

Mountain *Megas*

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

A Profile of Utah's **Wasatch Front**



Utah's Wasatch Front—which was the largest urban settlement in the Intermountain West in the 1850s and 1860s—has recently settled comfortably into its role as a more modest-sized but steadily growing megapolitan area, and is focusing on improving its economic vitality while maintaining its high quality of life with improved transportation systems and development patterns and easy access to recreation destinations such as Park City, Snowbird, the Wasatch Mountains, and Utah's famous "red rock country." 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 the **Wasatch Front** as well as the critical challenges it must surmount in order to attain sustainable, ro-

bust, 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

The Wasatch Front is the third-largest megapolitan area in the Intermountain West, with 2.3 million residents in 2007. The megapolitan area extends along the I-15 corridor from Logan in the north to Payson in the south, spanning four metropolitan areas and two micropolitan areas, which together contain twelve counties. Its population is concentrated in Salt Lake, Utah, Davis, and Weber counties, although most of the recent growth has occurred in Salt Lake and Utah counties. It contains 83 percent of Utah's population and generates 86 percent of its gross state product. In short, what happens in the Wasatch Front determines what happens in Utah. And much is happening there:

Growth in the Wasatch Front has been strong, adding 780,000 residents since 1990. Compared to its booming neighbors of Las Vegas and the Sun Corridor (Phoenix-Tucson), the Wasatch Front has grown at a more moderate rate. Utah has been growing strongly for decades. It has recently been among the nation's five fastest growing states and recently produced more jobs per capita than anywhere else in the nation. Its population growth translates into an average gain of more than 2 percent per year since 2000, more than 1 percentage point per year faster than the national average. The Wasatch Front is also home to one "boomburb" (West Valley City) and three "baby boomburbs" (Layton, Sandy, and West Jordan), which have all shot up in population recently and are likely to see continued rapid gains. The Orem/Provo area has also posted strong gains.

The Wasatch Front is growing relatively efficiently. Public lands and water make up more than 60 percent of the me-

gapolitan area's total area, constraining development as happens in much of the West. Consequently, the Wasatch Front has converted to urban use no more than 0.44 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 of Salt Lake City had a density of six persons per acre in 2000, the same as in urban Denver and Chicago, and more than in urban Boston.

Despite comparatively low wages and productivity, the mega has invested in enhancing the quality of its clusters of firms and industries. To be sure, average labor productivity and pay trail those in Colorado's Front Range, possibly reflecting that Utah has the youngest population and workforce in the nation. However, it bodes well for the future that 32 percent of the Wasatch Front's employment in 2004 was in important export-oriented clusters and 17 percent was in "knowledge" clusters, such as higher education and information technology—rates that were above the national average in both specializations.

Westerners and immigrants are helping drive growth in the Wasatch Front. Nearly 35 percent of domestic arrivals to the Wasatch Front in 2005 moved from California, with another 30 percent from within the Intermountain West and 16 percent from the Pacific Northwest states. The Wasatch Front is now home to almost 200,000 immigrants, a jump of more than 250 percent over 1990 levels. Metropolitan Salt Lake City is one of 20 "21st-century gateways" for immigrant arrivals, joining up-and-coming destinations like metropolitan Seattle, Orlando, and Raleigh.

Emerging challenges and opportunities

Looking forward, the Wasatch Front may add another 1.5 million people to reach a population of nearly 3.7 million by 2040. In accomplishing that, the area will need to produce upwards of 750,000 new or replaced housing units to accommodate this change, meaning that in 2040 the Wasatch Front will have *doubled* its housing stock. The area will also add 1.1 million new jobs, requiring almost 1.4 billion square feet of new or replacement commercial space—for an increase of more than 200 percent over the amount on the ground in 2005.

Such projections point not only to a huge opportunity for the Wasatch Front to improve on its current level of prosperity through improvements to its built environment, and also to upgrade its growing economy by cultivating an even

more formidable array of export-oriented clusters and an increasingly high-skill workforce. In order to seize such opportunities, 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

Urban development in the Wasatch Front is hemmed in by the mountains to the east and the Great Salt Lake to the west. While this provides easy access for many residents

to recreation opportunities, it also means the area is challenged as it tries to extend its transportation capacity to keep up with growth and make better connections to the rest of the region. The state, the Wasatch Front regional Council, the Mountainland Association of Governments, the Utah Department of Transportation, and the Utah Transit Authority are all working to improve the I-15 corridor, acquiring more than 100 miles of right-of-way for commuter rail (with half now operational and the other half recently funded), and are working on completing a new parallel corridor west of I-15 to serve the Wasatch Front. Utah Transit Authority has also invested heavily with strong public support in its light-rail network (TRAX), with more planned stops and miles of track in the Wasatch Front than all the other areas in the Mountain West except the much larger Denver area. In total seven light rail lines and extensions are now funded, under construction, or operational. Nevertheless, there are major transportation needs at all levels: roads, heavy rail, transit, and air. There are literally tens of billions of dollars of projected needs, all while federal dollars for these types of projects are drying up. Utah must continue to chart a course to deal with ongoing growth, with business success, future economic development, and individual quality of life dependent on better, more innovative approaches and strategic planning.

Although the region has reduced its per capita water consumption by fifteen percent in five years, more conservation will be necessary and future water development will also be needed. Again, this is a costly proposition as federal dollars have largely dried up for these types of projects.

On the energy front, Utah has substantial reserves of coal, oil, and natural gas, and renewable energy sources are under development. Nevertheless, western governors are frustrated with the federal government on several levels and are banding together to find cross-border, regional solutions. Governor Huntsman is the current chair of the Western Governors Association, a 20-state organization that has taken positions and adopted policies in the absence of federal action. Examples include the Western Climate Initiative, where states have signed onto regional goals of dealing with energy efficiency and climate change. Additionally, the WGA has passed resolutions on how to deal with immigration, transportation of nuclear waste, and transmission and wildlife corridors. All of these issues have local impacts and affect growth patterns and quality of life.

INNOVATION

The Wasatch Front's primary economic challenge is to improve on its productivity. Average output per job in 2005 was \$74,400 in the Wasatch Front, approximately 15 percent lower than the national average. That figure was

also the lowest in the region, \$6,600 lower than in the smaller Albuquerque-Santa Fe megapolitan. Productivity *growth* was also slower in the Wasatch Front than in Colorado's Front Range, Arizona's Sun Corridor, and in Las Vegas, growing at 1.2 percent per year since 2001 (compared to 2.3 percent nationally). Again, these somewhat puzzling figures may owe in part of the relative youth of the region's current labor force, which may be temporarily constraining productivity growth in advance of potential leaps forward. In any event, output per unit of labor expended remains a crucial metric of prosperity and bears watching in the Wasatch Front.

Meanwhile, the Wasatch Front faces a wage issue. Average wages in the Wasatch Front have consistently lagged wages in the rest of the region and the country, averaging only 83 percent of national average wages from 1969-2005. In 2005, average per capita wages were \$16,800, compared to \$19,000 nationally, and had increased in pace with national wage growth since 1969. Part of the wage story in the Wasatch Front is high labor force participation; the Wasatch Front now has the lowest unemployment rate of any of the Intermountain West megas, at 2.8 percent as of December 2007. Persistent lower wages are troubling in light of the fact that the average cost of living in the Wasatch Front remains similar to that in the higher-flying Front Range.

Considering its size, the Wasatch Front has strong research capacity that is critical for technological and economic growth. The University of Utah ranks well among other state research universities, especially in the health sciences and genetics research, and now spends \$100 million per year more in academic research than it did in 1998. Along with Brigham Young University, the University of Utah had a very positive return on its R&D investment in terms of invention disclosures, like patents, spending less than \$2 million per disclosure in 2004-06. The region is also the world's largest repository of genealogical data and expertise and boasts a growing cluster of related "genome-based" medical and research enterprises. Venture capital is relatively high in the Wasatch Front, second only to Colorado's Front Range, with spending at almost \$8 per person in 2006. These assets suggest that continued focus on translating innovations into high-value jobs by patiently cultivating the region's array of export clusters offers a smart route toward enhanced prosperity.

HUMAN CAPITAL

The newness of the immigration wave in the Wasatch Front is striking. The area has seen more than a 250 percent increase in foreign-born residents since 1990. This comes to a region that historically has had little immigration and is racially homogenous, with non-Hispanic whites comprising more than 80 percent of its population. As im-

migration continues, the region may face many of the same integration challenges facing its booming and immigrant-heavy neighbors in Las Vegas and Phoenix.

The Wasatch Front struggles much less with traditional urban inclusion problems, such as income and racial inequality. It also has few concentrated areas of poor credit and relatively affordable homes compared to other areas of the Intermountain West. The region also boasts a large base of multi-lingual workers who speak more than 55 languages fluently and have lived abroad for at least two years in one of 150 or so foreign countries.

QUALITY PLACES

Physical constraints to growth led the Wasatch Front to develop in a linear form, more easily adapted to transit and commuter rail. Still, the region struggles with urban

Toward a New Federal-Mega Agenda for the Mountain West

As 2009 approaches, the moment is ripe for Wasatch Front and other Mountain 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 compact, Brookings is working with Wasatch Front 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 Wasatch Front 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 Wasatch Front has made an impressive investment in its rail system and in targeting development in nearby areas. Across the region, additional investments are needed in building out the passenger and freight networks both between and within megapolitan areas in the Intermountain West, using highways, high-speed and light rail, and air links to improve connections and shape development. The megas cannot “go it alone” on this front, nor should they have to.

design choices that make portions auto-dependent, single use, and that are not linked up well to accommodate future public transportation.

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While megapolitan leaders may want to promote mega-scale responses to mega-scale problems, Utah’s Wasatch Front and Colorado’s Front Range are way ahead of the Sun Corridor, Greater Las Vegas, and Northern New Mexico in the degree to which they have developed a megapolitan identity and strategy. One hindrance to cooperation among cities is “fiscal zoning” where municipalities fight over the location of sales tax generating businesses. Sales tax is a key revenue source for growing cities. In the Wasatch Front, it is currently divided with half going to municipalities based on the point of sale and half based on population distribution. Shifting that division more to population distribution is one possible solution.

Enhance global connectivity. The federal government can play a critical role in facilitating relationships with international destinations, especially in Asia and Europe. In addition, the region also needs high-quality surface transportation links between airports and regional job and distribution centers as well as to the West’s other megas. Engagement in the construction and maintenance of high-performance inter- and intra-mega links and corridors is in the national interest and requires national attention.

Proactively address enormous resource needs, especially on water and energy. The Wasatch Front will need to provide water and energy for an additional 1.5 million residents by 2040, while improving 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 Mountain 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. Continued focus on the commercialization of research breakthroughs will be of crucial importance in the coming decade.

Stimulate the growth and innovation of strong industry clusters. On this front, the federal government should in no way be in the business of “picking winners.” However, the federal government can and should provide support with flexible, competitive grants to local, business-led efforts that can 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. 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. Federal transportation policy must remove the policy and funding bias in favor of highways and loosen the purse strings for transit. The federal government should refine existing performance standards to ensure pedestrian-oriented design and multi-modal connectivity.

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, would challenge all regions to figure out—in exchange for added reward money and/or increased rule flexibility—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 ensure governance systems in the Wasatch Front keeps 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. The federal government 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 and re-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 Wasatch Front leaders to make the Wasatch Front one of the nation’s most livable and productive 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 assesses 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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