

Voluntary Coordination of Regional Growth: The Case of Denver's Urban Growth Boundary

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The Mismatch of Scale and Capacity

In recent decades, by the actions of elected officials and through citizen initiatives, adoption of local growth management techniques has become commonplace. Communities have become increasingly aggressive in their efforts to control the pattern and rate of development. Although local growth management efforts frequently succeed in preserving a community's quality of life, they generally do so by displacing new development to surrounding communities.

As an increasing number of communities in a metropolitan region adopt individual growth management plans the collective effect is to accelerate leap-frog development, increase sprawl, intensify traffic congestion, and aggravate environmental degradation. Coordinated growth management at the regional scale could help avoid the unintended but deleterious impacts of the wholly local control of land use.

In fact, most metropolitan regions already have numerous agencies with the combined technical capacity and fiscal resources to develop regional plans, but few have the will to develop and implement such plans. The result is a mismatch between capacity and efficacy. The scale at which coordinating development is most appropriate is also the scale where there is the least capacity to act. The challenge is to find an appropriate approach for achieving effective regional governance.

Three Approaches to Regional Governance

In a seminal article in *Organizational Behavior*, Walter Powell (1990) distinguishes three patterns of governance for economic organization: markets, hierarchies, and networks. Markets describe economic organization in a freely competitive environment. Actors in the market are independent of one another and communicate through pricing.

Hierarchies involve organizations that have internalized a number of market functions within themselves; for example, the vertically organized Ford Motor Company of the 1920s that manufactured its own parts and ran its own dealerships. The organization of hierarchies is formal and bureaucratic. Communications take place through prescribed routines. Hierarchies have a market advantage because their internal costs of communications and coordination are low compared with unorganized competitors.

The third governance alternative, networks, consists of open-ended relationships among independent economic actors resulting in coordinated behavior. Networks provide many of the competitive advantages of hierarchies, but with a greater degree of flexibility. Firms that may be competitors under certain circumstances can also be members of a collaborative network when that serves a common purpose.

Powell's distinction among forms of governance applies well to the challenges of regional land use.

Comparison of Forms of Regional Governance (Adapted from Powell 1990)

Key Features	Forms		
	Market	Hierarchy	Network
Normative Basis	Property rights	Police powers	Complementary strengths
Means of Communications	Prices	Regulations	Persuasion and voluntary agreements
Method of Conflict Resolution	Haggling and litigation	Administration	Norm of reciprocity
Nature of Relationships	Independent and competitive	Dependent and bureaucratic	Interdependent and trusting
Principal Sectors Involved	Private	Public	Multisectoral
Typical Applications	TDRs, deregulating markets	COGs, MPOs, city-county consolidations	Regional business-based coalitions and civic coalitions

The market alternative here consists of the unfettered exchange of land and its development to meet consumer demands. Market-based governance is also evident in the competition among localities in the same region. Competition motivates them to keep costs (in the form of taxes and fees) as low as possible while simultaneously providing a bundle of services that will attract footloose consumers of housing and business locations.

As a result of various forms of competition there is remarkable uniformity in the spatial and social structuring of most U.S. metropolitan regions. Although such governance can result in market failures, advocates believe these can be addressed through a market-based response. For example, if a lack of affordable housing is the problem, it could be remedied by reducing regulation thereby allowing private builders to produce for that market.

The governance alternative of hierarchy is evident in the intergovernmental system. Land use regulatory powers employed by local governments are granted by their states. States can meet requirements that they feel local governments are ignoring or avoiding (e.g., providing a fair share of affordable housing) by changing the rules of the game from the

top down. Similarly, the federal government can establish sanctions and incentives that effectively redirect state and ultimately local land use decision making. Hierarchies can also take the form of formally restructuring governments in a region, for example, through city-county consolidation or by combining a number of independent regional service and planning organizations into a single super-agency.

The third governance alternative—networks—is relatively more recent. Again, the idea is to voluntarily coordinate and collaborate in order to achieve some common objective. Examples of networks include voluntary coordination among economic development agencies in a region with the purpose of attracting new industry. Such collaborative marketing still allows for competition among localities once a business has expressed interest in the region.

A great deal more is known about approaches to regional governance based on markets and hierarchies. By contrast examples of regional governance through networks are relatively new. Moreover, historically there have been more applications of and research on the first two approaches.

In the absence of theory or even mature examples, an understanding of network-based regional

governance could benefit from case studies that describe specific regional efforts and then generalize from them elements of organization and success. As a contribution toward that effort, the sections that follow relate the development of a voluntary urban growth boundary (UGB) in metro-Denver.

Antecedents

A deep economic recession gripping Colorado in the 1980s provided a perceived crisis situation motivating voluntary network-based regionalism. With 40 percent of downtown office buildings vacant, reflecting the disappearance of 28,000 energy-related jobs, cooperation among development interests seemed necessary to muster the resources for economic revitalization.

Business interests backed creation of the Metro Denver Network (Johnson, 1997). Instead of competing with one another, localities combine efforts to market the region. When increased airport capacity was identified as a principal strategy for stimulating the economy, business interests joined with the city to promote its development. Since the land identified for the facility was in another county, collaboration between Denver and Adams County became essential to winning citizen approval on an annexation vote. Subsequently, Denver became the first region in 25 years to build a major new airport.

The region has also succeeded in establishing a taxing district to support scientific and cultural facilities, and the construction of a baseball stadium for the Colorado Rockies. In November 1998, authority for the Stadium District was expanded, allowing it to finance construction of a new Broncos football stadium. In these and other cases, a network-based approach has proven successful in the metro-Denver region.

DRCOG's Vision 2020

The six-county metro Denver region is home to about two-thirds of the state's population. Over the next 25 years, its current population of over two million is projected to increase by about 40 percent. Although the overall metro area is denser than metro-Portland, Oregon, new urbanization added in the past decade has been developed at a density one-

third that of the regional average. Moreover, the rate of vehicle miles traveled is increasing more than twice as fast as population.

The Denver Regional Council of Governments (DRCOG) initiated Metro Vision 2020 in 1990, with the principal objective of updating and extending long-range plans for transportation, land use, and clean water. Previous regional plans served to project, but not to direct, increased demand. At the outset Vision 2020 promised little more. Public meetings were held to review alternative growth patterns, but initially public interest and participation were low, and the process was largely staff driven.

By 1994 growth was becoming an issue of increasing public concern. Opinion polls showed that people identified travel congestion as one of the greatest detriments to their quality of life. When running for reelection that year, Governor Roy Romer added a smart-growth initiative to his platform, promising to convene a statewide summit if returned to office. At the same time Metro Vision 2020 was picking up steam. The federal Intermodal Surface Transportation Efficiency Act (ISTEA) promised greater power at the regional level for transportation decision making. A new, broadly representative 40-member task force was established by DRCOG and charged with examining alternative growth scenarios.

A key issue facing the 2020 Task Force was where to allow future land development. The four scenarios selected for further study—dispersed, compact, corridor, and satellite—ranged in projected land use from 650 to 850 square miles. By way of comparison, the existing growth area in 1994 was 535 square miles; however, the land specified for urbanization in all local comprehensive plans combined covered 1,100 square miles. The task force was looking to target a goal somewhere in the middle range.

Smart Growth, Confusing Process

As the task force was moving toward a recommendation to DRCOG's board, Roy Romer won decisive reelection. As promised, he immediately directed his staff to convene a growth summit. DRCOG delayed reviewing recommendations so as not to preempt the governor's initiative, though it was far

from clear how the summit would affect the COG's efforts now entering their fifth year.

Approximately half of the 1,000 people attending the January 1995 summit were from the Denver area. DRCOG hoped participants would voice support for the direction the Task Force was pursuing. Instead they expressed concern about the COG's ability to chart the course of future growth. As a result, a series of meetings were scheduled over the following months to help generate increased dialogue about metro-area growth objectives and how to achieve them.

By most accounts the governor's growth summit added more confusion than illumination. Officials spent much time clarifying the relationship between the ongoing DRCOG and the new smart growth initiative. Nevertheless, the summit heightened public awareness of growth policy debates and provided additional funds for facilitating meetings that were achieving far higher participation than the COG's previous efforts.

Two other developments occurring at this time added to the confusion, but also raised the stakes for bringing something out of the process. On the legislative side, Senate President Tom Norton introduced a bill that would narrow the basis on which local land use is regulated (by more strictly defining the use of police powers). If passed, its effect could be to chill local efforts at aggressive growth management. At the same time, citizen groups were circulating petitions to place growth-limiting initiatives on several metro-area ballots. If local elected officials were not willing to take decisive action to manage growth, citizens were prepared to direct the effort.

Targeting a Limit on Growth

Heightened interest in managing growth provided a more responsive environment for DRCOG's now-preferred alternative of limiting growth to an area of 700 square miles. Four "free standing" communities (Boulder, Brighton, Longmont, and Castle Rock) would work toward achieving a jobs/housing balance supported by enhanced public transit. Within the contiguous metro area, development in existing urban centers would be favored by additional

transportation infrastructure investment hopefully attracting higher density, mixed-use development.

What was most striking about the recommendations voted on by DRCOG's board in November 1995 was that they actually appeared to constitute a plan and not just a forecast. The latter could rest on technical predictions, but the former requires political will to move forward. DRCOG's summary report concludes that "to advance toward these goals...the region must function as an association of interrelated and interdependent communities, with cooperation and collaboration as its keystones." (DRCOG, 1997, 8)

Now began the more difficult work of trying to identify the targeted 700 square miles and define policies that would be voluntary yet capable of realizing that goal. Early in 1996, DRCOG established a steering committee to address these challenges. Originally the committee was to be composed exclusively of COG members (elected public officials), but DRCOG received and eventually acquiesced to strong advice from several quarters that it needed to include private and nonprofit interests.

The steering committee started with a survey of the COG member governments asking them how much land they needed for new development over the next 25 years and where it best should go. Peter Kenney, a former COG member and now a consultant to regional governance initiatives, observes that:

...this request was well beyond the capacity of most local governments. Most planning departments are set up to act as extensions of economic development or permitting agencies. Real planning for infrastructure and long-term land use has not been a big part of their responsibility. Consequently, most of the response to the steering committee's request was for local governments to send in their comprehensive plans...What happened was that DRCOG ended up collecting 1,100 square miles of growth dreams. This clearly moved in a direction opposite of where it wanted to go. They were faced with a problem of how to bring this down to 700 square miles.

The steering committee established a two-track approach to implementation: technical and policy. The technical track focused on identifying the 700 square miles and the likely location of 7-10 urban centers. The second track focused on developing

policies that individual COG member governments could adopt to implement the plan.

As a strategy for working toward the growth area target, the region was divided into four quadrants and meetings were held with local governments in each. The southern quadrant of the region contains the nation's fastest growing county, Douglas. Its planning department, with strong support from its county commissioners, brought together all of the municipalities to figure out how to meet that target. Within a couple of months they had achieved that goal. The eastern quadrant contains the region's largest suburban municipality, Aurora, which is the third largest city in the state and the second largest in land area. Mayor Paul Tauer, who was a 2020 Steering Committee member, provided strong support for the effort, and again the target was met.

The greatest source of resistance came from a few municipalities that had not been enjoying growth but believed that the opening of Denver's new international airport had finally positioned them for expansion. They rejected DRCOG's projections of their growth and insisted on more territory. Their resistance has kept the COG stuck at 731 miles, five percent more new land designated for development than the target goal of 700 square miles.

Policy Track

While the technical track of the steering committee focused on getting to the 700-square-mile target, the policy track looked for principles to guide implementation. They arrived at four (DRCOG, 1997, 38):

- *Voluntary.* Jurisdictions will choose to meet the core elements of the plan without mandate from other government entities. If disagreements arise, negotiations will be used to resolve differences.
- *Flexible.* The regional plan and map will be reviewed on a regular basis and revised to reflect actual regional growth and development.
- *Collaborative.* Regional goals can only be met if communities work together rather than in isolation.
- *Effective.* Local governments must voluntarily adjust their comprehensive plans, zoning, and capital improvement priorities to advance regional goals. In return, incentives such as dis-

cretionary capital improvement funds, technical assistance, and priority list bonuses will be used to encourage participation.

These broad principles were refined into procedural guidelines for disciplining growth decisions in individual jurisdictions.

Policies for Implementing the UGB

A new policy committee was established in early 1997 to take over from where the steering committee left off. Two key challenges faced the policy committee: actually producing a map defining the growth boundary containing the target amount of land, and developing a process for implementing it. The map resulted from a process in which each jurisdiction drew its own boundaries. Presented along with the map were three ways for modifying the growth boundary. These reflect different levels of significance or impact that local changes might produce (DRCOG, February 1998, 4).

1. *Self-certification.* The intent of self-certification is to allow local jurisdictions to make small changes to the map that do not have regional impacts, for example, adjusting their boundaries but not increasing their territory. Such changes only require notification of DRCOG.
2. *Regional review and input.* This review occurs when a proposed boundary change raises issues of regional concern specifically affecting neighborhood jurisdictions. To determine if a change will have this effect, the Metro Vision Policy Committee and appropriate DRCOG advisory committees conduct a review. In a case where they identify a significant impact, mediation, or facilitation services may be employed to resolve conflicts between communities.
3. *Changes requiring DRCOG board action.* Changes involving amending regional plans especially in relation to long range capital improvements (e.g., the Clean Water Plan which addresses waste water treatment and the Regional Transportation Plan) are subject to review by the DRCOG's Policy Committee, which may forward its recommendation to the board for its consideration and action.

The urban growth boundary represents only one of six core elements of the plan. The others include open space, freestanding communities, balanced multimodal transportation, urban centers, and environmental quality.

Implementation

In November 1998, DRCOG issued a report assessing progress in implementing Vision 2020. Of the region's six counties, two had intergovernmental agreements in place concerning growth in cities, but one of these had been established prior to Vision 2020. Three others had passed UGB resolutions, while one was still working on refinement of its boundary with no formal action taken. Out of 20 cities, seven had passed UGB resolutions, one had a growth cap (established through a citizen-generated initiative), and one was in process of incorporating a boundary in its comprehensive plan.

One of the ways a voluntary boundary and other growth management elements can be encouraged is by offering localities compliance incentives. But DRCOG has few to offer. A far more powerful factor in encouraging collaboration would be modifying the current local tax structure that now encourages competition for retail commercial and high-end residential development. Aurora Mayor Paul Tauer, observed that "if we can't address the revenue issue then we can't implement the vision, because the current revenue structure is counter to it."

Addressing the revenue issue fell outside the scope of the Vision 2020 process, but another body, the Metro Mayors Caucus, was well positioned to address if not to act on the matter. The caucus was formed in the early 1990s to provide a forum for mayors of the region to meet and discuss issues that would typically fall outside of the COG's purview. Revenue sharing is the most ambitious challenge it has chosen to tackle.

The broader picture, in terms of looking at revenues, involves understanding the economic interdependency of all of the region's communities. Although the region's central city is quite healthy, many of its inner-ring suburbs are suffering from the decline or closure of shopping malls and other sources

of sales tax revenue. The caucus commissioned an analysis of this.

If revenue sharing does come about, it will be based on distribution of the growth of sales tax over the current base. Whether participation in such an arrangement would be voluntary is not clear, but it is likely that some type of state enabling legislation would be required.

On these and other issues the work of the caucus is an essential adjunct to DRCOG's efforts at regional planning. Aurora Mayor Paul Tauer suggests that one of the greatest benefits of the caucus may be getting elected officials in face-to-face discussions where they can build relations and establish trust.

A Contrasting Example

In the San Francisco Bay Area, another attempt to create a voluntarily-coordinated UGB is occurring, but employing a very different approach. Since 1996, 16 local governments have adopted UGBs. Of these, 11 were the result of voter-backed initiatives or referenda while the others were council-backed (Greenbelt Alliance, 1998).

The 40-year old Greenbelt Alliance, a nonprofit environmental group, is providing coordination of this effort. Part of its strategy is to recognize and accommodate differences in values and objectives operating in subregions of the Bay Area. The Greenbelt Alliance has offices in the North, South, and East Bay, as well as downtown San Francisco.

Greenbelt Alliance executive director Jim Sayer describes the organization's approach as incremental—"working one city at a time"—and political. "The political dimension is so important. Not just being technically right. What you can offer politically are dollars, voters, volunteers and good press." The effect of this strategy is to give greater visibility to UGB forming efforts. Although this cannot assure sustained political commitment, the more people who know, care about and are involved in creating pieces of the UGB, the harder it is to compromise it.

Factors for Success

At the beginning of this paper three approaches to regional governance were distinguished: regula-

tory, market, and voluntary. Denver's UGB was then offered as a case study of a network-based approach. At this point it is useful to consider some of the general characteristics or conditions that may influence successful application of that approach and to review their presence and strength in Denver.

Julia Parzen, in an analysis of innovations in metropolitan cooperation, concludes that although the approach and objectives driving cooperation in different regions are unique, there are some common elements.

It helps to have already strong civic organizations, cross-community coalitions, and business networks, especially those which cross sectors. It helps if local organizations show an interest in building process and facilitation skills within their own walls and structuring themselves to support a place-based, cross-cutting focus. Leaders are needed [to] convene people and keep them together and focused. Leaders are also needed to provide the seed funding which allows convening processes to mature. Separate from a conducive environment and committed champions, what successful experiments seem to have in common is that they empower and smarten up citizens, entrepreneurially piece together resources, and pursue solutions that fit local conditions and capture the imagination of local residents. (1997, p. 1)

In the Denver UGB case some of the conditions that Parzen describes are operating, others are not.

1. *Multi-sector involvement.* Denver's past successes with networked-based efforts involved participation of strategically appropriate leaders across sectors. The critical committees formed to support the 2020 process engaged the appropriate stakeholders, but the commitment of those stakeholders to implementation is unclear. Visibility of the effort is associated with the COG, and its membership consists exclusively of public sector leaders.
 2. *A culture of collaboration.* A collaborative ethic has been established in Denver, but it is a work in progress. Collaboration is strengthened by success, and Denver achievements in establishing a Scientific and Cultural Facilities District, a Stadium District, and the airport are admired by other regions that send delegations, to learn how it's done. Incrementally, Vision 2020's UGB
- is a big stretch for the culture of collaboration to hold. Its benefits are not as immediately tangible as the region's other collaborative projects, while its potential enemies (e.g., landowners and developers on the other side of the UGB) are legion. In addition, procedures for ameliorating conflicts among local governments engaged in the effort remain vague.
3. *A shared vision of the region.* One of the things that binds together participants in a network-based effort is a common goal and, in this case, a shared vision of the region. Often this is based on a commitment to protect and enhance natural assets—for example, a bay, lake or mountain backdrop. When citizens can see what is being saved, it is easier to maintain a constituency to stay the course. In Portland, representatives from The 1000 Friends of Oregon take visitors to see the differences a growth boundary has made in defining a clear edge to urbanization. Denver has the opportunity to capitalize on its mountain backdrop to define the region's western edge and create a connected open space system, but making the boundary more tangible in other parts of the region is a more daunting task.
 4. *Committed and networked leadership.* A traditional lament of advocates of regionalism is that it is difficult to find leaders, especially in the public sector, willing to commit to a regional agenda. Denver has been fortunate in this regard. Former Denver Mayor Federico Pena set an example in his negotiations for annexing the land for Denver International Airport. At the same time key business leaders got together to form the Greater Denver Corporation which gave rise to the Metro Denver Network. In the mid-1990s the Metro Mayors Caucus was established to provide a forum in which elected leaders could meet to informally explore collaboration around shared issues. These and other efforts have established networks with the capacity to engage and mobilize leaders, as well as bring new leaders into an ethic of collaboration.
 5. *An engaged citizenry.* Effective leadership, especially in a network-based effort, depends on ef-

fective followership. These are ordinary citizens willing to commit to a vision and willing to hold regional leaders to staying the course. The level of citizen involvement in Vision 2020 was weak at first but built up, especially during the growth summit process. Even so, it has not been notable. For the most part the issues under consideration have not been sufficiently tangible or pressing to generate broad involvement. Denver lacks the equivalent of a 1000 Friends of Oregon or a Greenbelt Alliance. Ironically, it is citizen involvement in growth limiting initiatives that has energized some political leaders to take the vision more seriously.

6. *A catalyzing crisis.* Because interest in a regional vision is highly diffuse, a widely perceived crisis often serves to focus attention and mobilize voluntary participation. Typically, regional action in the U.S. comes in response to an environmental crisis, especially when state or federal law mandates a response. In Denver the deep economic recession of the 1980s was an essential catalyst in the formation of several important multi-sectoral collaborations. The current disaffection focuses on the negative consequences of sprawl on the quality of life in the region, especially as measured in terms of increased commuting time and the brown cloud of air pollution. Citizens see these conditions as annoying but not as a crisis. They suggest single-purpose responses such as increasing transportation capacity, rather than broad solutions such as restructuring the pattern of growth in the region.
7. *A supportive regulatory environment.* Whether it is a clearly perceived crisis or a more diffused set of concerns relating to a deteriorating quality of life, the strategies identified through a voluntary network-based approach ultimately may have to be embodied within an institutional and/or regulatory framework. In Denver this effort is taking the form of incorporating the voluntary growth boundary within the comprehensive plans, zoning maps, and ordinances of participating jurisdictions. Simultaneous efforts by the Metro Mayors Caucus to establish a sys-

tem of revenue sharing would considerably strengthen resolve to maintain regional growth management. Operating to undermine these efforts is an indifferent and at times hostile legislature which could directly or indirectly reduce local growth control powers. This could effectively undermine those voluntary efforts now attempting to institutionalize the UGB.

Collectively do these factors predict successful implementation of metro Denver's voluntary growth boundary? It is clearly too early to tell and there are too few cases to generalize from. Nevertheless, developments in Denver are worth tracking. Curtis Johnson's closing line in an essay on the Denver region applies well here: "While tragedy remains plausible, success is more reachable here than in most other American places." (Johnson, 1997, p.97) ■

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