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Brookings Mountain West

Reclaiming Prosperity in Boise

Designing a Sustainable Future in the New West

Planning in the West Conference

Boise, ID

Mark Muro

June 4, 2010



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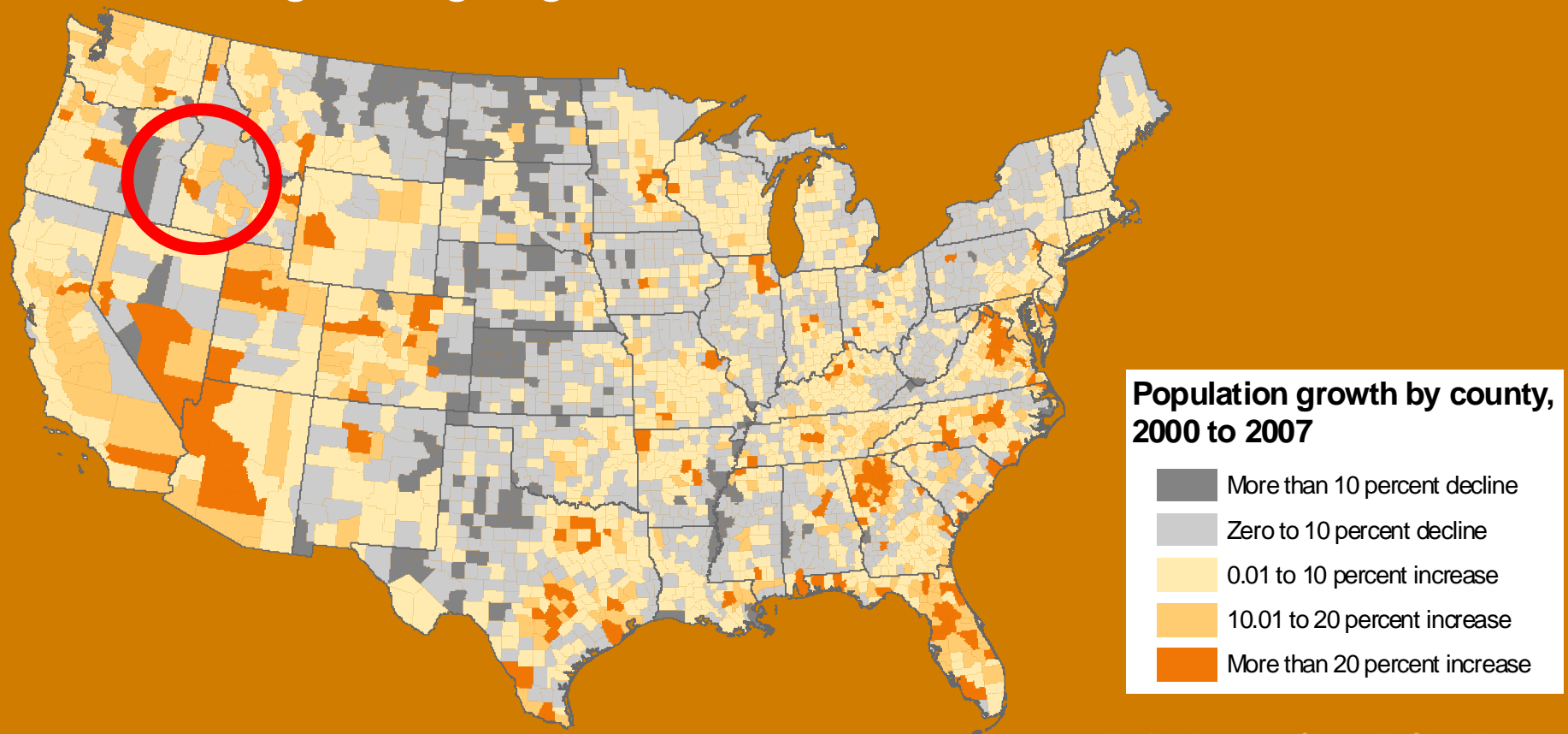
A time of reckoning

Challenges and emerging opportunities



This is a time of reckoning for growth

Idaho has been a fast growing state in a fast growing region

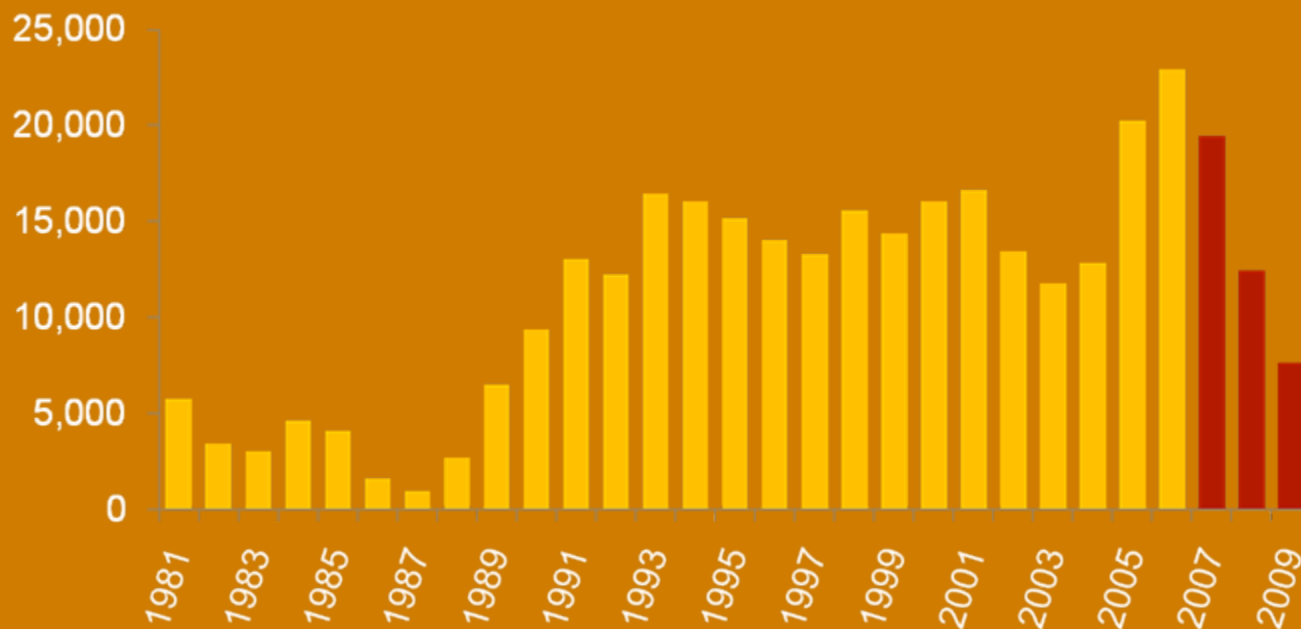




This is a time of reckoning for growth

...but the region's growth has slowed precipitously

Net population growth



In-migration has slowed to one-third of its peak volume and in 2010 the region will add the smallest number of residents in two decades



It's a time of reckoning for the region's economic model

Boise seemed to have it all earlier in the decade

One of the most inventive cities in the world!
(2009)

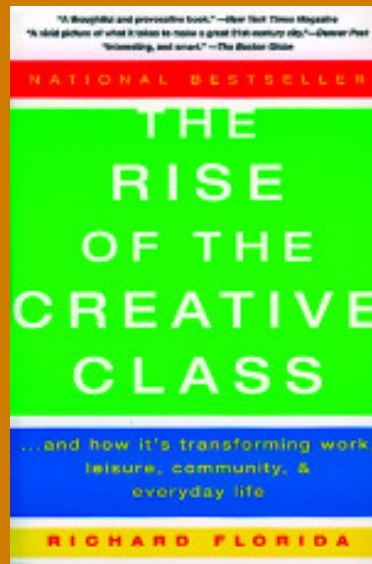
BusinessWeek

No end in sight for Idaho's growth!
(2007)

USA TODAY

The second best place to do business in America!
(2005)

Inc.



A City That Could Steal Your Job!
(2008)

BusinessWeek

One of six U.S. tech launching pads!
(2008)

CNN Money.com
A Service of CNN, Fortune & Money

The secret is out: Boise is number one!
(2005)

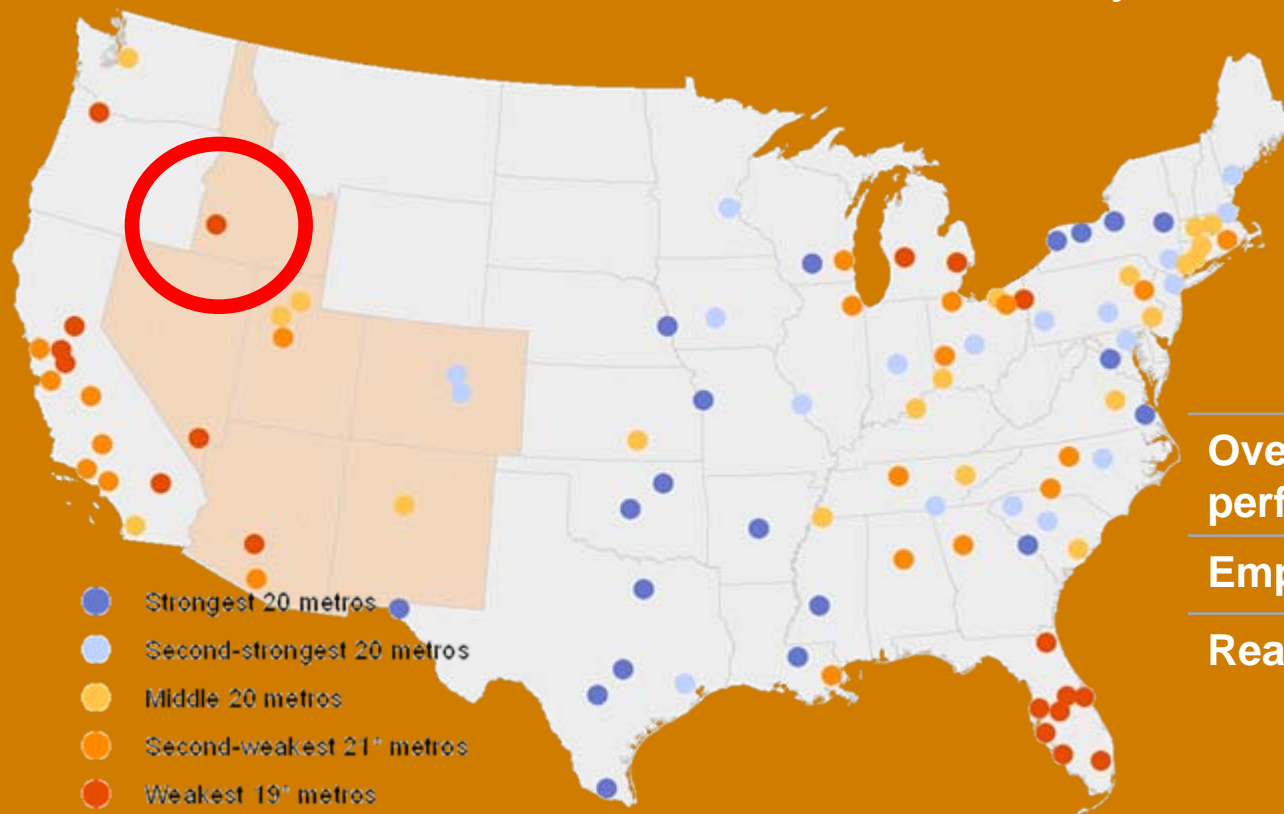
Forbes



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It's a time of reckoning for the region's economic model

However, Brookings Mountain West's *Mountain Monitor* trend watch now confirms a litany of distress



	Rank	Change
Overall performance	93 rd	-1 rank from Q3
Employment	95 th	-10.7%
Real HPI	96 th	-16.4%

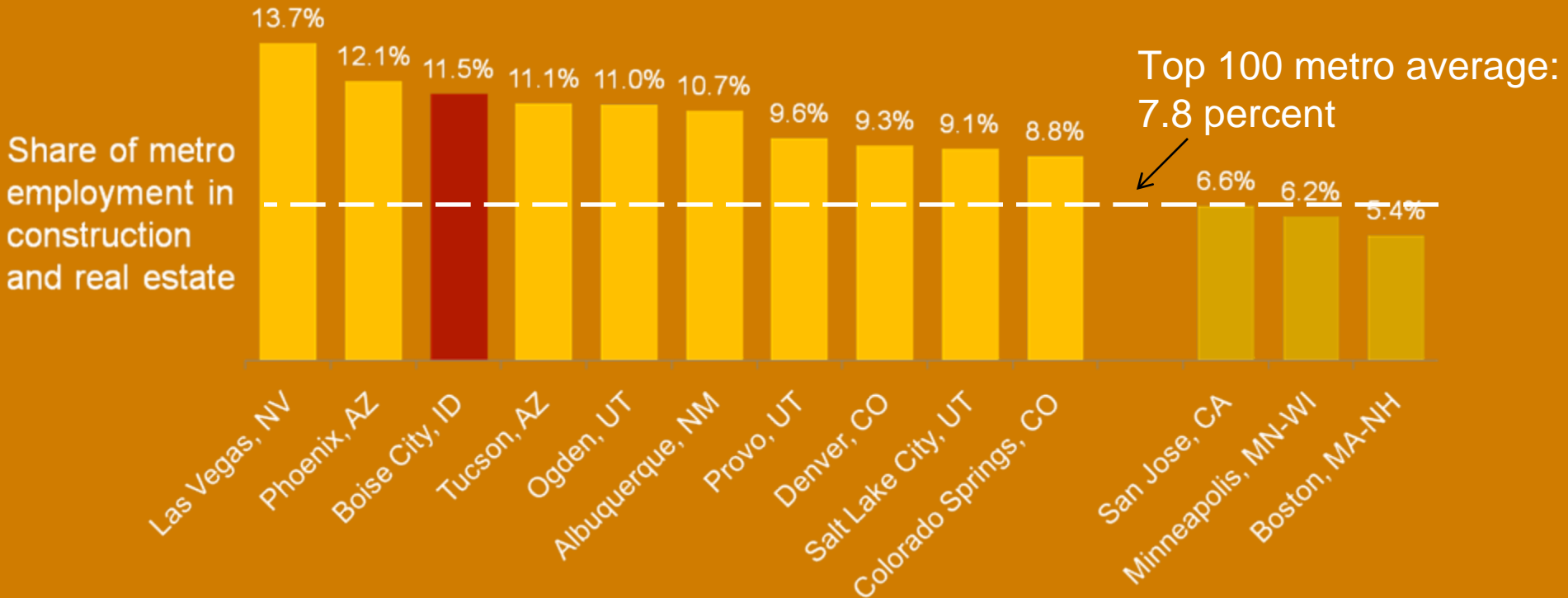
Map shows overall performance based on metropolitan rankings on employment change (peak to 2009Q4), unemployment rate change (Dec 2008 to Dec 2009), change in GMP (peak to 2009Q4), and change in HPI (2008Q4 to 2009Q4).



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And it's a time of reckoning for the region's development model

A swollen construction and real estate sector lay at the center of a super-charged growth machine until the crash...



And it's a time of reckoning for your development model

...but now you have problems



All of which means:



Why Brookings Mountain West cares

Challenges and emerging opportunities

At Brookings we believe several defining characteristics will shape the post-Recession economy

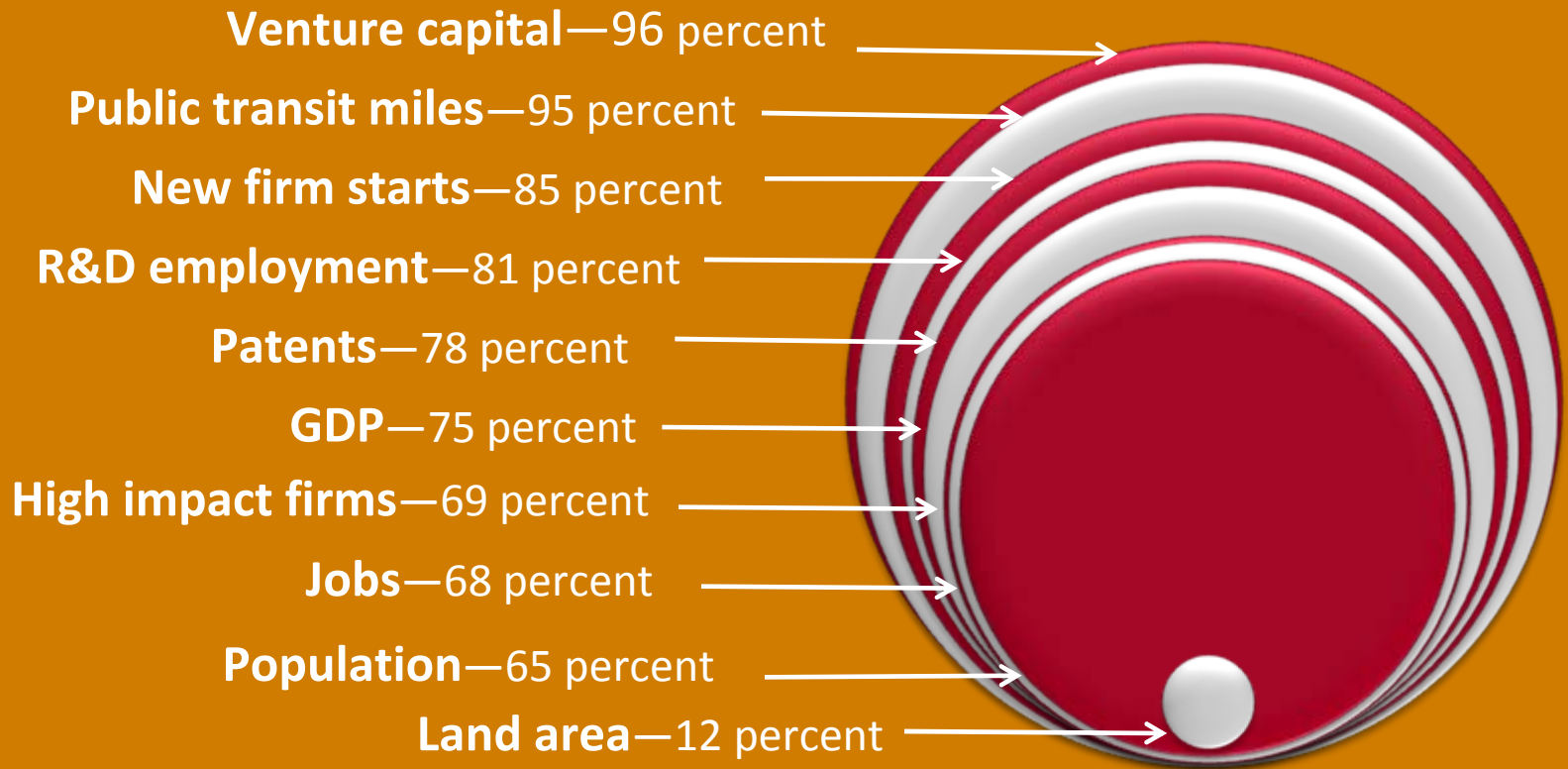
The “next” economy will be export-oriented, lower-carbon, and innovation-fueled



The “next” economy will also be metropolitan-led



After all, the top 100 U.S. metros are already America's economic engines



Large economic regions like greater Boise concentrate, amplify, and align what matters most

Infrastructure

Innovation

Human Capital

Sustainable, Quality
Places

+

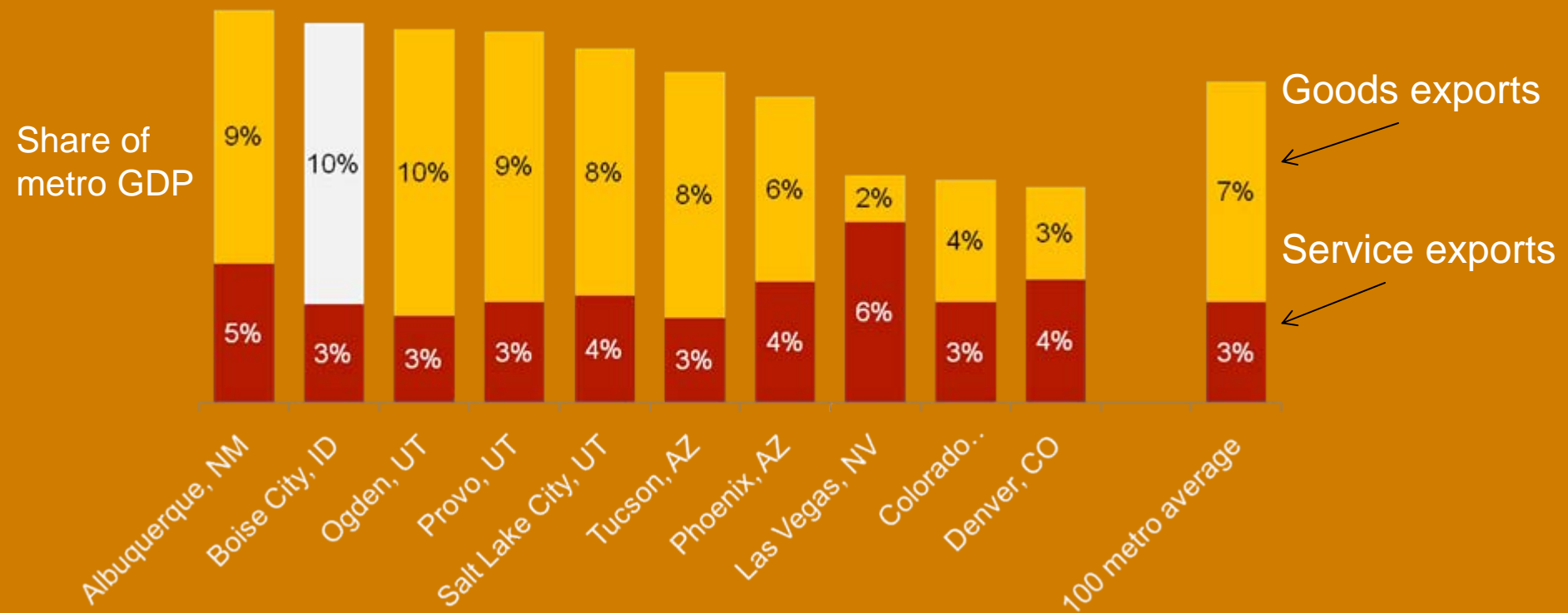
Governance networks



So how is the Boise region doing?

On exports, Boise performs well enough on goods exports but lags on services

Boise earns almost 13 percent of its GMP from exports, but services comprise only 3.3 percent



On the green economy, the state's low-carbon sectors are growing but from a small base

On some measures Idaho looks like a mere bystander in the clean economy game...

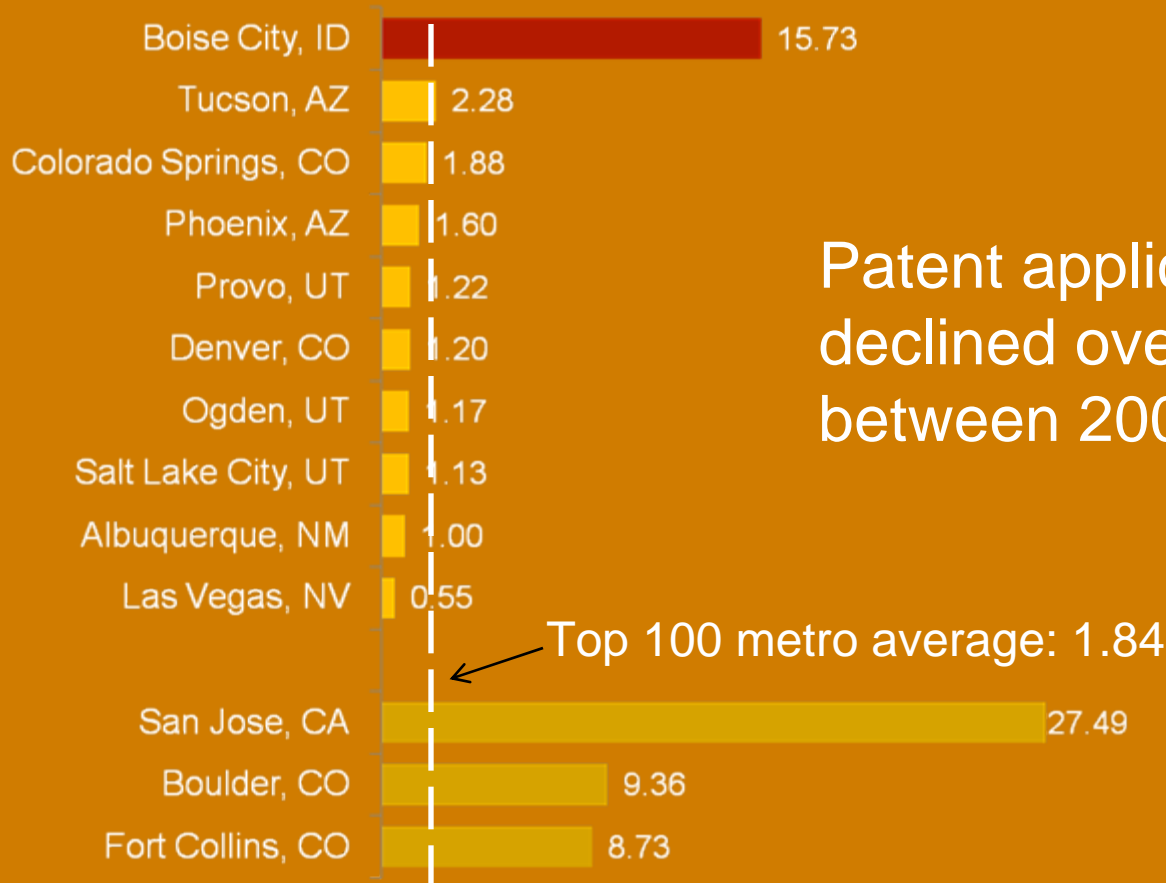
	Idaho Ranking
Jobs	38
Businesses	39
Patents	24
Venture Capital	28
Job Growth	1



...but the state is growing green jobs at the fastest rate in the nation

And on innovation, while Boise looks strong on measures like patenting questions abound

Patents granted per 1,000 people, 2001-2008



Patent applications per year declined over 60 percent between 2001 and 2008

Top 100 metro average: 1.84

Boise has a lot of potential...but it also has faces some serious challenges

Innovation

Sustainability



On the positive side, Boise has a history of big firm expertise and a thriving entrepreneurial culture



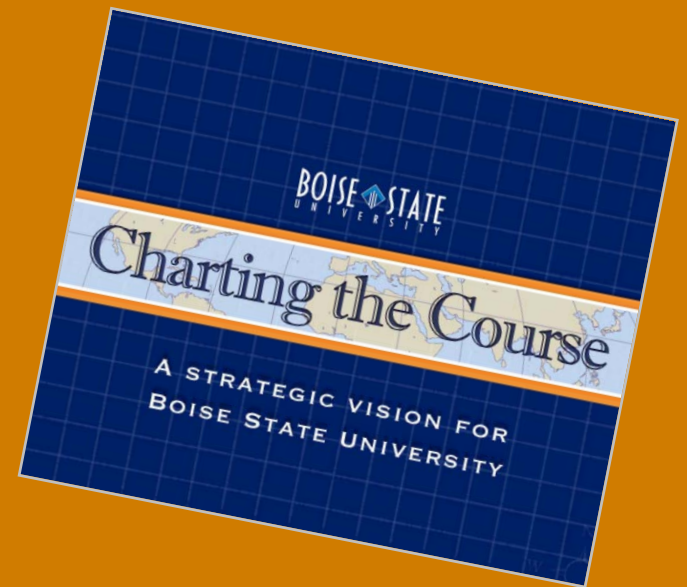
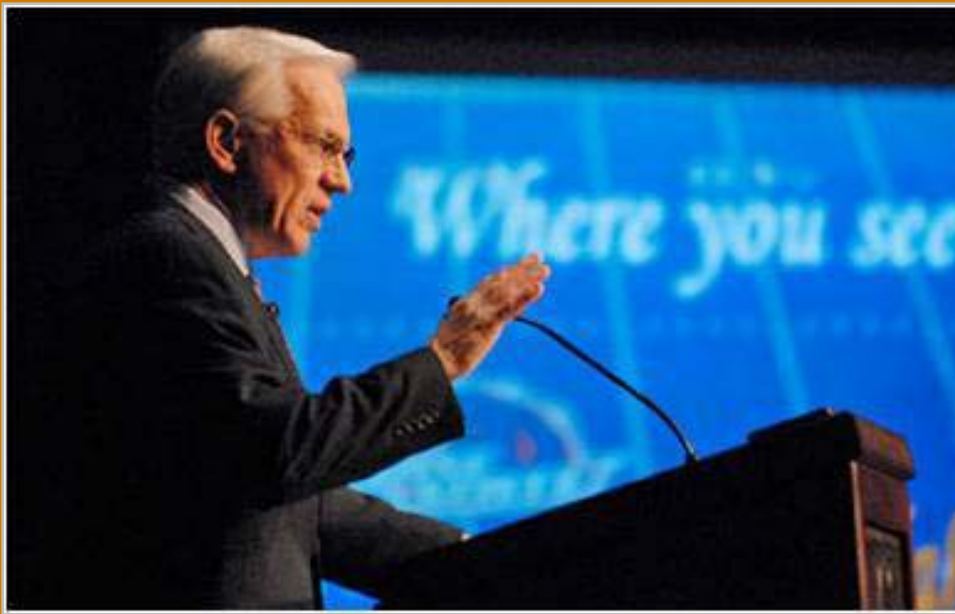
Indicators of business dynamics point to the area's entrepreneurial bent

- ✓ Boise posted the highest ratio of business establishment births to deaths in any major metro in 2006
- ✓ On measures of business churn Boise ranks 6th among major metros nationally
- ✓ And the region ranked fifth on a new Kauffman Foundation Index of Entrepreneurial Activity





And Boise State has re-oriented itself towards research (although it has a lot of building to do)



“A metropolitan research university of distinction”



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In addition, a number of catalytic organizations are now working to strengthen Boise's clusters

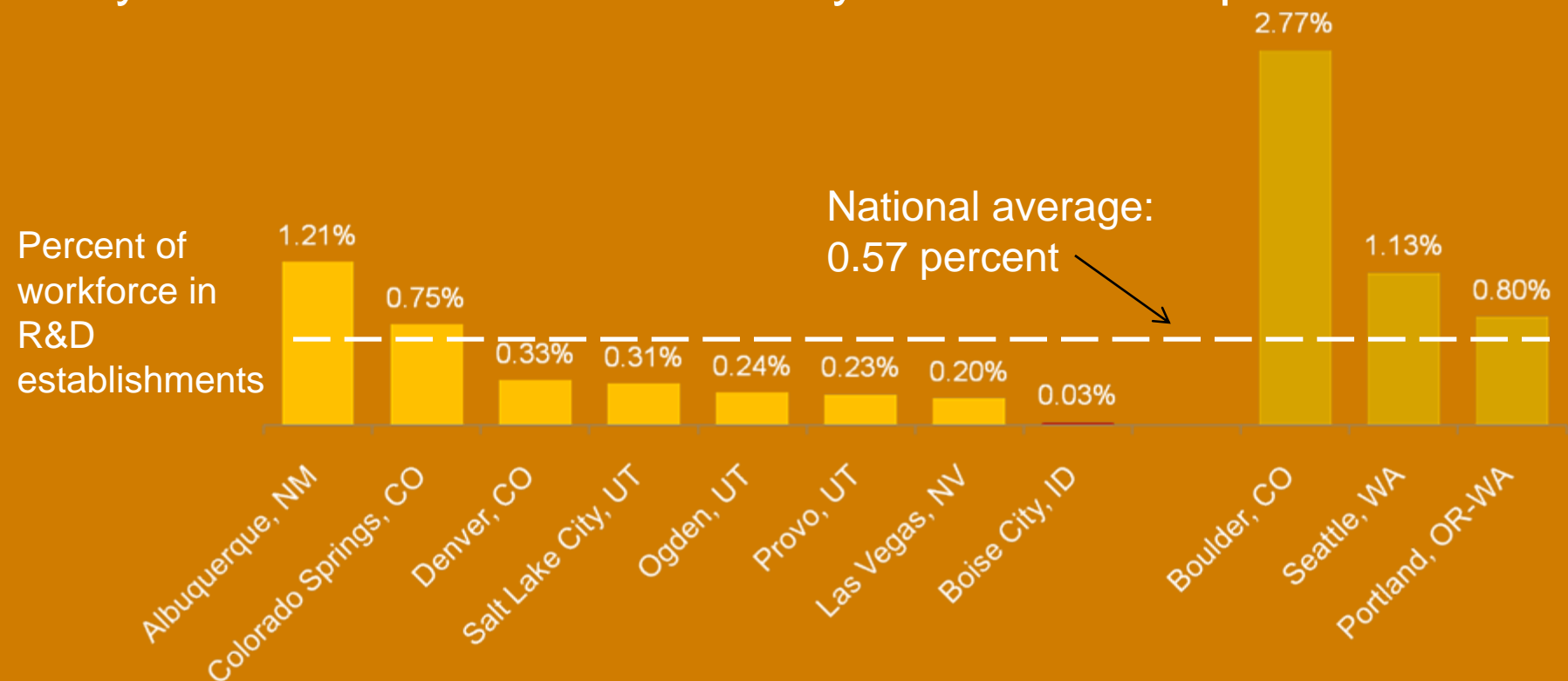
"The Boise Angels have not only helped finance my business, but their expertise in food branding, marketing, packaging, production, and distribution has been invaluable to me."

- Cygnia Rapp
Prosperity Organic Foods CEO
Recipient of \$200,000 investment in May 2010



However, R&D is a critical driver of innovation and productivity but Boise attracts little of it

Low R&D employment figures suggest that the region has yet to establish itself as a truly innovative outpost

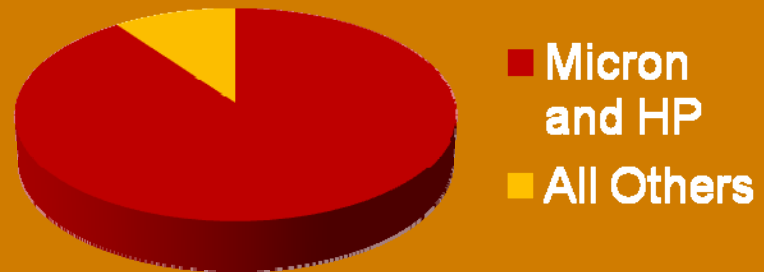


And while Boise produces a lot of patent applications too few firms participate

Micron and HP alone accounted for 90 percent of patent applications in this decade



Patent Applications 2000-2008



 Some of these difficulties may owe to the fact that the region's clusters are inchoate

Traded sector location quotients

Computer and Electronic Product Manufacturing	7.570
Wood Product Manufacturing	2.219
Construction of Buildings	1.517
Food Manufacturing	1.506
Management of Companies and Enterprises	0.918
Professional, Scientific, and Technical Services	0.741
Machinery Manufacturing	0.563
Educational Services	0.562
Chemical Manufacturing	0.141



But Idaho also lags its high-tech neighbors on crucial human capital inputs

- ✓ State education outlays aren't even middle-of-the-pack
- ✓ Idaho confers relatively few degrees in science and engineering
- ✓ Idaho instructs only 9 science and engineering graduate students per 1,000 young adults



Compounding these problems has been a lack of state policy focus

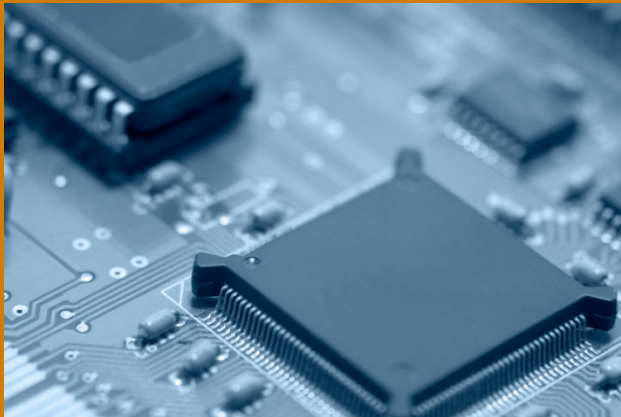
- ✓ State R&D expenditures are a paltry 0.01 percent of GDP
- ✓ The Governor waited two years after disbanding the Idaho Science & Technology Advisory Council before establishing a pared-down Innovation Council
- ✓ Budgets have been slashed for the Department of Commerce key organizations like Tech Connect
- ✓ Regional clusters play little role in the state's economic development strategy





And so the region must act

- ✓ The Valley must work with new concentration and focus to diversify its economy and systematically strengthen its innovation clusters
- ✓ Collaboration is key





But the state must also engage

- ✓ Recognize the economic centrality of its major region
- ✓ Boost higher-ed investment—and finally establish a community college
- ✓ Partner in supporting bottom-up efforts to build high-value growth clusters



Challenges

Innovation

Sustainable, Quality Places



 On this front, the region starts with a totally enviable quality of place



What is more, the region is working to enhance its urban qualities



And the region is continuing an admirable tradition of open space stewardship

- ✓ Boise River Green Belt
- ✓ Hammer Flats and the Foothills
- ✓ Boise River Wildlife Preserve

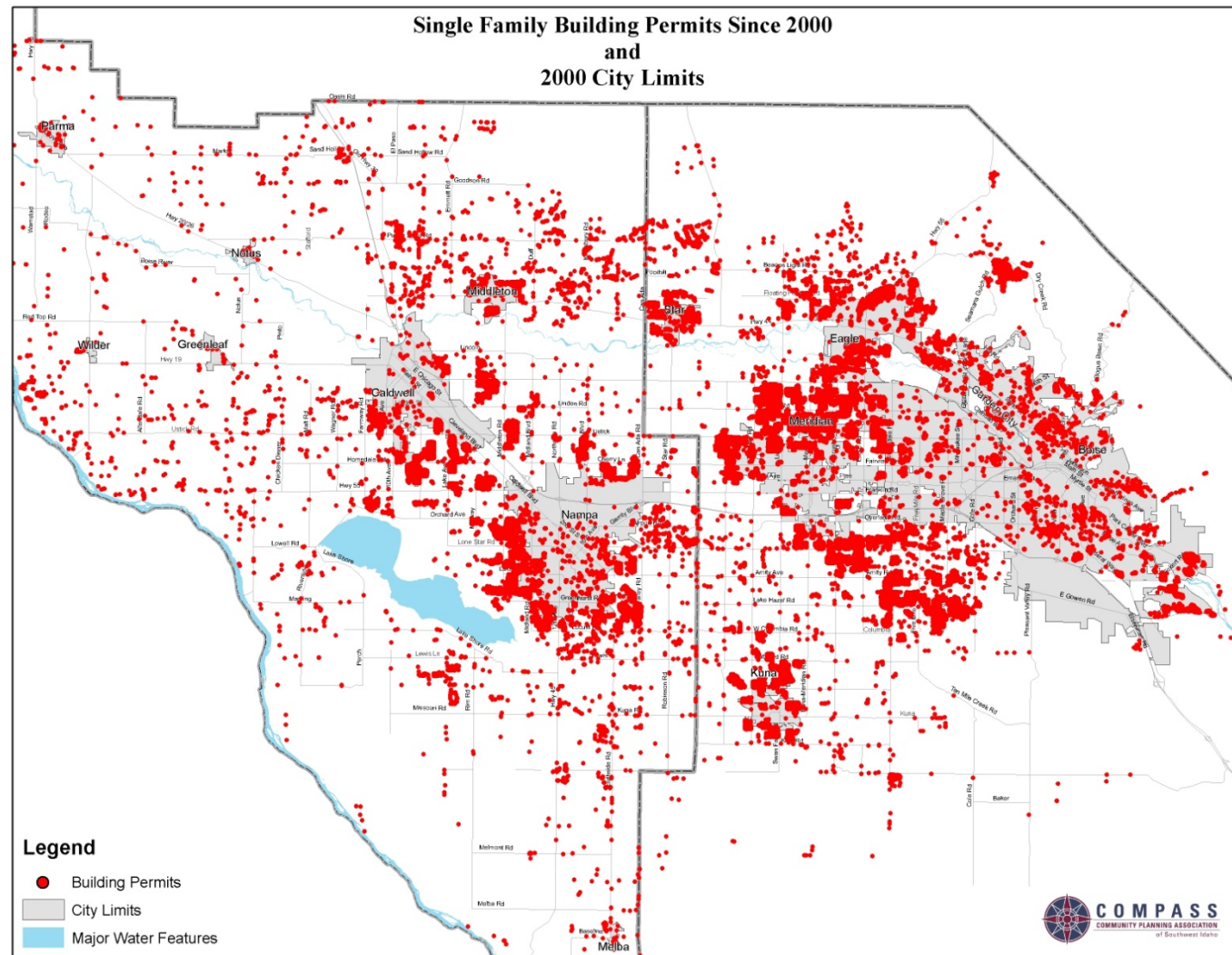


What is more, plausible frameworks exist through which the region might work more cohesively



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And yet the region faces problems: Ill-planned, exurban growth is a past and future challenge



Such sprawl will again threaten the region's cherished foothills when growth returns



And a lack of integrated transportation planning leaves residents auto-dependent

- ✓ Transit ridership is among the lowest in the nation
- ✓ Fragmentation harms efficiency and coherence
- ✓ Ada County is the only one in the nation where cities have no power over their roadways



Underlying these ills is major governance fragmentation—and weak coordination





Nor has the state been particularly helpful in promoting regional cohesion

- ✓ Idaho statutes do not empower cities and counties to carry out their land use planning
- ✓ The Local Land Use Planning Act pits city and county against one another
- ✓ State policy does not allow local voters to approve any sort of tax for dedicated transit investments





And so the region must act

- ✓ The Valley should seek new coordination among actors and plans to better integrate transportation and land-use planning, enhance urban centers, and protect open space
- ✓ Work on the State Street corridor is a start
- ✓ Implementation of the Blueprint for Good Growth would be a “gamechanger”





But the state must also engage

Regions can't go it alone—they need a supportive partnership with their states

- ✓ Recognize its interest in helping to craft vibrant, attractive capitol region
- ✓ Support regional collaboration
- ✓ Provide more local discretion whether on a local option sales tax or other matters



To conclude, Boise and the state face the future with good promise...if they work together



For More Information

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