



The Raja Innovation Plan

Promoting New Ways of Thinking

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Executive Summary

Innovative ideas can lead to growth. Unfortunately innovative ideas have not readily been embraced in Allegheny County or the state. Instead we see old styles of budgeting still in place. We have not embraced technology that would allow Allegheny County to more efficiently and effectively be responsive to the needs of county residents. There is no mechanism in place to encourage public employees from thinking outside the box. As a county we have not yet put mechanisms in place to capture the potential that the Marcellus Shale industry has to offer. Across the board Allegheny County needs to embrace a new culture that values innovation so that our economy can grow.

The Raja Innovation Plan will promote innovative ideas and practices across the county. The plan will work to encourage public employees to propose innovative ideas as well as soliciting ideas from county residents. Raja will work at the state level to encourage the continuation of funding programs that help young start-ups get off their feet. Raja will also work with universities and private industry to ensure that innovative ideas and practices are embraced and grown as well. Finally, Raja will work to see that the proposed Innovation Zone is a center for innovative technologies related to the energy field that will make natural gas more efficient, safer, and cleaner to extract and use.

The Raja Innovation Plan

The implementation of innovative ideas can allow any organization to reduce costs and improve service delivery. However in Allegheny County this is often times not the case. Discarding these old ways can lead to greater efficiencies in delivering a service and enhance cost savings. In Allegheny County too many examples still exist of old ways of thinking. In local government, there is a disconnect that exists between good ideas and implementation of good ideas. There is no system that rewards public employees for thinking outside the box. At the state level we still follow old regulatory structures that are often full of bureaucratic red tape that businesses oftentimes would rather just avoid. Without innovation, Allegheny County cannot effectively move into the 21st century.

As county executive, Raja will promote innovation in all aspects of Allegheny County. By promoting innovation across all sectors, especially Allegheny County government, we will develop a county where innovative ideas are encouraged and appreciated. Raja is committed to making local government more responsive to the people that it serves. In order to accomplish this goal, Raja will work closely with Harrisburg as well as local leaders in the public, private and nonprofit sector to develop policies that promote the adoption of innovative ideas so that the region can continue to grow.

The Raja Plan will work to promote innovation in Allegheny County by focusing on the following core areas:

1. Promote Innovation in Local Government
2. Promote Innovation at the State Level
3. Promote Commercialization of University Research
4. Promote Innovation in Private Sector
5. Promote Innovation in Marcellus Shale

1. Promote Innovation in Local Government

Over the past century, the structure of government has changed very little. We still see a rule-based hierarchical system that often times prevents the free flow of new innovative ways of thinking. Over the years this has created a culture that accepts bureaucratic inefficiencies that make government cost the people more and serve them less. As county executive, Raja will work to bring a new way of thinking to county government. As a CEO, Raja knows that innovative ideas allow organizations to leap ahead of its competition and he believes that the same should be true with government. In order to promote innovation, Raja will work to create a culture that promotes innovation and one that involves the citizens of Allegheny County in this process.

- Innovation within County Government: Raja will promote a culture of innovation within Allegheny County government. Doing so will help to make county government more

efficient and responsive to resident's needs. Some governments, such as British Columbia, have even taken the step to turn pay and bonuses into rewards for innovative thinking.¹ To accomplish this goal locally, Raja will form a "Department of Innovation" which will be tasked with; the creation and rollout of innovation methodology on a continual basis across all departments and boards, creating a system like British Columbia's that rewards innovative thinking and provides training to all county employees. The Department of Innovation will control risk and mitigate costs by rolling out pilot projects first before launching them countywide. The overall objective of the Department of Innovation will be to reduce the cost of county government while at the same time improving service.

- **Innovation from County Residents:** The 21st century provides local government with the necessary tools to improve the responsiveness of county government to the needs of residents. Raja will direct the county to investigate ways to accomplish this through social networking, creative surveying and looking at ways to innovate amongst ideas from private citizens or the nonprofit sector.²
- **Innovation from Partners:** Many of today's problems are so complex that no single agency can solve them. Many tasks simply demand more resources — and more innovative thinking — than one organization can bring to bear. The need for both new resources and new thinking drives growing interest in partnering among government agencies, and among government, private industry, universities, and nonprofits. These relationships let governments test new ideas quickly by importing them from innovative partners. They also help agencies overcome bureaucratic and financial constraints, allowing them to attack longstanding problems with novel methods and cutting edge technologies.

2. Promote Innovation at the State Level

Many of the tools that are necessary to foster innovation at the local level are controlled by the state. State programs such as the Pennsylvania Life Sciences Greenhouse, Ben Franklin Technology Partners, Pennsylvania Angel Network, Innovation Partnership, the Idea Foundry, Innovation Works, and the Technology Collaborative are state programs that have been influential in assisting local start-ups. Without them, we cannot continue to commercialize cutting edge research that is being developed at our universities. Furthermore, we need to work to ensure that state regulations do not hinder job creation. If we allow regulations to become too

¹ Eggers, William D. The Public Innovator's Playbook: Nurturing Bold Ideas in Government. Rep. Deloitte Research, 2009. Web. <http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/dtt_ps_innovatorsplaybook_100409.pdf>.

² Eggers, William D.

confusing and incoherent, businesses may be scared away from possibly locating in the Allegheny County.

- **Funding and Tax Credits:** As county executive, Raja will work with partners in Harrisburg to develop new and continue existing programs that provide innovation funding and tax credits for start-up businesses looking to expand in the county.
- **Regulation:** Raja will work to ensure that regulations are streamlined in order to support innovation across that state that can benefit the residents of Allegheny County. By supporting clear and coherent regulations across the state, it will be less of a daunting challenge to set up a business in Allegheny County.

3. Promote Commercialization of University Research

For almost the past 30 years, start-up companies have been one of the most important drivers of private job growth in the nation. A report by the Kaufman Foundation found that the fraction of employment for U.S. private-sector business startups from 1980-2005 about 3% per year. All of this employment reflects new jobs as compared to the overall net employment growth of the U.S. private sector for the same period which was around 1.8%. This pattern implies that, if you exclude these jobs from new start-ups, the U.S. net employment growth rate is negative on average.³ Many of these start-ups stem from the commercialization of research done at universities. For Allegheny County to create jobs, we must ensure that we assist our local universities and students in the commercialization of new and innovative ideas.

- **University Support:** Allegheny County will work with local universities that produce talented graduates and innovative ideas to develop a simple and effective technology transfer policy that allows for an easy transition to the private sector. This can take the form of a program made up of university, government, and private sector individuals that helps students still in our universities understand and navigate the complex rules, regulations and funding issues that arise when attempting to form a start-up.
- **Support for Start-ups:** The County will work to help ensure that young start-ups are provided with the needed space (via Innovation Zone), have access to capital, and recruit start-ups with innovative ideas that could improve the way county government delivers its services or interacts with its citizens. The county can become the first and most high profile client for some innovative start-ups which in turn will help them grow and develop in the long term.

³ Haltiwanger, John, Ron Jarmin, and Javier Miranda. *Business Dynamics Statistics Briefing: Jobs Created from Business Startups in the United States*. Rep. Kauffman Foundation, Jan. 2009. Web. <http://www.kauffman.org/uploadedFiles/BDS_Jobs_Created_011209b.pdf>.

4. Promote Innovation in Private Sector

As a CEO, Raja will use the Office of the Chief Executive to encourage large organizations in Pittsburgh to foster innovative ideas in their organizations. Furthermore Raja will work with other CEO's to encourage the utilization of technologically innovative ideas that are developed right here in Allegheny County. By helping to foster a climate that seeks innovation amongst the private sector in Allegheny County, we could possibly see more clients for young startups and business growth amongst established firms.

5. Promote Innovation in Marcellus Shale

Pittsburgh International Airport sits in the center of western Pennsylvania's Marcellus Shale deposits and as such makes an ideal location for university based start-ups to establish operations in addition to shale exploration companies and industry spin-offs. The airport's location offers easy accessibility to shale exploration sites across the region. The Raja Plan calls for the leasing of land to be utilized for Marcellus Shale related development and exploration. Revenues from the leasing of land for Marcellus Shale exploration on airport property can be used to help develop about 1,971 acres of land suitable for structural development at Pittsburgh International Airport into a specialized business and research park known as the Innovation Zone. As County Executive, Raja will help encourage these companies to locate in Allegheny County by establishing the Innovation Zone on the airport property. This critical mass of shale companies, spin-offs, and high tech start-ups will help the county market the airport property to potential tenants. Already located in a tax free zone, the site would be attractive to those companies that can take advantage of these tax incentives. As County Executive, development of the Innovation Zone would be one of Raja's first priorities.

- High-Tech Incubator - Located within the Innovation Zone at the airport will be a new university high-tech incubator that focuses on the commercialization of innovative research in the energy field. The Innovation Zone would offer multiple advantages for firms that locate there. The start-up companies would have the infrastructure needed for cutting edge technology such as access to broadband, clean rooms, and production space.
- Safety and Environmental Companies - A major part of the Innovation Zone's mission will be the promotion of responsible drilling by addressing safety and environmental issues. The county will work to market the zone to shale spin-off companies and high tech start-ups that produce technology that could make Marcellus Shale exploration safer, more efficient, and cleaner.
- Shale as the Allegheny County's "New Oil": The natural gas that is extracted from the Marcellus Shale could be used to power vehicles through either compressed natural gas (CNG) or liquefied natural gas (LNG) produced from natural gas extracted from right here in Allegheny County. Raja proposes that the county and the Port Authority of

Allegheny County study the feasibility of using busses that run on either CNG or LNG. CNG generally is 15 to 40 percent less expensive than gasoline or diesel fuel. In addition to being a cheaper alternative to raising diesel prices, CNG has been shown to reduce carbon monoxide, carbon dioxide, nitrogen oxide, and non-methane hydrocarbon emissions as well as little or no particulate ma