

*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

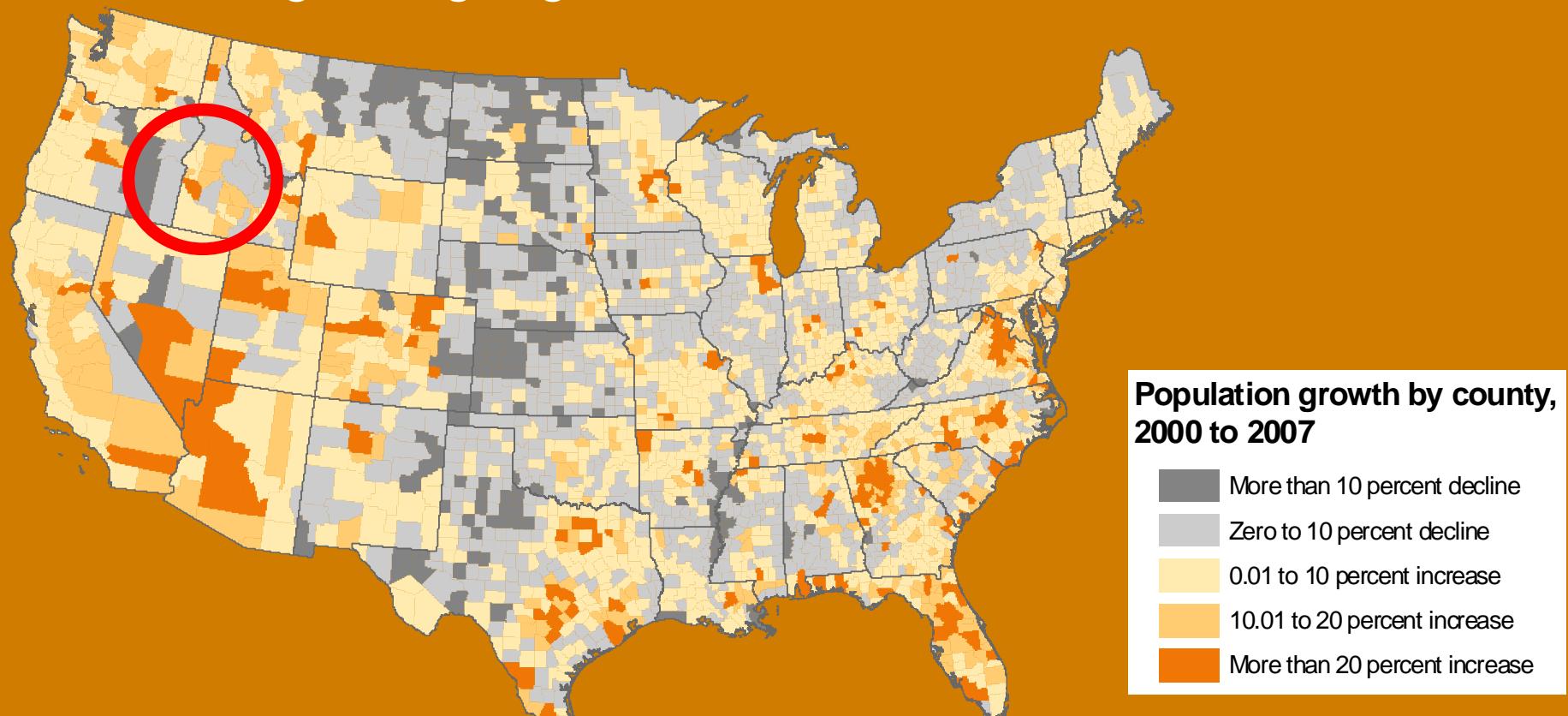


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# This is a time of reckoning for growth

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



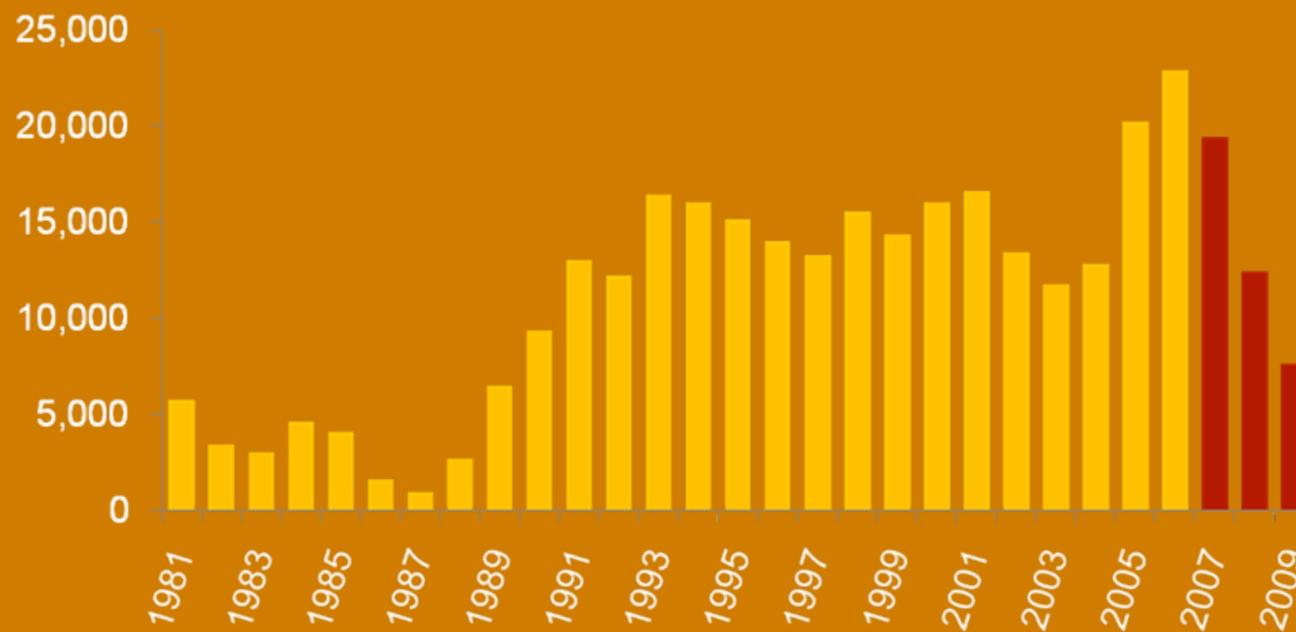
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# This is a time of reckoning for growth

...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



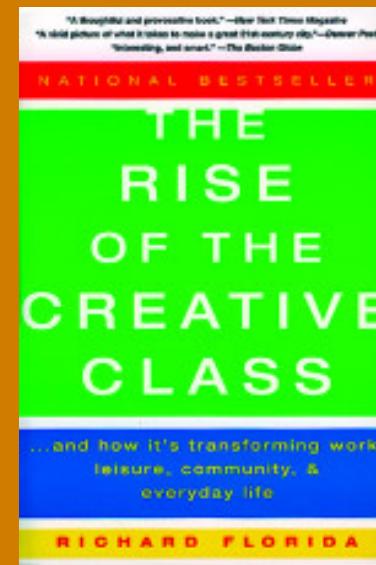
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# It's a time of reckoning for the region's economic model

Boise seemed to have it all earlier in the decade

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



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



A City That Could Steal Your Job!  
(2008)



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



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

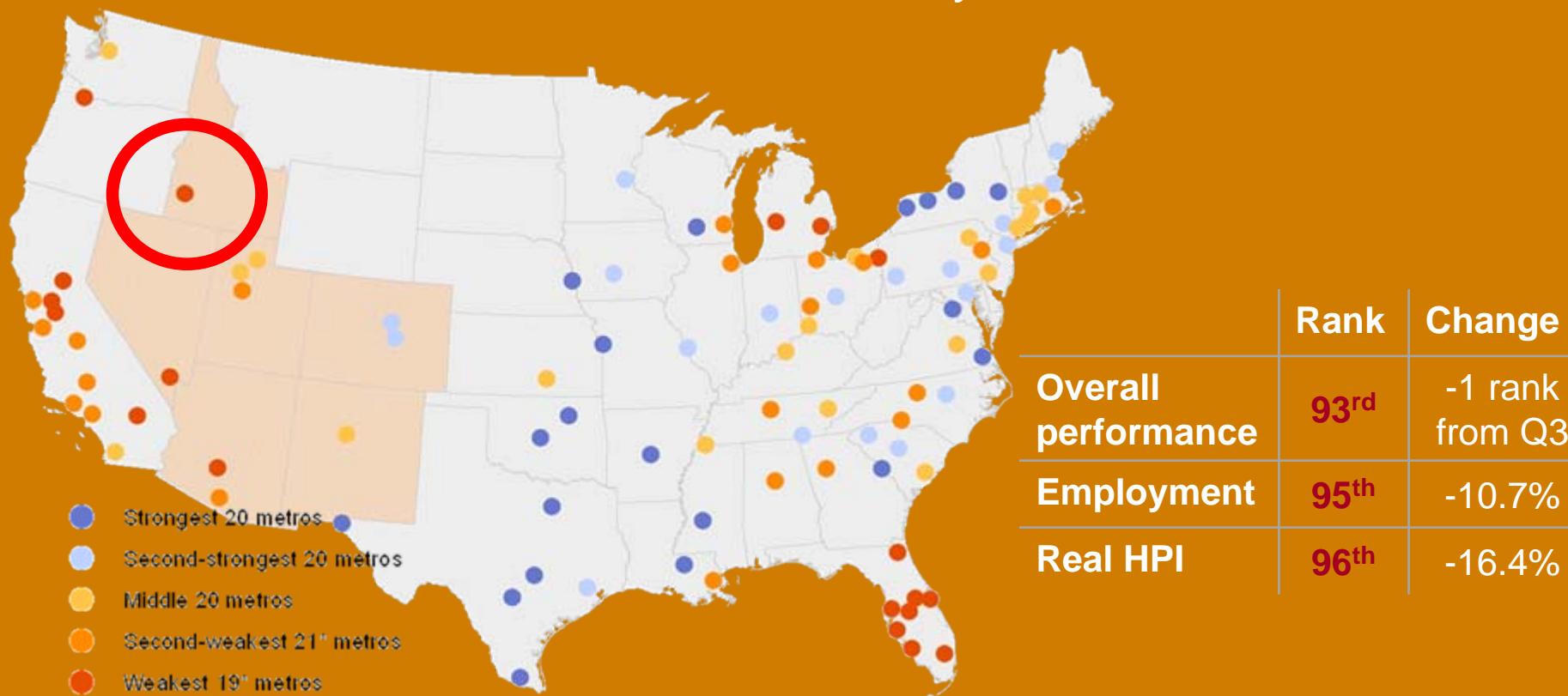


The secret is out: Boise is number one!  
(2005)



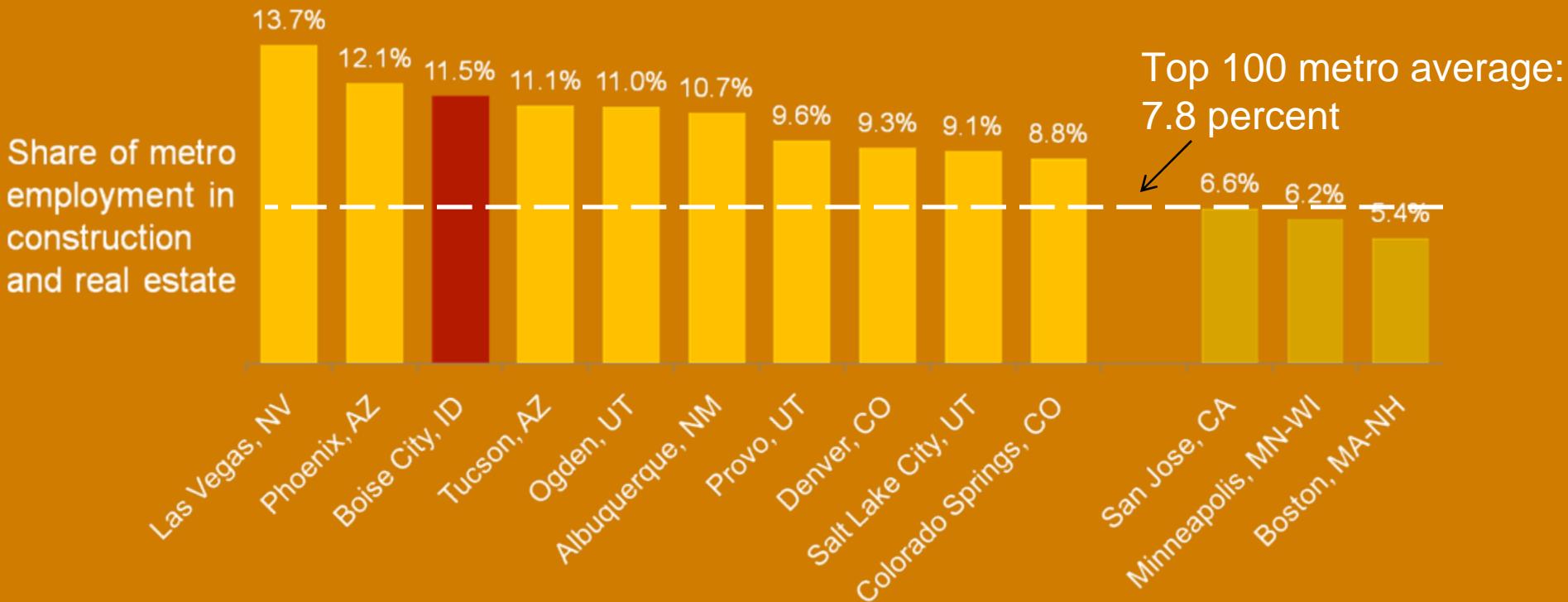
# It's a time of reckoning for the region's economic model

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



# 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:

?



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**Why Brookings Mountain West cares**

**Challenges and emerging opportunities**



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

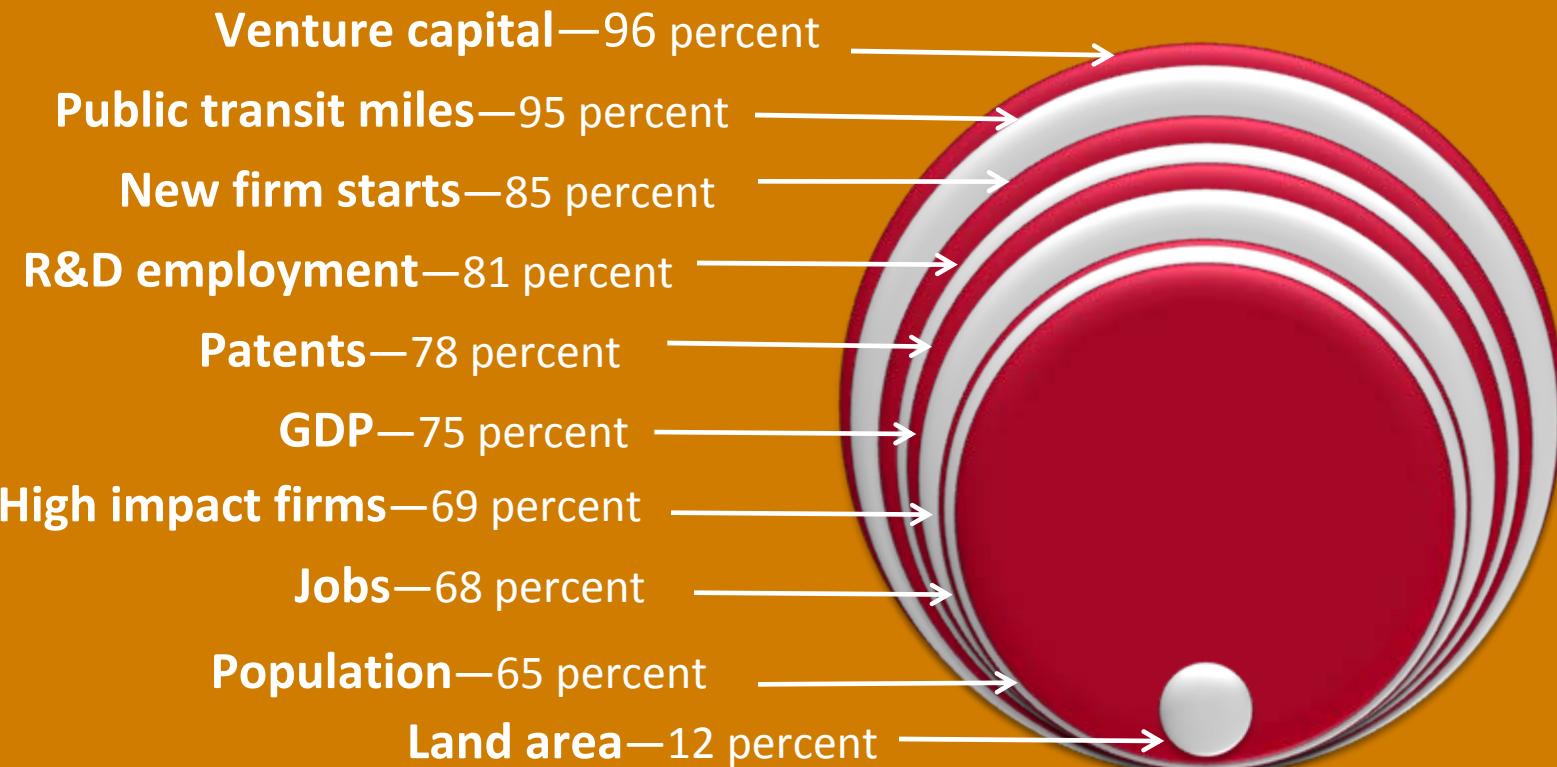
The “next” economy will be export-oriented, lower-carbon, and innovation-fueled



# The “next” economy will also be metropolitan-led

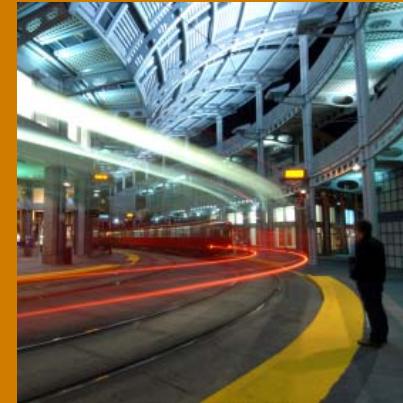


# After all, the top 100 U.S. metros are already America's economic engines



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

Infrastructure



Innovation



Human Capital



Sustainable, Quality  
Places



+

Governance networks



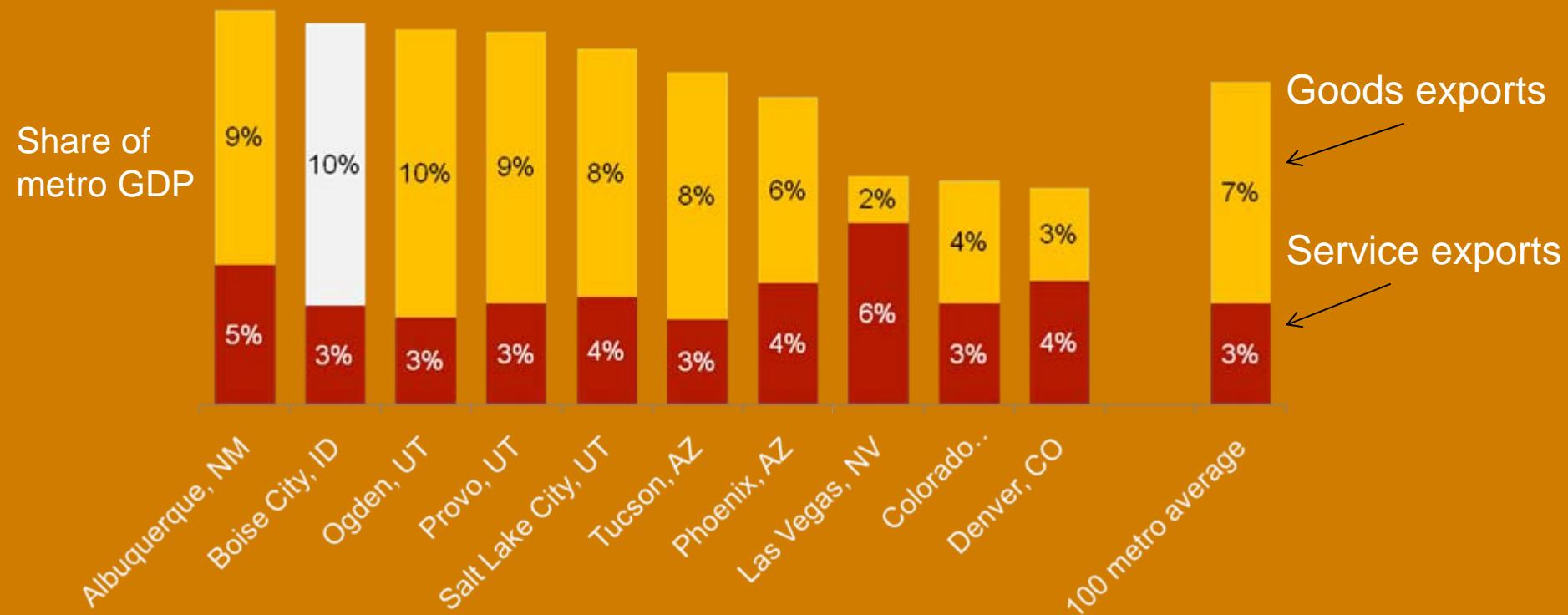
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# So how is the Boise region doing?



# 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
<b>Job Growth</b>	<b>1</b>

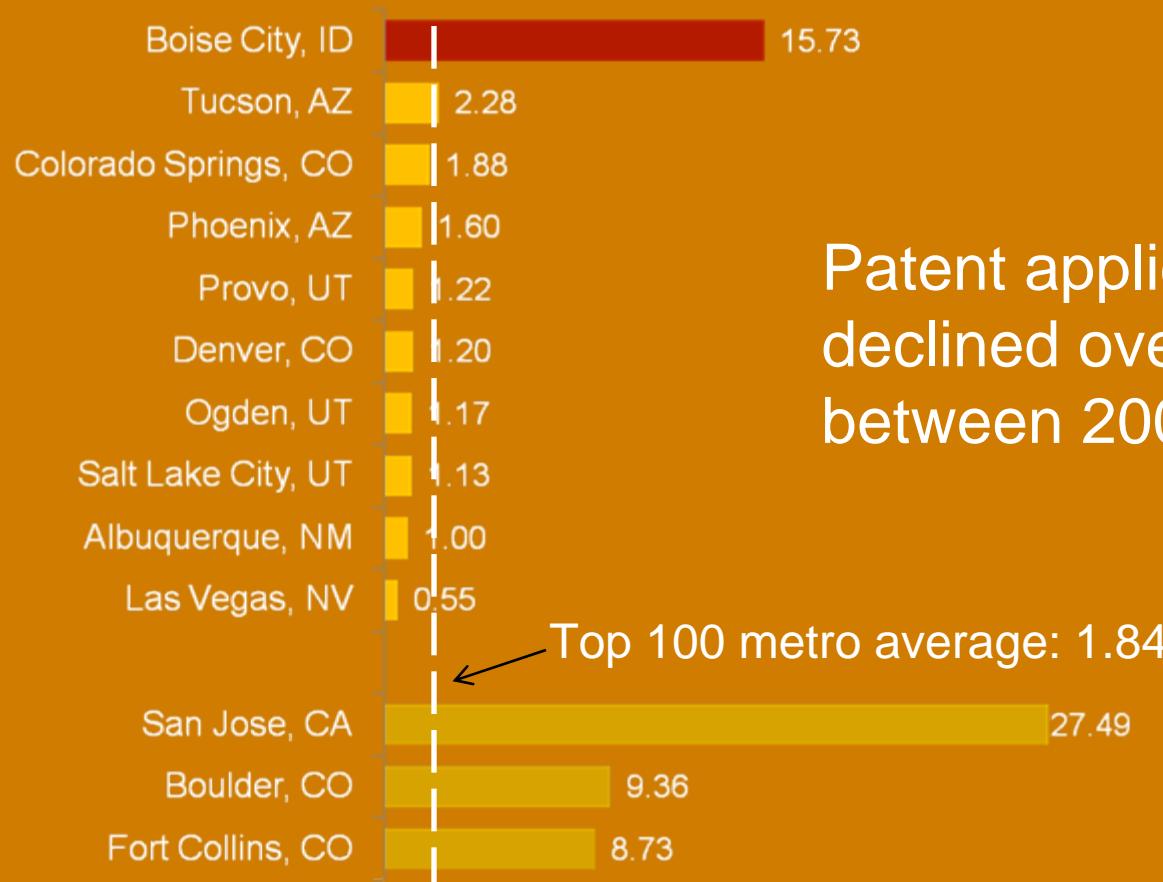


...but the state is growing green jobs at the fastest rate in the nation

Source: Pew Charitable Trusts. 2009. The Clean Energy Economy: Repowering jobs, businesses and investments across America. Washington, DC.

# 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



**Washington Group International**

INOVUS  
**SOLAR**  
SOLAR

ProClarity



cradlepoint  
TECHNOLOGY



M2M  
communications



**Boise Cascade**

**Micron**®

**Albertsons**®

Balihoo  
Local Marketing Unleashed

**Simplot**



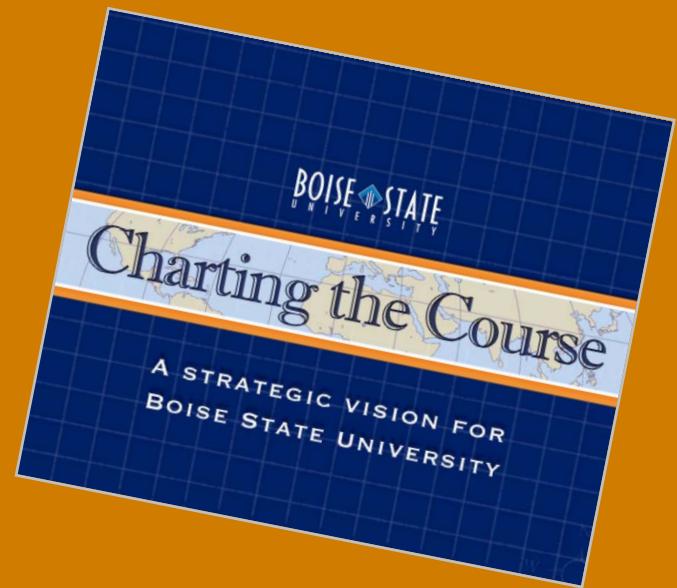
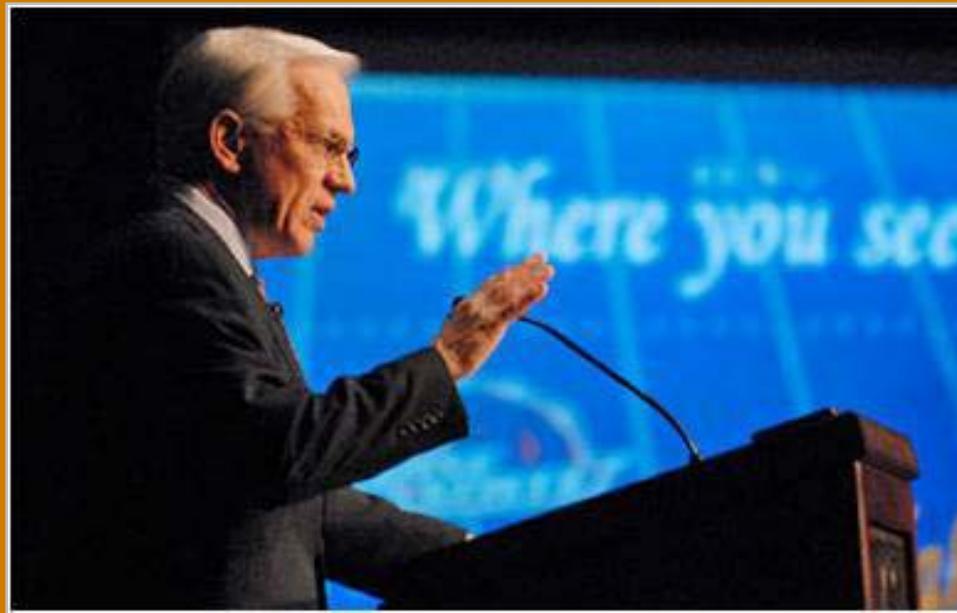
# Indicators of business dynamics point to the area's entrepreneurial bent

- ✓ Boise posted the highest ratio of business establishment births to deaths in any major metro in 2006
- ✓ On measures of business churn Boise ranks 6<sup>th</sup> 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."

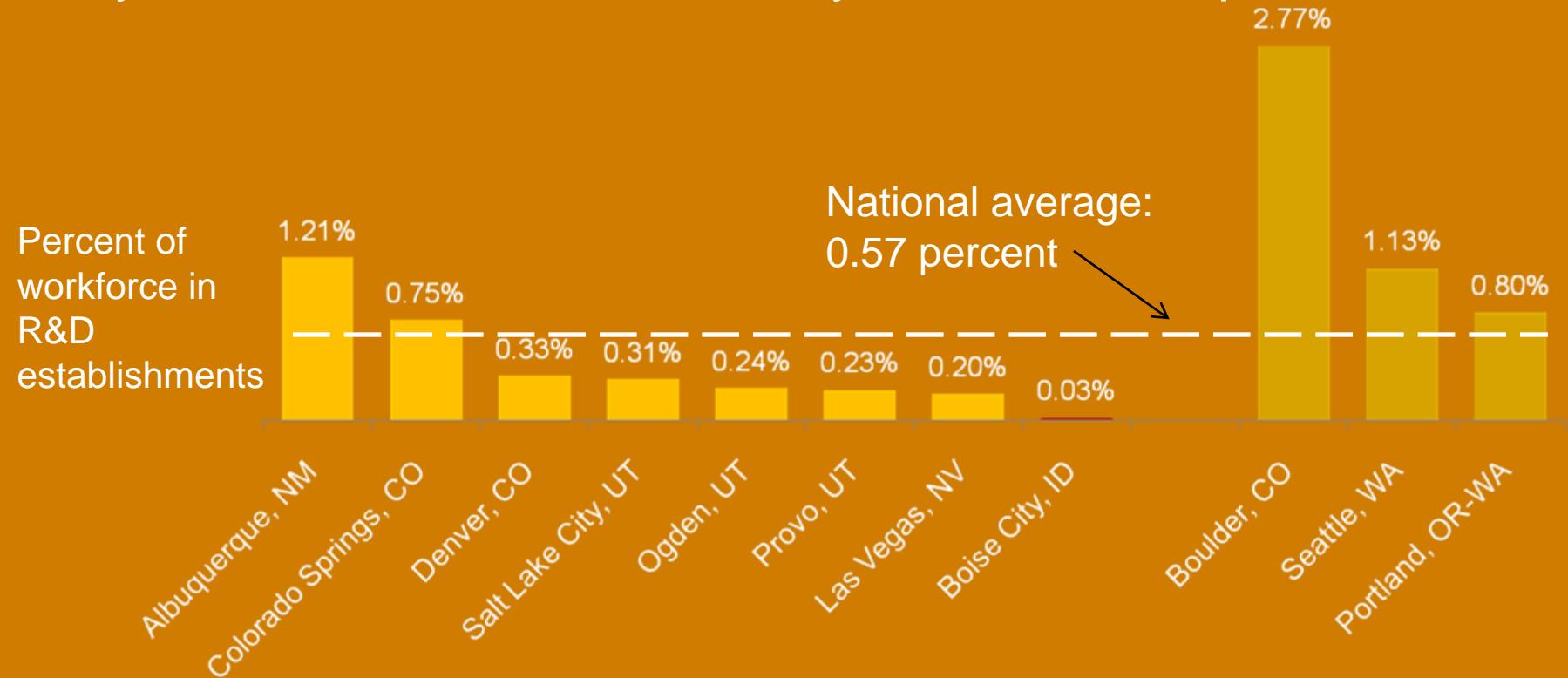
- Cygnia Rapp  
Prosperity Organic Foods CEO  
Recipient of \$200,000 investment in May 2010





# 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



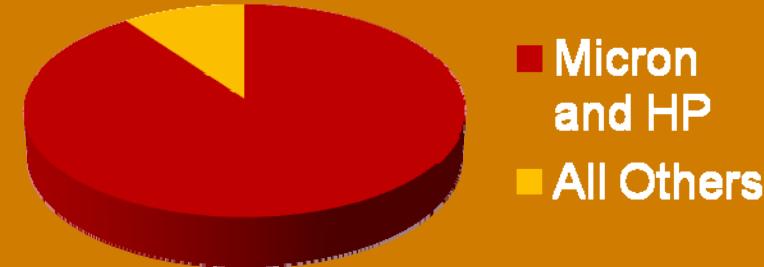


# And while Boise produces a lot of patent applications too few firms participate

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

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



# 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



Source: National Science Foundation Science and Engineering Indicators (2007);  
National Center for Education Statistics State Education Data Profile (2007)



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# Compounding these problems has been a lack of state policy focus

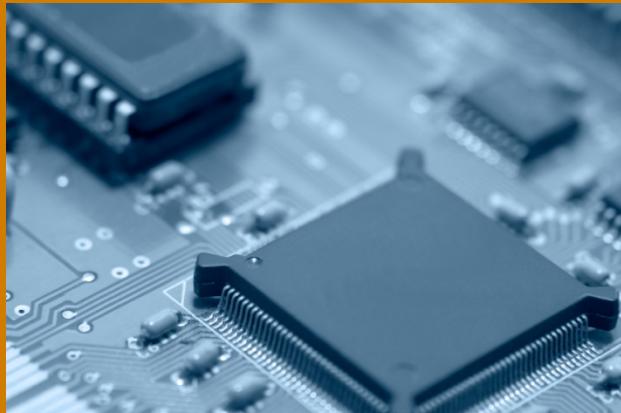
- ✓ State R&D expenditures are a paltry 0.01 percent of GDP
- ✓ The Governor waited two years after disbanding the Idaho Science & Technology Advisory Council before establishing a pared-down Innovation Council
- ✓ Budgets have been slashed for the Department of Commerce key organizations like Tech Connect
- ✓ 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



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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



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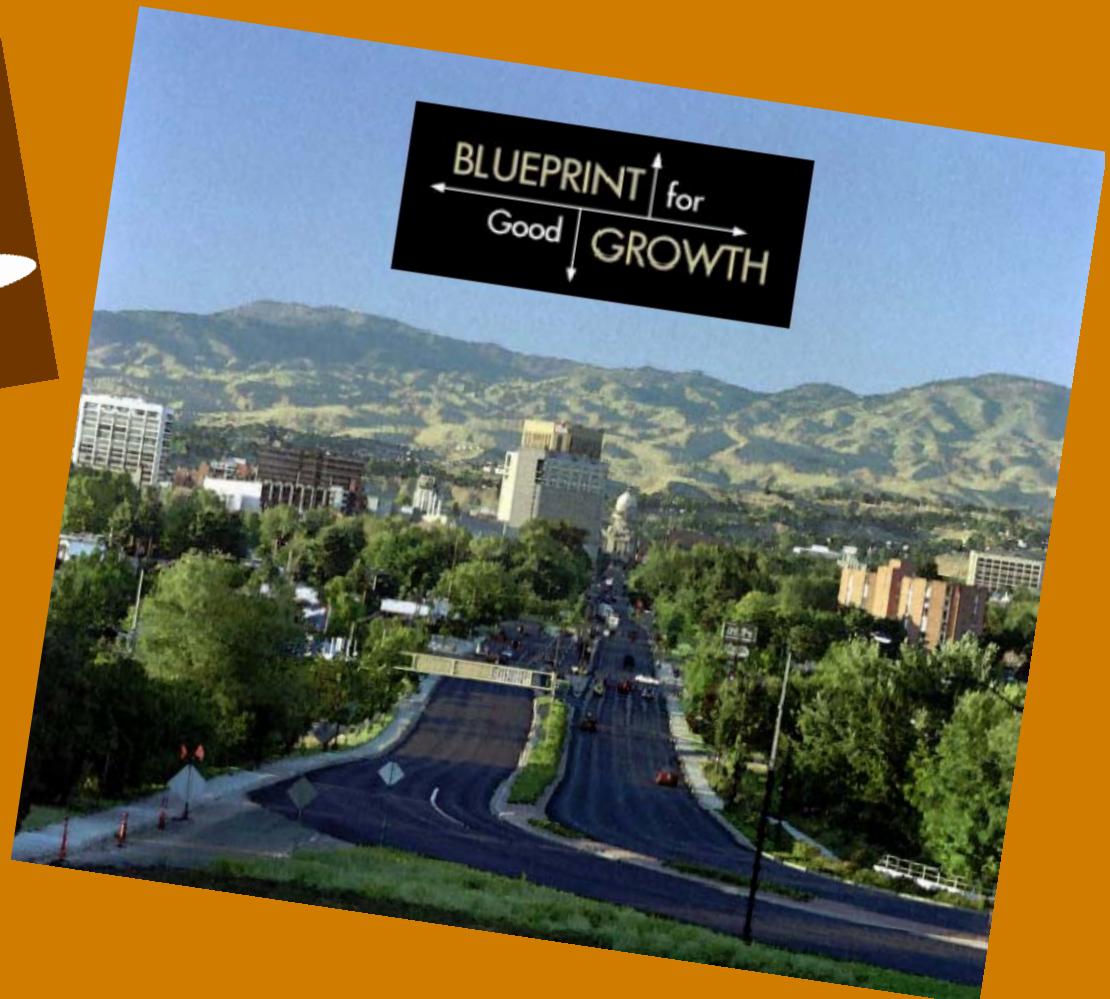


# And the region is continuing an admirable tradition of open space stewardship

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



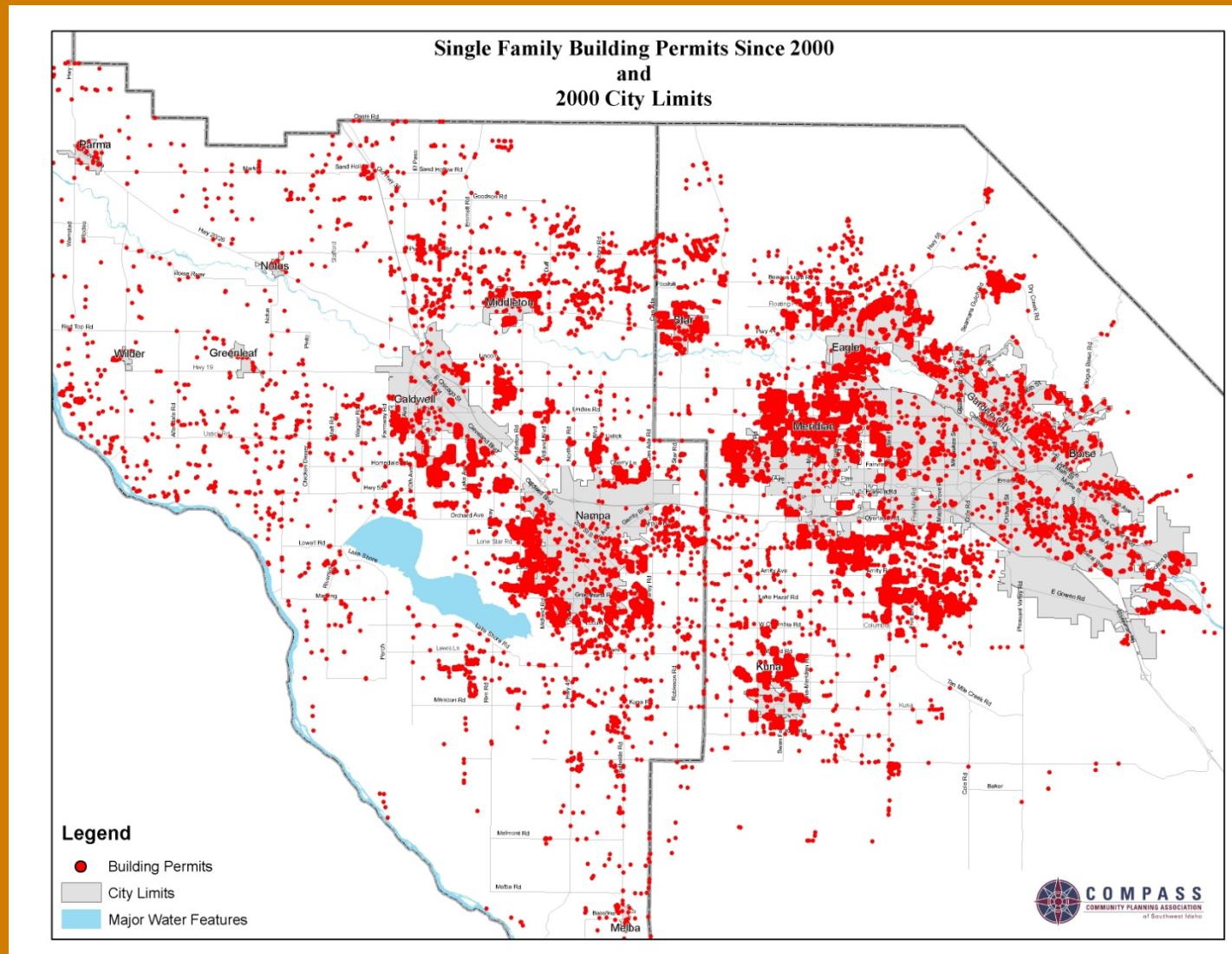
What is more, plausible frameworks exist through which the region might work more cohesively



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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



Photo: Surprise Valley development, Boise, ID; AVIMOR outside of Eagle



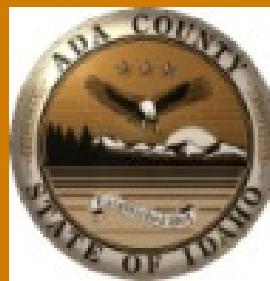
# And a lack of integrated transportation planning leaves residents auto-dependent

- ✓ 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



**Valley  
Ride**



**Meridian  
IDAHO**

**COMPASS**  
COMMUNITY PLANNING ASSOCIATION  
of Southwest Idaho



Community



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# 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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