

IBM's Smarter Cities Challenge Summary Report: Mecklenburg County

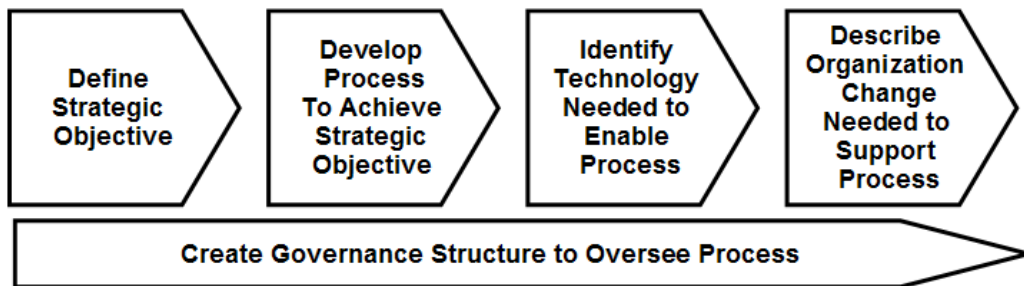
The Mecklenburg County Smarter Cities Challenge was one of three pilot US cities to earn a grant from IBM as part of its philanthropic efforts with the goal of building a Smarter Planet. IBM's Smarter Cities Challenge is a new philanthropic initiative that aims to contribute to the improvement of high-potential cities around the world. In November, 2010, a team of five IBM executives worked in Mecklenburg County and with the six enclosed towns and cities to deliver recommendations around two key challenges that were identified by Mecklenburg County Manager Harry Jones and his senior leadership team.

The Challenge

The government of Mecklenburg County ("the County") asked IBM to recommend an approach for conducting Joint Master Capital Planning across the entities which collectively constitute local government within the political boundaries of the County. The County believes that the current process for capital planning – which occurs in silos, at different junctures and which advance disconnected strategic objectives – may fail to maximize public value. Given the fiscal constraints under which these local governments now operate, improving the returns on capital investments should be a high priority to all of the local government entities across the county.

The Approach

IBM applied its Strategy Development Framework to structure both our information gathering from the many government jurisdictions and its non-government partners and how the recommendations from this analysis are delivered. The Strategy Development Framework has five elements, shown in the following figure:



Executive Summary

The IBM team believes that the development of a Joint Master Capital Planning process should be a central strategic objective for the local governments in Mecklenburg County. We base this conclusion on the following:

- Local governments in Mecklenburg County – including the County government, school board, libraries, Central Piedmont Community College, the Charlotte Housing Authority, and the seven municipalities – all share a common mission: to advance the quality of life of the residents of the county.
- Since these governmental entities all share the same mission, capital planning (and all resource allocation decisions for that matter) they should be coordinated across the local government units to ensure the most efficient and effective allocation of resources
- Decisions on how to deploy capital should be based on seeking the highest returns on those capital investments.
- Since local government is in the business of advancing the quality of life of residents, those returns should be based on a metric that is linked to quality of life.
- Since quality of life is largely experienced at the neighborhood level, neighborhoods (residential, commercial and industrial) should be the “unit of analysis” employed in determining how resources should be allocated; that is, it is the impact that investments have on neighborhood quality that should be the principle governing resource allocation.

“Interview”

“Success of this [IBM] project would be that people in the region understand the connections of the infrastructure to community wellbeing; the costs of playing and not playing; the benefit of having a broader vision (as opposed to a silo-ed vision) and we have a roadmap of how to connect, without stepping on toes.”
Elected official

- The simplest metric for measuring the quality of life in neighborhoods is property taxes; therefore those investments that drive property values most efficiently is where dollars should be directed, adjusted based on the net operating impacts of those investments.
- The local government entities need to develop a process, enabling technology, organization, and governance procedures for orchestrating this type of collaborative planning.

As a consequence of these findings, the IBM team recommends the following roadmap for implementing a Joint Master Capital Planning process:

- All local government entities (LGEs) in the County should pass resolutions supporting the concept of Joint Master Capital Planning and committing their organizations to participate.
- The LGEs should create a Joint Master Capital Planning Coordination Committee specifically designed to bring together the key decision makers from across the County to prioritize capital investments.
 - This Committee will be charged with overseeing the joint capital planning process and producing recommended capital investments to the respective political and appointed authorities.
 - This Committee will also monitor and publish the outcomes of these investments.
- The capital prioritization process should be based on anticipated impacts of targeted investments on specific neighborhoods, measured by forecasted increases in property values and the change in net operating expenses.
- The LGEs should commit to:
 - Jointly fund Comprehensive Neighborhood Economic Development Plans.
 - Align internal capital planning schedules with a County-wide schedule.
 - Jointly fund any technology investments needed to enable joint capital planning, which may include modeling and other application support.
 - A change management plan that communicates the goals of this effort and secures support for it among employees, citizens and other stakeholders.
- The full report includes specific recommendations for Capital Planning and Economic Development:
 - Governance
 - Process Integration
 - Organizational Change Management
 - Technology to support
 - operational and strategic decision support
 - government and citizen collaboration



“Interview”

“...when neighborhoods are seen as viable and desirable, people move into them. When a neighborhood is seen as undesirable, people who can leave do so. The neighborhood is then left with people who feel trapped because they cannot leave.”

City Official