

# Red Tape Diary

## A CITY MANAGER SHARES HIS THOUGHTS ON HIS FINAL GIG

by Rich Ehsen

**A**lthough Rancho Cordova City Manager Ted Gaebler has spent better than a quarter-century working in local governments around the country, he is not what anyone would consider a stereotypical government worker. Also a long-time small-business owner, Gaebler has developed a national reputation for eschewing bureaucracy and bringing innovation and customer service to city government. Now in what he calls his “final gig,” Gaebler — who has also co-authored a best-selling book on how to make government more consumer-friendly — is fervently working to implement Rancho’s long-term vision and identity. We sat down with him recently to discuss the city’s future.

**Comstock’s:** Given your experience, you could probably do what you do almost anywhere. Why Rancho Cordova?

**Gaebler:** The geography is probably the starting piece. My wife is the housing director in Petaluma and has her own city council to worry about and her own staff and her own organizations, and after traipsing around following me on my career from state to state, she decided that she is staying put in our home in San Rafael. So if I want to be in reasonable commuting distance, it was kind of a matter of 100 miles of geography.

**Comstock’s:** You are a strong advocate for what you call “pragmatic, internally-driven change in governments.” How do you define that kind of change?

**Gaebler:** The only people who hate government more than the people on the outside are those on the inside because they’re frustrated with mind-numbing bureaucracy. But it turns out that that doesn’t have to be the case. There are some real examples out there of governments that actually delight their workers and their citizens, like the Phoenix Public Works Department and the Madison [Wis.] Police Department, but it



has to come from internal people, from mavericks who are driven to do something different or nonbureaucratic. In that regard, my job is always to make sure that our employees know that (a) they don’t have to be bureaucratic and (b) they can be as innovative as they can possibly be, and they will be protected for the mistakes they make. Because what inhibits public employees is the fear of getting somebody unelected. If I make a mistake, if I commit money and it doesn’t pay off, I could get my bosses unelected, and that’s unacceptable, we think. And therefore, government employees learn very early in their careers that the safest way to keep their job is not to make a mistake, and the safest way not to make a mistake is not to do much.

**Comstock’s:** People often say they want government to run more like a business. But government inherently has responsibilities that make that tough to accomplish. How do you find the balance between efficiency and the caretaker role that many people also expect government to fill?

**Gaebler:** The driving forces that work to make people in the private sector care about what they do — focus on the bottom line, on satisfying Wall Street, on innovation, on beating the competition — don’t work in the public sector. What works in government is having a really close reward loop

*continued on page 72*

priorities are essential steps in the selling process.

Also, develop a realistic expectation of what you can achieve. “You need to have a rough sense of your company’s value to a buyer,” Schlinkert says. “You can’t put up too many roadblocks, in terms of too high a price, or conditions and limitations that will turn off buyers.”

Despite the close fit between Bytheways and Hunter Douglas, the negotiation process was neither simple nor quick. Schlinkert describes it as a “slow dance” that took a couple of years. This is not unusual, he says, advising sellers to prepare for the long haul. “Sales can take years to

“Make sure you trigger a sale during the upside of a business cycle.”

— Bill Schlinkert,  
partner,  
Farella Braun + Martel LLP

complete, and they do fall through. The important thing for the owner is not to lose sight of business operations while working on a sale. You need to pay attention to your business, you need to pay attention to business cycles, and make sure you trigger a sale during the upside of a business cycle.”

Finally, adds Jann, an owner has to retain ultimate responsibility for the process of selling his or her business. “I have never taken the word of an attorney or accountant and just done what they suggested. They are there to advise. An owner has to add their own good judgment and make the ultimate decisions.” ©

between what the employees actually do and the people they’re satisfying, so employees can essentially see smiles on children’s faces when they’re getting educated. Or that people are satisfied when the cop stops the speeder through the neighborhood. In addition, I always say part of my job is to find out what each community’s boundaries are, to confront the community and their elected representatives with things that might be at the edge. My job is to define the edge, so my employees don’t stumble over it. That hurts, and that can cause real repercussions. It’s OK, however, for me to occasionally stumble over an edge.

**Comstock’s: New cities always face difficult challenges in their early phases. What are the greatest challenges your city faces?**

**Gaebler:** Rancho Cordova has unbelievable potential. But we also have residents who remember Aerojet going from 22,000 employees to 1,400. They remember Mather Air Force Base being closed and the change in the complexion of the community because of the downturn and the change in the economic base. So we have people who are not as prideful of the future of this community because they remember that it’s not the same as it used to be. That’s a concern. On top of that, we need to build our foundation because the Sacramento Area Council of Governments says we’re going to become a city of 350,000. That’s why we bought a City Hall of 92,000 square feet at a time we needed 40,000 square feet, so we wouldn’t have to move again as time went on. We’re also trying to correctly locate a downtown here, trying to make sure that we have grid patterns because we have huge land masses that you can’t drive through, and we’re bound to have congestion if we become a city of 350,000. And we have to build all of this right, so we don’t end up with old, tired people and old, tired houses in one part of the community and new, young houses and new, young people in another part of the community. We

need to make sure we mix and match and blend sociologically so we don’t get two Ranchos.

**Comstock’s: How are you working to shape Rancho Cordova’s identity and brand?**

**Gaebler:** Image is our No. 1 goal. Changing the image of Rancho Cordova in the region and in the minds of our existing residents is something that is a very high priority. We need to establish that identity. For example, we strongly considered competing for the arena when it was up for grabs. Why is this not as good a location as any for an arena? We have the land, the space and the freeway. We have major cross sections across the river. An arena somewhere in the vicinity of Sunrise and Folsom seems like it makes a lot of sense.

**Comstock’s: Rancho Cordova currently has a lot more jobs than it does housing for those workers. What is the long-term plan for dealing with that and trying to get the kind of development you want as opposed to just getting enough development to make the numbers mesh or line up?**

**Gaebler:** The question is why would a city want housing? For a city government, houses are a net loss, while industrial and commercial break even in terms of cost of services provided versus revenue received by a municipal jurisdiction. The answer is that you want it because you can’t support retail until you have a certain amount of rooftops. In that regard, we have the capacity and the ability to do it, so it makes sense even though it might not exactly pencil out from a city government point of view. But that is also why we’re insisting that developers pay their full rate. We can’t have any subsidy going on to attract this development. The bottom line is that we’ll do everything we can to vigorously support development — business, commercial and housing — but they have to understand that we are not in the business of subsidizing the construction of houses, particularly when they don’t pay their own way in services once they are built. ©