



CENTER FOR CIVIC INNOVATION
AT THE MANHATTAN INSTITUTE

The Miami Renaissance: A Road Map for Urban Leadership

The Honorable Manuel Diaz

Manny Diaz is mayor of Miami. This Civic Bulletin is adapted from the transcript of a Manhattan Institute luncheon held in New York City on June 23, 2004.

I want to spend a little time sharing my background and my personal philosophy of governing, and then talk about the results that we have achieved to date in Miami.

I arrived in the United States and in Miami in 1961. I was brought up in an area of Miami called Little Havana. That was the neighborhood where hundreds of thousands of Cubans grew up and became part of the American Dream.

The neighborhood where I grew up is technically still called Little Havana, but it isn't really Little Havana anymore. It has become a Little Western Hemisphere, because Miami and my old neighborhood continue to be a beacon of hope, freedom, and opportunity for hundreds of thousands of immigrants who come to America from throughout the hemisphere. A full 62 percent of the residents of the city of Miami today are foreign-born. I believe that makes us the most diverse city in this country.

As for myself, I grew up poor although I didn't know it at the time. My first job was through CETA, the Comprehensive Employment Training Act. At that time, I was a janitor at the school that I had attended. My parents worked very hard to instill good values of hard work and getting an education—values needed in order to achieve the American Dream.

In late 2000, after I had achieved a good measure of that dream, I began to think about running for mayor. I was a senior partner at a successful law firm and had several business interests, so you might say that I had a good, comfortable life—certainly a

private life. I had helped a lot of candidates in their campaigns for elected office, but I hadn't given much thought to becoming a candidate myself.

So why did I give up my comfortable lifestyle as a private citizen? I gave it up because Miami had become the brunt of too many jokes. Our city was going in a direction where it did not belong. I had seen my parents and others like them put hard work into the building of a proud city. Yet all of their efforts had gone to waste. I knew that Miami had a tremendous reserve of entrepreneurial spirit—all it needed to meet its potential was the right kind of leadership.

Miami suffered through the seventies and eighties much like other major cities across the country. We, too, experienced middle-class flight to suburbia. Throughout our continuing decline during the nineties, I saw what the leadership in other American cities had been able to accomplish. I saw that, thanks to bold leadership, New York, Boston, Chicago, and other major cities had been reborn. Yet even in the economic boom of the nineties, Miami still languished. It languished because of a lack of political stability, a lack of vision, and a lack of leadership—further symbolized by the fact that our population grew by only 1 percent in the 90s.

My friends thought that I was insane to run for office, especially crazy to enter a race in which there were ten other candidates. Why pick the race where everyone who had ever been mayor of the city of Miami since 1973 was running, as well as an incumbent commissioner and a former city manager?

Needless to say, when I started out I was in the back of the pack, but there were two things that helped my message resonate.

I ran a grassroots campaign. I walked to more than 10,000 homes and talked about my vision for the city while sitting in a lot of living rooms and dining rooms. That really helped.

The other thing that helped was the work of the Manhattan Institute and one of its landmark publications, *The Entrepreneurial City*. This book was kind of a bible for my campaign, and I kept it with me at all times. I wanted Miami to become one of America's renaissance cities, and I wanted to become one of America's entrepreneurial mayors, like Daley in Chicago, Rendell in Philadelphia, Giuliani in New York, and Goldsmith in Indianapolis.

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Those mayors and others exemplified taking charge of urban problems, bringing a fresh business perspective to city management and controlling their own destiny, not depending on other layers of government and not letting obstacles get in their way. It also involves not getting in the way of market forces.

Today, two and a half years after I was elected, it is an honor for me to be here because, as I said, the Manhattan Institute provided so much inspiration for me during my campaign. I credit that inspiration, to a very large extent, with helping me win the election.

However, all aspiring politicians should be careful what they wish for. I had never seen government from the inside; although I had been involved in many political campaigns, and obviously knew a lot of people in government, I couldn't prepare myself for what I was about to find. I had never seen a dysfunctional culture like that of government, where the favorite answer is, "No, it can't be done. I don't care what it is, I don't care what you're ask-

ing for, the answer is always no," and when you ask why, the answer is, "Because that's the way we've always done it," or perhaps "Somebody told me to do it this way." There is somebody who works for the city of Miami called "Somebody," who is on some organizational chart. I haven't met him yet, but we're looking for him.

All this really ties into something that is traditionally called institutional history. As mayor, you are told that you can't make changes in city government because institutional knowledge will suffer. I quickly realized that I didn't want to keep the institutional knowledge that had created the kinds of problems that we had in the city of Miami before I was elected. Nonetheless, I faced the reality that many bureaucrats will be in office long after I have moved on. Everyone knows that a mayor is in office for four years, eight if he is lucky, but bureaucrats may very well be there for 20 years.

So, as an ambitious mayor, when you walk into your first meeting and announce, "I've got this clean-up initiative that I really want implemented," you will see everybody around the table nod his head and say, "Absolutely Mr. Mayor, yes, great idea, you know we're on it." Then you leave the room; you go on to a thousand other projects. Six months later you ask, "What happened to that cleanup initiative?" You will call everybody back into the room, everybody will nod his head again and go through the same routine, very sincerely. The tactic of city bureaucrats is to beat you down by virtue of sincere non-action in the hope that you'll eventually just give up on your agenda. This is why, as mayor, if you want to be successful, you just have to out-work everyone.

I also realized that the biggest department in the city of Miami was the fire department. Why was that? Because every employee in the city of Miami has been trained to put out fires. That is what is expected of you every single day: figure out what the problems are and when somebody calls, put out that individual fire. You don't fix any real underlying problems, but you manage them day to day. This culture permeated not just the rank-and-file city personnel but also management, because many ar-

rived at management positions not because of merit but simply because they outlasted everybody else in the system in terms of pure seniority. There was also a sense that the management would come to me and say, “You know, Mr. Mayor, we picked up the garbage, we handled the citizen complaints, and when you walked into your office this morning, you turned on the lights and everything worked.” That was supposed to make me happy. Putting forth just enough effort to get by is also part of government culture. When you first get elected and you encounter this culture, you realize that you are at a serious personal crossroads.

On the one hand, you say to yourself, it’s going to be really hard to be the mayor, so I’m going to coast by in office for four years, do a lot of photo ops, and do a couple of good things here and there where there is little resistance. If you do that, there is even a good chance that you’ll get reelected.

On the other hand, you could say to yourself, I’m going to change things fundamentally. I’m going to change things structurally in this city from here forward, for every administration after me. That is the approach that I have taken. I have set a simple goal: to make my city livable, improve the quality of life in order to bring back the middle-class residents who have moved out and in order to stimulate new private investments and still help those citizens who are left behind.

Once I made that decision, I knew that I had to change the government culture because if I didn’t change the culture, I would never be able to accomplish the things that I had promised in my campaign, the things that motivated me to run in the first place.

What did I have to do to change the culture? I had to change the team. Miami has traditionally had a reputation for being very political. Every time a new mayor was elected, everyone was fired, and that created political instability. So I had to negotiate a delicate balance between trying to find the right way to change the culture and at the same time not appearing to be motivated by purely political considerations.

My solution to this problem was to reach out to the private sector because I wanted to bring peo-

ple into some really tough positions. I wanted people with a different kind of culture, the can-do culture, the belief that anything is possible if you just work hard enough. My CEO, for example, is the lowest-paid CEO in the country. He is a retired businessman who was the owner of a very large printing company that got bought out. He made quite a bit of money and retired. He thought that for the rest of his life he was going to play golf, until I called him one day and told him that I was not going to let him do that. I told him that he was going to help me to rebuild the city of Miami. He accepted my challenge, and now he works for ten dollars a year.

Another area that was very important to me in terms of moving the city forward was something that people in the public sector do not focus on very much: human resources. If I was going to change the culture, I needed to have a person at the top of the ladder who understood the city’s needs. I also needed someone who understood the sensitivities of government and who would be able to change the culture among the employees.

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We also changed the structure of the government. We reengineered a number of the departments. We’ve eliminated many of the departments and consolidated some and then created a vertical structure with a CEO, a CFO, a Chief Operating Officer, a Chief Information Officer, and a separate budget director who also took on the responsibility for strategic fiscal planning.

The reason for a lot of this reorganization was that, in the government, the left hand never knew what the right hand was doing. City departments did not interface. They could not talk to one another. With this new structure, we changed that considerably. We took the position that there were no sacred cows in city government, including the most basic job descriptions, employee evaluations, and everything else.

Employee evaluation is another area that always amazed me. In our city, employees get rated on a scale of one to five, five being the best. We had developed a culture in the city for which if someone gave an employee a four on an evaluation, that employee would file a grievance because he believed everyone was entitled to a five. That system was not promoting a culture of excellence. So we developed the first-ever strategic plan for the city of Miami. We identified three main goals:

- Operate as a service-focused organization
- Invest in our neighborhoods
- Improve the health and economic development of the city

We took the position that there were no sacred cows in city government, including the most basic job descriptions, employee evaluations, and everything else.

With this plan, we communicated to all city employees what we expected from them. I know this sounds very basic, but this is not, I suspect, part of the operational culture of very many municipal governments in our country.

It has been documented that even more than salary, even more than money sometimes, the most important thing that employees want to know is what is expected of them. Believe it or not, that does not often get communicated. So we changed that. Now we can monitor employees' performance and hold them accountable based on the fact that we have communicated high expectations to them and have created a balanced methodology to keep track of employees' performance.

Now every employee knows what his purpose is in terms of the overall vision, and when I say every employee, I'm talking about from the CEO down to the staff that cuts trees in our parks. Each employee from the parks department would come to work every day and know that his job was to cut three trees. So he cut his mandated three trees and went home believing that he had done his job because that was what was expected of him.

But that's not part of our strategic plan. What is our strategic plan? We want great parks, because great parks make great cities. Now that every employee understands our strategic vision, parks employees know that their job is not about the simple act of cutting three trees and calling it a day; they are part of the overall concept and vision for the city of Miami, a vision of civic excellence.

The next thing we needed to do was to combine our vision for the city with multi-year financial planning and begin to align government resources to fulfill our strategic vision. The government budgets on the basis of "We have X money this year, and if revenues increased 3 percent above plan, then all city departments will get a 3 percent across-the-board increase." Or, if a year later, we didn't do as well as we expected and we have less money, we will cut 3 percent across the board from all departments.

Where is the vision driving city budget planning? Anyone can budget that way, without any vision, and that is the way that the Miami government had traditionally budgeted. We went in and rewrote our entire business processes for each and every level of government, each and every employee in our government. We also created and prioritized new training programs and commissioned a first-ever strategic IT plan to see what technology the city needed achieve our goals.

We were doing a significant amount of our payroll by hand, and it is hard to expect employees to do something if you don't give them the tools to do it. Now we are implementing a new enterprise revenue package to run our payroll system. We have done e-Government Permitting Procurement, a GISS limit, and so forth, all on the basis of our strategic plan for IT and the resources that we are strategically committing to improving the way that the city manages its budget and allocates government resources.

311 is another tool we are using to maintain organization throughout city government. 311 is a fantastic management tool. It tells you that, for example, when you have a pothole, the government will fix the pothole within 48 hours. By using a 311 system we can satisfy our customers, the people of

Miami, on a timely basis. When a customer calls with a complaint, satisfaction is guaranteed within a 48-hour period. But 311 is more than a management tool; it is also a planning tool, because after we get three calls about potholes on one particular avenue, we know that we need to look at the entire street because it might need repaving. That strategic vision for the government is the way that we are changing government culture and improving civic management of our city.

Once those pieces were together, we began a multipronged approach to investing in our neighborhoods, first and foremost in public safety and police. We brought in the absolute best in the country to be our chief of police John Timoney. Before I was elected, our police department was mired in serious controversy, and there was very little public confidence in it. Now, in terms of crime statistics, we have just gone through our tenth year in a row of crime reduction in the city of Miami. We are 50% percent below crime statistics from the last decade. There are only a few large American cities that can claim that.

We have also taken on the challenge of creating a drug-free city, with a model program that Chief Timoney came up with, called Operation Difference, which brings a holistic approach to reducing the drug scourge in Miami. Approximately 70 percent of homicides in the city of Miami are drug-related, and in some of our neighborhoods we can trace drugs to about 80 percent of the crimes. Gaining control of that problem will be a tremendous achievement, and we're doing our best to make that happen.

Reform of the police department was another high priority. The day that Chief Timoney was sworn in, the police department was under investigation by the Department of Justice. We now have a new civilian investigative panel that was just formed through a referendum overwhelmingly endorsed by the citizens of Miami, in addition to the safeguards that were already in place. The chief came in with an aggressive reform package, which included looking at internal affairs, intensive police training, and probably the most progressive police-shooting policy in the nation.

We've taken law enforcement to the next step. We created a multi-agency effort in the city of Miami, using a holistic approach to focus on making our neighborhoods better. We created something called the Quality of Life task force, which combines many city agencies, takes code enforcement, and makes one agency the lead. We have gone after everything from illegal housing and illegal motels to illegal cafeterias and abandoned cars. We have even gone after stray roosters and chickens running around some of our neighborhoods.

One might ask why focus on quality-of-life crimes is important. Last year, we dealt with a very serious issue in Miami—a serial rapist stalking our citizens. After some astonishing police work, we captured this man and discovered that he lived in an illegal housing unit in the city of Miami and that he frequented what we call illegal cafeterias, which sell sandwiches by day and by night sell much less innocent things. People who break the law and avoid the law frequent these kinds of places, and it is important to shut them down because they encourage lawlessness.

By using a 311 system we can satisfy our customers, the people of Miami, on a timely basis. When a customer calls with a complaint, satisfaction is guaranteed within a 48-hour period.

We have also engaged an extensive Clean-Up Miami campaign. It's important to remember that if you clean your streets and you keep your neighborhoods orderly, people will, more likely than not, behave in an orderly fashion.

We also redeployed a number of our solid-waste employees into our neighborhoods by getting to know major thoroughfares and cleaning them up on a daily basis. We created litter-buster teams, graffiti-buster teams, and other neighborhood outreach programs. As a result, the organization Keep America Beautiful believes that 70 percent of our neighborhoods are above the national average in terms of cleanliness.

In terms of our neighborhood investment, we created the first-ever capital improvement plan in the city of Miami, and there was a systematic ap-

proach for the funding and maintenance of our infrastructure. One of the first Capital Improvement Program (CIP) projects that was brought to me after I was elected was a parking garage at our administrative building. I was told that we needed to spend \$15 million to build a new parking garage because we didn't have enough room for all the city's cars. My response was, why don't we get rid of some of the cars?

Now that we have a CIP plan in place, we will reconstruct, resurface, and repair every deficient roadway, sidewalk, and curb in the city of Miami within a 12-year cycle. The plan also includes gutters, storm sewers, flood mitigation, and, of course, our public and city facilities. This totals 700 projects at a cost of \$765 million, and it is being done today. The key was to align our resources with our vision for the city and to do this with existing city funds. I am proud to say that not one additional tax dollar is going into this effort.

The master plan is going to guide everything economic development, preservation, arts and culture, transportation, parks, planning and zoning, for decades to come.

The CIP also rebuilds every city park, but parks are more than an issue of infrastructure; parks are also about programming, and so we have wired all of our parks and installed computer labs. We have created education centers with year-round after-school instruction. We are providing free concerts and free movies at our parks, and this is being done mostly with outside private money and with non-profit organizations that we have partnered with.

We have also started the process of creating a master plan for the city of Miami. The master plan is going to guide everything: economic development, preservation, arts and culture, transportation, parks, planning and zoning, for decades to come.

We are designing a planning and zoning code that will focus not on what is forbidden, but instead on what the people of Miami want their city to look like over the next few decades. The rebirth of the city has allowed for the expansion of prosperity by including the climate for economic health

and development. In two and a half years, we have reduced our taxes, and we now have the lowest interest rate in 50 years. We've moved from junk-bond status to A-plus, the highest rating ever in the city of Miami. When I was elected, we were under a state oversight board. Obviously, that's disappeared, and our reserves are now at somewhere around 25 percent. We've just completed a comprehensive analysis of our compensation, benefits, and pension program to allow us to better plan for our future. This is something that very few city or state governments across the country are prepared to do.

We have \$15 billion in new major projects being built in the city of Miami right now. That includes 40,000 residential units, about 3,000,000 square feet of new commercial space, about 3,000,000 square feet of new retail space, and 2,000 new hotel rooms. The Urban Land Institute classifies the city of Miami today among the top five emerging markets or hottest markets in the country. I believe that we are the hottest market. These projects are not limited to an urban core, as they have been traditionally; last year, 81 percent of the new permits in Miami were for projects outside the urban core. That was an important milestone for me.

Traditionally, politicians focus on financial districts, on the urban core, and they forget that there are neighborhoods outside the core that are the heart of the city and really make up the city's identity. As a result of our emphasis on developing all of Miami, our tax base has increased by over 40 percent since I have been in office. We have also attacked poverty through our first-ever anti-poverty initiative and ASA Building Program focusing on earned income tax credit awareness, affordable housing, and making funding opportunities available for the entrepreneurial small-business class in Miami, which is a very substantial part of the city.

Culturally, in the area of the arts, our city today is the United States' home to Art Basel, the world's largest art fair. Last year, we hosted the Latin Grammys and the *Source* Awards, and this year for the first time ever, the MTV Video Music Awards will be held somewhere other than Los Angeles or New

York. *Variety* magazine has ranked Miami among the top five film and TV hubs in the world.

We're also in the process of constructing a new \$400 million performing-arts center, and we're developing a museum of art and a museum of science in the city of Miami. We are the leading contender to be the permanent home for the Florida division of the Free Trade Area of the Americas. This would be the largest trading block in the world. If Miami were to be selected as a permanent home for this new entity, we would create more than 80,000 new jobs in the state of Florida. Most of them would be in the south Florida area, and the economic impact in the state of Florida would be somewhere around \$13 billion.

We're also actively involved in trying to improve the quality of public education in the city of Miami. We have done this through intense mentoring programs, after-school programs, the Adopt-A-Classroom program, and through the creation and expansion of charter and magnet schools in the city.

All our efforts have culminated in a population growth of 5 percent during the time that I have been in office. By the end of this decade, I believe that growth should reach 20 percent, contrasted with 1 percent the previous decade. This is the Miami renaissance. We have moved government toward providing long-term solutions for urban problems, creating a city government with a culture that plans on the basis of long-term results. Everything we do in the city today stems from that change. I will probably not see the ultimate effects of many of these initiatives and projects. They may not be seen

for another ten or 20 years, but when I leave office, I want to be known as an innovative urban mayor. Ten years from now, I want to be remembered as a great mayor, and I hope that 20 years from now, I will be known as the best mayor the city of Miami ever had.

All of you are here today because you believe that government should work for the people that it serves. Miami is a laboratory for ideas because we see our roots. We are a city of newcomers and new ideas. Our youth allows us the opportunity to be creative and to feel a tremendous sense of optimism. Miami is known as the magic city in part because it sprang from the Everglades a century ago. At that time, New York City was the central destination for millions of immigrants seeking better

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lives. Manhattan attracted the best and brightest immigrants from throughout the world, all staking their claim on a piece of the American Dream. It was this human capital that created our first metropolis, our first global city. We look to Manhattan for inspiration for what a city can achieve and we look to the Manhattan Institute for continued public policy guidance. We in Miami are working with you and stand ready to face the challenges of the next century based on the government serving the people and empowering market forces to help our citizens claim their birthright to the American Dream.

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