What’s Behind the Trends

Metropolitan Phoenix is where it is today – with its good and bad points – because of its special attributes, national factors, and local choices. Patterns common to most post-war metropolitan areas, including auto dependence and the rise of the suburbs, have made a difference here as they have everywhere. But because the Phoenix region is so new (having developed largely since 1970), it may have been affected by these patterns more than other places. The following sections discuss some of the reasons why metropolitan Phoenix is the way it is.

Timing and National Trends

COMING OF AGE IN THE AUTO ERA
Nothing is more important to metropolitan Phoenix’ growth than the fact that it has taken place mostly in the automobile era. As late as 1940, this region was a modest provincial hub with 120,000 residents. The transformation to an urban region of almost 3 million took place almost entirely after World War II when cars meant freedom and new work and lifestyle choices. Metropolitan Phoenix expanded as an assemblage of dispersed suburbs because of its time and place.

THE ADVENT OF AIR CONDITIONING
Willis Carrier, the inventor of air conditioning, helped set the stage for metropolitan Phoenix’ rapid growth. In 1957, the Federal Housing Administration agreed to accept central air conditioning as part of its mortgages. The conquest of the desert’s summer heat made metropolitan Phoenix an attractive Sunbelt destination and gave housing and business a green light to expand as never before.

Local Circumstances

TOPOGRAPHY AND CLIMATE
Phoenix’ striking setting and pleasant climate have attracted new residents and businesses, and helped determine its form. The region’s mountains and flood plains have fostered the spread of development and shaped it somewhat. The Salt River Valley offers few natural barriers to outward growth. Large rugged mountains just beyond the northern fringe offer some limits to the region’s future growth, though few such obstacles exist in the south and west. Phoenix’ mild winters and low humidity have made the region a leading western destination for lifestyle seekers and retirees.

THE REAL ESTATE CRASH
The real estate crash of the late 1980s and the national recession about the same time also influenced Phoenix’ current form. The “bust” just over a decade ago slowed decentralization and encouraged several years of more cautious in-fill development at a time of phenomenal population growth. Not surprisingly, metropolitan Phoenix’ growth industry was affected significantly by the tight financial markets created by the virtual collapse of savings and loan institutions by 1990. Banks in Arizona lost more money in the first half of 1989 than those in any other state.

As a result, development moderated in the early 1990s. Home construction slowed. Where development occurred, developers took fewer risks in site selection and turned their attention inward. The average distance from downtown Phoenix of new home construction barely increased from 16.4 miles in 1990 to 16.5 miles in 1993. Only after the local and national economies rebounded did attention refocus on outer areas. Today, the frontier lies more than 20 miles away from downtown Phoenix, but the 1989 crash may still be affecting fringe expansion. Lenders, according to John Ogden, CEO of Phoenix-based SunCor Development Company, keep a far tighter hold on development financing now than during the 1980s.

GOVERNMENT LAND OWNERSHIP
A vast amount of public land in the Phoenix region is another important local characteristic. Together the federal and state governments and three Indian reservations control a quarter of all land in the MAG planning area, and about two-thirds of the entire county. Public lands have so far played a modest role in determining how the region grew, but their importance will grow in the future as the urbanized area abuts them.

Development patterns have already been shaped to the east and south by the Salt River Pima-Maricopa Indian Community, the Fort McDowell Indian Community and the Gila River Indian Community. Federal holdings and the Indian reservations form a de facto growth boundary for parts of metropolitan Phoenix (see Map 18). A more variable factor is the 275 square miles owned by the state of Arizona in the regional planning area and mandated by the state constitution to be managed to generate the maximum financial benefit for Arizona’s schools.

Policies and Effects
Specific state and local policy choices have influenced how and how fast the region has developed in the last 30 years. What follows, then, examines the state and local policy decisions – wise and otherwise – that have determined the way the region has changed, and begins to suggest areas for future decision making.
TREND: State policy choices on water, state lands and transportation in the 1980s facilitated fast growth, but also presented some limits.

**SECURING WATER**

Early, bold federal and state efforts made water a facilitator of regional growth. Without a reliable water supply, Phoenix would never have developed into a large metropolitan region. In the early years of the 20th century, Phoenix-area government and business leaders persuaded the federal government to construct massive dams and water delivery systems. Among these projects were the Salt River Project (SRP). Since 1986, the Central Arizona Project (CAP), a 365-mile long system of aqueducts, tunnels, pumping plants and pipelines, has provided water to Phoenix. Through the SRP and CAP, metropolitan Phoenix can access as much as 1.7 million acre feet per year of surface water. By some estimates, this is enough water to support a population at least double the region’s current number.

The Groundwater Management Act (GMA) of 1980 further supported expansion by supplementing dam- and canal-building with conservation. Brokered by then-governor Bruce Babbitt, the act was named by the Ford Foundation as one of the nation’s ten most innovative programs in state and local government in 1986. With the act, the state of Arizona moved aggressively to administer its substantial, but finite, water supplies and control groundwater pumping. Specifically, the GMA limits groundwater pumping in the Phoenix region and, until 1998, required developers to verify that projects had a 100-year water supply that would not further deplete the aquifer. These requirements responded to several negative environmental impacts of metropolitan Phoenix’ expansion (such as land subsidence due to groundwater pumping) as they rationalized more growth by imposing a semblance of order on the water scene. The indiscriminate proliferation of new homes was replaced by a managed process in which subdivisions were forced to refrain from unrestrained groundwater use and usually had to connect to existing water infrastructure.

The GMA likely has limited the region’s spread somewhat. New development can proceed more easily in cities like Tempe, Phoenix or Scottsdale, which have access to CAP water. Conversely, the GMA presents hurdles to development in areas such as Cave Creek or Carefree that are more distant from CAP and lack sufficient groundwater supplies. In these communities, the cost of building infrastructure to deliver CAP water appears to discourage rapid construction. In the western part of the region, community leaders have enough water but are struggling with the cost of a treatment plant.

**HOLDING ONTO LAND**

The restrained pace of the state of Arizona’s sales of its school trust land has also fostered compactness, at least thus far. The state constitution requires that the trust lands, part of the 11 million acres Arizona gained at statehood from the federal government, be managed to maximize their benefit to the state’s schools. This requirement has always raised the possibility of these lands’ sale or lease to developers. However, analysis of State Land Department records suggests that such transactions have had only a minor influence on the region’s physical form. Many states sold off their trust lands for short-term gain decades ago. By contrast, Arizona retains more than 90 percent of its original grant, including the vast majority of the acres it controls near the Phoenix urbanized area. Relatively few parcels have been sold to developers; a fact that owes largely to decades during which the Land Department focused on generating revenue primarily from livestock grazing and mineral fees in rural areas.

The Urban Land Management Act of 1981 also has limited sales of state trust land for development. Another accomplishment of the Babbitt years, this law anticipated the approach of the urban edge to state lands and sought to supervise the state’s participation in the real estate business. The act gave the State Land Department new authority to plan, zone and merchandise lands within or near the metropolis’ urban areas. It directed the Land Department to encourage “appropriate” development and “in-fill,” and to discourage “urban sprawl” and “leapfrog” building. To date, the State Land Department has sold off just 7,446 acres of land near all of the state’s cities.13 The net effect is that the state now retains a reservoir of more than 200,000 acres of vacant land around metropolitan Phoenix, much of it just to the north of the current urban fringe. This legacy offers the region an important resource for open space preservation or other growth management projects (see Map 17).
Map 17: State Trust Land

Map prepared by
Arizona State University
IT Research Support Lab - GIS Services

Data Sources: Maricopa County Dept of Transportation, Arizona Land Resource Information System.
DELAYING THE FREEWAYS

The Phoenix region’s initial decision not to build a comprehensive freeway system promoted more compact development, notwithstanding the inconvenience it caused. At least one fortunate effect resulted from the delays neighborhood groups and Arizona Republic publisher Eugene Pulliam forced in the construction of Interstate 10 through central Phoenix during the 1970s. By blocking construction until after 1978, freeway opponents delayed the types of highways that in many metropolitan areas facilitated large-scale decentralization. As late as 1987, metropolitan Phoenix’ 290 miles of limited-access lane miles ranked last among the largest 22 metropolitan areas while the number of people per highway mile ranked third. Early road-building choices in metropolitan Phoenix spread jobs and people to the urban edge less than they did almost anywhere else.

Delaying freeway construction also promoted reliance on the region’s one-mile grid of arterial streets, which has tended to encourage relatively even development patterns. The arterials, a legacy of agricultural service roads, have provided the region with a flexible way to relate transportation and growth. The streets provide the driver with multiple routes and detours around congestion. They are easy to build as they are needed. As development attorney and urban observer Grady Gammage has pointed out, the arterials afford the city a way to serve new areas of settlement in an “incremental” way that does not distort ongoing development patterns with sudden additions of capacity.14 The delay in freeways and embrace of arterial streets may be said to have encouraged balanced expansion. In road building too, then, state and local policy choices made in the 1970s and 1980s significantly influenced (largely for the better) the current form of the region.

How the future completion of the Loop 101 and 202 beltway will impact the urban form remains to be seen. The decision to expedite this construction may speed the dispersal of employment into affluent suburban areas. If so, the current round of freeway construction may leave a more ambiguous legacy than the last one did.

WHAT THIS MEANS

Metropolitan Phoenix’ past policy choices on water issues, state trust land, and transportation priorities on balance have facilitated the region’s growth. At the same time, they have offset rapid decentralization and inefficient resource use to an extent. Securing CAP water enabled rapid growth and made it more sustainable by offering an alternative to destructive aquifer pumping. The Groundwater Management Act strongly encouraged connections to established water systems, which promoted development within or adjacent to established neighborhoods. Slow freeway building helped the central core retain and attract employment at a time when the rapid spread of jobs and people to the edge was a feature of urban growth. By holding on to the trust lands, the state retained acres that may soon become critical to promoting livability while staying away from the business of artificially driving fringe development with land sales. These past policies have served the region well.

Now, these past policies need to be updated. To do so, the region will face some tough decisions.

Whether water policy can be used to help shape and regulate the region’s growth in the future merits careful study, especially since there are not likely to be any big water projects to bail the state out of any future resource binds. The State Land Department’s past restraint in land sales also leaves the region with an important choice: Should the state sell big chunks of its holdings to raise money for education, or should it hold this land for use as open space? And the continued neglect of mass transit, coupled with beltway building that may disperse employment and housing, compels dialogue about how the region should proceed on transportation. In each of these areas, failure to adapt and update may threaten the dynamics of the past 20 years.

1995 LAND USE

| LAND OWNERSHIPS |
|------------------|------------------|
| Federal and County Lands | Indian Reservations |
| Private Undeveloped Lands | State Lands |

Map 18: Metropolitan Phoenix: Land Ownership and Urbanized Land, 1995

Growth Management Efforts

TREND: Though they are late in coming and uncoordinated, more efforts to manage growth are underway in the region than is commonly thought.

Local government growth management programs are fairly widespread in the Phoenix region and more prevalent than conventional wisdom would predict. Morrison Institute surveyed the 25 cities and towns (including Apache Junction) in the metropolitan area and Maricopa County to better understand the nature and level of local growth management efforts. The county and 18 municipalities responded. In developing the questionnaire, the Institute used the Lincoln Institute of Land Policy’s description of a systematic growth management framework, including:

- Strategies to discourage sprawl and encourage compact urban development, in-fill and revitalization of blighted or troubled areas
- Provision of infrastructure (roads, schools, water service, parks) at the time of development
- Urban design requirements that aim at aesthetically pleasant urban areas, mixed uses and environmentally friendly places
- Policies and programs that protect sensitive lands, rural areas and open spaces
- Policies and programs to assure that affordable housing is a major component of new development
- Growth management boundaries
- Policies and programs to assure that affordable housing is a major component of new development

Morrison Institute’s survey revealed surprising activities in the 19 responding communities (see Table 10).

- Only one municipality – Litchfield Park – employs none of the possible tools.
- Fifteen of the 19 jurisdictions utilize impact fees to help pay for the costs of new growth.
- Fourteen have mandatory downtown urban design guidelines.
- Twelve cities maintain an adequate public facilities ordinance.
- Eight provide revenue for open space.
- Seven cities provide direct incentives for in-fill development.

Taken together, this array of approaches points to the emergence of a “Phoenix style” of growth management practiced which focuses on requiring new development to “pay for itself” rather than on restricting it.

Rules for “adequate public facilities” in 12 cities suggest the relative newness of the present commitment to growth management. Just four of 11 jurisdictions surveyed in a 1994 study reported that they had adopted such ordinances.

Though numerous, the growth management practices cannot be characterized as universal or uniform. The Morrison Institute survey shows that several smaller towns have as many management tools in place as the larger cities. For example, Queen Creek, a small community on the region’s southeastern edge, employs every strategy used by Phoenix, Mesa and Scottsdale. Still, smaller jurisdictions generally have fewer growth management tools than their larger counterparts. Contrast Goodyear and Surprise (one and two tools respectively) with Phoenix and Scottsdale (six and five tools). In this regard the smaller jurisdictions often appear to be welcoming growth without hesitation. Another contrast appears when east and west cities are compared. East Valley fringe towns and cities wield more restrictive growth management tools than their counterparts in the West Valley. In the east, Apache Junction, Queen Creek, Mesa and Chandler indicated on average five management instruments. To the west, Glendale, Goodyear, Litchfield Park, Surprise and Peoria have an average of two tools.

Table 10: Prevalence of Growth Management Tools by City

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* Examples of “urban limit lines” are urban service area boundaries (lines beyond which public services will not be extended) and greenbelts of dedicated open space around cities designed to limit growth there.

PAYING FOR GROWTH

Impact fees constitute the region’s leading growth management response. The Morrison Institute survey shows 15 of the region’s jurisdictions have established impact fees to recoup the costs of infrastructure and public amenities. Cities vary widely in their use of the fees, as Figure 11 and Tables 11 illustrate. Most often the assessments are used to fund water and sewer service. Still, little uniformity characterizes their use. Chandler, Glendale and Peoria charge developers for such projects as parks, police and road construction. Mesa assesses builders of single-family homes $159 per home for cultural programs, and Apache Junction charges $1,368 per home to support its schools (though the fee is facing a legal challenge).

The amount charged by the region’s towns varies widely. The fees charged ranged from $1,800 per single-family house in Tempe to $13,000 in parts of Peoria. Also, the Institute survey reveals a staged array of impact fees within the region that clearly responds to regional growth patterns.

Peoria and Phoenix (the Ahwatukee area) clearly outpace the other jurisdictions in total impact fees assessed. However, the breakdown between the amounts charged by categories for these two cities varies. Peoria charges most of its fees for two categories – roads/transportation and water systems. Phoenix’ Ahwatukee impact fees break out more subtly, and one of the larger categories is parks. Glendale and Scottsdale sit on a second level of sorts but well above the others. Mesa and Tempe charge the lowest amounts (Carefree does not charge impact fees). Tempe only assesses fees in two areas, water and sewers (similar to but much lower than Scottsdale).

The cities and towns were asked to estimate the percentage of public facilities costs covered by fees. More specifically, they picked ranges of costs for streets, traffic lights, sewers, water, parks, public safety and libraries covered by fees. Respondents replied that impact fees typically balance the majority of costs.

Impact fees often are higher at the fringe and much less in the core of cities. This is both a way to pay for new growth and a de facto in-fill strategy because it is less expensive in such a scenario to develop a subdivision in a vacant area that already has sewer and water. Cities using varying impact fees include Peoria, Phoenix, Scottsdale and Surprise. Table 11 illustrates how some cities charge different impact fees for different locations within their boundary. In addition to these differences, there are areas of some cities (e.g. Phoenix) where no impact fees are charged at all.

The region’s diverse impact fees turn out to constitute a surprisingly well-ordered system. Though levied independently by an increasing number of the region’s cities, the fees together make up a tiered regime that generally exacts more from fringe-area developers than central-area ones.

Whether this array of fees really promotes regional compactness, however, remains unclear. Recent research concluded that metropolitan areas that rely on impact fees rather than tax revenue to finance new public infrastructure are more likely to develop in a compact manner. However, the Morrison Institute analysis did not detect a clear trend in this regard. Suffice it to say that the uncoordinated assessment of impact fees in metropolitan Phoenix – largely out of fiscal self-interest – raises the possibility of an orderly discouragement of extreme sprawl.

KEEPING THE CENTER VITAL

Efforts to revitalize central areas and promote in-fill represent another noteworthy growth management response in metropolitan Phoenix. Seven of the 19 responding jurisdictions have specific in-fill programs. Peoria, Phoenix, Scottsdale and Surprise zone their impact fees to constitute a de facto in-fill program by charging more at their urban fringe than at their cores. And several of the region’s cities are also now following Phoenix’ and Tempe’s efforts over the last decade to boost their downtowns (see Table 10).

The cities of Phoenix and Tempe mounted early, sustained and ambitious campaigns to enhance their downtowns. City of Phoenix reports show that the city took its first major steps toward downtown redevelopment in 1971. Since the 1980s, almost $2 billion of public and private funds have been invested in downtown projects such as a new city hall, Arizona Science Center, America West Arena and Bank One
Figure 11: Cities with High Population Growth Have Moderate Impact Fees

Table 11: Single-Family Impact Fees by City and Category*

*Rate from 1990 to 1998.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Peoria</th>
<th>Phoenix</th>
<th>Surprise</th>
<th>Scottsdale***</th>
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<tr>
<td>Roads</td>
<td>362</td>
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<td>Sewer</td>
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<tr>
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<td>Libraries</td>
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<td>Schools</td>
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<td>Other+</td>
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<td>7,899</td>
<td>12,580</td>
<td>13,288</td>
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** Area A of Peoria extends from Northern Avenue to Bell Road.  *** Assumed Density of 2-4 dwelling units per acre for Scottsdale.  + Reclaimed water fee for Chandler; sanitation fee for Glendale; meter price and solid waste container costs for Peoria; equipment repair facilities and solid waste container for Phoenix.  Source: Morrison Institute for Public Policy Growth Management Survey, 2000.
Ballpark. A structured impact fee system places a heavier burden on development in fringe areas so as to free up funds to support downtown and existing neighborhoods. Fee waivers of up to $2,200 are designed to encourage in-fill. Tempe has focused on creating a diverse, mixed-use "vital center" of the sort valued by the people-centered companies of the new economy. Both cities are now devoting sales tax revenues to a light rail system to connect the Chris Town area, downtown Phoenix, and Sky Harbor International Airport to Tempe and Mesa.

Though it is hard to quantify, it stands to reason that efforts to boost downtown Phoenix and Tempe have helped the region retain a strong center and minimized decentralization. Such investments have clearly fostered the continued concentration of business activity within the region's center. In doing so, they have helped prevent the central-area disinvestment that has "hollowed out" other cities. Beyond that, these cities' significant efforts to provide amenities within their cores have likely offset some of the conditions pushing middle-class families away from region's center. Downtown revitalization continues to be an important strategy for growth management in metropolitan Phoenix.

PROTECTING OPEN SPACE

Open space protection is a strategy of increasing importance in the region. This growth response goes back a long way. In addition to the 16,500-acre purchase that became South Mountain Park in 1924, the city of Phoenix has made major land acquisitions in every decade since the 1950s. In keeping with that, city of Phoenix voters in 1973, 1979, 1984 and 1988 approved bond issues to purchase 9,700 acres to establish the Phoenix Mountains Preserve. Altogether, the city of Phoenix has doubled the size of its parks system since 1964 through the addition of 17,000 acres, more than any other city except San Diego.

Over the same time frame, virtually all of the region's jurisdictions have set aside considerable amounts of open space. Dedicated open space owned by the six largest municipalities doubled from 23 square miles in 1975 to 47 square miles in 1995. Mesa, Fountain Hills and Glendale approved major park bond issues, while Chandler and Peoria used impact fee revenue to expand their park systems. In addition, Queen Creek implemented a development impact fee that mandates at least 20 acres of parkland or open space per 1,000 residents. These efforts have kept vacant or parkland in key areas within the urban form of metropolitan Phoenix.

Scottsdale and Phoenix have been moving beyond preserving "breathing spaces" within the urbanized area toward the creation of major greenbelts. For its McDowell Sonoran Preserve, for example, Scottsdale plans to acquire approximately 57 square miles in the McDowell Mountains. This will ultimately create a preserve significantly larger than Boulder, Colorado's famous "ring of mountains" system. Phoenix plans to purchase about 21,500 acres, or 33 square miles, of natural desert north of the CAP canal. These efforts are funded by municipal sales taxes, and both are designed to offset fast growth toward the urban fringe. Together, the programs aim to create a regionally significant open space belt that will limit the region's outward expansion along its north edge.

For all this activity, though, open space acquisition does not appear to be keeping pace with population growth. The amount of dedicated open space available on a per capita basis countywide declined between 1990 and 1995. Also, much of the new open space acquisition appears to be piecemeal. This spottedness results partly from the differing political orientations and financial conditions of the region's cities. But it also owes something to Phoenix' typography which naturally determines where the region's mountain parks will be. The resulting irregular distribution of parklands means that cities far from the area's mountain preserves (such as Glendale and Chandler) may be significantly under served with open space compared to those containing mountains.

Protecting open space and desert land is a concern among local residents. Two-thirds of the respondents to Morrison Institute's 1999 quality-of-life survey said that the region is doing a "poor" or "fair" job of preserving the desert. And when the Institute asked more broadly about the region's growth, those surveyed expressed deep anxiety about the changes taking place around them. Most dramatically, 80 percent of metropolitan Phoenix residents said they were "concerned" or "very concerned" about the region's growth. These figures were in line with the nearly 75 percent who have said in each of the past three years' surveys that the region's population is growing "too fast." In 1999, nearly half of the respondents indicated they would leave the region tomorrow if they could because of "too many people."

WHAT THIS MEANS

Contrary to conventional wisdom, the Phoenix metropolitan area does practice growth management. A regional or state-level regime does not exert strong management across the urban area, but many local governments employ an array of growth management approaches. Significant tracts of desert are being protected as open space within and near the built-up area. Urban cores are undergoing revitalization. And financial assessments are recouping sizable portions of the costs to cities of new development.

But, questions persist about the effectiveness of this local, largely uncoordinated response to the regionwide challenges of fast growth. The spontaneous rise of a robust, tiered array of impact fees suggests that important policies can be implemented without the establishment of a formal institutional framework. Yet the rate at which residential development is moving outward raises concerns about the adequacy of metropolitan Phoenix' current city-based approach. Likewise, the spotiness of the cities' open space initiatives suggests the need for cooperative planning on this and other issues. For example, the lack of a central authority to plan open space acquisitions in the metropolitan area makes the creation of a comprehensive, widely accessible and equitable system of desert preserves unlikely.

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Conundrum: Metropolitan Phoenix Residents Do Not Connect Density with “Smart Growth”

When asked: “Is this idea ‘smart growth’ or not?” residents said:

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Don’t Know (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide things like roads, schools and parks at the time of development</td>
<td>91%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Work on revitalizing older communities</td>
<td>88%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Protect rural areas, sensitive lands, and open spaces</td>
<td>88%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Build communities with a mix of housing, shopping, and schools in close proximity</td>
<td>87%</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>Focus new growth in areas that already have some development</td>
<td>78%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>Create urban growth boundaries</td>
<td>73%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>Widen roads and freeways</td>
<td>79%</td>
<td>16%</td>
<td>5%</td>
</tr>
<tr>
<td>Provide more public transportation</td>
<td>86%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Build communities that are taller and more dense instead of wider and more spread-out</td>
<td>38%</td>
<td>53%</td>
<td>9%</td>
</tr>
<tr>
<td>Protect private property rights</td>
<td>84%</td>
<td>9%</td>
<td>7%</td>
</tr>
</tbody>
</table>

1999 survey, n=1,020. Totals may not add up to 100% due to rounding; Responses were weighted to correct for a sampling bias. Source: Morrison Institute for Public Policy, data from Quality of Life Survey, Morrison Institute for Public Policy and The Arizona Republic, 1999.
**Governance**

**TREND:** The region’s governance is one of strong cities, weak regional entities, polarized civic agendas and spotty state leadership.

**WESTERN VALUES**
A “frontier spirit” continues to shape the region. Political scientist David Berman points out that metropolitan Phoenix’ prevailing political culture has for decades revolved around three “frontier” watchwords – individual rights, a pro-growth view of economic development and a focus on local power and control. These “western” values have clearly played out in every aspect of the region’s growth story.

A pervasive mistrust of big government has resisted limitations on personal autonomy, particularly with regard to private property rights. Likewise, a presumption that the area’s prosperity depends on development dictates an ethos of constant growth promotion that has frequently discounted residents’ and others’ concerns about the pace of expansion. Thus, while the region boasts a successful public-private economic development organization – the Greater Phoenix Economic Council – it lacks an equivalent organization to address environmental concerns, land-use patterns and transportation issues. Finally, the intense localism of the area’s political culture has helped to make citizens and leaders mistrustful of major regional initiatives. Two cases in point are the public’s resistance to freeway expansions in the 1970s, and the region’s lack of action on MAG’s “Desert Spaces” proposal.

**STRONG CITIES**
Cities and city-based localism predominate. Cities bulk large in the governance of metropolitan Phoenix. Phoenix, Mesa, Scottsdale, Glendale, Tempe and Chandler are sizable cities with significant fiscal and managerial capacity. Moreover, metropolitan Phoenix cities possess “home rule charters” that guarantee them unusually robust powers. This state of affairs has seen individual cities achieve much in terms of planning, tax-collection and downtown development. But it has also made it difficult for localities to align their agendas to solve problems affecting the whole region. Differing political orientations and financial conditions, for instance, have clearly delayed the now-nascent framing of a light rail system. And open space acquisition has been fragmented.

At the same time, though, the relatively small number of cities in the region and the sheer size of the city of Phoenix have helped to reduce the fragmentation that can lead to gross land-use mismanagement. Thanks to the region’s history of annexation, the political map has not seen myriad small suburbs incorporating into separate cities, as has occurred in California, Chicago, St. Louis and elsewhere. Rather, a small number of local governments have aggressively used annexation to increase their population and their land area. As a result, one of the largest metropolitan areas in the United States remains a collection of one county and only 24 relatively large cities and towns (see Map 19). Moreover, 82 percent of the region’s population (approximately 2.3 million people) lives in the six largest municipalities. This stands in sharp contrast to metropolitan Chicago’s 265 municipalities or Los Angeles’ approximately 180 entities. It gives metropolitan Phoenix a potential advantage in its problem solving in the future.

Equally helpful is the city of Phoenix’ size. With 470 square miles in the city of Phoenix, much of the region “lives by the same rules.” Even better, those rules appear to be good ones. Phoenix consistently wins high marks for its management skills, innovations and problem solving. Over the years, the city has received a number of prestigious awards, including the Bertelsmann world prize for city management and Governing Magazine’s top grade for urban management.

**WEAK REGIONAL ENTITIES**
Maricopa County and the Maricopa Association of Governments (MAG) lack strong authority. Only this year did the Growing Smarter Plus legislative package give counties the same power as cities to impose impact fees, and provide restrictions on further city annexations. Moreover, voters have consistently rejected expanding Maricopa County’s powers, most recently in 1996 when they turned down a proposed “home rule” charter for the county much like those of major cities in the region.

MAG has helped since the 1970s to promote uniformity in planning and programming of various activities, especially as required for various federal transportation and other programs. Still, the association lacks the power to enforce decisions. Even MAG’s ability to produce voluntary approaches to regional problems has been limited. Recent efforts to craft a vision for the year 2025 have not been successfully incorporated into the region’s culture or governance.

Another conspicuously weak entity is the Regional Public Transportation Authority (RPTA). Fifteen years after its creation the authority remains hobbled by funding constraints. These leave RPTA ill-equipped to adequately address the region’s transportation needs, let alone manage growth as similar authorities in other cities do.

**POLARIZED CIVIC AGENDAS**
The region’s civic culture also remains fractious. Discord did not end with the bitter fight against freeways in the 1970s. In recent years, the lack of a regional consensus on a number of growth-related issues has generated new polarization and litigation. Action on air quality issues in the 1990s, for example, came only under the pressure of lawsuits brought by the Arizona Center for Law in the Public Interest. Dissatisfaction with legislative responses to growth pressures has resulted in the placement of a Sierra Club-sponsored initiative requiring cities to create urban growth boundaries on the November 2000 state ballot. Meanwhile, a court challenge embroiled a rival legislative proposition.
to dedicate a portion of the state’s land near cities to open space. This measure is strongly opposed by various environmental groups, including The Nature Conservancy and Tucson’s Sonoran Institute. This coalition wants the state to set aside far more trust land, and it plans to bring its own citizens’ initiative to the ballot in 2002. In short, metropolitan Phoenix’ political culture has hardly been conducive to the broad-based consensus building likely to drive effective responses to the regional impacts of rapid growth.

**SPOTTY STATE LEADERSHIP**

The state of Arizona has provided inconsistent leadership in the metropolitan area. The Groundwater Management Act and the Urban Lands Act of the early 1980s underscore the potential for creative regional problem solving by the governor and the Legislature. However for most of the 1990s, the state was essentially a non-player on growth issues. Recently, responses have emerged under the threat of citizens’ action, but these have been of mixed quality. State requirements for cleaner gasoline and Maricopa County’s vehicle emissions inspection program have been clear wins for the region. Likewise, the state moved in 1998 to require comprehensive land-use and zoning ordinances of local governments. However, this reform has been compromised by the lack of a state agency to monitor compliance.

More significant may be the Arizona Preserve Initiative (API), passed by the Arizona Legislature in the spring of 1996. API is designed to encourage the preservation of select parcels of state trust land in and around urban areas like Phoenix as open space. Under the original legislation, only trust land within three miles of municipalities larger than 10,000 persons could be reclassified for conservation sales or leases, and no public funding was available to support the program. However, amendments were enacted to the API in 1997, 1998 and 1999 that expanded the applicable area in Maricopa County an additional ten miles beyond the 1996 boundaries and added land adjacent to the San Tan Mountains to the eligible areas. Equally important, Proposition 303, passed by the voters in November 1998 as part of Governor Jane Dee Hull’s Growing Smarter program, required that $20 million be appropriated annually for eleven years, beginning July 1, 2000, primarily for the purchase or lease of state lands classified for conservation, or for the purchase of development rights on the land. This money significantly forwards the open space cause. It allows cities, counties and certain nonprofit organizations like land trusts to apply to Arizona State Parks for matching grants to acquire or lease trust land.

All these initiatives are important, but they cannot be said to constitute a strong or comprehensive approach to the issues raised by fast growth across the region. In the state land conservation program, only a small portion of the region’s sensitive lands are eligible for protection. Little grant money is available through a complicated process of fees, hearings and studies. It remains to be seen whether the region’s fringe cities will comply with statewide planning requirements and what the state will do if they do not.

**WHAT THIS MEANS**

Metropolitan Phoenix’ decentralized governance may not be up to the challenge of addressing the region’s lengthening list of growth complications. In particular, the lack of any robust coordinating authority at the regional level in metropolitan Phoenix leaves it without much ability to craft and enact responses to issues that cut across boundaries, whether it be traffic, open space or urban form. Little interaction now occurs between the public and private sectors on growth issues. The state of Arizona has taken few steps to promote regional thinking or local collaboration on agendas such as light rail. And the continued refusal of voters to entrust either MAG or Maricopa County with any kind of binding managerial power, especially, suggests that the region urgently needs to seek out alternative mechanisms for achieving collaborative planning and cooperative action. However, the moment is far from bleak. Many regions across the U.S. are now experimenting with new forms of regional cooperation; these efforts provide plenty of intriguing ideas for the Phoenix region to consider. One way or another, though, an individualistic metropolis needs to find ways to act as a region on numerous issues facing its cities.
Summing It Up

Taken together, this report draws a number of conclusions from the multiple research projects on the Phoenix region.

Part I suggested metropolitan Phoenix’ extraordinary growth is defying a number of conventional expectations, even as it shows signs of succumbing to familiar pitfalls. Contrary to expectation, the urban area is gaining in density and the central city is remaining robust, despite a proliferation of residential development at the region’s fringe. Also, the metropolitan area does not yet display the kind of gross imbalance of investment and fiscal capacity between its core city and its largest suburbs that plague many urban areas. At the same time, cause for worry centers on the region’s social and racial divide, and the serious environmental impacts of converting the desert to subdivisions. These problems are interconnected. Poor schools and concentrations of low-income and minority residents in the center of the region tend to push families and businesses out and drive fringe development. Fringe development makes open space less accessible, leads to long commutes, and worsens air pollution.

This section, in looking behind these trends, identified several factors of timing, local conditions and regional policy that have conditioned metropolitan Phoenix’ growth. Timing dictated much about how Phoenix grew. In a word, the region grew as a horizontal collection of auto-oriented central city-suburbs because that is how most new American metropolitan areas developed during the post-World War II suburban era.

Similarly, the region’s setting and climate – its specific circumstances – attracted and accommodated vast inflows of new residents. Once air conditioning became widespread, few natural barriers impeded the metropolis’ geometric expansion across the Salt River Valley. Significant state, federal and tribal land holdings have blocked expansion in just a few places though these tracts could soon become major delimiters of the urban form as the urbanized area begins to abut them.

Finally, particular policy choices have influenced how the region developed. Widespread annexation has limited the imbalances among the region’s major cities by giving them shares of new development to complement their older areas. The Salt River Project and the Central Arizona Project, combined with restrictions on the use of groundwater, have facilitated growth while discouraging leapfrog development. And in like fashion, the region’s late start on freeway building has promoted more compact development than might have occurred. Conversely, the intense localism of the region’s political culture has delayed mass transit and precluded regionalized efforts to manage growth and protect open space.

Current freeway building and the imminent disposal of much state-owned land also appear poised to change the region’s future growth and development patterns.

The bottom line: Metropolitan Phoenix has grown in ways unlike, and like, other regions of its type.

Considered together, these crosscurrents challenge Phoenix to think carefully now for two reasons.

First, the strong role timing has played in metropolitan Phoenix’ rise raises the possibility that the region’s relative health thus far owes mainly to its extreme youth. To be sure, a number of particular local twists of topography, land ownership, water policy and massive annexation have made the Phoenix region different than many. Yet, for all that, metropolitan Phoenix’ resemblance to cities that have grown since 1970 suggest it may not be so much different as younger than other more troubled cities. And that raises a vexing question: Is it just a matter of time before metropolitan Phoenix grows into a highly decentralized set of suburbs encircling a poverty-impacted, physically decaying downtown?

Otherwise, the region faces the future at a moment when many “givens” about what matters in region building have been changed by the age of knowledge. The new economy is altering much about the way companies, people, cities and governments operate. Most crucially, this new order, so important to metropolitan Phoenix’ future, values quality of life more than the old economy – because it depends on people more than the old one. People – particularly skilled workers and entrepreneurs – gravitate to places that combine compelling career opportunities and a desirable lifestyle. Regions, therefore, must now compete on quality just as companies do. This ups the ante as the region weighs its present condition and considers its future.

Metropolitan Phoenix’ economic competitiveness now depends on successfully managing its past and current growth trends so as to avoid becoming a region of have nots and have nots and to prevail as a lifestyle Mecca for the knowledge workers of the new economy. And yet, the problems on display in Atlanta, Washington, D.C. and Denver may be inseparable from the maturity toward which Phoenix is moving.

If that is so, the region should think hard about how to avoid the pitfalls of maturity while seeking its benefits. More than likely, such planning – as the next section of this report suggests – will require important and potentially controversial policy choices.