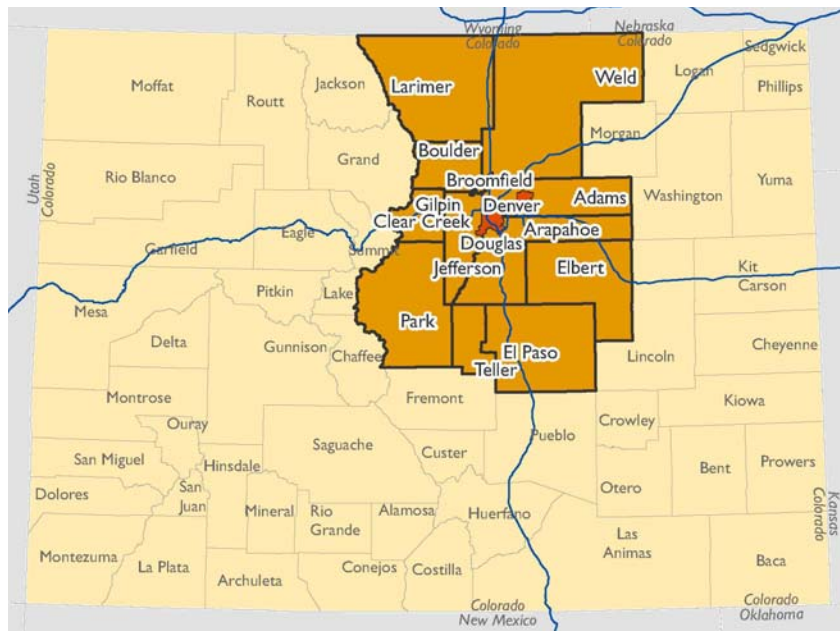




Mountain *Megas*

America's Newest Metropolitan Places and a Federal Partnership to Help Them Prosper

A Profile of Colorado's **Front Range**



Colorado's Front Range is one of the oldest urban spaces in the Intermountain West, having established itself in the 1870s and 1880s as the dominant trans-shipment point between the Midwest and California. This profile—a snapshot associated with the Brookings Institution report, “Mountain Megas: America’s Newest Metropolitan Places and a Federal Partnership to Help Them Prosper”—describes some of the key trends facing **Colorado's Front Range** as well as the critical challenges it must surmount in order to attain sustainable, robust, and inclusive growth. It also highlights a few areas of particular need for a more supportive, constructive partnership with the federal government.

Trends in America's Fastest Growing, Most Urban Region

Colorado's Front Range is the second-largest megapolitan area in the Intermountain West, with 3.9 million residents in 2007. The megapolitan area includes five metropolitan areas, which contain 15 counties. Its population is more evenly spread out than all other Intermountain megas, with four counties—Denver, El Paso, Arapahoe, and Jefferson—each home to between 500,000 and 600,000 people and five other counties each home to between 250,000 and 425,000 people. Over half of the recent growth, however, has occurred in the four fast-growing counties of Douglas, Broomfield, Weld, and Adams counties. The Front Range contains 80 percent of Colorado's population and generates 86 percent of its gross state product. In short, what happens in the Front Range determines what happens in Colorado. And much is happening there:

Growth in the Front Range has been strong, adding almost 1.3 million new residents since 1990. Only the booming Sun Corridor added more people than the Front Range over the last two decades. While three Intermountain West megas grew faster than the Front Range, its 2.4 percent annual increase from 1990 to 2007 more than *doubles* the national increase. The Front Range is also home to three fast-growing “boomburbs” (Aurora, Lakewood, and Westminster) and three “baby boomburbs” (Greeley, Longmont, and Thornton). Aurora and Thornton were among the nation's 40 fastest growing cities between 2005 and 2006.

The Front Range is growing relatively efficiently. Public lands and water make up 31 percent of its total area, constraining development as happens in much of the West. Consequently, the Front Range has converted to urban use no more than 0.78 acres of rural land for every new housing unit constructed between 1980 and 2000 (vs. more than two rural acres for every new unit built in the lower 48

states as a whole). The urbanized core in Denver had an average density of six persons per acre in 2000, the same as in urban Salt Lake and Chicago, and more than in urban Boston.

Average labor productivity is high in the Front Range, surpassing the other mountain megas and the national average. In fact, productivity in the Front Range was 8 percent higher than the national average in 2005, and metro Denver's productivity was a stellar 19 percent higher than U.S. levels. High productivity levels in the region were also associated with above average wages, especially in metro Denver's high-value traded clusters. While productivity levels were lower in Fort Collins and Greeley, their rates of productivity growth reached well beyond the national average to over 12 percent in just four years (2001-2005).

The mega has invested in enhancing the quality of its clusters of firms and industries. The Front Range had 30 percent of its employment in important export-oriented clusters in 2004 and 19 percent in “knowledge” clusters, such as higher education and information technology, both more than the national averages.

The Front Range continues to attract immigrants as well as citizens from all over the country. Nearly 21 percent of domestic arrivals to the Front Range in 2005 moved from California, with another 27 percent from within the Intermountain West and over 16 percent from Texas and Florida combined. The Front Range is now home to over 400,000 immigrants, a jump of more than 240 percent over 1990 levels. Metropolitan Denver is reemerging as one of 20 “21st-century gateways” for immigrant arrivals, joining up-and-coming destinations like metropolitan Seattle, Portland, and Minneapolis.

Emerging challenges and opportunities

Looking forward, Colorado's Front Range is projected to grow by nearly 70 percent to reach a population of 6.3 million residents by 2040. In accomplishing that, the area will need to produce upwards of 1.5 million new or replaced housing units to accommodate this change, meaning that *more than half* of the region's housing units in 2040 will have been added or replaced since 2005. The area may also add 1.9 million new jobs, requiring 2.2 billion square feet of new or replaced commercial space.

Such projections point to a huge opportunity for the Front Range to improve on its current level of prosperity. How-

ever, in order to seize that opportunity the region needs to surmount a number of challenges.

These challenges revolve around securing the region's standing on four sorts of assets that play crucial roles in driving true prosperity.

INFRASTRUCTURE

The Front Range megapolitan is well-served by its core transportation system but faces rising traffic congestion

and continued air quality challenges. Much of the region's freight rail traffic also passes through major urbanized portions of the Front Range, causing traffic backups at multiple at-grade intersections. The region is planning a new freight rail corridor to the east of downtown Denver, but will need substantial support from private and public entities at all levels to see this new corridor constructed.

While the new Denver International Airport is ranked among the top 10 world airports in takeoffs and landings, it remains less well connected globally than peers in Atlanta or Dallas. Most of the region's international flights connect through other major airports, such as Los Angeles International, and this, in a way, holds the region back from achieving world city status.

INNOVATION

Colorado's Front Range exhibits the most mature megapolitan economy in the Intermountain West. The area is highly productive and has seen strong recent productivity growth, especially in the smaller Fort Collins and Greeley metro areas. The Front Range also has the largest share of its employment in critical "knowledge" jobs and in "strong clusters" within the Intermountain West, which contribute to higher than average wages in metropolitan Denver. The challenge for the Front Range may be to defend its economic competitiveness as the other mountain megas grow up around it.

The Front Range has strong research capacity. Its three major public institutions—the University of Colorado, University of Colorado Health Sciences Center, and Colorado State University—all rank within the nation's 100 best state research universities in 2006. The academic institutions in the Front Range spent more on R&D than universities in the other mountain megas (\$796 million in 2006). Even so, the Front Range's University of Colorado and Colorado State University return on R&D investment fell behind highly productive Arizona State University and the University of Utah (at \$3-6 million for each invention disclosure, like a patent, in 2004–06 vs. the U.S. average of \$2 million). On other indicators, such as venture capital and patents, the Front Range led the way, with VC spending at almost \$17 per person in 2006 (vs. \$9 per person nationally) and 88 patents per capita in 2005 (vs. 53 nationally). The Front Range also benefits from two federally funded national labs—the National Center for Atmospheric Research in Boulder and the National Renewable Energy Laboratory in Golden—that together spent \$350 million on R&D in FY 2006.

HUMAN CAPITAL

Human capital—measured by educational preparation—is high in the Front Range, contributing to its strong economic performance. The mega has the lowest proportion of residents without a high school diploma (10.9 percent vs. 15.8 percent nationally) and the largest proportion with at least a bachelors degree (36.7 percent vs. 27.0 percent nationally in 2006). Its share of foreign-born residents with a bachelor's degree is also highest in the Intermountain West (24.3 percent vs. 26.7 percent nationally in 2006). The Front Range also has the smallest share of residents with poor English proficiency (3.4 percent vs. 4.8 percent nationally), despite strong recent immigration.

Poverty is also lower than average in the Front Range, although it has grown recently and income inequality has deepened. In 2005, 381,000 residents of the Front Range lived in poverty and contributed to a 10.4 percent poverty rate (vs. 13.3 percent nationally). This rate increased 40.7 percent over 1990 levels, compared to just 21.1 percent nationally. The share of middle-income Front Range families declined 8.4 percent between 1970 and 2005, while the share of lower-income families increased 3.0 percent and the share of upper-income families increased 6.8 percent.

QUALITY PLACES

Colorado's Front Range has been investing heavily in expanding its transit system and will have 140 miles of rail and bus rapid transit. As the most extensive transit expansion in the country, this will provide multiple opportunities for transit-oriented development to take hold and redevelop largely auto-dependent and single use areas through the megapolitan area. One example is the Denver suburb of Lakewood, which will have six light rail stops, including one at the planned 230-acre mixed-use Denver Federal Center. Currently, however, most of the station stops along the FasTracks system have experienced only minor redevelopment.

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While megapolitan leaders may want to promote mega-scale responses to mega-scale problems, they are frequently hobbled because they lack the super-scaled governance institutions and networks needed to shape their futures. For instance, three separate metropolitan planning organizations have jurisdiction over transportation planning and investment within the Front Range and multiple housing authorities must produce local housing plans without a mechanism for regional action. Fortunately,

Front Range leaders have been thinking and working cooperatively and have in place institutions such as the Metro

Mayors Caucus and the Metro Denver Economic Development Corporation to coordinate development efforts.

Toward a New Federal-Mega Agenda for the Intermountain West

As 2009 approaches, the moment is ripe for Front Range and other Intermountain West leaders to forge a partnership with the federal government that will ensure this mold-breaking New American Heartland is better understood in federal policy discussions and can grow in ways that enhance its sustainability, economic productivity, and social inclusiveness.

To help shape that partnership, Brookings is working with Front Range and other mountain mega leaders to explore a suite of federal policy options that will allow the megas to overcome their common challenges and assert their leadership in the nation and world. Ideally, this partnership will see Washington lead on the things to which only it can attend, while otherwise empowering and supporting regional leaders and their decisionmaking. Limited but substantive and strategic federal engagement will be particularly important in helping the Front Range secure its standing on the key drivers of prosperity: infrastructure, innovation, human capital, and quality places.

INFRASTRUCTURE

Bring the transportation network to scale, smartly. The Front Range is already pursuing many of the options that will be needed to ensure a fully-functional multi-modal transportation system for the 21st century. Future needs surpass available funding, however. In addition, challenges revolve around the need to coordinate planning across three metropolitan planning organizations (MPOs) with jurisdiction in the Front Range, which could benefit from reform of the MPO law to encourage and reward extrateritorial planning.

Enhance global connectivity. Washington can play a critical role in facilitating relationships with international destinations, especially in Asia and Europe. In addition, the federal government must invest in upgrading its antiquated air-traffic-control system.

Proactively address enormous resource needs, especially on water and energy. The Front Range will need water and energy for an additional 2.6 million residents by 2040, while preserving its air quality and reducing its carbon footprint. Washington will have to help by facilitating creative, collaborative regional water agreements and by investing in better data and models for climate, water, and

energy. The federal government also needs to facilitate and support the expansion of the national energy transmission grid and extend federal tax credits and loan guarantees for alternative energy generation and adoption.

INNOVATION

Leverage sci-tech research capacities for economic development. The Intermountain West is well situated to pursue cutting-edge research and development work and then spin off innovative new businesses and good jobs, whether in biotech and IT or new renewable energy technologies.

Stimulate the growth and innovation of strong industry clusters. On this front, the federal government should not be in the business of “picking winners.” However, the federal government must support local efforts to boost and expand competitive industry clusters—a crucial seedbed of innovation, productivity, and quality jobs.

HUMAN CAPITAL

Deliver balanced, workable immigration reform. The federal government needs to aid the region by passing comprehensive immigration reform. States and localities need to be reimbursed for some of the costs of failed federal policy. Efforts are also needed at the community level to improve integration for legal immigrants.

Support the creation of a capable, productive, and diverse middle-class workforce. As Denver re-emerges as an immigrant gateway community, the federal government should take on research and development on immigrant education as a core function of its education policies. The federal government should also do more to secure the pipeline to post-secondary education. Finally, the federal government should boost the wages of lower income workers and their families by expanding and modernizing the Earned Income Tax Credit (EITC).

QUALITY PLACES

Invest in and encourage supportive public transportation. The Front Range is already moving ahead with its multi-billion dollar transit system, with approximately 23 percent of the capital costs funded through federal “new starts” funding and other grants. To support future expansion, the

Front Range will need additional federal financing. The federal government should also refine existing performance standards to ensure pedestrian-oriented design and multi-modal connectivity—both of which are facets of the planned redesign of Denver’s Union Station.

Incentivize energy- and resource-efficient land use and building design. Federal transportation funding should be conditioned on appropriate state and local building codes, zoning, groundwater, and wildlife protection plans. Federal standards for resource sustainability should also be applied to federal land transfers.

Issue a sustainability challenge. This challenge, delivered in a competitive grant offer—in exchange for added reward money and/or increased rule flexibility—would challenge all regions to figure out the boldest, most creative, and effective new ways to better link up disparate housing, transportation, environmental, energy, and land use policies to achieve sustainability goals, such as a reduced carbon footprint.

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Finally, to help megapolitan governance innovation in Colorado’s Front Range keep pace with on-the-ground realities, the federal government should provide a tactful mix of information and encouragement to help catalyze the emergence of more cross-boundary and mega-scaled problem-solving within and across U.S. megas. It could also lay down—in partnership with state government—a “governance challenge” analogous to the sustainability challenge aimed at inspiring megapolitan-area leaders to attempt deep-going experiments in organizing themselves to provide the most effective possible super-regional governance networks.

In sum, the time has come to make America’s emerging new Heartland in the West the test-bed for the nation’s next generation of supportive, far-sighted metropolitan policies.

Washington should work with Front Range leaders to make the Front Range one of the best-connected, most prosperous megas.

About the Metropolitan Policy Program at Brookings

Created in 1996, the Metropolitan Policy Program provides decisionmakers with cutting edge research and policy ideas for improving the health and prosperity of metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit www.brookings.edu/metro

The Blueprint for American Prosperity

The *Blueprint for American Prosperity* is a multi-year initiative to promote an economic agenda for the nation that builds on the assets and centrality of America’s metropolitan areas. Grounded in empirical research and analysis, the Blueprint offers an integrated policy agenda and specific federal reforms designed to give metropolitan areas the tools they need to generate economically productive growth, to build a strong and diverse middle class, and to grow in environmentally sustainable ways. Learn more at www.blueprintprosperity.org

About *Mountain Megas: America’s Newest Metropolitan Places and A Federal Partnership to Help Them Prosper*

Prepared as part of the Brookings Institution’s *Blueprint for American Prosperity* initiative, “Mountain Megas” describes and assess the new super-sized reality of the Intermountain West and proposes a more helpful role for the federal government in empowering leaders’ efforts to build a uniquely Western brand of prosperity that is at once more sustainable, productive, and inclusive than past eras of boom and bust.

“Mountain Megas” studies five emerging megapolitan areas in the Intermountain West: the Sun Corridor (metropolitan Phoenix, Tucson, and Prescott), the Front Range (metropolitan Boulder, Colorado Springs, Denver, Fort Collins, and Greeley), the Wasatch Front (metropolitan Logan, Ogden, Provo, and Salt Lake City), Greater Las Vegas (metropolitan Las Vegas, plus Nye County, NV and Mohave County, AZ), and Northern New Mexico (metropolitan Albuquerque and Santa Fe, plus Los Alamos and Rio Arriba counties).

Learn more at www.brookings.edu/metro/intermountain_west.aspx

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