



Atlanta Urbanist Book Group

The New Localism: How Cities Can Thrive in the Age of Populism

By Bruce Katz and Jeremy Nowak

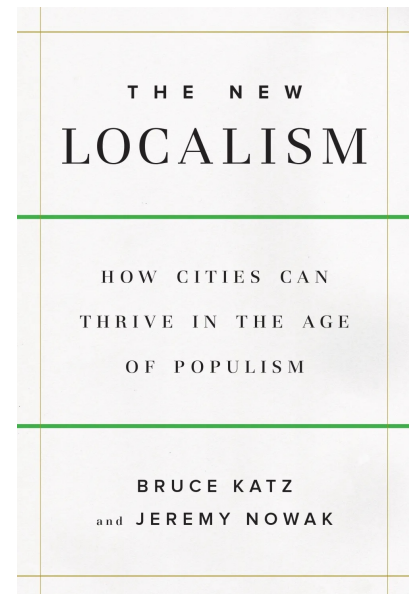
The Atlanta Urbanist Book Group met Feb. 7, 2024 to discuss *The New Localism: How Cities Can Thrive in the Age of Populism*. Katz is a scholar at the Brookings Institution. Nowak was a fellow at Drexel University's Lindy Institute for Urban Innovation until his death in 2018. They are experts in governance and finance.

The book is about how local government leaders could solve difficult problems if they worked more effectively with others and thought more creatively about the financing of economic development, workforce development, infrastructure and social programs. The book offers examples of cities where these approaches to problem solving and finance have worked.

In our discussion, we focused on the book's obvious but seldom recognized lesson: that how you approach decision making affects the decisions you make. By putting the right people together with good information and collaborative processes, you can multiply your chances of a good decision.

We found a second lesson in the book that applies to Urban Atlanta: Once you create a successful decision-making network, you need to keep it together to see the decisions through to completion. Urban Atlanta sometimes decides things well but lacks follow-through.

There are other lessons in the book. One is that this is a time of great opportunity for cities and urban regions because of globalism. Globalism has had negative consequences (it has, for instance, fueled the populism referenced in the book's subtitle), but it rewards places with large concentrations of educated workers. Urban Atlanta has educated workers—and great higher education institutions—in abundance.



One of the most intriguing ideas in the book was that leaders have trouble seeing their city's assets and recognizing hidden strengths. When they see these assets and strengths more clearly, they often find solutions quite different from the ones they were pursuing—and discover whole new ways of financing them.

Five Big Ideas

The Atlanta Urbanist Book Group highlights ideas from books that we think could make Urban Atlanta better. Here are five “big ideas” drawn from *The New Localism* that we think Urban Atlanta could benefit from:

1. Cities and urban regions can make great progress, particularly in issues like economic development, workforce development, transportation and housing, if they involve their most important institutions in well-designed, enduring decision-making networks.
2. In taking on these issues, these networks must keep placemaking as a central goal. Building a vibrant and interesting city is critical to attracting 21st century companies and highly skilled workers.
3. An advantage of having many institutions working together with government is they may discover new ways of financing improvements and supporting their upkeep.
4. We have the “right bones” in Urban Atlanta for collaboration, and there are numerous examples of successful decision-making networks. But we don't tend to use these networks for our greatest issues, and we don't hold these networks together.
5. One result is a lack of follow-through for big decisions. One example is MARTA, our 50-year-old, still unfinished transit system, but there are others.

Footnotes to the Big Ideas

In our discussion, we noted:

- Among the examples of successful collaboration in Urban Atlanta are the roles that community improvement districts have played in changing parts of Atlanta like Midtown by creating collaborations among businesses, governments, universities and other institutions. We know how to do collaborative decision making. We just don't do it enough or use it for some of the region's largest problems.
- As the book makes clear, there are innovative ways of financing major improvements, and networks are often good at identifying them. There are examples of innovative financing of needed public improvements in Atlanta, from the funding of the Beltline project with tax-allocation district to the involvement of the Piedmont Park Conservancy, a nonprofit, in maintaining and improving Atlanta's most prominent park.
- Great improvements in cities do not happen quickly; they unfold over time. As important as it is to have a visionary idea—like MARTA—it's even more important to support the vision over time. Temporary decision-making networks are good. Long-lasting ones are better.

Why Do These Things?

Katz and Novak's book helps us see how changing the way problems are dealt with can benefit cities and regions. But should Urban Atlanta change the way it makes big decisions? We think so. Here's why:

- We have many institutional assets, which are critical to what the book calls “networked governance.” Among them: universities, corporations, foundations, strong nonprofits and business organizations and a vibrant arts community.
- We have many issues that could benefit from a more collaborative form of decision making and new thinking about finance. One is affordable housing. Another is new ways of achieving equity.

- We have undervalued assets that could also benefit from new thinking. Centennial Yards, the real estate project being built above the area called “the Gulch” in downtown Atlanta, shows what creative thinking about land and location can do.
- There are many benefits that come from institutions and organizations working together on big issues. Among others, it builds relationships that make cities work better. If a university president knows the mayor, some problems can be solved quickly and easily.
- Having these networks in place helps prepare us for unexpected opportunities or threats, such as natural disasters. The time to create these relationships is before the opportunities or threats are in front of us.

What Are the Obstacles?

Even the most worthwhile changes create opposition. That’s true even for something as desirable as collaboration and better ways of financing urban improvements. So our members discussed some of the obstacles or barriers the big ideas might face in Urban Atlanta. Here are some:

- We aren’t becoming more united in Urban Atlanta. By some measures we are growing less united. One example is the creation of new cities in the past 30 years.
- Change is not easy. And the changes suggested by this book may be particularly difficult because they require that leaders work outside their comfort zones, cooperating with other leaders and sharing power.
- We are not in a crisis as was Pittsburgh, one of the cities cited in the book for its decision making. And we don’t fear irrelevance like Indianapolis, another of the book’s examples. So why should leaders make the effort to change the way they decide things?
- Changing our decision-making infrastructure requires visionary and committed leaders. It’s hard to imagine today who would be the ones to get it started.
- Pittsburgh and Indianapolis developed a vision that guided their decision making. Most cities, Atlanta included, do not have visions.

Ways Around the Obstacles

These are difficult obstacles. Here are some ideas our members offered for overcoming these barriers:

- Visionary and committed leaders can change almost anything.
- A good first step would be discussions in a variety of venues about how decisions are made today in Urban Atlanta. Basically, we need to ask: Who makes big decisions about economic development, workforce development, transportation and social progress? How are they made? Are there better ways of deciding these things? How could the new ways improve things?
- We also need a study of collaborations in Urban Atlanta. That is, a study that maps how collaborations have been used in the past, their strengths and weaknesses, and the results. We may find we have a long, productive history with this form of decision making. We need only to use it in new and bigger ways.
- A good project for a new decision-making network: Draft a vision for Urban Atlanta. Start by identifying the economy we want, how we want to move around, and how we want to be viewed by residents and outsiders.

A Synopsis of *The New Localism*

The New Localism is 247 pages, not including preface, acknowledgements, notes, index and a brief reader’s guide. There are 10 chapters.

Katz is a scholar at the Brookings Institution, where he founded the Metropolitan Policy Program. Nowak was a fellow at Drexel University's Lindy Institute for Urban Innovation until his death in 2018. He founded a community investment fund and chaired the board of the Federal Reserve Bank of Philadelphia.

As described above, this is a book about how local government leaders could solve difficult problems if they worked more effectively with others and thought more creatively about the financing of improvements.

Underlying the book's arguments are several premises. The first is that cities are more powerful than their leaders realize. But to harness the power, the authors say, mayors and others must think about power differently and work more collaboratively.

More collaboratively with whom? Major institutions such as universities and foundations; other governments like counties, transit and airport authorities, suburbs, school districts and state governments; business interests organized in chambers of commerce and business improvement districts; and nonprofits such as park conservancies.

When you bring these interests into "networked governance"—Katz and Nowak's term for collaborative decision making—you bring new ideas and resources to bear on old problems, they write.

The book's second premise is that local power is growing. Partly, the authors write, that's because of globalism and partly it's because state and national governments have been hamstrung by populism and partisanship.

How does globalism (basically, the rise of international commerce) aid cities? Because companies doing business on an international scale need worldly, educated employees who can work easily across national and cultural differences. Cities have these workers and in the right settings, in downtowns and other commercial districts.

And not just in a handful of cities. "Middleweight cities around the country" like Indianapolis and Pittsburgh have transformed themselves, the authors report. Leaders in these cities concentrated on undervalued strengths—in Pittsburgh's case, a long history of manufacturing excellence; in Indianapolis' case, a history of government and business cooperation in a city surrounded by a rich agricultural economy. Pittsburgh revived itself by concentrating on robotics, Indianapolis by pursuing life sciences and biotech companies.

The results are startling: Indiana's life sciences industry is second today only to California's in its value of exports. And more than these cities' economies have been transformed. Indianapolis and Pittsburgh have revived their downtowns, reclaimed neglected neighborhoods and expanded their culture and entertainment offerings—all of which makes it easier to attract the worldly, educated workers they need.

How did these cities and others (Chattanooga, Cincinnati, St. Louis, etc.) make such dramatic and purposeful changes? In one form or other, Katz and Nowak contend, by engaging a wider collection of interests and institutions in decision making. That is, using some form of "networked governance."

There's a third premise in the book. It is that cities and regions could finance needed improvements in economic development, workforce development, infrastructure and neighborhoods if they were more creative in financing these projects. The authors point to business improvement districts and park conservancies to show that money for urban projects can come from outside of governments.

But their most persuasive example is from Copenhagen, Denmark. There, with the national government's assistance, the city assembled large tracts of land in the 1990s, zoned the land for development and sold development rights. The money from the land sales financed a new rail transit line from downtown

Copenhagen to the city's airport. Part of the sales agreements: As transit stations opened nearby, owners paid special assessments for 60 years. It was, the authors say, "a virtuous cycle." Land values rose because of zoning, transit and other investments. A portion of the increased values was returned to the government to finance the improvements. And this revenue stream allowed yet more improvements to be made.

Surely, though, this is a unique situation, one that could happen only in Denmark. Actually, no, Katz and Nowak say. American cities use a scaled-down version of this build-and-finance model with tax increment financing districts. (One is being used to complete Atlanta's Beltline.) But they argue this is just the start. Cities own many assets that, with the right strategies, could be used to fund needed public improvements.

The key to unlocking the power of cities and finding new ways of paying for improvements, is for mayors and other traditional city leaders to involve others in decision making. This requires changing some long-standing practices ("silo busting" and "culture busting," the authors write) and perhaps creating new collaborative organizations.

It also requires a cooperative state government. Copenhagen's transformation began with the city and national governments working together on land assembly and a new way of financing transit. Would Georgia's state government cooperate in a similar way? Would Atlanta's city government or governments elsewhere in Urban Atlanta work collaboratively with the state and other interests?

Until someone tries, it's hard to know.

Footnotes:

- *The New Localism* argues that cities are not very good at valuing assets—the things they own or control. We've heard this before. In *Streetfight*, former New York transportation commissioner Janette Sadik-Khan said that streets and roads made up a quarter of New York's land mass but were, before she took office, used exclusively by a single form of transportation, motor vehicles. This, she said, was a misuse of public assets.
- In the chapter on "Rethinking Governance," Katz and Nowak say that collaborative networks often find creative solutions by approaching problems in a different way. They "build from strength to address needs rather than build from needs to address strength." That is, they start with undervalued assets (land in Copenhagen) and ask, what could we do if we used these assets in a different way? (Answer: We could finance and build transit.) Compare that to our usual ways of thinking about how to pay for public improvements.

About the Atlanta Urbanist Book Group

Our mission at the Atlanta Urbanist Book Group is to introduce new ideas to Urban Atlanta by reading recent books about cities, identifying the ideas we think would work in Atlanta, and offering civic leaders a guide to these ideas.

We define “urbanism” broadly. We are reading books about transportation, land use, housing, public safety, government reform, neighborhoods, social infrastructure, education, economic development, regionalism, diversity, politics, arts and culture, volunteerism, and more.

Our aim isn't to review books but to **show how their ideas apply to Atlanta today** and suggest ways of moving from good ideas to good actions.

You can learn more about the Atlanta Urbanist Book Group at atlantaurbanist.com.