

Governance Highlights- DRAFT

Create Effective Civic And Public Culture And Institutions: Government (through taxation, regulation, provision of public goods, etc.) and civic-sector activities enhance or hinder the productivity and efficiency of the economic systems themselves. These activities attract entrepreneurs, support market development, lower transaction costs, and increase deployment of assets. A culture of trust, collaboration and transparency, as well as institutional flexibility and adaptability, are increasingly important (including particularly to leverage points regional concentrations or clusters and innovation-enabling infrastructure).

Strengths

- Universal council/manager form of government
- Small number of municipalities and special districts
- Successful public/private collaborations
- Established regional economic development agencies
- Open opportunities for business

The MAG Economic Development Committee and Proposition 400 exemplify successful collaborations among public and private entities. The consistent adoption of a council/manager form of government makes the public sector a strong partner. Regional economic development agencies are strong private partners.

Weakness

- Less experience in targeted economic development
- More competitive climate
- Lack of tax increment financing
- Perception of unresponsive development codes
- Greater reliance on government due to lack of institutionalized business leadership

The lack of significant corporate headquarters presence and the limited presence of foundations creates a heavier reliance on government than exists in other regions.

Opportunity

- Legislative support of economic development policy

Establishment of Arizona Commerce Authority and Renewable Energy Standards demonstrate legislative commitment to economic development.

Threat

- Less collaboration as compared to peer regions
- Legislative actions that contribute to a negative image

Other regions in the county and world are organizing their activities in economic development. Failure to do so in this region will be to the detriment of the economy and its ability to thrive.

Special District Government Proliferation (2007)

The Brookings Institution reports “Governance affects the region’s ability to adapt in the face of economic shocks, and both vertical and horizontal relationships matter. Recent empirical work by Chris Berry (2009) suggests that the proliferation of vertical governments especially, like special districts, is detrimental to efficiency and performance.”

Source: U.S. Census Bureau *Census of Governments Integrated Governments Directory 2007 Edition*
http://harvester.census.gov/gid/gid_07/options.html

Metropolitan area	Special district governments per 10,000 people	Rank
<i>100 largest metro areas</i>	<i>0.59</i>	
<i>United States</i>	<i>1.24</i>	
Las Vegas-Paradise, NV	0.08	4
Los Angeles-Long Beach-Santa Ana, CA	0.16	11
San Jose-Sunnyvale-Santa Clara, CA	0.24	17
Phoenix-Mesa-Scottsdale, AZ	0.24	18
Dallas-Fort Worth-Arlington, TX	0.25	19
San Diego-Carlsbad-San Marcos, CA	0.32	22
Riverside-San Bernardino-Ontario, CA	0.44	37
Albuquerque, NM	0.51	45
Seattle-Tacoma-Bellevue, WA	0.57	52
Salt Lake City, UT	0.59	54
Portland-Vancouver-Beaverton, OR-WA	0.77	63
Denver-Aurora-Broomfield, CO	2.94	99

Local Government Fragmentation (county, municipal and township) (2007)

The Brookings Institution reports “Governance affects the region’s ability to adapt in the face of economic shocks, and both vertical and horizontal relationships matter. Further, the number of local governments in a metropolitan area relates to greater levels of segregation, which adversely affects economic outcomes and prosperity. A proliferation of local governments is expected to make governing regionally more difficult. However it should be emphasized that research shows it is the *quality* of governance that matters most for development and prosperity, not its fragmentation and not conventional cost of doing business measures based on tax rates, for example.”

Source: U.S. Census Bureau *Census of Governments Integrated Governments Directory 2007 Edition*
http://harvester.census.gov/gid/gid_07/options.html

Metropolitan area	Number of local governments per 10,000 people	Rank
<i>100 largest metro areas</i>	<i>0.47</i>	
<i>United States</i>	<i>1.29</i>	
Las Vegas-Paradise, NV	0.03	2
San Diego-Carlsbad-San Marcos, CA	0.06	4
Phoenix-Mesa-Scottsdale, AZ	0.08	5
Los Angeles-Long Beach-Santa Ana, CA	0.10	7
San Jose-Sunnyvale-Santa Clara, CA	0.10	10
Riverside-San Bernardino-Ontario, CA	0.12	13
Denver-Aurora-Broomfield, CO	0.22	27
Seattle-Tacoma-Bellevue, WA	0.24	30
Albuquerque, NM	0.25	31
Salt Lake City, UT	0.29	36
Portland-Vancouver-Beaverton, OR-WA	0.30	37
Dallas-Fort Worth-Arlington, TX	0.34	45