The US delegation

- Portland, Oregon
- Denver, Colorado
- Dallas-Fort Worth, Texas
- Houston, Texas

Growth management
- Housing
- Urban development
- Light rail
- Motorways
- Pricing
- Planning
- Funding
- Financing
- Governance
- Technology
## Why Portland, Denver, Dallas, Houston?

### Demographia house price/income ratio

- **Portland, Oregon**
  - Metro population: 2.5 million
  - Total pop. growth 2010-2017: 10% (30,000 residents p/a)
  - Median household income: US$70,000
  - Unemployment: 4.1%

- **Denver, Colorado**
  - Metro population: 2.9 million
  - Total pop. growth 2010-2017: 13.5% (60,000 residents p/a)
  - Median household income: US$74,000
  - Unemployment: 2.8%

- **Dallas-Fort Worth, Texas**
  - Total population: 7.4 million
  - Metro pop. growth 2010-2017: 15% (150,000 residents p/a)
  - Median household income: US$65,000
  - Unemployment: 3.7%

- **Houston, Texas**
  - Total population: 6.9 million
  - Metro pop. growth 2010-2017: 16.5% (150,000 residents p/a)
  - Median household income: US$63,000
  - Unemployment: 4.6%
What did the delegates say?

It’s the soft stuff

“Growth is good attitude”

“They get on and just do it”

“A very long term view taken”

“Better engagement from the bottom up”

“Vision and consistent long term delivery”

“Strong community accountability for developments”

“Collaboration between private/local govt/central govt”

“Positive working relationships between public & private sector”

“Significant cooperation between Government agencies adds value – they trust each other”
How do they get the soft stuff?

1. Incentivisation

2. Flexibility
Incentivisation

Two Aspects

1. Cities get growth upside
   - Sales taxes, income taxes, property taxes
   - Grants and transfers from states and federal

2. Cities incur growth downside
   - Less sales/income tax revenue
   - Higher homelessness, unemployment, policing costs
Incentivisation in Action: Stapleton, Denver

- Old airport nearing end of life late 1980s
- Strategic decision to shift
- New mega-airport
- 1600ha redevelopment of old airport
- 26,000 residents
- $4.8 billion of value
1. More tools in the toolkit
   • Infrastructure funding and financing

2. Governance
   • Decision making structures
US tools: Special Districts

Independent “units of government” – body corps / resident authorities

Finance infrastructure and repay debt with revenue bonds

• No “general obligation” on taxpayers
• Denver, Dallas, Houston 1% sales tax to fund public transport
• MUDs
• TIF...
• Tolls...
Flexibility in action: TIF

- **Tax Increment Financing**
  - **Tax Increment**
  - **Captured Appraised Value**
- **Baseline Property Value**
- **Value After Termination of TIF**

**Axes:**
- **Appraised Value**
- **Time**

**Timeline:**
- **Creation**
- **Termination**
Tolls: LBJ Texpress

- Continuous Frontage Road
- Reconstructed General Highway Lanes
- Texpress Lanes
- Continuous Frontage Road

13.3 miles
$2.6 billion investment
26% equity
56% debt
18% state participation
Opened September 2015

Typical Workday Speeds at NTE (Eastbound Workday on Segment 1)
Flexible governance

USA

Governing institutions and settings change and adapt to succeed
- Bottom up
- Direct initiative voting
- Special districts come and go
- City boundaries change
- Governing roles evolve

New Zealand

Governing structures and arrangements are rigid and politicised
- Top down
- Limited direct initiative voting
- New units of government rare
- Council boundaries static
- Governing roles set in statute
Flexible governance in action:
Portland Metro

Portland’s MPO – metropolitan planning organisation
• Manages federal transport funding
• Regional land use planning
• Regional parks
• Visitor venues
• Solid waste and recycling

✓ Encourages regional collaboration
✓ Voluntary
✓ Use it because it works
Incentives and Flexibility won’t necessarily deliver housing supply and affordability

Why are these cities up here?

Why are these cities down here?
Two policy differences

1. Competitive urban land markets
2. “Ad valorem” property taxes
Conclusions

- We can solve our urban growth issues
- Revise incentives – councils need to want growth
- Improve flexibility – cities need tools to respond
- Competitive land markets
- Improved price and tax signals
Recommendations – Long Term

Planning, Funding, Governance Reform

- RMA, LGA, LTMA review
- Tax Working Group
- Local Government Funding Review
Recommendations – Short Term

1. Reward Councils
   • Provincial Growth Fund, city/region deals
2. Transfer some central costs to council
   • Homelessness?
3. Expand Crown Infrastructure Partners
4. Tolls and express lane revenue bonds
5. Direct voter voting and funding
6. Separate water from councils
7. Replace urban boundaries with appropriate infrastructure charging
8. Use UDAs to achieve the outcomes we want
   • Satellite City
Thank you