

I. INTRODUCTION

Rapid change is enveloping the American West. The southern Intermountain West—consisting of Arizona, Colorado, Nevada, New Mexico, and Utah—is experiencing some of the highest population growth rates and economic and demographic transition of any place in the country. The region is growing up, flexing its muscles, and distancing itself from California, which historically has had an outsized impact on the West’s development.

Together, the five southern Intermountain West states are projected to add more than three times as many new residents—and potential voters—as the five Midwestern states by 2030.

As it does so, the southern Intermountain West may soon earn itself the title of *New American Heartland* as its economy, people, and politics become more central to the nation. Consider the old expression “will it play in Peoria,” which was a reference to whether or not a product would satisfy a mainstream Midwestern taste. The idea was that if something played well in the Midwest, it would appeal to most Americans. In this decade, Peoria, AZ passed its namesake Peoria, IL in population size. This little noticed switch may signal a broader change that the West is now the nation’s center. Politically, the Intermountain West could be home to several swing states and serve in the same role that the Midwest now plays.¹ Where the road to the White House in 2008 leads through Ohio, it could easily switch to Arizona, which by mid-century should also outweigh Ohio in electoral votes.² Together, the five southern Intermountain West states are projected to add more than three times as many new residents—and potential voters—as the five Midwestern states (Illinois, Indiana, Michigan, Ohio, and Wisconsin) by 2030.³

The region’s new political importance may be evident as early as this coming election.⁴ Indeed, the Democratic party is returning to Denver in August 2008—exactly 100 years after its last and only convention held in the Intermountain West.⁵





A lot has changed since 1908.

For instance, the southern Intermountain West has grown nearly three times faster than the United States as a whole over the past two decades, led by triple-digit population growth in Nevada. The area's economy is expanding rapidly and diversifying as it moves from a resource-based extraction economy to a service- and knowledge-based one. Simultaneously, the southern Intermountain states face significant social challenges as they seek to accommodate the disparate needs of millions of immigrants and thousands of young families and retirees from all over the country.

With its growth, the southern Intermountain West is also rapidly pioneering new urban forms. Most notably, the region is home to five emerging "megapolitan" areas—vast, newly recognized "super regions" that often combine two or more metropolitan areas into a single urban system.⁶ People intuitively sense a large-scale metropolitan convergence is underway as they see metropolitan areas that were once distinct places merge into enormous urban complexes. In the 1960s, Dallas and Fort Worth were clearly colliding, as were Washington and Baltimore by the 1980s. Now regions with more distant urban cores such as Phoenix and Tucson or Denver and Colorado Springs are exhibiting the same pattern.

These five megapolitan areas constitute the primary focus of the present analysis of the southern Intermountain

West. Together, the five megapolitan areas are home to more than 80 percent of the region's population, employment, and economic and cultural activity, and have captured almost all of the region's recent growth.

In short, an extraordinary new development pattern has come to characterize growth in the nation's fastest-growing region.

Hence this document: Prepared as part of the Brookings Institution's *Blueprint for American Prosperity* initiative, this report 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.

Along these lines, "Mountain Megas" assumes that true prosperity is actually based on achieving those three inter-related dimensions of prosperity—sustainable, productive, and inclusive growth—all at once and holds that such balanced growth depends on the region assembling in its megapolitan areas sufficient stocks of the crucial assets that contribute to such prosperity: top-notch infrastructure, world-class innovation inputs, vital human capital, and a strong quality-of-place, not to mention effective regional governance to put it all together.⁷

Prosperity : What It Is and How to Get It

This report follows the Brookings Institution's *Blueprint for American Prosperity* in asserting that true prosperity in the Intermountain West, as in the country as a whole, requires achieving three types of growth:

Sustainable growth that crafts high-quality places and communities, conserves natural resources, and advances efforts to address climate change and achieve energy independence

Productive growth that leverages innovation, generates quality jobs and rising incomes, and supports a high standard of living

Inclusive growth that expands educational and employment opportunities, reduces poverty, and fosters a strong and diverse middle class

Sustainable, productive, and inclusive growth—and the prosperity to which they contribute—reflect a desired outcome for America's future, and for that of the Intermountain West. They represent a goal for public and private striving.

As to ensuring the region makes progress toward these goals from where it stands now, abundant

research suggests that cultivating certain fundamental capacities, resources, and assets can produce those outcomes.

Four sorts of assets in particular play crucial roles in driving prosperity:

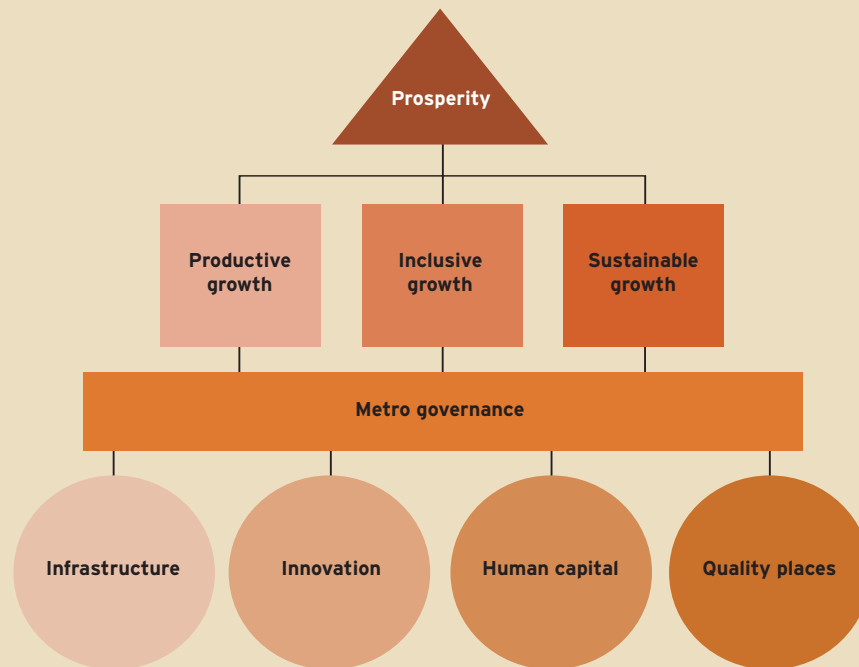
Infrastructure—ranging from roads, transit, and ports to telecommunications networks—can determine how efficient and rapidly goods, people, and information move within and across markets and can also help improve air quality, conserve land and natural resources, and reduce energy consumption

Innovation—or the ability to conceive and develop new products, new services, new technologies, new ways of organizing work, and new business models—is crucial to sustaining economic advantage, generating and retaining high-quality jobs, and responding to the challenges and opportunities presented by climate change

Human capital—both educated and skilled labor—drives innovation but is also a prerequisite for income growth, upward mobility, and access to opportunity

Quality places—dense, distinctive cities and sub-

Innovation, human capital, infrastructure, and quality places—along with strong regional governance—are crucial drivers of a multi-dimensional brand of prosperity



urbs that are rich in amenities and transportation and housing choices—are essential to attracting and retaining innovative firms and talented workers, promoting energy security, and growing in environmentally sustainable ways

Also important to the production of true and lasting prosperity are *effective regional governance* systems that work smoothly across boundaries to provide decisive, strategic decisionmaking in service of the regional good.

In short, consistent, and collaborative work to improve the Intermountain West megapolitan area's standing on all of these crucial drivers of prosperity is necessary if the region is going to elevate its future standard of living. Only with such attention to the basics will it construct a truly livable, vibrant, and fair future.

Sources: Alan Berube, "MetroNation: How U.S. Metropolitan Areas Fuel American Prosperity" (Washington: Brookings Institution, 2007) and Mark Muro and others, "MetroPolicy: Shaping a New Federal Partnership for a Metropolitan Nation" (Washington: Brookings Institution, 2008).

In addition, the report assumes that while the private economy along with state and local leadership and creativity play the largest role in determining whether a region flourishes or falters, regions also need to be able to count on having a steady, supportive federal partner in Washington as they build needed infrastructure networks, nurture innovation, promote social health, and craft sustainable, high-quality places.

And so this report seeks to sketch a sensible agenda for limited federal engagement to support the problem-solving of Western megapolitan leaders while keeping a clear fix on the unique opportunities and challenges the Intermountain megas have before them.

Reflective of the experiences of numerous leaders in the West, "Mountain Megas" begins with a recognition that conventional understandings of how urban areas work and what measures count do not fully apply to the cities and urban areas of the Intermountain West and proceeds to assess ongoing trends and challenges from that standpoint.

Chapter 2 provides context for understanding the factors driving the emergence of new Western megapolitan form. This chapter makes clear that the region's differences with older and more traditional parts of the United States have to be understood on their own terms.

Chapter 3 lays out the major trends facing the region, including its booming population, its changing economic structure, and its changing demographics. The chapter closes with projections for coming development and thoughts on alternative development scenarios given such uncertain factors as environmental limitations, continued turmoil in the housing markets, impacts of global climate change, and rising energy prices.

With the context and trends in mind, Chapter 4 analyzes the region's hidden capacities and vulnerabilities. What does the region have to build on as it seeks to attain sustainable, productive, and inclusive growth? What are the potential barriers? The basic assumption guiding our analysis is that success in the West is not defined by emulating the East, but in by how it reflects and enhances the quality of life and openness of opportunity that has always defined the region.

Finally, the report concludes with a new federal policy agenda to support and enhance the prosperity of the new American Heartland by empowering it. This agenda assumes that while state, local, and mega-scaled Western self-help will always remain the primary source of progress in the Intermountain region, the federal government continues to matter in the Mountain states, and needs to offer a new brand of support to the region that is limited but substantive and strategic, helpful but not overbearing, and always catalytic.

In this fashion, these pages begin with the recognition that the federal government has long been intricately involved in the Intermountain states (if only as a huge landowner) and ends by insisting that Washington's continued importance in the region makes it a necessary partner with private and public sector actors in securing the region's future prosperity.

Now is the time to ensure that the steadiness and effectiveness of that partnership matches the size and promise of the West's newest urban areas.

This report seeks to sketch a sensible agenda for limited federal engagement to support the problem-solving of Western megapolitan leaders while keeping a clear fix on the unique opportunities and challenges the Intermountain megas have before them.