

S U P P O R T I N G H I G H P E R F O R M A N C E G O V
E R N M E N T
Leading Large Scale Change

September 18, 2007

Greening the Big Apple: Implementing PlaNYC

Panelists:

Rohit Aggarwala Director of Long-term Planning and
Sustainability, Office of the Mayor

Adrian Benepe Commissioner, Department of Parks and
Recreation

Shaun Donovan Commissioner, Department of Housing
Preservation and Development

Emily Lloyd Commissioner, Department of
Environmental Protection

Janette Sadik-Khan Commissioner, Department of Transportation

Moderator:

Marcia Bystryn Executive Director, League of Conservation
Voters

Opening Remarks:

Daniel L. Doctoroff Deputy Mayor, Economic Development and
Rebuilding

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Supporting High Performance Government: Leading Large Scale Change
“Greening the Big Apple: Implementing PlaNYC”
September 18, 2007

Executive Summary

Introduction

Accenture and the Research Center for Leadership in Action of the Robert F. Wagner Graduate School of Public Service, New York University are co-hosting an Executive Briefing series for public sector managers to discuss the multiple managerial and leadership challenges of implementing large scale change. The series strives to:

- Encourage the exchange of ideas between senior managers of complex change programs and those emerging leaders charged with undertaking similar efforts.
- Support a cadre of new leaders interested in undertaking such challenges, providing them with the insights, learning and the collegial support that will help sustain their work over time.
- Promote further learning about how successful complex change initiatives are designed and managed, and capture this information in written reports.

Each session is organized around a central strategic and managerial question of particular relevance to large-scale change. The session held on September 18, 2007 entitled “Greening the Big Apple: Implementing PlaNYC” focused on the challenges and strategies surrounding the task of putting the plan to make New York City more sustainable by 2030 into action.

Background and Context

Large-scale change initiatives often require innovative approaches to complex issues. The Executive Briefing Series held on September 18, 2007 focused on the steps necessary for implementing PlaNYC. The briefing focused on a set of strategic questions and realities:

- PlaNYC is a long-range strategic plan of the Bloomberg administration to make New York City more environmentally, fiscally and politically sustainable. What steps are necessary to ensure the longevity of the plan through subsequent administrations?
- What are the problems or difficulties of integrating PlaNYC into the large-scale plans already delineated by the City agency?
- The process for implementing PlaNYC will be complex and require substantial inter-agency collaboration. What are the challenges in collaborating with other agencies?

- In order to successfully implement the sweeping changes required by PlaNYC there will be a need for innovative modes of financial planning and resource allocation on the part of the Office of Management and Budget (OMB). This will not only support these multi-agency initiatives, but also create the proper incentives for multi agency co-production of results.

The program was introduced by Ken Dircks, Senior Executive, Accenture and Wagner Dean Ellen Schall, and was closed by Wagner Professor Dennis Smith, Program Manager for the series.

The panel for this series included Rohit Aggarwala, Director of Long-term Planning and Sustainability, Office of the Mayor, Adrian Benepe, Commissioner, Department of Parks and Recreation, Shaun Donovan, Commissioner, Department of Housing Preservation and Development, Emily Lloyd, Commissioner, Department of Environmental Protection and Janette Sadik-Khan, Commissioner, Department of Transportation and was moderated by Marcia Bystryn, Executive Director, of the New York League of Conservation Voters.

Opening remarks on PlaNYC were given by Deputy Mayor for Economic Development and Rebuilding, Daniel L. Doctoroff.

PlaNYC is an ambitious project of the Bloomberg administration to transform New York City by 2030. The plan addresses innovative approaches to tackling issues of sustainability in regards to the City's land, water, transportation, air, and energy usage. The final component is mitigating the effects of climate change. The challenge is to promote interagency collaboration in order to accomplish the long-term goals of the plan. Another key issue is ensuring the life of the plan beyond the Bloomberg administration. The panelists were encouraged to candidly discuss what they need from other government executives in order to accomplish the goals delineated in the plan for their agency.

Key Challenge: How can agency executives sustain PlaNYC beyond the Bloomberg administration?

In his introduction, Daniel Doctoroff highlighted the importance of capitalizing on the momentum of PlaNYC and the urgency of collaborating on the fundamental components of the plan. Doctoroff trumpeted the plan as one of the greatest contributions of the Bloomberg administration. "Through this and other initiatives, this administration has created an environment of interagency cohesiveness. In order to foster cooperation among City agencies, Mayor Michael Bloomberg will use PlaNYC to break down existing operational barriers and encourage creative problem-solving tactics." PlaNYC is a paradigm of how government should work due to the breadth of projects and initiatives it encompasses.

It is also necessary to investigate and fully understand the problems and potential setbacks that the plan may encounter. The growth of the City with its aging infrastructure highlights the increasingly precarious development environment. Therefore, the future planning of the City must be outward looking. It will be crucial to team up with experts in other areas of the City and country. Doctoroff noted that “in April of 2007, 127 specific initiatives were announced. Careful measuring and tracking of the achievements of these outcomes will be necessary in order to manage this process. This makes appropriate accountability systems a critical component of the plan. The public and 150 advocates, real estate boards, labor unions, editorial boards will have to be involved to hold the City accountable. This sets a standard for the next administration to follow, which reinforces the longevity of the plan.”

Key Challenge: How do agency executives fit the goals of PlaNYC into pre-determined agency objectives?

Adrian Benepe commented that the Department of Parks and Recreation currently has the largest capital program since the 1930s. “In order to parcel out the work, we need someone just to manage meeting PlaNYC because it’s such a large range of elements: capital projects, building new parks, planting trees, building ballparks, and greening streets. This entails managing construction bids and competing with the private sector for architects, planners, and construction operations.” The agency will have to work fast in this competitive market and remain cognizant of cost and spending. Citizen oversight and buy-in is also crucial. Marcia Bystryn then brought up the question of whether PlaNYC is getting enough publicity to get citizen support? Benepe noted that “the way this was planned from the beginning, enough people are involved in the process. Therefore, as each agency starts working on various projects, the needed branding and advertising components are there every step of the way.”

This approach is part of the process for obtaining public support for the increased levels of spending associated with projects under the auspices of PlaNYC. One panelist stated that the key is to show that the City is already paying a high price in terms of health and the environment. “The challenge is translating that into tangible improvements in people’s everyday lives. There is also a great need for quality control. The City agencies must monitor the progress of any new initiatives by completing six month or one-year targeted plans.” Performance goals and measures should be incorporated into this approach as well.

One panelist noted that the Department of Housing Preservation and Development (HPD) is already interacting with the private sector. “HPD has an estimated 8 to 10,000 new apartments to add each year over the next six years. This is about one quarter of all housing construction in the City. If the City adds one million new residents, as projected by current estimates, the objective is to do this in a sustainable way.” The panelist remarked further that the construction of new housing is largely dependent on the private sector for production. “Due to the emphasis on new building construction to

accommodate population increases, HPD will strive to encourage the private sector to incorporate green building design features into new construction projects. This can be accomplished by pointing out that spending more upfront will mean increased savings later.”

Another approach is to get banks to lend more money for green housing. The panelist related that this strategy will cost almost nothing up front but will allow builders to lock in projected gains. Furthermore, the Mayor’s housing plan is the most comprehensive in the country. “Under these guidelines HPD is rezoning City plans ten to 30 years into the future, which is probably the greatest legacy of the Bloomberg administration. This reality can lock in the vision. PlaNYC sends an inclusive message for promoting healthy growth. The plan gives the rationale that growth can help everyone lead the City along a path of sustainability.”

Bystryn next asked about the Department of Environmental Protection. She asked, “DEP has a huge portfolio already, how does that affect your PlaNYC work?” An informed panelist commented that DEP may actually have the easiest time because the agency already plans project timelines in the long-run. The panelist pointed out that the necessary adjustment for agencies will be to feature this objective from the outset. Though there is a constraint of being locked into these projects, PlaNYC will push the DEP to move faster and manage effectively across these timeframes. “For instance, with rain water, DEP can either create huge basins or look at the streetscape as a way to avoid building all these structures for holding water.” The conclusion is that the agency cannot create structures in City government as they might have in the past.

“The Department of Transportation has possibly the most visible part of the plan” related another panelist. “DOT has to re-imagine the City’s public realm – to speed the commute, cut carbon emissions, etc. It is necessary to overlap transportation with other agencies. As a new agency head, I was pleasantly surprised to get the help and cooperation of all the other agencies on congestion pricing.” Furthering this point is the fact that public buy-in is a key objective, whether it is congestion pricing, developing the new bike network, or making bus changes outside Manhattan

Key Challenge: What are the problems and/or difficulties in collaborating with other agencies?

One panelist commented that working together to achieve certain metrics can be a challenge. The staff across agencies needs to be able to understand the goal, work towards the goal, and define what success looks like. Benepe added that rather than interagency coordination, the key challenge is intergovernmental cooperation. Working between the state and federal governments can at times create roadblocks. Another panelist concurred with this perspective noting that the Department of Transportation already works with the agencies such as DEP and the Mass Transit Authority on such issues as promoting the use of bicycles and the creation of alternative transportation

routes. However, the challenge lies in coordinating with the state and federal governments on these issues.

One panelist emphasized that there is now a need to back down from how work is usually done. “Agencies should step back from standard laws and regulations in order to think ‘is there a better way to do this?’ We need to also think farther than that to the possibility that we can alter some regulations. This type of collaboration takes openness and trust on both sides.”

Rohit Aggarwala discussed three ways to encourage the longevity of the plan, 1) the City needs to get as much done as possible (construction, problem solving, administration, politics, regulations) quickly, 2) the City must remain accountable by building in sustainability metrics, such as annual reporting. If the work can get going soon, it will be difficult for successors to overlook it, 3) the public has to fully support these efforts. He stressed that the extent to which PlaNYC is something that mayoral candidates talk about – and are asked to talk about by potential endorsing groups and donors – will play a major role in determining its success.

Aggarwala stated further that the liberating element of the plan is the ability to put these ideas in writing. Generally governments are afraid to pinpoint the projects and timelines in this way. “The goal is to figure out what we are willing to write down. While it might be difficult to sort this point out, once it has been said, the public can hold the City accountable.”

Key Challenge: What can the City do to engage the private and non-profit sectors, as well as the public to invest in the ideas of PlaNYC over the long-run?

Benepe related that the Parks Department has a pretty good head start on this effort. The City Parks Foundation, New York Restoration Project, the Central Park Conservancy, and many other groups are involved already. “Engaging with the private sector (businesses and citizens) provides continuity. Agencies and administrations will come and go, but people keep things going. Additionally judging by the people in the audience, there is a critical observation to be made. Most of the staff of the City agencies will still be around when the administration goes.”

Aggarwala emphasized that the key is to repeat the ideas of PlaNYC over and over again. “The City has to figure out how to ask people to think of their own long term interests. Politicians always work in the short term. The strategy is to explain the plan in terms of ideas such as, if we do not replace the leaky roof now, in the long run it will be much more expensive.” This is the time to capitalize on the momentum. This includes public relations campaigns.

One panelist suggested that the City should proceed by dealing with issues from their source. “For example, the watershed is very expensive to maintain as it is, but it is much

cheaper than a filtration plant, and better for the environment.” Moreover another panelist noted that “it is not about whether we are growing. The question is how are we growing? The moral imperative is there, but there must be the day to day politics and discussion of the plan. The issue is to get heard. There is no substitute for sitting down with the players for implementation.”

A panelist commented that the strategy is not always to highlight the big successes. There are smaller-scale, tangible benefits of the vision of PlaNYC. DOT is translating the plans to very specific projects. There are plenty of small wins to show progress for things like streetscapes, bike networks and congestion pricing. “We cannot build our way out of things anymore. The solution will also necessitate convincing Governor Elliot Spitzer and the State of the importance of the long-term sustainability planning with New York City setting the precedent.”

Benepe noted that Parks did a cost-benefit analysis. From this perspective, the importance of such goals as stormwater flow reduction, lowering heating bills, and control of ozone depletion are more tangible. Furthering this idea is to quantify the long and short term benefits of the plan in dollars and cents. For example, real estate value increases for individuals from a more livable City.

Key Challenge: How can the City maintain fiscal prudence in light of all the projects included in PlaNYC?

Aggarwala stated it simply. “We will not be doing any favors for the City if we wreck the budget. We remember the painful histories. We have to figure out how to time things if costs are greater than we thought. One of the key issues is to know how to plan for the short term and long term values.” This includes thinking about outcome budgeting by the Office of Management and Budget (OMB) across agencies. A key part of this is to think about the expanding tax base. A representative from OMB offered this point from the audience. “The difficulty with this approach is that there are discrepancies between what is affordable now as opposed to what will be affordable over the coming decades. This line of thought has to be incorporated into the long-term capital planning.”

A panelist noted that the foresight is about capturing the savings for the benefit of the City. However, it is difficult to convince financial institutions to provide loans now because the compelling data is not available at this point.

Key Question: What have been the challenges and success of the PlaNYC process from conception to the present?

One panelist commented that DOT had a tough time bringing everyone to the same place. Outreach within the agency was a crucial tactic. In turn this created a need for reorganization within the agency to accomplish some goals. For example, there is now a Planning and Sustainability Unit at DOT that works across agency plans to provide a

mechanism for immediate action. Previously, the agency had some subunits with similar goals, but nothing that was unified.

Benepe noted that the agency needs healthy competition. “If your unit doesn’t step up someone else will. This establishes a rejuvenation effect – it gets the staff excited and working together.” Another panelist furthered this point by emphasizing that many agencies already have interest and excitement in the goals of PlaNYC. The key objective is to capitalize on this energy in order to better organize and facilitate the implementation. HPD has three green teams, including one for housing development. The focus has been on removing obstacles and creating opportunities for leadership. “The issue is how to set appropriate metrics, when your agency only controls a few pieces of the process. How can we set goals that are achievable without having full ownership of a project? The task is being accountable for the projects and people that you do not control and ensuring that the work is done correctly.”

Another panelist concurred that as you go along in adopting a new project, there is a triaging process that occurs. The crucial step is to provide assistance during the process of change so people are not discouraged by confusion. This includes maintaining the ongoing projects and infrastructure appropriately. Another panelist pointed out that \$200 million will be matched by the state to keep infrastructure in good repair. However, there are always issues with the evaluation of investments. This stresses the critical objective of building the life cycle cost into the budget. Benepe noted that Parks already has precedence for this, but needs to continue the maintenance as part of PlaNYC.

One area for consideration was how to keep costs down as the City relies on collaboration with the private sector. Benepe offered the point that many projects are designed by the private sector already. The greater challenge is to get citizens and non-profits involved with individual maintenance and upkeep. Another panelist commented that a large number of private contractors build and monitor streets in New York City. Therefore, incentive-based contracts will help to ensure speed and quality of private projects. “For example, the East River Bridge Crossing is moving toward a fiber optic network cable structure that will allow us to watch for deterioration and save money later.” The agencies will have to use different templates than the traditional model promoted by OMB now.

One panelist suggested that everyone is frustrated by the hindrances to construction for what they are striving to accomplish. The upfront costs will be high, but over time these will be absorbed through greater capacity. Benepe furthered that the agencies will need relief on OMB budgeting and regulations for certain projects. There should be State Department of Environmental Conservation mitigation City-wide, not only on a project-based capacity. Aggarwala pointed out that the City is developing an increasingly good relationship with DEC. This includes a new Office on Climate Change with projects for the Office beginning the following month.

The last point by Bystryn was to ask if there was any progress in pursuing City-wide rather than agency specific regulatory issues. Aggarwala commented that there is no structured approach yet. However, the City is starting to step back and look at the rules from a results-oriented approach.

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