

Under Mayor Michael Bloomberg, New York City is becoming the “new California,” where policy innovations are born.

The Big Apple: Urban Incubator

■ By Alan Greenblatt



Michael Bloomberg wants you to cut down on your salt. The mayor of New York City doesn't really plan to control how much salt you shake onto your fries; instead, his National Salt Reduction Initiative targets packaged and restaurant foods that account for nearly 80 percent of the average American's sodium intake. ■ It may seem like overreaching for a municipal leader to try to dictate terms to giant food companies, but since Bloomberg's health officials



■ **ON THE WATERFRONT:** The Obama administration is adopting New York's "place-based" renewal policy, which tries to improve urban life by bringing a wide range of programs to bear on a locale. Mayor Bloomberg (far left) has pushed city agencies to be data-driven.

launched the initiative early this year, he has enlisted the support of two dozen other local and state health departments. The group has won commitments from 16 companies to cut back on the salt in selected products, but the goal is clearly to push the Food and Drug Administration to set industry-wide standards. "Obviously, it has to be done nationally if it's to be done at all," says Linda Gibbs, New York City's deputy mayor for health and human services.

No one in the food industry discounts Bloomberg's chances of getting that done. Former members of his team are sprinkled throughout the Obama administration, including in the major health agencies, and the Big Apple has already demonstrated that it can change the national terms of debate when it comes to public health.

A comprehensive smoking ban enacted there in 2003 has spread to jurisdictions all over the country. After a dozen cities and states, encompassing about 20 percent of the U.S. population, essentially copied New York's legislation banning transfat, some restaurant chains replaced their old recipes with healthier ones. Likewise, after New York City began requiring restaurants to post calorie counts for their menu items, many other cities

■ Health Conscious



embraced variations of the concept. The National Restaurant Association—whose New York state branch sued twice, unsuccessfully, to block Bloomberg’s law—eventually endorsed similar national requirements to avoid confronting a patchwork of regulations in different parts of the country. Congress included them in the health care overhaul legislation that it enacted in March.

“New York City has been extraordinary in the public health world,” says Michael Jacobson, the executive director of the Center for Science in the Public Interest, a nutrition advocacy group. “On those issues, numerous other cities and states have followed New York’s lead.”

The city has made its mark in many other policy matters as well. From education and the environment to housing, public safety, and poverty programs, it has arguably emerged as the “new California”—where policy innovations are born and then widely copied by many other jurisdictions, including the federal government.

“New York City is just the world’s largest laboratory,” Memphis Mayor AC Wharton Jr. says.

■ Thinking Big

■ From education and the environment to housing, public safety, and health, Mayor Michael **Bloomberg has made his city a testing ground** for policy innovation.

■ “New York City is just the **world’s largest laboratory**.”

■ Critics say that **Bloomberg hasn’t addressed problems** such as poverty, inequality, inadequate revenues, and Wall Street’s decline.

Wall Street may not be as robust as it was a few years ago, and some of Bloomberg’s economic development programs have yet to pay major dividends in the recession’s wake. But at a time when innovation in governance seems to be happening in cities such as Youngstown, Ohio, and Detroit—places that are “in the process of managing decline,” as Patrick Phillips, the CEO of the Urban Land Institute, puts it—the Bloomberg administration is thinking about how New York can enhance its reputation as the nation’s most vibrant city.

A Whole System of Change

Bloomberg’s formal blueprint for the city of 2030 is New York’s first long-term planning document in 40 years. No one can yet say if the plan will succeed in nurturing the city’s growth and livability, but Philadelphia, San Francisco, and other cities are already closely imitating Bloomberg’s vision. What’s more, his core notion of linking what have traditionally been considered separate, if not conflicting, issues in a mayoral portfolio—economic growth, environmental sustainability, and quality of life—is having a broad impact. “In some ways, mayors are just starting to realize the whole set of things going on in New York,” says Carol Coletta, the president of CEOs for Cities, a Chicago-based nonprofit. “You can pick up one idea, but it’s the whole system of changes in New York that makes it so exciting.”

The Bloomberg administration, which won election in 2001 and is now in its third term, seeks what Phillips calls an “integrated perspective”: Instead of thinking about individual projects, City Hall is developing policies that address large, underlying problems. The city has to deal with the costs of obesity and chronic diseases, so it has targeted such root causes as smoking and salt. Where the city needs more housing, rather than seeking a one-off deal to foster an apartment block, it looks for a way to reshape an entire area through job creation and transit and all of the other elements of a thriving neighborhood. “It’s difficult to get mayors to focus less on brick-and-mortar projects and more on the kinds of decisions you have to make to attract that



Bloomberg's moves to reduce salt, advertise calorie counts, and ban smoking in bars have been picked up across the country. "New York City has been extraordinary in the public health world," says Michael Jacobson of the Center for Science in the Public Interest.

PHOTOS: (L TO R) GETTY IMAGES/MARIO TAMMA; GETTY IMAGES/CHRIS HONDROS; GETTY IMAGES/JEFF T. GREEN

investment," Phillips says, but "that influence is now percolating across the country in small cities and big cities."

It's also showing up in the Obama administration. Bloomberg's former housing commissioner, Shaun Donovan, is putting these ideas into play as President Obama's Housing and Urban Development secretary. Donovan has been perhaps the lead convener in formulating Obama's nascent urban policy, working with the Environmental Protection Agency, the Transportation and Energy departments, and other agencies to wed programs together at the local level. The idea is to plan with a "place-based" focus, which means considering how programs such as worker training, housing, and environmental cleanup can operate symbiotically within a locale. The programs that address multiple priorities ought to be the ones that move forward, replacing the old paradigm of isolated projects funded by separate agencies.

Many disparate players have influenced the programs that Donovan and the White House Office of Urban Affairs are pursuing. The Brookings Institution's Metropolitan Policy Program holds a lot of sway among local officials and the administration; and other mayors, including Chicago's Richard M. Daley and Denver's John Hickenlooper, can claim considerable credit for the new approach.

Clearly, though, Bloomberg has had an impact. "Donovan comes from Bloomberg," says MarySue Barrett, president of Chicago's Metropolitan Planning Council. "It's not like these federal officials dreamed this up in a vacuum. It's actually what metropolitan places have come to on our own."

Bike Lanes and Budgets

People tend to hold their mayors to task for trash pickup, public safety, and fiscal stability rather than for their ability to persuade other cities—or even Cabinet secretaries—to imitate their initiatives. Bloomberg, moreover, hasn't had an unerring Midas touch as mayor. He has chased his share of urban get-rich-quick schemes, such as a failed stadium deal and a hapless

Olympics bid. The state rejected one of his signature ideas, a congestion pricing fee for people who drive their cars into Manhattan during peak traffic hours. "I don't think he's solved the basic problems of New York City, which are job creation and income inequality," says Joel Kotkin, an author and scholar in urban futures at Chapman University in California.

Bloomberg's large and highly engaged public-relations and political teams have unquestionably hyped many of his success stories. And critics say that some of his celebrated ideas, such as turning Times Square into a pedestrian plaza and opening up miles of bike lanes, don't count for much in a city that is facing a \$5 billion deficit. "The health innovations, I basically support, but are they essential to the city's future? Not remotely," says Fred Siegel, a senior fellow at the Manhattan Institute. "Much of what he's doing is creating a platform for himself, presenting himself as a national and international figure."

Even Bloomberg's critics concede, however, that the city's look and feel have improved on his watch. Putting aside congestion pricing, his administration has succeeded in "calming" and improving transportation throughout the city. It has "upzoned" abandoned brownfields and unlocked long-abandoned stretches of property for development. The city has encouraged high-density housing around subway stations and added 500 acres of parkland—notably along the Manhattan Waterfront Greenway.

This spring, Coney Island opened its first amusement park in 50 years. "New York hadn't been thought of as a waterfront city since Marlon Brando," says Kathryn Wylde, president of the Partnership for New York City, the local chamber of commerce. "That was a long time ago and a different sort of waterfront."

Given its size and prominence, New York has always been a center of urban innovation. Central Park was the first landscaped public park in the country. Thomas Brophy, a city fire marshal in the early 20th century, practically invented the science of arson investigation. During the Depression, Mayor Fiorello La Guardia pursued a policy of slum clearance and construction of low-cost public housing that would serve as a national model

until Robert Moses, the city's "master builder" of the 1960s, took it to extremes.

Mayor Rudy Giuliani lowered the city's crime rates during his two terms from 1994 to 2001, largely through aggressive precinct-by-precinct statistical analysis that other cities have widely imitated. In certain ways, Bloomberg has continued Giuliani's attack on crime, but the two mayors' managerial approaches are starkly different. Giuliani was a notorious micromanager and

attention-grabber. When his police commissioner, William Bratton, began getting attention for the crime reduction—he made the cover of *Time* in 1996—Giuliani fired him rather than share the spotlight.

Bloomberg, by contrast, has given his police commissioner, Ray Kelly, plenty of latitude. The mayor generally delegates authority freely and has allowed other city officials to emerge as the public faces of prominent initiatives such as the transfat ban

■ Making a Difference

Not every policy idea that Michael Bloomberg has promoted as mayor has worked to perfection, and not all the ideas he's tried were his own. Bloomberg has borrowed freely from other U.S. cities and from London, Sao Paulo, Brazil, and Tokyo.

It is fair to say, however, that many of the ideas conceived, or at least tested, in New York have spread to other cities. Bloomberg's administration has left some mark on just about every issue of concern to urban officials, particularly transportation, housing, and public health.

Poverty. Bloomberg, "someone who could, frankly, be totally aloof from poverty, has such an intimate grasp of poverty and its effects," says Memphis Mayor AC Wharton Jr. Wharton, like other mayors, has consulted with Bloomberg on poverty issues. A delegation from San Antonio recently visited Manhattan to study New York's methods for helping poor households and communities gain better access to banking.

One anti-poverty idea that Bloomberg borrowed from overseas didn't work out so well. In March, the city announced that it would discontinue its conditional cash-transfer program, called Opportunity NYC, which gave poor families money for taking steps such as getting vaccinations and health checkups for children, and making sure they attend school. The program was begun as a pilot project supported by private funds (including money from Bloomberg's own foundation), but it showed few results. That same month, however, the U.S. Commerce Department adopted a method that New York City had developed for measuring poverty—examining expenses such as taxes, child care, and housing, as well as government assistance, rather than using the standard



■ **GREEN FARES:** Bloomberg has been trying for years to convert the city's taxi fleet to hybrid vehicles to cut down on air pollution.

method of comparing income with only the cost of food.

Public safety. It is fair to say that, aside from his performance after the terrorist attacks of September 11, 2001, the greatest legacy of Bloomberg's predecessor, Rudy Giuliani, was making New Yorkers feel secure again. It became the safest big city in the country, according to the FBI. Smarter community policing, better use of statistics, and low tolerance for minor infractions—along with a drop

in the drug trade—helped bring down New York's crime rate by 57 percent.

Bloomberg has successfully followed the same path. Overall crime in 2009 was down by 35 percent from 2001, Giuliani's last year in office, and the murder rate was the lowest it's been since the city began compiling comparable statistics in the 1960s. Bloomberg has also given the NYPD important new responsibilities—1,000 officers, including a dozen stationed in trouble spots around the

or the push to promote charter schools. He has been widely praised for hiring talented people from outside his inner circle and from outside government altogether.

Bloomberg's financial information-and-media company landed him at No. 8 on *Forbes* magazine's list of the richest Americans last year. Many people speculate that his ability to finance his own campaigns means that he has not racked up political obligations to reward supporters with plum jobs. "He hires peo-

ple more for their professional credentials than their loyalties to him," says Thomas Wright, the executive director of the Regional Plan Association, an independent research group covering the New York City metropolitan area, "and then he has them working on reforms and institutionalizing them."

Bloomberg's commissioners and deputy mayors are pretty much required not only to manage existing programs but also to contribute innovative ideas, Wright says. The mayor has fos-

world, devote their time to intelligence and counterterrorism.

His pet initiative, Mayors Against Illegal Guns, which he guides in tandem with Boston Mayor Thomas Menino, has had difficulty gaining traction in an era that favors gun owners' rights. Their campaign suffered a big setback on June 28 when the Supreme Court ruled that localities cannot ban handguns. But New York has made a splash by running undercover investigations at out-of-state gun shows.

Environment. Over the past five years, many cities have tried to outdo one another with promises to combat climate change by reducing their carbon footprint. Many of their pledges have proved to be more symbolic than effective. New York, however, has been widely credited with taking some important steps.

Bloomberg's proposed \$8 congestion pricing charge for cars entering Manhattan went nowhere in Albany. And he can't match Chicago Mayor Richard M. Daley's record in promoting green roofs. But New York is outpacing other cities when it comes to keeping its promise to plant 1 million trees. Aside from his emphasis on open space and the city's expansion of parkland, Bloomberg has set in place one of the strictest "green building" codes in the nation.

In December, the City Council approved legislation requiring New York's biggest buildings to reduce their energy consumption and to pay for energy audits and better lighting. Two months later, a panel of experts convened by the city released a list of 100 recommendations to make the city's building code even more rigorous on energy use. "We are the first major city to enact a green building code providing real incentives

and ultimately mandates for retrofitting," says Kathryn Wylde, president of the Partnership for New York City. Bloomberg has been pushing regulations and incentives to convert the city's taxi fleet to hybrid vehicles.

In May, the New York Academy of Sciences issued a report praising the Bloomberg administration's attention to climate change, but its long list of recommendations suggested that the city still has a lot of work to do.

Education. Mayoral control of schools is something that Bloomberg's predecessors sought for decades. Since the state Legislature granted school control to Bloomberg in 2002, he and his chancellor, Joel Klein, have aggressively tried numerous strategies for improvement. "It would be hard to think of any big policy issues in education where Klein hasn't played an important role," says Michael Petrilli, vice president for national programs and policy at the Fordham Institute, a conservative education think tank.

Klein has had a "multiplier effect by getting people excited about reform," Petrilli says, because when his employees move to other places, they take the ideas with them. Baltimore's schools chief, Andres Alonso, for instance, had served as Klein's chief of staff and deputy chancellor. Klein's ideas—and the NYPD's ideas as well—have also traveled to many other cities.

New York has been at the forefront in promoting many fashionable education policies, including making schools smaller; incorporating formerly spurned charter schools as part of the district's overall strategy; and recruiting teachers who don't come from a traditional education-school background. New York's method of grading schools and using

the grades in closure decisions has become a common approach for states in their applications for federal Race to the Top grants. Its "mutual consent" teacher-hiring provision morphed into a highly touted tenure evaluation law that Colorado enacted in April, as well as a closely watched new contract that Washington, D.C., teachers ratified on June 2.

"Joel Klein has given a lot of cover for changes that have happened elsewhere," says Andrew Rotherham, a prominent education consultant. "The aggressiveness with which they're doing things would be notable in any case, but the fact that it's New York, which is so large and is such a cultural touchstone, gives it additional resonance."

Like a lot of other big-city superintendents, Klein has tried out many ideas and has clearly improved school performance. The question is, how much? Sol Stern, a senior fellow at the Manhattan Institute, says that New York City's results on state test scores "are completely inflated." Results of the National Assessment of Educational Progress tests came out in May. They showed that New York's fourth-graders are reading better than they were when Bloomberg and Klein took control, but eighth-graders show little improvement. "No doubt, New York City did better than Detroit and Chicago," Stern says, "but to me, that doesn't show fantastic achievement."

Julia Vitullo-Martin, a scholar of New York issues and a former city official, says that the proof of Klein's success lies in growing enrollments. "The big problem in New York—and this is something nobody could have predicted 20 years ago—is the tremendous increase in the demand for public schools." —A.G.

tered a sense of healthy competition at City Hall and among the agencies that they need to create the next new thing to improve life in the city. “He’s been a huge supporter of ideas, many of which were called political suicide when they came up,” Deputy Mayor Gibbs says. “As a commissioner, you really value that the important thing is to try, even if that means you have failures. If you don’t fail, you’re not trying.”

That may sound like so much buttering up of the boss, but it is a strikingly unusual sentiment in the generally risk-averse culture of local government. Bloomberg often makes the same point. He retains the contrarian instincts that served him well as an entrepreneur, and he keeps looking for ways to learn not just from failures but also from apparent success.

Even after what is still probably viewed as his most heroic moment—his performance in informing and calming the city during the 2003 blackout—Bloomberg immediately sought input from inside and outside city government about what had gone wrong. He took the findings about breakdowns in communication and transportation and announced them himself to reporters, earning some rotten headlines but learning a lot in the bargain.

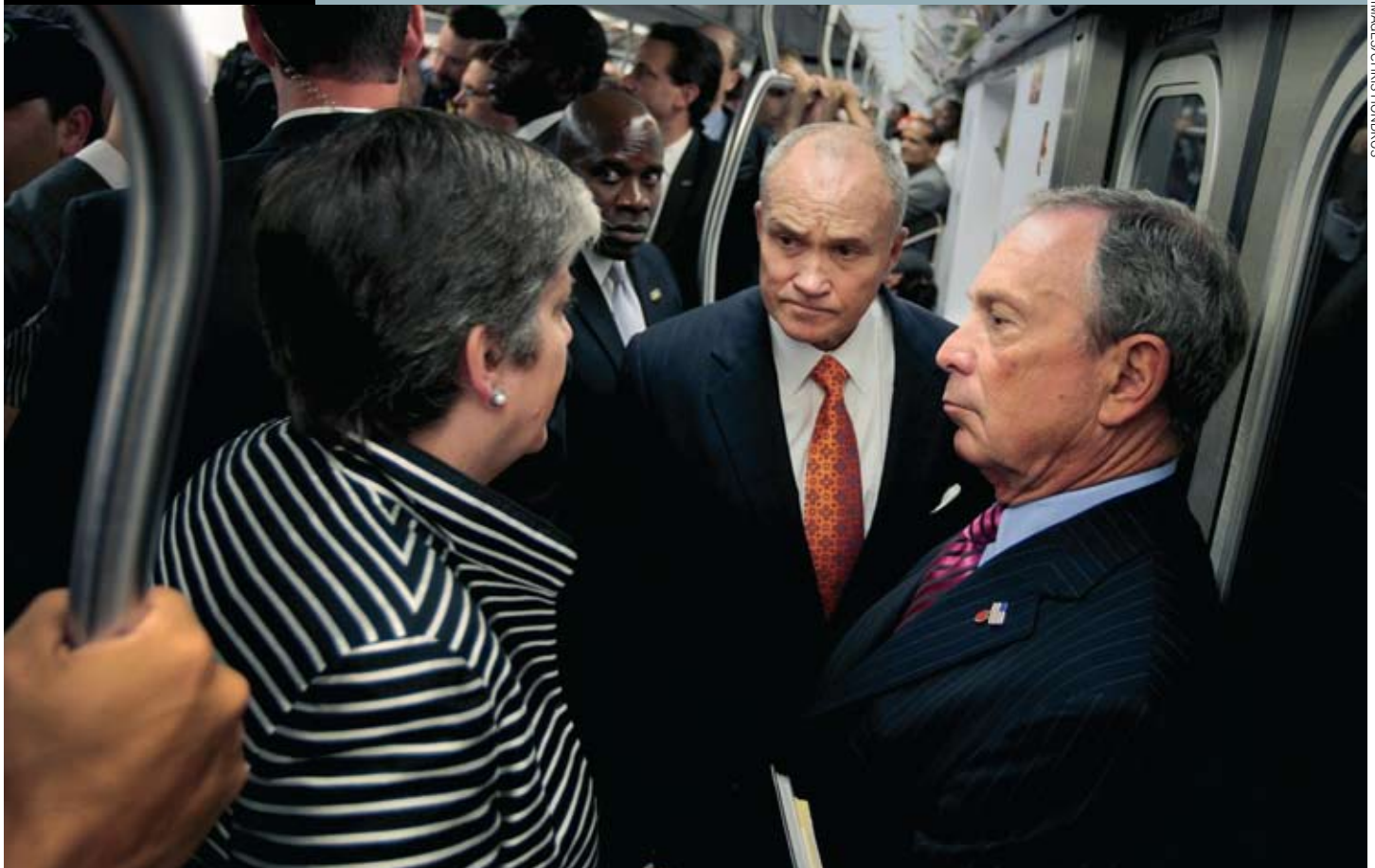
Not surprisingly for a man who amassed one of the world’s great fortunes by moving information around rapidly, he is ob-

essed with data. He came into a City Hall where paper notebooks abounded and BlackBerrys were practically unknown—a picture he quickly changed. Today, “there is a data-driven culture in New York that has been adapted to various degrees elsewhere in the best-run cities,” says the Urban Land Institute’s Phillips. “Not only has it changed local government decision-making, but anybody who does business with local government has to be able to defend their position using metrics, to defend the impact of their project.”

When Bloomberg’s subordinates develop an idea, they must show the mayor that they’ve done their homework—the specific ways the initiative will save money or otherwise improve the city. Turning Times Square into a pedestrian plaza “was not just a decision to do something because it would be cool,” says Jeff Kay, director of operations for the mayor’s office. The controversial move grew out of extensive research about transportation speeds and the potential impact of the change on small business.

In a city that has been challenged by declining revenue throughout much of Bloomberg’s administration—despite his willingness to impose hefty tax increases—the mayor’s team has consistently looked for ways to make government more efficient. New York was not the first city to set up a 311 citizen complaint

■ Straphanger Safety



Bloomberg (right) discusses his city’s unique challenges with Homeland Security Secretary Janet Napolitano (left) and Police Commissioner Ray Kelly.

GETTY IMAGES/CHRIS HONDROS

■ From the Hudson to the Potomac

Along with such prominent New Yorkers as Secretary of State Hillary Rodham Clinton and Treasury Secretary Timothy Geithner, the Obama administration is heavily populated with former officials who have served under Mayor Michael Bloomberg.

The connections between the two administrations extend beyond the folks who have held formal offices in each of them. Steven Rattner, President Obama's first auto-industry czar, was a co-founder of the Quadrangle Group, a private equity firm that managed Bloomberg's blind trust (and later came under legal investigation in a pension-fund scandal). Rebecca M. Blank was an adviser to the Bloomberg task force that crafted poverty measures; she used the same template for a new federal formula she implemented this spring as an undersecretary at the Commerce Department.

Shaun Donovan

Obama administration: Housing and Urban Development secretary.

Bloomberg administration: Housing commissioner.

Background: Donovan once wanted to design cars, but he has spent his entire career in housing, working for a lender and a nonprofit community group before joining Bloomberg's government in 2004. He took a leave of absence to work on Obama's presidential campaign and never looked back.

Thomas Frieden

Obama administration: Director, Centers for Disease Control and Prevention.

Bloomberg administration: Health commissioner.

Background: In his New York City office, the physician kept a bowl of condoms handy for visitors. Before Frieden took over, the city's health department devoted most of its attention to communicable diseases. When he arrived and found that 70 percent of the city's

deaths resulted from other causes, he refocused its efforts on issues such as smoking and transfat.

Jarrod Bernstein

Obama administration: Director of local affairs, Homeland Security Department.

Bloomberg administration: Deputy director, Community Assistance Unit.

Background: Not to be confused with Jared Bernstein, Vice President Biden's chief economist, Jarrod Bernstein began his career as a press secretary for the city's office of emergency management before moving into community affairs. In 2007, he married Hildy Kuryk, a senior fundraiser for the Obama campaign in New York.

Rima Cohen

Obama administration: Health policy counselor to Health and Human Services Secretary Kathleen Sebelius.

Bloomberg administration: Director, Health and Social Services.

Background: Cohen served for a decade as chief health aide to then-Sen. Tom Daschle, D-S.D. At the beginning of the Obama administration, she was rumored to be in line to run the Centers for Medicare and Medicaid Services. Before joining Bloomberg, she worked for the Greater New York Hospital Association.

Robert Gordon

Obama administration: Associate director, Office of Management and Budget.

Bloomberg administration: Senior adviser to schools chancellor.

Background: Gordon oversaw many



■ **GUARDIAN:** Thomas Frieden, architect of New York's public health policies, took over the Centers for Disease Control and Prevention in June 2009.

of the budgetary changes in the New York City school system; he gave principals more control over their school's money; and he divvied up about a third of the overall budget to track the movement of students between schools. He clerked for Supreme Court Justice Ruth Bader Ginsburg and once represented abused children for the Legal Aid Society in New York City.

Jessica Leighton

Obama administration: Senior science adviser, Food and Drug Administration.

Bloomberg administration: Deputy health commissioner.

Background: Leighton's long career in New York City predated Bloomberg's tenure. As deputy commissioner for environmental health, she dealt with matters as routine as beach and pool inspections, as serious as childhood lead poisoning, and as quintessentially New York as rat control. —A.G.

GETTY IMAGES/MARIO TAMM

■ Money Machine



APP/GETTY IMAGES/TIMOTHY A. CLARY

If Wall Street doesn't generate tax revenues through big profits, New York City will have to develop a lower-cost economy.

hotline, but it has used the data drawn from the calls to identify the gaps in government performance. An uptick in complaints about graffiti led to the realization that six agencies shared responsibility for cleanup. Bloomberg reduced that number to two. “The measurement of things that matter to citizens and the transparency of those measurements all combine to make this administration in New York very special indeed,” says Coletta of CEOs for Cities.

It's the Money

The most common complaint about Bloomberg is that he has been able to buy off critics because of his wealth and his willingness to use it. He has also spent public money freely to appease doubters. He used a 43 percent pay increase, for example, to sweeten an education contract that included changes in hiring practices and other policies that the teachers union wasn't crazy about.

Both Bloomberg's personal foundation and the Mayor's Fund to Advance New York City have helped pay for items on his official agenda. In his first term, Bloomberg spent \$7 million of his money backing an unsuccessful ballot initiative to institute nonpartisan local elections. “Traditionally, interest groups buy mayors,” says Siegel, the Manhattan Institute fellow and a historian at Cooper Union. “He's reversed the flow. He's bought the interest groups.”

With a huge budget deficit to deal with and the prospect of worse to come, money is uppermost on the minds of Bloomberg's officials. In place of bold new initiatives, agencies are talking

about ways to save money by sharing such services as fleet management and information technology.

But City Hall also hopes to extend the ethos of customer service that has made it easy for residents to call 311 when they have a problem. In effect, officials want to provide businesses a similar one-stop-shopping way of interacting with city government. As a headquarters city, New York has long been dominated by corporate priorities, but the Bloomberg administration is focusing increasing attention on the 80 percent of the city's businesses that are not behemoths. Officials recognize that they need to nurture these essential small businesses if New York is to move beyond its long-standing reliance on Wall Street as its main cash cow.

Bloomberg has established a Small Business Services Department and

has changed tax laws to reduce costs for independent contractors and freelancers. His economic development team is setting up business incubators in a variety of fields—the biosciences, the arts, media, fashion, and food production—linking entrepreneurs with universities, and even making deals with landlords who are willing to rent surplus space at discounted rates. The city has put up money for seed grants, and some of the initiatives are starting to attract venture funding.

There's a saying in New York that government skims the cream off of Wall Street while Wall Street skims the cream off the rest of the country. That model looks to be broken, or at least in need of serious repair. If Wall Street doesn't generate the kind of profits that it has in recent years, the city will have to develop an economy in which people can get things done at a reasonable cost. So far, Bloomberg has not been able to bring the cost of doing business in New York down to reasonable levels, and that is perhaps the mayor's greatest ongoing challenge.

“Bloomberg still has the problem, like all New York mayors, of fiscal issues,” says Vincent Cannato, a historian at the University of Massachusetts and the author of a biography of former New York City Mayor John Lindsay. “It's becoming even more than in the past what Bloomberg called a luxury city, of the very wealthy, of immigrants, and the poor. It's a city that middle-class people are still leaving.” ■

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