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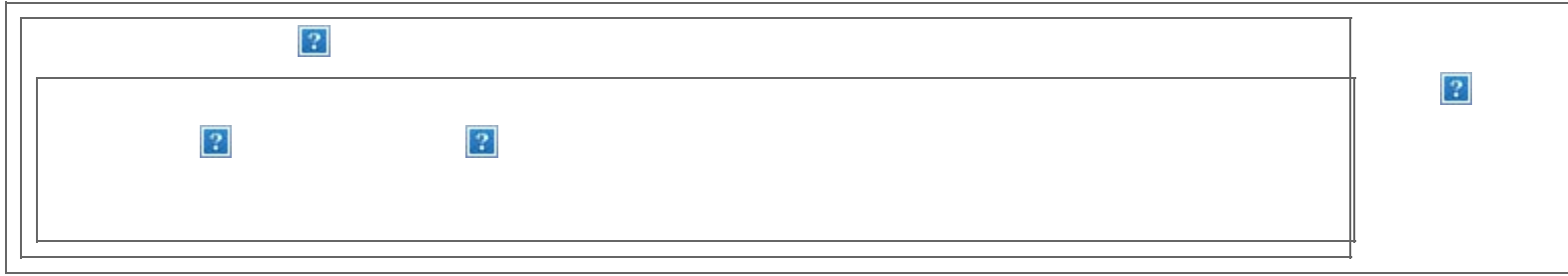
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September 2003 · Volume 85 · Number 8

Optimistic About Public/Private Partnerships:

From the City's Perspective

Pamela Syfert

In 1875, the influential *Harper's Weekly* described Charlotte, North Carolina, as having the potential to become a regional center. More than a century later, Charlotte is the hub of economic activity in an increasingly diverse region of 1.35 million with regional, national, and international connections.

The largest city in the Carolinas, with nearly 600,000 residents, Charlotte has long been recognized for its strong business climate and entrepreneurial spirit. In the early 1990s, Charlotte was ranked "Number 1 in the country" by Fortune for its pro-business attitude. This past December, Money included Charlotte among the nation's "10 best places to live." And in a recent survey in which Business Facilities recently asked corporate site selectors, location consultants, and real estate professionals to share their top picks for locating a corporate headquarters, Charlotte ranked third on the Top 15 Cities List for 2003.

Today, 305 Fortune 500 companies, including eight with corporate headquarters here, call Charlotte home. These companies provide a diverse economic base that makes Charlotte a financial hub and global trade center. Jobs and opportunities have drawn people to the Charlotte area where the population has risen by 35 percent since 1990.

Beyond generating jobs and profits, many of these companies play an equally vital role in some important public projects that otherwise, because of limited public funding, might not get done. The strong tradition of the public, private, and not-for-profit sectors' coming

together to solve problems has become part of the community's culture. The result has been a number of successful public/private partnerships that have shaped the city's skyline.

From establishing a recreation center in an inner-city neighborhood and building an NFL stadium for the Carolina Panthers to bringing a Johnson & Wales University campus to Charlotte, city government has been acting out its vision statement by partnering "with citizens and businesses to make this a community of choice for living, working, and leisure activities."

While public/private partnerships are not new, local governments in today's economy are especially challenged to keep up with capital spending requirements for essential infrastructure, let alone for special projects to spur additional tourism and economic activity. As a result, many are exploring partnership opportunities as a way to augment, even supplant, public financing of a wide array of public facilities. In Charlotte, the NFL stadium; the North Carolina Blumenthal Performing Arts Center; the recently opened 700-room Westin hotel; and a new Center City arena, now under construction, have all resulted from creative public/private partnerships.

Partnerships Key to Vital Economy, Engaged Corporate Citizens

Central to Charlotte's approach to developing public/private partnerships is the city's urban economic policy, adopted by the council as a guide to city government efforts that support the development and growth of the local economy. The policy specifically addresses the need to foster partnerships to achieve this growth in the local economy, as well as to:

- Create a customer-oriented local government environment that supports the development of an educated and trained workforce.
- Attract and retain high-quality businesses.
- Directly support business development.
- Provide the necessary land, infrastructure, and incentives to promote business development.
- Focus on opportunities for all citizens to become productive contributors to the economy.
- Organize to become responsive to economic development opportunities.

The city's reliance on its external partners in advancing this economic development mission cannot be overstated. Major organizations, such as the Charlotte Chamber, Carolina's Regional Partnership, and Charlotte Center City Partners, provide a critical impetus for business recruitment and retention. These partners also stand with us as we market our city and the region and lobby aggressively for legislation that will give us the resources and tools to remain competitive as a commercial center.

Partnerships with the business and development communities are essential to growth, job creation, and tax-base expansion. The role of the local government is to work with the business sector in advancing initiatives that will aid its smart growth agenda. Transit-oriented development, as well as business corridor and infill redevelopment,

are key priorities that require participation by government to mitigate private development risks. A strong economic-development policy framework, supported by Charlotte's elected officials, is central to any effort requiring technical or financial involvement.

Center City—an area thriving through recent public/private partnership activity—is the employment and hospitality/tourism hub for the region. Investing in Center City as the private sector has done has helped keep Charlotte economically viable enough to sustain existing businesses, including an expansion of Center City housing opportunities for local companies' employees. Similarly, investment in Center City fosters the restaurants, hotels, and cultural institutions necessary to support business and hospitality interests, not just local government's interests.

Charlotte is fortunate to be home to corporations and organizations that see their role as one not only of generating profits but also of helping to offer a service to the citizens of their community. The private industries also are part of Charlotte's close-knit community and recognize when there is a need for a service. They always have shown a willingness to do their part to fill these needs. The service-provider role is a function historically dominated by the public sector, but a public/private partnership allows private companies also to serve in this capacity, giving them the chance to apply knowledge to challenging new environments and markets, as well as to meet or exceed their profit margins.

Beginnings

In 1976, residents passed a bond referendum for the construction of a performance center, Spirit Square, and a hands-on science museum, Discovery Place. The bond financing covered land acquisition and building construction costs.

The community, businesses, and local government worked together, and in 1981 Discovery Place opened its doors. The private sector raised money for program development and exhibits. With a 1985 addition and the later appearance of the Omnimax Theatre, the city adopted a 50/50 public-to-private funding ratio for the facility.

It is this kind of coming together that has earned Charlotte its nickname of the “can-do” city. Soon, other projects came along that garnered support from one or more segments of the community. Among them have been:

- Apparel Mart. In 1986, the city entered into an arrangement with developer Crosland-Erwin to preserve a native trade industry, the Carolina/ Virginia Fashion Exhibitors. Under the terms of this agreement, Charlotte bought the land on which the mart was to sit for \$5.6 million and received rent in return. After the building opened in 1989 as part of a \$33 million project that included a hotel and parking garage, a sale provision was negotiated. The city sold the land in 1995 for more than \$8 million—an 8 percent return on its investment—and returned this facility to private ownership.
- North Carolina Blumenthal Performing Arts Center. Citizens interested in the arts encouraged the North Carolina General Assembly to grant money to Charlotte for the construction of the performing arts center. Through a bond issue, the city added \$15 million to the state's \$13.5 million, and \$16.5 million was privately raised. Part of the private contribution came from an unusual construction arrangement with then-NationsBank (now Bank of America), which placed the center adjacent to its headquarters tower. The \$45 million two-theater structure, which opened in 1993, is owned by the city and operated by a nonprofit corporation under contract to the city.
- Transit Center. NationsBank also contributed \$11 million in 1994 to develop and build a new Center City bus-transfer hub on 2.5 acres of city-owned land valued at \$7.5 million.
- Ericsson Stadium. Charlotte contributed \$35 million in land for the NFL stadium and practice fields, as well as making a commitment of 1,200 parking spaces in a new parking deck, plus other infrastructure improvements. Additionally, the state of North Carolina furnished \$3.5 million in road improvements, and Mecklenburg County provided \$16.5

million in land. The \$55 million in public funding was matched by Richardson Sports' commitment of \$200 million. Richardson Sports owns and operates the stadium, holds a 99-year lease on the land, and pays property tax on improvements. Construction of the practice fields enabled the cleanup of a brownfield in a residential area, and nearby parking provided for buses, which in turn enabled the development of a pedestrian greenway.

- The recently opened Convention Center Westin Hotel was made possible through a partnership that involved the city's contributing \$16 million in COPS financing to the \$143 million project.

Public/Private Partnerships Alive in Charlotte's Center City

College Campus

Johnson & Wales University (JWU) will soon open a campus in Center City Charlotte. Established as a business college in Providence, Rhode Island, in 1914, JWU offers two- and four-year degrees in 51 degree programs, including business administration, culinary arts, business hospitality, food service management, and hotel management. Additional campuses are located in Virginia, South Carolina, Florida, and Colorado.

JWU's Charleston and Norfolk campuses have been operating in leased facilities, offering them little opportunity for growth, while other campuses—particularly the one in Providence—have effectively revitalized the urban areas in which they are based.

Charlotte is fortunate to be home to corporations and organizations that see their role as one not only of generating profits but also of helping to offer a service to the citizens of their community.

The university was looking to find a best-fit location to establish itself as a major educational presence in the South. A JWU graduate and employee of the Charlotte-headquartered Compass Group/North American Division was aware of the university's desires and the city's interest in revitalizing a part of Center City called Gateway Village.

He got others interested, and soon a coalition, including local and state government leaders, Bank of America, Compass Group, and the Charlotte Chamber of Commerce, actively recruited JWU to consolidate in Charlotte the programs currently offered in Norfolk, Virginia, and Charleston, South Carolina. In September 2004, the University will open its doors in Charlotte with an expected enrollment of 885 students. The number of students is expected to increase over the next three years to 2,800 students.

Bank of America and city officials worked together to identify opportunities for site assembly and for the use of existing buildings to help create an ideal environment to ensure the success of a Charlotte campus for the university. The bank was instrumental in assembling the land and buildings needed to establish the Center City campus by developing up to 1,000 parking spaces and by donating land for a culinary school, classrooms, and administrative and retail space. Charlotte sold a 5.41-acre parcel along major downtown streets, which was valued at \$8 million, for \$1 million. The university is projected to generate nearly \$60 million in total economic activity once the full complement of students, faculty, staff, and administrators is in place by 2007.

Center City Arena

Few projects of any size are without complications. But the city's quest to build a new arena in Center City began in 1996 and took eight years and several attempts

before the right deal could be struck. With a \$100 million underwriting commitment from private sector partners—including a special alliance of the two major banks headquartered here, Bank of America and Wachovia—the new sports and entertainment complex is expected to be an economic catalyst, generating profits for local businesses, restaurants, and hotels, as well as spurring additional private investment in the area surrounding the building.

Half of the private sector's commitment to support the new arena construction involves purchasing city-owned property, including the current Coliseum, returning this property to the tax rolls, and generating at least \$500,000 in property taxes in the first year alone.

The additional funding takes the form of guarantees and up-front cash to be recovered from the NBA team (the Bobcats), food and beverage concession rights, and energy rights. The private sector investment eliminated the need to borrow \$100 million toward the construction of the new arena, thereby saving an estimated \$115.2 million in interest over a 30-year period. The city will own the complex, which is scheduled for completion in October 2005, and which will accommodate a wide array of family shows and concerts, as well as serve as home court for the NBA expansion team. The team will manage the facility.

Partnerships Build Housing, Meet Neighborhood Needs

Not all of the city's partnerships have involved large public facilities. It also has entered into partnerships to build affordable housing, to establish a community recreation center, and to promote and to develop support facilities for a range of neighborhood and small-business initiatives.

At a 1994 public meeting, residents of a distressed, older urban neighborhood—together with community police officers—identified the need for a community center. First Union National Bank (now Wachovia) donated a 1,400-square-foot modular building to the neighborhood organization to use as an interim community center. The Charlotte-Mecklenburg School Board agreed to place the facility on the campus of a nearby school. For its part, the city and county parks and recreation department continues to work with the neighborhood to provide programs for youth and adults at the center.

Affordable housing is being built with the help of the Charlotte Neighborhood Fund (CNF). Founded in 1996, CNF is a partnership among the city, the North Carolina Community Development Initiative, the Enterprise Foundation, Fannie Mae, major banks and local foundations, and local community development corporations certified as community housing development organizations. Since the program's inception, the city has invested \$1.1 million, or 36 percent of the total funds contributed by all funding sources, while the private sector has put in more than \$1.9 million. To date, CNF has developed 556 affordable housing units.

When grants are awarded by the city to neighborhood organizations, the city ensures that there is a long-term plan in place for the projects' success.

The Charlotte-Mecklenburg Housing Partnership (CMHP) offers additional opportunities for constructing affordable housing. CMHP is a community-based development organization whose mission is to expand affordable and well-maintained housing within stable neighborhoods for low- and moderate-income families. The city

grants \$2 million annually to CMHP to revitalize targeted inner-city neighborhoods, to develop and manage mixed-income rental property, and to furnish homeownership opportunities. Since 2000, CMHP has built more than 300 affordable housing units, leveraging \$8.8 million in city funds (project and grant funding) and \$48 million in private resources. CMHP recently completed 600 additional affordable housing units that became available in July.

Charlotte's neighborhood development department sponsors the Neighborhood Matching Grants Program, which awards grants to neighborhood-based organizations for projects that will make neighborhoods better places in which to live, work, play, and shop. Grants of up to \$25,000 are awarded three times a year—March, June, and September—in four main project categories: neighborhood improvement projects; neighborhood organizing and organizational development; crime and public safety; and neighborhood recreational, educational, and cultural initiatives.

Funds granted by the city must be matched by contributions of volunteer time, cash, or in-kind donations of goods and services. Projects typically are designed to make physical neighborhood improvements or to help neighborhood organizations become stronger, and a wide range of businesses, large and small, contribute in many ways. Home Depot has donated flowers to be planted throughout neighborhoods, particularly at neighborhood signs and entrances, and Sherwin-Williams has given paint and offered products at discounted prices for neighborhood beautification projects.

When grants are awarded by Charlotte to neighborhood organizations, the city ensures that there is a long-term plan in place for the projects' success. Since it began in 1993, the Neighborhood Matching Grants Program has awarded a total of \$2,264,067 to 226 different organizations, for 317 projects.

Not Without Risks

With so many successful partnerships, it would be easy to overlook the one that did not pan out. But no article about Charlotte's public/private partnerships would be complete without acknowledging CityFair, a "festival market" complex developed in the mid-'80s.

When the concept of an uptown festival market was first brought to the elected officials, the uptown section of town still boasted two department stores. By the time CityFair opened in 1988, however, the department stores had closed, and not long thereafter, work began on the NationsBank tower, bringing a magnitude of construction that served to isolate CityFair.

The project fell on difficult financial times and went through several owners. The city retained ownership of the parking garage and the land on which it was built until 1998, when the owner exercised its purchase option on the CityFair parking garage. The property was demolished to make way for the construction of a new, 930,000-square-foot, 45-story office tower and retail complex.

Advice to Partnerships

To any locality looking to establish a partnership, Charlotte offers this advice:

- Select appropriate partners.
- Conduct thorough economic impact studies that determine both the potential risks and

- rewards of the partnership.
- Develop long-range plans.
- Secure the commitment of city leaders and other political officials who can take on leadership roles.
- Ensure that both the public and private sectors remain actively involved in the project.
- Communicate with all those to be affected by the partnership (employees, citizens who will receive a service, relevant interest groups, and so forth).

Partnerships are a means for a local government's elected officials and employees, the private sector's workforce, nonprofit agencies, and the public to come together for the good of the community. Partnerships are effective tools for the local organization to use as it pursues its mission of delivering the highest-quality service to its citizens, and for private enterprise to use in helping to ensure that Charlotte remains economically viable.

Charlotte's partnerships continue to save and even to earn the city money, to lend access to specialized expertise, to allow for efficient and effective delivery of services, and to give citizens with access to cultural, recreational, and educational facilities. Not only are the partnerships essential in challenging economic times, but they also bring various segments of the community together to meet common needs.

Pamela Syfert is city manager of Charlotte, North Carolina.

From the Bank's Perspective

James Hance, Jr.

Today, along the San Francisco waterfront, the chimes of the 105-year-old clock tower at the restored Ferry Building mark the hours for patrons and office workers of a new retail and commercial development.

On Baltimore's West Side, shoppers pick up fresh flowers and crab meat in the revitalized historic Lexington Market. In McMinnville, Oregon, citizens with special needs come home to housing that is affordable and convenient to their places of work, while in Los Angeles public assistance recipients complete another day of workforce readiness training and take another step toward independent living.

In the African-American Parramore neighborhood of Orlando, builders rehabilitate historic structures in the mixed-use CityView project, which is expanding affordable housing and acting as a catalyst for surrounding development. And in downtown Charlotte, heavy construction equipment swarms over the fenced site where a new sports arena slowly rises on what were once surface parking lots.

Each of these projects plays an important role in the economic health, progress, and livability of its community. Each also is a symbol of our belief at Bank of America in the wisdom of public/private partnership in strengthening the markets where we do business.

In concept and in reality, public/private partnerships have come a long way in the last

quarter-century. They have evolved from the large-scale urban renewal projects of the 1960s and 1970s to the well-intended but often economically unsound ventures of the 1980s to today's model of partnership. They are true joint ventures in which both sides leverage their distinct strengths and drive for returns that are measurable and sustainable.

To be sure, improvements in models of public/private partnership are sorely needed. Government at all levels faces severe financial pressures, aging infrastructure, and rising health and human service costs. Often the end of the line in the service devolution chain, local governments in particular are being asked to do more and more. Meanwhile, more private sector partners are reaching out to government with creative financing solutions to enhance economic activity and "grow" their businesses. Each side of the public/private partnership knows clearly that the other cannot succeed alone.

Conference Connection James Hance will be a keynoter at ICMA's annual conference in Charlotte, North Carolina.

Like businesses, localities face an increasingly competitive marketplace as they vie for a finite amount of growth and economic activity. Each community must respond to its own set of challenges and opportunities. Local leadership in the public and private sectors changes more often, disrupting the stability needed to form a consensus for community goals and to execute a plan.

So, public/private partnership has never been more important. By focusing on deal economics, on the principles of sustainability, and on projects that can truly transform our communities, I'm confident that business and government together will continue to move the country forward, market by market.

Bank of America and Charlotte: Investing in Interdependence

As the largest U.S. bank serving consumers and businesses, Bank of America invests billions of dollars with local governments across the United States. Naturally, we have made some of our biggest investments in our headquarters city of Charlotte, where we occupy almost 4 million square feet of office space, pay \$9.9 million in real estate taxes, and employ more than 12,000 associates.

Charlotte is many things: a "New South" city of churches, culture, trees, neighborhoods, sports, and growth. Most of all, though, Charlotte is a business city, home of two of the nation's six largest banks and of more than its share of bankers who understand finance, risk taking, and the value of long-term investment. Through the decades, this financial expertise has been matched by progressive public policy and leadership.

Since the mid-1970s, our company has focused most of its attention on Charlotte's center city, believing that the core of the city had to remain strong as residential development pushed outward. Beginning with efforts to save the historic Fourth Ward neighborhood of Victorian houses and extending to investments in building a range of housing options and infrastructure enhancements in the First Ward, our company has worked with a range of city and county governmental partners and other businesses to provide a vibrant place where our associates can live, work, and play.

Two of the bank's most recent economic development projects illustrate teamwork,

creativity, flexibility, and sound returns on investment.

The first is the recruitment of Johnson & Wales University, a leading educational institution in the fields of culinary arts, hospitality, and business, which is building a new Charlotte campus downtown. Bank of America contributed resources, including a charitable grant, land, retail and office space, the discounted sale of a hotel, and \$1million in cash for needs-based student scholarships.

The city of Charlotte sold Johnson & Wales property at a price of roughly \$7 million less than its appraised value, and Compass Group, a Charlotte-based food services firm, contributed another \$2 million in cash. Compass also set aside \$3 million a year in payroll funds for the employment of Johnson & Wales students. Rounding out the effort, the Charlotte Chamber of Commerce and the Center City Partners played crucial roles.

The result almost certainly will be a vital new institution of higher education in Charlotte, with more than 3,000 students and \$60 million in new annual economic activity.

In our second recent partnership, Bank of America and Wachovia Corporation led a business group that underwrote \$100 million in financing, through the purchase of certain public properties, as a springboard for a \$265 million capital project that will breathe new life into an underdeveloped section of central Charlotte and bring the National Basketball Association back to the city. Conservative estimates call for the project to stimulate another \$25 million in new development around the arena, serving as a much-needed anchor for entertainment, nightlife, and retail business growth.

Meanwhile, to ensure that all parts of the city prosper, we have invested \$39 million in equity and \$64 million in debt in projects owned or developed by the bank's community development corporation, which created or preserved more than 1,700 units of affordable housing over the past 10 years.

Beyond Charlotte: 2,000 Markets and Plenty of Experience

Public/private partnership is a concept as old as America itself. For almost as long, communities have looked to banks for civic leadership, and our company has played a role in the growth and development of more than 2,000 communities. The banks that today make up Bank of America have served as the finance partners to governments through the two world wars and the construction of the Golden Gate Bridge, the Grand Coulee Dam, and countless other public works projects.

Today, however, our deepest involvements arise from acting as a diversified financial services provider for the financing of targeted, market-based community needs. We serve state and local governments in 47 of the 50 states, providing economic development finance, both debt and equity; securities underwriting; treasury management; and group banking for governments and their employees.

We are midway through the completion of a pledge to inject \$350 billion into community development in our markets. After four years of what was a 10-year timeline, we have loaned or supplied other capital financing totaling \$163 billion. Of the portions of that pledge not related to personal or individuals' financial needs, more than 10 percent, or \$5 billion, meets the definition of "public/private

partnership.”

Our experience tells us a number of things. Most important, the public sector’s now-deeper commitment to projects that are sustainable has closed gaps that impeded progress in the past. And the public sector’s willingness to take some risk has leveled the playing field for both partners, immediately defining goals that are held in common and shared incentives for success.

We look to government to provide subordinate financing, planning, and zoning changes; infrastructure; land assemblage; tax policy; technical knowledge; and knowledge of the market and community. But a checklist of what we look for in public projects and public partners would also include these needs:

- Public partners who understand that a deal must work for both sides and that our stakeholders require certain returns.
- Public partners with stability, who will stay with the project, understand that neither side will get everything it wants, and mobilize all of their resources instead of adding just one piece of the puzzle.
- Political leaders who will step forward to voice their support if necessary.
- Public partners who understand the swiftly changing ethnic makeup of our communities and how to respond through programs affecting such matters as housing and minority vending.
- Finally, deals and projects with the potential to transform their communities, enhancing them as marketplaces, making them more livable and vibrant, and signaling to observers that the community leaders understand how to drive economic growth and prosperity.

Insights Gained

A few of the lessons we have learned along the way have included these points:

- States are uneven in the provision of economic development and financing tools. Governments at all levels need more flexibility to devise new and more innovative funding mechanisms. Bank of America, for example, is one of the nation’s most active users of the federal low-income housing tax credit because it’s a true win-win proposition for public and private partners.
- Similarly, in their efforts to work more flexibly with private sector partners, local governments frequently must strain against the limitations that state laws place on funding and financing mechanisms. For partnerships to reach their full potential, state codes in some cases need to give local governments more latitude in financing and raising revenue.
- Private and public sector partners are far more effective when they go together to state and federal legislators to make the case for community-wide needs like mass transit and education reform. A unified front is hard to stop.
- The issues we face—education, transportation, crime, and sprawl—pay no attention to lines on a map. The importance of regional solutions places an ever-higher premium on intergovernmental cooperation, planning, and execution. As consumers and the workplace redefine the ebb and flow of life in localities, public/public partnership will become just as critical to success as public/private partnership.

I also would like to draw three clear lessons from our experience as a business. The first comes from the seemingly never-ending headlines about corporate governance, malfeasance, and the fall in consumer and investor trust in business. We understand that public partners are held to the same level of scrutiny and expectation of integrity as we are and that financial providers to governments especially must be above reproach.

Both businesses and governments must maintain the trust of their stakeholders in these days, when there are far too many cases in which this trust has been lost. For this reason, transparency in decision making is a must.

The second lesson from business concerns the use of information. While Bank of America’s size is well known, our customers and clients care most about how we put information to work to make their lives easier. Information management enables

businesses to direct resources to where the need is greatest, as in our initiative to use hourly customer traffic flow data to ensure that our banking centers are staffed correctly at times of peak customer need.

In the same way, police forces use just-in-time information to analyze trends and shift resources in real time to combat crime when and where it takes place. This type of information-based management can be applied to virtually all aspects of public management, just as we are finding the breadth of its application at our company.

Third, governments, like large corporations, must constantly focus on process improvement to meet the public's rising expectations of efficient, high-quality service. Bank of America is in its third year of using Six Sigma, a methodology borrowed from the manufacturing sector that uses facts to analyze broken processes, address root causes of problems, and remove errors and variability from the experience that customers and investors have with our company.

The results have contributed hundreds of millions of dollars in productivity improvements and helped us achieve significantly greater customer satisfaction. Like driving for more accountability and more sophisticated risk and performance management, Six Sigma is a private sector best practice that more public sector management teams should adopt.

Helping Government Reach Higher Standards

We ask ourselves every day how we can help our customers, clients, associates, and communities prosper. If we relentlessly strive for this goal, we know we will meet our shareholders' expectations.

We listen closely to government and public officials at all levels. We hear a consistent message: Bring us more solutions, more control, lower costs, more access, faster learning on our part, and long-term relationships with key bank decisionmakers. As a commercial lender, we are sharpening our focus across all of our product groups to deepen our understanding and ability to respond to the needs of local, state, and federal government.

Like the International City/County Management Association, we take seriously our role in the success of our markets and communities across the United States. We have long understood that the company will be only as healthy as its markets, and our commitment to achieving higher standards means that we hold this same aspiration for our communities and all of their residents.

James Hance, Jr., is vice chairman and chief financial officer, Bank of America Corporation, Charlotte, North Carolina.

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Ethics Inquiries

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Two Careers in the Same Local Government

Scenario: The county manager has been on the job for one year, in a county where two members of the Board of Supervisors are married to county employees. One of these spouses is a public works employee who has applied for a supervisory position in the department of public works. The county attorney has provided an opinion that the employee may not be considered for a promotion because state law prohibits an elected official or family member from getting a new county job or promotion. The public works employee is excellent but was demoted a couple of years ago while serving in a different supervisory position. He still does not think the demotion was fair.

After he had applied for the new supervisory job, one of the county supervisors told the manager that the employee "will do a good job because he has good experience." The county manager, however, explained that it was best for the two of them not to discuss the recruitment.

At the supervisor's insistence, the county manager asked for another legal opinion from a state attorney. That attorney saw no conflict of interest. How can the manager proceed with this recruitment to avoid ethical pitfalls?

Response: To ensure a professional process based on merit, the county manager would be well advised to set up a panel to review applications and to make a recommendation to him on a hire. If it is legally permissible for the public works employee to apply for the promotion, he should be given the same opportunity as other applicants. The manager needs to protect himself from any appearance of favoritism or from any impression that the county supervisor's comments have influenced his hiring decision.

Confidentiality and the Elected Official

Scenario: A councilmember drops by the city manager's office to ask him to read a statement that he, the councilmember, planned to read aloud at the council meeting. The statement was highly political, and the city manager suspected that it would offend some of the councilmember's colleagues. The manager offered some comments about the nature of the statement and suggested that the councillor think about what he was trying to accomplish.

The city manager's suspicion was correct. When the councilmember read the statement, it

offended one of his colleagues. The offended councilmember asked the manager if he was aware of the statement, and when she found out that he was, she said he should have called the rest of the council to advise them. The manager tried to explain that he believed that the statement had been shown to him in confidence. Upon reflection, he wondered what level of confidentiality should apply to his conversations with individual elected officials.

Response: When an elected official asks for assistance on a matter that is essentially political, the best approach the manager can take is to keep as much distance as possible from it. The manager can let the councilmember know that it is inappropriate for him to get involved because it is a political matter.

This could be a good occasion for him to explain his obligations as a professional manager to abide by the ICMA Code of Ethics. Then, if another councilmember asks what the local government manager knows about a political matter, the manager can reply honestly that he chose not to be informed about it as soon as he learned it was political.

Striking a balance between establishing comfortable communications with individual councilmembers and staying out of conversations that are political in nature is challenging, to say the least. Councilmembers will want the assurance that they may have private conversations with you and that you will treat these informal conversations confidentially. Councilmembers generally respect a manager who is clear about his or her efforts to treat all of them in the same way.

Ethics advice is a popular service provided to ICMA members. The inquiries and advice are reviewed by the Committee on Professional Conduct, the ethics committee of the ICMA Executive Board. Some of the inquiries are revised and published as a regular feature in PM, to give guidance to members in the big and little ethical decisions they make daily. If you have a question about your obligations under the ICMA Code of Ethics, call Elizabeth Kellar at 202/962-3611, e-mail, ekellar@icma.org or Martha Perego at 202/962-3668, e-mail, mperego@icma.org.

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Corporate Profile: Microsoft

Leveraging Existing Technology to Connect Citizens and Government

Local governments have entered the next phase of citizen services—where improved communication across agencies, among businesses, and between citizens and government is effecting positive change through real-time, highly functional and integrated services. 

One approach of implementing the next phase of government service begins with the concept of interoperable computer and communications systems across municipal departments. A truly connected government means adhering to standards set by the municipality, leveraging older, legacy systems, and ensuring that developers write applications using tools that are powerful and easy to use. Integrated software systems improve coordination while addressing important cost justifications.

Providing Web-based Services

Local government organizations have successfully begun to leverage a standardsbased approach to delivering citizen services over the Web. Using enterprise software from Microsoft and its .NET framework, agencies can address the current and future state of digital communication—from hand-held devices to personal computers to back-end systems—while providing a secure foundation for government and its services.

The key to success is interoperability among technologies—whether they're older or brand new or from different vendors. Microsoft's .NET platform offers a flexible set of tools that leverage the investments governments have already made on the desktop and in older systems. Local governments are able to design a unique framework with the .NET platform to incorporate the necessary components of existing systems. Microsoft server technology integrates not only with Microsoft products, but also with other products, including those from IBM, Oracle, and Sun, as well as existing applications.

Agencies are making headway today. Local governments around the country are using the .NET platform to reduce complexity and cost while achieving higher levels of service.

Centralizing Information Sharing

San Diego County's Vista Irrigation District (VID) oversees the water supply for a 19,800-acre service area. With 95 employees, VID serves 26,000 accounts with a population of 117,000 people. VID used multiple filing systems, which complicated data management and made it difficult to search for documents. To improve information sharing, as well as the future manageability of its document

collection, VID created an intranet site that centralized all archiving and search functions on a Web-based solution using Microsoft technologies.

Multi-City Permitting Portal

A group of jurisdictions in King County, Washington, spearheaded the creation of the e-Gov Alliance, a multi-city online permitting portal that provides a single resource where contractors working in multiple jurisdictions can not only get permit information, but can also apply for over-the-counter (OTC) permits, submit payments, and request other services regarding building sites anywhere in the multi-city area. For more information, visit www.ecitygov.net.

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Exhibitors at ICMA's 89th Annual Conference

Here are the companies exhibiting at ICMA's 2003 conference and at TechCity (shown in boldface type) in Charlotte, North Carolina. This list includes exhibitors known as of June 17, 2003.

Accountability International
ACS
AIG Environmental
AIG VALIC
American City & County Magazine
American Legal Publishing Corporation
American Water Services
Applied Sweepers, Inc.
Billy Casper Golf
CableRunner North America, LLC
CALIBRE
CH2M HILL•OMI
City-County Communications & Marketing Association
Civic Plus
Class Software Solutions, Ltd.
Colonial Supplemental Insurance
Commission on Accreditation for Law Enforcement Agencies, Inc.
Commission on Fire Accreditation International
CPS Human Resource Services—Shannon Executive Search
CRW Associates
Daktronics, Inc.
Daystar Computer Systems, Inc.
ea, inc.
Earth Tech
eCivis, LLC
Emergency Communications Network, Inc.
Emergency Services Consulting, Inc.
ESRI
First Vehicle Services
Fox Lawson & Associates, LLC
GELcore
GovPartner
Guidance Pathway Systems
Hansen Information Technologies
HDR Management Consulting
The Humane Society of the United States



ICMA Retirement Corporation
Imperatives, Inc.
Institute for Community Involvement, LLC
Intelligent Products, Inc.
International Institute of Municipal Clerks
International Municipal Lawyers Association
International Sign Association
Japan Local Government Center
LaserFiche Document Imaging
LexisNexis Municipal Codes
Library Systems & Services
LightGuard Systems, Inc.
MADVAC, Inc.
MagnetStreet
MAXIMUS
The Mercer Group, Inc.
Metals Treatment Technologies, LLC
Miller & Van Eaton, PLLC
Mitchell • Ross Associates
Architects, PC
Most Dependable Fountains
Motorola

Municipal Code Corporation
National Civic League
North Carolina City and County Management Association Civic Education Project
Northrop Grumman Information Technology
Perceptive Vision, Inc.
Priority Dispatch Corporation
Public Service Research Foundation
QScend Technology, Inc.
RCI Technologies, Inc.
Redflex Traffic Systems, Inc.
Reverse 911®
RJN Group, Inc.
Schaefer Systems International, Inc.
Segreant Software
Sempra Energy Solutions
SIRSI Corporation
SKE Support Services, Inc.
Small Cities Publishing
St. Paul Insurance Companies
Standard & Poor's
Stellent
Stewart Signs
Tele-Works, Inc.
The Fancy Clock Company, Inc.
The National Citizen Survey™
The PAR Group, Ltd.
Tischler & Associates, Inc.
Transportation Consultants, Inc.
TriData/System Planning Corporation
United States Golf Association
Valmont Industries
VC3, Inc.
VFIS/ESECG
Virginia Institute of Government
Virtual Town Hall, LLC
Waste Management
WHP Trainingtowers
WinResources
Zurich North America