

Blueprint for American Prosperity

Unleashing the Potential of a Metropolitan Nation



Pikes Peak as “*Megapolitan*” Space: A Federal Agenda for Prosperity in the Colorado Springs Metro Area

Colorado College State of
the Rockies Symposium

Amy Liu, Rob Lang, and Mark Muro

April 7, 2009

Pikes Peak as “Megapolitan” Space

Context

Mega trends

Emerging opportunities and challenges

A new federal-mega partnership

We have come to a historic
political and economic moment

New leadership in Washington confronts massive new challenges



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

The solvency of many large banks is in question

This year's budget deficit will surpass \$1.7 trillion

And the housing crisis persists



Meanwhile, the “real” economy faces some of the most difficult challenges since the Great Depression



The nation's unemployment rate is up to 8.1 percent

GDP fell more than 6 percent in the fourth quarter of 2008

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

Job losses have exceeded 600,000 for three straight months

Colorado—like most states—is feeling the pain

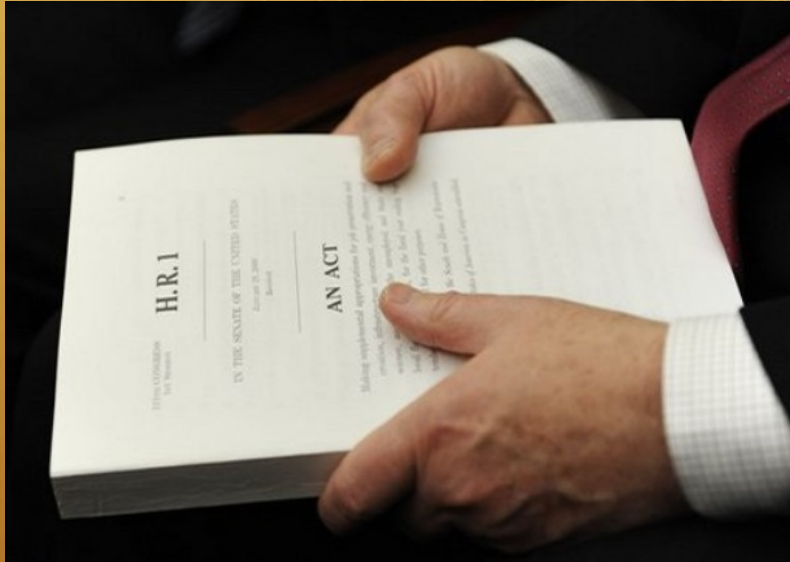
More than 41,000 jobs have been lost since last July—35,000 between December and January alone

The state's unemployment rate is up to 6.6 percent, over two points higher than just one year ago

The Colorado legislature is preparing to cut nearly \$1 billion from this year's and next year's budget



These conditions led to the passage in February of the American Recovery and Reinvestment Act



\$787 billion

Approximately 350 individual spending or tax provisions

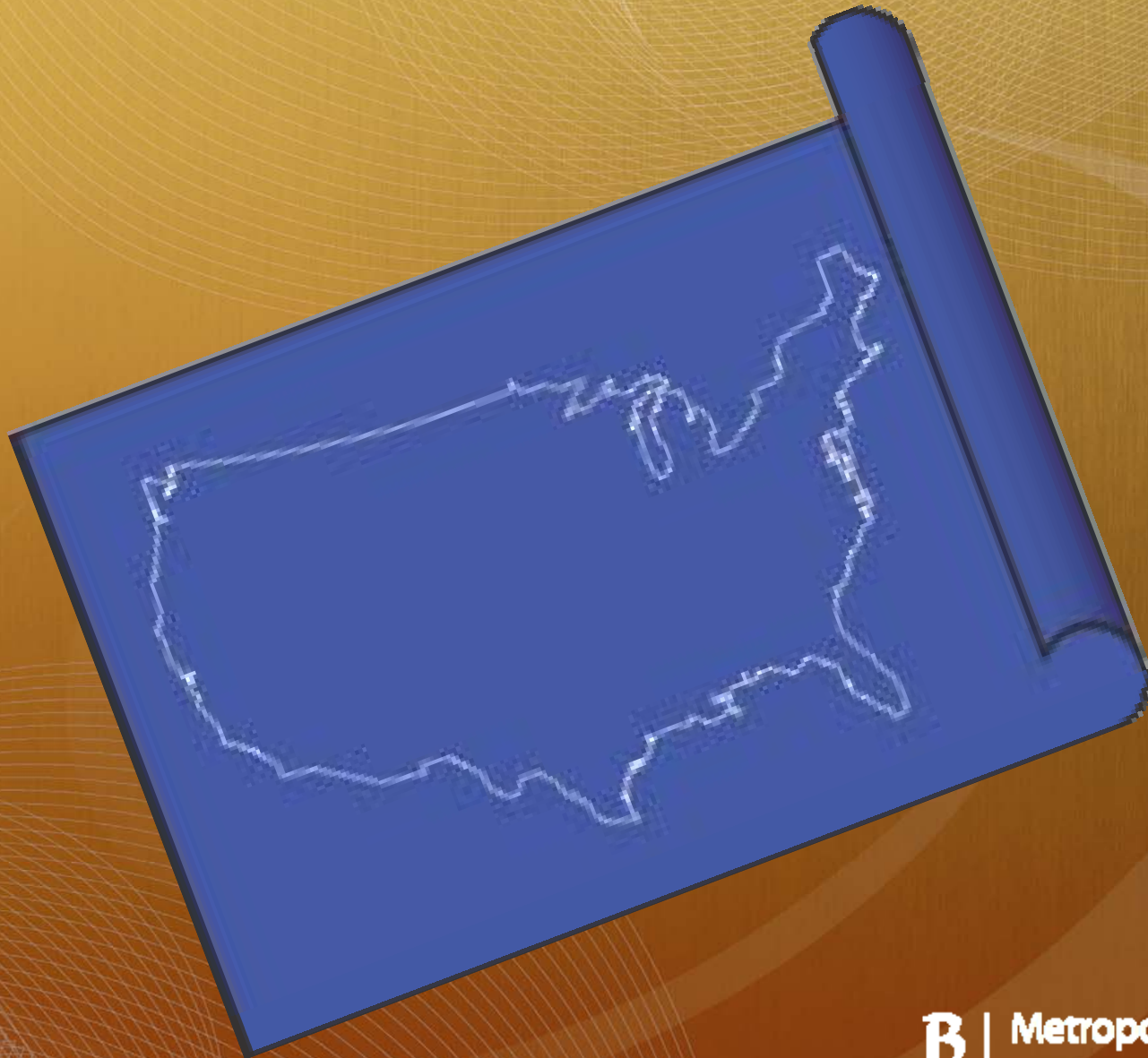
Over 400 pages

An Act

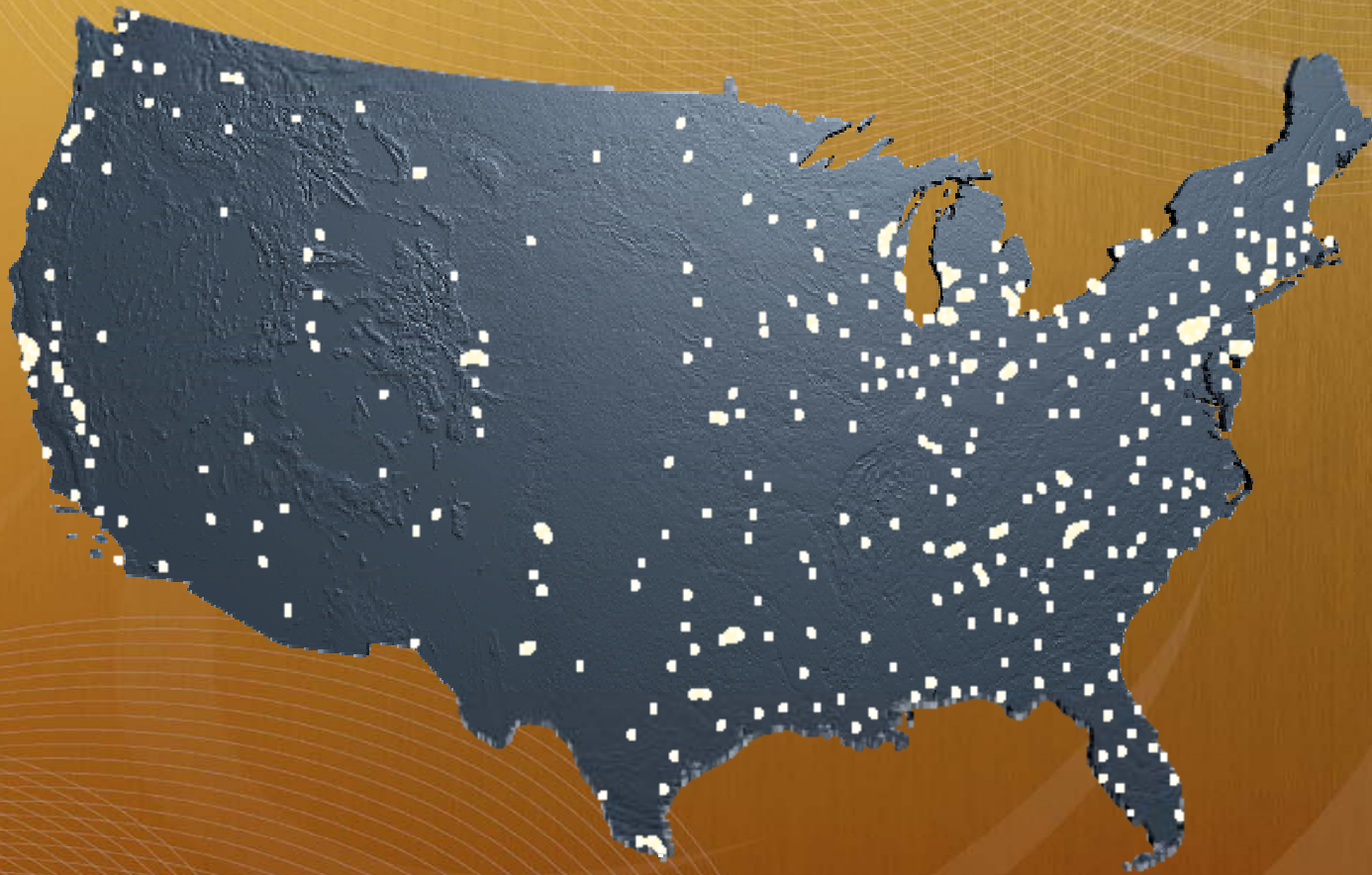
Making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

But national recovery can't happen
without metropolitan recovery in places
like Colorado Springs

Which is why we need a Blueprint for American Prosperity



A fundamental point: The national economy is comprised of a network of 363 metropolitan economies

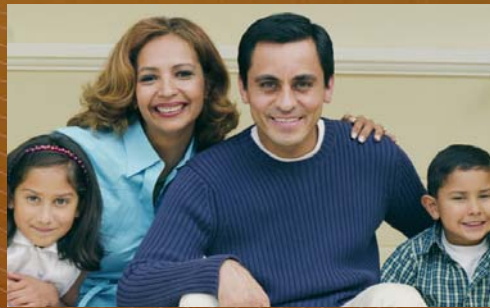


According to the Brookings Blueprint, true metro prosperity depends on achieving three types of growth

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

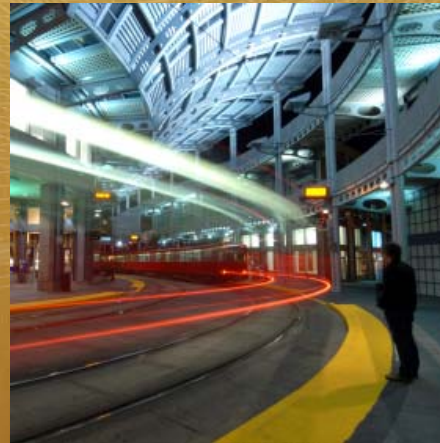
Innovation

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

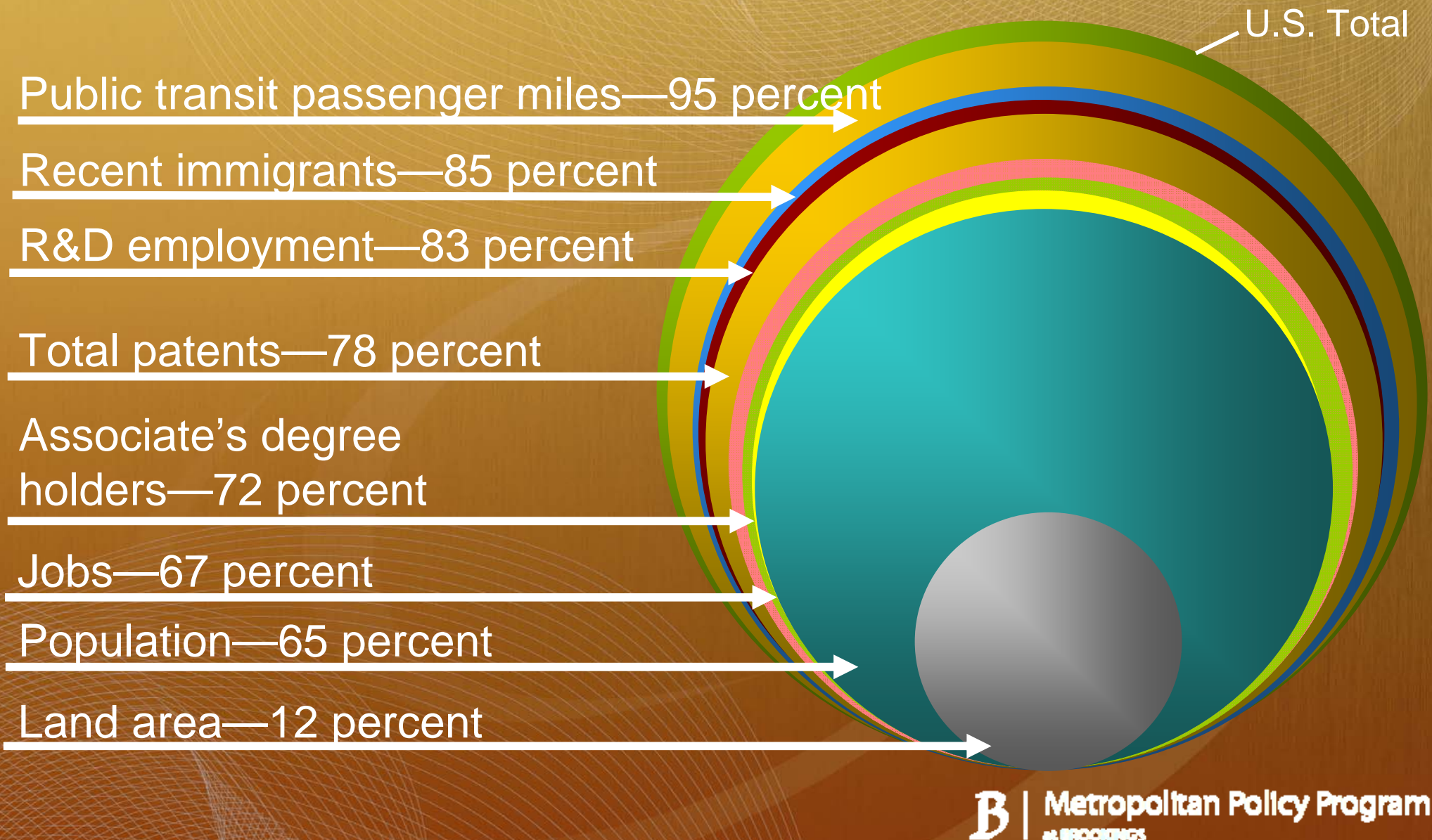


Beyond that, improved regional governance matters...

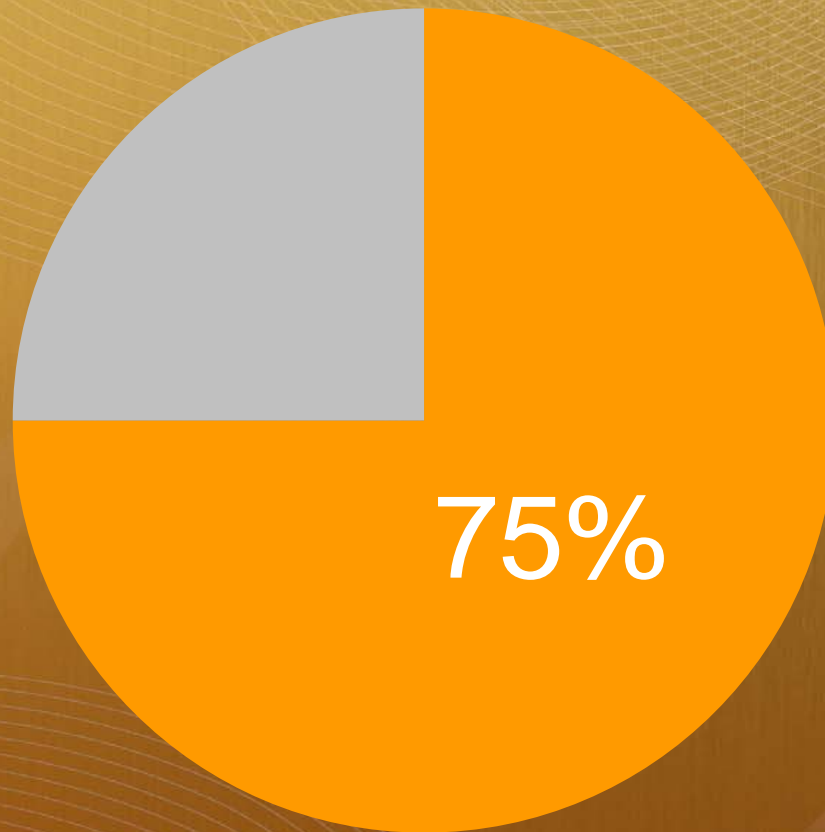
...because wider-reaching, region-scaled networks are necessary to match the boundary-crossing, dynamic problems of the new reality



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



As a result, the 100 largest metros alone—including Colorado Springs—generate 75 percent of national GDP

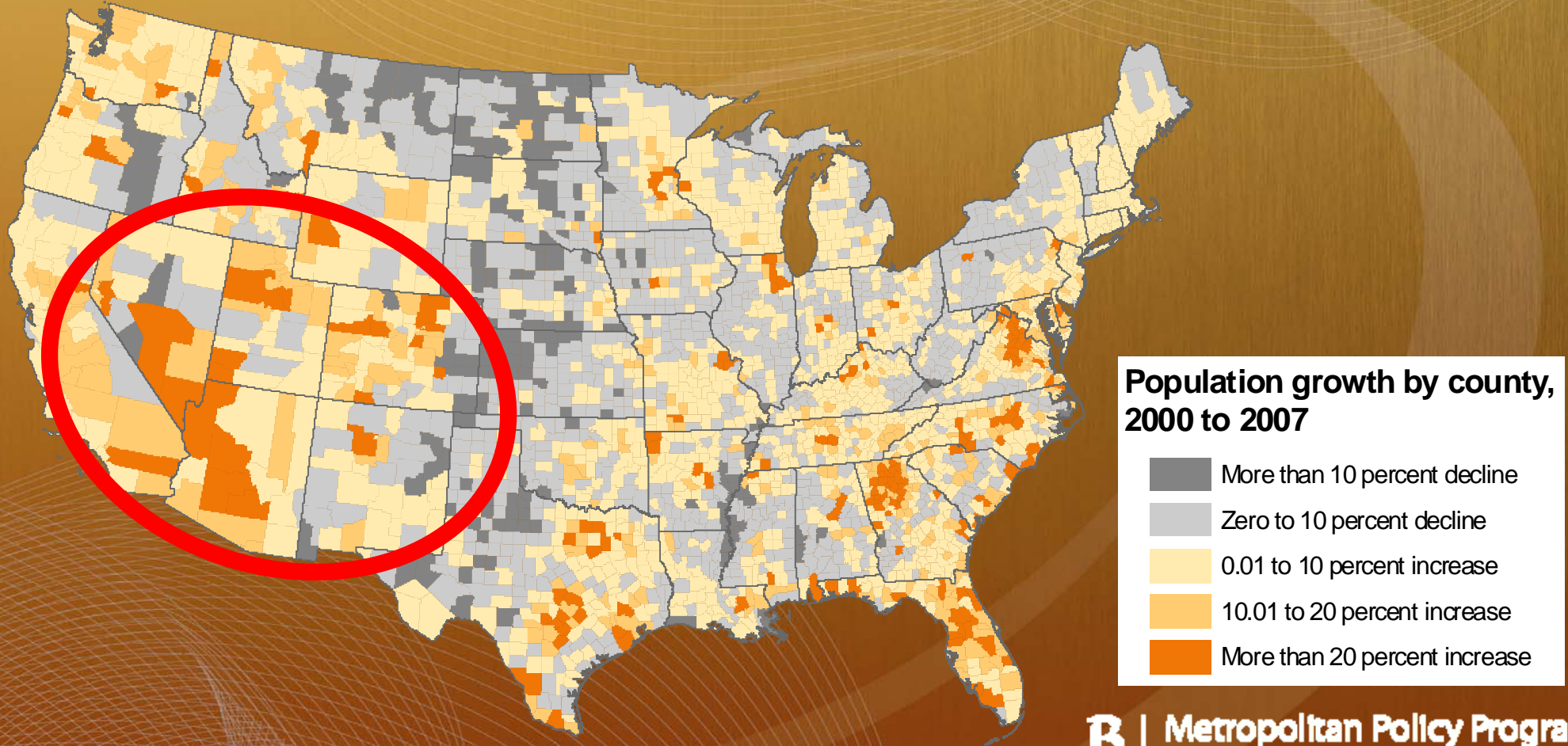


100 largest metros' share
of U.S. GDP

So why is Brookings so interested in the Intermountain West?

One reason is growth

While growth has slowed more recently, the five-state population grew by **19 percent** between 2000 and 2007, capturing **14 percent** of the nation's growth

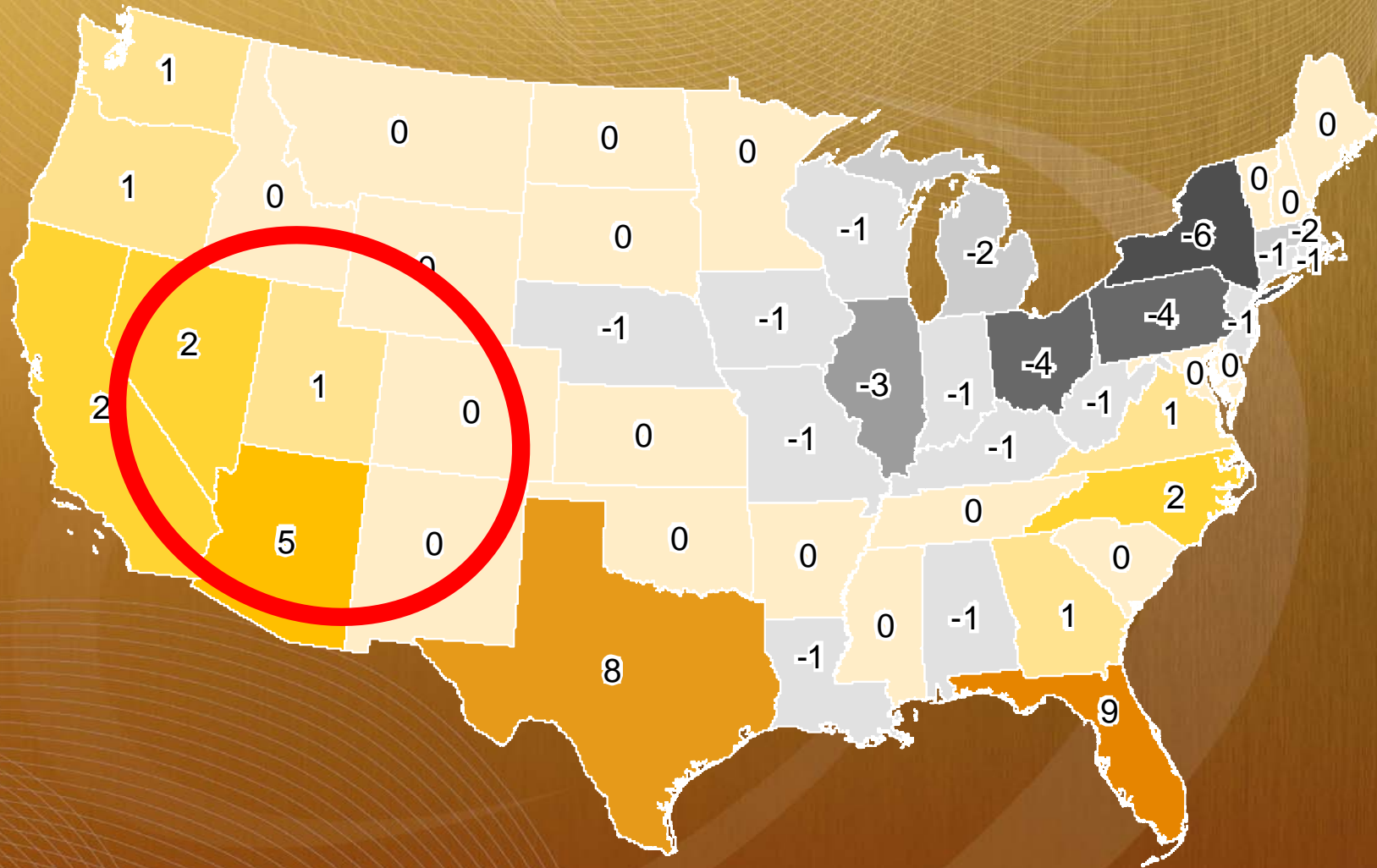


Another is the invention here of new urban forms



Finally, we're here chasing the new politics

Population growth will give the Intermountain West **eight new electoral votes** by 2030



The region's new importance and style of politics will have a growing impact at the national level



“What the West stands for is important for our country right now. It is a place where you can collaborate, a place where people are innovative and entrepreneurial”

-Denver Mayor John Hickenlooper

“We should be prepared as a Western region to hand over the good ideas and the blueprint in terms of where [national] energy policy needs to go”

-Utah Gov. Jon Huntsman



Pikes Peak as “Megapolitan” Space

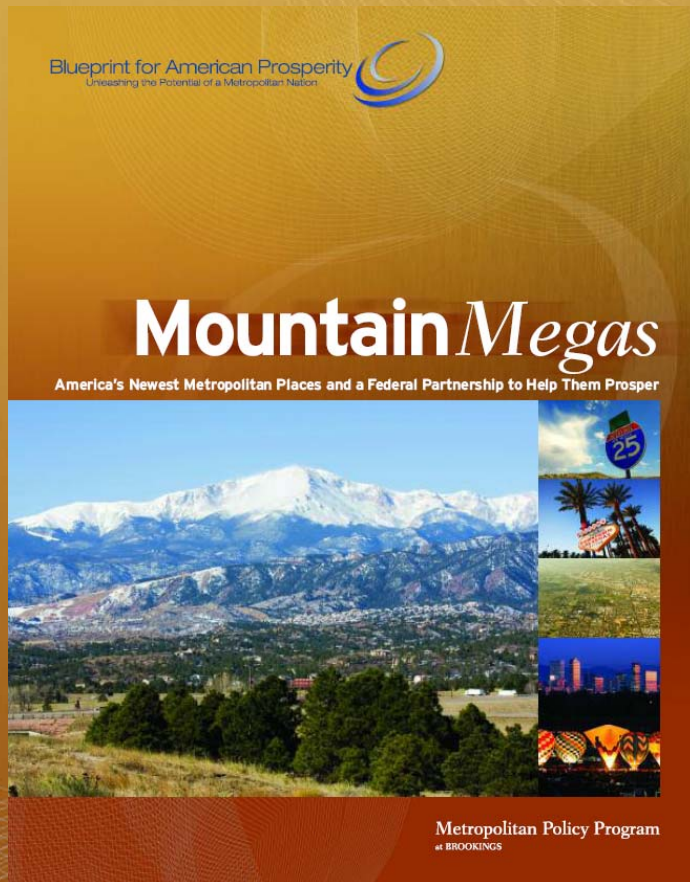
Context

Mega trends

Emerging opportunities and challenges

A new federal-mega partnership

About Brookings' "Mountain Megas"

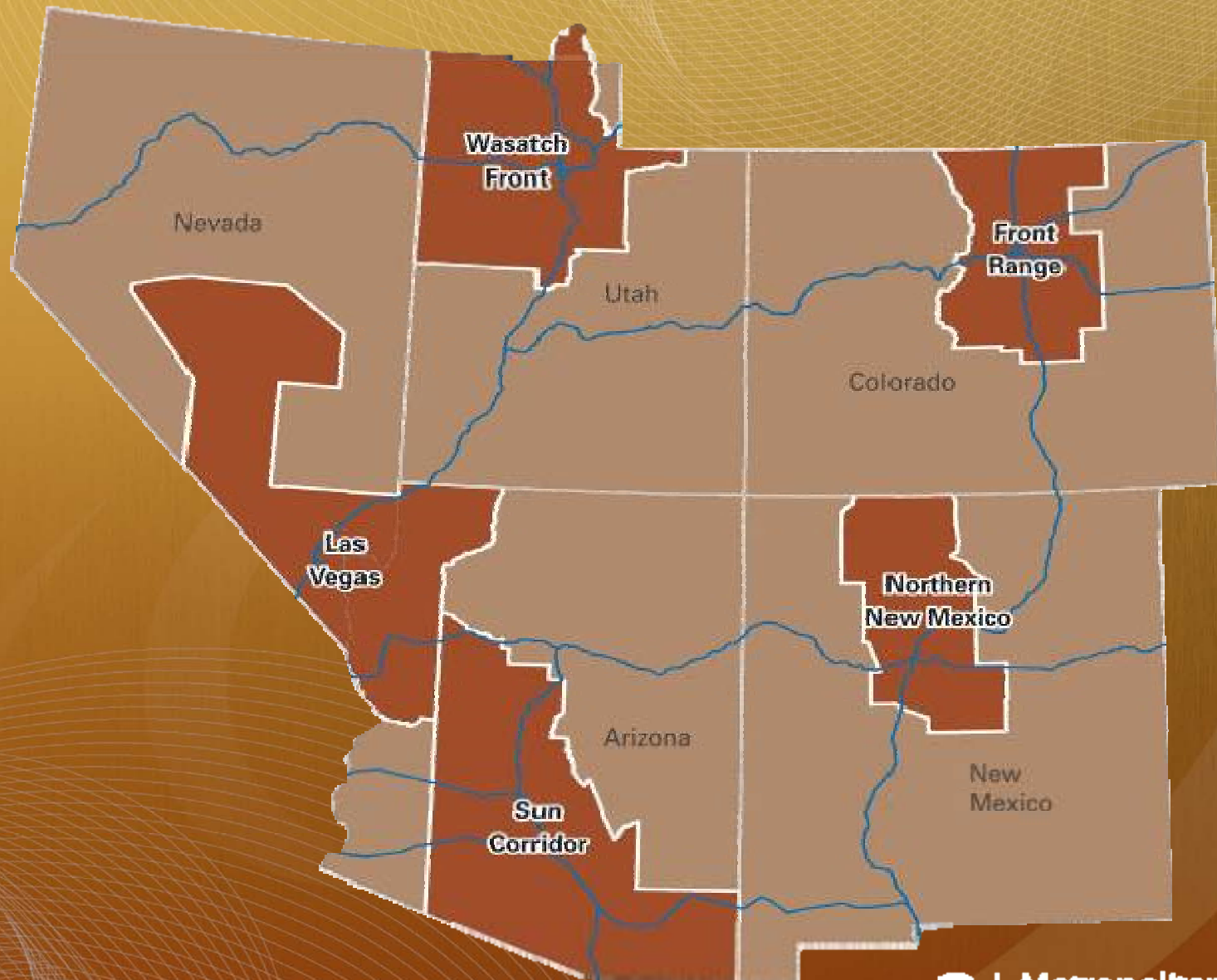


Applies the concept of “*megapolitan*” space to the West

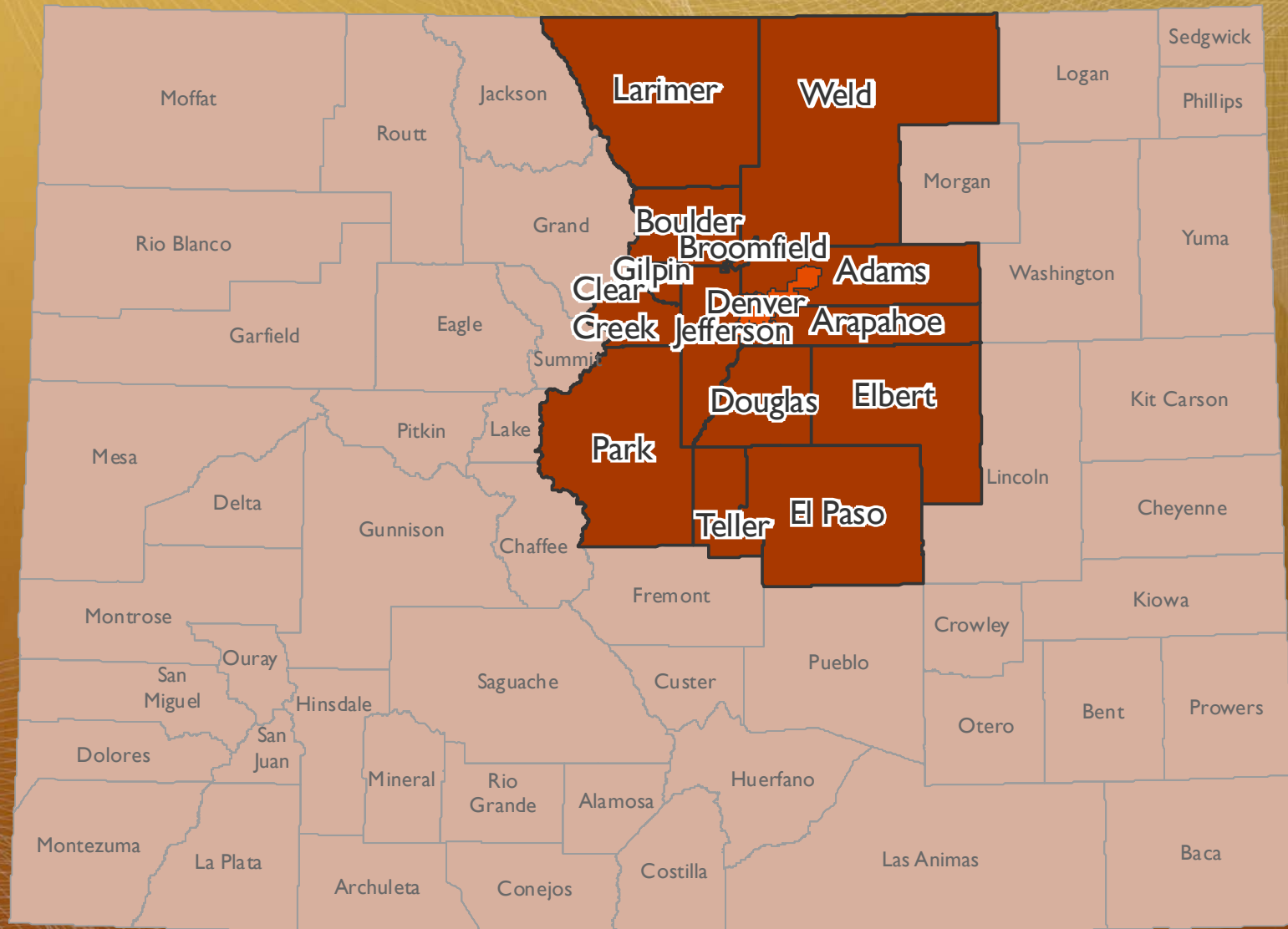
Analyzes *growth trends, opportunities, and challenges* in this light

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

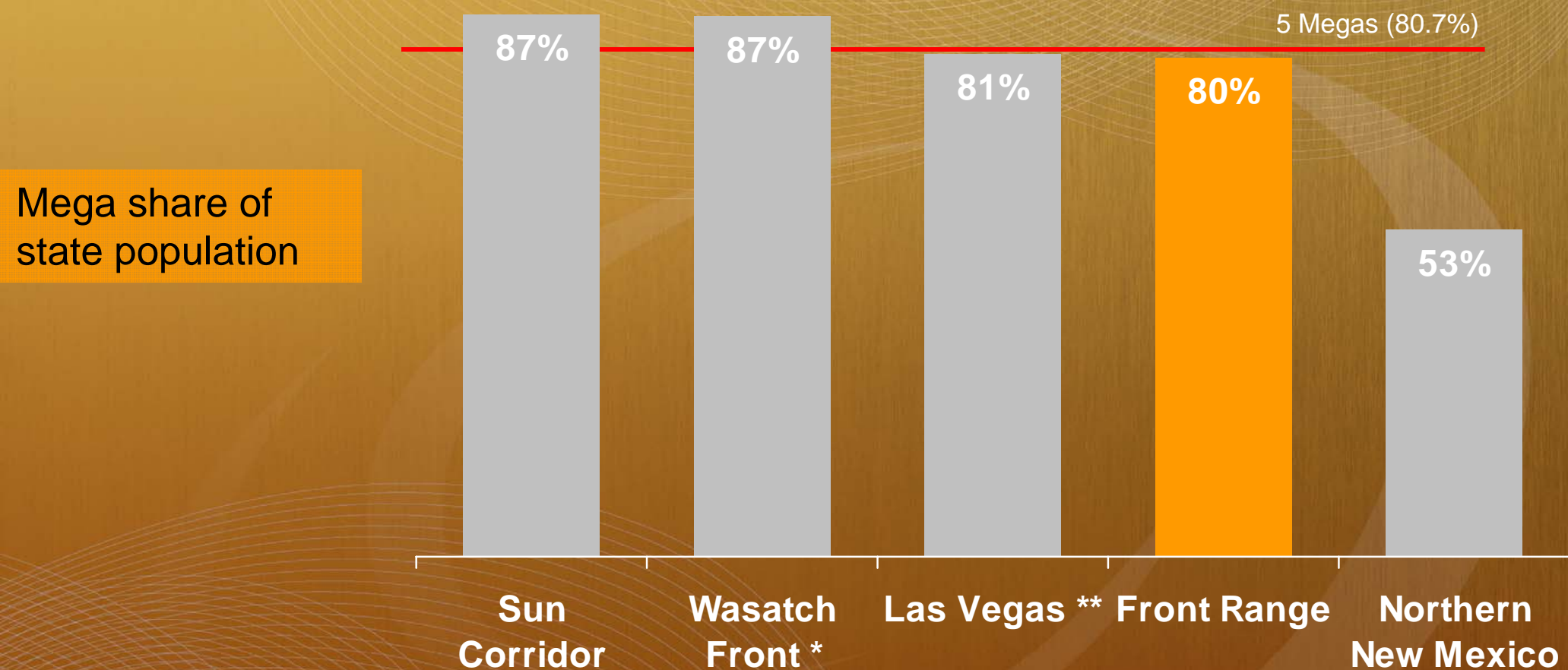
We identified five megapolitan areas in the Intermountain West



What we call the Front Range is comprised of 15 counties



In general, the Mountain megas—including the Front Range—encompass large shares of their states' population



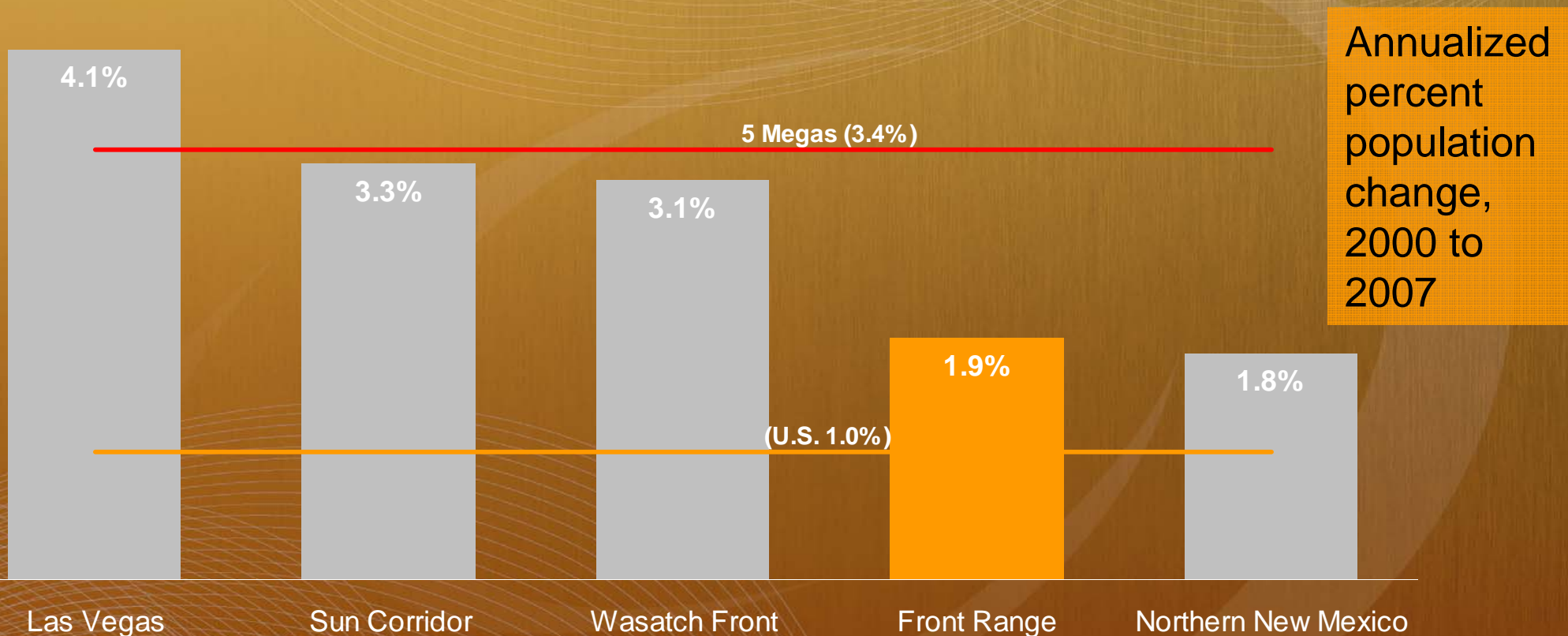
*Number excludes portion of mega in Idaho

**Number excludes portion of mega in Arizona

Source: Census Population Estimates

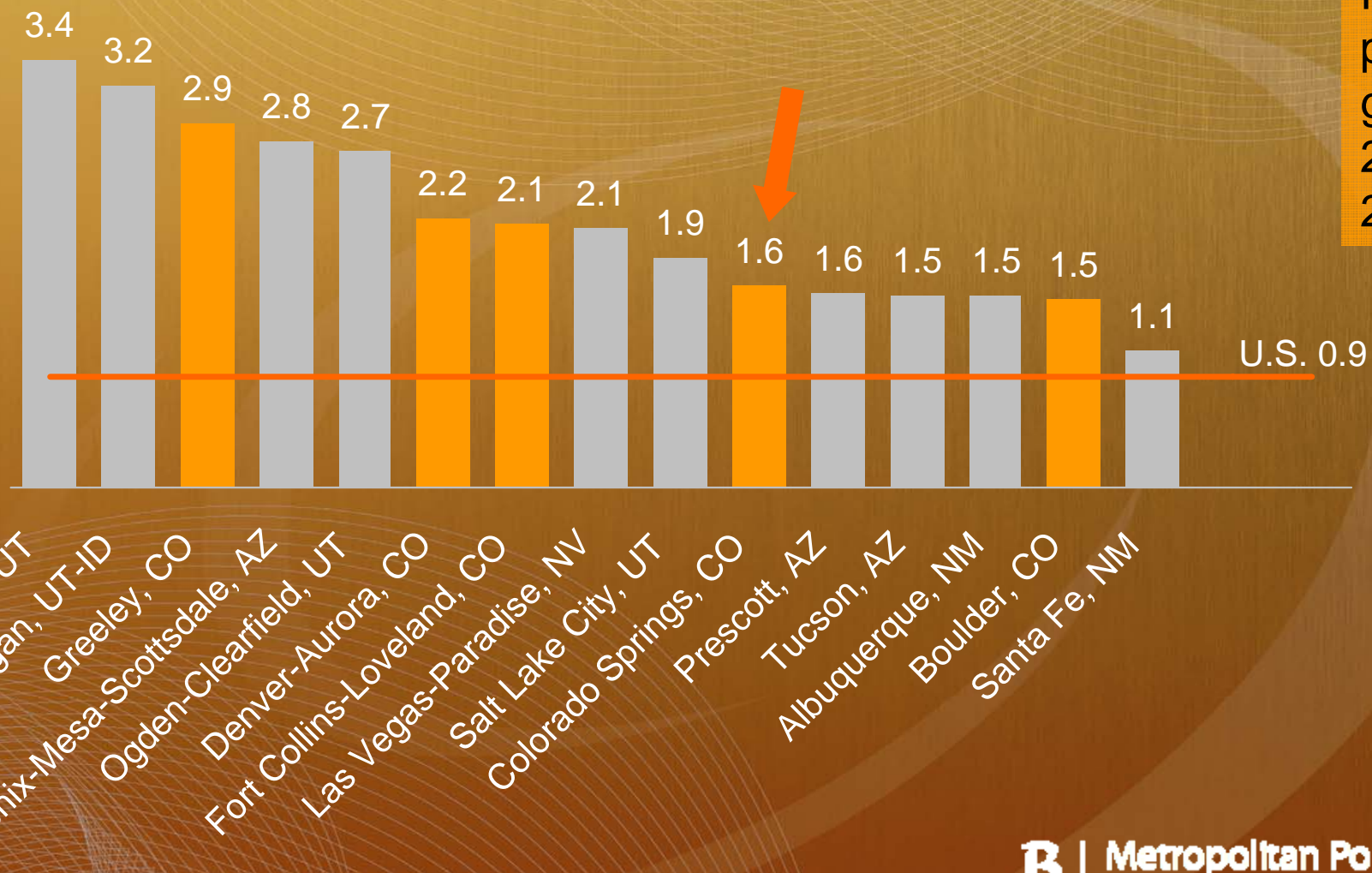
As a group, the Mountain Megas—including the Front Range—represent a major growth engine

The Front Range grew twice as fast as the nation for the first three quarters of the decade

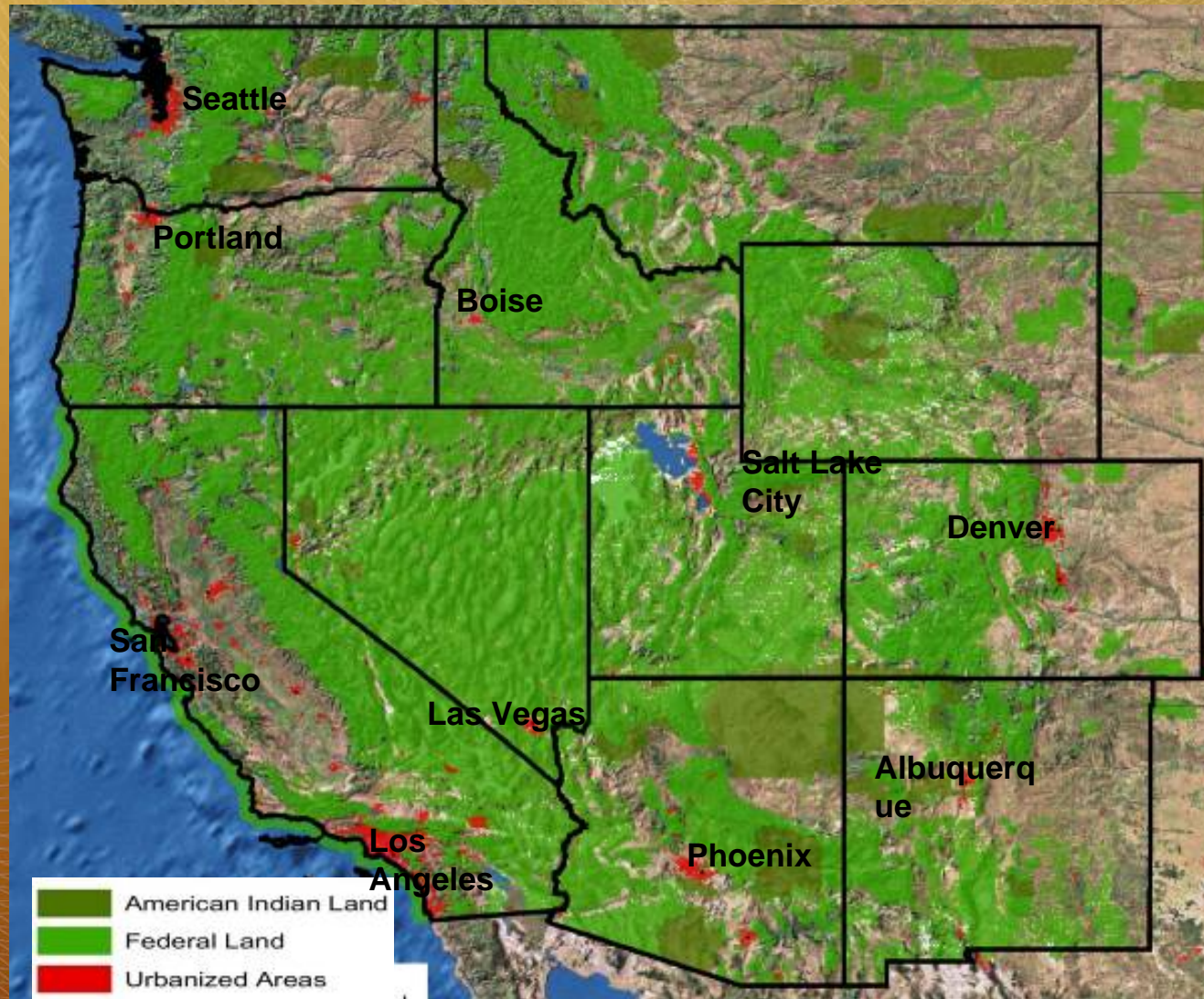


Despite recent slowing, all metros in the Western megas are growing much faster than the U.S. as a whole

Metropolitan Fort Collins, Denver, and Greeley are all growing over twice as fast as the nation



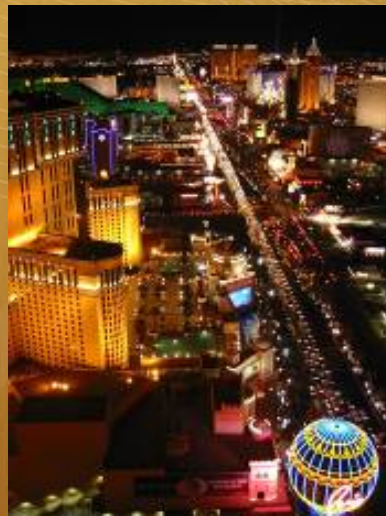
The Mountain megas are highly bounded, often by public land



Fully 86 percent of Mountain mega residents live at urban densities. The Front Range is **74 percent** urban



by Phxpma



Corbis.com



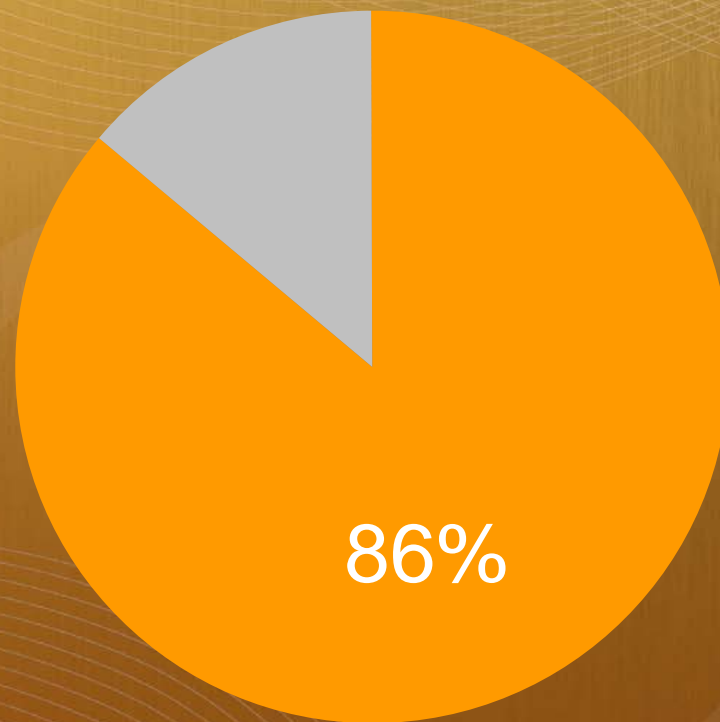
by Asten



by Jeffrey Beall

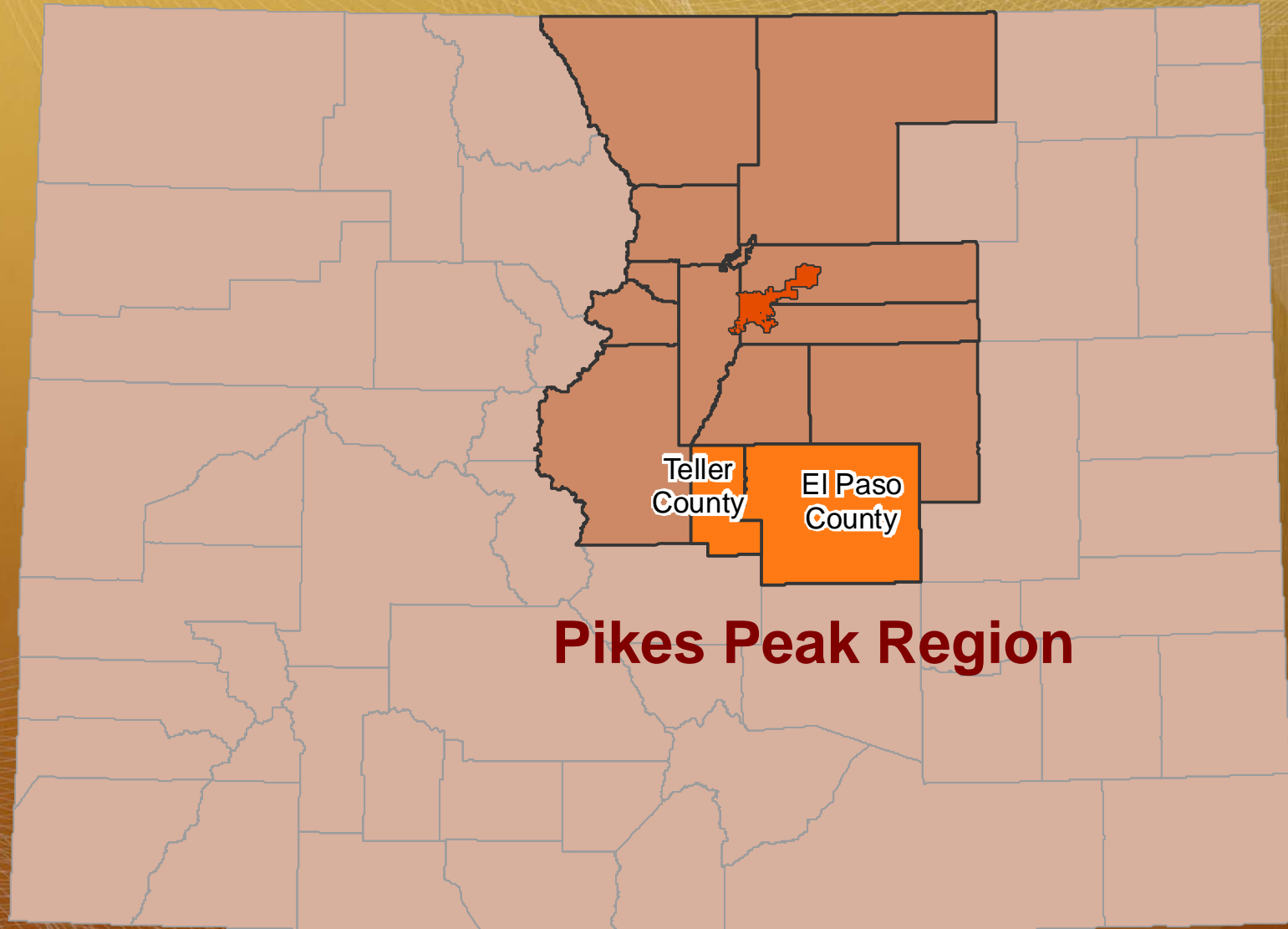
Finally, the Front Range exemplifies the enormous economic contribution the Mountain megas make to their state economies

The Front Range contains 80 percent of Colorado's population and generates 86 percent of its gross domestic product



The Front Range's share of
Colorado's GDP

The Pikes Peak metro occupies the southern end of the Front Range mega



To the north, Denver remains one of America's most vibrant metros

At \$108,000, GDP per job ranks 13th in the nation

College attainment exceeds the national level by 10 points

Median household income outstrips the national average by \$8,000

Denver International Airport ranks among the top 10 world airports in takeoffs and landings



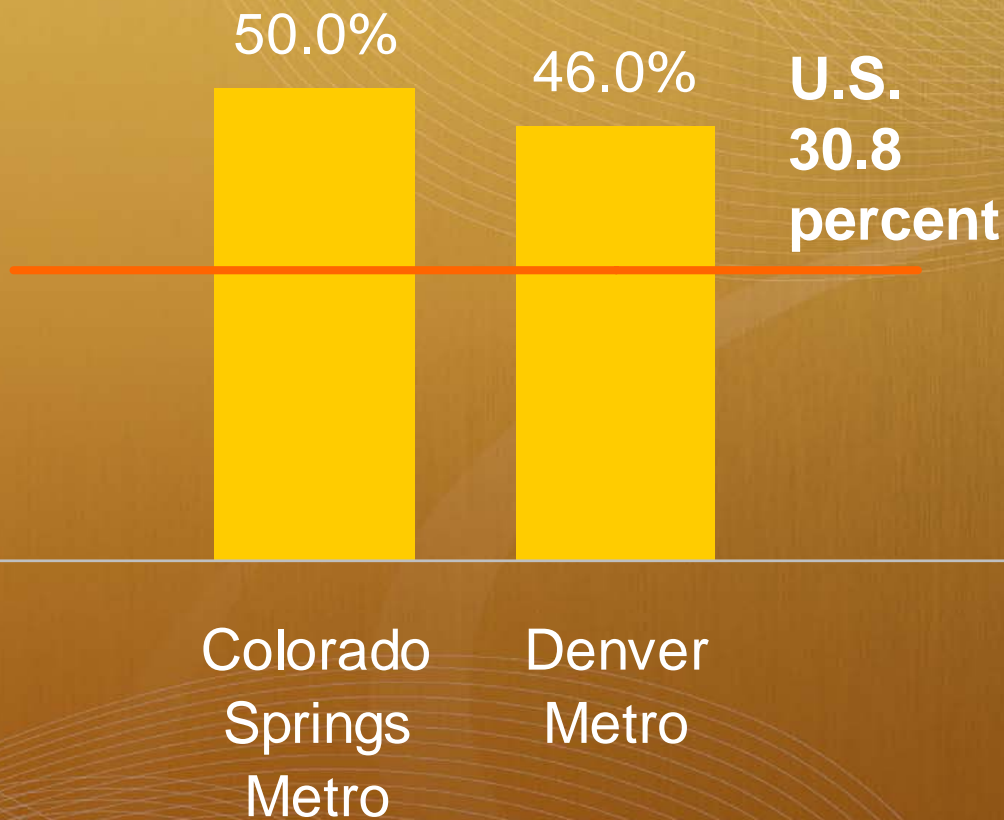
Colorado Springs is also doing quite well

College attainment surpasses the U.S. rate by 6 points

Median household income exceeds the national average by \$5,000



The Pikes Peak Region is expected to grow faster than the Denver metro over the next 30 years

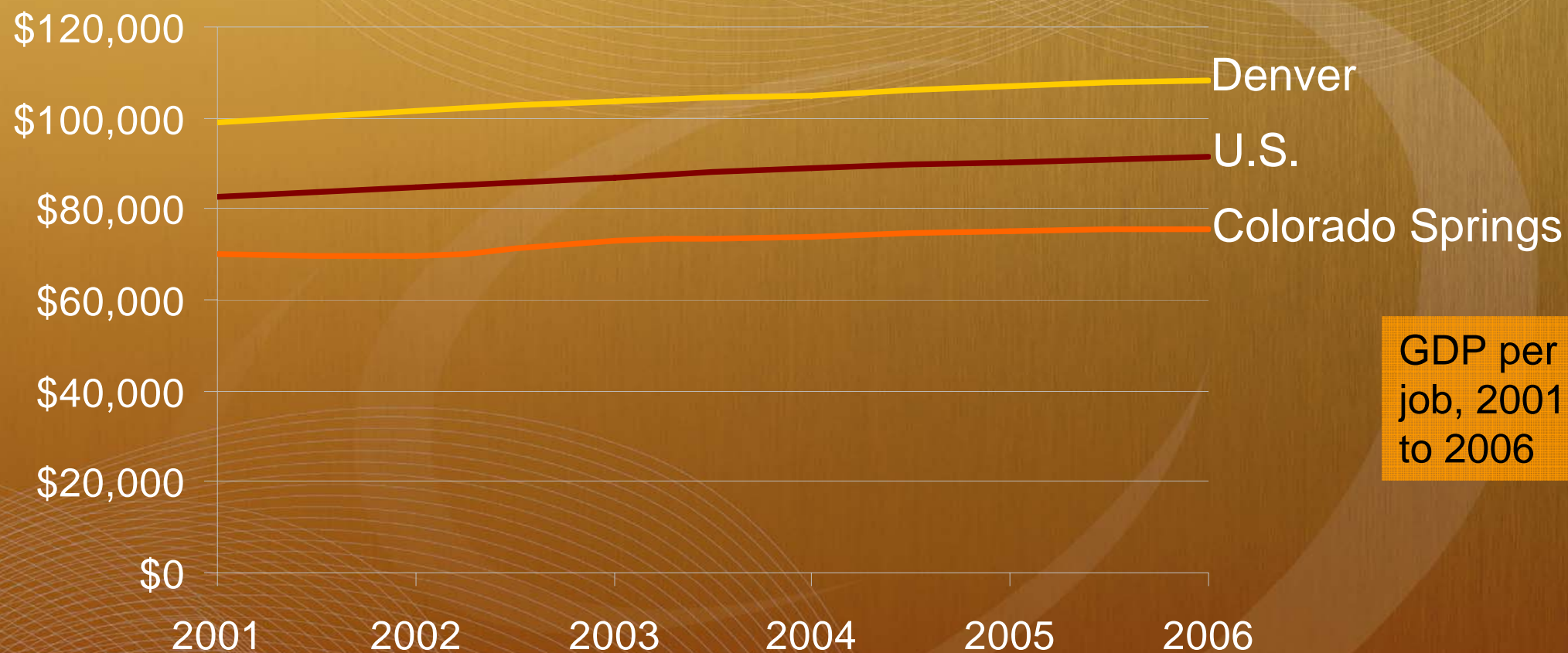


Projected population growth, 2010 to 2040

Source: Woods and Poole, 2008

But productivity growth is flagging

The Pikes Peak area's GDP per job and GDP per job growth trail both Denver and the U.S.



Jobs are dispersing

A new Brookings study places Colorado Springs among the most rapidly decentralizing small metros in the U.S. in terms of the location of jobs



And the region's insularity may be a problem

*Only 4 percent of
Pikes Peak area workers
commute beyond the metro*

*By contrast, 16 percent
of metro Fort Collins
workers do*



The Pikes Peak region needs to renew itself



At a moment of challenge, Colorado Springs needs to ramp up its productivity by plugging into the energy of the wider megalopolis

Pikes Peak as “Megapolitan” Space

Context

Mega trends

Emerging opportunities and challenges

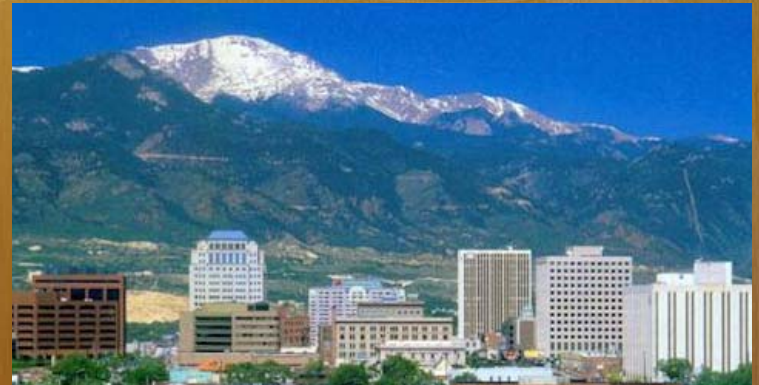
A new federal-mega partnership

Despite the dominance of metro Denver within the Front Range, the Pikes Peak region has many strengths

The housing market is relatively stable

Critical federal, military, and quasi-national assets anchor the economy

And the quality of life remains...perfect!



But: The Pikes Peak area does face a number of challenges as it seeks true prosperity

Infrastructure

Innovation

Human Capital

Sustainable, Quality Places

*

Effective Governance

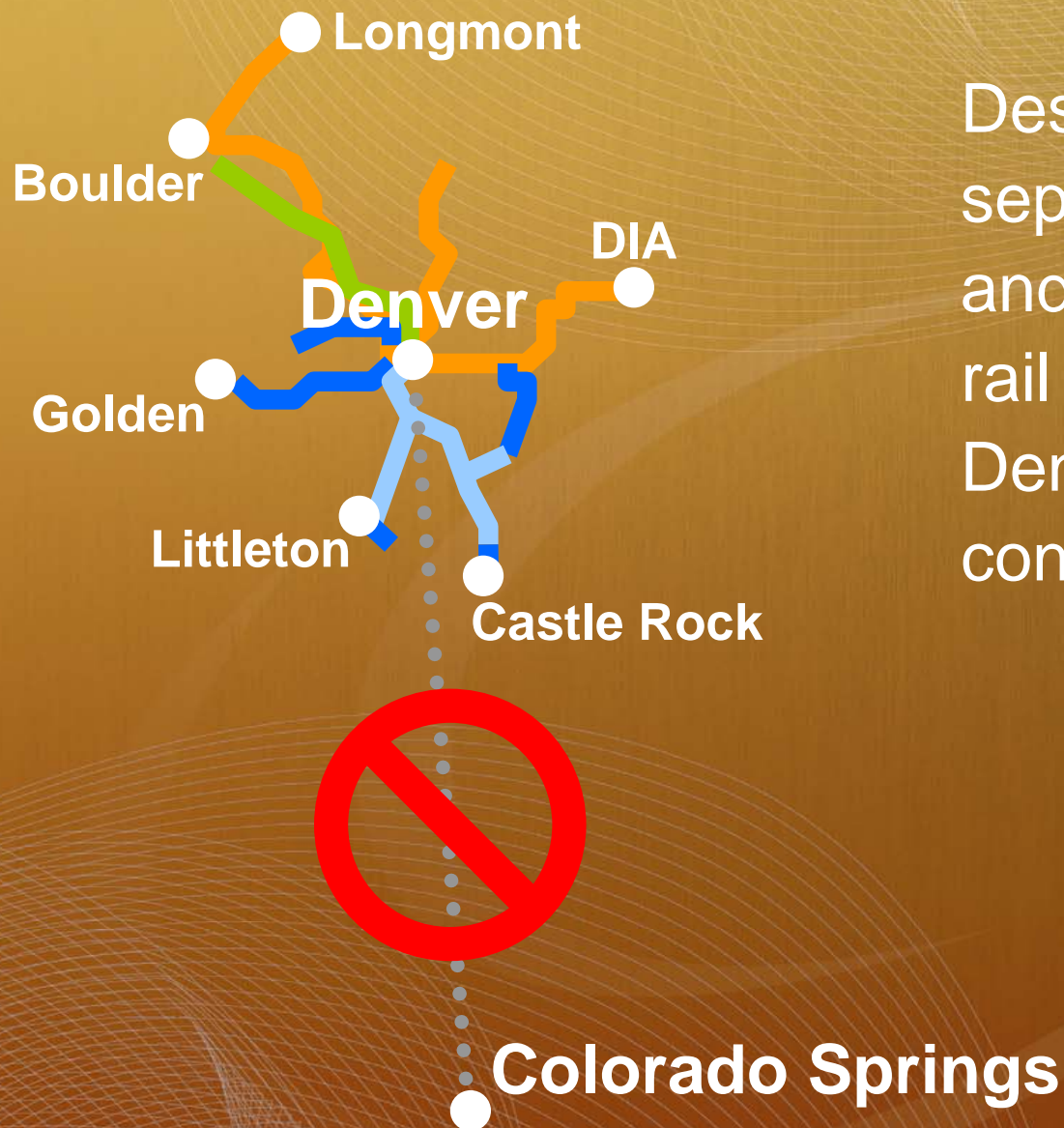
The Pikes Peak region is under-connected to the rest of the Front Range—and the world

Colorado Springs' connection to Denver is based almost entirely on I-25



Only 15 U.S. cities can be accessed through direct flights from the Colorado Springs Airport

The Pikes Peak area also lacks intercity rail connections



Despite only 70 miles separating Colorado Springs and Denver—and a commuter rail network emanating from Denver—no intercity rail connection is in the works

And intra-metro transit options are likely about to decline

The region's free downtown shuttle service—DASH—is running out of funding



Challenges

Infrastructure

Innovation

Human Capital

Sustainable, Quality Places

*

Effective Governance

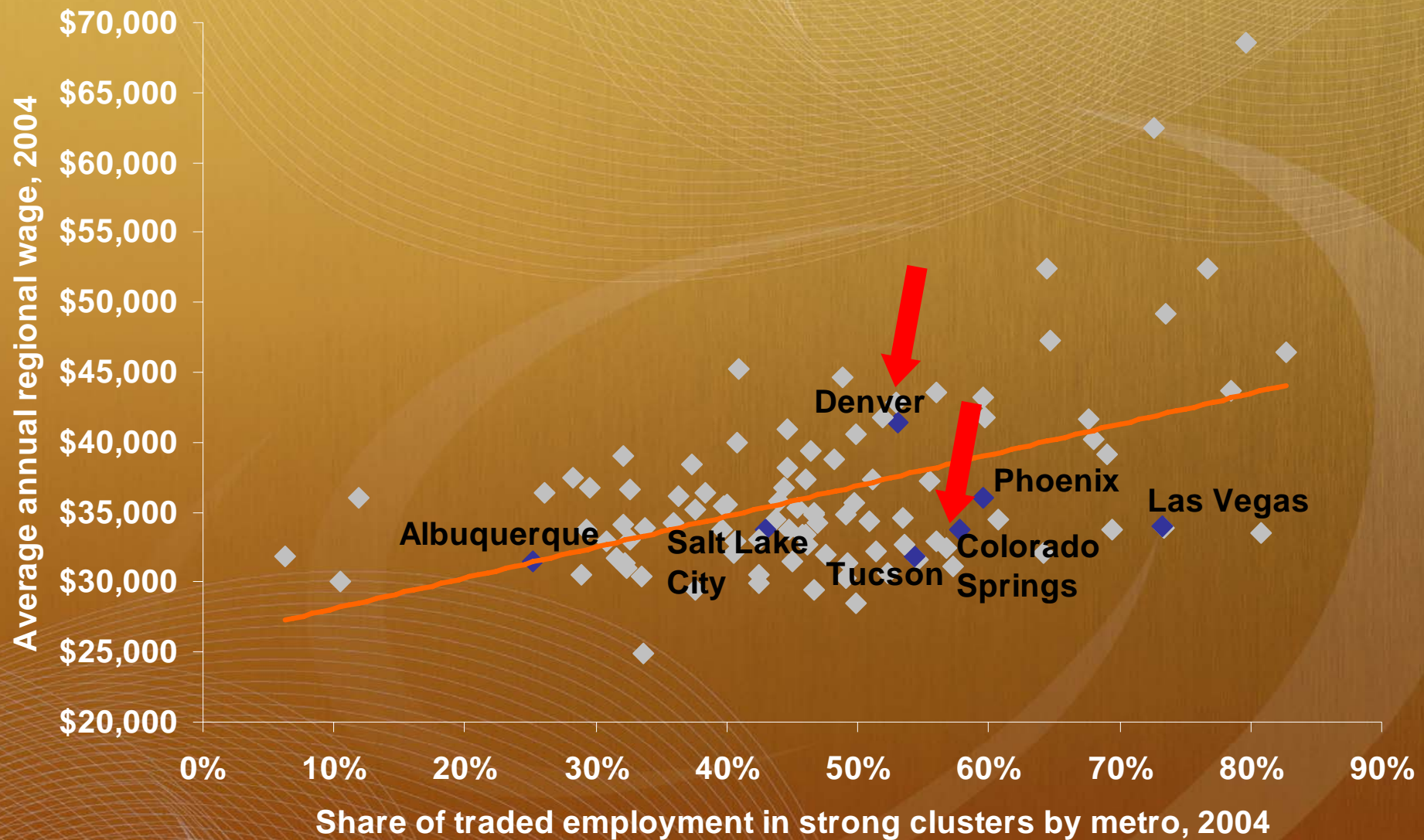
Despite being home to some excellent higher educational institutions, the region lacks world class research universities

The U.S. Air Force Academy, Colorado College, UC-Colorado Springs, and other higher educational institutions are critical assets for the Pikes Peak area

At the same time, the region possesses no top-100 research universities



Despite high employment in “strong” export clusters, the region contends with low wages



Challenges

Infrastructure

Innovation

Human Capital

Sustainable, Quality Places

*

Effective Governance

Immigration has brought the Pikes Peak region's foreign-born population from under 19,000 in 1990 to over 45,000 today

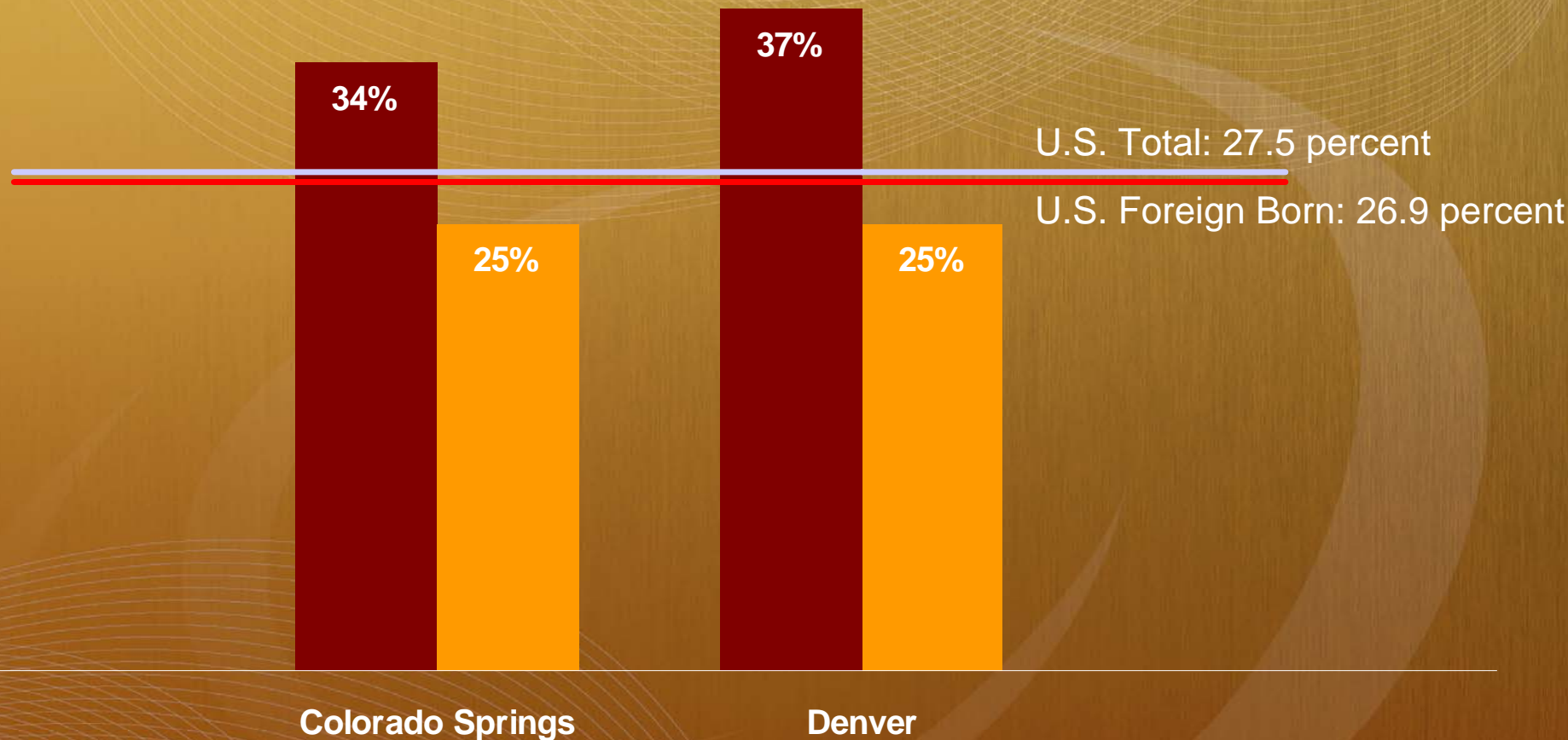
During this time, the share of Pikes Peak area residents who are foreign born increased from 4.6 percent to 7.5 percent



Colorado Springs
**HISPANIC CHAMBER
OF COMMERCE**



But in Pikes Peak, immigrants record much lower rates of college attainment



■ Bachelor's degree attainment rate, 2007 ■ Bachelor's degree attainment for foreign born population, 2007

Challenges

Infrastructure

Innovation

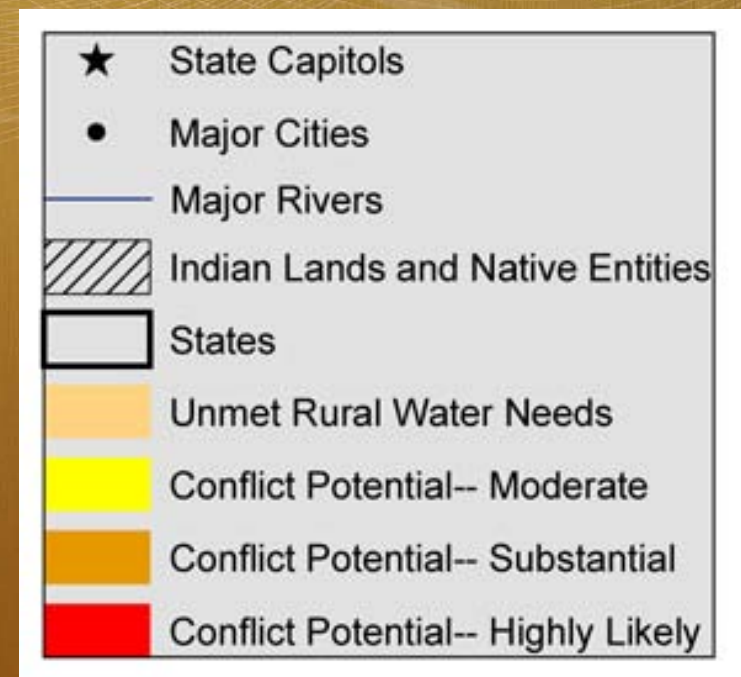
Human Capital

Sustainable, Quality Places

*

Effective Governance

Water conflicts in the Pikes Peak area are deemed highly likely by the U.S. Bureau of Reclamation



Ridership on the regional FREX bus line is strong, yet the Pikes Peak area still lacks abundant transit options



And while natural growth constraints have fueled high density development, past choices have left the region auto-dependent and poorly linked



Suburban development in Colorado Springs
Photo by David Shankbone

Challenges

Infrastructure

Innovation

Human Capital

Sustainable, Quality Places

*

Effective Governance

The region faces governance challenges

Inconsistent planning leads to periodic less-than optimal outcomes



Pikes Peak as “Megapolitan” Space

Context

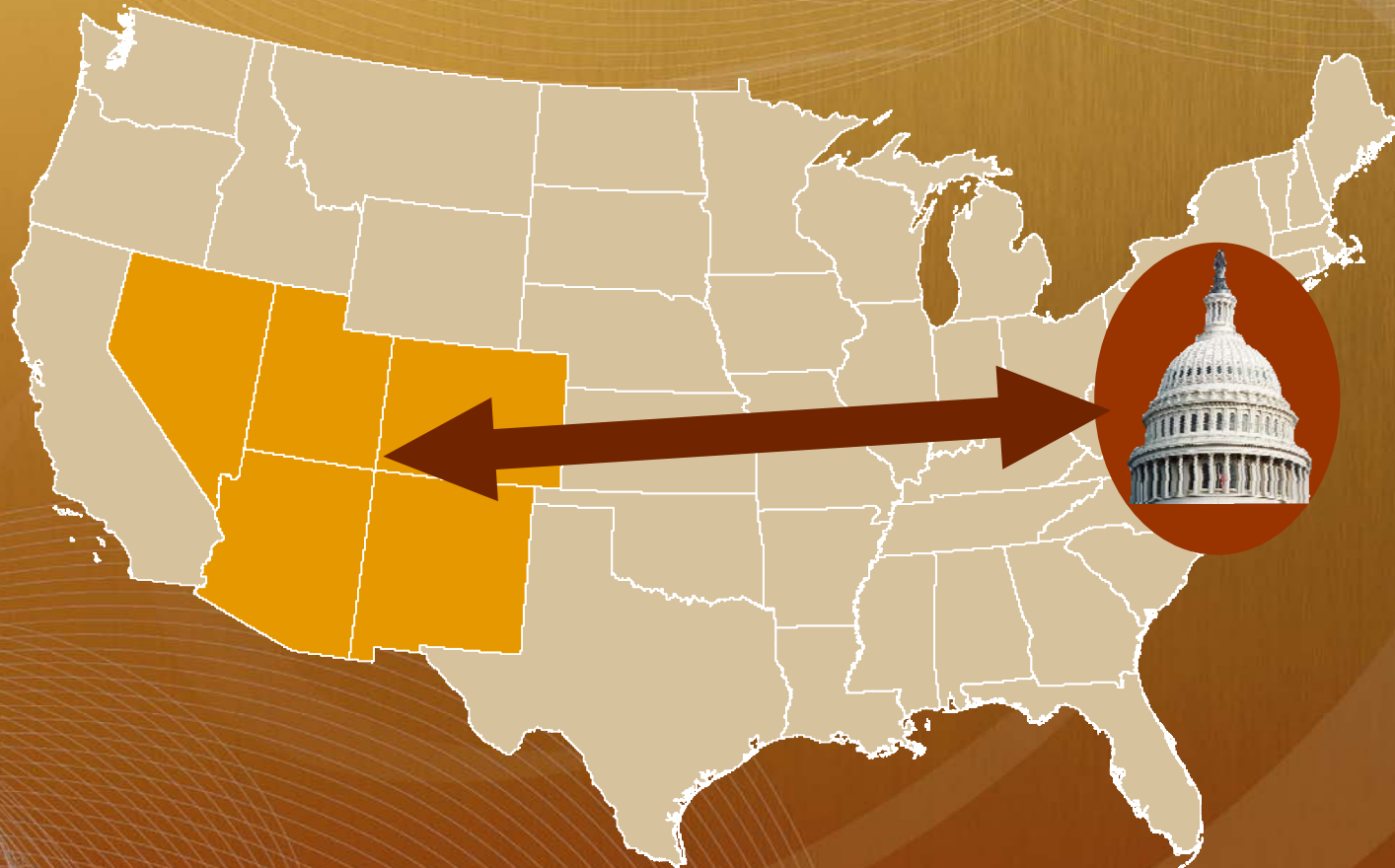
Mega trends

Emerging opportunities and challenges

A new federal-mega partnership

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

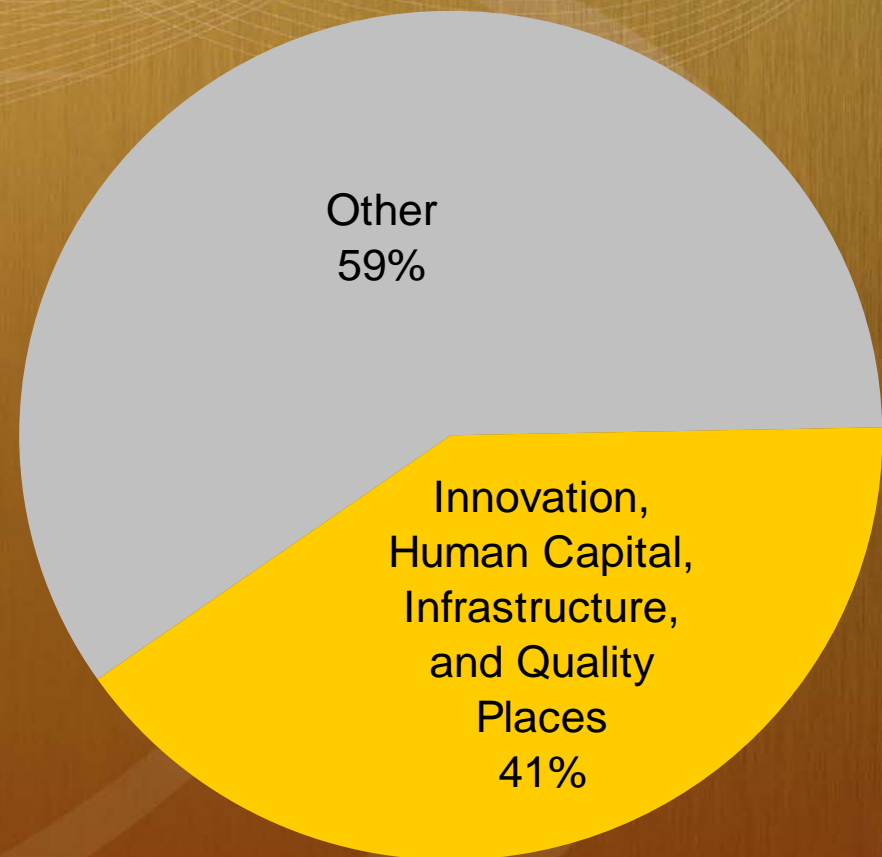


The recent massive stimulus package provides critical resources and opportunities

Some \$335 billion—43 percent—of the Recovery Act's total appropriation supports main drivers of metropolitan prosperity

Act holds out a number of opportunities to creative regions to “put it all together” for regional prosperity

- R&D
- K-12 dollars, challenges
- Worker training for high-growth and emerging industries
- Transit and rail
- Grants to link transport, housing, and energy projects
- EECBG



Upcoming legislative junctures offer additional openings



Transportation bill reauthorization



Major energy bill(s)



Climate change bill

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

Retention of the USOC headquarters and training center was secured recently despite heavy competition



And the area is now engaged in two regional vision and strategy efforts

OPERATION | 60THIRTYFIVE



However, no matter how much Colorado Springs innovates, it does not have the resources, powers, or flexibilities to “go it alone”

Like all mega regions, the Pikes Peak area contends with:

Limited jurisdictional reach

Limited resources

Cross-boundary problems

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

At the same time, 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

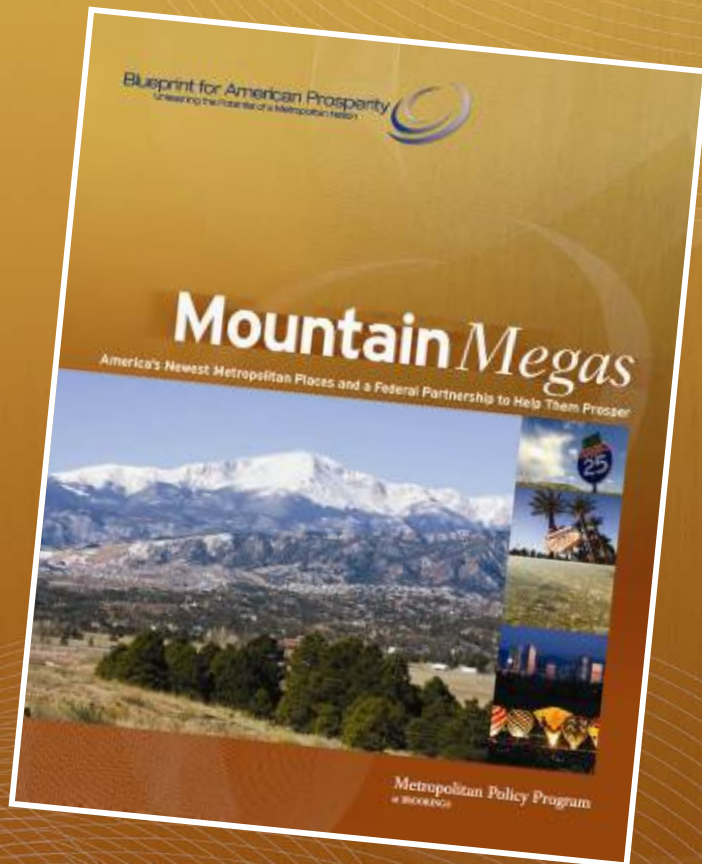
Provide appropriate rules and flexibility

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

Capitalize a national infrastructure bank

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-mega partnership

Human Capital



Provide balanced, comprehensive, effective immigration reform

Provide catalytic R&D on urban immigrant education

Mount challenges to accelerate education reform

A new federal-state-mega partnership

Sustainable, Quality Places



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

Invest in supportive public transportation

Incentivize energy- and resource-efficient land use and building design

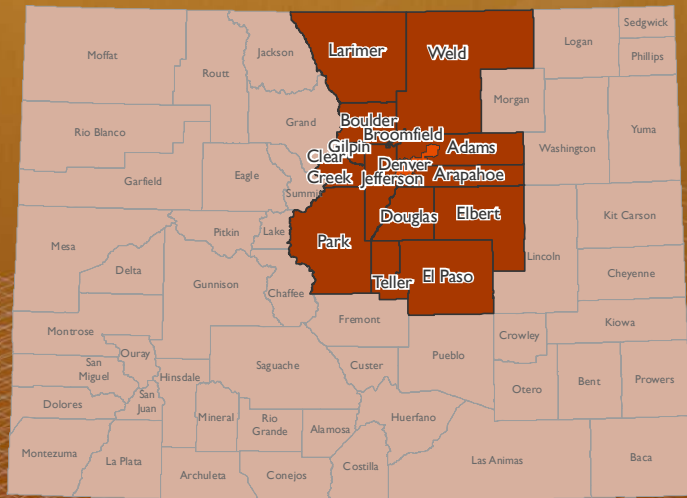
Issue a sustainability challenge

A new federal-state-mega partnership

Governance

Establish broad “regionalism steer” to key categorical, block, and other grants

Issue a governance challenge



As it happens, many metros around the Intermountain West are pursuing “mega” strategies to secure prosperity

In Arizona:

- *The Sun Corridor: Open for Business*



Across the region:

- *Brookings / IMW multi-state work group on transportation bill reauthorization*
- *UNLV Mountain Megas Institutes and Research in Science meeting to explore future science collaborations*



In sum: The time has come for Pikes Peak to fully join the Front Range mega...



...and become a test bed for the nation's next generation of pragmatic self help and reinvented federal policy

For More Information

Amy Liu (202) 797-6410 aliu@brookings.edu

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

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

www.brookings.edu/metro/intermountain_west.aspx