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Cooperation occurs when perceived benefits to constituents outweigh the perceived costs. The tipping point—the point at which the perceived benefits outweigh the perceived costs—may change over time with advances in technology, changing demographics,

and budgets.¹⁵ Tiebout notes that this competition also forces productive efficiency as constituents move to the local jurisdiction that provides their preferred combination of public goods and services

jurisdictions examine the structure of the risks and benefits (payoffs) in each circumstance and that a history of cooperation may reduce the perceived risks and increase the perceived benefits.²³

Our hypothesis is consistent with Skalaban's approach. Under this perspective, the forces of allocative efficiency pull state and local government, particularly elected leaders, to "go it alone" to provide a combination of public services that best fits the set of constituents they serve or wish to serve. This force will be stronger for policy areas in which constituents from different jurisdictions do not share tastes or a point of view regarding either the objectives of public policy or the means to achieve it. Constituents from different jurisdictions may disagree regarding whether, and to what extent, a service or policy should be provided; the appropriate level of service; or how best to provide it. This lack of alignment of tastes and attitudes between the constituents of two or more jurisdictions will encourage leaders to find ways to offer the service or set policy without interference from, or cooperation with, the other jurisdictions, because they judge the cost of losing autonomy greater than the benefits of collaboration.

The forces of productive efficiency pull state and local governments toward cooperation when barriers to entry, economies of scale, and external costs and benefits overwhelm the forces that pull them toward offering choices more consistent with their constituents' specific tastes. However, for some public goods and services, ignoring the economies of scale of a large expensive project is simply not feasible. In many areas of public policy, it may be unacceptable to deny the external benefits or costs of one jurisdiction's investment (or lack thereof) in public safety, human services, or workforce training. At the same time, the loss of autonomy may be a non-issue. During a public emergency, constituents rarely care whether the firefighter saving their home is from a different city or state.

Figure 1 is a graphic that illustrates the forces influencing cooperation and competition. The horizontal axis measures the degree to which a service or policy can be administered at a lower cost or higher quality through collaboration with other jurisdictions. The vertical axis measures the degree to which constituents' tastes are aligned with those of its potential partners in service. Thus, moving either up or toward the right increases the likelihood of cooperation.

23. Andrew Skalaban, *Policy Cooperation among the States: The Case of Interstate Banking Reform*, 37 AM. J. POL. SCI. 415-28 (1993).

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constituents.

III. THE PORTLAND METROPOLITAN REGION'S INTER LOCAL RELATIONSHIPS

Given our assumption that local jurisdictions are more likely to collaborate if their constituencies have aligned tastes, then a more homogeneous region is more likely to produce collaborative behavior among local governments. In this section we examine demographics in the Portland region that might drive differences in tastes. We examine how these factors have changed over time in an attempt to predict whether local leaders might change their orientation toward inter local collaboration. The factors we examine include population growth, racial diversity and ethnic diversity.

A. Demographic Differentiators

Table 1 shows some of the key demographic differentiators in the Portland region's largest four counties. Population growth for the metropolitan area overall averaged about 19.5 % from the year 2000 to 2013, but Washington and Clark counties experienced faster growth while Clackamas and Multnomah counties experienced slower growth. Forecasts to 2040 indicate continued strong growth in the region, particularly in Washington and Clackamas counties. The pace and impact of population growth in suburban counties can put pressure on local governments to collaborate with other communities with respect to transportation infrastructure and housing development. However, high population growth rates, and disagreements about how to accommodate growth, can also result in barriers to collaboration.

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B. Differences in Governance and Public Finance

The Metro regional government has jurisdiction over the urbanized areas within Clackamas, Multnomah, and Washington counties in the state of Oregon. Formed by voter initiative in 1978, Metro went into operation on January 1, 1979. Metro is an expanded version of the original Metropolitan Service District that area voters approved in May 1970. Some of Metro's responsibilities have been passed down from the old Metropolitan Planning Commission, organized by Portland and the three urbanized counties in 1957.²⁵ Metro is a directly elected regional government that combines the planning functions of a Metropolitan Planning Organization with regional service provision. Although Vancouver, Washington—Clark County, Washington's largest city—directly neighbors the Portland metropolitan area, Clark county's citizens do not have direct representation on Metro. However, Clark County does have representatives on various Metro advisory boards that offer advice and recommendations to the Metro Council.

Portland, Oregon's principle city in the Portland Metropolitan region, has a commission form of government with a weak mayor and four other commissioners. Each commissioner controls a portion of city government agencies.²⁶ Vancouver, Clark County's principle city, has a council and manager form of government with a strong mayor.²⁷

The population centers of Oregon and Washington and their relative importance to their respective state government also affects cooperation within the metropolitan area. The 2013 population of the state of Oregon was about 3.9 million,²⁸ while Washington's population about 6.9 million.²⁹ The majority of Washington's population is in the Puget Sound area, while over 50% of Oregon's

25. Carl Abbott & Margery Post Abbott, *A History of Metro*, METRO (May 1991), http://library.oregonmetro.gov/files/abbott-a_history_of_metro_may_1991.pdf.

26. OFFICE OF THE SEC'Y OF STATE, OREGON BLUE BOOK (2012).

27. City of Vancouver, Washington, Welcome to City Council, <http://www.cityofvancouver.us/citycouncil> (last visited May 30, 2014).

28. PORTLAND STATE UNIV., COLLEGE OF URB. & PUB. AFFAIRS: POPULATION RESEARCH CENTER, TABLE 1. POPULATION AND COMPONENTS OF POPULATION CHANGE FOR OREGON: 1960 TO 2013 (2013), http://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/Population%20Report%202013_Web3.xls.

29. WASHINGTON STATE OFFICE OF FINANCIAL MANAGEMENT, APRIL 1, 2014 POPULATION OF CITIES, TOWNS AND COUNTIES USED FOR ALLOCATION OF SELECTED STATE REVENUES STATE OF WASHINGTON 8 (2014), http://www.ofm.wa.gov/pop/april1/ofm_april1_population_final.pdf.

population is in the Portland Metropolitan area. Thus, while issues of the Portland Metropolitan area are important to the Oregon's government leaders in the capital, Salem, these issues must compete for attention among Washington's leaders in its capital, Olympia.

The states also have very different tax structures. While Washington obtains a substantial share of state revenue from a state sales tax, it has no income tax. Oregon, on the other hand, has no state sales tax, and is dependent on personal and corporate income tax. The differences between Oregon and Washington tax structures have a long history and attempts to decrease the dependence on the sales tax in Washington by introducing an income tax have been met with court challenges,³⁰ and attempts to institute a sales tax in Oregon have been strongly rejected.³¹ However, while the states collect

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barrier, as was the different level of influence each state legislature has with a particular bureaucratic agency.⁴⁷

A minority of respondents explained that the lack of a formal institution for bi-state cooperation made them less likely to initiate cooperative efforts and therefore less likely to realize that productive

an opportunity for greater cooperation for regional economic development.⁵¹ This diversity of opinion among our respondents on this particular issue indicates that this is an area where differences in citizen tastes and attitudes, whic

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cooperation reflected the fact that Washingtonians tended to believe, or their constituents believed, that autonomy would be lost if states worked across jurisdictional boundaries. It also illustrated that

obligated to cooperate to conserve public resources to achieve productive efficiency.⁵⁹ Moreover, several respondents explained how cooperative efforts would lead to better public policies that would benefit citizens in both states.⁶⁰

B. Regional and Global Influence

Illustrating the benefits of cooperation to an external audience was the second most identified advantage cited by respondents.⁶¹ A majority discussed how the interdependence between the two states created a f

B. Loss of Autonomy

The second challenge identified by a majority of respondents was the risk that citizens and leaders would lose autonomy and have less control over decisions that affect their jurisdiction.⁷¹ This, they fear, could lead to sacrificing the uniqueness of each individual jurisdiction and an inability to address citizens' needs.⁷² Achieving allocative efficiency is thus difficult if this concern for autonomy is so great that citizen tastes and attitudes don't align. Despite benefits to cooperation, giving up authority and autonomy is difficult, especially if each local official is uncertain about the other jurisdiction's commitment to cooperation.

C. Frustration

Finally, there are times when the frustration encountered when working cooperatively offsets any potential future advantages, thereby making it difficult to accurately capture productive efficiencies.⁷³ As mentioned above, the majority of respondents noted that the time it takes to forge cooperative relationships is a major impediment to collaboration. Given that, it is unsurprising that many respondents also noted that the frustration they feel when they encounter challenges makes them less likely to engage in cooperative relationships. Respondents noted that this is a disadvantage to cooperation because they simply don't have the energy or enthusiasm to overcome the pitfalls.⁷⁴

In the end, however, despite the acknowledgement of these potential challenges to cooperation, the overwhelming number of our respondents concluded that the advantages far outweighed the challenges, and they were hopeful that stakeholders would continue to work cooperatively to solve regional policy problems.⁷⁵

VII. SUCCESSES IN REGIONAL COLLABORATION

Discussing the barriers to collaboration and the benefits of, and challenges to, bi-state cooperation in the abstract, with respondents, produced beneficial data that is consistent with the literature on

71. *Id.* at 3-9.

72. *Id.*

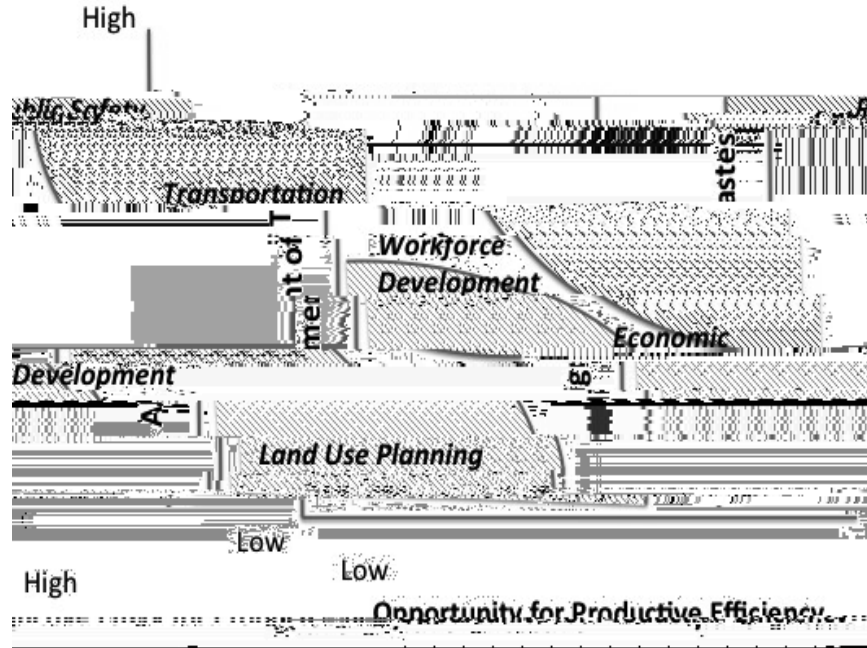
73. *Id.*

74. *Id.*

75. *Id.*

horizontal intergovernmental relations. During the interviews, respondents spoke generally about cooperation but frequently referred to specific instances of successful or unsuccessful cooperation to illustrate their points. During our interviews, we asked respondents to reflect on these past bi-state efforts to determine circumstances that must be present for cooperation to occur – when the benefits realized through cooperation outweighed the costs (productive efficiency), and when citizen and leadership tastes and attitudes align, thereby making cooperation more likely (allocative efficiency). We then arranged these policy areas on a figure based on these responses. (see Figure 2).

Figure 2



The Portland Vancouver region has experienced a number of important collaborative successes over the past eight years as well as some failures. The most visible of the region's failures is the collapse of a bi-state agreement on funding for a new bridge across the

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Third, the public workforce training organizations' constituencies spanned jurisdictional boundaries. The workforce organizations served industries that had companies throughout the region; some companies had facilities on both sides of the border. Duplication of some services across different jurisdictions while providing an incomplete set of workforce training services did not make sense. Since their constituents were regional they needed to collaborate.

B. Economic Development

In 2007 the region had just begun to collaborate in economic development, and there were hopes for continued collaboration. The region seems to have made progress in collaboration in economic development. Respondents had a decidedly more optimistic view about regional economic development in 2014 compared to 2007. One reason for this development can be connected to Greater Portland Inc., which represents the Portland metropolitan region and is leading recruiting efforts and developing a regional strategy to be broadly representative of the region.⁸¹ Despite this, the desire for some degree of local autonomy remains prevalent. There are still a multitude of different organizations with economic development missions, and each city and county continues to maintain some of its own economic development efforts. This is due, in part, to a need for local organizations to illustrate success to their constituencies.

1. Land Use Planning: Parks

While challenges in land use planning continue, some success has been made in the area of planning for parks. The Intertwine Alliance, a coalition of public, private, and nonprofit organizations, boasts accomplishments such as an Urban Forestry Plan that requires collaboration among the Oregon Department of Forestry, the Washington Department of Natural Resources, and Metro.⁸² Intertwine has also formed a coalition of local parks directors that work together on sharing best practices and identifying emerging issues affecting parks across the region.⁸³

81. *Id.*

82. *Id.*

83. *Id.*

2. Transportation

By far, the most visible failure of bi-state and inter local collaboration is the failure to agree on the design and funding of a bridge that crosses the Columbia River. Several respondents interviewed in 2014 suggested that this failure and the animosity that it caused led to broader distrust and therefore negatively affected other efforts at collaboration.⁸⁴ However, others argued that strong collaborative ties still exist among the key economic development

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recognition of a shared value (employing more people) and a problem (the constituency was not being served).

b. Check the numbers

While it is not always easy to calculate the potential benefits and costs of collaboration, leaders might make assumptions about how much can be gained and lost. Those working toward collaboration might need to think creatively about how collaborative arrangements can take advantage of economies of scale and scope in service provision. They also need to communicate those benefits with the proposed partners and their constituents to identify missed opportunities and to gain a broad recognition of the issues, the risks, and the potential benefits. This shared recognition can persuade public officials that cooperation can be beneficial.

Figure 3

c. Start small, and begin with low hanging fruit

Many respondents felt that it was best to begin a collaborative effort that addressed a noncontroversial

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benefits more apparent. Or work on lowering bureaucratic barriers before a second attempt. As we have seen, success in collaboration begets greater success, while a failure can poison the environment for collaboration in other areas.

VIII. CONCLUSION

For many community leaders, inter local collaboration is a long term goal that takes time, effort, and constant monitoring. It may not be the best approach for all policy areas, and at times, the challenges may outweigh the benefits. But our study of horizontal intergovernmental relations in the Portland metropolitan region over a seven year period reveals that it is possible if the conditions are right. Barriers to regional cooperation will always exist, but determined leaders can overcome them, and their constituencies will benefit from efficiencies that are both strongly desired and necessary in times of fiscal stress and better public policies in the end.