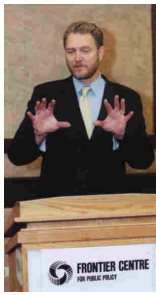


WITH JOHN NORQUIST, MAYOR OF MILWAUKEE AND AUTHOR OF "THE WEALTH OF CITIES" (PART ONE – ON CITIES)



With an impressive record of streamlining city government, improving public safety, and spurring job growth in Milwaukee, Mayor John O. Norquist won election to his fourth term as the city's chief executive in 2000. Under his leadership, Milwaukee city government has become more efficient and less costly for city taxpayers. Meanwhile flexible zoning has accommodated thousands of new downtown housing units. Norquist previously represented Milwaukee's south and west sides in the Wisconsin Legislature. Fellow legislators elected him to Democratic leadership positions in both the state assembly and state senate. Mayor Norquist is a prominent participant in national discussions of urban design and educational issues. He chaired the National League of Cities Task Force on Federal Policy and Family Poverty. Mayor Norquist serves as a board member of the Alliance for Redesigning Government. He has won recognition for his leadership in reducing the cost of government. He was interviewed October 17th after a Frontier speaking appearance in Winnipeg.

Frontier Centre: What do you mean by the phrase "you can't build a city on pity"?

John Norquist: Too often, particularly in the United States, there has been discussion of pathology and local governments begging the national or state governments for money based on how terrible life is and how pathetic everybody is and there is a problem with that even though there are significant problems and it is important to be compassionate. There are also great assets in cities and the assets get ignored if all you do is talk about the problems.

FC: As a reform mayor, how much resistance did you encounter in Milwaukee in making your internal operations more transparent and contestable? Why are government structures resistant to changes which would obviously make them more efficient?

JN: You have to really affirm employees, you have to tell them that you do care about them and you do appreciate the things they are doing and then say – we could do things more efficiently that in the long run that makes life better in the community – but, you really have to work hard to sell it. I would give Steve Goldsmith some credit for really going out of his way to sell it to his own employees. I was able to do a lot of things and move forward on a lot of issues but, I probably could have moved even faster if I had tried harder to sell it to the employees. The unions are another matter and then you are talking about negotiating and that's a whole other kettle of fish.

FC: You come to government as a Democrat but you seem to retain a healthier appreciation for the benefits of markets than many of your Democratic colleagues. What in your background made you more knowledgeable about the conditions necessary for prosperity and the methods available to reach them?

JN: I read the book, "The Death & Life of American Cities" by Jane Jacobs and was influenced by that. I read a book about Robert Moses by Robert Carroll and I was against the Vietnam War which made me skeptical about government. I was against freeway building in Milwaukee which also made me skeptical about big government notions. So I have always had a sort of Libertarian strain in my political thinking even though I do embrace the overall Democratic idea that poverty should be conquered.

FC: Winnipeg, arguably, suffers from an over-reliance on property taxes as its chief means of financing itself. What other revenue sources does Milwaukee have – what sorts of taxing powers should cities be able to utilize?

JN: Our State government has a system of revenue sharing based on equalization where communities with a low tax base per capita get more money from the State and communities that are very wealthy get less. We also collect fees on some services – user fees.

FC: On what?

JN: We collect user fees on water, on sewer operations; we have a garbage fee. We have a lot of parking revenue from parking tickets and we have a hotel tax but none of the money goes to the city it all goes to the Convention Centre Authority.

FC: In your book you graphically describe how Milwaukee, like most other cities, used zoning protocols to suppress natural economic development and make it difficult for people of ordinary means to adapt living space to fit their needs. Are the prevailing trends in urban planning changing fast enough to accommodate natural growth or are we still in a Jane Jacobs nightmare?

JN: There is a movement in the United States called the New Urbanism which I am very active in and on the executive board. In fact, I was just elected Chairman Elect of the organization. There are some chapters in Canada principally in Toronto and a lot of that is built around Jane Jacobs ideas. There is a lot of movement toward the appreciation of the urban farm. There is a lot of change being made in permitting and zoning practices that will encourage market development in cities. Market development that is of an urban character.

FC: Downtowns have become quite a fashionable place to live in major U.S. cities, however, there are many government obstacles to residential development in the inner city. Does Milwaukee have rent controls? And what are your thoughts on rent controls?

JN: We do not have rent controls and rent controls are a breathtakingly stupid idea – all they do is decapitalize housing. If you own property and you want to improve it and you can't get your capital back out of it, you are not going to make the improvement – you will leave your money in the back or else go and invest it in Denver.

FC: How many people live in downtown Milwaukee and how many housing units were built last year?

JN: There are about 14,000 people living in downtown Milwaukee in the last three years there have been 3,500 units developed.

FC: How have you accommodated apartment developers? Here many complain about awkward rules and procedures to get permits and move forward.

JN: We really streamlined our permitting process. We did not go laissez faire; we have a plan that is a very good plan, that encourages good urbanism. If you conform to the plan you can pull your permits and begin construction very quickly – oftentimes within just a few weeks. Fast permitting is a big incentive to developers and, as a result, we don't have to subsidize our developments in downtown Milwaukee. Just the fast permitting is enough to cause them to want to bypass suburban regulations

which are plagued with all kinds of regulations and lot size minimums and all kinds of parking restrictions and so forth. We make it much easier to develop in the city and as a result we had the biggest growth in property value in the year 2000 in all of the communities in our metropolitan area including many wealthy communities that normally have been ahead of us in the past.

FC: You mention that apartment buildings should be required to build a maximum of parking spaces in new developments. This is the opposite of standard thinking which says there should be a minimum, usually a high number of parking spaces – why?

JN: I haven't won this battle yet in Milwaukee. On a few projects I have managed to get variances through the council to allow more development and less parking. But, it really is a burden that stops good urbanism to have parking minimums. You make building in the urban space downtown very difficult if you require one parking space per unit, or even sometimes more than one parking space per unit. If you are in the downtown high density area, some of your tenants are going to be people who don't have cars and you should be able to allow for that and not have a parking minimum that is abusive of the developers capital.

FC: Why did you eliminate one-way streets and parking bans during rush hours?

JN: One-way streets are not good for retail, sometimes you can't avoid having one-way streets, sometimes a one-way pair or a couplet ends up having to be done but, if you can avoid it, and we have eliminated most of our one-way streets in our downtown, your retail will do better, your buildings value will be higher and it makes downtown more of a destination instead of a place you blow in and blow out of very quickly. As far as parking on the streets downtown, you need parking if you want retail on the streets downtown. If you don't have the parking spots, people won't stop. They know they are not necessarily going to always get that spot but if they don't think they ever have a chance of parking in front of the business they want to go to, they are not going to go there. So, adding parking spaces downtown is a big plus – we have added over 1,000 parking spaces to our downtown on the streets, on the curbs of our streets downtown. It is a great way to add value to your downtown without spending money.

FC: The safety issue is the most important one in Winnipeg's current round of elections and we have adopted what might be called "phony" community policing with lots of dispersed bricks and mortar but few officers patrolling beats. Why is it so hard to reform policing. How did Milwaukee do it?

JN: It has to be goal oriented if you want to drive crime down, reduce crime, reduce crime, you just keep on that mantra and measure the results and, unfortunately, we haven't reduced crime as much as I would like. It has gone down, but you have to stay on it. Crime in Canadian cities is miniscule in comparison to American cities so it is hard for us to lecture you on this subject but, there is no question, if you can reduce crime and the perception of crime in downtown Winnipeg, it will help accelerate re-development.

FC: Does Milwaukee have a policy on two-officer police cars?

JN: No, we have a mix -- I know cops always like to have two in a car, but studies show that cops are much more likely to notice what is going on outside the squad car if they are alone – we have both. Their union, of course, would like to mandate all two-person squads but so far we have been able to resist that.

FC: You seem to understand that if you pay people not to work, you will tend to get more people who don't. How successful has welfare reform been in Milwaukee? Is the concept of workfare now accepted in the U.S. as a matter of course?

JN: The transformation of welfare to work-based income has been very successful in Wisconsin. It has resulted in higher incomes for poor people. Just take our public housing for example, we had less than 17% of our residents in public housing working – we now have over 80% of our residents in public housing with full-time jobs in their households. They are earning 57% more than they did, adjusted for inflation, before welfare reform. Ending welfare and replacing it with the work-based system is a good thing to do – it is what Franklin Roosevelt wanted to do back in The Depression. He actually did it at one time and then it got muddled up and repealed. The British Labour Party is really pushing it in England and I think the Canadians really ought to look at going with strong welfare reform with the goal being higher incomes. You want to eliminate poverty and get to the point where people who are poor are poor. The idea is not to trap people in poverty but to move them out of poverty and the only way to really do that is in the world of work.

FC: Why did you privatize your sewer plant? Has it been a positive experience?

JN: It has saved us about \$140 million over the last five years. A lot of it had to do with cumbersome work rules and regulations that were required because it was a government agency. I think the employees are happy with the change for the most part, although the union probably wouldn't admit it publicly. It has been a success for the most part. We have had a few issues with the vendor once in a while but the move has saved the taxpayers a lot of money and we look forward to getting improved service and less overflows and this sort of stuff.

FC: Last question here, you write quite eloquently about the reason why cities developed in the first place and how effective they can be as engines of wealth creation. What measures are most important in assuring that cities prosper?

JN: First of all, understand that cities are very organic organisms. Unlike other forms of government, state or provincial governments or national governments or international organizations, cities are a creation of the private economy. Typically, a city would form around a site for a port or a crossroads or where a ford crossed a river – natural market places. If you understand that organic nature of cities, then a lot of other things flow from that.



The Frontier Centre for Public Policy is an independent public policy think tank whose mission is to explore options for the future by undertaking research and education that supports economic growth and opportunity. You can contact the Centre at: 201-63 Albert Street • Winnipeg, Manitoba CANADA R3B 1G4 • Tel: (204) 957-1567 Fax: (204) 957-1570 • E-mail: newideas@fcpp.org • web: www.fcpp.org