

Blueprint for American Prosperity

Unleashing the Potential of a Metropolitan Nation



The Sun Corridor as a Mountain “Mega”

One of America’s Newest Metropolitan Places and a Federal
Partnership to Help It Prosper

Arizona State University
Mark Muro and Robert Lang
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Mountain Megas

Context

Mega-trends

Emerging opportunities and challenges

A new federal-mega partnership

We have come to an historic
political and economic moment

President-elect Obama won the recent election on a platform of change



And, the country faces
extraordinary challenges

The world financial crisis has triggered real fear about future U.S. prosperity

The housing crisis is getting worse

Questions are being raised about the U.S. financial system

Government bailouts and stimulus could push the federal deficit over \$1 trillion this year



Meanwhile, the “real” economy is well into a recession



Jobs have declined for ten straight months

The unemployment rate has reached a 15-year high

Real median household income has declined by \$324 since 2000

GDP fell last quarter for the first time since 2001

And Arizona is getting hammered

More than 50,000 jobs have disappeared in metro Phoenix and Tucson in the past year

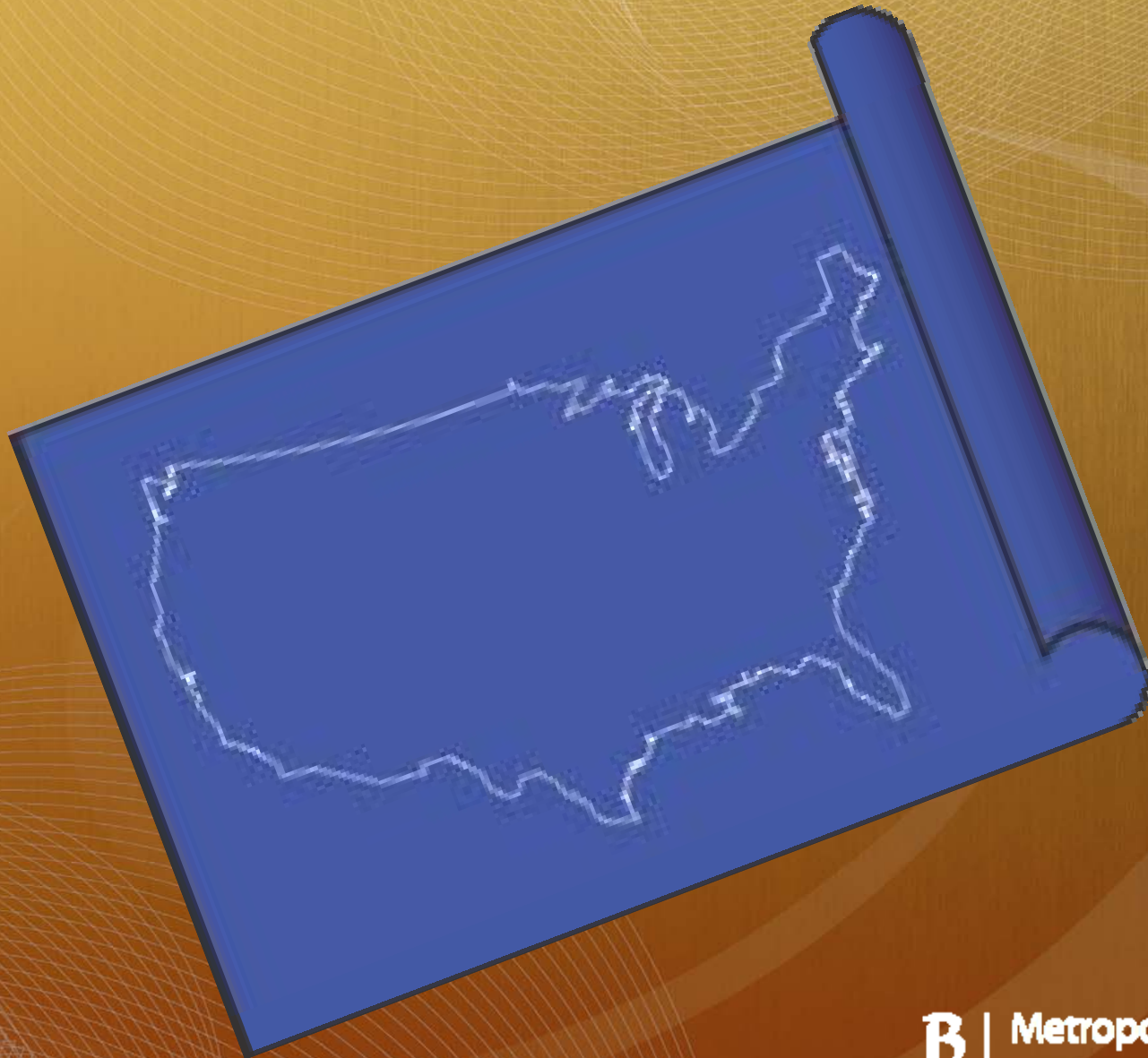
Arizona has the second-worst foreclosure rate in the country; Phoenix has the sixth-worst rate among cities

The state's budget deficit is projected to approach \$1 billion—fully 10 percent of the general fund



All regions will need to redouble their efforts to get the fundamentals right

Which is why we need a Blueprint for American Prosperity



As it happens, Brookings has endeavored to provide one



According to the Brookings Blueprint, true prosperity depends on achieving three types of growth

Productive growth

that boosts innovation and productivity and so generates quality jobs and rising incomes



Inclusive growth

that fosters a strong middle class by addressing the training and education needs of an increasingly diverse population



Sustainable growth

that promotes sensible urban form, reduces resource consumption and emissions, and protects the environment



To achieve these goals, the nation must leverage four key assets and improve regional governance

Infrastructure

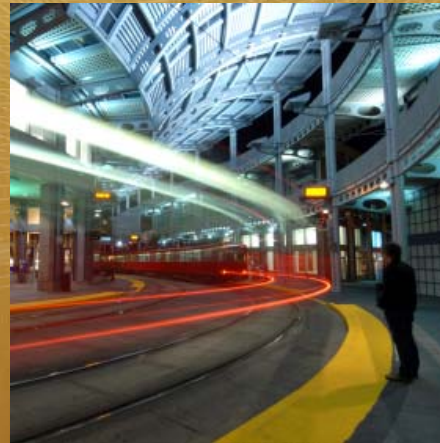
Innovation

Human Capital

Sustainable, Quality
Places

+

Improved governance
networks



Infrastructure matters...

...because high-quality transportation and telecommunications networks are critical to moving goods, ideas, and workers quickly and efficiently



Innovation matters...

...because the ability to invent and exploit new products, processes, and business models is critical for boosting productivity and competing globally



Human capital matters...

...because innovation and the demands of a more competitive economy require a workforce with education and skill levels that are continuously rising



Sustainable, quality places matter...

...because the new economic order and desire for environmental sustainability re-values dense form, distinctive neighborhoods, and vibrant downtowns



Beyond that, improved regional governance matters....

...because wider-reaching, region-scaled networks are necessary to match the boundary-crossing, dynamic problems of the new reality



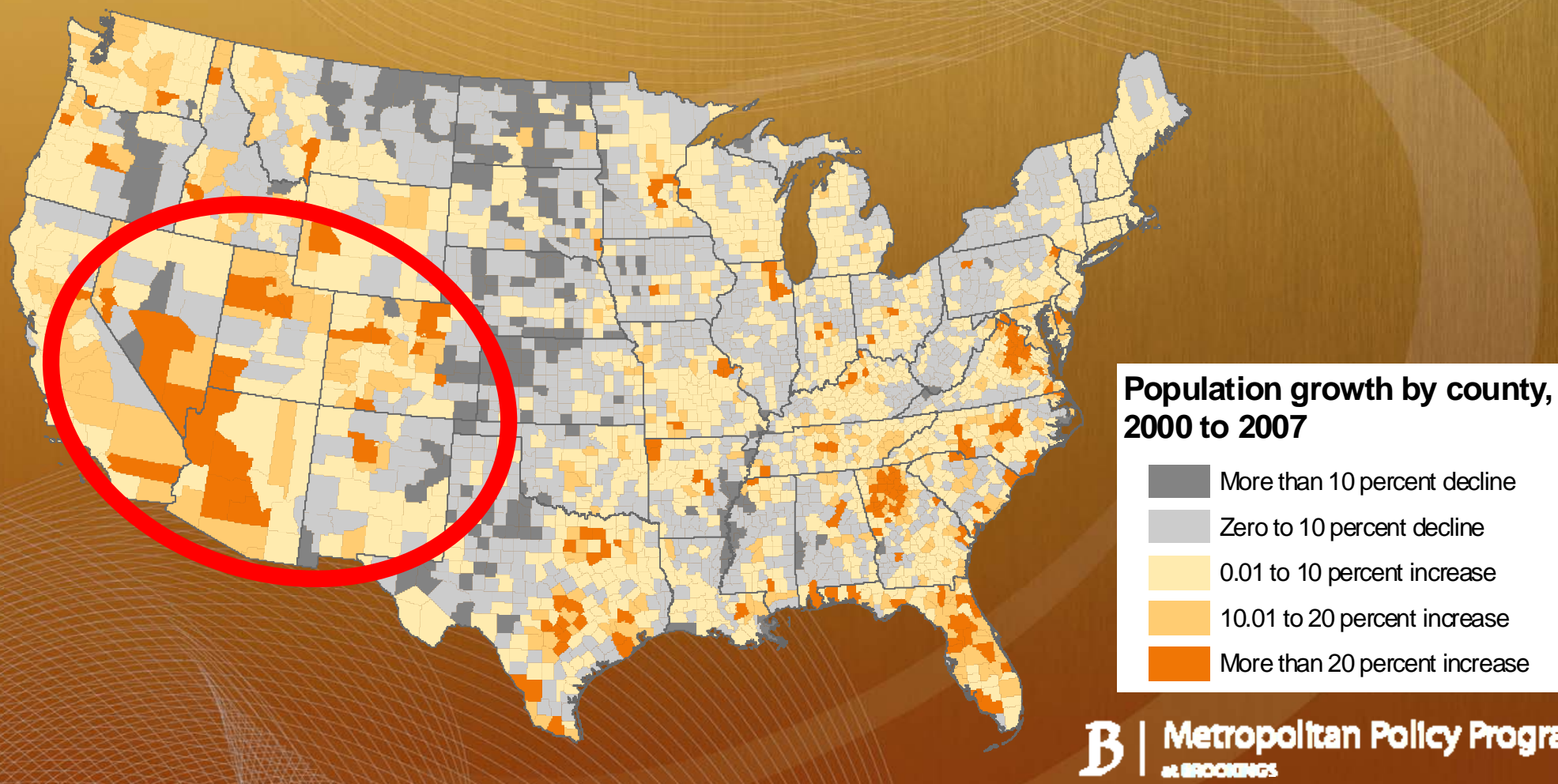
One final point: These assets are found overwhelmingly in metropolitan America



So why is Brookings so interested in the Intermountain West?

One reason is growth

The five-state population grew by **19 percent** between 2000 and 2007, capturing **14 percent** of the nation's growth

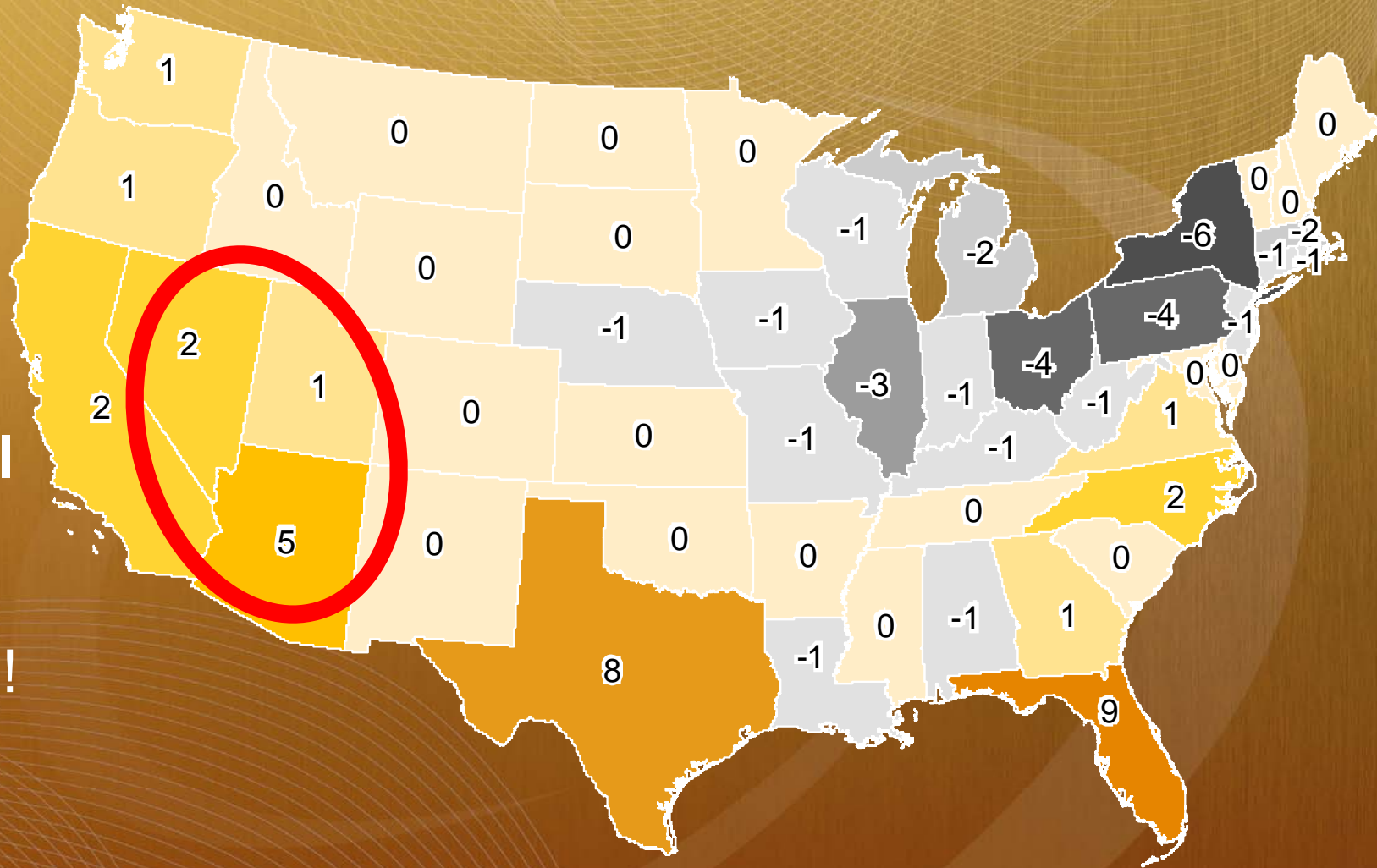


Another is the invention here of new urban forms



Finally, we're here chasing the new politics

Population growth will give the Intermountain West **eight new electoral votes** by 2030—five in Arizona alone!



The region's new importance and political culture will clearly influence future political trends

“The demographics of the West have changed dramatically in the last decade...The whole [region is in] play because it's an area of great transition in our country”

—Gov. Janet Napolitano



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Our work flows from earlier work conducted here

Morrison Institute's "Megapolitan:"



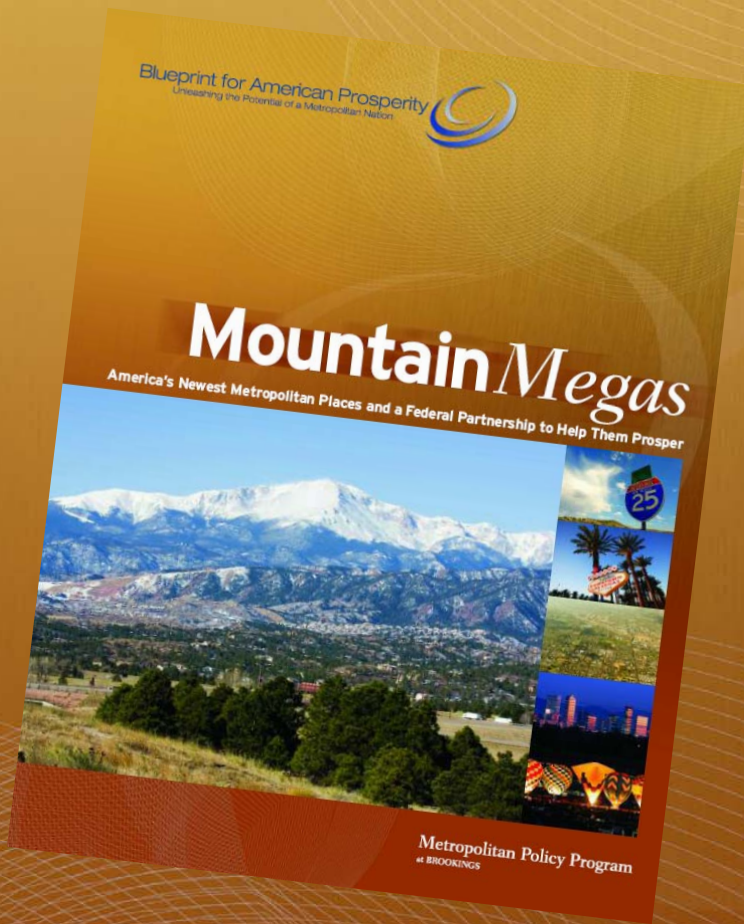
Applied the concept of ***megapolitan*** space to Arizona

Identified the ***Sun Corridor*** super-region

Sought to make the notion of ***mega-regions*** accessible in a single place

With “Mountain Megas,” we extend the dialogue

Brookings’ “Mountain Megas:”



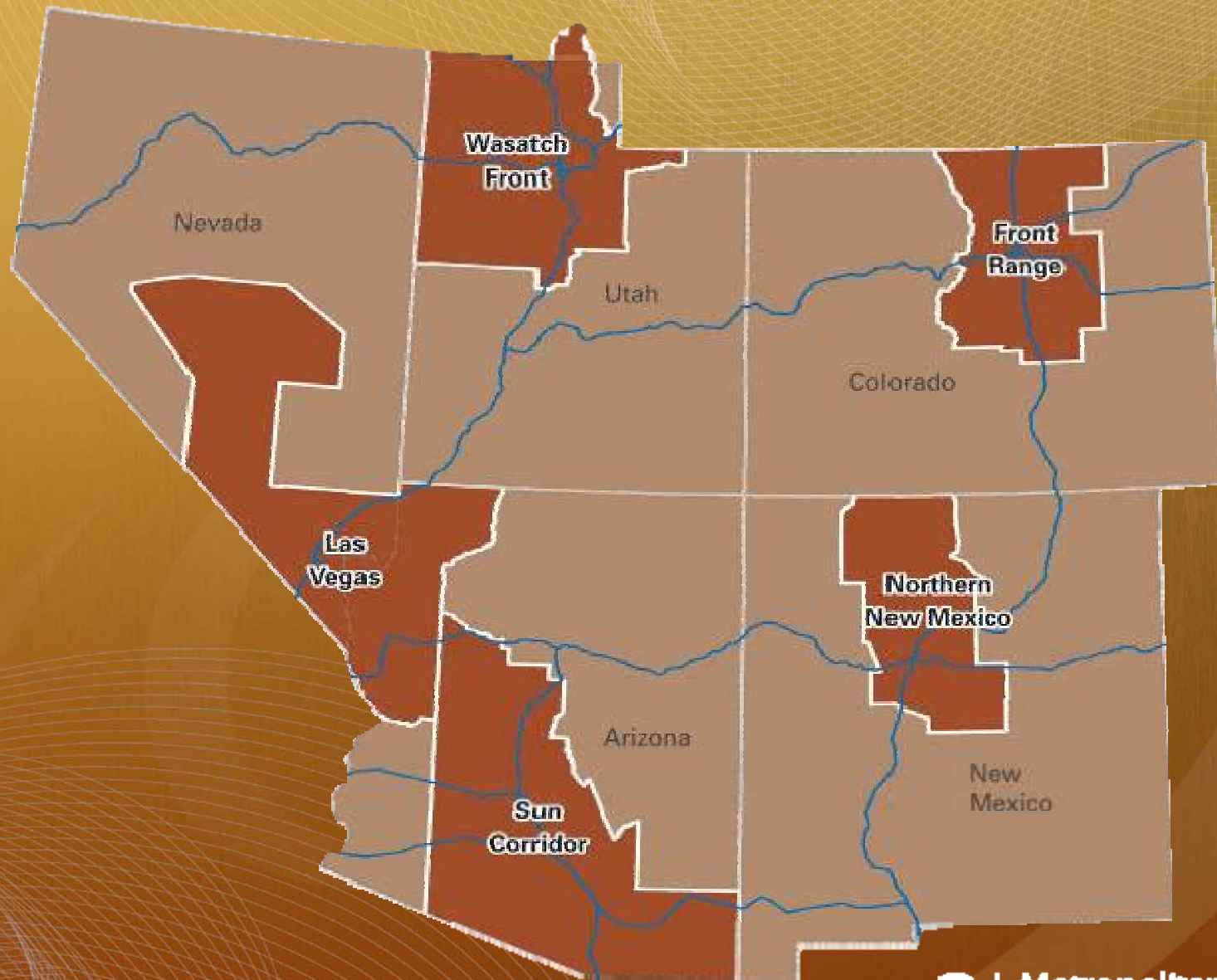
Applies the concept of *megapolitan* space to the entire Southwest

Turns the discussion to *federal* policy challenges

Analyzes *growth trends, opportunities, and challenges* in this light

Proposes a new *federal-mega partnership* that insists on necessary federal reforms while empowering rising megas of the West

We identified five megapolitan areas in the Intermountain West



What we call the “Sun Corridor” is comprised of seven counties



We find that that the Sun Corridor is highly urban (85 percent) and very much determines Arizona's destiny

The Sun Corridor:

- Accounts for **87 percent** of the state's population
- Generates over **90 percent** of Arizona's gross domestic product
- Grew over **three times as fast** as the nation in recent years



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The Sun Corridor has major strengths...and the weather remains perfect!

Housing is becoming affordable again

The long-term growth forecast remains positive

A strong tradition of entrepreneurship will work wonders in IT, aerospace, cleantech, bio, and alternative energy



But: The mega region also faces a number of challenges as it seeks true prosperity

Infrastructure

Innovation

Human Capital

Sustainable, Quality Places

*

Effective Governance

Like the other Mountain megas, the Sun Corridor is underserved by interstates

The Intermountain West is home to some of the least-developed parts of the interstate highway system



The four-lane **I-10** corridor between Phoenix and Tucson and the two-lane **US-93** linking Phoenix and Las Vegas are congested and dangerous

The Sun Corridor and the rest of the megas are also undersupplied with intercity rail

The Sun Corridor lacks rail connection between Phoenix and Los Angeles and between Phoenix and Tucson



Meanwhile, the region faces air space constraints



The Sun Corridor's fast-growing population demands improved air linkages...

...however, the region has run out of available air space, constraining efforts to increase interstate and international air travel



Challenges

Infrastructure

Innovation

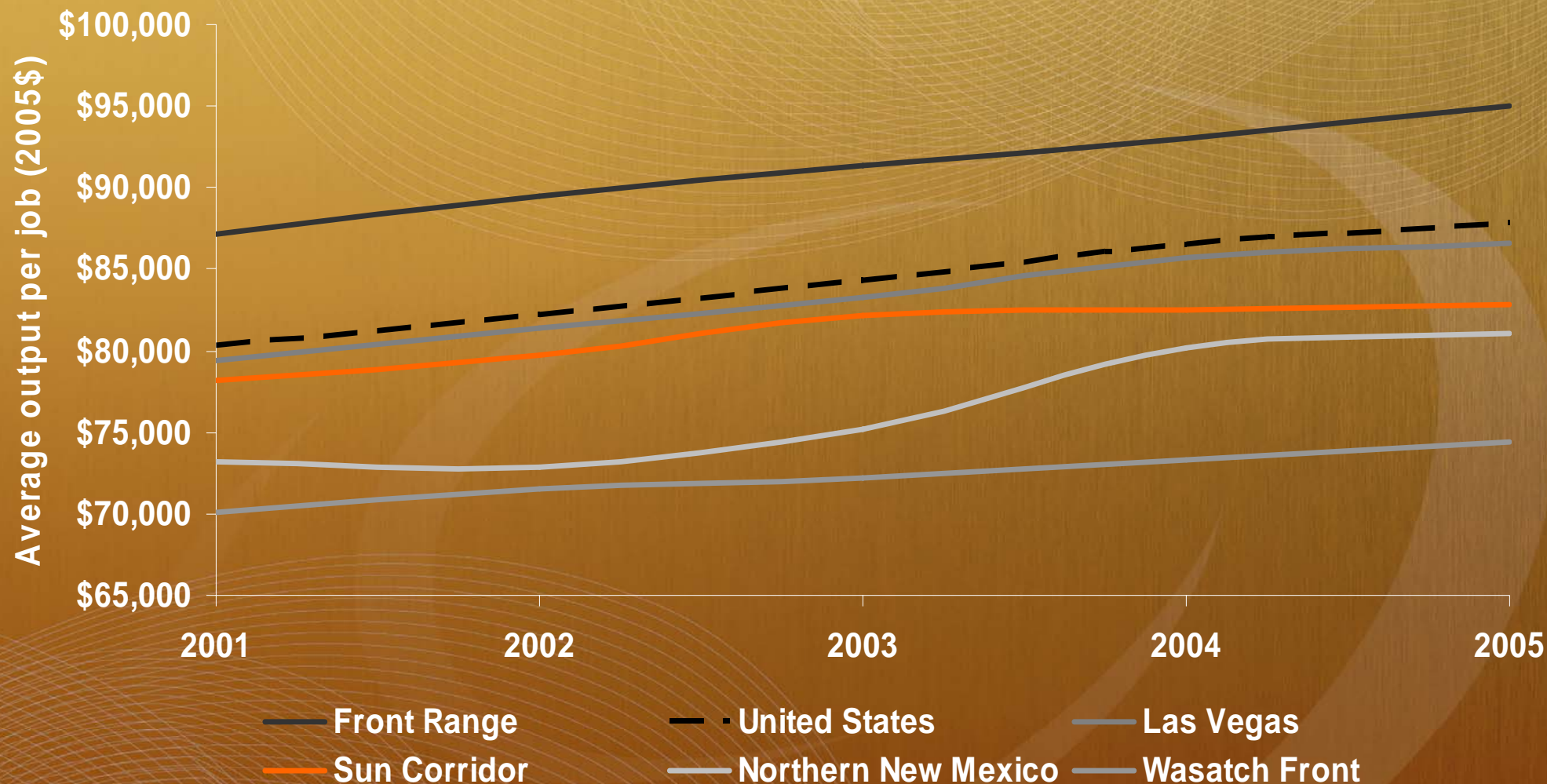
Human Capital

Sustainable, Quality Places

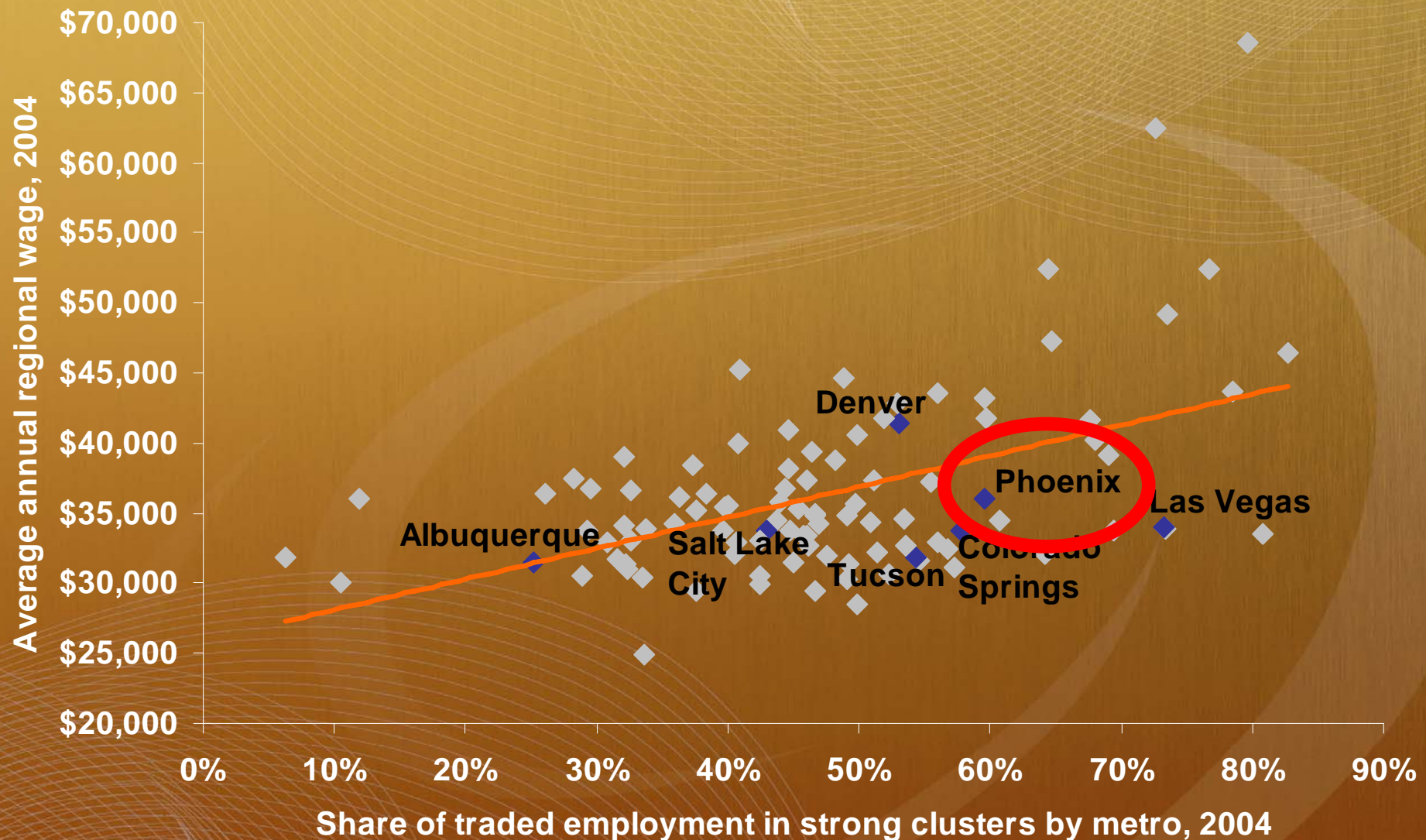
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Effective Governance

Labor productivity in the Sun Corridor is flat and trails the national average



While Phoenix has a relatively high share of employment in strong export clusters, average wages appear to underperform



Challenges

Infrastructure

Innovation

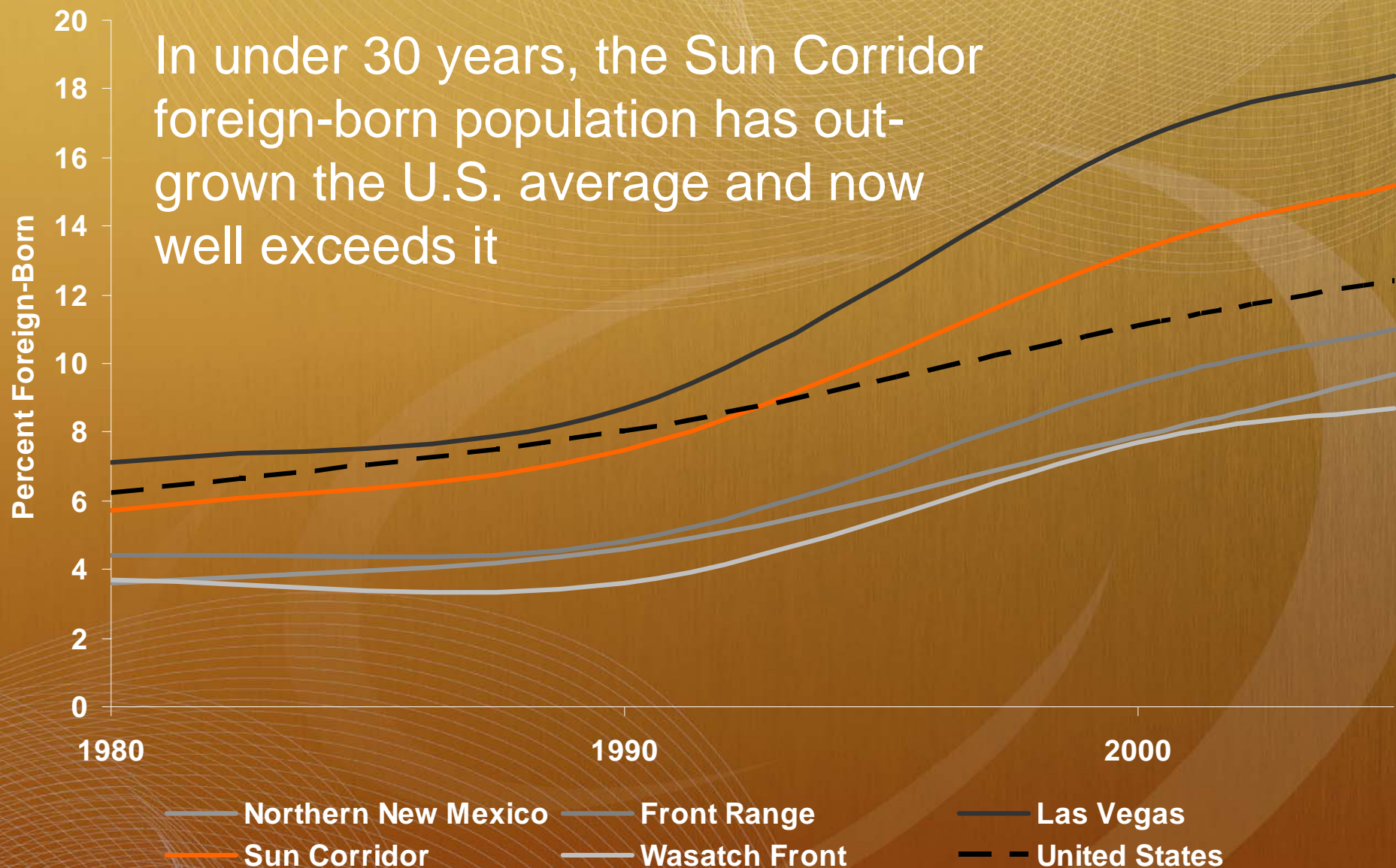
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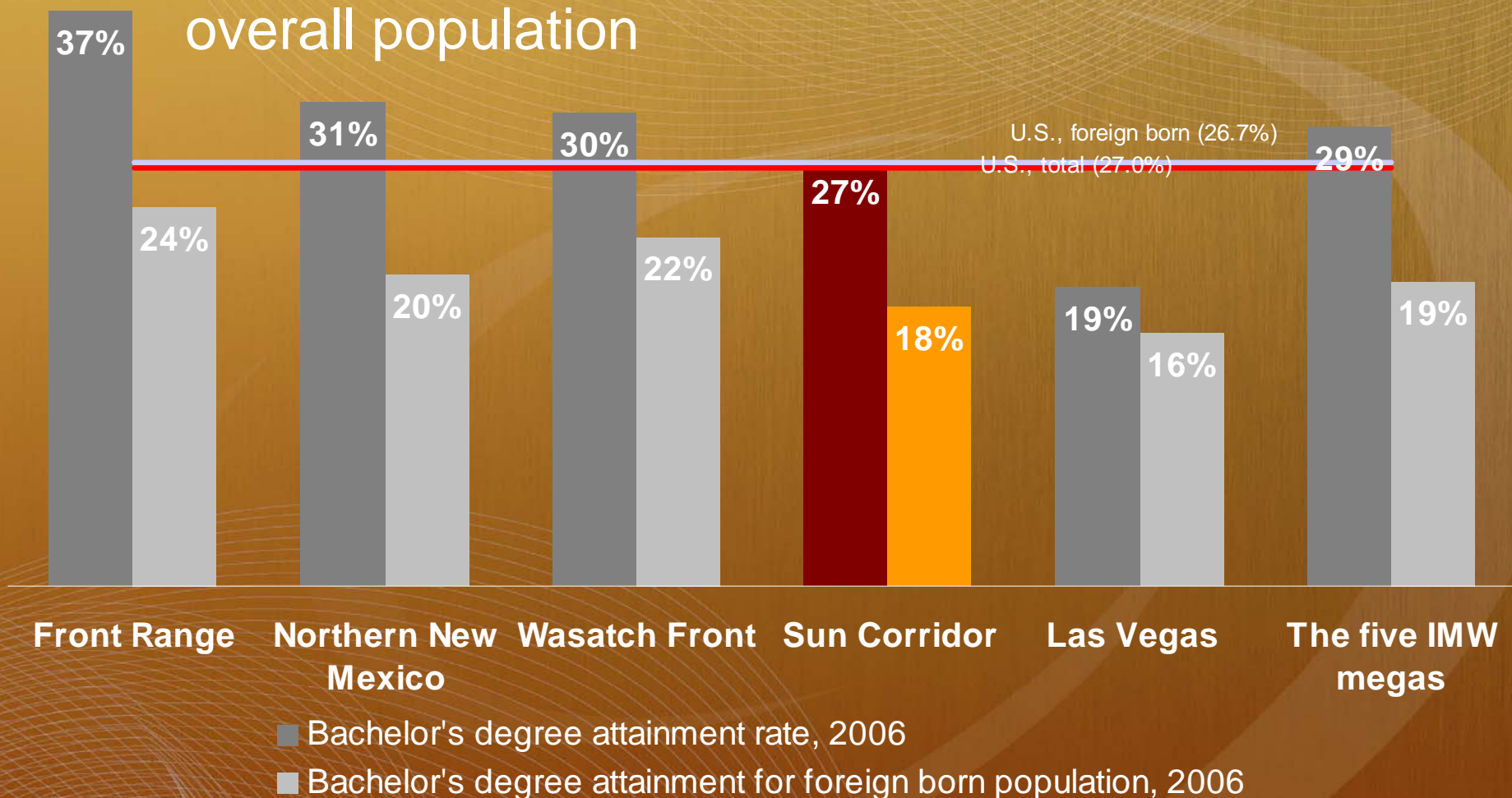
Effective Governance

Immigration has dramatically increased the share of foreign-born residents



Unfortunately, those immigrants have sharply less education than the full population

The Sun Corridor's foreign-born population posts college attainment rates nine points lower than the overall population



Challenges

Infrastructure

Innovation

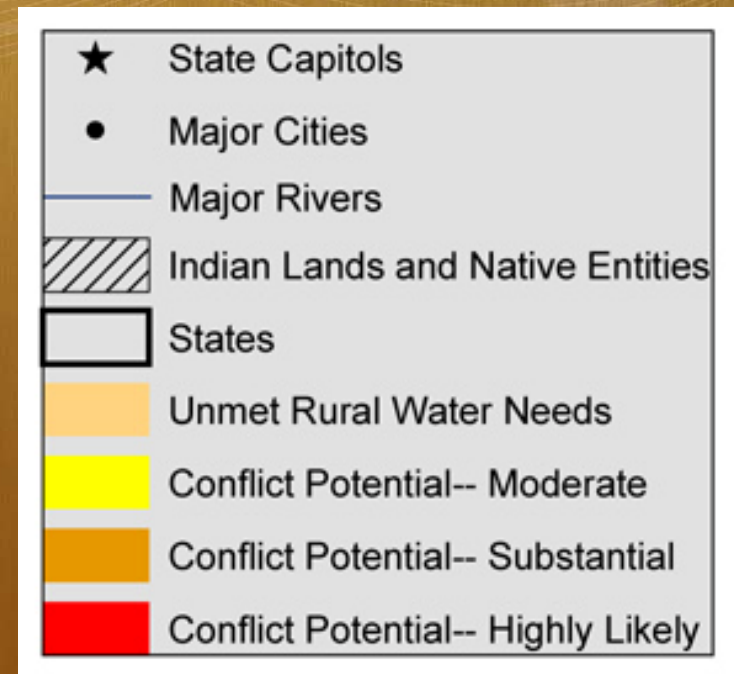
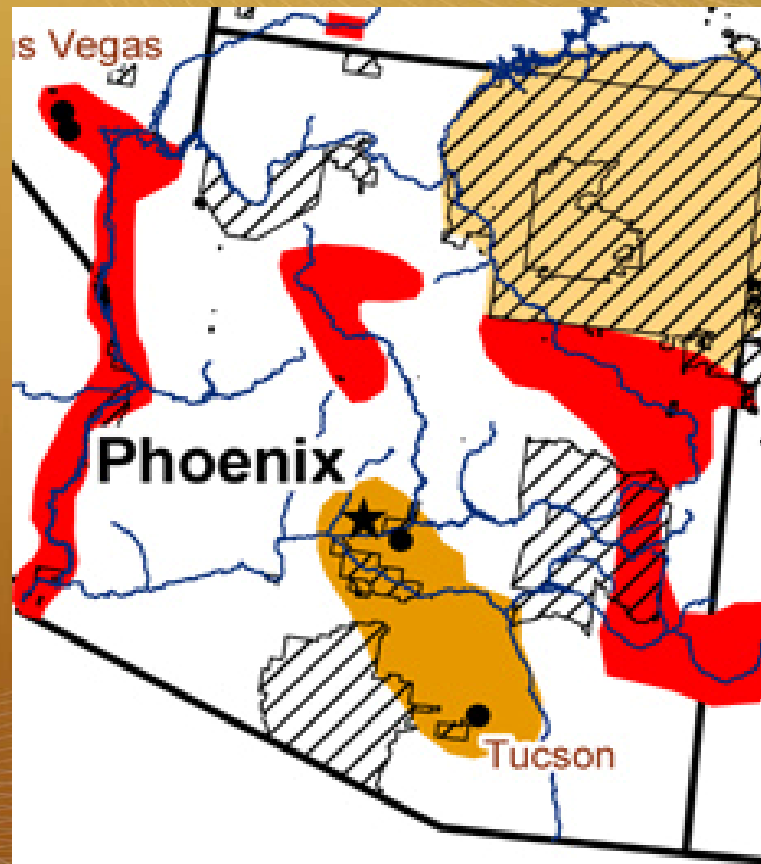
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Sustainable, Quality Places

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Effective Governance

Water conflicts throughout the Sun Corridor region are deemed highly or substantially likely by the U.S. Bureau of Reclamation



The Mountain megas—including the Sun Corridor—also have sizeable transportation carbon footprints

Metropolitan Phoenix and Tucson rank 48th and 46th, respectively, out of the 100 largest metros on this measure

Phoenix and Tucson's freight carbon footprints are even worse, ranked 77th and 74th, respectively



Poor planning and design depress urban vitality



Challenges

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Effective Governance

Competing interests create governance challenges in the region

An over-reliance on sales tax revenue in Arizona drives fierce competition among jurisdictions for retail

Example: Sun Corridor municipalities routinely skirmish over shopping mall location



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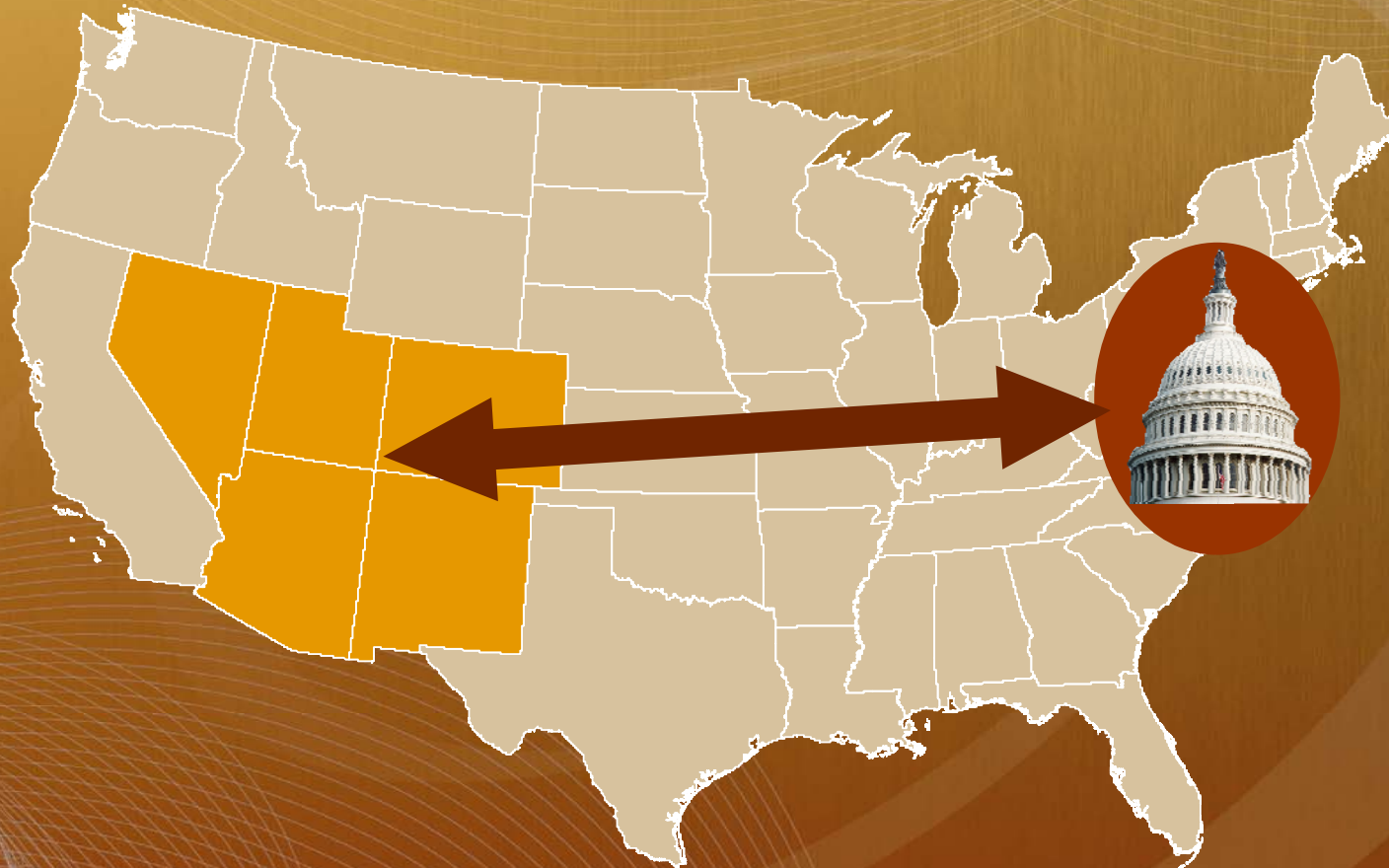
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The time is right

With a new president and Congress set to take office, the time is right to forge a new partnership with Washington



Upcoming legislative junctures offer openings



*Stimulus
package(s)*



*Transportation
bill reauthorization*



*Major energy
bill(s)*



*Climate
change bill*

To be sure, megapolitan leaders can and must do a lot on their own. And you have:

Infrastructure



The new Phoenix light rail system is a game changer

To be sure, megapolitan leaders can and must do a lot on their own. And you have:

Innovation



The super-regional Science Foundation Arizona is a nationally significant effort to target purpose-driven investment in Arizona's innovation efforts

To be sure, megapolitan leaders can and must do a lot on their own. And you have:

Human capital



ASU's New American University paradigm makes "access" a central "design aspiration" of a drive to engineer a truly excellent, high-impact university at the pivot-point of the corridor

To be sure, megapolitan leaders can and must do a lot on their own. And you have:

Sustainable, quality places



Local governments are pursuing massive landscape-scale land conservation projects along the corridor

To be sure, megapolitan leaders can and must do a lot on their own. And you have:

Governance

The logo for Arizona Indicators, featuring the word "Arizona" in a light blue serif font above the word "Indicators" in a dark blue serif font. A horizontal line of small blue dots separates the two words.

The Arizona Indicators Project is improving decision-making by providing a rich dashboard of up-to-date, high quality socio-economic data

However, no matter how much the Sun Corridor innovates, it does not have the resources, powers, or discretion to “go it alone”

Like all mega regions, the Sun Corridor contends with:

Limited jurisdictional reach

Limited resources

Cross-boundary problems



Examples: Interstate freight corridors; R&D, immigration, climate change

Meanwhile, there will always be a critical role for Washington in unleashing prosperity

Washington can and must:

Ensure adequate provision of public goods that wouldn't be provided otherwise

Bring large-scale federal resources to bear

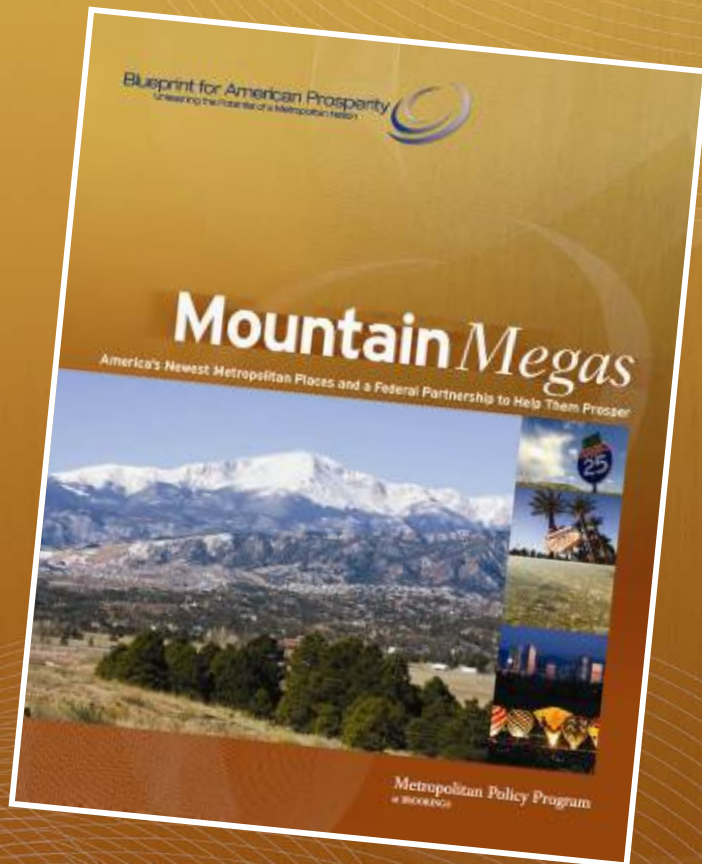
Provide appropriate rules—and flexibility!

Facilitate information and idea exchange



Therefore, we are working to help regions' leaders develop a new federal-state-mega partnership

In such a partnership, Washington must:



Lead

Empower

***Maximize
performance***

A new federal-state-mega partnership

Infrastructure



Build out between-mega passenger and freight networks

Support within-mega networks, especially with transit

Provide metros and megas more discretion

Put rail on same footing as highways

Shape a strategic, evidence-based program

A new federal-state-mega partnership

Innovation



Fully fund AmericaCOMPETES to bolster regions R&D activities

Help the region build up its megapolitan export clusters

Provide longer-term alternative energy tax credits and loan guarantees

Experiment with new energy research paradigms

A new federal-state-mega partnership

Sustainable, Quality Places



*Provide a national framework for
climate change research and carbon
emissions reduction*

Issue a sustainability challenge

In sum...



...the time has come to make America's emerging New Heartland in the West a prime test-bed for the nation's next generation of pragmatic, far-sighted metropolitan policies

For More Information

Robert Lang- (571) 296-1033, rlang@vt.edu

Mark Muro- (202) 797-6315, mmuro@brookings.edu

www.brookings.edu/metro/intermountain_west.aspx