



Regional *Report*

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CREDITS

Research funders

Greater Milwaukee Foundation

Helen Bader Foundation

Lynde and Harry Bradley
Foundation

Richard and Ethel Herzfeld
Foundation

Research conducted by Public Policy Forum

Anneliese Dickman, J.D.
Senior Researcher

Catherine A. Crother
Deborah Curtis
Ryan Horton
Jeffrey K. Schmidt
*Research and Editing
Assistance*

Jeffrey C. Browne
President

Jerry Slaske
Communications Director

633 W. Wisconsin Ave., Suite 406
Milwaukee, WI 53203
www.publicpolicyforum.org
Phone (414) 276-8240

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Shared Regional History

*Lessons from Past Policy Decisions and Reform Efforts
in Southeastern Wisconsin*

EXECUTIVE SUMMARY

Our shared regional history teaches us that we currently are faced with a unique window of opportunity to act on critical regional issues. Natural resources, regional services, economic repositioning, and our transportation infrastructure are all issues that have recently converged in southeastern Wisconsin. These are regional issues in search of regional solutions.

The likelihood of cooperation on such issues may have found support through recent developments. Leadership changes in the metro Milwaukee area, the passage of Wisconsin's "smart growth" legislation, and the signing of the Racine intergovernmental agreement on sewer service and revenue sharing are signs that cooperative problem solving *can* occur.

Our region's capacity to seize the moment depends partly on its collective understanding of the history of regional cooperation.

The following insights are key "lessons learned" from a review of southeastern Wisconsin's shared history. Taken together, these lessons provide a context for our current debate on critical regional issues.

We are the masters of our own fate. Southeastern Wisconsin's current governance situation is largely the result of previous choices as our history contains numerous examples of divergent choices leading to divergent results. These past events, including sewer wars, water wars, annexation wars, have largely served to further divide a region that already labors under the weight of 254 governmental units spread over seven counties.

There is cause for skepticism. The fact that our strongest examples of regional agreements (SEWRPC and MMSD) are also the most controversial says much about the region's ability to forge multi-jurisdictional agreements that are perceived as being fair by all stakeholders.

One Region

More state involvement does not necessarily mean more regional cooperation. Both the Metropolitan Study Commission (1957-61) and the Regional Transportation Authority (1991-93) failed to implement meaningful regional reform despite state legislation and charters to support such efforts.

Despite perception to the contrary, past regional reform efforts have been few, far between, and limited in scope. Most efforts never crossed county lines and usually were limited to issues of governmental efficiency.

Previous regional reform efforts have failed to engage and educate policymakers and the public. Scholars, historians, and political practitioners agree that regional reform efforts have historically been unable to excite the public enough to demand change. A broad coalition to advance regional solutions has never emerged.

Cooperation can happen. Most recently, multi-jurisdictional “smart growth” planning and the Racine intergovernmental agreement both exemplify that regional solutions can be negotiated successfully in the region.

INTRODUCTION

Look at an aerial photograph of southeastern Wisconsin in 2004 and it looks very different from one just 50 years ago. Today there is a line of urban growth that extends past the core cities of Milwaukee, Racine and Kenosha into what was woodland, open space, and agricultural land in the 1950s. This pattern of development is uniform and substantial, with the majority of growth appending itself to the newest edges of the outermost suburbs. What is not uniform is the maze of jurisdictional borders of the many governmental entities that have emerged over the course of our history. With jurisdictional boundaries that do not correspond to geographic features, this man-made jigsaw puzzle has helped spawn a reluctance to devise cooperative solutions to interregional problems.

Regional problems

We are a region in the midst of a 30-year economic decline. Per-capita income growth and population growth have lagged national and state averages over this period. Worse yet is job growth in the four-county metro area registering at only half the rate of the United States and Wisconsin since 1974.ⁱ It is no secret that our relatively slow economy can be blamed primarily on the poor performance of our region’s central cities. Studies show a correlation between poorly performing regional economies and poorly performing central cities. An analysis of U.S. census data in 2004 by the Brookings Institution places Milwaukee in the company of Cleveland, Hartford, Detroit, and Philadelphia as the five metropolitan economies with the largest disparity between city and suburb per-capita incomes.ⁱⁱ

Southeastern Wisconsin has not been immune to the macroeconomic trend of deindustrialization. But here too, regional disparities exist. Suburban areas dramatically increased their proportion of manufacturing jobs in relation to their central-city counterparts due to cheaper development costs, plentiful land for modern plant design, cheaper labor, and better access to freight corridors. Specifically, in the four-county area, Milwaukee County lost 38,608 manufacturing jobs from 1991 to 2003 while the surrounding three suburban counties gained 9,110.ⁱⁱⁱ This realignment of manufacturing jobs has had a multiplying effect within our regional economy, resulting in boarded-up houses, factories, and retail stores in our cities while simultaneously extending new infrastructure to develop agricultural land in suburban and rural areas.

The six-county region has had substantial growth in one category: land consumption. Despite the region’s slow population growth at 4% between 1970 and 1990, the amount of land developed increased 50%.^{iv} This figure is representative of a shift in capital, jobs, and people away from the region’s core cities and into the open spaces of surrounding counties. Indeed, the majority of southeastern Wisconsin residents now live (59%) and work (56%) outside of the region’s core cities.^v

One Future

This shift has not been without consequence. Inequities between suburb and city have grown and manifested themselves in regional governance warfare, such as the water and annexation wars in the 1950s, the freeway wars in the 1970s, and the sewer wars of the 1980s and 1990s. Today, we are faced with a new set of challenges in the form of proposed clean water diversions to suburban communities, sewage overflows, economic repositioning, and the rebuilding of our regional transportation infrastructure. Our shared history shows that how we deal with these issues will help decide the fate of the region for decades to come.

REGIONAL CULTURE

Electorate doesn't demand change

Despite the region's groundbreaking role in helping to define such radical political movements as socialism and progressivism, those in southeastern Wisconsin have traditionally embraced a particular brand of "learned conservatism" that, according to one historian, "has created a social climate that can be toxic to new ideas."^{vi} This climate has tended to produce leaders that are given little more than a narrow mandate to pursue greater efficiency in day-to-day governmental activities and increase the quality of life. Both have helped bolster the livability of individual communities, but have done little to address pressing regional issues.

Political leaders engage in divisive rhetoric

Employing such terms as "iron ring," "lily-white" and "New Berlin wall" to describe their suburban neighbors, Milwaukee leaders have historically done little to encourage regional cooperation.^{vii} The suburbanites, on their part, have often viewed their big neighbor as a "rapacious plunderer."^{viii} Today, tensions seem to have eased as leaders on both sides recently have reached out to one another. This is no small feat considering that the name-calling lasted for over 50 years, starting with the annexation battles of the 1950s.

Neighbors seen as competitors, not allies

The perceived location handicap for the region is its close proximity to both Chicago and Madison. These cities are blamed for draining resources from southeastern Wisconsin, with Madison benefiting from being the capital and home to one of the country's pre-eminent universities, and Chicago as the business, finance, and population center of the Midwest. Despite the presence of such strong and successful neighbors, no regional vision for "the triangle" has emerged and so the potential asset of proximity is instead perceived as a drain on capital, people, and jobs. Instead of banding together to raise our region's national profile, local leaders have been distracted by local turf battles.

EXPANSION AND FRAGMENTATION, 1945-1970

Incorporations and annexations relied on arbitrary criteria

The post-World War II annexation policy of Milwaukee was, simply put, to grab as much land as possible. The response from rural townships surrounding Milwaukee was to incorporate as fast as possible to prevent this from happening. Objective criteria to evaluate the worthiness of such annexations and incorporations never were developed by the state. The resulting "grossly illogical" borders are physical manifestations of a wholesale land and population grab that largely ignored existing service boundaries like watersheds, rivers, railways, and transportation corridors.^{ix} Unfortunately for the future of the metro area, the cost effectiveness of raising revenues and providing services rarely entered into the incorporation and annexation equation.

One Region

Federal legislation reinforced segregationist housing policies

Discriminatory policies were typified by the Federal Housing Act of 1934 that mandated the division of cities by race and social class by only insuring mortgages in certain neighborhoods for certain peoples and essentially legalized local real estate steering, insurance redlining, restrictive housing covenants, and exclusionary zoning practices. These practices were often done under the guise of “protecting property values” or “maximizing tax base.” Together, these federal and local practices reinforced neighborhood segregation and helped create a vicious cycle in which the region’s reputation for segregation hinders improved race relations today.

Metropolitan Milwaukee’s brand of regionalism fell short

During a period in the late 1950s and early 1960s the Milwaukee area reached its economic peak. Coinciding with this peak was increased civic pride and a “modest” but significant interest in intergovernmental cooperation.^x During this period, the Milwaukee Metropolitan Sewerage District (MMSD) was expanded to include most of Milwaukee County (1960), and the seven-county Southeastern Wisconsin Regional Planning Commission (SEWRPC) and Milwaukee County Expressway Commission were created in 1960 and 1953 respectively. As non-political entities these regional authorities held out the hope of building consensus around some of the most divisive regional issues. In the ensuing decades, however, they instead became flashpoints of contention. Disputes over particular policies and perceived inequities in governance structures have undermined many of the successes that were achieved by these regional entities.

Lack of political will and citizen interest prevented regional reform

The City Club (founded in 1909), the Citizens Governmental Research Bureau (1913), and the Greater Milwaukee Committee (1948) have all produced research to inform the regional debate since the early 20th century but because of a lack of dissatisfaction with government fragmentation, such studies had limited impact.^{xi} An example of such an effort was the Metropolitan Study Commission (1957-1961), which was chartered under special legislation from the state of Wisconsin and charged with finding and implementing intergovernmental efficiency in Milwaukee County. Four years and 25 recommendations later, the group disbanded with only a few minor successes. Historians conclude that most recommendations failed due to lack of public understanding and lack of engagement by elected officials.^{xii} Commission participants agree that there was a need for more political tools, experience, and educational efforts.^{xiii}

GRIDLOCK AND STAGNATION, 1970-2000

Freeway construction backlash led to stalemate in transportation decision-making

This era saw many other regions around the country advance multi-modal transportation solutions to move workers, visitors, and freight within an ever-expanding metropolitan footprint. Meanwhile, Milwaukee was stuck pondering the “now what?” question after declaring the freeway expansion plan dead in 1975 due to public outcry. Divisive rhetoric and an overall lack of trust during this period resulted in little highway construction, a decline in mass transit funding and ridership, no intraregional rail transit, and the failure to approve the formation of a regional transportation authority.

One Future

1982 MMSD reorganization sowed the seeds for the 14-year “sewer wars”

The 1982 Sewerage Governance Act was landmark legislation for better and for worse. For better, the bill threw out an antiquated two-commission (city and county) governance system in favor of MMSD, a single cross-jurisdictional decision-making body with revenue-raising powers. For worse, the split between city and suburb was essentially maintained as suburbs outside of Milwaukee County declined to be part of the new commission,^{xiv} thus pitting the district against the suburbs in a 14-year battle over how to finance sewer upgrades and expansion. In the end the district won, but this was universally seen as a near fatal blow to regional relations. Part of the 1996 settlement authorized a large payment and a governance structure seen by suburban municipalities as unfair, with seven of the 11 members on the MMSD governing board appointed by Milwaukee’s mayor.

Decentralized land-use decision making resulted in sprawl

Individual municipalities have almost complete control over how land is used within their jurisdiction and have little incentive to consider regional needs. A sprawling development pattern has been the result of each municipality wanting to create a stronger tax base by encouraging large lot developments. Worsening traffic, sewage overflows, regional tax inequities, and the destruction of natural resources have been tied to this pattern of development. The only official regional entity that makes recommendations on land use is SEWRPC, but its power is primarily advisory in nature.

REGIONAL SOLUTIONS, 2000-2004

“Smart growth” comes to Wisconsin

With the passage of 1999’s “smart growth” legislation, the state has transferred the responsibility of comprehensive planning to local governments while expanding the plan’s scope and significance in local decision-making. One of the 14 goals that communities must address based on the legislation is the “encouragement of coordination and cooperation among nearby units of government.” In southeastern Wisconsin this goal has manifested itself in several cooperative “local-local” and “county-local” multi-jurisdictional planning processes being facilitated throughout the seven-county area by SEWRPC.^{xv}

Political climate changes

The recent thawing of relations between the city of Milwaukee and Waukesha County is an encouraging sign that regional solutions may not be far off. Because divisive rhetoric has been so prevalent in the regional discourse it is no small feat when politicians from both sides give friendly speeches about regional cooperation on each other’s turf. This seems to be an area where we are learning from past mistakes.

Intergovernmental revenue sharing pact in Racine breaks new ground

While improved relations in the Milwaukee area are in their infancy, the landmark Racine intergovernmental agreement signed in April 2002 teaches us that significant regional solutions in southeastern Wisconsin *can* happen. The agreement includes cost sharing provisions for infrastructure and cultural amenities while also authorizing “one of the largest municipal property tax revenue sharing plans in the country.”^{xvi} Those involved in the negotiations agree that the eventual success of the agreement hinged on all parties’ willingness to negotiate and innovate, their ability to uncover and quantify interdependencies, and, not the least of all, their stamina.^{xvii}

One Region

CONCLUSION

Results from the last few years show that we *are* capable of clearing a new path toward intergovernmental cooperation in southeastern Wisconsin. The basic idea behind this regional cooperation is that by coordinating resources among municipalities and counties, regions themselves can strengthen their position in the global economy by arriving at mutually beneficial agreements on contentious and potentially divisive policy issues. Our history has given us many examples of instances when such thinking would have been beneficial. We are again presented with momentous regional challenges. The lessons from this shared history can help lead to decisions that hold our future.

ENDNOTES

- ⁱ U.S. Department of Labor: Bureau of Labor Statistics web site, data retrieved on 12/5/04
- ⁱⁱ Todd Swanstrom, Colleen Casey, Robert Flack, and Peter Dreier, "Pulling Apart: Economic Segregation among Suburbs and Central Cities in Major Metropolitan Areas," The Brookings Institution, October 2004, Washington D.C. Accessed on 12/5/04 at http://www.brookings.edu/dybdocroot/metro/pubs/20041018_econseggregation.pdf
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- ^{iv} "Milwaukee Metropatterns: Sprawl and Social Separation in Metro Milwaukee," Center on Wisconsin Strategy and the Metropolitan Area Research Corporation, August 2000, Madison, WI. Accessed on 12/5/04 at <http://www.cows.org/pdf/econdev/milmetro/rp-milmetro-00.pdf#search='milwaukee%20metropatterns'>
- ^v Sammis B. White, "Jobs in the New Millennium: Wisconsin's Regional Economies, 1999 – 2003," Wisconsin Policy Research Institute, August 2004, Milwaukee, WI. Accessed on 12/5/04 at <http://www.wpri.org/Reports/Volume17/Vol17no4.pdf>
- ^{vi} John Gurda, *The Making of Milwaukee* (Milwaukee: Milwaukee County Historical Society, 1999), 437.
- ^{vii} Richard Cutler, *Greater Milwaukee's Growing Pains, 1950-2000: An Insiders View* (Milwaukee: Milwaukee County Historical Society, 2001), 36.
- ^{viii} Gurda, 341.
- ^{ix} Cutler, 24.
- ^x Frederick Olson, *Trading Post to Metropolis: Milwaukee County's First 150 Years* (Milwaukee: Milwaukee County Historical Society, 1987), 69.
- ^{xi} Olson, 83.
- ^{xii} Cutler, 47.
- ^{xiii} Henry J. Schmandt and William H. Standing, *The Milwaukee Metropolitan Study Commission* (Indiana: Indiana University Press, 1965), 257-289.
- ^{xiv} Cutler, 179-180.
- ^{xv} "Multi-Jurisdictional Comprehensive Planning Programs in Southeastern Wisconsin," Southeastern Wisconsin Regional Planning Commission, Waukesha, WI. Accessed on 12/5/04 at <http://www.sewrpc.org/smartgrowth/programs/default.shtm>
- ^{xvi} James M. Fiacco and Christine A. Cramer, "A New Model for Fiscal Regionalism: Greater Racine's Plan for Overcoming Fiscal Disparity." *Government Finance Review*, February 2004: 24-29.
- ^{xvii} "Resolving Municipal Turf Battles," Ruckert/Mielke quarterly newsletter, 2004, Waukesha, WI.

One Future

The Public Policy Forum is facilitating creation of a shared vision action plan for regional cooperation in southeastern Wisconsin based on research and analysis. During the next three years, the Forum will encourage the region to think and act in ways that promote its long-term economic and social health, including . . .

- Developing a Southeastern Wisconsin Leadership Network;
 - Establishing priorities for regional action;
 - Making the case to citizens that regional cooperation is vital to our future;
- Benchmarking progress toward the shared vision.

The Forum is seeking partners to support its effort. If you would like to participate, provide leadership, or offer financial support, please contact:

Jeffrey C. Browne

President, Public Policy Forum

414-276-8240

jbrowne@publicpolicyforum.org

Acting regionally on issues that are regional in nature
is in our economic and social long-term interest.

For more information about the Public Policy Forum and its work,
please go to our web site: www.publicpolicyforum.org.
