GOVERNING
THE STATES AND LOCALITIES
May 2019

THREADING THE NEEDLE

In the ongoing opioid crisis, cities are trying a bold—and extremely controversial—new idea.

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Indiana Gov. Eric Holcomb has quietly become one of the nation's most effective state leaders.

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> “We’re making million-dollar decisions on a monthly basis and yet we’re not hearing from any of our residents.”

Miami Lakes, Fla., Mayor Manny Cid, who pushed for his city to let residents call in to town council hearings via a video teleconference app, as reported in a story on Governing.com. Many cities livestream public meetings, but Miami Lakes might be the first with real-time remote public testimony.

Phoning it in: A Florida city is letting citizens join city council meetings via video calls.

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MORE RENTERS—AND OLDER ONES, TOO

In April, Mike Maciag wrote in his monthly Behind the Numbers feature about how more Americans are choosing to rent apartments instead of buying homes (“The Rise in Renters”). That’s especially true among seniors, as Maciag’s colleague J. Brian Charles has reported online.

From 2007 to 2017, Charles wrote recently, there was a 43 percent increase in renters over the age of 60, according to a report from RentCafe, a nationwide apartment listing service. As a result, the median age of renters ticked up from 36.7 years old to 38.1.

The causes behind the rise in older renters are both demographic and economic, explained Mark Treskon, research associate for the Metropolitan Housing and Communities Policy Center at the Urban Institute.

Many senior renters, he said, are baby boomers who never purchased a home. Others are people who lost their homes in the Great Recession and have not bought again. The economic downturn also impacted seniors’ retirement decisions. “There was a downward shift in mobility after the Great Recession,” Treskon said. As older workers aged out of the workforce, they were more likely to stay in their rental homes because the economic downturn ate away at their savings and nest eggs.

For those who can move, larger cities are proving to be attractive. “As people get older, their needs change,” Treskon said. “If you are in a split-level home or a multi-level house, you might want to move to a place with an elevator and amenities in walking distance.”

The share of older renters grew the most in Austin, Texas, where it more than doubled. Other big cities that showed significant gains in older renters include San Francisco, where 24 percent of renters are now over 60; New York, where the share is more than one in four; and Washington, D.C., where it’s one in five. Each of those three cities has seen at least a 20 percent increase in older renters over the past decade.

Many seniors, however, are still clustered in traditional retirement areas, such as Arizona, California and Florida, which is home to 12 of the country’s top 30 cities for older renters. **governing.com**

Bicycle ‘Free-for-All’

Transportation and Infrastructure columnist Nicole Gelinas wrote in March about the failed promise of private bike-share startups (“Dockless and Bikeless”). Readers chimed in about their experience with dockless bike companies.

Having seen Lime scooters scattered in Europe on the street, I don’t see how this business model isn’t just sheer chaos. I’m all in favor of competition, but there’s something to be said about centralized planning, particularly when it comes to transportation services. New York City had separate subway companies competing when the original system was built. But given the different-sized rail cars used, now numbered trains have smaller cars than the lettered cars, making system interoperability less than ideal. The same goes for a bike transit system. It’s a lot more efficient to have centralized stations to return bikes neatly and ensure citizens are using well-maintained bikes than to have a free-for-all.
—Scott Michael Webber, a former capital budget analyst with the New York City Department of Transportation

Correction

The March story “Toxic Waters,” by Daniel C. Vock, detailed how researchers in Lowndes County, Ala., had found evidence of hookworm and other diseases resulting from failing septic systems. The story stated that the researchers were from Baylor University, which is in Waco, Texas. In fact, they were from Baylor College of Medicine, in Houston.

PUBLIC OFFICIALS *of the* YEAR 2019

NOMINATE AN OFFICIAL

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Announcing the Class of 2019

WOMEN IN GOVERNMENT

Leadership Program

Joan of Arc, is a national hero of the French. Although historians regard Joan's role as one of many factors in the winning of the complex 100 years war, her presence both as a warrior and spiritual visionary sparked the beginnings of France's rise as a great European power.

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THE BREAKDOWN

51.2%

The share of total Medicaid costs in New York that are paid by the state itself, the highest such rate in the country.

$45m

The amount of money expected to be raised in one year by Denver's voter-approved 0.25 percent sales tax increase dedicated to mental health treatment.

6,300

The number of South Dakota voters found to be registered at a single fraudulent address in rural Pennington County.

24hrs

The "cooling off" time men would have to wait before buying pornography, according to a bill proposed by a Georgia legislator this spring. The bill, which would also ban vasectomies and require men to get their partner's consent to buy Viagra, was suggested in response to the state's "heartbeat bill," which would ban all abortions after six weeks of gestation. The abortion bill was passed by lawmakers in March.

SOURCES: KAISER HEALTH NEWS, *STATE NET CAPITOL JOURNAL*, *SIOUX FALLS ARGUS-LEADER*, TRIBUNE NEWS SERVICE; IMAGE: SHUTTERSTOCK.COM

A Georgia bill would have prohibited localities from regulating design elements like windows and paint colors—along with more substantive local codes on building materials and standards.

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Preempting Paint (And Other Things, Too)

State legislators have become great micromanagers, preempting local authority not only on major issues such as minimum wage and environmental protection, but on seemingly every little thing down to the regulation of parking spaces. A case in point is Georgia.

A bill was considered in the legislature this year to take away authority from cities and counties when it comes to all manner of building design requirements, including exterior colors, roofs, porches, windows and doors, as well as foundations and the number and type of the rooms inside.

Local officials called it a giveaway to builders and real-estate agents who want to eliminate requirements that cut into their profit margins. "It's certainly in their interest to want to build fast, build cheap and let local officials deal with the consequences of subdivisions that may not fit with a local community's vision of itself," says Todd Edwards, deputy legislative director for the county commissioners' association in Georgia.

As is typical when business groups seek regulatory relief at a higher level of government, builders say they're trying to eliminate a patchwork of confusing and contradictory requirements. The issue isn't what builders want, says Jim Brown, president of the Home Builders Association of Georgia. It's what homebuyers want. Local governments shouldn't tell people what their houses should look like, any more than they should dictate what color clothes they wear. "A builder builds a house based on what people want," Brown says. "We don't build what people don't want. You wouldn't stay in business very long."

The problem with that argument is that there's such a thing as shoddy construction. There's a reason a municipality might insist on certain building materials or standards. Last year, Georgia legislators passed a bill that bars local governments from ordering builders not to use timber in construction of buildings more than three stories in height. If the local authorities think brick or masonry would hold up better, too bad. "They're saying design elements are driving up the cost of housing," says Amy Henderson, communications director of the Georgia Municipal Association, "but really it's the tight labor market."

The bill died this year, but local officials saw it as yet another swipe against their authority, something that could set a precedent to take away their control over all construction questions, including zoning. "No doubt," says Edwards, the counties' lobbyist, "this is an unprecedented usurpation of local authority in the state of Georgia." *—Alan Greenblatt*

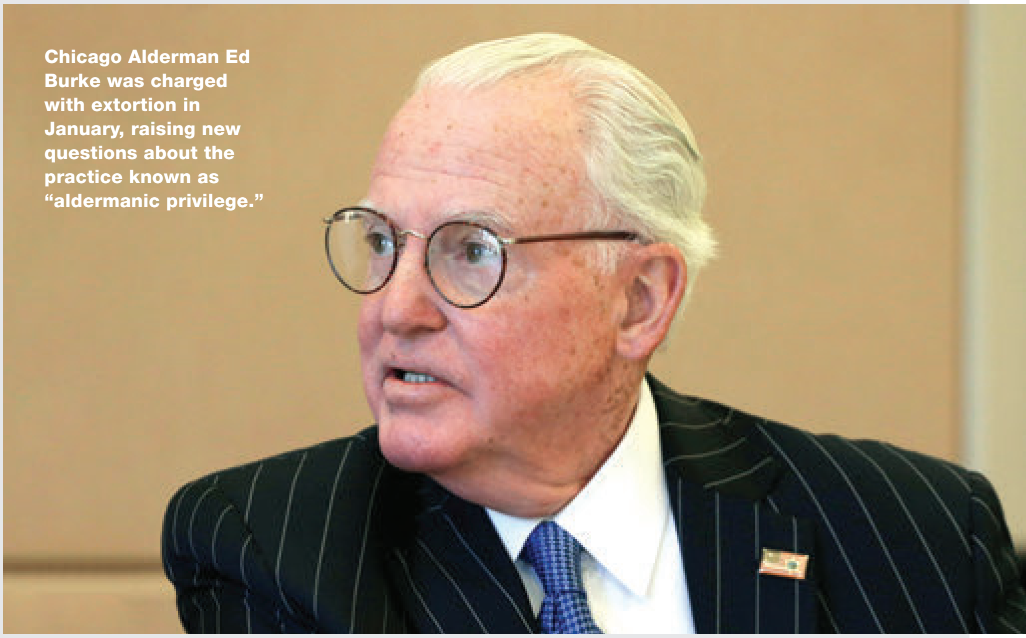
COUNCIL KINGPINS

There are always concerns that city councilmembers can become too parochial, obsessing about how projects will affect their own districts rather than the city as a whole. In two cities, recent scandals have shown that this way of thinking can become an avenue to crime.

In both Chicago and Philadelphia, members of the city council are facing criminal charges that stem from development decisions. Councilmembers in those cities are given unusual amounts of authority when it comes to matters such as selling government-owned land. The practice is known as "aldermanic privilege" in Chicago and "councilmanic prerogative" in Philadelphia. Those terms are mouthfuls that barely hint at the kind of power bestowed on these officials. "With the strong district system that we have and councilmanic prerogative, it seems like it's taken the mayor out of land use planning as a major player," says Jon Geeting of Philadelphia 3.0, a local government reform group.

Lone councilmembers can decide if and when a project will move ahead. Not surprisingly, this creates real problems. In order to ensure get projects off the ground, developers know to approach councilmembers as one of their first orders of business, before there's been a zoning change or request for sale or some other action that's going to be made public. "A developer, by the unwritten rules of councilmanic prerogative, has to get the favor of a council person at a very early stage," says Larry Eichel, who directs the Pew Charitable Trusts' Philadelphia research initiative. "None of that is going to be transparent."

This can have a number of ill effects. There's the obvious danger of sweetheart deals, with politicians ensuring that their friends and campaign contributors get more than their share of the development action. But it can also serve to slow progress, with councilmembers refusing to greenlight projects in their districts. They may reject construction of a hospital, say, or a large mixed-use development the city may need after they've been hit by neighborhood opposition. Academic reports have found, and lawsuits have alleged, that the practice serves to perpetuate racial segregation.



Chicago Alderman Ed Burke was charged with extortion in January, raising new questions about the practice known as "aldermanic privilege."

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Councilmembers insist they know their districts best. And there's certainly an efficiency argument to be made, that cities are better off letting aldermen handle local problems without involving the entire council in relatively minor matters. But in practice, it's clear that some leaders have exploited their positions, lining their own pockets by granting or withholding favor. In a system of checks and balances, granting councilmembers the authority to make executive decisions can be a recipe for corruption.

The high-profile criminal cases in Chicago and Philadelphia happen to have occurred in time for this year's local elections. Privilege and prerogative have gone from terms commonly heard only around City Hall to subjects being talked about by candidates promising to pursue reforms. Chicago Mayor-elect Lori Lightfoot called reforms a "top priority" after winning election last month.

On the other hand, in both cities, these powers are for the most part not written down. Instead, a combination of tradition and professional courtesy has not only kept them intact but expanded their reach. The actions allegedly taken by longtime Chicago Alderman Ed Burke, which led to federal charges, were rooted in how he used his influence, not abuse of a formal power. And courtesies aren't always observed. A major development known as Lincoln Yards has been opposed by the local alderman, but those who represent three neighboring wards want it to happen, so it recently received a positive council vote.

In Philadelphia, the entire city council votes on projects that members who represent districts are pushing. But those votes are merely a formality. During a six-year period, Pew found, the council voted on 730 bills that were based on councilmanic prerogative. Each and every one of them passed—all but four on unanimous votes. "The system lines up the incentives to act in a certain way," Geeting says. "It's hard, because it isn't written down anywhere." *—Alan Greenblatt*

Facing Impeachment? This Lawyer's Your Guy.

If you're a governor, the last lawyer you want to end up hiring is Ross Garber. It's not that he's a bad lawyer. It's that hiring him means you've gotten yourself in serious trouble. Garber is the man governors call when they face threats of impeachment.

Gubernatorial impeachments are exceedingly rare. In all of American history, only a dozen governors have been impeached, with about half of those removed from office. The last one was Democrat Rod Blagojevich of Illinois, who was impeached a decade ago for trying to sell an appointment to a U.S. Senate seat.

But other governors have gotten into enough trouble that their legislatures seriously explored the idea of impeachment. Over the past 20 years, Garber has represented four of them—John Rowland of Connecticut, Mark Sanford of South Carolina, Robert Bentley of Alabama, and Eric Greitens of Missouri. All are Republicans and all of them ended up stepping down except Sanford, who limped through the remainder of his term.

Garber had been active in Connecticut politics when he got a call from Rowland looking for some legal help. Once he'd notched that experience, he began to carve out a niche as the go-to guy for governors in peril. Garber, who has always been fascinated by Watergate, has spent his career at the intersection of law and politics.

It's important to remember, although many of us forget, that while those two fields may overlap, they're not the same. Politicians often end up digging themselves into deeper holes when their impulse is to respond to legal problems in a political fashion—holding news conferences, for example. They should bear in mind the legal implications of their actions, Garber says. All governors at some point do things that the people around them advised them not to do—especially staff lawyers, who are always telling elected officials why they can't do things. After that happens enough times, it triggers a tendency among some governors to think they know best, which isn't always the case once they're entering into uncharted waters. "When you're going through an investigation that's incredibly serious," Garber says, "it's hard to maintain the same good instincts that you have when you're dealing with political issues."

Garber stresses that in impeachment cases, he's not representing the governor as an individual, but rather the governor's office. That means dealing not only with the accused but also with document and interview requests made to staff by legislators and investigators. As the rare individual likely to have been involved in impeachment proceedings before, Garber tries to educate legislators and the public about all the issues and complications that are involved. "For sure, I have a client," he says, "but I think I also have general credibility on the issue."

The impeachment process inevitably turns political—but it's not wholly political. There are legal guardrails in place that vary among the states. In the Bentley case in Alabama, legislators became convinced they could fast-track the impeachment process. They cut too many corners, and Garber successfully won an injunction to slow things down and protect due process for the governor, who ended up resigning in a negotiated deal that bars him from seeking public office again.

It's been a year since Greitens stepped down in Missouri, amid a sex-and-campaign-finance scandal. Since then, Garber has kept himself busy doing other things, teaching law at Tulane University and appearing as a commentator on CNN. But should some other governor find him- or herself perilously close to the wrong side of the law, it's likely that Garber will be summoned once again. Lots of lawyers maintain specialized practices, but when it comes to working with politicians accused of impeachable offenses, Garber has no real competitors. *—Alan Greenblatt*

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Ross Garber represented Alabama Gov. Robert Bentley in 2017, and he has become the attorney to call for governors in political peril.

ARCH ENEMIES

The city of Florissant, Mo., was founded 243 years ago. “Florissant is older than the state, it’s older than the county, it’s even older than the Constitution of the United States,” notes Mayor Tom Schneider. None of that history may matter after next year.

It’s possible that Florissant—along with all the other municipalities surrounding St. Louis—could effectively disappear.

A group called Better Together is collecting signatures for an initiative for next year’s ballot in Missouri. It would merge major government functions in the St. Louis area, including law enforcement, courts, taxing authority, planning, zoning and economic development. The city of St. Louis and St. Louis County, which split up in the “Great Divorce” of 1876, would be recombined, while most services currently provided by the county and the 89 separate municipalities within it would be consolidated.

Some people think it’s about time. Nineteen of the 89 municipalities have populations under 1,000—one has a grand total of 12 residents—while another 31 have fewer than 5,000. Proliferation of governments not only means the added expense of countless separate agencies, but it also creates a struggle for sustainable revenues that leads to the imposition of burdensome fees. Some services, such as sewers, have been consolidated over time, but in most instances the various separate governments go their own way, making regional cooperation a chore. “Why does a region with world-class resources struggle to thrive and compete in a global economy?” Better Together asks. “The answer lies in St. Louis’ outdated and obsolete fragmented structure.”

Nothing has united the area like the proposed merger. Everyone seems to be against it. With the exception of St. Louis County Executive Steve Stenger and St. Louis Mayor Lyda Krewson—both of whom would be expected to play big roles under the new government structure—nearly every elected official in the region is opposed to the idea. As tends to happen with proposed mergers, suburbanites don’t want to take on the perceived problems of the major city, while city residents worry that their political representation would be diluted within the larger area. (If the merger is approved, St. Louis would become the nation’s 10th largest city, with 1.3 million residents. The city’s current population is just over 300,000.)

But it may not matter what the locals think. In a maneuver rarely used in American government, the question will be decided not by area residents, but by voters statewide. It’s already clear how Better Together will sell the idea to the rest of Missouri. If the merger doesn’t pass, backers will claim, St. Louis will end up declaring bankruptcy and the state will have to pick up the tab.

Whatever the facts, that’s likely to be a resonant argument in outstate Missouri, which tends to view St. Louis with a combination of suspicion and derision. And there will be plenty of money to amplify the message, since Better Together is bankrolled by Rex Sinquefield, a retired financier who is Missouri’s leading political donor. “I don’t know of a precedent where you have a type of government forced on a part of the state by the rest of the state,” says Terry Jones, a political scientist at the University of Missouri-St. Louis.

Once approved, the charter for the combined government would be difficult for St. Louis residents to change, requiring a two-thirds popular vote. After decades of resisting serious cooperation, once-proud separate municipalities would find themselves tiny fish in a much bigger metropolitan pond. Schneider, the Florissant mayor, notes that St. Louis city and county residents cast 23 percent of the votes in Missouri, but will be stuck with “100 percent of the consequences” if the initiative passes. —*Alan Greenblatt*

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Assessments

BY ALAN EHRENHALT

Who's the Boss?

Well-run cities need to know who's in charge.

Nick Gradisar used to joke that if Martians landed in his hometown of Pueblo, Colo., and said, "Take us to your leader," he wouldn't know what to say. That's because Pueblo didn't really *have* a leader. Nobody had held the position of mayor since 1954, when the city did away with the practice of designating the council president as mayor. Before that, no one had actually been elected to the post since 1911. Pueblo, population 110,000, is the only American city of comparable size that functioned for the past 65 years without even a figurehead mayor in the corner office.

That's no longer the case. Gradisar fought for years to change the system, got that done in a referendum in 2017, and then ran for the job himself. He won, and this January he was sworn in as the city's first elected mayor in more than a century. Now Pueblo not only has a mayor but a strong one: Gradisar has the authority to make all the executive decisions, handle the important personnel appointments and prepare the budget. The city manager who did some of those things under the old system has already cleaned out his desk.

You're probably wondering just how big a deal this is. After all, cities all over the country have mayors who function largely in a ceremonial capacity while the council or manager takes care of the administrative side. But as the citizens of Pueblo finally realized, there's a difference between a ceremonial mayor and no mayor at all. When corporate executives made site-location visits to Pueblo and asked if they could meet the mayor, they had to be told something like, "Um, we don't have one." Any management consultant will tell you that's not a very good way to impress a CEO.

It's easy to see why Pueblo might have wanted to try something different. Once the second-largest city in Colorado, it slipped to ninth in recent decades after its main employer, a huge steel mill, largely shut down. Its current unemployment rate is the highest among Colorado cities. None of those things can be blamed directly on missing-mayor government. But taken together, they persuaded the city's electorate to move to a strong-mayor system after rejecting the idea decisively eight years earlier.

They didn't have to go as far as they did. They could have just slapped a new title on the council president and left everything else the same. But they felt the need to make a bolder move. "Economic development is a huge issue for that city," says Sam Mamet, the longtime executive director of the Colorado Municipal League. "They wanted someone in charge."

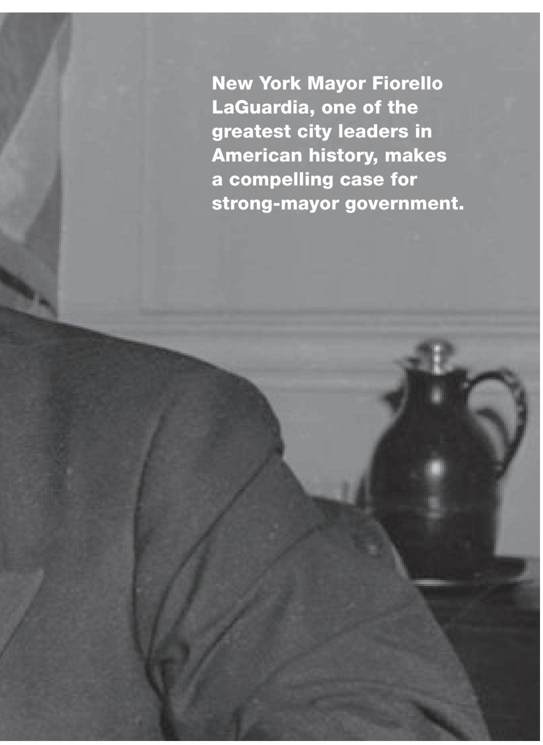
Pueblo is an extreme case, but quite a few cities that long had weak-mayor governments have gone strong-mayor in the past couple of decades. Colorado Springs, just up the road from Pueblo, is one. Among the others are Cincinnati, Oakland, Calif., Richmond, Va., and St. Petersburg, Fla.

If you mention this to people at the International City/County Management Association, they will remind you that the city manager system is the most popular form of urban government in America, used in 55 percent of all jurisdictions, and gaining new adherents all the time. That is true. But it doesn't apply to the largest places: Of the 30 most populous U.S. cities, 21 operate under some form of strong-mayor regime.

And for all the cogent arguments the city management people have made for the past 100 years about the virtues of nonpartisan administrators over politicized and personally ambitious mayors, it remains true that the best strong mayors are the heroes of urban history, the leaders that cities like Cincinnati and Oakland and Richmond longed to produce.

Anyone who has read about Fiorello LaGuardia as mayor of New York in the 1930s, or better yet seen a video clip of him in action—making a hundred decisions in a single day, fully absorbed in his work far into the night, riding all over the city to investigate crime and fire scenes, wheedling billions of dollars for roads and bridges out of the federal government—anyone who has seen this will find it hard to resist the idea of LaGuardia as the gold standard in American urban government. Or consider a less dramatic example: Boston Mayor Tom Menino, whose mildly autocratic mayoral regime in the 1990s and 2000s was instrumental in resuscitating Boston to prosperity and coolness. And of course there are the Mayors Daley of Chicago. You may love them or hate them, but it's hard to ignore the transformation of that city from an overgrown Midwest factory town to a global metropolis over 40 years of combined Daley stewardship.

Other, less-celebrated cities have also made impressive advances in recent years by managing to elect a string of honest and competent strong mayors one after another. Nashville is one example (with the sole exception of Mayor Megan Barry, who in 2018 resigned in scandal after less than three years in office); Indianapolis is another. Those are examples that any aspiring metropolis is bound to look at.



New York Mayor Fiorello LaGuardia, one of the greatest city leaders in American history, makes a compelling case for strong-mayor government.

There have been a few highly visible strong-mayor disasters over the same period. Detroit kept Coleman Young in office for 20 years, starting in 1974, and watched as he all but urged the middle class to leave the city, with ruinous consequences. Kwame Kilpatrick, one of his successors, was sentenced to a 28-year term in federal prison. When strong-mayor government produces the wrong leaders, there are few protections against its abuse.

At the same time, clever politicians elected mostly as figureheads in weak-mayor cities have learned how to make the most of those situations for their own and their constituents' benefit. Freed from the responsibility of managing city services and departments, they have built reputations as dynamic representatives on economic development and national political issues. Henry Cisneros wrote the book on this in San Antonio in the 1980s; Julián Castro rode a weak-mayor position in the same city 20 years later into a federal cabinet position and a presidential candidacy. In Phoenix, Phil Gordon and Greg Stanton took historically ceremonial mayoralties and used them to promote and develop a successful public transit system.

When you add it all up, though, it seems fair to conclude that the original idea of city-manager government, developed by Richard Childs in the early 20th century as a progressive solution to urban problems, has not traveled very well to the 21st. Childs' idea was that the city manager would be an unshakably nonpolitical presence, making decisions on the strength of statistics and hard evidence and avoiding partisan infighting like the plague. The belief survived longer than the reality. Most city managers found it impossible to stay out of politics, even if they were able to eschew formal partisanship. Generally conservative by temperament, they tended to run their cities as offshoots of the local chamber of commerce, often settling on the important decisions with business leaders over morning coffee at a friendly diner in the shadow of city hall. It was nonpartisan government, but it was also, at least by today's standards, closed government. It isn't practical now in any city of decent size.

Over time, strong-mayor and weak-mayor government have tended to move closer together. Many places that used to elect ribbon-cutting figureheads have gradually given their mayors additional tools to work with. At the same time, places that once dumped virtually every form of governmental responsibility on an elected partisan mayor have brought in managers to take over some of their administrative burden. The distinction between the two systems isn't nearly as clear-cut as it was a couple of generations ago.

The one fundamental truth that seems to emerge from a century of experimentation is that no one arrangement is ideal for every city. Almost anything can work with the right sort of community leadership. Dallas and Houston provide an interesting case. Their systems of government couldn't be much more different. In the past several decades, Houston has had a series of strong mayors who have not only dominated the city but frequently become familiar names on the broader urban government scene. Dallas, administered largely by an appointed city manager, has had a series of mayors whose names tend to be forgotten outside the city once they leave office.

The results of these different approaches have been pretty similar. Dallas and Houston both have more than their share of urban problems, but they have largely thrived in recent years, attracting new businesses and residents and earning reputations as two of America's better-governed cities. As the Colorado Municipal League's Mamet likes to say, it's not the system, it's the people.

Still, it's hard to argue with the decision Pueblo made this year. When corporate recruiters knock on the door of city hall, it's best to have somebody sitting at a desk with a nameplate that says "Mayor" on it. The details can be worked out later. **G**

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BY PETER A. HARKNESS

Bad News

The media industry is on the decline, but there may be hope.

I vividly remember watching a rally during the 2016 presidential campaign in which Donald Trump delivered a speech to a hall jammed with supporters in red hats, proclaiming that the reporters in the press pool gathered right in front of him "are the lowest form of human life." Then, moving his hands in small circles, he repeated the last five words again and again, as the crowd roared.

Even though I was not there, it was an uncomfortable moment, reminiscent of a situation I had experienced many years ago as a college student doing freelance work for the United Press bureau in Raleigh, N.C. My beat was civil rights demonstrations and Ku Klux Klan rallies in the area. I witnessed disturbing behavior at both. Occasionally the state's grand Klan dragon would level caustic remarks at the small cluster of journalists in the raucous crowd; then, if the other Klansmen grew overly hostile, he would cleverly deflect them with a touch of humor.

Somehow, NBC News learned that I was covering the Klan and asked me to arrange a meeting between one of their well-known reporters and the Klan leadership. The culture contrast was astonishing. The reporter came down from Washington wearing a pinstriped suit and homburg hat to film an interview with the grand dragon from North Carolina and the imperial Klan wizard, the titular head of the whole organization, both clad in head-to-foot white robes. It seemed awkward at the time, but looking back today, I'm pleased with what happened that day because a national television network was able to interview two Klan leaders. Its viewers would get an idea of what the KKK stood for, and what it stood against. Reality poked through the layers of misunderstanding.

It's hard to imagine that happening now. In the past 15 to 20 years, faith in journalists and the news media in general has seriously eroded. According to a 2016 Gallup report, before 2004 "it was common for a majority of Americans to profess at least some trust in the mass media, but since then less than half of Americans feel that way. Now, only about a third of the U.S. has any trust in the Fourth Estate, a stunning development for an institution designed to inform the public."

Of course, it isn't just faith in national media that's waning. In the past two decades we've seen a near-collapse in the industry's finances. Both print advertising revenues and paid circulation have plummeted. Employment at newspapers across the United States shrank from 424,000 in 2000 to 183,300 in 2016, according to the Bureau of Labor Statistics—a drop of 57 percent.

The decline of the media industry is having an especially troubling impact on state and local government. The negative effect stretches well beyond the traditional role of the press in keeping politicians and their governments honest and above board. According to *Bloomberg News*, various studies have shown that "communities without quality local news coverage see lower rates of voter turnout. Cities where newspapers shut down have even seen their municipal bond costs rise, suggesting an increase in government expense due to a lack of transparency. More broadly, towns without serious local news coverage demonstrate less social cohesion, corroding any actual sense of community."

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So where has all that media revenue gone? You can start with the tech superstars—Google, Facebook and Amazon. They deal with mountains of clicks and information, but make no claim to be journalistic ventures. Meanwhile a whole new breed of news websites has emerged to fill the vacuum: The Daily Beast, Buzzfeed, Axios, Vox, Vice, GeekWire, and Crooked Media. Their traffic, or what we used to call circulation, is impressive; the Daily Beast claimed that its website in 2014 attracted a record 21 million unique visitors. But more recently many of these sites have joined the newspaper industry on the stormy financial seas.

Perhaps there is hope, a very cautious hope, in the emerging group of media oligarchs. Amazon founder Jeff Bezos, reported to be the wealthiest human on earth, is now the steward of *The Washington Post*. Laurene Powell Jobs, the widow of Apple co-founder Steve Jobs, bought a majority share in *The Atlantic* magazine two years ago and has since declared that President Trump's attacks on the media are "right out of the dictator's playbook."

Anti-Trump bias like that cannot be ignored in any analysis of today's media landscape, yet the stunning irony is that the Trump presidency has been a key factor in the resurgence of traditional media icons, the heart of what the president calls the "fake news" establishment.

The New York Times and *The Washington Post* both were facing serious financial problems in the lingering wake of the Great Recession. But after Trump's election victory, revenue from paying subscribers boomed, replacing much of what had been lost in advertising. The *Times* held on to about 1 million paid subscribers for the printed newspaper, but added 2.5 million digital-only customers. The trend at the *Post* is similar. It isn't just newspapers. NPR's hourly newscasts now have close to 30 million listeners via 947 broadcast stations—a reprieve for a network that a short time ago seemed to be facing a potentially disastrous falloff of interest among millennials. What has become known as the "Trump Bump" seems to have changed that. G

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Easing the Pain of College Debt

With students across the country facing a collective $1.5 trillion debt load, Republican Sen. Lamar Alexander of Tennessee is seeking ways to make college more affordable. The education committee chair isn't suggesting free tuition. Instead, he's looking to change the rules governing financial aid. He wants to drastically shorten the forms that students and their parents fill out; crack down on those who don't repay their debts, which will help bring down costs for others; and simplify repayment plans by letting borrowers meet their debts based on a percentage of their discretionary income.

Alexander, a former U.S. education secretary, is pushing to get legislation through before he retires at the end of next year, and hopes to have a bill on the Senate floor this summer. His proposal has drawn criticism, however, from those who say it fails to address the problems of students who take on debt but fail to graduate. The proposal may be a tough sell. Congress is more than a decade late in reauthorizing the federal higher education law. *—Alan Greenblatt*

New Challenge to Abortion Providers

Signed into law by President Nixon and championed by then-Congressman George H.W. Bush, Title X of the 1970 Public Health Service Act has historically been a bipartisan program—it's the only federal grant program dedicated to family planning and reproductive care.

That consensus is under challenge by the Trump administration. A final rule issued earlier this year by the Department of Health and Human Services will prohibit Title X grantees—about half of which are state and local health departments—from performing abortions, or referring clients for abortion services. If a clinic wants to continue performing abortions, it would have to be physically separated from the area of the clinic receiving federal funds. The administration has also indicated that priority will no longer be given to comprehensive health clinics, and that faith-based clinics promoting fertility awareness and abstinence education will be favored.

This change mirrors legislation passed in Texas in 2011. That year, the state cut family planning dollars and redirected most of what was left away from reproductive health clinics. As a result, 82 clinics closed within a year, Medicaid births increased, and claims for long-acting reversible contraception decreased.

More than 20 states, several Planned Parenthood affiliates and the American Civil Liberties Union have filed suit against the rule. If the legal challenges prove unsuccessful, the rule could go into effect this month. *—Mattie Quinn*

Tackling the Marijuana Cash Problem

Medical marijuana is legal in 33 states and the District of Columbia, and among those, one third have approved full legalization for recreational use. But most growers and sellers can't get bank accounts for their business.

That's because the drug is still illegal under federal law, so most banks don't open their doors to the industry. This forces many businesses to deal with large amounts of cash, making them targets for violent crime and making it difficult for states to track and collect the tax revenue they're owed. But there appears to be momentum at the federal level toward addressing the issue.

The SAFE Banking Act now before Congress would prevent federal banking regulators from punishing banks for working with legal cannabis businesses. This is the second time a bill of this nature has surfaced, but this year, there are 138 bipartisan cosponsors in the House. That's a notable increase from 95 two years ago. The bill has been approved in committee, which means it's already made it further in the legislative process than the previous version. *—Liz Farmer*

Urban Notebook

BY SCOTT BEYER

Three Years in America

Lessons from a long trek to discover the country.

As readers of this column likely know, I've been doing some traveling. I just completed a three-year cross-America trip, living for a month each in 30 cities. It began in the fall of 2015, when I left my hometown of Charlottesville, Va., and headed for Miami. From there I moved roughly clockwise, ending up in New York City in late 2018. I took the trip to research urban issues, to explore our country's great cities and find out what makes them unique—and what common challenges they all share.

Now the trip is done, and while I'll continue writing this column, I'd like to step back and reflect on what I learned in my travels.

I got to see firsthand how our country is undergoing massive and fascinating demographic changes. People are moving into major metros, while rural America declines. And these metros are rapidly urbanizing: Not only did I witness the "Great Inversion" of population back into cities described by my colleague Alan Ehrenhalt, I also saw the fast-growing suburbs sprouting around them. This growth has made major metros the new heartbeat of America, full of jobs and diversity. The trend has occurred disproportionately in Sunbelt metros, such as Houston, Dallas and Atlanta (all stops on my route), which have become America's biggest boomtowns.

All this growth has created housing shortages in many of the metros where people most want to live. Part of the reason the Sunbelt has grown so fast is that it has "elastic" metros with strong job markets but relatively less-regulated land use policy. So housing there gets built to meet demand. "Inelastic" metros, largely in the Northeast and on the East and West coasts, have more regulated land use and less construction.

Consider the 2018 Census figures for home permits: 5 of the 6 most active metros were in the Sunbelt, including Dallas (63,000 permits), Houston (57,000), Atlanta (39,000) and Phoenix (31,000). Meanwhile, many coastal metros have arguably greater demand, but, because of their building-averse NIMBY politics, less activity. San Francisco, San Diego, Portland and Boston each had under 18,000 permits.

Atlanta and other Sunbelt cities have become the nation's biggest boomtowns.

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Throughout my travels, I grew convinced that the housing shortage in those inelastic metros has become America's seminal urban issue. It's forced people—particularly the millennials of my generation—to live in crowded apartments, endure long commutes or move away from their preferred cities altogether.

This led me to identify what's likely the biggest cause of anti-housing NIMBYism: transportation. For existing residents in these metros, it's unclear how new transplants will get around, or where they'll park. Congestion is a big concern even in smaller cities. That's compounded by the fact that public transit isn't working; even as major metros grow, transit ridership has fallen in 31 of the 35 major transit markets. So just because more people move to an area doesn't mean they'll discard their automobiles for transit; in fact, economic growth in U.S. cities has become synonymous with greater traffic.

The answer to this dilemma isn't straightforward, but I think it will surface when cities truly learn to price car-related infrastructure. Right now, driving and parking feels "free" to drivers. But if cities installed per-mile congestion charges and dynamically priced parking policies, they would force a demand for more efficient use of city space.

My final big takeaway was simply that America is a great place to roam. This nation is vast; it feels like 100 countries in one. That's why America should never have uniform planning prescriptions. More housing is needed, as a general rule. But how that housing will be laid out, and which transportation grids will best serve it, deserve regional and local answers. Perhaps in a decade or so, I'll take another cross-country trip to see how this urbanization has unfolded. G

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Behind the Numbers

Taxing Incentives

Tax breaks may (or may not) create jobs. But do they help a state's overall fiscal health?

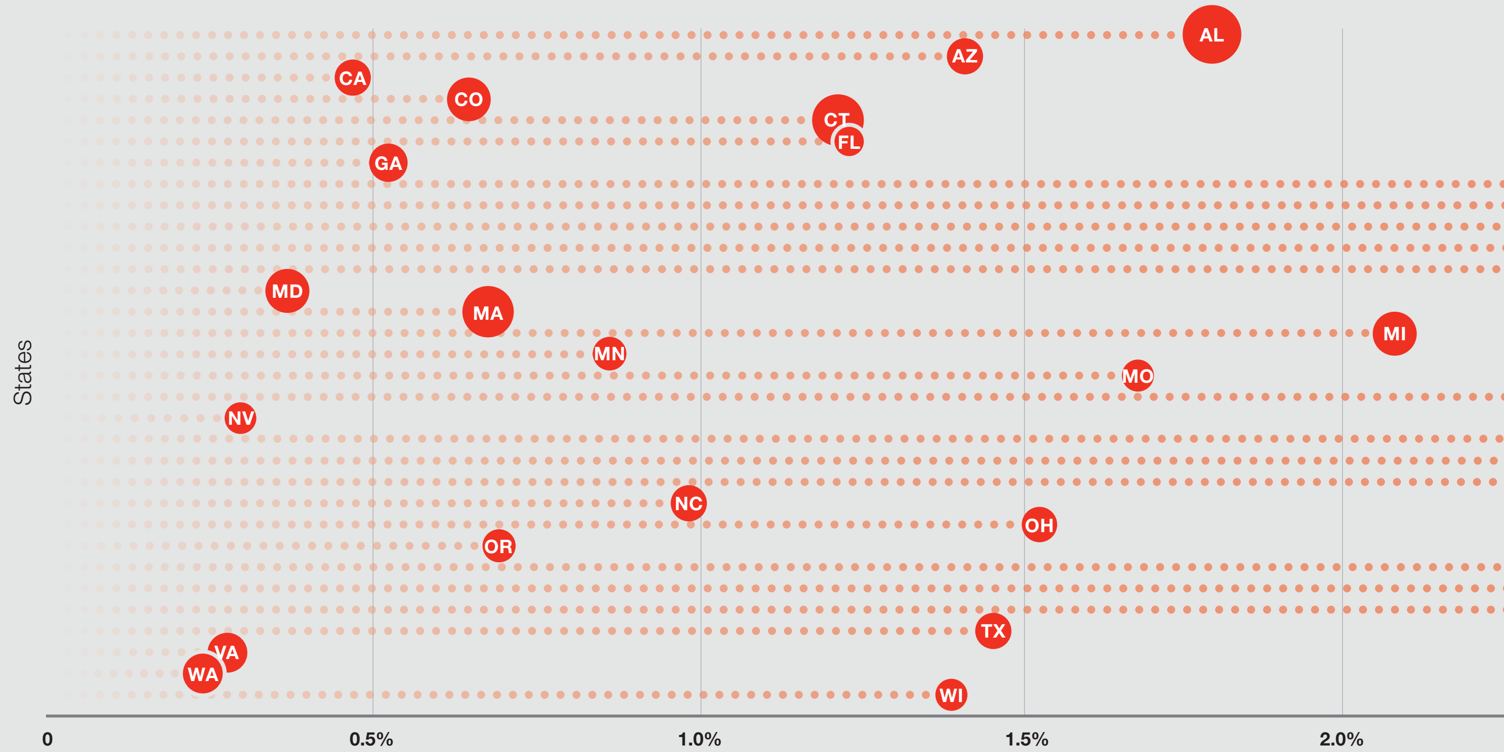
The debate over tax incentives usually centers on whether they lead to job creation and other economic benefits. But governments must also pay attention to their own bottom lines. This begs the question: How do all the financial incentives that states offer actually influence fiscal health?

New research seeks to answer that question. Using data from the W.E. Upjohn Institute for Employment Research, researchers at North Carolina State University tallied all incentives offered by 32 states from 1990 to 2015, effectively covering 90 percent of incentives nationally. What they found doesn't portray incentives in a positive light. Most of the programs they looked at—investment tax credits, property tax abatements, and tax credits for research and development—were linked with worse overall fiscal health for the jurisdiction that enacted them.

"It's not that incentives are bad or that we shouldn't use incentives," says Bruce McDonald, an NC State associate professor who led the research team. "But if a state or local government is going to provide an incentive, there needs to be some kind of clarity on what the realistic expectations are for what they might get back."

The forthcoming study represents what's likely the first large-scale national analysis examining how various incentives influence state finances. To assess fiscal health, McDonald's team considered three measures: state debt, dependence on the federal government as a source of revenue, and the ratio of total expenditures to revenues. They further controlled for 17 other factors, including economic growth, demographics and political party control.

Tallying States' Financial Incentives



Data unavailable for 12 states not shown.

BY MIKE MACIAG

The incentive most associated with weaker state fiscal health across all metrics was research and development tax credits. McDonald says this is because R&D, when successful, generates broader effects on the national economy but may leave the individual communities in a sponsoring state out of the boom.

The study found a smaller negative fiscal effect from property tax abatements, which include states' picking up the bill for corporate relocations. As governments abate property taxes, they become increasingly reliant on income taxes, sales taxes or other more volatile sources of revenue that pose greater risks for budgets.

Job-creation tax breaks—accounting for the single largest portion of total incentive spending—didn't yield a statistically significant relationship with fiscal health. "It might be that the new people employed are providing a positive contribution back to the state through the taxes," McDonald says, "but I suspect it becomes a wash as the taxes pay back what was spent on the incentives."

Nationally, tax incentives as a share of state and local business taxes nearly tripled between 1990 and the early 2000s, according to Upjohn Institute research. More recently, that number hasn't fluctuated very much. Some states have curbed their awards while others have become more aggressive, keeping the aggregate share roughly the same.

Of the states McDonald's team studied, those relying most on financial incentives between 2013 and 2015 were Iowa, Louisiana, New Mexico, New York and Pennsylvania. (The study measured incentives as a percentage of the value added by a state's industries, which represents the value of products produced beyond costs of materials.) In terms of weakened fiscal health, the state with the highest average ratio of expenses to revenues was Alabama, followed by Kentucky, Louisiana, Massachusetts and Pennsylvania. Nevada and Oregon, two states with especially strong economic growth in recent years, recorded the most favorable ratios.

States can better predict expenses by regularly forecasting and monitoring incentive programs. They can control costs in a number of ways, such as by setting caps, requiring companies to meet specific benchmarks, and funding incentives through budget appropriations rather than open-ended commitments, recommends Mark Robyn, who studies incentives at the Pew Charitable Trusts.

Certainly, incentives may generate new tax revenue from economic activity. But it's important to consider that this comes at a cost, as new jobs and other gains result in greater demand for government services. "When considering incentives," Robyn says, "policymakers should also be aware of the full range of budget impacts beyond the 'sticker cost' of the incentive." G

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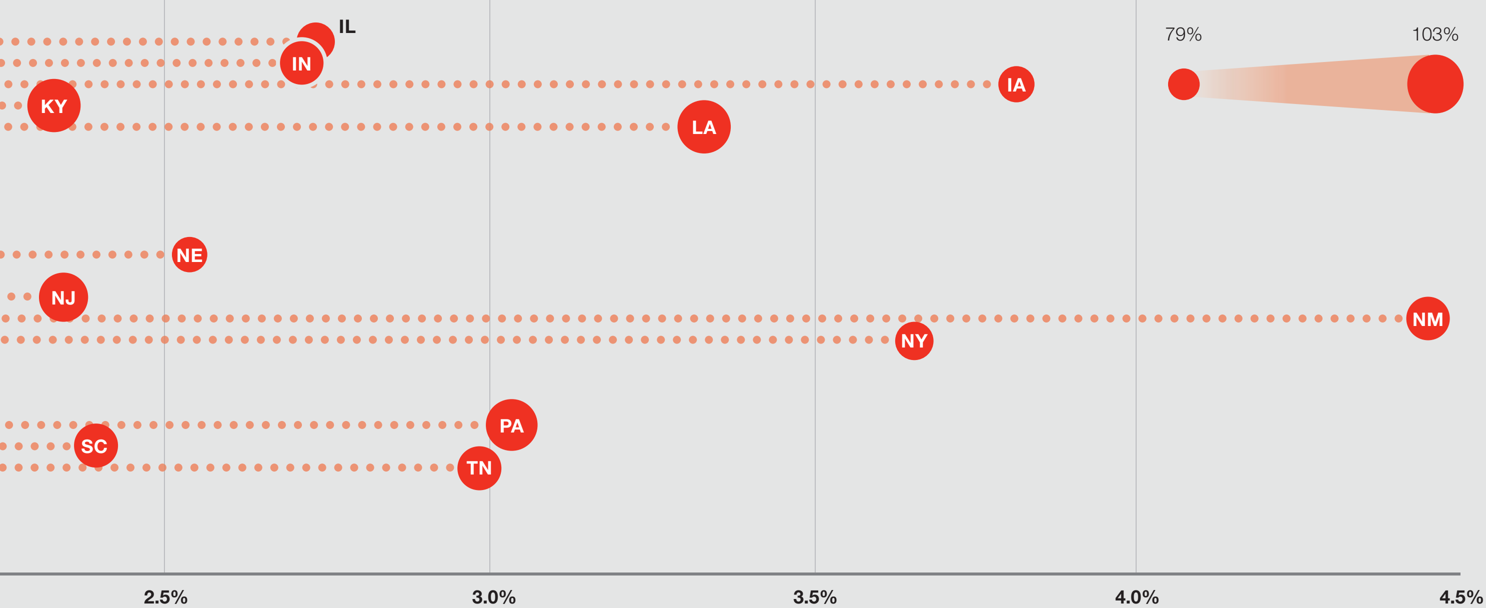
A North Carolina State University study links greater use of incentives with worse fiscal health. The dotted lines below show average use of financial incentives from 2013 to 2015. For example, states at the far right, such as Iowa and New Mexico, relied more on incentives, while states at the left, including Washington and Virginia, relied on them relatively less given the production of their industries.

One measure of fiscal health is a state's total expenses as a share of revenues. Averages between 2013 and 2015 ranged from 79 percent for Nevada to Alabama's 103 percent. The larger a state's circle is, the worse its fiscal health is by this measure.



2013-2015 Average Annual Incentives as % of Value Added by Each State's Industries

SOURCE: MCDONALD, DECKER, JOHNSON AND ALLEN (2019)

A SAFE SPACE

IS THE U.S. READY FOR ITS FIRST SUPERVISED INJECTION SITE FOR DRUG USERS?

BY MATTIE QUINN

The Overdose Prevention Society in Vancouver

JOHN LEHMANN PHOTOGRAPHY INC.

THE DOWNTOWN EASTSIDE NEIGHBORHOOD IN Vancouver, British Columbia, looks a little worse for wear. On Hastings Street, the decrepit buildings are a mix of boarded-up windows, cheap bodegas and fast food joints. The sidewalk is littered with trash, and a line of homeless people, along with their belongings, tents and other makeshift shelters, winds down the block. On a recent Wednesday morning, the crowd was surprisingly lively. It was 9 a.m., but it looked like no one had yet been to sleep from the night before.

One storefront on Hastings houses a small facility that at first glance seems like any traditional community health clinic. Inside the door is a reception area with mismatched chairs and murals on the wall. In the back, beyond a partition, there's a larger room with a big central conference table and half a dozen small cubicles along the wall. The clinic is run by volunteer health workers, trained in reversing drug overdoses and testing opioids for lethal chemicals.

But this is not a health clinic. It's the Overdose Prevention Society, a safe consumption site where intravenous drug users are welcome to come in and shoot up with no questions asked. The volunteer health workers are on hand to make sure users don't overdose, and to dress any wounds from needle use. On this Wednesday morning, most of the cubicles are in use; the people sitting in them are injecting themselves with various opioids. A couple more sit at the conference table, riding out their highs and staring off into space. Near the back exit, two staffers huddle over a computer and a lab machine, testing the street drugs for lethal substances such as carfentanil and fentanyl, a synthetic opioid 50 times more potent than heroin that started becoming commonplace in overdoses about five years ago.

Vancouver opened the first safe injection site in North America in 2003, in response to an HIV outbreak in British Columbia. It's called Insite, and it's just up the street from the Overdose Prevention Society. Insite is more akin to a full medical facility, with a team of at least 10 professionals at any given time, and a detox center on site. There are treatment beds, and the staff can connect users to addiction services, counseling and other resources. It's open until 3 a.m. seven days a week, and 24 hours a day during the week when social welfare checks are distributed and drug use spikes. Insite is supported by the Vancouver health authority, and its legal status has been legitimized over the years: After the minister of health in Ottawa tried to shut Insite down in 2006, the Canadian Supreme Court unanimously affirmed its legality, ruling that shuttering the clinic would have an immediate negative public health impact.

"It's now ubiquitous in the community, and really a point of pride," says Insite manager Darwin Fisher. In some circles, it's even hip: One trendy local boutique sells T-shirts and tote bags with a needle emblazoned across the front and the words "Be Safe. Inject at Insite."

But the Overdose Prevention Society, which opened in 2016, represents a new kind of approach—smaller, nimbler "pop-up" sites that the city has approved in recent years in response to the ongoing opioid epidemic. Some 1,500 people died from overdoses in British Columbia in 2018, roughly the same number as the year before. Eighty-five percent of those deaths were from lethal amounts of fentanyl. In an effort to reduce the number of overdoses, Vancouver has opened six new safe consumption sites since late 2016. They don't offer the same medical expertise or recovery services that Insite does. But the city regards them as something of a temporary triage in the battle against opioids. They're easy to set up and can be located (and relocated) where they're most needed. When overdose victims began showing up in one alleyway, officials drove in a trailer and began inviting people to inject there in order to keep a close watch. Another was sited next to a hospital where many overdose victims seek care. Yet another is restricted to women, to reduce the incidence of being in an incapacitated state around men who may harm them.

Canadian officials seem to be embracing the idea of pop-up injection sites. Since the Overdose Prevention Society and other clinics opened in Vancouver, similar facilities have been set up in Montreal, Toronto and other cities. There are now around 25 across Canada—including in more conservative provinces. At these newer pop-up sites, the main focus is simply on keeping people from dying. "Previously, we had dead bodies in an alley," says Mark Lysyshyn, a medical health officer at Vancouver Coastal Health, the regional public health authority. "Now we have an overdose consumption site, and people are alive."

Sarah Blyth echoes that sentiment. Blyth, a well-known community activist in Vancouver, started the Overdose Prevention Society and still runs it today. She seems to know everyone who walks through its door by name, making small talk with them

At Vancouver's Insite clinic, which in 2003 became the first supervised consumption site in North America, drug users can receive help with addiction services and other resources.

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as they shuffle in from outside. She believes safe consumption sites are "the first step into recovery," and the drug-purity testing services they offer mean that users "will know if they're taking really terrible stuff." But the most important value of these facilities, she says matter-of-factly, is simple: "No one dies at these sites."

That seemingly straightforward proposition is about to be tested south of the Canadian border: Several U.S. cities are actively exploring the possibility of setting up a safe injection site. Half a dozen American cities in the past few years have announced plans to open a supervised consumption site. So far none has, but it's possible that the first could be up and running by the end of this year.

It's hard to overstate just how controversial that would be. There are an estimated 100 supervised consumption sites worldwide, mostly in Europe. While the idea has become more accepted there and in Canada, it remains wildly divisive in the United States. Giving junkies a free, comfy spot to inject themselves with illegal drugs not only condones drug use, critics say, it encourages more of it. And supervised clinics would invite crime and other illicit activities wherever they're located. The Trump administration has threatened to arrest any city officials who open a safe injection site.

But many health workers see it as their best hope to stanch a worsening crisis. More than 70,000 Americans died from drug overdoses in 2017, and the number of fentanyl deaths has been doubling every year since 2013, according to new data from the Centers for Disease Control and Prevention. Although the death rate is still highest among white people, the sharpest increases have been among African Americans (whose fentanyl death rate increased an average of 141 percent each year from 2011 to 2016) and Hispanics (whose rate rose 118 percent on average over the same period).

In the face of harsh numbers like those, officials ought to be doing anything in their power to keep more people from dying, say many health experts. "Our overdose rate in Philadelphia is triple our homicide rate," says Jose Benitez, director of Prevention Point, Philadelphia's needle-exchange program. "We need to be real with ourselves that fentanyl has changed everything. We need to respond accordingly."

Philadelphia, in fact, may become the first U.S. city to actually see a supervised site open its doors. A nonprofit called Safehouse has vowed to open a clinic in the city by the end of 2019.

The group was created by community health leaders who decided to circumvent state legislation by creating their own privately funded supervised injection site. Safehouse was trying to fundraise $1.8 million and was working with community leaders to find a proper location for a clinic. Then in February, a federal prosecutor in the city filed a lawsuit against the group; U.S. Attorney William M. McSwain said at a press conference that "normalizing the use of deadly drugs like heroin and fentanyl is not the answer to solving the opioid epidemic."

Philadelphia's mayor, health commissioner and district attorney have all voiced support for Safehouse. "We are not going to prosecute people who are trying to stop people from dying," Philadelphia District Attorney Larry Krasner said after the lawsuit was filed. "We had 1,200 people die last year. I think it is inexcusable to play politics with their lives." Pennsylvania state leaders remain wary; Gov. Tom Wolf last fall said injection clinics were "not a workable solution." Former Gov. Ed Rendell, however, sits on Safehouse's board.

At issue is a 1986 federal law known as the "crack house statute," which prohibits making any property available "for the purpose of unlawfully manufacturing, storing, distributing, or using a controlled substance." That includes safe injection sites, the federal government argues.

Safehouse has pledged to proceed anyway, despite the legal uncertainty. In late March, the group announced it had found a site for the clinic in Kensington, a neighborhood at the heart of Philadelphia's opioid crisis. (A local developer announced plans to donate the space to Safehouse, rent-free.) "We're moving forward," says Safehouse vice president and secretary Ronda Goldfein, adding that she feels heartened that the lawsuit is a civil procedure and not a criminal case. "We have no money and we're being sued, but we're moving forward."

Philadelphia's Kensington neighborhood has long been the center of that city's opioid crisis. Now it may be home to the nation's first safe injection clinic.

Local leaders across the U.S. are watching. After fentanyl began showing up more prevalently in overdoses, several cities began exploring the idea of a safe consumption site. Seattle officials were the first to formally greenlight a plan. Boston, Denver, New York and San Francisco have also discussed the idea. None of those proposals has gotten very far. In Seattle, logistical challenges of funding and securing a site have stymied plans for a clinic. California legislators last year approved a law allowing San Francisco to pilot a site, but it was vetoed by Gov. Jerry Brown, who said he simply didn't believe such a facility would reduce drug addiction; lawmakers have taken up an almost identical bill this year, and new Gov. Gavin Newsom has voiced support for it. In Massachusetts, a state task force in February recommended to Gov. Charlie Baker that the benefits of opening a safe injection site outweigh the concerns; Baker remains opposed to the idea, and one state representative who served on the task force says it will likely be "a long road" before such a facility could open in Boston. In New Jersey, meanwhile, lawmakers are considering a bill that would allow a yearlong pilot of four different injection sites.

Many of the officials who object to safe injection sites, including Brown and Baker, have cited the federal government's opposition to them as part of their reasoning. What's the sense in trying to open a clinic that the feds have vehemently vowed to shut down? Because of that, some health experts say they're actually glad to see the current lawsuit in Philadelphia. "I think it's a really helpful development," says Jessica Gaeta, chief medical officer at Boston Healthcare for the Homeless. "The crack house statute in question wasn't written to address public health impacts of an overdose. I think it's a healthy thing that this conversation is happening in the courts now, as opposed to if it opened and there was litigation brought against people."

Of course, even if the courts do determine that injection sites violate federal law, some cities could decide to open a clinic anyway, especially if state legislation in places like California or New Jersey were to give them cover. After all, marijuana remains illegal under federal law, and two different presidential administrations have now allowed dispensaries and cannabis shops to continue operating in 33 states and the District of Columbia.

Most Americans right now oppose supervised injection sites. A 2018 study from Johns Hopkins University found that only 29 percent of people approve of them, with 39 percent of people supporting similar programs like clean needle exchanges.

Nonetheless, there is a growing consensus among researchers that these facilities work. No one has ever died at any safe consumption site around the world. In Vancouver, studies over the years have shown that Insite has reduced overdose deaths by 35 percent and has resulted in a 30 percent increase in the number of people seeking treatment for addiction. As for the concern that clinics beget crime and homelessness, numerous studies have found that conditions in the neighborhood around Insite have largely remained the same. In fact, in the past two decades that facilities like Insite have proliferated across the world, there has only been one study that was critical of supervised injection clinics, which found that they didn't have a significant impact on mortality or syringe sharing. But that study was retracted by *The International Journal of Drug Policy* a month after publication for "methodological weaknesses."


San Francisco Mayor London Breed has vowed to open a supervised consumption clinic in her city. State lawmakers last year passed legislation to allow it, but the bill was vetoed by Gov. Jerry Brown.

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"We have hundreds, if not thousands, of people walking around Vancouver who wouldn't be around if not for safe injection facilities," says M-J Milloy, a research scientist with the British Columbia Centre on Substance Use who has studied Insite's impact in Vancouver.

Research on the impact that such sites would have in the United States is limited, but generally favorable. One study published in *The American Journal of Preventive Medicine* found that a supervised consumption site would save the city of San Francisco $3.5 million in annual health-care and emergency services costs, and would drastically reduce public injection and discarded needles.

"A lot of this work hasn't been surprising, because it mirrors research that's come out of Canada," says Alex Kral, an epidemiologist at the University of California, Berkeley, who has extensively studied the issue. "There's nothing about Insite that couldn't work in America. With us having 70,000 deaths, in my mind those numbers are enough for us to try it."

Fisher, the Insite manager, says he understands the hesitancy to open a similar clinic in the United States. It's an entirely new paradigm on harm reduction, requiring most people to recalibrate the way they view drug users, addiction and treatment. "We've spent a hundred years telling these people to go away, to live on the margins, to do this procedure in egregious situations in the most unsafe places in cities," he says. The central truth of supervised consumption sites, he says, is that "these places acknowledge the existence of these people." G

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TAKING

TO REVIVE ITS ONCE-BUSTLING AIRPORT, PITTSBUR

FLIGHT

GH REBUILT ITS STRATEGY FROM THE GROUND UP.

BY DANIEL C. VOCK / PHOTOGRAPHS BY DAVID KIDD

Christina Cassotis wanted a flight to London. But not for herself. As the CEO of the Allegheny County Airport Authority, Cassotis wanted to restore London service from the Pittsburgh International Airport, which had lost it in 1999.

Back then, the route made sense for British Airways: Pittsburgh was a US Airways hub, which meant it could connect flyers from Europe to destinations all over the United States. But US Airways pulled out of Pittsburgh in 2004 (and then was subsumed by American Airlines a decade later). After Cassotis was hired at the airport in 2015, one of her first meetings was with British Airways officials to start the process of luring the international carrier back to her airport.

It wouldn't be an easy sell: The airline could choose any destination within flying distance of London for new service. But Cassotis has racked up a number of successes since she was brought on to revitalize Pittsburgh's once-bustling airport. In less than four years, she has increased the number of destinations served from 37 to 67, and doubled the number of carriers from eight to 16. The number of passengers using the airport has increased by 20 percent, reaching its highest level since 2007. She's accomplished that not by hanging her hopes on attracting an airline hub to replace US Airways, but by bringing back the airport one destination and one airline at a time.

Still, restoring service to England loomed large. "London was this big gaping hole in the portfolio here," Cassotis says. So she set out to woo British Airways back. The intense three-year courtship that followed reflects the new realities that midsize U.S. airports face today in an era of airline consolidation. It underscores the shift toward a truly global marketplace, one in which cities aren't just competing with peers in other states but with far-flung destinations on other continents. And it suggests that former hub cities can still compete, even if their original business model no longer works.

When Pittsburgh International opened in 1992, it signaled a new era in air travel for the city. After the collapse of the steel industry in the 1970s and 1980s, civic leaders had looked to diversify the area's economy. Rebuilding the airport to accommodate US Airways' growing business was part of that strategy.

"Pittsburgh was flat on its back," says Rich Fitzgerald, the Allegheny County executive. One of the moves the county commissioners made was to invest in a new airport. "We built it for US Air," Fitzgerald says, "hoping that they would grow jobs here, putting their hub and their headquarters here." The move meant replacing the beloved "Greater Pitt" airport which, when it opened in 1952, was one of the largest airports in the country. Despite several expansions over the years, the airport couldn't handle the volume of traffic US Airways was bringing in. The new airport was four times the size of its predecessor.

Because it was built to be a hub, Pittsburgh International was designed to make it easy for people to switch planes. Its 75 gates are arranged in an "X" shape, which cuts the distance passengers must walk to get from one gate to another. At ground level, eight miles of conveyor belts move luggage around the entire "X," so that bags are easily transferred from one plane to another. The layout also makes it easy for planes to get to their gates. They can circle the airport with no obstructions and approach their gates from one direction and leave by the other. Having all the planes go in the same direction minimizes wait times and, importantly for the airlines, reduces fuel consumption. The airport's four runways allow different planes to take off and land at the same time, even in bad weather. (Airlines often divert their planes to Pittsburgh when other airports in the Northeast are closed because of bad weather.)

The hub approach meant some tradeoffs for Pittsburgh-based passengers. They enter the airport through a separate building for ticketing, baggage claims and security and then must take an underground train for half a mile to get to their gates. They also paid a premium to fly. With US Airways the dominant carrier, there was very little competition that would have lowered ticket prices.

For a while, Pittsburgh's strategy paid off. Traffic at the airport reached 20 million passengers in the late 1990s, only one-fifth of which came from the Pittsburgh market. But the drawback of building a hub for US Airways is that it tied the airport's fortunes to those of its chief tenant.

Christina Cassotis has overhauled the way Pittsburgh International Airport does business.

US Airways grew rapidly in the 1980s, in part by buying other airlines. Starting in the 1990s, though, it ran into several problems, and its shareholders pressed it to be sold. A planned takeover by the parent company of United Airlines fell apart in early 2001. The 9/11 terrorist attacks later that year left the entire airline industry reeling, but US Airways was especially hard-hit. It filed for bankruptcy twice between 2002 and 2004. Amid those troubles, US Airways abandoned its hub in Pittsburgh, setting off a cascade of problems that nearly bankrupted the airport. The carrier had signed a 30-year lease, and the county had issued $600 billion in bonds that were supposed to be paid for by the airline. The county scrambled to keep afloat, using state aid tied to gaming revenue to help plug the holes. When that wasn't enough, the airport, which owns 9,000 acres atop the Marcellus shale formation, leased its land for natural gas mining.

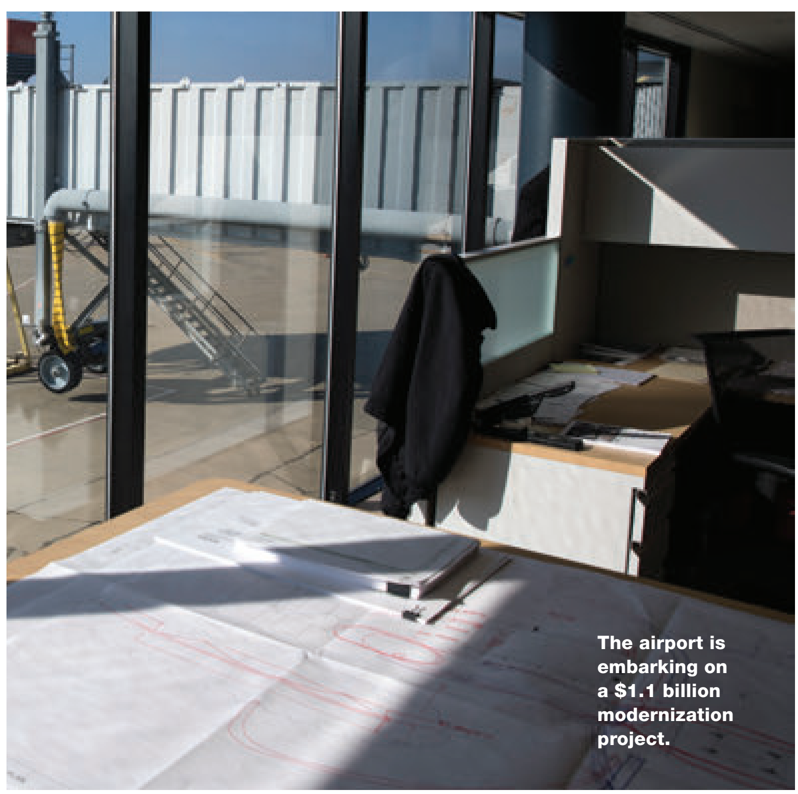
In short, says Fitzgerald, the pullout of US Airways was a financial gut-punch for Pittsburgh. "That was a second devastating economic blow after steel in the early '80s."

Local leaders worried that having an airport with declining passenger traffic and fewer destinations was hampering the region's efforts to remake its economy. They had worked with area universities to build Pittsburgh into a tech hub, with special emphasis on robotics, artificial intelligence, finance and life sciences. By the start of this decade, those efforts had begun to pay off. Google, Facebook and Ford now have significant operations there; Uber hired 1,000 employees to test autonomous vehicles.

Many of those new investors and tech executives wanted direct flights to the West Coast or to Europe, where they were based—connections that were lost when US Airways left town. So after the county stabilized the finances at the airport, Fitzgerald and other local leaders conducted a national search for a new director. Their biggest goal: more destinations.

That's partly what made Cassotis an attractive candidate. She had no connections to the Pittsburgh area (she's from Boston), and she had never been an airport executive. But she had spent 17 years as a consultant whose main job was to help airports attract new airline service. It was exactly the kind of expertise the search committee wanted. Six weeks into her job, Cassotis shared her vision for the airport with the public for the first time. It caused some consternation. When she told a gathering of local tech leaders that she wanted to "drive a stake into the heart of the hub," Cassotis recalls "an audible gasp in the room."

But she understood that in the decade since US Airways left Pittsburgh, the airline industry had changed drastically. Airlines were consolidating, and when they did, they concentrated their operations at bigger airports. Other midsize hubs like Cleveland, Nashville and St. Louis had also seen their primary carriers leave and their traffic evaporate. At the same time, other changes in the industry made it easier for Pittsburgh to focus on its role as an "origin-and-destination" airport rather than a pass-through hub. One development was the growth of ultra-low-cost carriers like Allegiant, Frontier, Spirit and Sun Country. These airlines offer bare-bones service, often to popular vacation spots, and move in and out of markets relatively quickly. Meanwhile, established airlines were adding long-range aircraft like the Boeing



The airport is embarking on a $1.1 billion modernization project.

Old and new: Pittsburgh's airport opened in 1992 and was designed specifically to serve as a hub for US Airways. Plans call for the future terminal to

787 Dreamliner that are smaller and more fuel efficient than older models, like the 747, and could service cities that aren't hubs.

"We had to redefine expectations, but also redefine success," Cassotis says. She points out that the origin-and-destination market "is a lot more certain. If an airline pulls out, someone else will fill the market need, because people want to go there."

Cassotis spent a lot of time changing minds. She had to emphasize that getting new service wasn't about convincing airlines that Pittsburgh was a great city that deserved a new route. Rather, it was based on how service in Pittsburgh would align with the airline's existing network. "There's not an airline CEO who wakes up in the morning and says, 'What are we going to do for Pittsburgh?'" Cassotis is fond of saying. "We have to be working from, 'What can we do for them?'"

That shift in thinking also recognized that the airport's main competitors weren't other nearby cities but sometimes those on far-off continents. British Airways, for example, can send a Dreamliner anywhere within 9,000 nautical miles of London; any city in that radius is a potential rival.

The move to an origin-and-destination business model means the airport has to go beyond making sure runways are plowed and that flying is safe and efficient.

It must work closely with area businesses, civic groups and tourism organizations. "Before, our pitch was based on having a great airport," says Craig Davis, the CEO of Visit Pittsburgh. Now the city had to show airlines that the community supported what the airport was doing. So Cassotis invited Davis, along with Pittsburgh business leaders, to go with her to the global World Routes conference, where airline executives meet with airport officials once a year to discuss new service. "The airlines expect to see the airport there," Davis says. "But having the tourism agency there is very refreshing to them. It suggests there is a real commitment."

Such close cooperation makes it possible for the airport to keep tabs on companies that are opening new offices or expanding into new lines of business in other regions, and on what plans local business leaders have for travel. That information helps build the case for new routes by, say, figuring out how many oil and gas executives working in the Marcellus shale need to fly back and forth to Texas.

Audrey Russo, the president and CEO of the Pittsburgh Technology Council, says the collaboration works in other ways. The federal government, for instance, puts tight restrictions on how airport revenue can be spent, but the tech council can market the airport and Pittsburgh in other cities in ways the airport itself could not. The airport, meanwhile, promotes the local tech industry with displays and videos for visitors to see in the terminals. The airport also provides amenities like Wi-Fi that are important to the tech community, and regularly meets with the group about developments in the air travel industry. "It's in our mutual interest to partner, because of the need we have for talent, capital, leisure and business travel," Russo says. "Those are critical variables that are needed to grow a city."

RENDERING: ALLEGHENY COUNTY AIRPORT AUTHORITY VIA APIMAGES.COM

be located directly adjacent to the gates, to better serve the airport's changing mission.

Pittsburgh International Airport has tallied up a lot of wins since Cassotis took over four years ago. It restored flights to Europe, added more regular service to the West Coast and welcomed a charter flight from China, which Pittsburgh business leaders hope will be a sign of more connections in the future. Passenger traffic increased for four straight years, something that hasn't happened at Pittsburgh since at least the 1990s. In the span of one year, two different industry organizations named Pittsburgh International "Airport of the Year."

But all the while, Cassotis and her team were still pursuing a connection to London. They started, as everyone in the business does, by analyzing traffic data. They knew those numbers alone wouldn't convince British Airways, so they tried to figure out how they could persuade the airline's executives that Pittsburgh fit into their business model. "We met them at conferences. We met them at their headquarters," Cassotis says. "We worked hard to get them here, to actually show them that Pittsburgh is not a rundown steel town, and they were shocked."

The visits also helped Pittsburgh allay another of the airline's qualms: that it wouldn't be able to sell enough tickets in coach. That was an odd thing to be concerned about: Airlines are typically more worried about selling their first class and business class seats, which generate higher profits. As British Airways officials struggled to explain why they were concerned about coach, Cassotis offered this: "Is it that nobody wants to go to Pittsburgh for vacation?" "Exactly," they said. So Pittsburgh tourism officials played up the city as a place where European visitors could experience America apart from New York, Las Vegas and Orlando.

Of course, airport officials also emphasized all the other benefits of Pittsburgh International. They pointed out that the airport, with its experience as a hub, could offer amenities like catering kitchens and ground-handling equipment that similar-sized markets often don't have. They got third parties to vouch for the Pittsburgh airport, even when those third parties were other airlines. That meant paying special attention to American Airlines, because American Airlines and British Airways are part of the same corporate alliance. "If BA thought we were fantastic and picked up the phone and called American, and [American] said, 'No way,' that's not going to get us far," Cassotis says.

The key, she says, is tying the organization's focus into everything the airport does every day—keeping bathrooms and lounges clean, runways plowed, jet bridges in place on time, baggage delivered quickly. "That stuff matters," she says. "There's no job here that's unimportant to our retaining or attracting new airline service."

Last year, the airport even sponsored a reception at the new U.S. embassy in London. Government and business leaders from Pittsburgh were on hand to talk up the city. Tour operators and travel writers who were looking into Pittsburgh were there. The city invited U.K. employees of Pittsburgh companies to join them. "I think it was a little bit like, 'Wow. You guys are walking the walk,'" Cassotis says. "But it took three years of building credibility for them to really see if we were real."

Soon afterward, Cassotis got the call she'd been hoping for. British Airways would begin flying in and out of Pittsburgh in the spring.

One of the last remaining details was how much the airport would chip in to subsidize the service. The payments are politically unpopular, but Cassotis says they're necessary to compete. "For BA to fly that 787 in here, it will cost them $50 million. I promise you $1.5 million a year [in contribution from the airport] did not tip the scale for them. What it does is make them feel you're in it with us, you're going to work hard to make sure it succeeds. The worst thing in the world is to bring an airline in and say, 'Hey, we're done!'"

The first Pittsburgh-to-London flight in 20 years took off last month. Now, Cassotis is embarking on a project to update the airport's facilities to match its new, more targeted mission: a $1.1 billion modernization of the airport's landside terminal that houses its ticketing and security operations. The new facility will be attached to the gates—no more underground train or eight miles of conveyor belt for luggage. Instead, passengers will be able to get off their planes and walk straight to baggage claim. The plan will reduce the number of gates at the airport from 75 to 51, but the airport currently only uses 40 anyway. The new building will take away the ability of aircraft to circle the terminals, but it will reduce upkeep costs.

Cassotis is also talking with the Federal Aviation Administration about permanently closing one of the airport's four runways, which otherwise would be due for reconstruction, in order to save on building and maintenance costs.

"This was not built for Pittsburgh, this was built for US Airways," Cassotis says while sitting in her office in the landside terminal, gesturing to the gates out her window. "This building doesn't work for the market we have today. The best way of reducing our costs and increasing our efficiency is to put a terminal out there."

Meanwhile, the airport is trying to build more business using some of its underutilized assets, like land it owns. Airport officials are developing some 3,000 acres of land on their property for businesses to locate nearby and are working to build up the airport's cargo traffic. The goal, Cassotis says, is to run the airport more like a company without losing sight of the airport's role as a public entity.

The path to airport recovery is hardly ever smooth. WOW Air, an Iceland-based discount carrier that was providing service between Pittsburgh and Reykjavik, stopped flying into Pittsburgh in January. (Facing serious financial difficulties, the airline ceased operations on all its flights in late March.)

The loss of the airline was a blow. It catered to a different set of customers than British Airways does. Without it, the discount travelers in Pittsburgh's market will no longer have year-round trans-Atlantic service. "You never get to rest on your laurels," Cassotis says. "There's no backing off." **G**

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The first Pittsburgh-to-London flight in 20 years took off last month.

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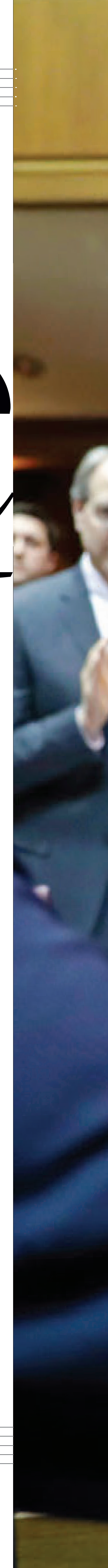
Mr. Nice Guy

Indiana's governor doesn't scream, doesn't threaten, and doesn't even complain. He just wins. **By Alan Greenblatt**



Gov. Eric Holcomb

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Building a road north and south through the vast middle of the country, cutting all the way from Mexico to Canada, has been a national dream dating back to the 1950s. It's always fallen short. Driving south from Canada, you can only get through Michigan before you run out of road. Indiana, the self-described "crossroads of America," has issued endless studies about how to complete the proposed Interstate 69, but it's never managed to accomplish the feat. Finally, about a decade ago, construction began in sections from the southern part of the state heading north.

The process has continued to have serious hiccups. Five years ago, the state entered into a contract with a company to build a section of I-69 south of Bloomington. The company lacked both the expertise and the financing to get the job done. Subcontractors weren't getting paid, and construction ground entirely to a halt. Then, shortly after taking office in 2017, Gov. Eric Holcomb tore up that problematic contract, bringing the job back in-house at the department of transportation. Less than two years later, the work was done. Now Holcomb is proceeding with the next section of highway, running from Martinsville to Indianapolis. This particular section is considered the most complicated, due to the number of bridges, overpasses and underpasses involved, but the state is on track to get it done by 2024, which would be three full years ahead of schedule.

It's just one project among dozens that Indiana's governor has underway. Last fall, he announced a billion-dollar infrastructure plan that will create new interchanges on other highways, provide a big investment in rural broadband and offer substantial dollars for biking and hiking trails. Much of the package will be funded by an increase in tolls for truckers, most of whom conveniently are just passing through the state and aren't otherwise Indiana taxpayers. But in his first months in office, Holcomb convinced the legislature to increase the state's broader gas tax by a dime—something that had eluded his predecessor Mike Pence, now the nation's vice president. Holcomb recently launched a website that tells residents of all 92 counties—and outside business locators—which projects are scheduled for completion locally over the next five years.

Holcomb has the great good fortune of serving as Indiana's governor at a time of plenty. A state that was mired in perennial debt when the century began is now running sizable surpluses. Some of that has to do with financial fixes put in place by his predecessors, but the current economy has been a big help. During the recession a decade ago, unemployment in Elkhart County, a recreational vehicle manufacturing hub, topped 20 percent. Now, it's below 4 percent there. Indiana as a whole seems to set a new record for low unemployment every month.

Holcomb is trying to turn the fruits of the current economic moment into investments for the future. His main focus is on job creation and training. Indiana is the nation's leading manufacturing state on a per capita basis, and Holcomb recognizes that the state's strength in manufacturing and logistics makes it one of the most vulnerable when it comes to artificial intelligence and robots taking human jobs. The governor says this is his state's Achilles' heel.

With 3 percent unemployment statewide, people aren't thinking much about jobs evaporating, but Holcomb is trying to make sure that once entire job categories are eliminated, the people who'd been in them can transition smoothly into something else, rather than being left unprepared. Over the next decade, between economic growth and baby boomer retirements, Indiana is expected to have a million jobs that will need filling. "The only thing keeping us from booming bigger and louder is the lack of people with the skills that we need," says Kevin Brinegar, president of the Indiana Chamber of Commerce.

Like other governors, Holcomb is looking to narrow the skills gap that leaves employers unable to fill many jobs they have open. He convinced the legislature this year to double its amount of funding for job training programs, while shifting authority over federal job training money from the department of education to the governor's workforce cabinet, which was created last year in hopes of ensuring a less siloed, more seamless approach. Workforce training grants have gone out to 450 different companies, resulting in new training for 7,000 individuals. Holcomb now is trying to share his state's success stories nationwide, serving on the new White House Workforce Policy Advisory Panel.

Whether dealing with workforce development, infrastructure or the state's management operations, Holcomb has emerged without fanfare or even much publicity as one of the nation's most pragmatic, effective and popular governors. A number of other governors have higher approval ratings, in part because the previously little-known Holcomb has yet to make much of an impression with a significant portion of the electorate. But you'd be hard-pressed to find a poll showing that even a quarter of those who have an opinion about him disapprove of the job he's doing. "He's genial, he's hard-working and he's focused on the bread-and-butter issues that affect every household, as opposed to dropping insults and stirring the pot," says Robert Dion, a political scientist at the University of Evansville. "They always say that good governance is good politics, and his approval rating reflects that people are largely satisfied."

Holcomb's success is only surprising when you realize how unlikely it was for him to become governor in the first place. At 6'5", Holcomb makes for an unlikely Cinderella—he habitually wears cowboy boots, not glass slippers—but his rise to the top included as many twists and turns as a fairy tale. Holcomb has been in and around politics and government for his entire post-Navy career, serving as a state Republican Party chair and working as a top aide to Gov. Mitch Daniels, to a member of Congress and to a senator. But he'd never held elective office himself, failing at his one bid for the state House in 2000. When 2016 began, Holcomb was engaged in a run for U.S. Senate no one believes he would have won. "He couldn't get arrested in that election," Dion says. "He was on his way to being a failed candidate again."

Fate intervened. While he was driving home from a campaign event in February 2016 to catch the Super Bowl, Holcomb got a call from Gov. Pence, informing him that the incumbent lieutenant governor was leaving to run the state's community college system. Holcomb accepted the job, only to find himself thrust from an understudy role to the top of the state ticket after Donald Trump tapped Pence that July as his running mate. Pence had already won the GOP nomination for a second term, so it was up to a party committee to choose a new nominee. To win the nomination, Holcomb had to overcome considerable sentiment in favor of two sitting members of Congress. But Pence pushed hard for him, and he prevailed on the second committee ballot. With the Trump-Pence ticket carrying Indiana by 19 points, Holcomb ended up winning election easily. "We had 105 days to build the airplane in flight, raise $14 million and spend it and land safely, which we did," Holcomb says.

Now that he's midway through his third year, the Indiana political class seems almost to have forgotten how many unlikely dominoes had to fall in order for Holcomb to end up as governor. At the time of his election, plenty of people, including some GOP stalwarts, wondered whether this relatively unknown figure had enough experience to fill the job. No one is saying that now.

His trajectory toward the governorship was so unusual that no one wants to say his reelection next year is a slam-dunk certainty, but it's hard to come up with a realistic scenario in which he doesn't win a second term. "He's a great governor," says longtime Republican House Speaker Brian Bosma. "I don't want to suggest my expectations were low, but he's certainly exceeded, greatly, what I expected."

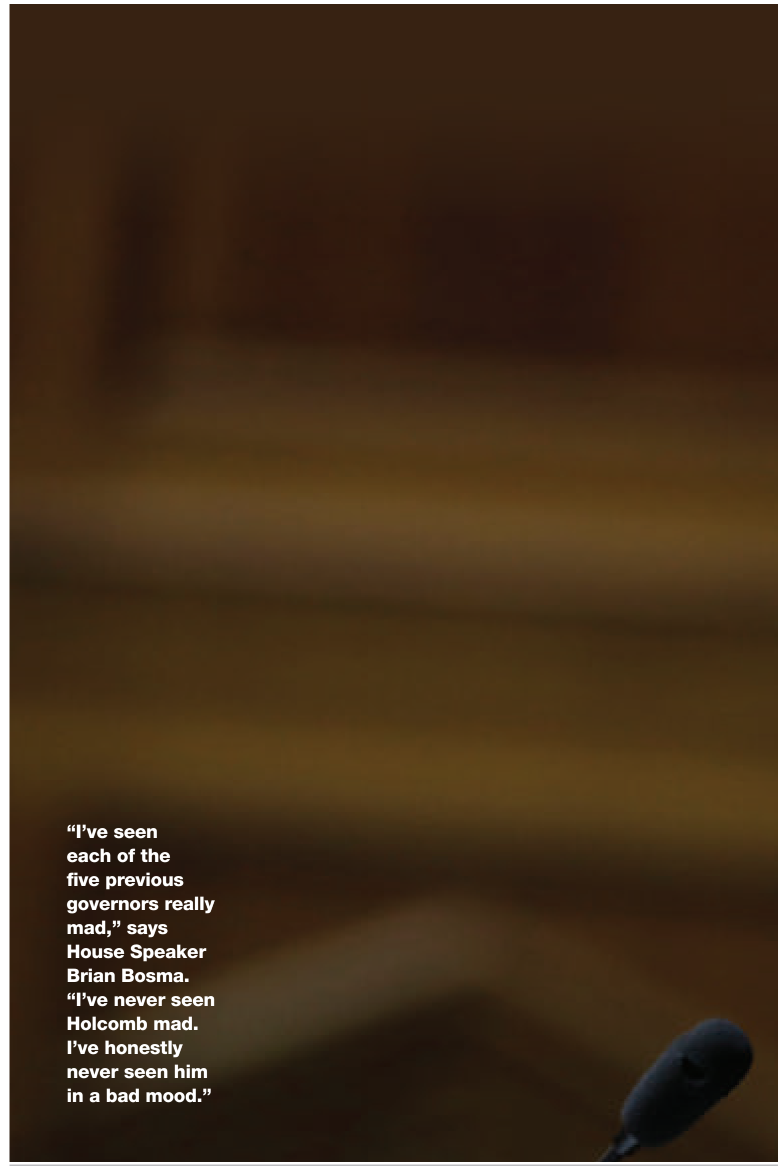
If Holcomb's path to the governorship was unusual, it turned out that being a perennial staff man was good training after all. Many Republican governors across the country, for example, have adopted Daniels as their model for capable leadership. Working closely with him for a decade provided Holcomb with the equivalent of a Ph.D. in governing. "Some call him the staffer who won the lottery," says Mike Murphy, a GOP consultant and former Indiana legislator, "but he had the best possible training from the best mentors you could have."

As Daniels' deputy chief of staff and then as the state director for U.S. Sen. Daniel Coats (now the federal director of national intelligence), Holcomb worked on a host of important Indiana issues. And he worked with people all up and down the state. On the Daniels campaign, Holcomb's job involved coaxing support from a wide variety of different groups—everyone from teachers to "left-handed, blue-eyed fishermen from White County," jokes consultant Lou Gerig.

That effort gave Holcomb a grounding in Indiana's regional differences and his first entrée to diverse constituencies. Holcomb

Many Hoosiers are still getting to know Gov. Holcomb. But among those who do have an opinion of him, the vast majority approve of the job he's doing.

ALAN GREENBLATT



"I've seen each of the five previous governors really mad," says House Speaker Brian Bosma. "I've never seen Holcomb mad. I've honestly never seen him in a bad mood."

doesn't have a booming voice or a charismatic personality that can draw every eye in the room. The words people use to describe him—workmanlike, disciplined, personable, "could be your next-door neighbor"—testify to his lack of obvious flash. That's OK with most Hoosiers, who have always gone for governors who come across as homespun and relaxed but able to get things done. "I've seen each of the five previous governors really mad," Bosma says. "I've never seen Holcomb mad. I've honestly never seen him in a bad mood or worked up about something."

The most important task for a leader, Holcomb has found, is not setting an agenda but building a network of allies to support and promote it. He aims to hire people expert and capable enough that he doesn't have to micromanage them, and he doesn't try to seize credit or headlines for every maneuver. "Working with Mitch Daniels, I learned the importance of the basics—having a plan, sharing it, being transparent about it and building coalitions," Holcomb says. "You get to the solution faster with more hands on deck."

Democrats are a largely irrelevant minority in Indiana, but Holcomb has given them their say, accepting their input on several important pieces of legislation and taking them along on trade missions. He recognizes that the Democratic mayors of the state's larger cities represent his constituents, too, says Karen Freeman-Wilson, the mayor of Gary, who has emerged as a surprising ally. "I have had a great time working with him," she says. "I'm not saying he's not partisan, but he does not allow the partisanship to get in the way of doing his job and understanding that he should be engaged with people who did not vote for him."

Daniels chose as governor essentially to call a truce on social issues, arguing they were an unproductive distraction from the nuts-and-bolts concerns the state had to get right. Mike Pence didn't share that philosophy. When a religious freedom bill was introduced that some saw as allowing discrimination against lesbian, gay, bisexual and transgender individuals, Pence didn't duck from its defense, emerging as a national lightning rod on the issue. Before Trump picked Pence for vice president, there was real doubt that the governor would win a second term. Holcomb, for his part, hasn't allowed himself to get bogged down in many controversial matters.

Despite having his gubernatorial predecessor serving in the White House, he has managed to keep himself off of cable television and out of the national controversies that dominate political discussion. "Call it lack of bandwidth to focus on other people's jobs," he says, perhaps a bit coyly, "but I focus on my job."

The governor's natural preference is to stick to five simple but crucial subjects—economic growth, job creation and training, infrastructure, public health, and improving government services. "He's perceived by most people as concentrating on commonsense issues," says former Fort Wayne Mayor Paul Helmke, "the things most people want politicians to concentrate on."

Holcomb readily concedes that he talks so often about his "five pillars" that he can sometimes sound like a broken record. But figuring out the problems the state needs to address and determining the appropriate level of resources needed to deal with them turns out to be a good formula for staying out of political hot water. "Every governor wakes up every morning with an equal opportunity to step in it or become distracted," Holcomb says. He has managed, so far at least, to avoid stepping in it.

Holcomb's personal hobbies are simple but turn out to be voter-friendly. During his 2016 campaign, he made a point of stopping to shoot baskets in high school gyms in nearly every county he visited. He eats at McDonald's so often that he carries a gold card from Indiana franchise owners in his wallet. (Speaker Bosma still sounds a bit chagrined when he recalls how the governor insisted on stopping repeatedly at McDonald's during a European trade mission.) Holcomb's dog has turned into a bit of a social media star. His wife Janet is a certified shooting instructor, which doesn't hurt the governor among the state's sizable NRA fan base.

Holcomb, who turns 51 on May 2, is enough of a history buff

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that he's collected autographs of every American president, save George Washington. He has a newspaper clip from 1948 profiling his great-grandfather, who had started a blacksmith's shop in southern Indiana back in 1895. A half-century in, shoeing wasn't the same business as it had been during the 19th century, but the article confidently predicts that his 5-year-old grandson—the future governor's father—might be doing smithing one day, since he was already building things with his hands. Neil Holcomb went on to build airplane engines for Rolls-Royce.

Unsurprisingly, the governor views this bit of lore—his own family's progress from the horseshoe business to helping make airplanes fly higher and faster—as a parable about how technological change can be positive. He recognizes that all the state's industries, from limestone quarrying to RV manufacturing, have changed profoundly and will continue to change in the years to come. Toward that end, he wants to get Indiana's people to prepare, starting in the lower grades but if necessary as adults. It's state government as employment counselor, offering training, advice and apprenticeships in practically any field you can name.

Infosys, the Indian technology company, recently broke ground near the Indianapolis airport for an education center that will train its U.S. workforce, creating 3,000 jobs locally and, as a side benefit, helping Indiana teachers learn to teach coding at every level statewide. At the other end of the socioeconomic scale, Holcomb has adapted a program from California to teach coding to prisoners. Thus far, participants in this program have a recidivism rate of exactly zero. The demand is so great that some prisoners are now in a position to interview with prospective employers before they get out. "I know change can be abrupt," Holcomb says. "It can be difficult and hard. The alternative is, there's so much opportunity out there to double or triple your salary."

Holcomb refers constantly to where he wants his state to be in 15 years. That explains his attention to infrastructure and human capital. It also explains what might be the most controversial issue Holcomb has taken on as governor.

One of his top legislative priorities this year was passage of a hate crimes bill. Indiana already tracked hate crimes sufficiently to be able to meet federal reporting requirements. The governor argued that it only made sense to include protection against hate crimes in state law as well. He has no trouble making a moral argument, but he tends to frame the issue in his usual pragmatic terms. Indiana for years has been one of only five states without a hate crimes law, which Holcomb and his allies said was causing companies to pass the state by. "We have to remove any barriers from companies and particularly individuals from coming here," says Brinegar, the chamber president. "We are in an intense battle for talent and we have to look outside our borders."

It proved to be a tough sell. A majority of Indiana legislators represent rural areas where hate crimes are not considered a major concern. They fielded calls not only from the governor but from the heads of big employers—longstanding Indiana companies such as Eli Lilly and Cummins and relative newcomers including Salesforce—but not all were convinced that the state was on some kind of naughty list that it needed to get off. "I served in the legislature—they're often proud to be the last people to do some things," says Murphy, the GOP consultant. "People in Indiana are tired of being told what to do." The bill looked lost for dead, but Holcomb lobbied hard for it with legislators on an individual basis. In the end, a compromise was approved last month that left age, gender and gender identity off the protected list.

Holcomb recognizes that no matter how ardently people want to preserve the past, the future is coming anyway. The era of blacksmithing is over and the manufacturing jobs that depended on brawn more than brains are going away as well. No matter how well the state is doing in any given area, Holcomb sees that constant tweaks, at the very least, are needed for it to remain in good shape. He likely has a few more years in his unexpected role as governor to prepare his home state for the new day that's coming. "Time is moving faster and the world is getting smaller, simultaneously," Holcomb says. "My message is, it's an exciting time." **G**

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SHUTTERSTOCK.COM/KELLY MARTINELLI

Georgia has become a major moviemaking hub. But can the conservative state hold on to Hollywood?

BY GRAHAM VYSE

When Republican Brian Kemp edged out Democrat Stacey Abrams in the Georgia governor's race last November, Hollywood liberals were apoplectic. Their immediate impulse was to punish the state, which has become a hub of American filmmaking surpassed only by California and New York. Several big-name entertainers even called for an industry boycott, prompting a flurry of news reports about Tinseltown turning against its new Southern home.

Abrams moved swiftly to quell the rebellion. The former minority leader of the state House of Representatives tweeted that she appreciated "the calls to action" from her celebrity supporters, but stressed that "hard-working Georgians who serve on crews and make a living here are not to blame" for the election's outcome. Kemp, meanwhile, did his own damage control, telling reporters he was "not worried about what some activists from Hollywood are saying" and reaffirming his support for Georgia's generous film tax credit—an incentive Abrams helped craft in the legislature more than a decade ago.

Watching the two leaders present a united front was somewhat jarring in the aftermath of their bitter campaign. But maintaining Georgia's film incentives is a bipartisan priority in the state. They have "become a third rail in state politics," *The Atlanta Journal-Constitution* recently declared, "untouchable by even the fiercest fiscal conservatives." That's true despite their extraordinary price tag: Georgia awarded $800 million in tax credits for filmmakers in fiscal year 2017—more than any other state.

Now Georgia is facing a new test. After the legislature approved sweeping new abortion restrictions at the end of March, Hollywood mobilized once again, urging Kemp to veto the bill. But the governor had voiced his support for the measure, which would ban abortions after six weeks of gestation, or when a fetal heartbeat is detected. Dozens of celebrities, film industry workers and union members threatened to boycott the state if Kemp signed the bill into law.

The fight over the fetal heartbeat bill likely will not be the last skirmish between the progressive filmmaking industry and the traditionally conservative state. Advocates in Georgia say the state has finally cracked the code on using film tax credits to help create a lasting entertainment industry presence. But others worry that what has seemed like a movie-ready romance may not ultimately have a Hollywood ending.

Georgia's continuing commitment to generous film tax credits stands in contrast to much of the rest of the country. A report from the National Conference of State Legislatures last year described a broad trend of "states re-evaluating or paring back film incentive programs." Whereas 44 states offered incentives in 2009, that number was down to 31 in 2018, and "several of these states were imposing stiffer requirements for qualifying expenses and imposing new project and annual program caps." Louisiana, a film incentives pioneer, enacted a $150 million cap on the amount of credits it distributes annually.

The Netflix series *Stranger Things* is set in 1980s small-town Indiana, but is filmed in locations throughout Georgia.

Yet in Georgia, where tax credits have no cap and no sunset and often cover 30 percent of the cost for productions with budgets of at least $500,000, the movie business has been booming. The Los Angeles film office released a report last year showing Georgia was the "top production center" for major films in the country in 2017, producing 15 of the 100 highest-performing theater releases that year. Economic development officials say 455 productions were filmed in the state during fiscal year 2018, with an estimated economic impact of $9.5 billion. The state claims the film industry is responsible for 92,000 Georgia jobs, with almost 30,000 people directly employed making movies and television. Officials say they're confident Georgia can continue to succeed where other states have failed.

"There are some things Georgia has going for it that another state couldn't compete with," says Lee Thomas, deputy commissioner of Georgia's Film, Music and Digital Entertainment Office. "We have very diverse locations. New Mexico has a very good tax incentive, but New Mexico pretty much looks like New Mexico. Georgia has

NETFLIX

mountains and coastline and big cities and small towns—and an airport that has 26 flights a day to Los Angeles." (Thomas and the other Georgia officials in this story were interviewed about the tax incentives in early March, and were not commenting on the abortion bill or its potential impact on the state.)

High-profile critics are skeptical of this success story. They've seen claims like Georgia's before, and the end results haven't been so rosy. "This is a really inefficient and expensive way to create jobs and generate additional economic activity," says Joe Bishop-Henchman, executive vice president at the conservative Tax Foundation.

Pat Garofalo, a policy analyst at the liberal Center for American Progress, agrees. "The economic evidence, pretty much across the board, shows that film tax credits aren't worth it for a city or state." Garofalo argues that "this isn't a 'left versus right' thing. It's a 'political elites versus pointy-headed econ wonks' thing."

Georgia's initial push for filmmaking began in 1973, when Gov. Jimmy Carter established a state film commission after the success of the 1972 movie *Deliverance* starring Jon Voight and Burt Reynolds, filmed in the mountains of northeast Georgia. Soon the state was hosting productions like *Smokey and the Bandit* (1977) and TV's *The Dukes of Hazzard* (1979). Then came *Glory* (1989), *Forrest Gump* (1994) and *Midnight in the Garden of Good and Evil* (1997).

But by the late '90s, the movie business began gravitating to other states and to Canada, thanks to attractive tax incentives and a favorable currency exchange rate. A particularly crushing blow came when Louisiana lured away the 2004 biopic *Ray*, about legendary Georgia musician Ray Charles, whose producers had been scouting Georgia locations. That's when state officials decided to act. Gov. Sonny Perdue signed the Georgia Entertainment Industry Investment Act in 2005, followed by an updated version in 2008. Since then, there's been an explosion in Georgia-based productions, especially around Atlanta, which *MovieMaker* magazine calls the second-best big city for movie people to live and work in, after Albuquerque, N.M.

Big-name projects shot in and around Atlanta over the past decade include AMC's *The Walking Dead*, Netflix's *Stranger Things* and, perhaps unsurprisingly, the FX show *Atlanta*, starring Donald Glover, who has won Emmy Awards for directing and acting in it. The area has also played host to myriad Marvel superhero blockbusters. Credits for the 700-acre Pinewood Atlanta Studios include this year's *Avengers: Endgame* as well as last year's *Avengers: Infinity War* and *Ant-Man and the Wasp*. Georgia's film scene is now so big that the state is expanding tourism around it—Atlanta Movie Tours shepherds visitors around various filming locations. (Their slogan: "Hollywood is closer than you think.")

To keep Hollywood close, Georgia is building a permanent moviemaking infrastructure and training a local film workforce. Tyler Perry, among the world's most successful black filmmakers, owns an Atlanta studio spanning 330 acres, where parts of last year's most celebrated Marvel offering, *Black Panther*, were shot. The Georgia Film Academy, begun in 2016, runs programs in colleges and high schools to train students for production jobs such as makeup artists, key grips and gaffers. "It encourages these companies to make long-term commitments to the state," says Thomas of the state film office. "We find that 85 percent of the crews, on average, are Georgia hires." The growth of the movie industry is energizing communities around the state, including some that are hundreds of miles from Atlanta.

The historic district in Savannah sits at the edge of the Savannah River, half an hour's drive from the Atlantic Ocean. Spanish moss hangs from gnarled oak trees, and tourists meander along cobblestone streets. The gleaming golden dome of city hall stares down a narrow road lined with palm trees at Johnson Square, where a stone memorial stands in honor of the Revolutionary War general Nathanael Greene.

Yet for all its monuments to the past, this picturesque section of Georgia's oldest city is helping to cultivate

MARVEL STUDIOS

Hollywood's future. Young filmmakers and television producers enroll at the Savannah College of Art and Design (SCAD), which celebrated its 40th anniversary last year. The school hosts the annual Savannah Film Festival, where 50,000 attendees flock to screenings at the 1921 Lucas Theatre and the 1946 Trustees Theater, a pair of majestic venues with old-fashioned marquees that glow brightly at night. Next door to the Trustees on Broughton Street, lines of customers stretch out the door at Leopold's, a century-old ice cream parlor and soda fountain owned by the filmmaker Stratton Leopold. Autographed photos of movie stars hang on the walls next to posters from films Leopold produced—*The Sum of All Fears*, *Paycheck*—along with vintage Coca-Cola ads.

Several Marvel superhero movies have been filmed in Georgia, including parts of 2018's *Black Panther*, which grossed more than $1.3 billion worldwide.

On a recent Wednesday, dozens of SCAD students were busy working on their own creative projects at Hamilton Hall, the school's film and sound facility. Andra Reeve-Rabb, dean of the School of Entertainment Arts and a former director of prime-time casting for CBS television in New York, peeked into rehearsal spaces and audio mixing studios to check in on the young artists.

"How'd the rough cut go?" she shouted down a corridor.

"Great!" a pair of cheerful voices assured her.

"Tommy, did you work it out?" she asked a flustered young man as he passed.

"I might be getting called to *The Glorias*," he told her.

The Glorias was the latest excitement on campus—a forthcoming biopic about feminist heroine Gloria Steinem directed by Julie Taymor and starring Academy Award-winner Julianne Moore. The film was nearly finished shooting in Savannah, and at least 73 SCAD students, alumni and faculty members had worked on the movie in some capacity. It was part of a growing trend in recent years—more big-time productions coming to town, and greater opportunity for SCAD to be part of them. "I don't have to go to Atlanta," says actor D. W. Moffett, who chairs the school's film and television department and appeared on the television show *Friday Night Lights*. "I shot *The Glorias* here. I shot an independent feature here with Richard Dreyfuss and Mira Sorvino—right here in town." Reeve-Rabb says the abundance of filming is "a radical difference, even in the past three years."

Hugh "Trip" Tollison sees that difference, too. He's president and CEO of the Savannah Economic Development Authority, and he says the state tax credit provisions changed everything. Savannah now offers its own tax credit on top of the state incentive. *MovieMaker* magazine calls it the best small city for a filmmaker to work in.

But Garofalo of the Center for American Progress remains firmly opposed to film tax credits, in Georgia or anywhere else. "First, by its very nature, movie production is short-term, transient-style stuff," he says. "So even if you are creating jobs for folks, they're sort of rent-a-jobs—a few months here, a few months there. You can

never really pull the public support out from under this thing and have it stand on its own." It leaves the state in a "competitive economic purgatory," says Garofalo, adding that Georgia's economic impact numbers should be taken "with a huge grain of salt. Obviously it's in the interest of both the state and the production companies to really amp up that number."

Tollison insists, however, that tax credits are simply "the game that's being played. We're not going to sit back and not play the game, because those are the cards on the table."

Thomas, of the state film office, makes the same argument. She also believes Georgia has opened up a substantial lead over every other state in the film subsidy business. "As long as we can keep the tax incentive going as it is, and we stay a welcoming state for business as we have been, I think we'll absolutely continue," she told a reporter last year. "I think it would be very hard for another state to catch up with us now."

The question of "welcoming" is a lingering one. Last month, after lawmakers approved the heartbeat abortion bill, actress Alyssa Milano and several local industry employees gathered outside Kemp's office in the Georgia Capitol to denounce the legislation and to call attention to the number of jobs they said the state would lose if it became law. Milano also delivered a letter signed by more than 40 prominent Hollywood celebrities—including Alec Baldwin, Gabrielle Union, Amy Schumer and Sean Penn—stating that they "cannot in good conscience continue to recommend our industry remain in Georgia if H.B. 481 becomes law." The Writers Guilds of America, East and West also wrote a letter condemning the bill.

Meanwhile, a handful of other states stepped in to offer themselves as alternatives. New Jersey Gov. Phil Murphy tweeted that he would be meeting with film industry representatives to "make the case" for shooting in his state instead of "anti-choice states like GA." Oregon Gov. Kate Brown and Pennsylvania Gov. Tom Wolf issued similar statements urging Hollywood productions to relocate to their states. Outgoing Chicago Mayor Rahm Emanuel sent a letter, cosigned by Murphy and by Illinois Gov. J.B. Pritzker, to the CEO of Sony Pictures, suggesting that Illinois and New Jersey "not only offer the film and television industries diverse, cost-effective, and hospitable places to produce your work, we share your values and commitment to women's equality."

With 13,000 students spread across four campuses, the Savannah College of Art and Design has become an important talent pipeline for Georgia's entertainment industry.

KARAN JAIN

By mid-April, Kemp had not taken action on the bill; he has until May 12 to sign or veto it. But abortion is not the only issue. Socially liberal Hollywood professionals are also wary of potential "religious liberty" laws that would allow faith-based groups to fire employees—or deny services to people—who violate an organization's "sincerely held religious belief." Kemp's predecessor, Republican Gov. Nathan Deal, vetoed one such bill, which was opposed not just by gay rights groups but also major media companies, including Disney, Apple and Time Warner.

The governor has repeatedly said he wants to keep Georgia's tax credits in place. But if the boycott threats from Hollywood are real, that may not be enough. Keeping the industry may also require conceding to more liberal social policies. It remains to be seen whether that's something the state wants to do. **G**

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TOWERS OF NEGL

New York keeps getting slapped for the poor condition

SHUTTERSTOCK.COM

ECT

By J. Brian Charles

of its public housing. But nothing has changed so far.

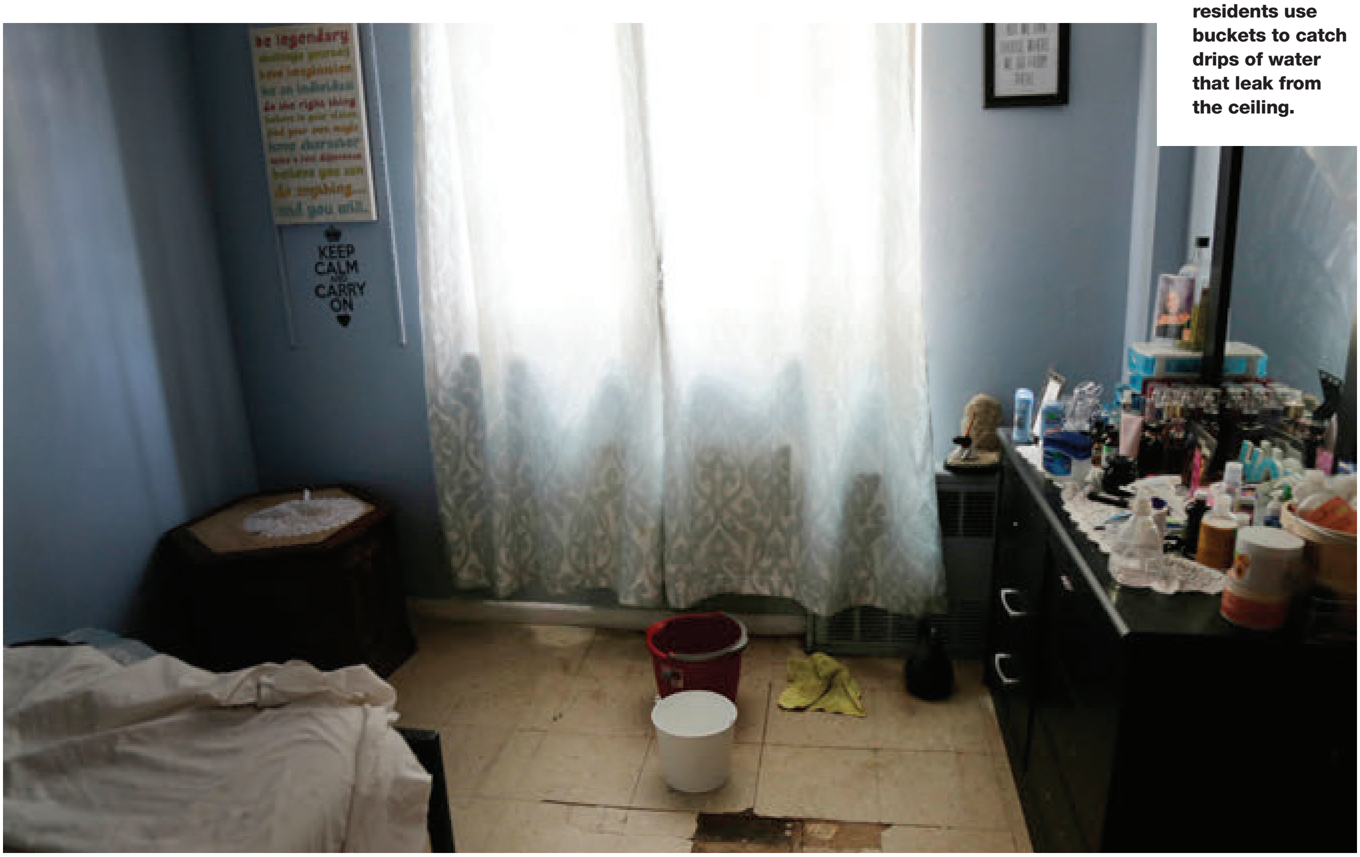
Last October, a water pipe burst on the top floor of one of the 19 towers that make up the Jefferson Houses project in Harlem. It started as a leak in an eighth-floor bathroom. Gravity did the rest. Floor-by-floor, the water and the damage cascaded down. Diana Vazquez, who is 71 years old, lives three floors below the source of the leak, in an apartment that has been her home for 38 years. When water soaked the walls of her bathroom, leaving mold behind, she called the New York City Housing Authority to fix the damage. Workers showed up a few weeks later, ripped the walls out of the apartment and eventually installed a new wall, but did not install a bathroom liner, or replace the damaged shower head. For more than three months, Vazquez was unable to take a shower in her apartment. “I take the Second Avenue bus to my niece’s house to take a shower,” Vazquez says. “And sometimes, once I am done, I just end up staying at my niece’s house because I am too tired to take the bus home.”

Problems like the one in Vazquez’s apartment are common across the buildings owned by the New York City Housing Authority (NYCHA). Mold, rat infestations, lead paint, leaky roofs and broken elevators plague the 130,000 apartment units that make up the biggest public housing system in the nation. For decades, NYCHA has neglected maintenance of its buildings. It’s been estimated that the agency needs to invest $31.8 billion to make its buildings fit for the people who live there. “I think there was a culture of not complying with things,” says Steve Edwards, an attorney for the plaintiffs in one of two lawsuits filed against NYCHA in the last six years. “They just thought they could get away with it.”

The situation in New York is a test for public housing writ large. The United States is faced with an acute housing shortage, and in cities around the country, housing authorities have long been the primary provider of shelter for the working class and the poor. But can a system that has for decades been underfunded, the target of derision and heavy-handed demolitions, remake itself into a solution?

In 2013, a test case was put forward by three tenants and two housing advocacy nonprofits, Upper Manhattan Together and the South Bronx Churches. They claimed NYCHA routinely offered up insufficient remedies for persistent mold across its massive network of apartments. Instead of treating the inadequate plumbing that was the source of the mold, Housing Authority workers wiped down walls and cleaned only those areas that tenants could see.

That negligence led to a consent decree. The Housing Authority was placed under a court order mandating that it address the source of the mold and fix the persistent plumbing failure that was causing the mold in apartments across the city. In 2015, the plaintiffs filed a motion that NYCHA was not complying with the consent decree. The court agreed and appointed a special master who also found that the agency was failing to address the mold. “NYCHA has been out of compliance with the consent decree from the day it was entered by this court,” U.S. District Judge William Pauley wrote. “NYCHA’s justifications for its failure to comply are inadequate, and the



In some New York public housing apartments such as this one, residents use buckets to catch drips of water that leak from the ceiling.

APIMAGES.COM

attitude of NYCHA officials appears to be one of indifference." No member of NYCHA's management bothered to attend a hearing on the plaintiff's motion.

"NYCHA just didn't care. They agreed to the consent decree and then ignored it and did nothing to comply with it," says Edwards, who represented the plaintiffs in the mold lawsuit. "And when it became clear to them they were going to get in trouble, they essentially couldn't comply. They didn't have competent people." This past November, Pauley approved a second, much stronger consent decree. NYCHA promised to abide by it.

At the same time NYCHA was being sued over mold, the federal government was looking into the agency's botched efforts to deal with lead paint in its housing complexes. The investigation found repeated efforts by the agency to conceal its failure to remove lead from its properties. NYCHA filed misleading reports on its lead paint abatement program, and as the government dug deeper, its probe expanded beyond lead to issues around rat infestations, broken elevators and general living conditions in NYCHA buildings. Fresh off the legal battle around the prior mold case, Judge Pauley rejected a consent decree between NYCHA and the federal government on lead removal. Pauley said the consent decree on lead would do little to improve living conditions for the public housing residents. The decree lacked deadlines and timelines for the Housing Authority's appointment of a court-ordered monitor, and did not insist on immediate plans to address the broader problems in public housing.

In January, the federal government, the city and the state came to an agreement that forces the city to hand over control of the agency to a federally appointed monitor and invest $2.2 billion in capital improvements in the next 10 years. But the agreement falls far short of what will be needed to bring public housing in New York into compliance with the standards the federal government and the courts have asked for. While the feds will oversee the operation and rehabilitation of public housing in New York, they aren't making a firm commitment of money to the improvements.

U.S. Sen. Charles Schumer and Rep. Nydia Velazquez, both New York Democrats, have asked the Trump administration and HUD Secretary Ben Carson for $1.2 billion in federal aid to help fix the city's housing projects. But in March, Trump released a proposed budget that seeks to eliminate HUD's Public Housing Capital Fund, the source of funding for the capital improvements needed in New York. At the same time, HUD is seeking to raise rents for public housing tenants nationwide. The announcement drew a strong rebuke from New York Mayor Bill de Blasio and from Kathryn Garcia, the interim CEO of NYCHA. "We will not stand by," Garcia said, "as the federal government tries to abandon the hundreds of thousands of New Yorkers who rely on this funding."

This is not the way things used to work in public housing. Early in the 20th century, as cold-water flats and crowded tenements became ubiquitous in cities across the industrial United States, the federal government looked to replace squalid conditions with housing fit for working-class families. It funded the construction of huge public housing concentrations, with buildings as high as 16 stories and vast tracts of land leveled to form what became known as "superblocks." The stripped-down design of public housing followed the modernist concepts of Swiss designer Le Corbusier. But more importantly, Congress and local political leaders favored the skyscraper designs because they were cheap, writes Ben Austen in his book *High-Risers*, which tracks the history and decline of Chicago's Cabrini-Green Housing project. Poor design, cheap materials and shoddy construction often left tenants stranded in high-rises where the elevators routinely broke, and where they were assaulted by the stench of rotting garbage when the incinerators failed. The original designs for the massive Queensbridge Houses in New York's Long Island City, developed by NYCHA, included elevators that stopped only on the first, third and fifth floors. The elevators now stop on one through five, but still aren't accessible to residents on the top floor of the six-story buildings.

DAVID KIDD

Diana Vazquez was optimistic about moving into the Jefferson Houses project in 1981. But over time, the condition of the building deteriorated. She now sees other tenants using drugs in common spaces, and her own unit has suffered significant mold damage.

Public housing was almost entirely segregated. Harold Ickes, the secretary of the interior under President Franklin Roosevelt, suggested what became the neighborhood composition rule, which made segregation expressly legal. It was a concession to conservatives in Congress who preferred not to build public housing for black citizens at all. The few public housing complexes that were integrated seldom remained integrated for long. When the federal government offered attractive incentives to home buyers, white families left en masse for the suburbs. Federally backed mortgages were made available to them that were not available to people of color. White middle-income residents were replaced in public housing by much poorer black and Latino residents.

Like so many people looking to escape slum apartments, Diana Vazquez landed in the projects with a sense of hope for what her new apartment would bring her. Prior to living in the Jefferson Houses, Vazquez and her two sons lived in a tenement on the Upper East Side of Manhattan. The heat didn't work. Vermin overran the property. "I was coming out of an apartment building where I had to live with rats climbing up on my stove and I had a leak in my bathroom," Vazquez says. "I didn't have any heat and had to sit in front of my oven with coats on me and my children, and that's how we often slept." This wasn't uncommon in the late 1970s and early 1980s. From the Bronx to Harlem to Brooklyn, landlords were leaving apartments in a constant state of disrepair. Property values sank. And where some landlords simply didn't repair their buildings, others lit their properties on fire to collect the insurance money. In 1981, four years after television viewers of the World Series saw burning buildings in the Bronx background, Vazquez and her sons would escape similar deplorable conditions. She was hopeful when she first moved into the Jefferson development. "I had almost given up because I had applied for public housing for years," she says. "When we found out we were getting a place, I was excited. The projects was a step up."

Even as the 1980s found Harlem inundated with crack cocaine and crime, Jefferson Houses proved to be an oasis. The grounds and the building were kept up. It was rare to see people smoking crack or even marijuana in the hallways or in the lobby. But that would soon change. The federal government's outlay for maintenance had remained flat for decades. Adjusted for inflation, HUD now spends one-third the amount of money on housing assistance that it did in 1970, according to a congressional review of the agency's spending conducted in December. The exodus of middle-income tenants who paid more in rent than their low-income neighbors ate away at revenue needed to maintain the properties. The federal government's reluctance to keep up the housing projects transformed them into the very slums they were designed to replace. Vazquez now complains about open drug use and a lobby door that didn't lock for an entire year.

As in New York, Chicago's public housing was constructed on superblocks. Massive and often isolated, these vertical slums became symbols for the urban decay happening in and around them. For both critics and advocates of housing projects, Cabrini-Green Homes, the massive housing complex just north of Chicago's Loop, became the symbol of all that had gone wrong in public housing. It was home to more than 15,000 residents at its peak and was the base of operations for a violent street gang whose foot soldiers routinely rained down bullets on cops, rivals and fellow residents from their perches atop the high rises. In 1981, Mayor Jane Byrne spent three weeks living in the complex and returned with an account of the horrid conditions. Cabrini was where the nation learned of Girl X, the 9-year-old who was kidnapped in a hallway, repeatedly raped, assaulted and left for dead. Near the end of Cabrini-Green's run, the complex served as the backdrop of the 1992 horror film *Candyman*. "We had hit bottom," says Bruce Katz, a fellow with the Lindy Institute for Urban Innovation at Drexel University. "There really was a sense of urgency."

With as much as 10 percent of the nation's public housing stock in deplorable condition, Congress in 1992 both authorized and appropriated the first money for HOPE VI (Homeownership Opportunities for People Everywhere). HUD would pay housing agencies to knock down the worst of the complexes and replace them with less-dense homes where low- and middle-income residents would live side by side. The superblocks were broken up into walkable streets and low-rise buildings reminiscent of the neighborhoods of a much earlier time. Across the country, nearly 500,000 units were demolished under HOPE VI. The units were not replaced one-for-one. Instead, low-income residents who didn't return to a rebuilt housing project were steered to the expanded Section 8 program that offered vouchers to pay rental expenses. "The question was whether you could begin to not just redo public housing, but to actually regenerate a community," Katz says. In the end, the results were mixed.

Where scale had been the goal in the construction of public housing towers, scale also became the driving force behind the teardowns. Chicago led the way. Starting in 1995, Cabrini-Green began being demolished. Over the next two decades, as part of the city's controversial Plan for Transformation, some 18,000 units across the city were eliminated. The pattern of demolition and displacement was perhaps most pronounced in the Bronzeville neighborhood on Chicago's South Side. The projects there had become cauldrons of crime, and more than 10,000 units in the neighborhood came tumbling down. As the years went on, private investors showed some interest in developing middle-income housing on the same sites. But the 2008 housing crisis dried up credit. Redevelopment slowed to a crawl and then stopped cold. Of the nearly 7,000 units the Chicago Housing Authority promised to build in Bronzeville, only 547 were built, according to the housing authority's own data. From 2000 to 2010, 180,000 black residents left Chicago, an exodus driven in large part by the mass destruction of public housing.

But while HOPE VI reshaped public housing in Chicago and cities across the country, it barely made a dent in New York City's public housing stock. The density of the metropolis, the price of land and the cost of temporarily housing residents during any massive rehaul made such plans next to impossible to execute. "Housing is an expensive commodity. It's a big sunk cost," says Peter Dreier, who chairs the Urban and Environmental Policy Department at Occidental College. "There's land. There's the building cost. And then there's the financing."

Dreier oversaw Boston's efforts to build affordable housing, which it did with much more success than New York. Many of those efforts happened before HOPE VI rolled out. But even with the federal dollars, it's hard to pencil out an affordable housing project in New York City. And that became next to impossible when HUD decided to give New York City barely half as much HOPE VI funding, $88 million, as it did Boston, which received $157 million from the program. In the end, New York City did build a handful of mixed-income units. But the city didn't engage in the massive teardown and renovation seen in Chicago and elsewhere. Because New York City stuck with its traditional public housing scheme, mostly serving the poor, NYCHA could not bring in the revenues to keep up its buildings. In the end, it left Vazquez, along


SEATTLE CITY COUNCIL

with the hundreds of thousands of other residents in NYCHA housing, waiting for yet another federal bailout.

For all the criticism of HOPE VI—that it pushed many black families out of subsidized housing and scattered the rest in faraway neighborhoods—the program did come with some benefits. For example, the families who were moved from the Chicago projects into the expanded Section 8 voucher program found that their children fared much better. Once they reached adulthood, they were 9 percent more likely to be employed and earned 16 percent more, according to a University of Virginia study. "Changing the housing mix was the right intervention," Katz says. "What should have been done, and was done in some places, was better staging of families during relocation."

Where Chicago and New York stand out as examples of the limitations of HOPE VI, the city of Seattle leveraged the program in the way the policy's planners hoped for from its inception. HOPE VI injected $35 million in federal capital in 1999 to launch a transformation of Yesler Terrace, a public housing complex in the city. The federal money was the leading edge of investment in the neighborhood. More than $250 million in private investment rolled into the housing complex. The Seattle Housing Authority sold some of the land to private developers who built market-rate rental properties and sold market-rate homes that sit among public housing. The new complex, which took 11 years to complete, went from 481 units to 895. The money from the land sale funded the renovation of the public housing. "The benefits we have are land—and valuable land," says Andrew Lofton, deputy executive director of the Seattle Housing Authority. "It's a tremendously valuable real estate site."

Seattle's model is one familiar to European policymakers. In Europe, it's common to leverage the value of public land to finance development of everything from public housing to transit. One innovation popular in Europe is the public asset corporation, an entity that owns public land, public utilities and transit systems. When the time comes to pay for new housing and other infrastructure, those corporations can use the sale or lease of the property to raise money for capital costs.

Yesler Terrace was also one of the first communities targeted for investment under President Barack Obama's Choice Neighborhoods program. Where previous public housing programs focused on the physical buildings, Choice Neighborhoods expanded the effort to community services. Yesler Terrace has spent $4.5 million on education, employment and health programs. And the redevelopment of the site is centered around a streetcar line. The idea is to better connect residents in Yesler Terrace to jobs, schools and life outside the neighborhood.

Seattle's Yesler Terrace complex shows how HOPE VI planners had envisioned the policy being used. The city housing authority leveraged the real estate value of the land to entice private developers to build market-rate units alongside public housing.

NYCHA's immediate future will be a fiscal management balancing act. HUD is unlikely to commit more money to the agency in the near term. NYCHA will have to improve management of its limited resources. "I think NYCHA needs to hone in on triaging better," says Ray Lopez, director of programs at Little Sisters of the Assumption, a community services nonprofit located a block from the Jefferson Houses project. "Instead of reacting to the tenant complaints, they need to cluster complaints better and have a better idea of the condition of these buildings."

Just as when public housing was first built, a crucial question remains about where and how to house the working-class people who are vital to making a city or community succeed. "The people who clean the floors, and take out the garbage, and wash the dishes, and type the letters, and take care of the streets—a lot of those people live in NYCHA housing," says Edwards, the plaintiffs' lawyer in the mold suit. "If you want those people to serve you, you have to give them someplace to live." The sheer magnitude of the problem, plus the fiscal conservatism that has limited federal aid to housing for the past four decades, might force NYCHA and HUD to explore other options, such as the ones used in Europe and Seattle, to rehabilitate public housing. As Katz likes to say, with a $31.8 billion problem, "you can't tax your way out of it." G

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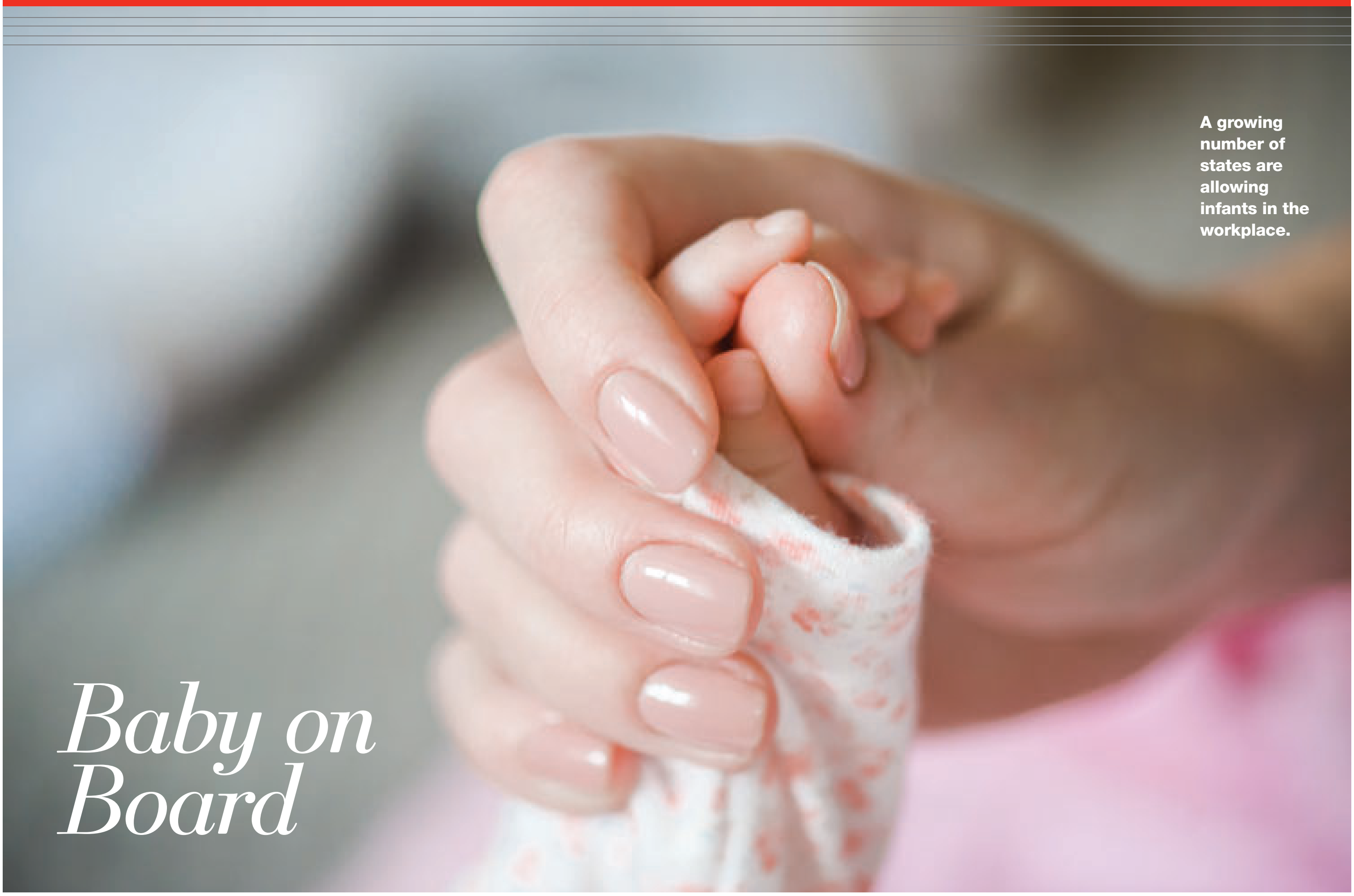

A growing number of states are allowing infants in the workplace.

Baby on Board

Kassandra Diederich had it all planned out. When the 36-year-old assistant attorney general in Vermont returned from parental leave in March, she intended to bring her newborn daughter to work two days a week. "I have a door to my office I can close," she said prior to her return. "I envision having a Rock 'n Play [baby sleeper] for her to sleep in."

Diederich is among the first to participate in Vermont's Infants in the Workplace program, an initiative for state government employees launched by Gov. Phil Scott in February. With approval from their supervisors, new parents can bring their babies to work when they are six weeks to six months old.

It's one way Vermont is trying to attract more millennials to the public sector in a state that's much older than the national average and aging more every year.

"We wanted to provide an opportunity for young parents to be more drawn to work in state government," says Dan Pouliot, deputy commissioner of the state's human resources department.

The new policy also helps parents bond with their children and save on child care, which costs an average of $8,700 a year nationwide.

Vermont isn't the only state letting every day be "Bring Your Baby to Work Day." This is a growing trend, largely in states that lack a paid family leave law. Select departments in Arizona, Kansas, Nevada, North Dakota and Washington state offer the perk.

"It really points to the fact that people are not satisfied with the status quo ... [and] ... know we need a better balance between people's ability to work and support their families," says Vasu Reddy, the senior policy counsel for workplace programs at the National Partnership for Women & Families. —*Graham Vyse*

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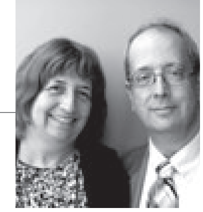
Smart Management

BY KATHERINE BARRETT AND RICHARD GREENE



Away with the Whip

Performance management is morphing into a kinder, more effective tool.

The practice of performance measurement has long been an unfriendly process. Goals were set; data points were hauled out to see how they measured up against the targets. Agencies were called on the carpet and pressed to do better.

But we've noticed a trend in recent years toward a kinder, gentler brand of performance management.

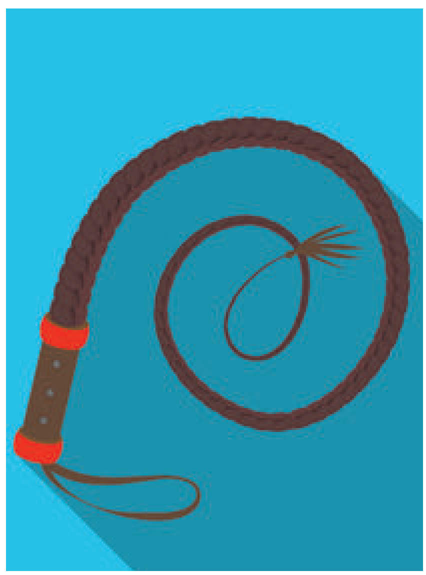
"There was a 'gotcha,' hammer-like approach that was creating a culture problem," says Beth Blauer, executive director of the Center for Government Excellence at Johns Hopkins University. Blauer, who is familiar with the performance culture in scores of cities, adds that "governments were creating rigid performance routines and were focused on making sure templates were populated." Less attention was paid to how the data could actually be used to greater effect across the organization. "Thinking it's all the data and not the discourse that follows," Blauer says, "is total bull."

It was an attitude that Larisa Benson, the host of the Government Performance Consortium in Washington state, knew all about when she was director of government management and performance under Gov. Christine Gregoire. As Benson recounts it, Washington had decided to kick off its Government Management Accountability and Performance (GMAP) sessions by having department heads and managers meet with the governor and other top officials to discuss the data they had gathered.

But Benson had reservations about that approach. She and other leaders had visited Baltimore and New York City to see their performance management programs in action, and they discovered that some hard-working public officials felt diminished by the process of being drilled with questions. "It had to do with the tone of the questions," she says, "and it didn't make people feel like they were side-by-side looking at data."

Benson saw that fear factors have negative effects. "As soon as the brain goes offline because you're scared, your creative energy is gone," she says. "When everyone is worried about winning or losing at the budget game, they're not putting their energy to critical thinking."

She and her team brought that insight back to Washington and tweaked the setup



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of the GMAP meetings. Although the Washington meetings were challenging, leaders were very deliberate about facing problems together instead of facing off against each other.

Here's another variation on the same theme. The New Orleans Fire Department was having difficulties meeting its performance targets for response time, one of the primary measures being used to evaluate the department. Oliver Wise, who was director of the Office of Performance and Accountability there until late 2017, recalls that the fire department seemed to regard the work done by his group as "nothing but grief. We were a thorn in its side."

During Wise's tenure, there was a major house fire that killed three people, including two children. The house, it turned out, didn't have any smoke detectors. So rather than simply measure how long it took to get to a fire, the performance team created a model that identified neighborhoods most in need of smoke alarms. "That's the population that is most likely to die if there is a fire in the house," Wise says.

"There was a 'gotcha' approach that was creating a culture problem."

Houses targeted by this data received free smoke detectors. Shortly thereafter, a fire broke out in one of them. Eleven people escaped. No one died. "Having data that gave them actionable intelligence empowered the firefighters," Wise says, "rather than leaving them feeling berated."

Many cities, notably those that have been accepted into the Bloomberg-funded What Works Cities project, now aim to use performance data as a tool, not as a whip.

We've learned that lesson, too. Some time ago, when we were involved with *Governing*'s Government Performance Project, we gave cities and states good grades if they could demonstrate that they were gathering outcome measures and making them widely available. As we've seen the world change, we'd never do it that way again. Instead, we'd dig far deeper into the actual changes that were made in an entity as a result of the data they gather. **G**

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On Leadership

BY MARK FUNKHOUSER

The Price of Sustainability

Can environmentalism be affordable? Spokane's mayor thinks so.

Environmental sustainability is a front-burner issue for cities these days, so it's not hard to find news about what local governments are doing to address it. One city you might not expect to find among that group, given the business-friendly conservatism of its politics, is Spokane, Wash. But its mayor, David Condon, argues that his city is in fact a leader in sustainability, and he makes a pretty strong case.

A retired Army officer and a former top aide to a Republican congresswoman, Condon might seem to some an unlikely figure to be a champion of such policies. But achieving environmental sustainability while maintaining fiscal responsibility has been high on his agenda over his two terms as mayor.

A 10-point environmental sustainability plan his office released in 2017, for example, sets specific, quantifiable targets, and a regularly updated report card keeps residents up to date on progress toward those goals. Among the accomplishments so far: 100 percent of "green bin" waste is now being composted locally; 1.4 billion gallons of water were saved between 2014 and 2016 by reducing system losses; and converting garbage trucks to run on compressed natural gas has reduced carbon dioxide released annually by 660 metric tons.

A significant part of the city's environmental effort is conversion of solid waste to energy. While European environmentalists see the practice as a critical component of sustainable energy development, burning waste remains controversial in the United States. But generating energy from waste instead of landfilling it has paid off for Spokane. Its program not only avoided 1.5 million tons of CO2 from 2014 to 2016, but also has generated enough energy—more than 500 billion BTUs annually—for the city's governmental operations to achieve net positive energy consumption.

Spokane Mayor David Condon

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The shaping of Spokane's environmental sustainability program started with a trip to Washington, D.C., in 2012. Like a lot of older cities, Spokane has a combined sewer system that was dumping untreated waste into the Spokane River during major storms. "It began when I sat in the [Environomental Protection Agency] offices in D.C.," Condon told me. "They gave me two choices: Ask for a consent decree and blame it on us or do integrated planning. I called up our regional office of the EPA and began integrated planning." The idea is to look at the city's operations holistically. That resulted in some re-thinking of its governmental structure. To better control runoff from the streets into the sewers, for example, the streets department is now managed by the utilities department.

Central to the city's sustainability plan has been a commitment to limit utility rate increases to 2.9 percent annually. "Our citizens want a clean Spokane River that can be used for fishing and swimming, and they want to protect the river for future generations," Condon says. "But they don't want to have to make a choice between a clean river and ensuring that they can afford their monthly bills." The possibility of big rate hikes was one reason Condon vetoed a measure setting a 100 percent renewable energy goal for the city.

The city council overrode Condon's veto, but his argument gets at a larger point: Environmental sustainability must be affordable in order to be successful. A significant threat to the environmental movement is a suspicion that its costs are something that the elites are shoving down the throats of regular folks. (Consider, for example, the current dust-up over plastic straws.) As cities pursue sustainability, they would do well to look beyond the usual suspects and consider what Spokane is doing. G

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Public Money

BY ANNE KIM

Mind the Skills Gap

In the midst of record low unemployment, many states are nonetheless struggling with ongoing skills gaps—shortages of workers with the right skills for in-demand jobs.

At the start of 2019, according to the Department of Labor, as many as 7.3 million jobs remained unfilled. These included a substantial number of "middle-skill" jobs requiring some schooling beyond high school but not a four-year degree. They were in fields such as health care, IT, welding and truck driving. The American Trucking Associations, for instance, reported a shortage of 50,000 drivers in 2017.

One reason these gaps exist is underinvestment in career and technical education. Of the more than $139 billion in annual federal student aid spending for higher education, just $19 billion goes to career and tech ed. Students generally can't use federal Pell Grants to fund short-term, non-college-credit training programs, such as for welding certifications and commercial drivers' licenses. Federal dollars under programs such as the Workforce Innovation and Opportunity Act are typically limited to the lowest-income workers.

Two states, however, have programs that show how valuable occupational credentials can be. Already, these initiatives are generating big returns by raising workers' wages, closing skills gaps and driving economic development—and at a price much cheaper than "free college," another higher-ed funding idea that's gained popularity in recent years.

In Virginia, the state's New Economy Workforce Credential Grant Program covers two-thirds of the cost of a credentialing program, up to $3,000 per student. It's a pay-for-performance model, so community colleges and other training providers don't get paid until a student completes a class and obtains an approved credential aligned with the state's annual "hot jobs" list. So far, about 8,000 Virginians have earned credentials through the program since its launch in 2017.

Two states are gaining ground from an investment in technical education.

In Iowa, the Gap Tuition Assistance Program pays tuition, books and fees for lower-income students pursuing credentials from approved programs. In 2018, about 2,400 students applied, and 1,000 were accepted. The program boasts an 89 percent completion rate.

Both programs aim to reach workers who don't qualify for federal aid. "Back in the days when a welding class was going to cost an individual $4,000, someone who was struggling to make ends meet would not come to us," says Elizabeth Creamer, vice president of the Community College Workforce Alliance in central Virginia. "Now they can."

Funding credential attainment has been a smart investment in these states—for workers, for businesses and for the public purse. "These are great programs for moving somebody who could be a public burden or isn't really on track for a good career into getting the skills they need in a high-demand area," says Jeremy Varner, administrator of the Division of Community Colleges and Workforce Preparation for the Iowa Board of Education. "It's giving folks economic opportunity they otherwise wouldn't have and at the same time meeting the very profound industry labor market needs that exist."

In Iowa, which allocates about $2 million to the program annually, workers who earned a credential and found a job in a new industry increased their wages an average of 37 percent, according to the state's analysis. Workers who moved from agriculture to manufacturing raised their wages by as much as 138 percent.

In Virginia, Creamer says her graduates see average wage increases of between 20 and 45 percent as they go on to good-paying jobs at regional powerhouses such as Amazon, Altria and DuPont. Results like these are one reason Virginia is growing its investment from $4.5 million in 2017 to a projected $13.5 million by 2020. The program has also encouraged the state's community colleges to build better partnerships with local businesses so they can produce the talent companies need. "We're not just training and hoping someone gets a job," says Creamer. "We know they will." G

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By covering training in welding, health care and other trades, these initiatives are raising workers' wages and driving economic development.

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Transportation + Infrastructure

BY NICOLE GELINAS

What the YIMBYs Don't Get

Building anything anywhere isn't the answer to housing affordability.

From New York to San Francisco, housing prices have soared in recent years, pushing newcomers and renters far from city centers. In response, a new movement—"Yes in My Backyard," or "YIMBY"—has proposed a radical solution. In its purest form, YIMBYism would dispense with zoning and occupancy laws altogether, and let people build anything anywhere. But building skyscrapers all over cities to solve a housing crisis is like building 10-lane highways to solve a traffic crisis. It's a simplistic reading of supply and demand, and it doesn't work.

Manhattan offers a prime example. In the decade of recovery since the financial crisis, the area around Central Park South has become a veritable forest of super-tall residential towers, each well above 1,000 feet. The benefit of all that housing production ought to be lower prices for New York residents, right? Well, no: As of late February, the median home price in the city was $681,000, up more than 50 percent from 2012. And New York's new luxury towers are notorious for being empty, owned by absentee millionaires and billionaires looking for an investment rather than a home. Midtown Manhattan's housing-vacancy rate is now 20 percent, up from 16 percent for the period between 2006 and 2010.

Just as building a new highway encourages people to drive more, new condo towers induce demand from overseas buyers that otherwise wouldn't have existed. Few international buyers looking to invest in a rarely occupied multimillion-dollar pied-à-terre would go through the arduous process of being approved by the board of an old-fashioned New York cooperative.

While the condo-building boom in San Francisco is less frantic, longtime residents aren't crazy for being skeptical of the idea that more homes means lower home prices. New construction can bring amenities that make a neighborhood more attractive to a different type of buyer; a new Whole Foods makes the rental apartment next door more desirable and therefore more expensive.

Cities should build, but building does require planning.

First, planners need to recognize the value of low-scale density as well as high-scale. After all, low-scale density is still density. A seven-story apartment building on an urban corner is denser than a single-family home. Neighborhoods whose residents prefer to live mid-rise, not in the shadows of super-talls, are not the problem when it comes to density; sprawling car-based suburbs far from good-paying jobs are.

Second, taxation should be structured to favor occupied housing, rather than investment housing, and to encourage housing turnover. Tax reform should include higher rates on second homes and investment homes than on occupied residences, with the new revenue used to lower sales, business and other local taxes. An empty apartment is not a productive investment; a small business is.

Third, zoning laws should be enforced against turning apartments and houses into short-term hotels. The conversion of thousands of apartments into Airbnb rentals in popular cities such as San Francisco and Seattle effectively puts them out of reach of long-term homeowners and renters. The YIMBYs' rejoinder is that cities should build more housing. But who is going to support more housing if it is built only for tourists who can pay $200 to $300 a night?

And finally, transit investments must be made in a way that can help suburbs become denser and more appealing. Without a convenient network of rail and buses, denser housing only creates traffic jams and less-livable cities. Commuter rail to suburbs can support walkable, mid-scale dense living miles away from a city core, taking pressure off the central city—and creating interesting neighborhoods.

"Yes" to healthy growth is fair. But "yes" to everything anywhere just creates a harsher and unproductive backlash against all new development. Nobody wins. **G**

Midtown Manhattan has added thousands of new housing units, but prices keep going up.

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Health + Human Services

BY MATTIE QUINN

Narcan Nation? Not Yet.

The U.S. is a long way from having every cop carrying the overdose-reversal drug.

Only about 2,500 of the nation's 18,000 police departments equip officers with naloxone.

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As the nation's opioid epidemic persists, it's become common to hear of police officers carrying and administering naloxone, the overdose antidote often referred to by the brand name of its original nasal-spray version, Narcan. First responders have saved thousands of lives with it.

So it came as a surprise to many when *The Washington Post* reported in January that not only were District of Columbia police officers not carrying the drug, but that Mayor Muriel Bowser was opposed to the idea, calling it "not the right solution" for the city. The *Post* report came out as the city council was considering a proposal to equip officers in D.C. wards hardest hit by overdose deaths.

Bowser eventually reversed her position in the face of public criticism, and D.C. police are expected to start carrying naloxone by the end of the year. But the news that such a large police force was not already equipped with the drug highlighted a reality that advocates already know well: Though more police officers in America have started carrying naloxone, it's still far from the norm.

The North Carolina Harm Reduction Coalition, which tracks police naloxone programs across the country, cites nearly 2,500 of those programs among the nation's approximately 18,000 police agencies. "More and more departments are carrying every month," says Robert Childs, the coalition's former executive director, "but it hasn't reached a saturation point."

Some local governments argue that their emergency medical services are better equipped to administer the drug, making it redundant for police to carry it. But the most frequently cited reason for not equipping police? Costs. Not only do officers need to be trained in opioid reversal, but the price tag for naloxone can be forbidding. While some police departments have managed to get the cost of the nasal spray down to $75 for two doses, a single dose of the newest iteration, an auto-injector, is priced at $4,500 before rebates or discounts. "We've seen some departments [in North Carolina] that just can't afford to equip a thousand officers with it," Childs says.

Given the high costs, many cities—even early adopters—have been strategic in how they roll out naloxone. Seattle police started off equipping only bike-patrol officers, thinking they would be the most likely to encounter someone overdosing in a public area; last year, the city expanded the program to car-patrol officers. Chicago police didn't begin carrying naloxone until last year, and only in the most at-risk south and west sides of the city.

Beyond the potential to save lives, advocates argue that there's another reason to expand the number of officers carrying the drug: enhancing community policing. Giving officers the tools for overdose reversal has "changed the way police look at their role," says Regina LaBelle, program director of Georgetown University's Addiction and Public Policy Initiative. The officers don't see it as an extra burden. "Not only is it not a problem, but it can enhance their role in the community."

And there's another way to look at costs. As expensive as a dose of naloxone can be, one recent study found that it cost an average of $11,731 to treat an overdose patient admitted to a hospital; for a patient who needed intensive care, that number jumped to $20,500. "It's incredibly costly to treat someone in the hospital setting, and we know naloxone programs work," says Childs. "I want all first responders to carry them. We need to do better." G

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Energy + Environment

BY DANIEL C. VOCK

A Time for 'Boldness' from Cities

A sweeping plan in New York to combat sea level rise could inspire others.

A chorus of questions greeted New York City Mayor Bill de Blasio when he announced in March that he wanted to make the island of Manhattan bigger by extending it 500 feet into the East River, in order to better protect the Financial District and nearby areas from sea level rise.

What, people wanted to know, would go on the new land? Why does de Blasio favor this approach, after scuttling previous plans to build a berm at the edge of East River Park? How will the city avoid such a massive project from getting bogged down in environmental reviews, community hearings and inevitable lawsuits? Would protecting Manhattan come at the expense of Brooklyn and Queens? Above all, they asked, how would New York pay for the $10 billion project?

But Corinne LeTourneau, the former director of special projects for New York and now the head of North American operations for the Rockefeller Foundation's 100 Resilient Cities program, says she was struck by the project's "boldness." That's something she says is in short supply these days, as cities start coming to the realization that their neighborhoods and infrastructure will be affected by climate change. "I hope this isn't a New York-only solution," she says. "They're trying to think from a new perspective. My hope is that we'll see more of this boldness, even in cases when many, many, many other solutions and things that have been studied will not work."

In fact, she notes, Boston Mayor Marty Walsh recently unveiled an ambitious "neighborhood by neighborhood" plan to protect the areas around Boston Harbor. His plan includes creating 67 acres of green space, adding landfill in places, erecting seawalls and adding land-based barriers. Walsh also called for elevating certain streets and other structures.

Meanwhile, the city of New Orleans is using federal grants to help make Gentilly, one of its most flood-prone neighborhoods, more resilient. The city is creating parks and repurposing street medians to include water features that will collect rainwater and prevent flooding.

In New York, de Blasio noted that the city is already taking measures to protect its coastline in other places, using federal money that started flowing after Superstorm Sandy inundated the city in 2012. Other parts of Manhattan would be protected by removable barriers that could be anchored in place as storms approach. "But there's one part of this area that will prove more complex, more costly, to defend than all the others combined," he wrote in his announcement. "South Street Seaport and the Financial District, along the eastern edge of Lower Manhattan, sit so close to the sea level—just eight feet above the waterline—and are so crowded with utilities, sewers and subway lines that we can't build flood protection on the land. So we'll have to build more land itself."

The city predicts that, by the 2050s, more than a third of Lower Manhattan would be at risk from a storm surge. And by the end of the century, the city says, the sea level rise in the area would be more than 6 feet; one in five streets in the neighborhood could be flooded every day—even under sunny skies—by the rising tides. "We're going to build it," de Blasio said, "because we have no choice."

The mayor says the federal government should pay for some of the improvements, because projects of that scope are beyond the means of states and local governments. It makes no sense, he argues, that the federal government will help communities recover after a disaster but not help them prepare before a disaster occurs, when the costs would be much cheaper. Still, even the mayor acknowledges that help from Washington won't be coming anytime soon.

LeTourneau says many resiliency projects never get off the drawing board because of questions of financing; too often those projects never even get to the drawing board. But she says cities shouldn't dismiss expensive-sounding projects out of hand. In many cases, projects to build resilience offer many simultaneous benefits—new parks and green space, better water quality, more attractive neighborhoods—that could each attract their own sources of funding. **G**

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Mayor Bill de Blasio wants to extend Lower Manhattan 500 feet into the East River.

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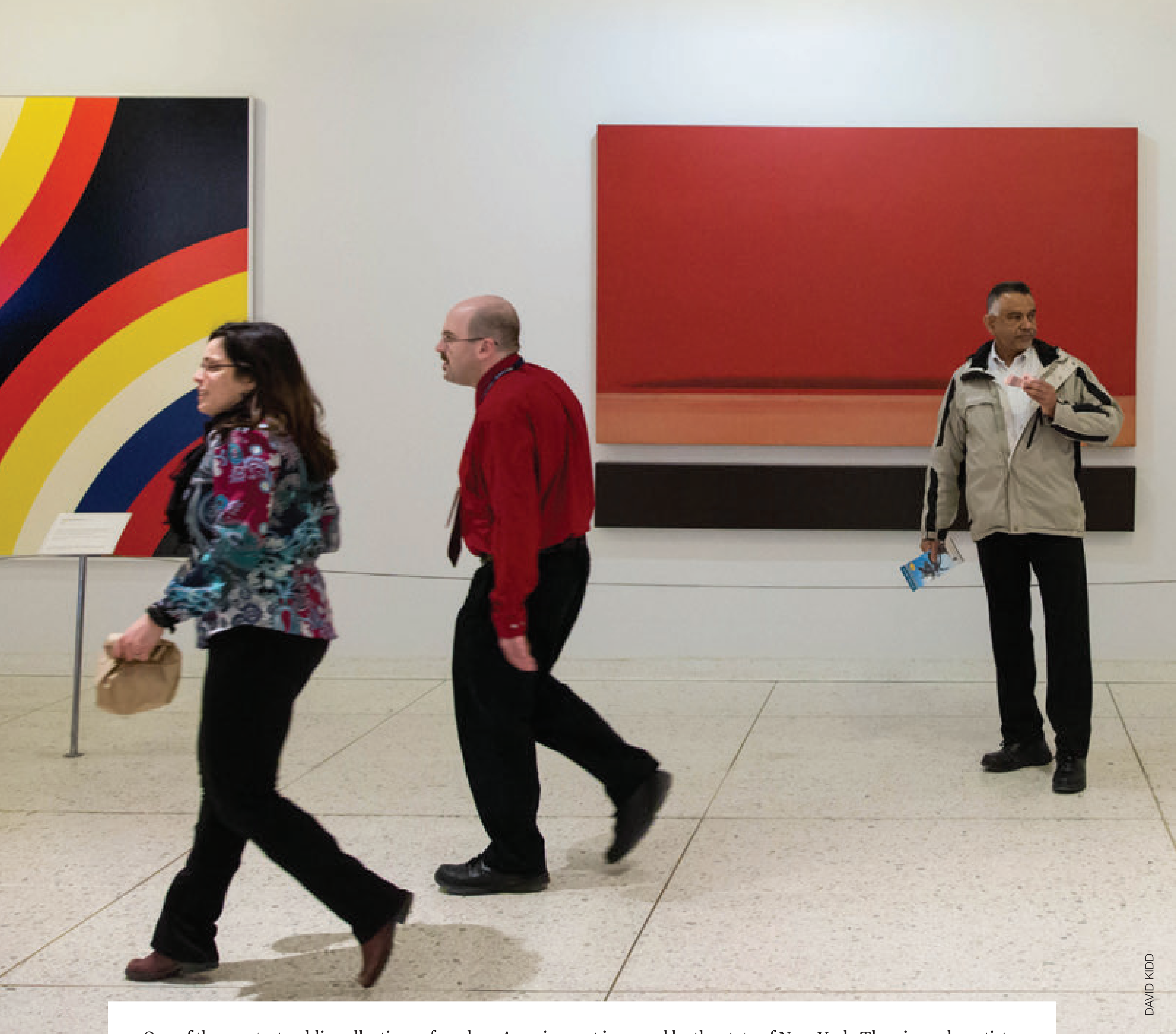
Last Look



DAVID KIDD

One of the greatest public collections of modern American art is owned by the state of New York. The pieces, by artists such as Jackson Pollock, Helen Frankenthaler and Mark Rothko, aren't in a museum or hanging in the governor's mansion. They are placed in and around the Empire State Plaza, a complex of buildings that houses the 15,000 state employees who work at the capitol in Albany. The artworks with the highest visibility are those on display in the quarter-mile-long underground concourse that connects the buildings. The collection comprises works from the 1960s and '70s by artists who lived and worked in New York; it was the idea of Gov. Nelson A. Rockefeller, an avid art collector. "New York is the center of the contemporary movement in the international art world," he said. "These great artists should be represented in the state complex." **—David Kidd**