HARNESSING TECHNOLOGY FOR THE FUTURE OF CITIES

Future talking: Mike Burke, AECOM’s Chairman and Chief Executive Officer, left, talks with Los Angeles Mayor Eric Garcetti.
Disruptive technologies are fundamentally changing how we live and are rewiring the ways we work and travel. Yet cities seem to be struggling to maintain infrastructure built for another era. Is it time for a reboot? At the 2016 Milken Conference, AECOM Chairman and Chief Executive Officer Mike Burke chaired a discussion with leading city players and gained valuable insights into our futures, with selected highlights by IQ reporter Sami Sibelius

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We are in the midst of an incredible demographic shift around the world,” announced Mike Burke, AECOM Chairman and CEO, as he introduced the debate Harnessing Technology for the Future of Cities as part of the 2016 Milken Conference in Los Angeles. “2008 was the first year when the world had more than 50 percent of its population living in an urban environment. Today, that figure stands at 54 percent. And the United Nations estimates that 2.5 billion additional people will move into the urban environment by the year 2050. We all know that much of the world’s infrastructure is crumbling and in disrepair. Against this, we can only imagine the burdens that an additional 2.5 billion people will place on our systems.”

This was the context for a wide-ranging conference debate with city visionaries and innovative players bringing fresh ideas and approaches that are having a powerful influence on how our cities meet the demands of population growth, traffic congestion, the housing crunch, climate change and more.

“How do we address the challenges in front of us, particularly related to infrastructure?” questioned Burke. “Current estimates are that it will cost more than US$50 trillion to improve and develop infrastructure that can handle an additional 2.5 billion people in our cities. So, how do we bring in new technologies such as the Hyperloop high-speed transportation system? How do we involve the sharing economy of Uber, and of WeWork? Then how do we bring all that together and pay for it?”

The panel

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Brogan BamBrogan</td>
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<td>Dale Bonner</td>
<td>Senior Advisor, Milken Institute; Executive Chairman, Plenary Concessions</td>
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<td>Eric Garcetti</td>
<td>Mayor, City of Los Angeles</td>
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<tr>
<td>Artie Minson</td>
<td>President and Chief Operating Officer, WeWork</td>
</tr>
<tr>
<td>David Plouffe</td>
<td>Chief Advisor and Board Member, Uber</td>
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</tbody>
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On car use

David Plouffe, Uber: Uber and Lyft are often described as disruptive companies, but if you think about it from a market standpoint, they are more additive than disruptive. Most people who use Uber are not using us instead of a taxi. They are using us instead of using their personal car.

People are not using our platform for everything. In fact, 50 percent of Uber rides are one way, taxi the other way and maybe public transportation, but this allows people to make a decision maybe not to buy a car.

There is something fascinating happening with younger people. We know that a lot of millennials are not interested in buying a car, but the next generation, generation Z, don’t even want to get a license, and I think the cities have to understand this. For example the construction requirements around parking spots need to change.

On high-speed transportation

Brogan BamBrogan, formerly of Hyperloop One which he co-founded: For anyone who is not extremely familiar, Hyperloop is an integrated transportation infrastructure system, and we are talking about physically building a tube between two destinations and then sending things not only very fast but also in a way that is extremely safe, fully green, very energy efficient, fully autonomous and weatherproof.

A lot of people still think that this is a science fiction idea, but actually we
are going to have a full-scale, full-speed prototype running by the end of this year (2016).

We also think about the freight opportunities. If you can take the existing ports and add efficiency by having a high-speed connector to an inland inner model, you can maybe double the efficiency of that same port, making it easier on the local community without the pollution and maybe have fewer trucks on the road.

On financing alternatives

Dale Bonner, Plenary Concessions: There are tremendous social benefits with Hyperloop and high-speed rail, Uber and car services, but this also means there will be fewer people driving, with fewer vehicle registration fees and license fees. If you have fewer people parking, you have fewer parking tickets and parking fees, so at the same time government is trying to explore new things, you are at some level eroding or at least compromising the revenue base to continue to invest in infrastructure now.

So we need to think not only about modernizing and innovating the visible assets, but we also need to innovate and modernize the financing and funding systems that we have to pay for all of this because otherwise too many of these projects will remain a concept on a drawing board.

On regulation

BamBrogan, formerly of Hyperloop One which he co-founded: I love regulation. It is the reason we can sit here and not feel like the place is going to crash down on us because somebody did their homework and said that this is the right way to do it.

What we want is the right regulation for Hyperloop. Not an add-on, ad-hoc combination of other forms of regulations that are cut and pasted. We are starting to have conversations that are as innovative on the regulatory side as we are on the technology side.

On innovation

Eric Garcetti, LA Mayor: I think mayors and city leaders need to do the following:

One is to open up the data that we have. When I came in as mayor, we went from unranked in terms of open data to now being ranked number one in the country. Sometimes we get criticized because the data shows that we are doing something poorly, but it leads to innovation in changing that. So first and foremost, open up government, open up your data, measure, collect and share that.

Second, offer your city as a platform. So for instance, I think of Cargomatic, a company that matches truck drivers with the cargo containers coming off ships. We learned that they were LA based, so we said we have got this port in our backyard, start testing here and then use that as a platform to market your product to places like Singapore and Shanghai.

And then third look to the private sector that can actually do some of the work of the government. Places like European countries or Canada have figured out P3s so much better than we have.

On shared working and housing

Artie Minson, WeWork: We have many buildings where half our members are doing business with one another and that is a very significant change in how people think about coming to work. It was a natural evolution of that to go into living. The two WeLives we have opened in New York and London essentially give people the ability to ‘live above the store’ so to speak. We provide the furniture, cable, linens and the community - a very compelling value and human proposition that we are providing to our members.

We spend a lot of time doing postmortems on the WeWorks. What has made them successful, and top of the list is always location and how it relates to public transportation.

When we look at new buildings to open, they are not necessarily in a part of town that people are in today. We just opened in west London, and one of the reasons we took that particular building was because we know that there is infrastructure planned around that part of the city. We think over time it is going to be a very compelling location for us.

The people who use WeWork and will use WeLive are working and living differently. They are much more mission driven and focused on what the company is doing, and they are very experience driven. They don’t feel that they have to own a car or a home, if they can get those experiences with not tying up capital by using the sharing economy to put the money back in their pocket to achieve the experiences that they want.
Tech visionaries: The impressive lineup, from left, Artie Minson, President and Chief Operating Officer, WeWork; Dale Bonner, Senior Advisor, Milken Institute; Executive Chairman, Plenary Concessions; Mike Burke, AECOM Chairman and Chief Executive Officer; Eric Garcetti, Mayor, City of Los Angeles; Brogan BamBrogan, formerly of Hyperloop One which he co-founded. The sixth panel member was David Plouffe, Chief Advisor and Board Member, Uber