

**COALITION FOR A BETTER MEMPHIS**  
**Shelby County Mayor Candidate Questionnaire**  
**Election Date: May 6, 2014**

**Name:** Steve Mulroy

**SECTION 1: QUALIFICATIONS AND BACKGROUND**

**1. Describe briefly your qualifications for holding the office of Shelby County mayor.**

I have served on the County Commission for almost 8 years. I have reviewed, considered, and debated 7 (soon to be 8) county budgets. I have sat at the table with employees, management, and stakeholders to negotiate a budget deal over and over again. I have considered, revised, and in many cases drafted county policies, regulations, and ordinances. And, in my oversight capacity, I have dealt with numerous issues concerning implementation and administration of county policy, personnel matters, and the like. In addition, in my almost quarter-century as a lawyer, I have learned the skills of critical analysis and the evaluation of competing policy arguments. Finally, chief among the issues of county government are public safety and education. I have served as a federal prosecutor and currently serve as a professional educator.

**2. What events or experiences caused you to decide to run for this office?**

As a County Commissioner, I have watched for several years now as we have missed opportunities to use county government more proactively to help the many people in Shelby County who are in need and deserving of help. I have watched county officials support millions in tax breaks to corporations but oppose my budget requests for 5% of those amounts to address homelessness or reduce urban blight (the latter of which would be revenue-neutral or even revenue-generating by moving blighted properties back onto the tax rolls). I have also heard county officials extol a very narrow, cramped view of county government, one at odds with the more proactive efforts of the Bill Morris Administration in addressing issues of poverty. Additionally, I have seen a county mayor who has not done a good job of working cooperatively with the County Commission, which has frustrated both the Commission and the administration's own agenda. I have also seen us miss opportunities to work cooperatively with the City of Memphis, to the point of frequently fighting with the City of Memphis. These experiences made me think that Shelby County needs a mayor with a bold, progressive, active vision for county government, one who can work more cooperatively with both the county legislature and the City of Memphis. I had several candidates in mind and urged them to run. When they declined to do so, I decided to run for mayor myself.

**SECTION 2: VISION AND STRATEGIES**

**1. In your opinion, what are the three greatest issues (problems or opportunities) facing Shelby County in the next four years?**

1. The need for economic development and job creation.
2. The need/opportunity for consolidation of County and City government.
3. The need to improve education of marginal, at-risk populations.

**2. How would you recommend we continue to pay down County debt and still fulfill the financial obligations of the County? What budget priorities must take precedence?**

**Paying Down The Debt.** Continuing to pay down the debt simply requires sustained commitment to the fiscal discipline already established during the Wharton Administration. During that administration, Shelby County adopted a “pay as you go” strategy for smaller and short-term capital improvements, reducing our reliance on accumulating bond debt. This was part of our long-term debt reduction strategy, which placed caps on annual debt accumulation (based on, *inter alia*, percent of appraised value and per capita income) and also capped the CIP budget at \$75 million per year. This charted a path where the accumulated debt of county government would gradually decline. We have kept to that strategy since, and the debt has declined from a peak of \$1.8 billion in 2007 down to almost \$1.4 billion today. Throughout this process, we have kept a high bond rating, showing that the steady progress is enough to get good interest rates.

We should continue this debt reduction strategy. From the beginning of the Wharton Administration onward, we have managed to do this while still fulfilling the financial obligations of the County, and we should continue to be able to do so now.

**Budget Priorities.** The second question here is more important: given our fiscal constraints, what should be our budget priorities? As Vice President Biden has said, show me your budget, and I’ll show you your priorities. Of course, fulfilling basic necessities like public safety and running the courts comes first. And because the county is now the sole local funder of public education, we have to ensure that the school systems are given the resources they need to ensure quality education. After that, we should focus more on progressive anti-poverty initiatives than we have in recent years. Addressing the economic decline of the inner city is key, both because it is the right thing to do and because it is in the entire county’s long-term economic interest, since the county as a whole will rise or fall with Memphis. As examples only, this emphasis could include such varied initiatives as a “welfare to work” program similar to the one initiated by Mayor Morris; funding early childhood education; ramped-up assistance to people in filing for the Earned Income Tax Credit; and tax incentives for development of blighted areas. The latter two would cost very little, and would actually bring in new revenues. The former could be leveraged with federal funding.

Correspondingly, we should focus less on giving tax breaks to large corporations and using TIFs (Tax Increment Financing) and TDZs (Tourism Development Zones) to fund new, flashy big-budget development projects. We should also save money by implementing some of the recommendations of the recent efficiency study commissioned by county government. Some of these cost-saving measures also achieve important progressive goals: for example, energy efficiency measures; alternatives to incarceration; increased use of pretrial diversion, the Drug Court, and the Veterans Court; and greater use of joint purchasing agreements with Memphis and suburban municipalities to achieve economies of scale.

**3. Are you satisfied with the economic growth (jobs and income) of Shelby County today? If not, what should the county government do to improve economic development efforts? What incentives would you support or oppose be used to attract future economic development?**

**Current Economic Growth.** Clearly, Shelby County needs a lot more economic growth than it has experienced in recent years. This is the essential element in the crucial priority of

expanding and sustaining a middle class. For 2012, the last year for which we have full data, that growth rate was an anemic 2.0%, which is low even after you factor in the effects of the Great Recession, which are now fading in other parts of the country.

**Improving Economic Development Efforts.** The most important thing Shelby County can do to promote growth is to work on workforce development. This is the key impediment to economic development. If we got the job training right, and had a well developed workforce, we wouldn't need to do as much in tax breaks for the Mitsubishis and Electroluxes of the world. The WIN office (Workforce Investment Network) of the City of Memphis is doing good things in this direction; county government should assist. We need to do a better job of finding out from industry what they need so we can fine-tune the training, and we need to keep track of the results so we can quantify how many people we are putting to work, for how long, and whether they are making a living wage. While we're at it, we need to start thinking creatively about how to use existing resources to do better in the job training area. For example, we could use underutilized schools after-hours to do job training (and job-seeking training) for the interested unemployed and underemployed, partnering with (and/or subsidizing) private groups who can provide it.

We could also consider a "microfinance" program like that pioneered by the Nobel-Prize-winning Grameen Bank in Bangladesh. The Grameen method—small loans of about \$1500 to women of limited means to start self-sustaining entrepreneurial efforts—has resulted in a 99% repayment rate and been phenomenally successful in creating jobs. In the last six years, the approach has been adapted with great success in 6 American cities, including Charlotte, NC, Indianapolis, IN, and Omaha, NE. More long-term, we can provide adequate funding for schools, and expand early childhood education efforts.

Another important thing we can do is streamline the bureaucracy people need to navigate in order to start or expand a business or development. The greatest complaint I hear from business people is how long it takes just to get an answer from local government re: regulatory or land use permits and the like. Even if the answer is "no," they say, it would help not to be in limbo for months. While 'smart growth' and environmental reviews are important, many of these bureaucratic delays are not relevant to those issues.

A related complaint stems from the many times in which businesses seeking to expand, develop, or invest in Shelby County have to check with both City and County officials. Even though EDGE (the Economic Development Growth Engine, the joint city-county body which issues tax breaks to spur new economic development) is now consolidated re: tax incentives, there are recruitment issues to be worked out before the EDGE phase, and many regulatory and permitting issues to be worked out before and after the EDGE phase, which are weighed down due to a need to consult officials of two governments. City-county consolidation would fix that.

**Incentives.** In terms of incentives, we need to reform the incentive structure we have now, and try new incentives as well. Some of these incentives ask too little of the corporations receiving them, or give insufficient emphasis on having the investments involved kept within the county and shared by employees. Too often we give away millions of dollars in tax incentives to corporations which use out-of-county labor for the associated construction projects. When scoring these incentive requests, we should give more points for use of in-county labor; for use of prevailing wage and living wages; and for use of minority subcontractors. The county mayor should personally introduce the executives of these companies to local contractors, vendors, and labor representatives, in an effort to use "soft power" to further incentivize using more funds to stimulate the local economy.

In addition, EDGE should be doing a better job of incentivizing the development/expansion of small businesses. There are more such potential targets, and we might get a bigger bang for our buck; at any rate, considerations of fairness suggests that we include them. Indeed, we as a county should consider using similar incentives (even if on a smaller scale) to incentivize development in blighted areas which do not usually receive this kind of attention. Where are the PILOTS for South Memphis, for Hollywood and Chelsea? As an example, the City of Cleveland offered tax abatements equal to 100% of the cost of construction or rehabilitation for properties developed within the city. The program has been a success. A Cleveland State University study concluded that for each dollar invested, the city reaped \$1.7 in taxes for every \$1 in deferred taxes it used as an incentive. Similarly, grants for development of blighted properties, including so-called “tax dead” properties where the tax bill exceeds the property value, have their place too.

### **SECTION 3: IMPROVING THE SYSTEM**

**1. Some people believe that urban communities should adopt policies that encourage what is called “smart growth.” Do you believe Shelby County should have a general policy about new residential and commercial developments? If so, what should that policy be?**

I have long been a proponent of “smart growth.” Our land use policy should incentivize “infill” development inside the I-240 loop, in high-density areas already equipped with infrastructure. In addition, the policy should encourage a “complete streets” approach, and mixed-use developments, so as to create and facilitate walkable, bikeable communities, coupled with policies of getting green space near all neighborhoods. As argued and practiced by Hernando, MS Mayor Chip Johnson, these approaches will also contribute positively to the county’s health outcomes, and is exactly the sort of thing which can incentivize out-of-town executives to choose Memphis and Shelby County as a high quality-of-life place for company employees to live.

We have actually been moving in this direction for a while. The “next generation” of policies should incentivize LEED design for environmental reasons, and structures which incorporate “universal design” principles, so that the elderly and disabled of the present and the future will always be able to fully enjoy structures.

**2. Many considered the consolidation of city and county schools to be the greatest impediment to the consolidation of city and county governments. Since that is no longer an issue, what is your position on consolidating city and county governments?**

As indicated earlier, I support consolidation, and believe that the (almost) resolution of the school merger helps to clear way for consolidation. Consolidation has worked in Louisville, Nashville, and Jacksonville, and is a major reason why Nashville surged ahead in recent decades while Memphis lagged behind. (That, and the fundamentally higher socioeconomic level of its historic base population).

Consolidation has at least three advantages. First, by giving out-of-town investors only one government to deal with, and one business recruitment strategy or “brand,” it facilitates out of town investment. Second, it will avoid needless duplication of bureaucracy, and, based on the experiences of other counties, provide *long-term* (though by no means immediate) savings which would allow the governments to lower the tax rate, further spurring investment and growth. Third, it will end the pointless bickering which too often occurs between City and County

officials, along with the associated legal fees caused by such bickering. It will also end the city-county “us versus them” mentality which has plagued us for decades.