

TO: ABAG/MTC TASK FORCE
FROM: JOHN FREGONESE, DON BLUBAUGH
SUBJECT: REVIEW OF MEETING 2, PREPARATION FOR MEETING 3
DATE: 09/15/03

The meeting on July 19th was very interesting, and revealed substantial agreement on the common goals of the two agencies. There was substantial agreement that a common vision was needed, and that the Regionwide Smart Growth Vision was in use as that vision. There was also substantial agreement that there was a need for implementation, and that some progress was being made on redrafting the 2030 RTP to support the Regionwide Smart Growth Vision, and other activities to assist local jurisdictions in implementing the Strategy.

Attached to this memo are the notes from that meeting.

It appears that there was a common identification for a regional vision and integration of land use and transportation, there is also agreement that the Regionwide Smart Growth Vision is the basis for that agreement. It appears that while the committee members clearly identify the Regionwide Smart Growth Vision as a regional vision, it is not sufficient in its current form to completely satisfy the stated need for a vision and land use – transportation coordination. We hope to explore this and identify solutions in the next meeting.

There is the big issue left unresolved of governance and potential merger of the agencies, which we hope to fully begin discussing at the fourth meeting.

GOALS FOR MEETING 3

Based on our original work plan, the third meeting was to accomplish the following tasks:

Third meeting: Work to solutions

- a. Present examples of how other regional governments have dealt with similar issues and how they have resolved challenges or been stymied by them.
- b. Work with group to define potential solutions to the identified challenges and issues.

- c. At close of meeting or soon after, reach consensus on a list of potential solutions to be explored.

Based on your input at meeting 2, we have drafted the following problem statements. We have deleted the statements of success for now as they will be replaced, (hopefully), by the results of the third meeting.

PROBLEM STATEMENTS

- 1. Regional Vision and Planning:** While both agencies are involved in planning for the future of the region, there is a need to more aggressively implement the Regionwide Smart Growth Vision.
 - a. The Regionwide Smart Growth Vision, adopted by both agencies, is a good start but not sufficient to bring about the desired results.
 - b. While there is progress being made on the coordination of land use and transportation planning, (e.g. the development of the 2030 RTP) there are more concrete example of coordination of land use with transportation policies and investments needed.
 - c. There is a lack of incentives for local governments to embrace and implement the Regionwide Smart Growth Vision. There are the beginnings of a list but there is a lack of leadership and joint action to implement or expand the list.
 - d. There is no comprehensive plan or strategy that brings together land use and transportation with housing, economic development, social equity, and environmental issues and resolves conflicts among these issues. The Regionwide Smart Growth Vision, while a good beginning, lacks specificity.

- 2. Implementation:** Currently MTC implements regional transportation improvements effectively with state and federal transportation funds. ABAG has little impact on land use and housing. While local control of land use issues is essential, some way of influencing local decisions so that they are more regionally beneficial should be developed. The following problems exist:
 - a. There is a lack of impact of regional policies at the local level on land use.
 - b. There is no well considered balancing of the conflict between local government authority and regional benefits.
 - c. There is no comprehensive effort to provide a regional perspective to local decisions.
 - d. There is no readily available information on regional impacts of local decisions.

- 3. Communication:** Both MTC and ABAG have deficiencies in communication in the following areas:
 - a. The public does not understand the mission of either agency.

- b. The public and key constituencies are uninformed of the successes and accomplishments of both agencies.
 - c. Both agencies must work harder to receive input from the general public— too much effort is given to addressing small but vocal interest groups and too little attention is given to the average regional citizen.
 - d. There is significant room for improvement in meaningful communication and cooperation among the professional staffs of the two agencies.
 - e. There is a lack of understanding of the history, strengths, and accomplishments of the two agencies.
4. **ABAG and MTC** must find ways of working together more effectively and cooperatively. It is unclear whether a merger of the agencies would be the only way to be effective in accomplishing this goal. Agency merger should be discussed, but only as a means to an end, and other alternative solutions should be developed and weighed for effectiveness at achieving the goals.

A Review of Other Regional Visions:

The task force agrees that you have a working version of a regional vision. There is agreement that it needs to be stronger, and that the two agencies need to better embrace what they have done already. One way to devise strategies is to study the successes and failures of other agencies pursuing similar goals.

Attached is a summary matrix of regional visions, strategies, and plans from around the country. There are comparisons among the San Diego, Portland, Puget Sound, Denver, Salt Lake, Dallas-Ft. Worth, and New York regional processes. Many of these areas are smaller than ABAG/MTC, but have many similarities in their economies, their high quality of life, their growth rates, and the transportation and land use strategies selected. In addition to the matrix, we have included a number of links to websites that will allow you to browse the sites that you think are most interesting.

Summary and Suggestions

It is clear from this review that the Regionwide Smart Growth Vision is an important step toward a regional vision, and that the development of the 2030 RTP is the first important step in implementation. It is also clear that there are ongoing activities taking place to implement this vision. However, it is clear that the vision alone is not sufficient – for it to be more than words on paper, it needs to be valued, placed up front for all to see, and then accompanied have an implementation strategy that is effective.

In a review of other regions successes and failures, it is clear that there is no one strategy that in itself leads to success. Some regions are successful with strong regional governance and an approach that includes an integrated comprehensive plan (Portland, San Diego). Others are successful with visions or plans that are led by a private sector group (New York, Salt Lake City). Some regions (Salt Lake City, Puget Sound, and Denver) use a vision and

strategy approach, bypassing the development of a comprehensive plan and moving directly to action.

This leads us to a conclusion shared by many, that when looking for successful government or corporate structure, changing the organization chart is often the not the most important part of the problem or solution.

One of the major recommendations from the January 2002 final report of the Speaker's Commission on Regionalism is worth quoting to describe an approach to improved regional governance:

Reflected in this Commission's Report, this concept [Collaborative Regional Governance] embraces the idea of regional scale decision-making, but suggests that, across a broad variety of issue areas, this decision-making should be bottom-up, functional, data-driven, collaborative, integrated, and sustainable but need not result in changing governmental boundaries, nor in creating new permanent governmental structures. In fact, it stresses the opposite: its promise and effectiveness are found in its flexibility – the ability to define and redefine geographic scope in order to effectively address interconnected issues.

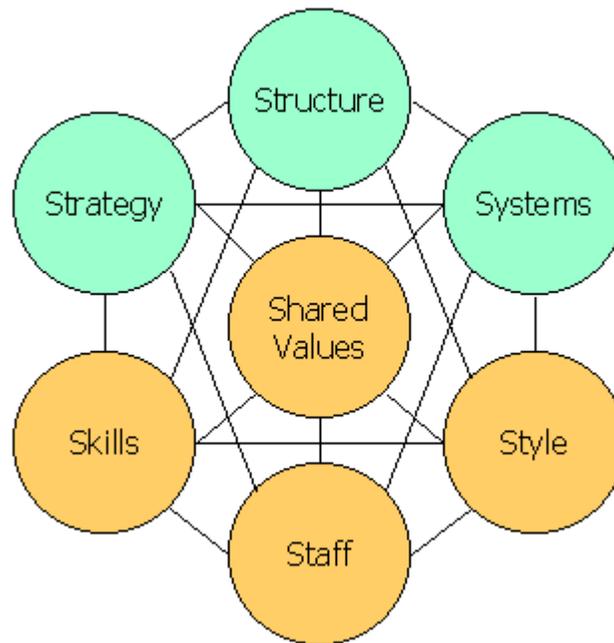
The Regional Livability Footprint Project was just such a collaboration, with five regional governmental agencies partnering with the private sector Bay Area Alliance for Sustainable Communities. Regardless of the eventual organization of ABAG and MTC, this collaborative approach will be needed between the agencies and in partnership with other agencies.

The 7-S-Model

The following model of organizational structure may help focus our discussions. While it is based on organizing a single corporation, we believe that is a useful way to approach the ability of the two organizations to work together more effectively.

The 7-S-Model is better known as McKinsey 7-S. This is because the two persons who developed this model, Tom Peters and Robert Waterman, have been consultants at McKinsey & Co at that time. They published their 7-S-Model in their article "Structure Is Not Organization" (1980) and in their books "The Art of Japanese Management" (1981) and "In Search of Excellence" (1982).

The model starts on the premise that an organization is not just Structure, but consists of seven



elements:

Those seven elements are distinguished in so called hard S's and soft S's. The hard elements (green circles) are feasible and easy to identify. They can be found in strategy statements, corporate plans, organizational charts and other documentations.

The four soft S's however, are hardly feasible. They are difficult to describe since capabilities, values and elements of corporate culture are continuously developing and changing. They are highly determined by the people at work in the organization. Therefore it is much more difficult to plan or to influence the characteristics of the soft elements. Although the soft factors are below the surface, they can have a great impact of the hard Structures, Strategies and Systems of the organization.

Description

The Hard S's	
Strategy	Actions a company plans in response to or anticipation of changes in its external environment.
Structure	Basis for specialization and co-ordination influenced primarily by strategy and by organization size and diversity.
Systems	Formal and informal procedures that support the strategy and structure. (Systems are more powerful than they are given credit)

The Soft S's	
Style / Culture	<p>The culture of the organization, consisting of two components:</p> <ul style="list-style-type: none"> · Organizational Culture: the dominant values and beliefs, and norms, which develop over time and become relatively enduring features of organizational life. · Management Style: more a matter of what managers do than what they say; How do a company's managers spend their time? What are they focusing attention on? Symbolism – the creation and maintenance (or sometimes deconstruction) of meaning is a fundamental responsibility of managers.
Staff	The people/human resource management – processes used to develop managers, socialization processes, ways of shaping basic values of management cadre, ways of introducing young recruits to the company, ways of helping to manage the careers of employees
Skills	The distinctive competences – what the company does best, ways of expanding or shifting competences
Shared Values / Superordinate Goals	Guiding concepts, fundamental ideas around which a business is built – must be simple, usually stated at abstract level, have great meaning inside the organization even though outsiders may not see or understand them.

If one works on organizational structure without addressing the other components, the way people report may change, but ingrained obstacles to success will still be present. In reviewing other regional successes, it is clear that different solutions were often used but they all have focused on the important parts of the puzzle – developing a shared expression of common values, devising a common strategy, communication effectively, and bringing the right skills and staff to the problem. In many cases the organizations structure is less than perfect, but success is evident nonetheless.

How applied to ABAG MTC

While the ABAG and MTC agencies are separate entities, the purpose of these meetings is to identify how they can operate better jointly. We would like, for the purposes of these meetings, the Committee to think of them as a kind of corporate cousins – able to operate independently, but serving the same public, and fundamentally not competitors. They are also able to share resources and combine their efforts.

One of the most difficult “soft” elements to achieve is the shared values. The Regionwide Smart Growth Vision already is accomplished, and has been embraced by both agencies. While it is clear you have defined a common vision of shared values, we would like to lead a discussion on the how the organization can better work together on strategies and skills to achieve those. Specifically, we would like to discuss the following questions;

- 1) What strategies will we use to implement the Regionwide Smart Growth Vision?
- 2) What skills do we need to do that?
- 3) What are the staff that are available for that task?
- 4) What is the structure to best accomplish this?
- 5) What systems are needed, especially information and monitoring systems?
- 6) How can the leadership and organizational styles be made more complimentary?

Developing a strategic plan for implementation

As a way to use the ideas brought up in the meetings and put them immediately to action, we would like to propose a joint task force of the two agencies led by the agency directors, consisting of key staff and perhaps consulting with a small group of committee members. Their task would be to develop a matrix of ideas for a Regionwide Smart Growth Vision implementation plan. This would be a good way to test these ideas, bring the agencies closer together, and provide a needed product in a short timeframe.

We look forward to a productive work session.