SUBURBS WITHOUT A CITY
Power and City-County Consolidation

H. V. SAVITCH
RONALD K. VOGEL
University of Louisville

City-county consolidation is advanced as a good government reform to promote efficiency, equity, and accountability and, more recently, to reduce growing disparities between central cities and suburbs. Whether these objectives are realized is more doubtful than the fact that local reorganization embodies a real change in power relations. Altering boundaries changes the kinds of issues that are relevant to decision makers as well as the relative power of different populations. The authors analyze the recent city-county consolidation of Louisville and Jefferson County, Kentucky. The authors review how this came about and then focus on three critical realignments associated with merging the city and its surrounding county. These consist of shifts in territorial boundaries, management reforms, and political rules. The case highlights the power dimension of city-county consolidation, often overlooked by advocates of public choice as well as those favoring metropolitan consolidation.

Keywords: *city-county consolidation; metropolitan governance; regionalism and Louisville*

> In politics the most catastrophic force in the world is the power of irrelevance which transmutes one conflict into another and turns existing alignments inside out.
> —*E. E. Schattschneider* (1960)

The reform agenda dominates the study of metropolitan government and governance. Indeed a reform ethos imbues both the disciplines of political science and public administration (Swanson 2000; Feiock and Carr 2000). Today, many of the strongest advocates of reform are actually journalists such as Neal Peirce or former politicians like David Rusk and Myron Orfield. Journalists and politicians appear to be leading the debate on this issue and providing the rationale for local reform. Much of the popular opinion that grows around this discussion assumes that notions of the public good drive decisions about the reorganization of local government. However, as Feiock and Carr (2001, 383) point out,

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> Although institutional changes have collective effects, they also have distributive benefits for individuals and groups. . . . [T]hese selective costs and benefits, rather than collective costs and benefits, are most likely to provide incentives for institutional entrepreneurship and collective action.

Not only do analysts expect decisions about local government reorganization to be based upon the public interest, there is also a tendency to assume decisions will be made rationally and supported by empirical evidence (Lindblom 1959). Although Elinor Ostrom (2000) warns of "the danger of self-evident truths," even public choice critics expect decisions about institutional reform to be based upon scientific evidence regarding the efficiency and effectiveness of urban services. But as George Galster (1996, 238) reports, policy research has little influence on policy unless "(1) policymakers are interested in the answers, are uncertain about them; open to new definitions of problems; and (2) research results are conveyed in a nontechnical and persuasive fashion with little scientific dissent."

These conditions are usually not met in debates about local government reorganization. Reformers frequently support consolidation because they assume rather than make an effort to prove its benefits. Many observers take it for granted that citizens will judge consolidation by objective criteria and are capable of measuring governmental performance. Typically, these criteria include efficiency, effectiveness, and accountability. Yet as others and we suggest, changes in local governance are often about power not bureaucratic efficiency or effectiveness (Agger, Goldrich, and Swanson 1964; Burns 1994). More often than not, power shapes the reception of ideas and determines who has voice in community debates. Bringing this to public attention is difficult, and elites often respond with hostility to attempts to distinguish between power and better government. As Aaron Wildavsky (1987) long ago pointed out, "speaking truth to power" is fraught with pitfalls.

The recent merger of the city of Louisville and Jefferson County has put city-county consolidation back on the urban agenda. Louisville is the first successful consolidation in a major metropolis in three decades, thereby negating conventional wisdom that merger is politically infeasible (Downs 1994; Altshuler et al. 1999). In fact, Louisville's consolidation could be a harbinger for metropolitan reorganization. Since Louisville's consolidation, other cities considering consolidation include Cleveland, Buffalo, San Antonio, Memphis, Milwaukee, and Albuquerque.

To date, most of the attention given to Louisville's experience has been positive. The main storyline is one of a city that is on the move. Indeed, both the academic and popular presses stress Louisville's newfound ability to overcome problems and open the door to regional solutions (Peirce 2000;

Greenblatt 2002, 2003; Poynter 2002; Dreier, Mollenkopf, and Swanstrom 2001). We take a more critical view of city-county consolidation and would point out that although much of the favorable press is hyperbole, the more important consequence of consolidation lies in its power dimension. The motivating force of power is often overlooked in the literature on consolidation (Benton and Gamble 1984; Sjoquist 1982; Stephens and Wikstrom 2000; Altshuler et al. 1999). We examine this issue through a case study that systematically traces Louisville's move toward merger, which we have followed for more than a decade (Savitch and Vogel 2004, 2000, 1996; Vogel 1994, 1990; Vogel and Nezelkewicz 2002).

ORGANIZATIONAL POLICY AND CONSOLIDATION: TERRITORY, MANAGEMENT, AND RULES

It is by now an axiom that all types of organization embody institutional biases (Schattschneider 1960; Agger, Goldrich, and Swanson 1964; Savitch, 1972; Burns 1994; Vogel 1992; Harrigan and Vogel 2003). More recently, these biases have been linked to the study of organizational policy. This kind of policy has joined the ranks of other policy arenas such as allocational, distributive, redistributive, developmental, and constituent policies (Lowi 1964, 1972; Dye 1986; March and Olsen 1989; Lowndes 2001). As we define it, organizational policy encompasses the rules, procedures, norms, and institutions of governance. The sheer composition of organizations is seen as shaping expectations about behavior, identifying decision makers, establishing decisional parameters, and formulating outcomes. Put another way, organization is a structure of authority whose scope can be enlarged and whose impact can be magnified.

Organizational policy can be immensely significant for how governments at all levels manage issues and respond to them (Seidman and Gilmour 1986; Savitch 1994; Pierre 1999). By now, most of us recognize that organization counts, but questions linger about the extent of its importance and how it might be examined. Despite the recent elevation of organization as an important element of local government, we are left with little guidance on how to put this concept into operation. We suggest that one way to do this is by examining a quintessential type of organizational policy, namely, city-county consolidation. Consolidating local governments is a radical form of organizational change because it is so complete and often difficult to reverse. Examining this transformation as it is being initiated provides a rare and illuminating opportunity for researching the effects of organizational change. Using this approach, we identify and explain three key variables of consolidation consisting of (1) territorial boundaries, (2) management reform, and (3) political rules. We refer to these variables as being *realigned* because they transform relationship between individuals, groups, and coalitions. More to the point, realignments change the nature of inducements and constraints, and these, in turn, shape behavior. As E. E. Schattschneider (1960, 71) so vividly explains, "All forms of political organization have a bias in favor of the exploitation of some kinds of conflict and the suppression of others because *organization is the mobilization of bias*." We employ this notion of bias by showing how shifts in alignment bring about changes in political biases and ultimately lead to different policy outcomes. In sum, city-county consolidation can be used to connect the dots between realigning key variables, the creation of biases, and policy outcomes.

To begin this inquiry, we suggest that city-county consolidation uses territorial boundaries, management reform, and rules of the game to enhance political objectives. This has profound consequences for the city vis-à-vis its suburbs, especially when suburbs possess the territory, demography, and resources to overtake the urban core. Suburbs can then shift existing alignments to render the city a mere appendage in the larger scheme of metropolitan politics.

Territory is crucial to consolidation because it provides a context through which people experience the world and give it meaning (Sack 1986). The space that we inhabit gives us identity, and the boundaries around that space define how we organize our economic, political, cultural, and social lives. Territorial realignments of local government may be used to lock in resources (defensive incorporation) or provide a wider tax base for sharing resources (redistributive policies). They may be used to absorb revenue-producing industry, attract taxable property, and shift demographic balances. Changes in local boundaries also have great strategic significance by determining the construction of new roads, utility lines, schools, and other public institutions. Boundary change can change the shape of planning and coordination. It has been used to gain advantages in awarding intergovernmental aid, to extract political benefits, and even to regulate social behavior by extending control over vice (Fleischmann 1986). The simple act of including, excluding, or diluting populations can radically alter positive or negative "spillovers" or change the distribution of benefits to different groups (Feiock and Carr 2000).

For consolidated areas, realigning management is not just a matter of doing different things but doing the same things differently. By *management*, we mean public management, and we use the term in its broadest sense to include policy implementation and its direction. Management change encompasses better ways to advance economic development policies as well as attempts to optimize the operations of local bureaucracies. The management of economic development is an important objective for local government and some would say its most compelling, singular objective (Peterson 1981). Efficient management is quite popular among citizens. In making appeals to voters, politicians often portray improved public management as a tax-saving device. Managerial realignments may lead to greater efficiencies and reduce costs, and some observers have claimed that consolidation brings economies of scale (Stephens and Wikstrom 2000). Frequently managerial changes present a new face to the public, convincing citizens that the new entity is "progressive," "on the move," and "forward looking." Mayors and civic boosters claim that government has become more efficient and responsive. If tax savings cannot be shown, certainly better and expanded public services are either visible or in store. At times this may be true and at other times without foundation. Elites may not always be willing to measure public performance, they may select measures that reflect well on the new government, or they may simply claim gains without furnishing evidence. Enhanced public management can be a real justification for consolidation, or it can be a ruse used to legitimate it.

Often lying in the shadows is the realignment of political rules. By *political rules*, we mean practices related to elections, mayoral power, legislative prerogatives, and the allocation of political resources. Manipulating these rules holds the key to power, yet it often goes unmentioned. The rhetoric behind the realignment of political rules is the obverse of that for management realignment. Although supporters of consolidation may play up management gains that are nonexistent, those same supporters will play down the advantages of changing political rules. Power is an unspoken but pervasive motive for reorganization, and elites would rather not talk about its importance. The converse is also true; reorganization can be used to alter power relations.

Changes in political rules not only reorder internal but also external relationships. Local personalities use it to build their strength within a locality and can rely on it to enhance their influence at other levels of government. Consolidation can be an avenue for personal gain (higher office, enhanced career) as well as a means for institutional advancement (greater revenues, larger markets, more clients). For this reason, politicians, business leaders, professional firms, and newspapers are among its strongest boosters. Not to be missed, consolidations are also undertaken to dilute Black or minority control of the nonconsolidated city by embracing White suburbs and creating a more extensive metropolis (Carver 1973; Robinson and Dye 1978; Swanson 2000).

Last, as an overall observation, consolidation is essentially a political act that involves a reordering of power (Lowndes 2001). Paradoxically, it presents a unifying image while also dividing up the spoils of reorganization. Consolidated governments seek to unify their citizens around a common "vision" or set of ideals. The range of values can be enormous—from populist notions of greater equity to elitist ideas of executive-dominated corporate models. At the same time, consolidations are divisive and confer both privileges and penalties. Consolidations have an operative quality that magnifies the influence of some groups and diminishes the presence of others.

We now explore these dynamics as they pertain to Louisville. For a number of reasons, this case is important. Although small localities have consolidated in recent years, no significant metropolitan area or regional center in the United States has adopted it in more than three decades. Consolidation was actually imposed upon Indianapolis by state legislation in 1969; before Louisville, the latest popular vote for consolidation occurred in Jacksonville in 1968. Most consolidations are defeated at the polls, and Louisville's popular acceptance of this measure is a watershed.

FAILED ATTEMPTS AT MERGER AND THE SUCCESS OF THE COMPACT

In many ways, Louisville typifies a traditional, Middle American city. Deindustrialization changed the composition of the city, depleting its population from a 1960 peak of more than 390,000 down to a low of 256,000 in 2000. In a half century, Louisville had lost more than a third of its residents. As a proportion of the population, African-Americans had nearly doubled in the city, going from 15.6% of the population in 1950 to 32.8% by the year 2000 (State of the Cities Data Systems 2001).

In the meantime, the surrounding suburbs, located in Jefferson County, absorbed much of the growth. Retail malls, edge cities, and housing rapidly moved into the rest of the county. Jefferson County's population jumped from 485,000 people in 1950 to 694,000, increasing by 30% at the last census (Kentucky State Data Center, July 2002: http://ksdc.louisville.edu/ [accessed October 31, 2003]). Within the entire county, the African-American population modestly grew as a proportion of the population from 12.9% to 15.4% (Kentucky State Data Center, July, 2002).

In 1982, local business elites pushed city-county consolidation or, as it is locally called, "merger." These elites saw merger as a solution to Louisville's declining economic fortunes and associated social and fiscal crisis.

Louisville is a city whose geography is distinctly divided by class and race. The South End is heavily White and blue-collar; the West End is primarily Black, poor, and working class; whereas the East End is distinctly White and middle or upper-middle class. A surprising Black-White working class alliance was forged to defeat merger, viewed as a "downtown" or "East End" establishment plot. Merger was defeated by the narrowest of margins. Out of more than 182,000 votes cast, the margin of rejection hinged on just 1,450 votes. In percentage terms, 50.4% of the electorate voted against whereas 49.6% voted for consolidation. As expected, the South End and West End overwhelmingly opposed the plan whereas the East End overwhelmingly approved it. Clearly, this was a vote along class, racial, and geographic lines. A study of census tracts proved the point. The most useful indicator for predicting the vote was the percentage of blue-collar workers in the labor force. The second most useful indicator was the percentage of Black residents in the population. Together, these two factors explained 53.8% of the variance (Sawyer 1983; Sanders 1990).

Although merger was defeated, this did not resolve a problem faced by Louisville and so many other cities. Throughout the 1980s, businesses and people continued to spread into the rest of the county, and this heightened competition over development and revenues between city and suburb. The competition was expressed in efforts to annex unincorporated areas in Jefferson County. By 1985, the city's Board of Aldermen passed a bold annexation bill that would have attached all remaining unincorporated areas into the city.

This annexation effort seriously threatened county revenues. Both the city and the county derive more than half of their revenues from what is known as the occupational tax (a levy on income paid by employees by place of work). Under annexation, Louisville would collect all occupational taxes within the newly incorporated areas. Not surprisingly, the county strenuously objected to this measure, and the area began to witness a series of "annexation wars" between localities.

As the legal battles began to erupt, the county and city sought a peaceful way of reconciling their differences. Eventually the parties came up with the idea of creating a compact or partnership agreement that called for sharing fiscal resources and cooperating on agency management. Outgoing Louisville mayor Harvey Sloane was elected county judge-executive, and he and incoming mayor-elect Jerry Abramson forged the compact in the interim before taking their new offices. The compact was a comprehensive interlocal agreement that put an end to annexation wars, established cooperating institutions, and was renewable after the first 12 years.[1] Under its terms, the city and county agreed to share occupational tax collections. The formula was based on actual collections over the 3 previous years, wherein the city was granted approximately 58% of the revenue and the county 42%. In effect, the city was assured of a share of revenues from suburban growth, eliminating incentives for destructive competition.

Most important, whereas the city and county functioned as separate political entities, the compact established a common, centralized agency to conduct planning and development. Although the conflict was not erased, the problem of interlocal competition was substantially reduced. Overall, the arrangement worked well and led to a decade of relative stability and revenue growth (Savitch and Vogel 2000, 1996; Vogel 1990).

For Louisville, things went fairly well during the 1990s. "Annexation wars" had ceased, the area was politically stable, and both the city and county enjoyed economic growth. Although the city and county could extend the compact for any period of time when it expired in 1998, they chose to renew its life for just 10 years. More and more, the compact was called a temporary "Band-Aid" that needed to be replaced.

MERGER ONCE AGAIN

Like many cities during the 1990s, Louisville had gone through a transition to a service and information economy. The transition entailed losses as well as gains. On the negative side, population had continued to slip, albeit at a slower pace. Between 1980 and 1990, the drop amounted to 9.8% (from 298,000 to 269,000), and between 1990 and 2000, the drop came to 4.8% (from 269,000 to a current 256,000). Along with population, personal income also slowly slipped to the suburbs. During the decades of steepest decline, the income of central-city residents had fallen so that for every dollar earned in the suburbs, Louisville residents earned 0.84 cents. Although this decline continued, it had slowed considerably, and by the year 2000, for every suburban dollar, a city resident earned 0.79 cents (U.S. Census Bureau 2000). The imbalances were disturbing, but they were less severe than the national average (Barnes and Ledebur 1998).

Despite these figures, the positives for the city were very substantial. Dependency and overcrowded housing had plummeted from previous levels, whereas educational levels dramatically rose. More people were working, and unemployment had sunk to below 5% in 1997. Downtown had begun to blossom, and earlier investments in rebuilding the local airport, in culture, and in tourism had begun to pay off. By economic indicators, the city was in good shape. Effective buying income jumped from $1.3 billion to $3.5 billion by 1995. Business profits soared over the past 30 years, going from $263 million to nearly $1.3 billion. Payrolls saw a similar acceleration and reached

$5.5 billion by 1995. Most important for investor confidence was the jump in real estate values. On this count, the assessed value for real property shot up from $2.5 billion in 1980 to nearly $6.6 billion by 1995. These increases amount to more than a 35% jump in capital and consumption within the city. This prosperity was reflected in substantially increased municipal revenue. In 1979, the city's revenue was just $96 million, but this was enhanced over the years, rising to more than $280 million in 1997. Here again, in the space of 18 years, the city enjoyed a revenue burst of nearly 200%. With its smaller economic base, the county enjoyed faster growth, but sharing occupational taxes mitigated that advantage, and the county continued to pay for expensive services like welfare and criminal justice. Indeed, over the years, the city's fiscal picture had actually grown brighter than that of the county (Savitch and Vogel 2000).

Business elites and the newspaper continued to focus on government organization as a major impediment to Louisville's future health. Task forces, meetings of elected officials, and citizen groups were convened to discuss merger. A substantial network of organizations and local personalities took up the issue. The local chamber of commerce known as Greater Louisville Inc. (GLI) took the lead working with business leaders and donors. These included the city's largest corporations such as Brown Foreman (liquor), Brown Williamson (tobacco), Brown Todd and Heyburn (law), Churchill Downs (horse racing), Fifth-Third Bank and National City Bank (finance), Humana and Norton Healthcare (insurance, health, and hospitals), Louisville Gas and Electric (public utilities), and others (*Courier Journal*, October 7, 2000, p. 1; *Courier Journal*, October 31, 2000, p. 1).

An upper stratum of politicians joined the merger network. These included former mayor Jerry Abramson, then-mayor David Armstrong, as well as Republican county judge-executive Rebecca Jackson. Abramson had joined one of the city's larger law firms (Todd, Brown, Frost, and Heyburn) and continued to hold political aspirations. Some of his colleagues at the firm would play a role in promoting those aspirations. Also playing an indirect but directly encouraging role was the city's only newspaper—the *Courier Journal*. A larger number of realtors and developers, small business people, state legislators, and professionals joined this stratum. The supporters of merger closely paralleled Molotch's (1975) growth machine players.

To the rest of the city, merger supporters looked like the same old East End crowd, and many expected they would fail once again. Nevertheless, circumstances had changed. For one, economic transition had altered the social and demographic structure of the area, furnishing it with middle-class, business-oriented, suburbs. For these constituents, consolidation seemed more attuned to running government as a business. Second, Louisville was often compared to consolidated Nashville or Indianapolis; there were allegations that Louisville was losing out and that previous failures to merge had something to do with that loss. Last, nearby Lexington had merged in 1972; it was an archrival and it was challenging Louisville as the state's most populous city.

On matters of grand strategy, supporters felt the campaign would have to be massive and would require a selling blitz throughout the metropolitan area.[2] The idea was to kick off the campaign with bipartisan endorsements from leading public officials, inundate the community with favorable advertising, and smother voters with the need to merge. At the kickoff, promerger forces brought their nascent campaign under a single name, organization, and theme, called UNITY. The new organization announced its bipartisan campaigners with Democrats Abramson and Armstrong joining hands with Republicans Jackson and U.S. Senator Mitch McConnell. UNITY also enlisted a Black former deputy mayor (who took a job with GLI) and lobbied the West End. All told, UNITY was a tight, interlocking network of business, banking, law, and public utilities.

Standing in opposition to merger was a group called Citizens Organized in Search of the Truth, or COST (CO$T). As the acronym indicates, part of organization's effort would be devoted to fighting against merger based on increased taxes. COST also was concerned about voting rights, fairness to Blacks and gays, and local democracy. COST's membership was a marked contrast to promerger forces. It was drawn from a populist, blue-collar base consisting of volunteer fire organizations, the county Fraternal Order of Police (FOP), labor unions (e.g., teamsters), neighborhood organizations, civil rights groups (Blacks, gays), the Green Party, small-city mayors, most members of the Board of Aldermen, and county commissioners ("We Stand Against Merger"). By the criteria of financial resources and political influence, COST was no match for UNITY. By mid-October COST had raised just $41,000, whereas UNITY had collected nearly $700,000, for a difference in ratio of 17:1 (*Courier Journal*, October 7, 2000, p. 1; *Courier Journal*, October 12-13, 2000, p. 1). This amount did not or could not account for favorable media coverage given to UNITY or the enthusiastic endorsement of merger by the city's dominant newspaper. Although there is no way to calculate this support, COST argued that *Courier Journal* support virtually doubled promerger coffers.

Nonetheless, COST felt that it could make the most of its underdog status, run against the establishment, and convert that weakness into strength. Believing this vote on merger would be a rerun of the 1980s, COST planned a low-level campaign based on leaflets, yard signs, local churches, and a blue-collar coalition of Black and White voters. Proud of its ragtag roots, COST was led by Darryl Owens, a popular county commissioner who was Black and had been elected from a multiracial constituency. Owens was joined by a majority of the Board of Aldermen and other elected officials.

Merger opponents counted on a number of veto points within the political system. As they saw it, merger could be stopped at any number of critical junctures. Voting on merger would require authorizing legislation including details of the referendum process and actual merger. The last juncture was the referendum itself, which provided COST with an opportunity to make a direct appeal to the citizenry. Plainly, when it came to the statehouse and the governorship, promerger forces had work to do.

Whatever the obstacles Abramson's law firm, GLI, and veteran politicians made them easier to clear. Ed Glasscock, a managing partner at Todd, Brown, Frost, and Heyburn, chaired the merger campaign's finance committee. Another partner in the firm, Sheryl Snyder, wrote much of the merger legislation. Wasting no time, the Louisville delegation to the state legislature produced a bill. Representative Larry Clark chaired a crucial committee on local government and was enlisted to shepherd the needed bill through the legislature. Public hearings were held, and local organizations composed of Blacks, neighborhood representatives, civil rights groups, and members of the Board of Aldermen spoke fervently against merger. Some pled with the committee requesting that the city and suburbs be allowed separate votes on merger—as was done in Nashville and other cities (Lyons and Scheb 1998). They reasoned that the city should be able to decide whether it wanted this marriage. However, everyone knew that passage was a foregone conclusion. With hardly any committee deliberation, the legislation passed the committee by a vote of 20 to 1. The single opposition vote was cast in sympathy for allowing the city its own choice (Kentucky House of Representative, February 16, 2000).

By early 2000, the bill had sailed through both houses; it was signed by the governor and scheduled for referendum the following November. Contained within the bill and its subsequent amendments were provisions to realign the territorial parameters of local government, promote its efficient management, and completely redo its powers.

ORGANIZATIONAL POLICY AND TERRITORIAL REALIGNMENT

On the face of it, merger would radically alter the geographic boundaries of Louisville from a city of 62 square miles to one of 385 square miles, or nearly seven times its size. A merged Louisville would contain an area larger

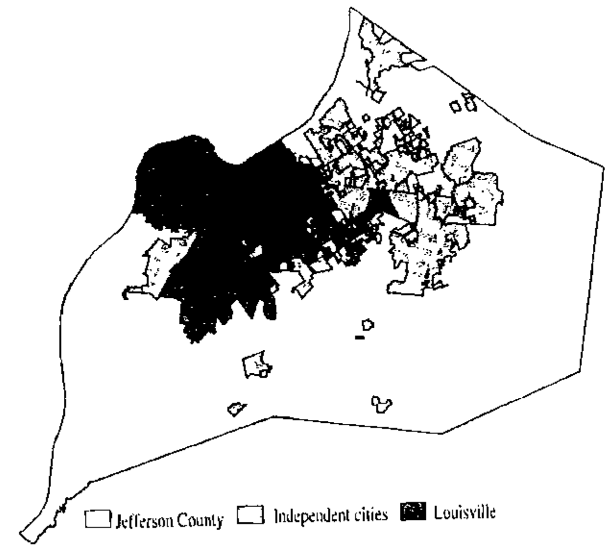

Figure 1: Map of Louisville, Jefferson County, and Small Cities

than the five counties of New York City, altering everything from its physical environment to service delivery to its land use patterns.

Figure 1 displays various boundaries for local government as well as the embracing boundary of Jefferson County. Note the size of the former city relative to the entire county (unincorporated area) as well some 80 small cities that would remain intact after merger.

As a result of its new boundaries, consolidated Louisville would dramatically change its geography, its social composition, and its politics. Clearly, altering the territorial scope encompassed by decision makers would entail profound political consequences (Judd 1998). The statistics are audaciously simple. By combining with mostly White suburbs, the proportion of African-Americans was cut from nearly 33% to approximately 15%. In preconsolidated Louisville, Blacks held a third of the legislative seats. The new metro council contained 26 seats, and by carefully drawing districts, Blacks might elect as many as 6 representatives, giving African-Americans 23% of the voting power. No doubt, this was a generous concession meant to conciliate the Black community as well as fend off legal challenges based on race. Still, relative to their previous power, Blacks would be left with a smaller proportion of legislative votes.

The makeup of the new metro council also had consequences for central-city voting power and legislative representation. Under consolidation, roughly two-thirds of the voters and a similar number of council seats would come from suburban districts. Given the probabilities that similar interests would band together in some kind of coalition, the suburbs would likely prevail in the new government's key institutions—especially the mayoralty and metro council. Also, at-large candidates for mayor would have to win the suburbs, and any sitting mayor would have to deal with a metro council where two-thirds of the representatives were elected from suburban districts.

The suburban tilt did not stop at these institutions but also affected the bureaucracy and service delivery. Subsequent revisions to the original merger bill established "special taxing service districts." The new legislation allowed the metro council to create separate service districts within the newly consolidated area to be managed by appointed boards. These districts would permit different levels of service within the county and were coupled to different taxation rates. Under this legislation, the former city of Louisville could be established as an "urban service district" whereas other areas of the county could petition their voters to establish "taxing districts" also to be managed by appointed boards.

The idea of differential service districts is borrowed from Indianapolis and is considered by some to be a weakness of that particular consolidation. Researchers have found that Indianapolis taxing districts (called townships) exacerbated resource discrepancies and that the "central city tax base was exploited to the benefit of suburban residents" (Blomquist and Parks 1995; Blomquist 1992).

The partial consolidation of Marion County's tax base precluded the use of more progressive and equitable means for financing the (downtown) redevelopment plan. Indianapolis consolidation program locked major components of its property tax structure within an antiquated township (taxing service district) system. With many key urban services financed at the township level, discrete portions of the county supported some of the burdens of redevelopment when the benefits from the redeveloped downtown were countywide and even regional in nature (Rosentraub 2000).

One of the reasons used to justify merger was that it would eliminate fragmentation and equalize services across the newly consolidated territory. However, things turned out differently. Rather than reduce service disparities, merger may actually increase them by legitimating differences in levels of service and taxation. Simply put, service districts allow some areas within

the newly consolidated government to raise taxes for services they can afford, whereas others will not. Furthermore, special taxing districts would be used to collect revenue and turn it over to the newly consolidated government. Urban legislators might even have to battle within the metro council to make sure that revenue is applied fully and fairly to the former city.

The new council would also decide the territorial boundaries of the special districts, and even they could shift over time. Merger proponents had always argued that consolidation would not dissolve the city of Louisville but enlarge it. Indeed the new entity was legally designated as a "consolidated local government," whose powers and privileges would at least be equal to "cities of the first class and their counties." Furthermore, the legislation specified, "the powers of the consolidated local government shall be construed broadly" (HB 647). What then might be the problem?

The difficulties lie in the ecological changes that territorial realignment had brought about as well as its political and legal contradictions. Ecologically, Louisville was vastly different from its suburbs. The city's densities, its diverse mixed uses, its pedestrian oriented streets, and its intricate urban fabric distinguished it from the newer suburbs, especially those on the East End. Regardless of the legal niceties, this ecology was to be amalgamated with a terrain characterized by much lower densities, segregated land uses, and sprawled development. For all practical purposes, the governmental structure that so well had reflected the ecology of Louisville had disappeared.

Moreover, the legal claim that Louisville still existed was deeply flawed. Merger had exempted more than 80 small municipalities from any dissolution. All the small cities within Jefferson County prior to merger would continue to exist, and only the city of Louisville would be absorbed into a larger consolidation (see Figure 1). Although merger has put the annexation wars to rest, the reprieve is temporary. After 12 years and with council and citizen approval, annexations can resume. In theory and in practice, small cities can annex parts of the former city of Louisville. This raises some disturbing questions. First, if the former city of Louisville is supposedly protected by "local consolidated government," how can parts of it be annexed? Second, what is to prevent smaller municipalities from combining with more affluent neighborhoods of the city and cutting it up? Last, would not annexation result in cherry picking parts of the city and shedding its least desirable neighborhoods to a much larger and impersonal megastructure?

When it comes to territorial change, the Louisville experience belies the argument for what has come to be called big box solutions (Committee on Economic Development 1966; Pierce 1993; Rusk 1993, 1999). For one thing, politics and the sheer impracticality of trying to govern across large areas lead to the creation of smaller boxes within a larger one. Under this scenario, the only thing consolidated is elite power. Meanwhile, smaller boxes remain untouched by any effort to redistribute resources, and indeed, they are left with a better cover to impede redistribution. Second, the belief that big box solutions either are meant or are used to alleviate socioeconomic disparities has no basis in Louisville. Redistributive policies were not part of the campaign for consolidation, nor seriously considered during the process of consolidation, nor regarded as a realistic policy choice after consolidation. This observation is consistent with outcomes in other consolidated localities, and empirical work on the subject shows no relationship between consolidation and redistribution (Altshuler et al. 1999; Carver 1973). Third, even if smaller boxes are not created, the practical consequence of large-scale consolidation is to diminish the core city rather than enlarge it. The posited solution, that to solve urban problems we need "cities without suburbs," can be reversed. In the Louisville case, we have something much closer to "suburbs without a city"—the city's autonomy, its power, and its unique qualities have been homogenized into a larger entity. Rather than being a measure to enhance citizen participation, consolidation can be inimical to local democracy.

ORGANIZATIONAL POLICY AND MANAGERIAL REALIGNMENT

THE QUESTION OF EFFICIENCY

Like most cities, Louisville takes pride in running an efficient government. Efficiency can vary by size of jurisdiction, and it is only appropriate that we confine our observations to cities that are roughly comparable to Louisville. Conventional descriptions of efficiency define it as a ratio of costs to output. The expense of maintaining a service is then related to the performance of that service. Whether one chooses to look at these variables separately or together, there is no dearth of evidence about their relationship to consolidated governments (Parks and Whitaker 1973; Sjoquist 1982; Dolan 1990; Schneider 1989; Ostrom 2000). The National Research Council commissioned a review of this subject and concluded, "There is general agreement that consolidation has not reduced costs (as predicted by some reform advocates) and, in fact, may have even increased total local expenditures" (Altshuler et al. 1999, 106). A number of studies verify this proposition. One study by Edwin Benton and Darwin Gamble (1984) compared merged Jacksonville with unmerged Tampa. The authors state,

> These findings demonstrate that city/county consolidation has produced no measurable impact on taxing and spending policies of the consolidated government, which was the focus of this study—Jacksonville, Florida. In fact, both taxes and expenditures increase as a result of consolidation. (P. 189)

Benton and Gamble found over the long run the ratio of per capita property taxes to expenditures increased by 47% in merged Jacksonville, whereas the same ratio actually dropped by 10% in unmerged Tampa. Benton and Gamble also examined Jacksonville both before and after merger. They found that prior to merger, Jacksonville's rate of property tax growth was declining, but merger put a damper on tax shrinkage. After merger, the rate of property tax growth accelerated.

The study of rising costs in Jacksonville was confirmed in metropolitan Miami.[3] A study of consolidated services in metro Miami found expenditures rising directly after those services were consolidated. An examination of metro Miami showed that costs outweighed any possible savings. The authors concluded, "Contrary to expectations, expenditures actually rose after consolidation" (Gustley and March 1977). Still another study used a sample of county governments with a population of more than 300,000 reached similar findings. It concluded that consolidation was positively correlated with increased costs of providing public services. At least in this case, the author credited the public choice argument, holding "that inter-jurisdictional competition does tend to reduce the cost of providing local public services and consequently local government expenditure levels" (Dilorenzo 1983, 208).

Whatever the reasons for the failure to deliver on efficiency, neither the city nor the county was interested. Having been burnt in 1983 by a Touche-Ross report, elites decided to keep away from any factual analysis that might question the wisdom of merging. They reasoned that merger should be simplified to mean only a single chief executive and metro council. More information confused the voters, raised controversy, and caused problems. Supporters readily admitted that studies would only get them in trouble and explained that details would be sorted out after passage (*Courier Journal*, September 10, 2000, p. 1).

Efficiency would be asserted rather than examined or weighed. Mayor Armstrong and Judge-Executive Jackson claimed that merger would make government "More Efficient" by "Avoiding duplication of services" and "Reaping the benefits of economies of scale" (Armstrong 1997; Armstrong and Jackson 1999; Jackson and Armstrong 1999, A10). Abramson's (2000) solution was simple. "You take two bureaucracies," he explained, "and if you merge them together you have fewer top management people, fewer middle management people and you ultimately create savings." The indifference toward realities and missing data proved embarrassing. When a group of legislators pressed for some kind of substantiation, the political leaders solicited the good will of local accounting firms. If only to deflect attention, something had to be done to assuage questioners.

The firms produced a six-page financial analysis that covered eight functions representing just 38% of the city-county budgets (Arthur Andersen Analysis Report 1999). Excluded from the analysis were nine other services like police and fire. The analysis found no cost savings; nor could it identify any substantial duplication of services. The most the analysis could say about this limited number of functions was that "no major additional costs or cost savings" could be found by merging (Arthur Andersen Analysis Report 1999, 1). The firms admitted that it was "impossible to accurately predict where these benefits might arise." Searching for a ray of light, the firms speculated that a merged government would somehow find benefits (Arthur Andersen Analysis Report 1999, 4).

THE QUESTION OF ECONOMIC DEVELOPMENT

As heads of the UNITY campaign, Armstrong and Jackson promoted the idea that a single government would enhance economic development. Consolidated government, they argued, would enable the community to adopt a "single vision" so that Louisville could speak with "one voice" in recruiting companies (Armstrong 1997; Armstrong and Jackson 1999; McConnell and Abramson, October 21, 2000). As they saw it, consolidated government also would help Louisville negotiate incentives or convince businesses that a "streamlined" government would facilitate development. Most of all, size mattered in luring business. Corporations could be told that Louisville's 700,000 residents put it among the top 25 cities in the nation. Representatives from GLI joined Armstrong and Jackson and the *Courier Journal* in claiming that perception counted for a great deal, and consolidation would prove Louisville was not only bigger but also better at attracting investors (*Courier Journal*, April 2000, Myth #14 and #16; McConnell and Abramson 2000).

Empirical evidence bespoke a different story, showing either a mixed picture or no development benefits derived from consolidation. Arthur Nelson and Susan Foster (1999, 319) do show some positive association between city-county consolidation and income growth, but conclude the association "is not statistically significant." These researchers also see advantages in consolidation but also see benefits in polycentric government and stress the need for further research.[4] On the other hand, Jared Carr and Richard Feiock (1999) find no relationship between economic development and consolidated governments. Their controlled study of 18 consolidated city-counties examined "annual growth in manufacturing, retail, and service establishments" before and after consolidation. These researchers found that economic growth was a function of broader economic trends and not government reorganization. John Blair and Zhongcai Zhang (1994) take a different tack demonstrating that local economic development depends on state prosperity. For them, states rather than metropolitan regions constitute the critical variable.

Other evidence related to how investors choose location also counted for little. As a rule, metropolitan areas are used to determine the size of local markets, not municipal boundaries. Corporate relocation firms, product marketers, banks, and real estate developers gauge their opportunities by economic activity within a given metropolitan area. We should add to this a rash of reports on Louisville dealing with airport development, bridge construction, and sports stadiums that rely solely on metropolitan area population to determine project feasibility (Regional Airport Authority 1989; Price Waterhouse Coopers 2000; Ohio River Bridges Project Study 2001). The business community's periodic reports also use a seven-county region to evaluate Louisville's economic performance (Coomes and Kornstein 2000).

It was apparent that drawing a single jurisdictional line around the county would not change the size of Louisville's metropolitan population. Merged or unmerged, metro Louisville would stay the same, yet city size remained the centerpiece of the campaign. When presented with uncertain data between economic development and consolidation, UNITY tried (unsuccessfully) to prove otherwise. When shown that the fastest growing areas in the state were in fragmented Northern Kentucky, UNITY insisted that Indianapolis or Nashville were the true models. When shown that conditions in Indianapolis and Nashville were different—that among other things, these cities were state capitals where employment had grown by 63% over comparable cities—UNITY pointed to the ability of those cities to retain existing population. When shown that Indianapolis and Nashville were not really retaining population and settlement had spread beyond consolidation lines, UNITY pointed to the "intangible benefits" of merger (*Courier Journal*, September 14, 1999; *Courier Journal*, November 5, 2000). Notwithstanding the argument for "intangible benefits," advocates went to surprising lengths to establish that consolidation would turn up something solid. A deputy mayor claimed the city had lost its bid to attract the Houston Rockets basketball team because Louisville was split between city and county leadership (Summers 2000, D1). Further examination revealed that Houston had simply offered the Rockets a better deal (*Houston Chronicle*, July 1, 2000, p. A33).

Beyond the rhetoric, there was something to be gained through realignment. Putting the area's numerous agencies under a single person would vastly increase the mayor's powers over budget and personnel. Economic development was already contracted out to GLI, but merger would greatly increase its scope of operation. Development could more easily be undertaken anywhere in the county and without securing the approval of three county commissioners. Although development had always loomed as a policy priority, consolidation placed an even higher value on economic growth. Under merger, unincorporated areas could more easily press for infrastructure and boost adjacent development (Coomes 2000).

Here we return to big box theory that sees consolidated government as better able to contain sprawl.[5] Although this may be true in some instances, opposite results can also ensue. Big boxes can have unintended consequences, and Louisville is a case in point. The city had long fought against the construction of a second bridge in the East End, fearing it would spread development into the suburbs. Empirical evidence supported those apprehensions, finding that development tends to follow highway and bridge routes (Boarnet and Haughwout 2000). Cincinnati's experience had reinforced the point. Just 90 miles to the north and sitting astride the same Ohio River, Cincinnati had also built suburban bridges and found development gravitating outward (Savitch and Vogel 2002). As mayor of unconsolidated Louisville, Abramson stood against the construction of a second East End bridge in favor of a new downtown bridge. The judge-executive at the time, David Armstrong, opposed a downtown bridge in favor of the eastern one. When it was clear that it would be either both bridges or no bridges, Abramson embraced a two-bridge solution. Although we can only speculate, had the city of Louisville not been in existence at the time of this decision, there would have been no institutional expression for also building a downtown bridge (Vogel and Nezelkewicz 2002). Today, the change in the city's core constituency reduces the absolute necessity to defend the urban core and eviscerates its major advocates.

ORGANIZATIONAL POLICY AND RULE REALIGNMENT

The idea of limiting merger to just executive and legislative branches was not just a tactic but also a strategic end. In doing so, UNITY managed to concentrate power in the hands of one person—the mayor. Jerry Abramson was slated to return to that office. The man who campaigned for merger was at the same time writing his own job description. In the process, Abramson's campaign raised more than three-quarters of a million dollars, whereas his closest opponent raised just $9,000. With 98% of the funding, Abramson collected 88% of the vote (Kentucky Registry of Election Finance 2002; *Courier Journal*, May 29, 2002).[6]

Under merger, Abramson could be elected for three terms, he could appoint most agency heads without council approval, and he would command a bureaucracy of over 7,000 people (City of Louisville Executive Budget 1999-2000; Jefferson County Executive Budget 2000). Land use prerogatives hold the key to wealth, profits, jobs, opportunities, and campaign contributions. Under merger, a board solely appointed by the mayor, subject to council approval, controls those prerogatives. Most important, Abramson's new budget combined sums from both the old city and county. The amount was considerable, amounting to nearly $700 million for 2003-04 (Louisville/Jefferson County Metro Government 2003).[7] All this can go a long way in furthering a political career. Should Abramson avail himself, considerable political assets can be found in a bureaucracy of 7,000 workers, a constituency of 700,000 voters, and a budget of nearly $700 million.

Louisville has adopted a strong mayor system, but how strong can only be understood in relation to the weakness of the metro council. The new council consists of 26 members, elected in staggered terms. Whereas the mayor reigns during an uninterrupted four-year term, half of the metro council runs for reelection every two years. Traditionally, the staggered term is used to weaken a body by compromising its cohesion as well as its ability to negotiate with the mayor. This makes it easier for the mayor to maneuver between blocks of legislators. Staffing discrepancies exacerbate the imbalances. The mayor has more than 60 senior staff members with professional expertise. By comparison, each metro councilor has one staff person, and only a handful of clerical staff members are available to the council as a whole in addition to just two budget specialists—one for Democrats and one for Republicans—under a personal services contract.

MORE EXPENSIVE CAMPAIGNS FOR MAYOR

The new system has long-term consequences. Merger was billed as an inexpensive way to achieve campaign finance reform, and advocates claimed anyone could be elected to office (Jackson 2000). Quite the opposite has turned out to be the case. Before Louisville was merged, each of the leading mayoral candidates raised $329,000 and $240,000, respectively, to run in the Democratic primary (Kentucky Registry of Election Finance 2002).[8] The contestants were separated by less than $100,000 and could campaign by walking the streets, meeting over kitchen tables, and visiting every neighborhood. This last major election for mayor was particularly vibrant, with a populist losing by a narrow margin to the established candidate. Since merger, the scale of the city has increased more than fourfold, and size alone places a greater premium on spending for media advertisement.

Grassroots campaigning is now overwhelmed by sprawled subdivisions, diminishing the chances for a populist candidate. Who then could best succeed to the mayoralty from this realignment? The power to run candidates was left with those who could raise money, command media attention, and win the suburbs. Whereas victory had dissolved UNITY, those groups that had mounted its campaign held the levers of control. Led by GLI, they consisted of the city's premier businesses, banks, media, realtors, land developers, law firms, public utilities, and health care providers.

THE ROLE OF THE MEDIA

As suggested by the growth machine thesis, the city's newspaper, the Gannett-owned *Courier Journal*, was central to merger's success (Molotch 1975, Logan and Molotch 1987). As the area's only at-large newspaper, it is the sole source of information on local affairs. The *Courier* stands as a megaphone for Louisville, and it not only conveys the news but also construes and shapes it.

The *Courier* spared no effort in promoting merger. Its editorials writers personally attacked anyone who opposed merger, accusing officeholders of being "fear mongers" who engaged in "obstruction" (*Courier Journal*, September 14, 2000, p. 6; *Courier Journal*, October 12, 2000, p. 8). Editorials sometimes devoted whole columns to individual opponents, accusing them of holding a "life-long craving for public office" or selfishly defending the "status quo" (*Courier Journal*, February 23, 1999, p. 6; *Courier Journal*, September 18, 2000, p. A4). Placed alongside some of the editorials were cartoons portraying ghoulish politicians trying to scare voters with antimerger slogans (*Courier Journal*, October 11, 2000). One cartoon showed mixed groups of men and women, unctuously smiling at their audience under the acronym of SHAM, defined as "Shameless Hacks Against Merger" (*Courier Journal*, August 27, 2000). On the eve of the referendum, the *Courier* reprinted the SHAM cartoon and dedicated nearly an entire section—four out of six pages—to editorials endorsing merger. Not a word was included from the opposition.

The newspaper not only highlighted a point it wanted to make but knew how to downgrade an unwanted message. Louisville's League of Women Voters is particularly well regarded for its objectivity and its careful attention to detail. The league spent a good deal of time on merger, inviting individuals to speak before its membership, studying the issue, and developing position papers. Knowledgeable citizens waited to see what the league had to say about merger, and the *Courier* followed its deliberations. Known for its reformist inclination, many expected the league to endorse merger because it could be sold on the larger idea of institutional reorganization. Instead, the league came out in opposition, and when it did, the *Courier* relegated its objections to a minor article in its second section (*Courier Journal*, November 1, 2000).

The newspaper also turned its sights on individuals running for office by refusing to endorse any candidate who opposed merger and backing most anyone who ran against an antimerger candidate. One irate letter writer complained to the *Courier*, "If Saddam Hussein were running against Abraham Lincoln, and Saddam were for this merger plan you would endorse him" (Herndon 2000). The writer continued,

> Hell bent on pursuing a blind, intellectually dishonest search-and-destroy-mission against anyone who dares to deviate from the "acceptable" position, the editorial writers when the subject is merger can't seem to see or don't seem to care there are reasonable people who love their community just as much as they do, who happen to believe that we deserve better than this embarrassingly bad (merger) plan.

News features purporting to analyze the experience of other cities were little better. One article featured the headline "Experiences Elsewhere Show Taxes Don't Jump, Services Aren't Lost." Reading into the article, however, it was apparent that taxes indeed were raised or services compromised by special districts in Indianapolis, an urban service district in Nashville, and unequal services in Jacksonville (*Courier Journal*, October 15, 2000, pp. 1, 10). Without notice, the features had moved the goal posts for merger, changing its theme from improved services and greater efficiencies to one that merger would not be harmful. Lamentably, the *Courier* not only failed to establish the alleged positives of merger but also had difficulty showing an absence of negatives.

When the newspaper could not stretch a story, it sought to manipulate one. While being interviewed by a *Courier* reporter, an academic from a distant locale offered some critical comments on Jacksonville that were never printed. During a second interview, he asked about the original story and was told, "It hasn't been published, the editor thinks it's too negative, isn't (there) something positive you can give us?" After seeing a copy of the article, the same academic stated that the *Courier* made "selective use of my views" (personal communication, March 28, 2001).

The question persists, Why would a big chain newspaper go to such lengths over this issue? It may be faulty to think of city-county consolidation as dedication to policy issues like efficiency, equity, growth, or sprawl. More than any of this, merger is better explained in terms of a pragmatic logic that promotes relationships with business and advances the political fortunes of allies. The logic is a variation of Cohen, March, and Olsen's (1972) "garbage can theory" where we find ready-made solutions looking for issues. In city-county consolidation, we have political prospects mixing with business or career enhancement in search of an organizational rationale. This is not to say that lesser influences are not motivated by loftier ideas. This includes individuals who speak genuinely for consolidation. Academics, policy wonks, civic leaders, and journalists often do become involved in the exercise of genuine policy choices. However, for those who wield the greatest influence, city-county consolidation may be a different matter.

A CHANGE IN THE POLITICAL AND POLICY BIAS OF CITY GOVERNMENT

Whereas metro government has been functioning for little more than a year, there is some indication of significant political and policy change. Prior to merger, 4 of the 12 all Democratic city Board of Aldermen were Black. African-Americans constituted about one-third of the city electorate and were an important constituency for mayoral candidates. The 4 African-American aldermen, all elected from the West End, were part of the majority coalition on the city council and regularly made their influence felt, on one occasion by successfully getting GLI to stop holding meetings at an all-White country club and on another occasion by successfully getting a civilian-police review process with subpoena powers adopted. With merger, African-American representation on the metro council has been reduced from 33% to 23%.

Furthermore, African-American influeuce was traditionally notched into the city's Democratic majority. Whereas Democrats still hold a bare majority on the metro council, merger has allowed Republicans to challenge and eventually overtake that majority. Here again, Louisville could be similar to Indianapolis, where Blacks were a minority within a minority bloc and relegated to political insignificance for 20 years after Unigov's adoption.

As of late, a suburban Republican has been elected as president of the Metro Council. This may explain why leading Republicans in the

commonwealth endorsed merger and why once skeptical suburbs are enthusiastic about its prospects. At the same time this political realignment has been accompanied by a concomitant reduction in the power of inner-city neighborhoods. The former city represents approximately 40% of metro Louisville's population yet holds only a third of council seats (8 of 26). Small suburban cities and formerly unincorporated areas of the county dominate the council. This shift to the suburbs has already begun to play out in the new government's substantive decisions. Geographic affiliation supercedes partisan lines as suburban Democrats and suburban Republican form alliances to redirect infrastructure and spending.

Other issues touching on the urban-suburban split revolve around development priorities, racial diversity, police-civilian relations, a living wage ordinance, and fairness for gays. As matters stand, metro government promotes development in the suburbs (retail malls, housing subdivisions, commercial strips) or in select areas of the central business district (entertainment, hotels). Thus far, metro government has kept a distance from thorny issues like racial segregation. With a dissimilarity index of .63, the Louisville metropolitan statistical area (MSA) is amongst the more segregated areas of the nation (U.S. Census Bureau 2004). Yet little or nothing has been done to bring subsidized housing to the suburbs, and nothing serious is on the council's agenda.

On other policy matters, the new metro government has already substituted much weaker ordinances for civilian-police review procedures and diluted living wages for city workers.[9] Suburban attitudes are also less sympathetic toward protections for gay citizens, and there is legitimate concern that the metro council may be repeal or water down previous ordinances pertaining to housing and employment. This is one reason why gays organized against merger.

Further metro government has undertaken a major infrastructure program ($67 million) to address drainage and sewer problems, but most of this money will be spent outside the former city boundary. The costs of merger have yet to be calculated. However, the city has begun laying off city employees, and the mayor has increased the work week to 40 hours without offering additional compensation.

Finally, the partisan implications of city-county consolidation are profound. True, merger has introduced the two-party system to Louisville, and in principle this should be healthy for local democracy. In this case, however, party differences are overlaid by geographic splits, social cleavages, and racial divisions that reinforce polarities and work against the former city.

CONCLUSION

Case studies deal with particular circumstances, and we should be careful about quick generalizations. Nevertheless, they enrich in-depth examination, offer the potential for valuable insight, and advance our understanding of internal processes. Moreover, a case study can reveal larger lessons about the significance and meaning of this kind of reorganization. Literature in the field notes that localities encounter difficulties in adopting consolidation and only one in five consolidation attempts actually succeed (Campbell and Durning 2000; Beardslee 1998; Blodgett 1996; Feiock and Carr 2000). For a time, Louisville confirmed these difficulties, but merger advocates reduced the odds by repeated attempts, heavy financing, and persistence. Table 1 summarizes these realignments, their consequences, and shifts in the political bias of newly merged Louisville.

Territorial realignment can be immensely important, and it is fraught with unintended consequences. Big box theories that see consolidation as a means of enlarging territorial scope to redistribute resources can lead to quite the opposite results. The inclusion of large areas around the urban core can bring about territorial subdivisions, defensive incorporation, and suburban dominion. Instead of leading to cities without suburbs, consolidation can also lead to suburbs without a city. In Louisville, city-county consolidation has enhanced the ability of affluent suburbanites while reducing the political influence of blue-collar inner-city residents, particularly African-American residents. Managerial reform can also have unexpected consequences. In this consolidation, efficiency was used as a rationale to press another agenda—as a way to buttress the value of economic growth, redirect resources, and spread development. The irony of this realignment is that it has diluted the city's core constituency and weakened its ability to defend itself. We find that political realignment counts most. Consolidation was used to lodge a great deal of power in a "strong mayor," making it more difficult for poorly financed candidates to run for that office.

After examining new political institutions and the local newspaper's interaction with the merger campaign, we find that consolidation is better explained by a logic of opportunity—one that emphasizes political advantage, individual fortunes, and pressure politics rather than policy considerations. The major consequence of city-county consolidation in Louisville is likely to be a more internally cohesive regime, coupled to weakened city neighborhoods that are less able to influence the development agenda and more rather than less urban sprawl.

TABLE 1: Dimensions of Organizational Policy: Realignments Associated with Merger in Louisville

Realignment	*Organizational Change*	*Immediate or Likely Consequences*	*Shift in Political Bias*
Territorial boundaries	Geographic scale and population size increased • City of 62 square miles extended to 385 square miles • City of about 250,000 to about 700,000	*Social composition* • African-Americans decline from 33% to 15% of population *Representation* • African Americans drop from one-third of seats on council to one-fourth *Political fragmentation* • About 80 suburban cities and existing special districts left in tact; potential for creation of new special service districts *Urban values and culture* • Suburbs gain control of two-thirds of seats on metropolitan council and dominate mayoral election *Social and economic disparities* • Not reduced but hidden by statistical averaging	Suburbs without a city • Exclusionary suburbs unaffected • Political influence of minorities and inner-city neighborhoods diminished as now lack strong institutional base provided by former city
Management reforms	Increase centralization of public services • City of 4,000 employees enlarged to 7,000 employees • Combined city and county budgets nearly double funds to $691 million Creation of urban service district to continue to provide services in former city boundaries	*Efficiency* Minimal cost savings identified but high costs projected by transition team and other studies (police communications system, financial budget system) • Increased costs associated with transition and harmonizing wages and benefits of two governments *Equity* • Continued inequities in distribution of public services and taxes within the new city • Difficult to track whether services in old city diminished	Bigger box but still not big enough to be regional and not reduce disparities Greater centralization which will likely reduce efficiency and raise costs Indications that privatization and less generous labor policies will be put in effect; greater likelihood of new public management reforms being adopted

(continued)

TABLE 1: (Continued)

Realignment	*Organizational Change*	*Immediate or Likely Consequences*	*Shift in Political Bias*
Politics rules	Executive-centered government created Republican gains • Republicans could not get elected in former city of Louisville (all 12 aldermen and mayor were Democrats) Suburban gains • Suburbs gain control of two-thirds of seats on metropolitan council and dominate mayoral election while retaining their small city governments (some 80 small cities continue, most affluent suburbs)	*Strong leadership* • Legislative bodies in former city and county checked executive authority; super mayor of new city with underdeveloped council • Stronger public-private partnership between mayor and private business leadership as single executive on public sector side and less intrusion by elected legislators with weaker base *Competitive party system* • Two-party system introduced but mitigated by geographic, social, and racial divisions *Policy shifts* • Priority on suburban and select development in the central business district (CBD); retreat from stronger civilian police review process, living wage ordinance weakened, significant infrastructure investment in suburban areas prone to flooding	More corporate-centered policies System maintenance policies emphasized over access to middle-class lifestyles

The Louisville case highlights the power dimension of city-county consolidation, often overlooked by advocates of public choice as well as those favoring big box government. Urbanists would do well to turn to the idea of power over territory, organization, and political rules and the degree to which these factors compromise local democracy.

NOTES

1. Attracting private capital was placed in the hands of a new joint Office of Economic Development. The city gained responsibility for the Human Relations Commission, Zoo, Museum of Science, and Emergency Services. The county was assigned Air Pollution, Health, and the Crime Commission and Planning. Library, Transit Authority, Metropolitan Sewer District, and Parks remained as joint agencies.

2. For more than a decade, leaders had agitated for metropolitan reform, including proposing merger in 1982 and 1983, calling for local government reorganization in chamber of commerce regional development strategies in the early 1990s, advocating modernizing county government and transferring city services to the county from 1994 to 1996, and criticizing the compact leading up to the 1998 expiration. A state legislative task force was appointed in 1999 to study local government reorganization. Strong pressure was exerted on politicians by the chamber of commerce and the *Courier Journal* to gain endorsement of a merger in principle with minimal details and study to make it easier to pass in the state legislature and public referendum later. Essentially, more than a decade of de-legitimization of existing governance arrangements and the compact were successful (Savitch and Vogel 2004).

3. Miami is not a consolidated government, but local governments in Dade County avail themselves of consolidated services and residents of the unincorporated area receive all their services from Metro Dade.

4. Paul Lewis (1996) finds that areas with less fragmentation are better able to contain sprawl. Although a valuable finding, this is not applicable to Louisville because the compact provided for common planning, zoning and development.

5. Consolidation does not create a big enough box to encompass a regional decision and population spreads out beyond the consolidated city county.

6. Despite the claim that merger would enliven the electorate, voter turnout was just below average, and 23% of the electorate came to the polls. (Jefferson County Board of Elections, Voter Turnout Reports, telephone interview, July 12, 2002). Average voter turnout in previous elections has been 24.8 percent (Kentucky State Board of Elections, Voter Turnout Reports, 1982-2000: http://www.kysos.com/elecfil/turnout/reportindex.asp). Recently the number of people seeking office on the metro council has sharply diminished.

7. To keep budgets consistent for premerger and postmerger governments, this figure includes intergovernmental aid as well as appropriations from the transit authority, visitors bureau and other agencies.

8. At the time winning the Democratic primary was tantamount to election.

9. The new review process is advisory, and the members of the commission lack subpoena power. The new living wage bill has a substantially lower base pay and benefits.

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H. V. Savitch is Brown & Williamson Distinguished Research Professor at the School of Urban and Public Affairs, University of Louisville. Savitch is the author or editor of nine books and has numerous journal articles. His most recent book (with Paul Kantor), Cities in the International Marketplace, *was named Best Book in Urban Politics by the American Political Science Association. Savitch has been a Fulbright Scholar, a Lady Davis Fellow at Hebrew University (Jerusalem), a guest scholar at the Woodrow Wilson International Center for Scholars, and a fellow at the National Center for Scientific Research (France). He is coeditor (with Vogel) of a Symposium on the New Regionalism and Its Policy Agenda in* State and Local Government Review *(2000) and* Regional Politics: America in a Post-City Age *(Sage, 1996). He served as a consultant to the Jefferson*

County Fiscal Court "C" District Commissioner who led opposition to the Louisville merger proposal.

Ronald K. Vogel is a professor of political science and urban and public affairs and director of the Ph.D. program at the School of Urban and Public Affairs, University of Louisville. He is coauthor of Political Change in the Metropolis *(7th ed., 2003, with John J. Harrigan) and editor of the* Handbook of Research on Urban Politics and Policy in the United States *(1997). His recent research focuses on metropolitan governance in a comparative context. He studied metropolitan reforms in Tokyo while a Fulbright Senior Research Scholar in Japan (1997-1998) and in Toronto (2001) on a Canadian Government Faculty Research Grant. He is coeditor (with Savitch) of a Symposium on the New Regionalism and Its Policy Agenda in* State and Local Government Review *(2000) and* Regional Politics: America in a Post-City Age *(Sage, 1996). He served as a consultant to the Jefferson County Fiscal Court "C" District Commissioner who led opposition to the Louisville merger proposal.*

GOVERNORS AND THE DEVELOPMENT REGIME IN NEW ORLEANS

PETER F. BURNS
Loyola University, New Orleans
MATTHEW O. THOMAS
California State University, Chico

Regime theory argues that local actors shape city politics even though state government sets the rules under which urban players act. Regime theorists typically do not focus on conditions under which governors assume important roles in local regimes. The authors examine major economic development projects in New Orleans to highlight conditions under which extralocal actors, namely, governors, become involved in local regimes. A scarcity of both resources and business leaders in New Orleans, competition with other states, and political considerations motivated Louisiana governors to increase their participation in New Orleans's urban development regime. Governors constituted part of the mobilization effort to move the city from a caretaker regime to a progrowth regime. They used their authority, fiscal resources, and leadership skills to assume this greater role. Gubernatorial participation in the regime benefited governors, New Orleans mayors, and major businesses at the expense of tourists, working-class and poor residents, the state legislature, and the state's business reputation.

Keywords: *economic development; regime theory; New Orleans*

Regime theorists contend that resource providers shape urban public policy, but they limit their analyses primarily to local actors. To gain a more complete understanding of regime politics, we examine conditions under which governors assume an increased role and participate actively in an urban development regime. We also analyze the consequences of a regime that includes extralocal actors. Through a study of major economic development projects in New Orleans, we conclude that scarcity of resources and business

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