What to Do

Phoenix came into its own during the automobile era, but the region’s next chapter will be written in the age of knowledge. As the region’s leaders and residents decide what to do, actions in three strategic areas seem imperative.

First, the Phoenix region needs to understand the full range of issues that shape its growth and development patterns. The region’s emerging divisions, transportation challenges, loss of desert lands, and the many other growth issues that threaten metropolitan Phoenix’ quality of life are inextricably linked. The challenges cut across jurisdictional boundaries. Yet the practice of this state has been to approach the region’s growth problems piecemeal.

This Arizona-style disconnect is best illustrated by the current collection of high-level state planning and policy commissions that are now, or recently have been, deliberating in isolation on five critical aspects of growth: growth management itself, the new economy, water, transportation and air quality. There is little evidence thus far that these dialogues will be connected into a comprehensive, coordinated response to the overarching issue of growth management.

By contrast, the smartest regions today have embraced the “four E’s” of a strong economy, healthy environment, social equity and civic engagement as an integrative framework for analyzing problems and building regional advantages. These metropolitan areas recognize that the times and the terms by which regions compete in the world are changing and their responses relate to the powerful forces of migration, competition, globalization and technology.

They notice that “clusters” of businesses and the talented people they depend on are increasingly attracted to vital, livable places. They see that “livability” has become a rallying cry for companies and their workers who want clean environments, open space and an end to excessive sprawl. And they recognize that everything is connected.

Metropolitan Phoenix’ leaders can continue to disregard the relationships among the region’s education, social, economic and environmental challenges and hope for the best. But they would do better if together they “connected the dots” among the issues and created new partnerships capable of responding to growth’s problems and paradoxes.

Second, the Phoenix region must overcome a number of near “Catch-22s” that are rooted in its history. As the region continues to grow, a number of trends – both positive and negative – have the potential to confront the region with a series of dilemmas. For example:

- **Looming transportation and land use conundrums.** In contrast to other regions, highway building in metropolitan Phoenix has supported the region’s central area. The present round of suburb-to-suburb freeway extensions, however, could create problems. By making jobs and homes away from the center more accessible, the presence of freeways will intensify land consumption on the fringe. But should employment remain concentrated in the cores and home building continue to move outward, commute times could worsen. The challenge to unraveling this Catch-22 will be finding transportation and land-use initiatives that create dispersed mixed-use clusters of greater residential and employment density, that do not detract from the vitality of downtown Phoenix, the region’s signature core.

- **State trust land questions.** Large tracts of state-owned trust land near the urban fringe constitute an irreplaceable asset for the region’s quality of life. This land could serve as a growth boundary that provides a vast reservoir of open space. However, the state constitution requires that these lands be managed to maximize revenues for Arizona’s educational needs. The mandate bars wholesale conservation of the lands and increases the likelihood of future land sales to developers. The challenge for the region will be to amend the Arizona constitution and state enabling act to allow for trust land to be dedicated to open space while maintaining the ability to fund schools.

- **Growth agendas in the smaller cities.** Eighteen less-populous cities on the urban fringe now control nearly as much land as the city of Phoenix and the five largest suburbs combined. These areas also lag behind the region in open-space protection and use of growth management tools. This means that the municipalities in the region least equipped to deal with the effects of fast growth will soon be making decisions with enormous implications for the entire region. The challenge will be to bring a regional perspective to the planning efforts of all cities while respecting the region’s tradition of local control.

- **Fixing the schools of the core.** The region has reason to worry about the education of children in central Phoenix and the southwest portion of the region. Individual economic success correlates particularly with education attainment (the number of years of school completed). The weak schools of the center present a powerful impetus for decentralization. Schools with high proportions of low-income, minority or underachieving students may influence where people and businesses choose to locate. This increases the viability of the fringe at the expense of the core. Ironically, though, the region and its cities possess limited authority to address the unique problems of schools. The challenge will be encouraging more effective collaboration between school districts and city leaders and including education issues in both fringe growth management and core revitalization strategies.

- **Conflicting views on sprawl and density.** Residents of metropolitan Phoenix decry sprawl, but they also dislike density. Unfortunately, controlling one usually means encouraging the other. To confront this Catch-22, regional leaders and residents will need to find an acceptable way to promote greater density with “quality” development that fosters convenience, diversity, transit options and access to open spaces. One approach will be to re-evaluate traditional zoning ordinances with their rigid and segregated land uses and consider new rules that foster acceptable combinations of residential and commercial uses.
• **Regional authority dilemma.** Although valuable, especially as the 18 less-populous communities become a stronger force in the regional dynamics, city-to-city coordination will only go so far. However, the creation of a binding regional authority has been rejected so often that implementation of such a concept appears unrealistic for metropolitan Phoenix. The challenge will be to reap the benefits of regional “governance” without having to adopt a formal “regional government” structure.

• **An on and off relationship with Washington.** The region historically has benefitted from federal assistance with water and public works projects that have sustained a growing population. In recent years, state leadership – executive and congressional – has disdained federal help with similar projects, believing that the state should be more independent from Washington. This stance handicaps the region’s ability to finance major growth management initiatives, such as light rail or open space acquisition, that neither the state nor any single municipality can afford on its own. The challenge will be to get back to a long-term regional agenda so compelling that it would be unthinkable for any elected official not to support it.

• **Tensions that surround state support of metropolitan Phoenix.** In today’s economy metropolitan regions are increasingly overtaking states as the drivers of growth. The situation in Arizona is no exception; the metropolitan Phoenix region currently accounts for 70 percent of the state’s total personal income and is responsible for over 70 percent of new job growth. Thus, ensuring a viable metropolitan Phoenix should be a top priority of state government. However, other communities across Arizona have needs that also must be addressed at the state level. The challenge will be to support the Phoenix region in a way that does not neglect the needs of other localities, but accepts that prosperity brought forth by a strong regional driver benefits the state as a whole.

• **Water’s changing role.** Although the region has ample water for its current population, water management will be more important given that there are no potential projects on the scale of the Central Arizona Project to increase the future supply of water. As such, water management will be increasingly related to growth management, as water becomes an invaluable regulator by influencing where homes and businesses may locate. However, discussions on water management and growth management currently take place in entirely separate spheres. The challenge will be to bring together the water mavens and the urban planners to come to an understanding of how water policies could be used to manage growth.

These near Catch-22s will not succumb to old ideas. **Bold, innovative policy decisions will be needed.** It is unfortunate that the state’s past knack for bold and integrated policy making has been noticeably absent in recent years. Nowhere in sight, for example, is the kind of problem solving with which, in the early 1980s, the state of Arizona prepared for growth by enacting its celebrated Groundwater Management Act and Urban Lands Act. Each of these laws brought the outlines of comprehensive, regionalized policy to the management of a key resource stressed by growth. And each has stood the test of time and the region in good stead.

The challenge for metropolitan Phoenix is also to reinvigorate its past tradition of far-sighted, large-scale action now. This does not mean simply replicating the big ideas of a Seattle or a Denver. It requires the region’s key stakeholders to think deeply and creatively about local causes, conditions and future trends and to take action.

---

**Each economic era has evolved its own regional form. What is next?**

<table>
<thead>
<tr>
<th>ECONOMY</th>
<th>GEOGRAPHY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural (1700-1880)</td>
<td>Towns, Villages, Farms</td>
</tr>
<tr>
<td>Industrial (1880-1950)</td>
<td>Central City</td>
</tr>
<tr>
<td>Service (1950-1980)</td>
<td>City-Suburbs</td>
</tr>
<tr>
<td>Information (1980- )</td>
<td>??</td>
</tr>
</tbody>
</table>


---

The Future at a Glance...
New Faces, New Economy and New Geography Will Shape Future Metropolitan Areas

This report’s final suggestion for the region is for it to focus on demographic, technological and cultural trends that are shaping the next metropolitan era. New faces, a new economy, and a new geography of amenities may be as profound a determinant of the size, shape and prospects of cities and their surroundings in the coming years as the post-war suburban boom was. This means decision makers will need to consider different, new trends as they prepare for future growth. Table 12 shows some of the trends to prepare for.

If it is true that “demographics are destiny,” two dramatic changes in the make up of the American population will affect the shape of metropolitan regions’ character in the future: the aging of America’s baby boomers and its increasing population of immigrants. What the boomers buy and where they retire will have significant implications for urban and suburban growth dynamics. The Milken Institute projects that the gains in the elderly population over the next 25 years will result in major migrations by retired people to high-amenity areas such as the south and mountain west. Within these areas, the more affluent “yuppie” elderly will tend to locate on the periphery while less wealthy seniors likely will remain in their home cities and reside closer to the core.

The increasing numbers of immigrants coming to America are already creating new urban dynamics. For example, the most recent influxes of residents from Asia and Latin America exhibit different settlement tendencies from their predecessors from Europe early in the 20th century. Rather than assimilating whole-heartedly into American culture, immigration laws have encouraged the groups to cluster near family members. This congregation is creating a new force in metropolitan areas, especially in a handful of central cities.

The baby boomers’ gradual transition out of the workforce will create a talent shortage. After the baby boom’s huge bulge in births from 1946 to 1964, population growth fell off sharply in the mid-1960s and did not rebound until the baby “boomlet” began in the late 1970s. This boom-and-bust pattern has created big swings in supply and demand in everything from schools and jobs to housing. For employers the next swing will put a premium on young, well-educated, creative talent. In-migration will supply some of this talent; increased productivity will take up some of the slack. But, fundamentally, communities that attract talent will attract employers.

New economy firms are already reshaping the economic landscape and built environment. If current trends hold, the company of the future will be small. For example, only 11 companies in Silicon Valley have more than 10,000 employees; the average size for software firms is 27 people. That alone dictates vast differences in where companies can locate within the city, and what sort of construction suits them. Although improved infrastructure and communications technology are encouraging the spread of jobs and people to the urban edge, big cities like Phoenix can prevail because they move ideas, engender face-to-face interaction, facilitate specialization, support lots of stores and parks and diversity. They also provide accessibility, and an already built-up, rich infrastructure – both of which are critical to regional competitiveness.

And the new generation of workers is beginning to define a new way to work and live. Where workers in the industrial era went to a factory to make things more efficiently, new economy workers can work from anywhere to apply their knowledge to do things better. Increasingly, they maintain a 24-hour-a-day, 7-day-a-week schedule. Because the time frame in which they must accomplish tasks is highly abbreviated, the new workers value just-in-time amenities, user-friendly transit connections, accessible diversions that blend seamlessly with work. Whether it is cappuccino or a movie, they want it when they want it and they want it to be good. Downtowns and diversified city neighborhoods that cater to their 24-hour schedule are in; sterile suburban campuses are out. Growth management, access to greenspace and the “mixed-use” clustering advocated by New Urbanist designers are positives; “sprawl,” traffic congestion and poor school systems are big turn-offs.

Finally, one of the strongest implications of the current change is that place still matters – but for different reasons. Technological advances make it possible for people and companies to locate anywhere. Just as the dawn of the automobile supported the spread of suburbs, the age of the computer will likewise shape the character of metropolitan regions. Workers in the new economy appreciate physical attributes such as geography or climate, as well as intangible aspects such as quality of place. Although such workers could technically work from anywhere, they tend to choose places that allow them to balance both economic opportunity (jobs) and lifestyle (amenities). In so choosing, the new workers value fundamentals like connectivity and access, but also less quantifiable assets like a sense of place; vital centers where they can interact with peers and draw upon one another’s creative energy; or a thriving cultural scene.

How metropolitan Phoenix chooses to take what it has and put it into play amid these emerging trends will determine the region’s competitiveness and how it will grow. For example, if present migration trends continue, the region can expect to see even greater concentrations of Hispanic populations around the core. Likewise, the region can expect to see continued clustering of older residents along the outer edge as more retirees settle in age-segregated communities. Talented workers are now becoming the driving force behind business site selections. Each group will demand different amenities and services from their communities.

Because of these trends, metropolitan Phoenix will likely have to change many things about how it competes for prosperity in the next era of growth. Rail lines (rather than lane miles) may become crucial. Mixed-use and “clustering” may need to become the region’s watchwords rather than low-density spreads. And downtown revitalization campaigns may need to change strategy to focus on small firms and knowledge workers who want amenities around the clock, individualistic residences and quality schools close by rather than on luring suburban residents to come to the city on weekends to watch professional sports events or attend the theater.

Finally, one thing is certain: The regional imperative is growing stronger. Cities are no longer islands. As groups of cities here and elsewhere have grown into metropolitan areas, the resulting region has become the only meaningful unit, the ultimate nexus of activity. Everything now connects. Every decision and policy of one jurisdiction affects those of all the others. Each jurisdiction within the region is reliant on the others to maintain its strength and the overall region’s health. The effects of poorly planned growth management in one jurisdiction will affect the quality of life in the others. The problem of one locality turns out to be everybody’s problem.

Let metropolitan Phoenix become one of the first communities in the nation to craft truly innovative, forward looking and regionwide solutions to everyone’s problem and opportunity – changing metropolitan development patterns.