

SUPPORTING HIGH PERFORMANCE GOVERNMENT

Leading Large Scale Change

**September 17, 2008**

# The Challenge of Large-Scale Development: Managing City/State Mega-Projects

## Panelists:

**Timothy J. Gilchrist** Deputy Secretary for Economic Development and Infrastructure,  
Office of the Governor

**Robert C. Lieber** Deputy Mayor for Economic Development, Office of the Mayor

**Christopher O. Ward** Executive Director, Port Authority of New York and New Jersey

## Moderator:

**Robert D. Yaro** President, Regional Plan Association

## Remarks:

**Professor Dennis Smith** Program Manager, Research Center for Leadership in Action

**Steve Hurst** Managing Director, Public Service Practice, Accenture

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## Supporting High Performance Government: Leading Large Scale Change

### “The Challenge of Large-Scale Development: Managing City/State Mega-Projects” September 17, 2008

#### 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 17, 2008 entitled “The Challenge of Large-Scale Development: Managing City/State Mega-Projects” focused on the strategies for navigating this complex terrain while working across agency silos and City/State priorities to achieve these large-scale efforts.

#### Background and Context

Perhaps not since the time of the “master builder” Robert Moses has the City aspired to and undertaken so many grand plans to shape the built environment of New York City. While the present scale of change may be similar to that past era the challenges facing those who lead and manage complex (Mega) projects, such as the World Trade Center, Hudson Yards, Howland Hook/New York Container Terminal, are different and greater in many ways. To review the City’s experience in meeting these challenges, we convened several of the key City, State and Multi-State actors in this urban drama to share the lessons they have learned.

The panel included,

- Timothy J. Gilchrist, Deputy Secretary for Economic Development and Infrastructure, Office of the Governor

“The Challenge of Large-Scale Development: Managing City/State Mega-Projects”

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- Robert C. Lieber, Deputy Mayor for Economic Development, City of New York
- Christopher O. Ward, Executive Director, Port Authority of New York and New Jersey

Moderator:

Robert D. Yaro, President, Regional Plan Association

## **The Complex Nature of Large-Scale Development in New York City**

Robert Yaro opened the dialogue by setting the context for large-scale development in New York City. “It’s been years since Moses and Tobin led projects; Nelson Rockefeller was the last of that generation,” however there are \$100 billion for infrastructure projects in the City ranging from the Water Tunnel to the 2<sup>nd</sup> Avenue Subway. Additionally, the level of large-scale real estate development, Moynihan Station, Hudson Yards and Atlantic Yards to name a few, require a new context for development. These mega-projects require not only City/State collaboration, but also significant public-private efforts. “These projects require big thinking and sustaining political support,” Yaro added. “It might take years to secure funding, through multiple political and business cycles.” One of the greatest challenges in this context is establishing continuity that can last through administrations and periods of fiscal uncertainty.

After introducing the panelists, Yaro posed the question “how do you sustain projects and political will?” Deputy Mayor Robert Lieber responded first to the question. Lieber emphasized that “you can’t look back to history. For example, Moses consolidated power to accomplish what he did.” The implication is that this approach is no longer politically feasible. “Instead what needs to happen is to improve communication and build consensus. If the same people are working together it creates an opportunity to be clear about goals and objectives. This also facilitates the completion of deadlines.” While term limits can hinder the ability to get things done, it does not preclude development. The focus of large-scale development in this context should be oriented toward keeping momentum and making cemented progress.

Deputy Secretary Timothy Gilchrist concurred, “with large projects, we all have to work together. The strategy is to figure out what different groups want to accomplish and then build consensus from there. If we can find commonalities, it is good for the public and easier to push projects through the process.” Christopher Ward, Executive Director, Port Authority of New York and New Jersey, added that another challenge is when people think that large-scale projects are unaffordable. Ward noted further that “budgets have the power to destroy creativity.” However, if the key stakeholders can establish a consensus, there is often a way to find the needed resources.

## **Establishing the Long-term Continuity of Large-Scale Development**

In this climate of shifting priorities, continuity issues and competing agendas, Yaro pointed out that the default answer to large-scale development can be “No.” Additionally, there is a

comprehensive public review process that is based on sound public policy, but that significantly slows down the speed of large development projects. Through the Uniform Land Use Review Process (ULURP) and the completion of an Environmental Impact Statement (EIS), the government and the general public has some leverage over the timing and implementation of large-scale development projects. Yaro asked the panelists to articulate, “how can you speed up the process?”

Timothy Gilchrist reiterated the “key is going into the process with a clear objective and to get buy-in” for the project from the various stakeholders. Gilchrist used the example of completing the EIS, which is a disclosure document that outlines the potential impacts of the proposed development and remedies for any adverse effects. The EIS process facilitates analysis of possible complaints and concerns surrounding the project before there are shovels in the ground. The ultimate objective is to allow different parties to reach a compromise on what needs to be accomplished within the project parameters. This provides a platform for encouraging groups to have a stake in the process. Eventually this tool leads to the continuity of a project through administrations.

Deputy Mayor Lieber interjected that the process is “very slow.” This may hinder the continuity and long-term investment in the project. Therefore, the difficulty is finding the right balance between community involvement and the efficient completion of projects. For example, Lieber explained that “New Jersey is building offices, which means that [New York City] is losing our competitiveness.” Gilchrist countered that the issue is not that the community is too involved, the problems arise from regulation. Christopher Ward elaborated that the continuity should derive from the top. “When the Bloomberg Administration announces that a project is done, then there is a loss of political will.” Therefore, it is critical that the government fully invest in seeing a project through to completion.

In thinking about the issue of continuity, Yaro posed the question, “can you create a protocol for other mega-project decisions?” Gilchrist responded that “there is a unique structure for each one. It wouldn’t be feasible to create one mega-project set of procedures.” Ward concurred that the objective for each project should be to think about the end goal and the participants that will be involved when setting strategy. Finally, Lieber added that this strategy is essential in order to get more of the players involved.

Yaro followed this discourse by highlighting that in the current political climate, mega-projects are driven by the public sector. Lieber noted that in this setting with three governors in three years, the continuity issue comes up again. Gilchrist noted that while “Spitzer was interested in redevelopment, Patterson is driving consensus.” If this strategy is not clear from the top, then it will not be a priority project. “In this sense, Patterson and Bloomberg reflect their own styles and this is what drives development with both City and State involvement.” Ward added further that when the City faces the unique challenge of continuity, the solution is to find creative ways of solving these problems rather than creating more of the same issues.

## **The Lessons of Large-Scale Development**

In the current fiscal constraints of the economy, it will be important to reflect on the lessons of large-scale development. Yaro asked the panel, “does economic development during a bad time create opportunity?” Lieber noted that the “economic crunch will take out some of the private projects. The public sector’s role is to create jobs during difficult times.” This does offer a chance to look at development from a different lens. It might not be enough to drive large-scale economic development programs and implement change, but primarily to provide good jobs. This will allow the economy to focus on infrastructure projects that balance the interests of the public and private sectors. An effective level of collaboration between the government, public authorities and community groups that drives an efficient development process is established when communication and trust between the different stakeholders are paramount.

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