HOW SOUTH BEND, INDIANA SAVED $100 MILLION BY TRACKING ITS SEWERS

BACK WHEN THE BIG THREE WAS THE BIG FOUR, SOUTH BEND, INDIANA, WAS A THRIVING INDUSTRIAL CITY. UNTIL IT WASN'T. NOT WANTING TO GO THE WAY OF DETROIT, CITIZENS TURNED TO PETER BUTTIGIEG, A 31-YEAR-OLD MCKINSEYIAN, TO SHAKE THINGS UP. IS THERE REALLY ANY SURPRISE THAT HE'S ROCKING IT?

AS TOLD TO J.J. MCCORVEY

A Midwestern municipal government isn't the first thing that leaps to mind when you think of innovation, but it ought to be. Cities face more demand than ever to deliver with the same amount of resources. In local government, it's very clear to your customers—your citizens—whether or not you're delivering. Either that pothole gets filled in or it doesn't. The results are very much on display, and that creates a very healthy pressure to innovate.

Businesses always have competitors nipping at their heels. Historically, cities have not viewed themselves as subject to that same type of competition. But that's wrong. The reality, especially for our modest-sized, middle-American community, is that people can choose. Labor is mobile. Individuals are deciding where they want to work, live, and set up their businesses. Our job is to take certain worries off the table. They shouldn't have to worry about whether there's going to be clean, safe drinking water coming out of the faucet. Getting through school, holding down a job, and raising a family? That's hard enough.

I'm the youngest mayor in America of a city with a population of more than 100,000. Part of the message the community sends when they put a rookie in a job like this is, We want something different. As a consultant at McKinsey, I learned the value of data and the ability to shape that information into an answer. Last year, South Bend became the first city in the world to migrate its sewer system to the cloud, which prevented polluted water from going into the river and saved $100 million in new pipes. It all started with a local startup called EmNet.

Now, we're looking for ways to enhance people's relationships with their neighborhoods. When the Studebaker car company left South Bend in the '60s, we gradually lost about a quarter of our population. The consequence of that is, we have a lot of vacant houses that we've got to do something about. So I set a target of 1,000 houses in 1,000 days—we'll save them if we can, and turn them down if we can't. But we needed something that would galvanize people to help.

That's why I reached out to Code for America. I thought there was something appealing about the kind of person who would become a Code for America fellow. It's still counter-cultural to be working on civic issues. They could be doing any number of prestigious and lucrative things, yet they chose this. In January, we partnered with three fellows to create a web app for citizens to find information about properties in the community. What happened to that house at the corner of the block? Can a few neighbors get together and buy it for$8,000? If it's been torn down, who do we need to call to turn it into a garden? It does no good for me to tell our citizens that we're transparent, but in order to find something out, you have to show up to our code enforcement department and wade through thousands of pages of files and folders.

At the end of the 11-month program, we want to have a number of apps that will improve people's lives—even those who never log on to use them. It's part of an ongoing transformation here. We've cleared out this vast tract of land that was covered with decaying factories

and turned it into a landing pad, called Ignition Park, for startups coming out of Notre Dame. The first company set up there does data hosting, which symbolizes a bit of geographical luck for us. Because South Bend was built at a nexus of highways and railway lines, we have an abundance of fiber-optic cables going through our city. That, in addition to our cold climate, creates the ideal situation for us to take that old 800,000-sq.-ft. Studebaker factory, which I had always thought we would have to blow up, and bring it back as a data center. That's what South Bend has always been good at—adapting something into a new and different opportunity. We just need to take it to the next level.

August 5, 2013 | 6:00 AM