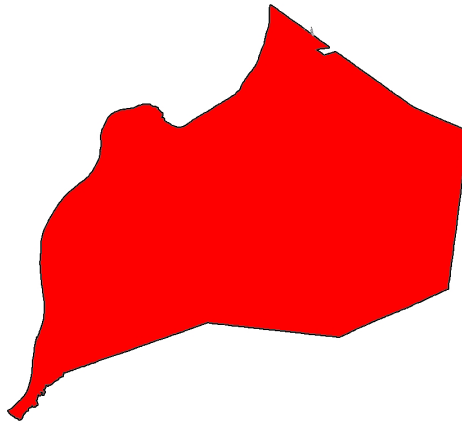
Finally, creating a new special district for a specific purpose adds a new layer of government. Arguably, a special district, unless it is replacing an existing governmental function, increases fragmentation.

APPROACH

Political Consolidation

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Example Metro: Louisville, Kentucky



MODEL CITY: LOUISVILLE, KENTUCKY

A final approach to overcoming fragmentation—and the most dramatic—is uniting the core of the region in a political consolidation. This approach involves the merger of existing governments.

In a theoretical sense, this could involve dissolving all municipalities and school systems in Jefferson County and reconstituting one Birmingham throughout urban Jefferson County. But in a practical sense, that isn't how consolidation works—at least in the modern era.

Around the turn of the 20th century, some of these mega-mergers occurred, the most famous being the formation of New York City in 1898. In fact, modern Birmingham was the product of a merger in the first decade of the 20th century, absorbing several smaller satellite cities, such as Woodlawn, Avondale, and Ensley to form the core of the modern city.

But those kinds of mass mergers haven't occurred in the modern era. Instead, an alternative approach to merger developed in the second half of the 20th century: city-county consolidation.

City-county consolidation typically involves the merger of the central city with the central county, creating one government.

Jacksonville, Florida, and Nashville, Tennessee, employed this approach in the 1960s. In those cases, the central city essentially took over the unincorporated

and undeveloped portions of the county. That move allowed the cities to capture the suburban growth that would subsequently occur, effectively heading off the formation of new suburban municipal governments. In so doing, those cities preserved economic diversity within the city boundaries.

In both cases, a small number of pre-existing municipalities continued to exist within the county. For those cities, the merged city-county government serves as the county government. In the modern history of city-county consolidations, no existing municipalities or school districts or other local governments have been dissolved as part of the consolidation.

City-county consolidations are rare. There have been only 33 successful consolidations since World War II. Since 1970, 110 consolidation attempts have reached the ballot, but only 19 (17 percent) have passed.¹⁰

In all but the rarest cases, city-consolidation has only been successful when the central city represents 60 percent or more of the county's population. Birmingham's population represents just 32 percent of Jefferson County's.¹¹

¹⁰ Leland, Susan and Thurmaier, Kurt, *Lessons from 35 Years of City-County Consolidation Attempts*, *Municipal Yearbook* 2006.

¹¹ Rusk, David, *Cities Without Suburbs: A Census 2010 Perspective*, Johns Hopkins University Press, 2013.

When considering the city-county consolidation model, Louisville, Kentucky, presents the most current and relevant example for Birmingham.

Louisville is the only major city-consolidation since 1970 to include more than 200,000 people. And prior to consolidation, Louisville's population was 37 percent of the Jefferson County, Kentucky, population, an unusually low percentage for successful consolidation. Birmingham's share of the county population, 32 percent, is somewhat lower.

If Birmingham were to follow Louisville's model, the City of Birmingham and Jefferson County would merge. Under the Louisville model, the existing city of Birmingham would become what is known as an urban services district.

The existing city tax structure would stay in place, and the city would deliver the same level of service it currently provides in that area.

However, the mayor of the metro government would be elected by the entire voting population of Jefferson County. A Metro Council elected by districts throughout the county would replace the Birmingham City Council and the Jefferson County Commission.

The Metro Government would combine the operations and services of the city and the county. In Louisville, that meant a single police force would patrol both the city and the unincorporated portions of the county, a unified public works and roads department would service the entire county, though citizens of the urban services district would continue to receive city-type services and amenities, and the unincorporated county would receive a level of service equal to the level of service they currently paid to receive.

Meanwhile, if Birmingham followed Louisville's model, existing municipalities would remain in place and continue to provide the same level of services. Their

existing rates of taxation would remain intact. County-level services, overseen and administered by the Metro Government, would be delivered throughout the county. Because Louisville already had a single school district covering the county, school consolidation was not part of the debate. In virtually all consolidations, independent school districts are left out of the merger. In Birmingham's case, if all other municipal systems were left independent, thought would need to be given to the status of the Birmingham City and Jefferson County Schools.

PUBLIC ATTITUDES IN JEFFERSON COUNTY TOWARD POLITICAL CONSOLIDATION

In the December 2016 survey, we asked voters about their attitudes toward the concept of city-county consolidation. The concept of consolidation is not particularly well known in Jefferson County. However, voters were generally willing to express an opinion on the matter.

Q | As a way to provide services to their residents on a regional basis, some cities have merged with their counties. Would you support or oppose a merger between your city or town and Jefferson County?

GEOGRAPHY	SUPPORT	OPPOSE	NOT SURE
Birmingham City	64.1%	34.4%	1.6%
Midsize City/Town	25.5%	70.4%	4.1%
Small City/Town	40.0%	56.9%	3.1%
Total County	42.8%	53.0%	4.3%

The strongest favorable results were generated in the City of Birmingham with 64 percent of residents expressing support for a merger. The strongest opposition came from midsize cities in the county, where 70 percent were opposed to having their city merged with Jefferson County.

Blacks were more supportive of the concept with 67 percent saying they'd be in favor of a merger. And young adults between the ages of 18 and 34 were far more receptive to the idea with 69 percent supporting merger, sharply higher than any other age group. In no other age bracket was there majority support for a merger.

LEGAL CHANGES NEEDED TO IMPLEMENT

City-county consolidation would be a new concept for Alabama. No consolidated city-county entities currently exist in the state.

That does not preclude the establishment of one. County government form varies in Alabama with much of the variation created by local acts, acts of the Legislature that apply to a single locality. While the Legislature arguably has the power to create a consolidated city-county by Act, the most likely route would be through an amendment to the Alabama Constitution. Such an amendment would require a vote of the people of Jefferson County. In fact, proposals for city-county consolidation are virtually always subject to a public vote.

In Louisville's case, the State Legislature passed a general law applying to Class I municipalities. Louisville is the only Class I municipality in Kentucky. [A copy of that legislation](#)¹² can be found online.

Consolidation proponents in Louisville made sure the ballot language was simple.

"The question to be submitted to the voters shall read as follows:

"Are you in favor of combining the City of (Louisville) and (Jefferson) County into a single government with a mayor and legislative council, keeping all other cities, fire protection districts and special districts in existence?"

ADVANTAGES OFFERED

A Unified Voice

Louisville now has a single elected official who speaks for the city and the county.

In cooperation with the Metro Government Council, the mayor of Louisville Metro can advance an agenda that is endorsed by the community at large, rather than reflecting the needs of the central city. When negotiating with the state or federal government or with business prospects, the mayor carries increased clout and can deliver on promises and keep commitments, rather than being one voice among a chorus of local interests.

The unified government simplifies and clarifies accountability. Citizens, at least those in the city and the unincorporated county area, have one government to look to on most issues. And when it comes to the management of that government, one executive gets credit or blame.

Though suburban communities in Jefferson County, Kentucky, maintained independence, they now have representation in the Metro Government. This involvement has eroded the silo mentality that once prevailed. The suburban representatives on the Metro Council meet in the center city and are involved in addressing the problems of the inner city.

The unified government has been able to move forward on major projects, such as the construction of new bridges across the Ohio River. Prior to consolidation, differing positions held by the city and the county on major initiatives often led to gridlock. In summary, the Metro Government recognizes the shared destiny of the metro area.

A Boost in Size

Thanks to the merger, Louisville is once again the largest city in Kentucky and one of the largest in the

¹² [Kentucky House Bill 647 from year 2000](#)

U.S. It is growing in population and jobs because it can lay claim to growth throughout the county rather than just in the former central city. While this claim may seem cosmetic, it has been important to the psychology of the city and helps to make it more visible as a potential relocation destination for major corporations.

In Birmingham's case, the merged city-county would once again be unchallenged as the largest city in Alabama and among the largest in the United States. (If, like in Louisville, only the unincorporated area residents were counted as an addition to the city, the population would be around 320,000, which would put Birmingham just outside the top 50 among U.S. cities. If the entire county population were counted, the population of Birmingham would be around 650,000, which could land Birmingham in the top 25.)

Development Potential

The combined city-county would control the development of the massive area of unincorporated land in the county. A Birmingham Metro Government would have the financial wherewithal to foster development along the proposed Northern Beltline, much of which traverses unincorporated, sparsely populated, and undeveloped land in the northern half of the county. In the absence of such a government with the resources and expertise to plan and manage growth along that corridor, economic growth in that area will be more difficult to cultivate.

If such development were successful, the consolidated city would have a growing population and an enhanced tax base. That rising tide of resources could be used in support of the revitalization of areas of the city that have suffered from neglect and population outflow.

Pooled Resources

The consolidated city and county would have the pooled resources for public works and roads. If, as in Louisville, law enforcement agencies were merged,

the combined department would combine the resources and coverage of the City of Birmingham and the Jefferson County Sheriff's Office. The jails of the city and county would be integrated. Technology services, building services, financial management systems, and tax collection systems could be combined.

More Voter Control

The consolidated city would eliminate the complaints about taxation without representation. Suburban voters would have a say in how the occupational, sales, and business licenses they now contribute to the City of Birmingham are spent. Presumably, the Metro Government would have the appointing powers now exercised by Birmingham and Jefferson County in regard to the Birmingham-Jefferson Transit Authority, the Birmingham Water Works Board, and the Birmingham Jefferson Convention Complex.

WHO IT WOULD INVOLVE

When communities consider city-consolidation, success requires an alignment of the stars, metaphorically speaking. Most city-county consolidations fail.

Most communities hold multiple consolidation votes before they are ultimately successful. Successful consolidations typically involve an unusual degree of unity involving the following players:

- **Civic Leadership:** Successful movements for consolidation are almost always driven by a unified and engaged civic leadership. These are members of the business establishment, university leaders, newspapers, and civic groups. Without a united and energetic support from this sector, no movement gains traction.
- **The Local Delegation of the State Legislature:** The road to obtaining a vote on consolidation runs through the State Legislature. The local legislative delegation must support holding a consolidation referendum if it is to make it to the ballot. Due

to the typical procedures for local legislation in Alabama, the vote in the delegation itself doesn't have to be unanimous. However, because of the rules in the Alabama Senate, the opposition of even one senator would likely derail the effort.

- **Current and Former Office Holders:** In Louisville, the widely popular former Mayor of the City of Louisville, Jerry Abramson, was a vocal and visible proponent. The sitting chief executive of Jefferson County, Kentucky, also campaigned for the change. Former mayors and county-judge executives were also publicly supportive. In Birmingham, the mayor of the City of Birmingham and the leadership of Jefferson County would be key supporters if the case is to be made for consolidation.
- **Countywide Elected Officials:** Successful consolidations most often have the support of elected officials who are elected countywide. This is particularly true in the case of the county sheriff. If a sheriff opposes consolidation because of the changes it would make to his office's operation, he or she can be a powerful opponent.
- **Public Employee Support:** Public employees often feel threatened by consolidation. Consolidations alter employee and employer relations. Often a stated aim of consolidation drives is to reduce duplication, which can be interpreted as reducing the number of public employees. In successful consolidations, there are typically built-in guarantees of job security. Differential pay and benefits for departments that are merged are generally leveled-up, meaning that employees potentially see a gain for them in the merger. This is one of the chief reasons that consolidations often don't produce obvious and immediate cost savings.
- **Bipartisan Support:** In Louisville, leaders from both parties supported the change. This would need to be true in Jefferson County, since the county is nearly evenly divided between Democrats and Republicans.
- **Minority Support:** Considering Birmingham's history, the protection of minority representation

would be a key concern both for the political viability of the proposal and because of the potential for federal court oversight.

- **Municipal Support:** To avoid sparking opposition from suburban cities, consolidation proposals almost always leave existing municipalities intact. Having the blessing of leaders in municipalities is helpful, while active opposition from municipal officials can doom a referendum. In Birmingham's case, consolidation would likely arouse significant opposition from existing communities north and west of the county along the proposed Northern Beltline corridor. Cities such as Gardendale, Hueytown, Clay, and Pinson may object to the Metro Government foreclosing their opportunities for expansion.

HELPFUL PRECONDITIONS

The successful consolidation in Louisville came after two failed attempts in the 1980s. Thus, the issue had been on the ballot before, and the public was familiar with the concept.

After the failed votes in the 1980s, the city and the county effectively laid the groundwork for future success by forming a compact between the two governments. Certain departments and functions were merged by agreement, so when the issue came up again, proponents could point to a track record of cooperative success. There were also pre-existing countywide departments, such as the Metro Parks and Recreation Department, which combined city and county park and recreation operations in 1968.

Another factor in Louisville's success was the fact that Jefferson County, Kentucky, already had a single consolidated school district. Thus, the issue of schools didn't become the flashpoint it has become in other communities. Schools are always left out of consolidation proposals, but that's not always enough to allay fears that local school autonomy would be somehow compromised.

POTENTIAL OBSTACLES

Louisville's experience suggests that some points raised by the opposition there would be relevant here, and may be even more salient.

First is the question of who benefits. In Louisville's experience, there remains tension over the status of the old City of Louisville in the under the new management of the new government.

Tax rates stayed the same throughout the county, whether in the old city, the still-existing independent suburbs, or in the unincorporated areas.

The residents of the old city continue to receive a higher level of government services than residents in unincorporated areas since residents of the old city still pay higher rates of taxes.

However, with the Metro Government providing all services in the city and the county, questions arise as to whether the higher taxes city residents are paying are helping to subsidize service delivery in unincorporated areas. There was a general expectation that after consolidation, some portions of the unincorporated areas would join the urban services district, but that hasn't happened. Nor have small cities dissolved to join with the urban services district.

The same dynamics might play out here. Of particular interest here would be the fate of Birmingham's occupational tax and business license taxes. Both those taxes are significant to the City of Birmingham's budget. They are collected on businesses and employees working in the City of Birmingham to compensate for the fact that Birmingham provides services to those that work in the city yet live outside the city. Through the collection of these taxes, the City of Birmingham functions as regional government, supporting transit, the Civic Center, and regional assets such as the Birmingham Zoo, the Birmingham Museum of Art, and others. Would the occupational tax apply throughout the county under consolidation? If the base were broadened, could the rate be reduced? If a single

business license was created for the consolidated city-county, how would its proceeds be distributed? Currently, other independent municipalities also depend on business license taxes for a portion of their budgets.

Another potential obstacle is that some city residents, particularly black residents of old Louisville, feel that their political power has been diminished—that the city essentially dissolved into the county.

Due to our civil rights history and our current composition, race and minority representation would be an issue. The city of Birmingham is 74 percent black. Birmingham has a black mayor and a majority black city council.

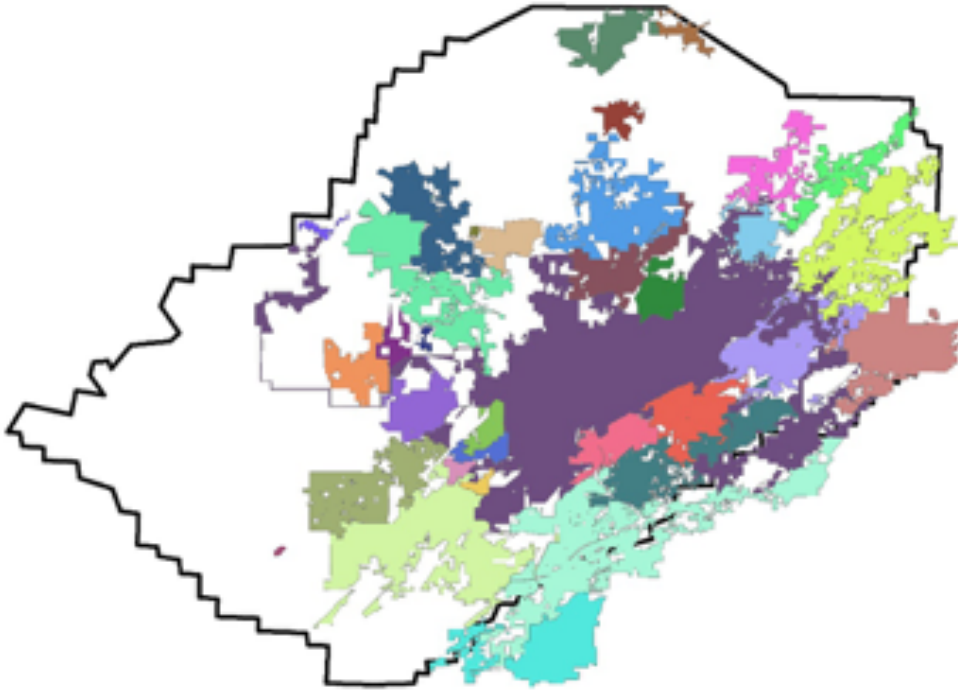
Jefferson County as a whole is 54 percent white. While race needn't be the predominant factor in voting decisions, blacks in a consolidated city would not be assured of the strong majority they currently enjoy in the City of Birmingham.

Even now in the City of Birmingham, there are complaints that the concerns of residents living in distressed majority black neighborhood are not being addressed, while city investment continues to flow into the downtown business district.

If the consolidation is viewed as the takeover of the city by the county at-large, it would likely fail due to the opposition of city residents.

Meanwhile, the persistent climate of conflict at Birmingham City Hall and the current controversies over the management of city entities, such as the Birmingham Water Works Authority, has reinforced suburban mistrust of the political leadership of the City of Birmingham. If consolidation were perceived as a takeover of the county by the city government, it would likewise fail to attract support among suburbanites.

Conclusion



For too long, Greater Birmingham has accepted subpar population and economic growth as our inevitable fate, even as other similarly situated Sunbelt metros have boomed.

Why has our region drifted while others have charged ahead?

As detailed in this report, Birmingham, since 1950, has developed in a fragmented pattern. While the center city has declined in population, a constellation of suburban cities surrounding it has grown.

That's put stress on the center city, but it also has had implications for surrounding metro area. In metros where the city center is struggling, the economic growth of the entire MSA is hampered.

Research indicates that this pattern of governmental fragmentation creates a competitive disadvantage for such metropolitan areas, diffusing resources and decision making, amplifying inequities, and hamper-

ing economic growth in the region as a whole. Such fragmentation makes it more difficult to generate consensus, craft a collective vision for improvement, and implement change.

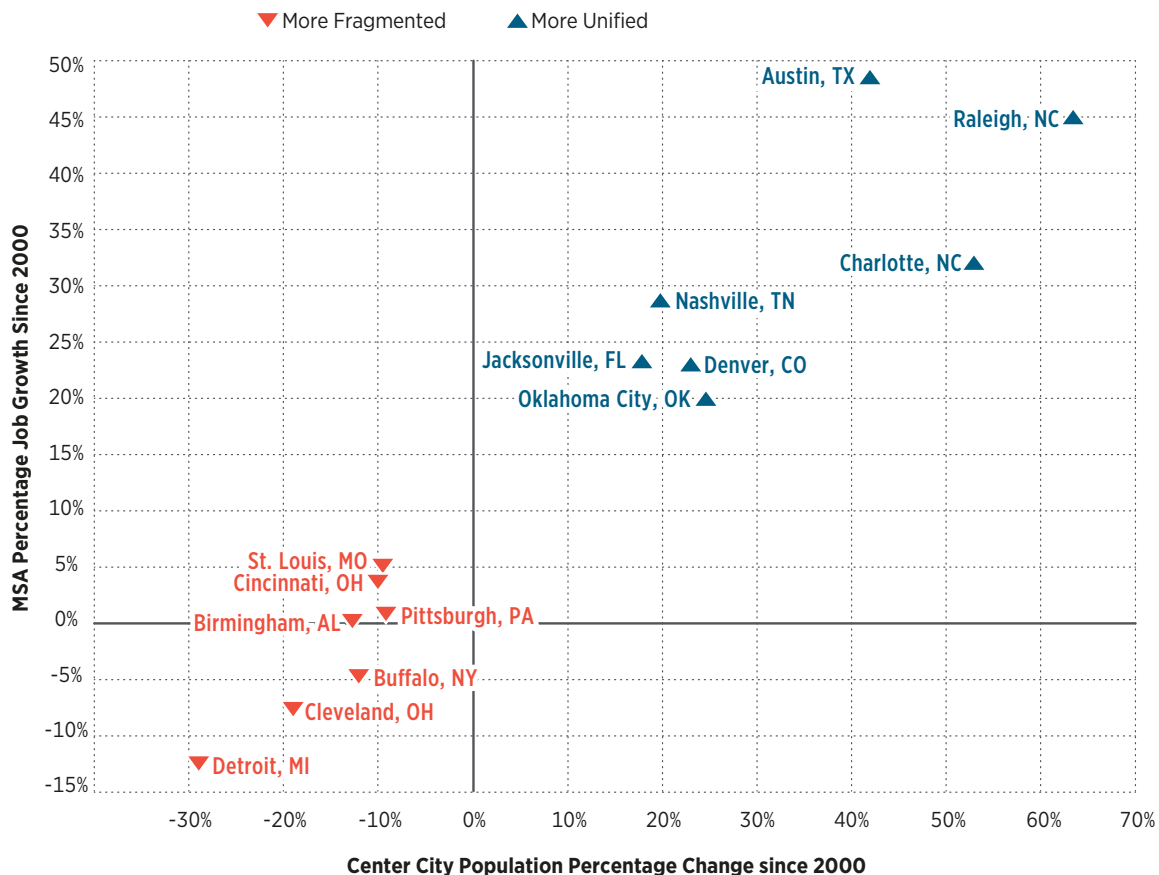
By contrast, in metro areas where there is a unified voice and vision for the future, the population and the economy expand, creating greater opportunity for all. As documented in this report, dynamic cities and regions look for ways to pull together to pursue progress, seeking consensus around ambitious goals. They are self-critical, constantly looking for ways to improve their performance.

For Birmingham, it seems a prime moment to adopt a more dynamic vision for the future. A string of revitalization victories has inspired a revived sense of confidence in Metro Birmingham. Public opinion, especially among a rising younger generation, provides evidence of a willingness to embrace innovation and change.

Other regions have faced the same forces of fragmentation that Birmingham faces. The regions profiled in this report crafted responses that suited their circumstances and pursued them. In all cases, it took sustained energy, often in the face of opposition, over the course of decades.

Greater Birmingham has grappled with this issue throughout its history. From the 1940s through the 1960s, a succession of votes on city-suburban merger proposals were held and failed. In the late 1990s, a regional cooperation proposal, the Metropolitan Area Projects Strategy, also went down in defeat. But past failures afford opportunities for learning from mistakes and working toward creative alternatives, as dynamic cities profiled in this report can attest. This report does not prescribe a particular course of action. However, it does point to the clear need to address the problems caused by fragmentation and presents multiple options for pursuing enhanced cooperation.

Chart 2. Job Growth/Population Change, 2000–2016



NEXT STEPS

In the interest of identifying next steps, the following are suggestions offered for advancing regional cooperation.

Encouraging Intergovernmental Cooperation

Immediate action can be taken to encourage further cooperation through interlocal agreements between local governments. Either through the Jefferson County Mayor's Association, the Regional Planning Commission of Greater Birmingham, or under the auspices of Jefferson County, elected officials and community representatives could:

- 1 | Develop a catalog of existing cooperative arrangements in the area.
 - Evaluate those arrangements for effectiveness and needed improvements.
 - Promote and expand those arrangements to cities and other governments not currently participating.
- 2 | Identify additional areas for intergovernmental cooperation.
 - Find appropriate models from other cities for the establishment of new shared services.
 - Study the potential benefits of new joint service delivery ventures.
 - Pursue those that show promise.
- 3 | Establish continuing organizational support for research and implementation of shared services. In cities and regions where intergovernmental cooperation is encouraged, often a supporting organization is involved in promoting and maintaining a working relationship between local governments.

Examples include:

- [The Congress of Neighboring Communities \(CONNECT\)](#), a non-profit supported by the University of Pittsburgh, which provides ongoing support and promotion for municipal cooperation.
- The [Denver area mayor's caucus](#) which receives staff support from Civic Results, a Denver-based nonprofit firm. Civic Results provide strategic advice and organizational and policy support for the mayors.

Reviewing County Government

As county government can play a leadership role in providing regional services, increased attention should be paid to improving county government.

Jefferson County has made notable progress in improving the county's management and operations. It has now been five years since the creation of the manager's position. The county's financial situation should be further stabilized with the settlement of the lawsuit over a replacement sales tax, providing additional revenue for the county.

Whether through the county itself or through an outside commission, a study should be performed on the performance of the county under the county manager form.

The study should evaluate the success of the new manager form and suggest any improvements to the function of the manager's office, the department's under the manager's charge, and management's relation to the County Commission.

Such a study could also explore whether the creation of elected county executive would be advantageous. The study could also consider whether the other county-level elected offices are appropriately aligned and functional.

When Allegheny County reformed and modernized its county government, a regular process of review through its [Governmental Review Commission](#) was established to periodically review county operations and report to the public its findings.

Encouraging Cooperation through Regional Organizations and Special Purpose Governments

The cities profiled often employ regional organizations and special purpose governments to address needs that are regional in nature and transcend the bounds of existing local governments.

In the profiled cities, regional organizations spearheaded economic development, provided public transportation services, and supported cultural entities, regional attractions, and parks and greenways.

Birmingham has existing regional organizations such as the Birmingham Business Alliance, the central economic development agency for seven counties in the Birmingham region, and the Birmingham-Jefferson County Transit Authority, and the Birmingham-Jefferson Civic Center Authority.

There are a constellation of other private groups working to unite around regional goals for the economic growth in particular sectors, for the development of parks and greenways and support of arts and regional attractions.

In all these areas and others, the effectiveness of current arrangements for regional cooperation should be analyzed. Where the need for greater regional coordination and support is found to exist, models for such cooperation should be identified, and a solution that fits Birmingham's needs should be pursued.

City-County Consolidation: an Unlikely Option

City-county consolidation has been a solution to preventing and overcoming fragmentation in metropolitan areas. Nashville, Tennessee, Jacksonville, Florida, and Louisville, Kentucky can all point to advantages created by consolidation.

However, successful consolidation efforts are rare and occur only after years of civic conversation, incremental cooperative ventures between governments, and an accumulation of public trust. Polling conducted for this research project found a majority of respondents to be opposed to the idea.

The city-county consolidation model offers some unique advantages over other approaches. It is the only option that offers a quick turnaround of Birmingham's population decline. A model of consolidation unique to Birmingham, one that protects the independence of existing cities and school systems, could be developed over time. Consolidation would give all the residents of Jefferson County a stake in and a say in the government of the central city.

However, considering how unfamiliar the concept is currently, and considering the potentially polarizing nature of this approach, a campaign for consolidation would likely be unproductive.

Identifying Leadership

It is up to the citizens of Jefferson County to design governments that are effective, efficient, and equitable. Governmental forms are not handed down from on-high. They are created by citizens banding together in enlightened self-interest to pursue a more perfect union. Democratic governmental forms come in a tremendous variety and are shaped by local preferences and circumstances. In cities and regions that are dynamic and bold, governments are constantly scrutinized and tinkered with in the interest of improving equitable representation and effective delivery of services.

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Greater Birmingham finds itself at a moment of great potential.

At the same time, our recent history suggests, our current institutions have not positioned the community to perform at the level of peer cities.

These observations beg a final question:
who will step up to lead?

Considering the experience of other cities, community civic leadership is not left to politicians. It does not fall as a sole burden on the business community, on university leaders, on civic organizations, or grassroots groups.

It takes leaders emerging from a variety of sources to build the coalition necessary to drive toward a better collective destiny.



**Public Affairs
Research Council
of Alabama**

P.O. BOX 293931
800 LAKESHORE DRIVE
BIRMINGHAM, ALABAMA 35229
205 726 2482

PARCALABAMA.ORG