

AN ADVISORY SERVICES PANEL REPORT

Houston Region Houston, Texas



Urban Land
Institute

Houston Region Houston, Texas

Becoming a Global Region

February 4–7, 2008
An Advisory Services Program Report

ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201

About ULI—the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and

- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has more than 40,000 members from 90 countries, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

©2008 by ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201

All rights reserved. Reproduction or use of the whole or any part of the contents without written permission of the copyright holder is prohibited.

Cover photo® iStockphoto/Jay Stevens

About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a three-day panel assignment is intensive. It includes an in-depth briefing composed of a tour of the site and meetings with sponsor representatives; interviews with community representatives; and one day for formulating recommendations. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsor, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's panel assignments are able to make accurate assessments of a sponsor's issues and to

provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

ULI Program Staff

Marta V. Goldsmith
Senior Vice President, Community

Thomas W. Eitler
Director, Advisory Services

Cary Sheih
Senior Associate, Advisory Services

Matthew Rader
Senior Associate, Advisory Services

Caroline Dietrich
Panel Coordinator, Advisory Services

Nancy H. Stewart
Director, Book Program

Laura Glassman, Publications Professionals LLC
Manuscript Editor

Betsy VanBuskirk
Art Director

Martha Loomis
Desktop Publishing Specialist/Graphics

Kim Rusch
Graphics

Craig Chapman
Director, Publishing Operations

Acknowledgments

The panel wishes to thank the Center for Houston's Future, which sponsored the panel, organized the research, prepared a comprehensive briefing booklet titled "Our Emerging Houston Region" and schedule for the panel, and secured funding to pay for the panel's work. The Center, a not-for-profit organization, brings business and community together to innovate for the future of the Houston region.

The panel's work could not have occurred without the following generous donors to the Center for Houston's Future and sponsors of the project: Hines, George Mitchell, Roger Galatas, Richard Everett, George Martinez, and ULI-Houston and Central Houston.

The panel much appreciates the following persons who gave their time during the interview process so that the panelists could learn about the city of Houston and the multicounty region by talking with them: County Judge Ed Emmett (Harris

County), County Judge Bob Hebert (Fort Bend County), County Judge Alan Sadler (Montgomery County), Mayor Bill White (City of Houston), Richard Arrellano, George Beatty, Jim Blackburn, John Breeding, Ric Campo, Mark Cover, Jack Drake, Bob Eury, Richard Everett, John Fregonese, Kelly Frels, Roger Galatas, George Gonzales, Mary Lou Henry, Roger Hord, Lynne Humphries, Andy Icken, Jodie Jiles, Larry Johnson, Mark Kilkenny, John Kirksey, Carol Lewis, Elena Marks, Sharon Mattox, John Mooz, Jeff Moseley, Jim Murphy, Ted Nelson, Frank Robinson, Kevin Shanley, Jack Steele, Barron Wallace, Dick Weekley, David Wolff, Dan Wolterman, and Ed Wulfe.

The panel, however, emphasizes that its conclusions are its own and should not be attributed to any individual interviewee.

Contents

ULI Panel and Project Staff	6
Executive Summary of Recommendations	7
Foreword: The Panel's Assignment	9
Focus Areas: Challenges and Approaches	12
Regional Visioning	14
Implementation	17
Conclusion: Becoming a Global Region	20
About the Panel	21

ULI Panel and Project Staff

Panel Chair

William H. Hudnut, III
Senior Resident Fellow
ULI/Joseph C. Canizaro Chair for Public Policy
ULI—the Urban Land Institute
Washington, D.C.

Panel Members

Kelli Bernard
Director of Planning & Economic Development
Council President Eric Garcetti
Los Angeles, California

Fernando Costa
Director of Planning and Development
City of Fort Worth
Fort Worth, Texas

Robert Grow
Senior Counsel
O'Melveny & Myers LLP
Salt Lake City, Utah

Scott Polikov
Principal
Gateway Planning Group, Inc.
Fort Worth, Texas

ULI Project Director

Thomas W. Eitler
Director
Advisory Services

Executive Summary of Recommendations

The Urban Land Institute Advisory Services Panel proposes that the Houston Region embrace a “new paradigm” for defining and thinking about its future in a 21st-century global economy. The panel’s recommendations include the following:

- Conceive and implement a process to secure stakeholder involvement and buy-in to the long-range regional action plan, including issues such as air quality.
- Benchmark the Houston region against its long-term regional competitors worldwide.
- Determine best practices to maximize the region’s competitiveness in light of its political and philosophical approach by studying Los Angeles, Chicago, Abu Dhabi, and New York.
- Encourage the mayor of Houston and the county judges in the region to embrace and lead the effort.
- Incorporate private sector leadership from the business and professional communities, community-based organizations, and nonprofit institutions and area universities in the decision-making process by (a) pursuing a partnership made up of a leadership group that reflects the views of the region and the region’s effective business leaders, designed to further the targeted outcomes; (b) creating a separate but affiliated organization, which again reflects the views of the region and its effective business leaders, that works with Houston-Galveston Area Council (H-GAC) to implement the tar-
- geted outcomes; or (c) pursuing both options (a) and (b).
- Encourage H-GAC to use the process described in the preceding recommendation to move from reactive to proactive planning of public infrastructure investments to create more sustainable growth. One important step is to link the \$14 billion pot of transportation funding to more-sustainable development practices, including principles of compact development, walkable communities, and mixed-use communities that better balance the jobs-to-housing ratio.
- Connect density centers by facilitating the implementation of a regional transportation system that integrates trails, bus service, rail transit, and roadways as the connective tissue of communities throughout the Houston-Galveston area, and build a rail link from the international airport to downtown.
- Develop and circulate proposed market-driven development standards, and secure political and business endorsements for them.
- Establish an approach to more appropriately locate wastewater plants based on a more regional wastewater treatment system. Determine a better method to plan, build, and link municipal facilities, such as water and sewer.
- Grow as a series of urban centers, not as a continuous sprawl into the countryside. Focus future infrastructure in those urban centers, not to just any piece of land that can afford to create a municipal utility district.
- Build high-quality workforce (affordable) housing closer to places of employment and downtown.

Foreword: The Panel's Assignment

The panel believes Houston is on its way to becoming America's fourth global city, along with New York, Chicago, and Los Angeles.

Houston has been famous for a long time as the center of hydrocarbon discovery and petrochemical technology and for its growth, its port, its entrepreneurial spirit, its affordability, and its ability to attract and retain people—because it is a city of opportunity.

As for many regions throughout the country, now is a time of change for the Houston region. The economy is changing from brawn to brains as de-industrialization occurs and jobs in the service areas—medical, real estate, financial, insurance, and the like—increase. The blue-collar path to financial security has now largely disappeared. A high-tech, knowledge-based, fully global marketplace has superseded the resource economy of the industrial era, for which this city was so favorably positioned.

Attitudes are changing as people awake to the realities of high energy prices and climate change, as they realize their interdependence born of the telecommunications revolution and the death of distance, and as they understand that the region's competitive position will depend on its ability to attract and retain the nation's most skilled and creative “knowledge workers,” who can live anywhere. The area's demographic characteristics are changing as Houston becomes more ethnically diverse and as the workforce becomes younger while the boomers (born 1946–1964) age.

The Panel Process

ULI Advisory Panels use a time-tested method to provide sponsors with practical and implementable strategies. Panel members first reviewed briefing materials provided by the sponsor in advance of the visit. The materials included demographic information, market information, the organizational

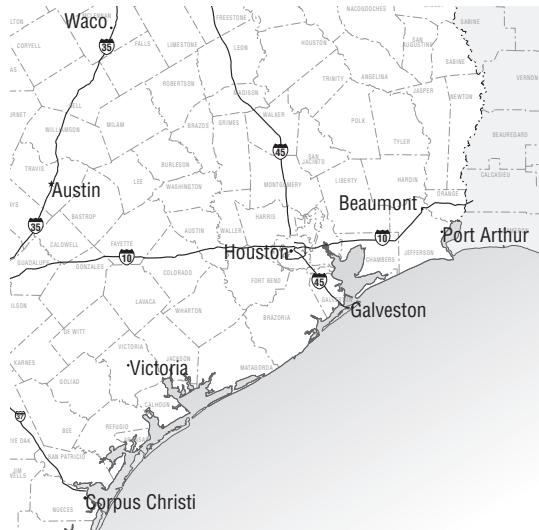
structure of the various government bodies and development organizations in the Houston region, and other comprehensive and diverse information about the entire Houston region. The entire briefing book is available on the Center for Houston's Future Web site, <http://www.centerforhoustonsfuture.org>. The panel was held February 4–7, 2008.

Upon arrival, panel members met with a team of representatives from the Center for Houston's Future. A briefing was provided that covered a host of issues about past development, future demographics, and some of the visioning work that had been completed. In two separate groups, the panel was given a field tour of the region so its members could understand both the enormity and the diversity of the subject area. The panel also in-

Location map.



Regional map.



terviewed a diverse group of stakeholders, including elected officials, government staff, economic development entities, municipal management district representatives, developers, consultants, and civic groups. The panel deliberated on the various materials, presentations, and interviews and on February 7, presented a summary of its observations and recommendations.

The Panel's Assignment

In 2006, the region embarked on Envision Houston Region, an effort that is only partially completed, to address what public policies could be initiated or enhanced to support the region's assets and address its shortcomings. Center for Houston's Future launched an important long-range program designed to advance quality of life, quality of place, and economic opportunity throughout the Houston region. Center for Houston's Future asked the ULI Advisory Panel to provide strategic advice to help make the region more competitive on the world stage. Among the questions asked were the following:

- What overarching strategies should the greater Houston community pursue to create a workable long-range land use vision that complements the existing and ongoing regional planning and economic development initiatives?
 - Can this vision be organized into an action plan that will allow it to be accepted and implemented?

- How can the numerous initiatives (such as Envision Houston Region, Blueprint Houston, Center for Houston's Future, the Regional Transportation Plan, and Foresight) be brought into workable action plans embraced by the greater Houston community?
 - Of the numerous initiatives (such as Envision Houston Region, Blue Print Houston, Center for Houston's Future, and the Regional Transportation Plan), which component or elements need to be embraced by the greater Houston community?
 - Which entities should be responsible for promulgating and implementing the action plan?
 - How shall that entity be organized and where will the money come from to allow it function?
 - What time frames should be considered to complete such a project?

What Houston Is Doing Well

The panel felt that the city and the region were doing well. Although partially attributable to the carbon-based energy industry, that success can also be ascribed to a business-oriented and market-oriented local economy that rewards entrepreneurs and eschews regulation and government interference. The panel observed the following:

- Houston is developing the critical mass that will help it become a global city.
 - Strong industry clusters include the port, the medical center, the universities, and the oil and natural gas businesses.
 - The region is multicentered with productive nodes of development throughout the region, from The Woodlands on the north to the port on the south, from Sugarland to Conroe.
 - Compared to many others, the region is affordable. Infill lots owned by the city sell for as little as \$9,000; housing under \$100,000 is affordable for many working people.
 - The city's workforce is relatively youthful.

- From a geographic perspective, the region is located strategically as a gateway to global markets.
- As many people appear to be moving back into the city as are moving out.
- The region's can-do, optimistic attitude is a real strength. The workforce is willing to work hard, and the general populace embraces the future.
- The general attitude is that growth is good for the region.
- The city anticipates 1 million new residents in the next ten years, which raises issues about how and where it should grow. The panel anticipates that the result will be a series of discussions that will shape how Houston lives in the years to come. These discussions should seek to identify a cooperative effort to accommodate growth, provide a forum for solving problems, and stimulate discussions about technologies to address growth issues.
- Houston is willing to undertake dialogue to find some viable middle ground between advocates of property rights and those concerned about the character of their communities and how development affects neighbors.
- Business and political leadership are strong, and the extensive involvement of nonprofit organizations in forging a successful future is evident.
- A large number of private entities fulfill roles that government has traditionally provided in other localities.
- An array of cooperative regional efforts, such as the Gulf Coast Regional Mobility Partnership and the Quality of Life Coalition, H-GAC, the Center for Houston's Future, and many other less visible instrumentalities, seems to be working well, although the panel is struck by the need for greater coordination and communication.

As Houston moves to the next level of success in its effort to maintain a competitive position in the global economy, it should play to these assets and build on these great strengths.

What Challenges Face the Houston Region

Houston has some inherent problems that could challenge or slow down the incredible engine of economic development of the past decade. The panel felt the following areas need to be addressed:

- A stronger commitment to long-term regional cooperation is needed to address important issues, such as education, governance, air and water quality, environmental protection, health care, infrastructure, and transportation.
- A visionary, proactive approach will be needed instead of the current ad hoc approach used to resolve problems as they arise.
- Houston needs to create and commit to a long-term regional action plan based on a regional dialogue "to get it done."
- The panel did not detect a common regional approach to shared problems. Increasing vehicle miles traveled, long commutes that rob families of precious time together, and growth that can worsen flooding or pollute bayous and streams are approached differently in different parts of the region. Can the region come together to face issues that affect everyone while maintaining local control of communities? Can Houston balance its desire for a better quality of life with development efficiency and low cost?
- The panel feels that more housing is needed downtown. Currently, it constitutes less than 10 percent of downtown's built environment.
- Houston needs to conduct and implement a "branding" initiative. The panel felt that a new brand is needed to supplant the old one based on rails and natural resources. The panel suggests "The City (or Region) of Opportunity."
- Many people are attracted to the Houston region because they believe the economic opportunities—the possibilities for making a good living—are great here. This influx of population in turn suggests that efforts must be made to reach out to newcomers in the neighborhoods, the wards, and the community-based organizations. Of course, leadership from the business

and political communities is necessary, but stakeholders from the grass roots as well as the grass tops need to be included. The stool of progress will be four-legged: private sector, nonprofit sector, public sector, and stakeholders.

Focus Areas: Challenges and Approaches

Which issues offer the most leverage and effect for shaping the future of the Houston region as economically competitive? General consensus was reached on several key issues that may affect Houston's future. The following sections outline the issues and provide the initial dialogue for those areas the panel felt were critical to maintain Houston's momentum as it becomes a global city.

Transportation

Various stakeholders echoed the need for a regional transportation vision that plans for the expansion of roads and highways to keep pace with growth, maintains infrastructure, and finds alternative multimodal networks. Current transportation planning is often fragmented; it is project oriented and conducted by many agencies and civic groups.

A transportation network that links and supports the continued growth of the region's livable growth centers and nodes is vital if the Houston region is to become a global city. For example, connecting Houston's airports to downtown is an important step in becoming a global city. Each of the major growth centers and nodes needs to have a near-term plan that integrates with a larger, more long-term vision. The long-term vision, a consolidated and comprehensive infrastructure strategy, must be created and implemented.

Air Quality

Air quality in Houston has been and continues to be of great concern to many in the region. With more than 5 million residents and the largest petrochemical industrial complex in the country, improving air quality is a major challenge facing the region. Nevertheless, great efforts have been made to reduce emissions from local vehicles and industrial sources. These efforts led by environ-

mental groups, the business community, local leaders, citizens, and others have reduced many pollutants. Air quality has no jurisdictional boundaries; thus, its control requires the cooperation of multiple (regional) municipalities. The panel felt that air quality, if it failed to improve, could be detrimental to the future growth and success of the region as a whole.

Water and Wastewater Management

The Houston region's water and wastewater infrastructure network evolved in a fragmented manner. Wastewater management is often built on a project-by-project basis by municipal utility districts (MUDs) and local municipalities. Today's aging, ad hoc infrastructure system raises the question of how and by whom it will be repaired.

The panel believes that long-term planning, maintenance, and management of the wastewater systems requires a comprehensive regional approach. The high taxes associated with MUDs and the continued creation of an additional "closed" system on the edge (that eventually will require public expenditures) are untenable. Although the panel understood that the "rules" for MUDs were set at the state level, the unwillingness of local authorities to address the problem exacerbates the issue. One danger to creating a regional vision, as outlined in this panel report, is the lack of regional influence over where MUDs can be located. The current lack of policy encourages development wherever someone wishes to spend money on creating an MUD. The panel recommends improving the predictability of where MUDs will be placed.

Environmental Sustainability

The protection of its floodplains, bayous, and natural habitat provides another opportunity for uniting the greater Houston region. The panel re-

peatedly heard the concern that environmental sustainability is a critical component of “quality of place.” Such quality of place is, in part, responsible for the phenomenal influx of population to and the degree of success of the Houston region. People want to live in Houston because it is a nice place to live. This shared value should encourage the protection of its natural resources.

Education or Workforce Development

Houston’s educated and highly skilled workforce has been central to its growth and a key competitive advantage. Houston is home to many top universities and a highly educated and professional workforce. Nevertheless, recent demographic studies suggest that Houston will face much increased population growth and that the face of this growth will be younger, more ethnically diverse, and less educated. For example, according to Dr. Stephen Klineberg’s “The Changing Faces of Houston” (2006), 50 percent of Latino immigrants have less than a high school education. In 20 years, Houston will have the least-educated

workforce of any large U.S. city. The educational systems must collaboratively address how to provide an accessible and high-quality education to this population.

Economic Growth and Sustainability

Although the Houston region has experienced phenomenal economic growth until now, its continued growth is not assured. Houston has evolved from a “one-horse” industrial city to a multisector, high-technology, knowledge-based economy. Houston’s continued growth and sustainability are predicated on its ability to harness the power of its new population growth and directly tied to how well it educates and trains this new workforce. The panel believes the Houston region must continue to be a place of opportunity. To create and maintain Houston as a place of opportunity, a shared vision that each segment of the region (geographically and ethnically) can call its own is needed.

Regional Visioning

Competition among regions in the global economy is pronounced. Indeed, regions—not cities or counties or states—are now the functional unit of international economic competition. Thus, the future prosperity of a region will depend to a significant extent upon its ability to compete with other leading regions in offering the best mix of economic vitality and lifestyle amenities to attract and retain its most valuable resource—its people. Regional visioning is a tool that is increasingly used to engage local stakeholders effectively in building a consensus around a framework for long-term regional planning infrastructure investment decisions and local land use decisions.

Principal Recommendation

To build a foundation for a high-quality future, the panel strongly recommends that a diverse partnership of regional leaders and organizations pursue a sustained, state-of-the-art, community-wide regional visioning initiative that focuses on deciding the goals that will guide how the Houston region grows in the coming decades. This initiative should develop a plan to (a) correlate and build on existing high-quality efforts already underway in the region; (b) convene a regional summit to successfully launch the visioning process; (c) provide ongoing encouragement and leadership; and (d) establish clear goals, strategies, and action plans to implement the vision that is created.

Regional visioning, as a process to enhance global competitiveness, preserve quality of life, and create sustainable places, is occurring nationally in numerous metropolitan and megapolitan regions, including in Houston's national competitors, such as Los Angeles, New York, and Chicago, as well as its worldwide competitors, such as London, Paris, Sydney, Abu Dhabi, and Dubai. In the following subsections, the panel describes the key

components and best practices being used in successful regional visioning efforts.

Houston must design a visioning initiative that meets its own needs and objectives and select a name that best describes its own approach. In today's world of aggressive international competition, the approach must be based on clear data and real choices, and it must insist that hard decisions be made. It must focus on action, implementation, and results. It could be called a "blueprint for the future," a "regional strategic plan," or a "regional long-range action plan." Regardless of what it is called, to be successful, the proposed initiative must do the following:

Benchmark Houston against Existing and Emerging Globally Competitive Regions

The global business landscape is evolving rapidly, and a new generation of winners and losers will be determined in the next few decades. The winners will be those regions that can attract sustained capital flows; create a world-class environment in which existing and new industry clusters can flourish; and maintain and enhance a high quality of life for a diverse, highly educated, and empowered population.

Develop a Long-Term Regional Action Plan

Other global regions are moving quickly to reposition themselves on the world stage by rapidly enhancing their regional competitiveness. The Houston region is well positioned to compete but must move aggressively to develop a world-respected brand and a world-class strategy using the best international tools and practices.

Maintain a Constant Focus on Implementation and Action

From the start, this effort should seek opportunities to act and ensure that the major consensus decisions lead to action. Furthermore, strategies developed to improve quality of life will require commitments by all sectors—government, busi-

“The diversity of our community, the talent we bring to the table now, and the new people that we attract will drive our success over the next 10 years and beyond.”

—Greater Houston Partnership
2005–2015 Strategic Plan

ness, and nonprofit, as well as individuals—to alter their behaviors to align with directions set through the visioning process.

Place a Premium on Inclusiveness

This fundamental philosophy is at the core of all successful collaborative efforts, but it is often overlooked, leading to situations where too many residents and key players do not support or commit to action. Unfortunately, support often fails to materialize or falters, especially within low-income communities and among other marginalized groups, leading to a profound distrust of both the effort and the outcomes in question. For this effort to be successful, organizations and ordinary residents representing the full diversity of the Houston region must be engaged. No shortcuts are available; without a full commitment of time and effort, this work cannot be successful.

Work from Community Values

Clearly, the Houston region has a strong sense of identity and is pursuing the creation of a values-based and values-driven future. Nevertheless, persons with differing views can find even talking about the toughest issues difficult. Values research—in-depth structured conversations with residents—can help identify common values and vocabulary that create a productive deliberative environment. The panel applauds Houston’s ongoing commitment to work collectively to identify those commonly held values that will inform and guide the creation and implementation of a shared vision for the future.

Explore Options and Choices

Articulating and modeling alternative possible futures, with realistic tradeoffs, is a disciplined method for thinking about and making choices for the future. Successful regional initiatives are using alternative virtual futures as regional “crash dummies” to help community leaders and residents understand their strategic options, the effects on local neighborhoods and the region as a whole, and the implications and consequences of making final choices. Houston’s visioning process needs to do the same.

Recognize the Interconnectedness of Issues

The region must begin a dialogue to discuss the roles of race, class, and education. Start with a focus on the key challenges, opportunities, and issues facing the region. Then, recognize and explore how everything is linked. We cannot talk about transportation without considering the type and location of neighborhoods and employment centers that create the demand for mobility. We cannot talk about growth without talking about economic development, and so on. Furthermore, significant regional issues are impossible to work on without examining the roles of race and class. As Dr. Klineberg’s research demonstrates, a dramatic shift is occurring in the region’s demographics. In 1960, 6 percent of the region was Hispanic, 19.8 percent was black, and 0.3 percent was Asian. Today, those numbers are 38.2 percent Hispanic, 18.4 percent black, and 6.5 percent Asian, a sea change by any measure that provides a great opportunity if fully embraced.

Establish and Implement Clear Goals, Strategies, and Action Plans

A vision without implementation is an illusion. From the beginning, every step must focus on creating the will, environment, tools, and campaigns for success. Although the panel recognizes the need for Houston to go about its visioning in a way that best uses its particular way of doing things, at some point stakeholders and locally elected officials must nudge the pure laissez-faire approach toward a common strategic goal. The fear the panel has is that the long-term ability to continue to attract economic growth depends on a large and increasingly complex set of circum-

stances. Certainly, the carbon-based energy markets have treated Houston well over the past decade. Diversity and the continual process of offering a good quality of life must include cogent planning for future transportation, utilities, and amenities.

ULI's Role in Regional Visioning

ULI provides assistance to regions that are seeking to build a better future through processes such as regional visioning. ULI is able to share others regions' experiences in visioning to help make better choices, avoid common pitfalls, and raise the prospects of success. The Institute stands ready to assist in creating Houston's regional long-range action plan for a competitive and sustainable future.

Implementation

This section discusses and recommends selected actions. Although not all specific action steps are included, they do represent those the panel felt were essential to a successful undertaking.

Regional Transportation Approaches

To a large extent, regional growth patterns are determined by transportation infrastructure. This may be truer in Houston than in any other region in the country. The region's future will be affected by the degree to which this reality is accepted passively or harnessed through the visioning initiative the panel recommends.

Taking charge of the region's transportation future implicates questions of development, such as the notion that interconnected growth centers can accommodate and sustain a substantial portion of growth. The Houston-Galveston Area Council has recognized this issue through its new Transit and Livable Centers Initiative.

One of the keys to success for livability in the Houston region has been the success of its master-planned communities, such as The Woodlands. These communities have created a development environment of adjacent buildings, neighborhoods, and public spaces of predictable quality, providing a cohesive community character. The predictable and cohesive character creates a market dynamic encouraging continued investment and reinvestment.

For Houston proper, this nonzoning-based approach could be applied in many more contexts to support emerging growth centers and corridors, especially when married with H-GAC's Livable Centers Initiative. In other words, creating cohesion in new development for urban growth centers around the region will provide an attractive environment for long-term sustained investment in new communities—more compact development

that can be connected effectively by roads, rail, and trails.

This strategy provides one aspect of a private sector-based approach to a more sustainable growth policy. The regional funding process for transportation provides the complementary public sector opportunity for tying the region together. The question thus raised is how transportation funding policy at the regional level can be oriented to complete a public/private partnership for high-quality growth?

The answer can be found in part within the process for the local allocation of federal transportation monies through the H-GAC, the region's metropolitan planning organization (MPO). The local spending of federal funds on transportation-related investments is required under federal law to be included generally in H-GAC's 2035 Long-Range Plan and more specifically in the H-GAC Four-Year Transportation Improvement Program (TIP). The TIP provides for over \$14 billion in capital spending from 2008 to 2011.

The H-GAC is also the regional entity responsible for coordinating major transportation, growth, and air-quality outcomes. In this broader planning context, the H-GAC is making decisions on how to spend the billions of dollars of transportation funds. But the current system is set up to react to growth—not to prepare for growth. The question often becomes, simply, how can we expand highways to slow ever-increasing congestion?

Looking beyond congestion, many other regions have transformed their regional transportation infrastructure planning and funding process from a reactive to a proactive process. The vehicle used by many regions, such as Southern California, Atlanta, the Greater Wasatch Salt Lake Region, and Dallas/Fort Worth, was reform of the MPO funding process.

Specifically, those MPOs have set aside substantial amounts of federal transportation funds allocated to their respective regions to be made available through a competitive process in the context of a regional growth framework. In the context of a regional vision, that competitive process enables a prioritization of funding that creates efficient investment in infrastructure for growth that is both livable and sustainable.

In particular, the local jurisdictions in those regions partner with a neighboring jurisdiction, a special district, a neighborhood, or a developer to request funding for transportation-related investment that advances both their respective regional growth frameworks and their local developments that are sustainable, high quality, and neighborhood friendly. This is their fundamental strategy for regional transportation investment, both in terms of local sustainability and global competitiveness.

A Competitive Approach to Transportation Funding

In the context of a limited amount of future transportation funds for the Houston region, the panel recommends that the competitive process be based on achieving the outcomes expressed on an almost universal basis in the panel's interviews of local leaders and stakeholders:

- Connect current and emerging growth centers through roads, rail, and trails.
- Promote the concept of livability for growth centers in terms of mixed use and walkability.
- Encourage the creation of special districts or the use of other mechanisms to maintain the quality and predictability of development in terms of adjacent parcels, buildings, and public spaces.
- Encourage the voluntary adoption of development standards for the creation or redevelopment of high-quality places (such as R-LIDS, which are discussed below).
- Encourage redevelopment of existing roadway corridors so that new private investment is attracted.

- Encourage utilities districts that support the regional vision of a multicentric region with a series of urban centers and denser development in and near existing and proposed employment centers and transportation improvements.
- Facilitate the implementation of a regional transportation system that integrates trails, bus service, rail transit, and roadways as the connective tissue of communities throughout the H-GAC area.
- Promote a closer geographic and commute-time connection between homes and employment.
- Encourage green building practices.
- Maintain the affordability of housing throughout the region.
- Facilitate connectivity between local neighborhoods and destinations so that driving is not required for every daily activity.
- Encourage neighborhood schools that are linked to the local community.
- Encourage adjacent jurisdictions to collaborate.
- Promote additional acquisition of public green spaces and preservation of watershed habitat.
- Connect the airports to downtown.

These policy goals, in effect, become the measurements for assessing applications for federal transportation funds under a reformed TIP process.

By encouraging better local actions in the context of regional transportation investment, the region can make growth more sustainable. In the aggregate, the region would then realize improvements in transportation choice, air quality, and preserved floodplain; higher levels of local investment; greater tax base capture for the public schools and infrastructure maintenance; and enhanced neighborhoods.

A Market-Driven Approach to Development Standards

Many of the issues that the panel has addressed pertain directly or indirectly to the region's large

number of municipalities, counties, and special-purpose districts and to the lack of common standards that might apply to development throughout the region. In certain respects, this lack of regional development standards is entirely appropriate for the Houston region, where zoning is shunned, because most residents assign considerable importance to local government autonomy and to the maintenance of a business climate in which development is relatively unimpeded by government regulation. At the same time, many of the region's real estate developers and business leaders acknowledge that the lack of regional development standards has fostered uneven development patterns in which high-quality master-planned communities are commonly located alongside declining commercial and residential districts.

In response to this situation, the Center for Houston's Future and the ULI Houston District Council have supported the efforts of local developers to establish a unique market-driven program called "Regional Leadership in Development Standards" or "R-LIDS." The R-LIDS program, modeled loosely on the LEED program for building design, would encourage all of the region's developers voluntarily to adopt a consistent set of standards through the covenants that are associated with their projects.

These standards could address a variety of building, site, and neighborhood characteristics, such as the creation of vital public spaces, the promotion of pedestrian activity, and the protection of envi-

ronmentally sensitive areas. Provided that the standards are reasonable and appropriately flexible, compliance with them could add a great deal of value to the developers' projects and thereby expand the tax base of each community in which those projects are located. Equally important, the quality associated with participating projects could elevate the market's expectations and thus lead to improvements in the quality of nonparticipating projects.

The ULI team applauds the R-LIDS initiative and offers some modest suggestions for local developers to consider in formulating and administering this innovative program. First, the R-LIDS sponsors should make an effort to involve developers, public officials, and other interested parties at an early stage by circulating a draft set of standards for review and comment and by building consensus around the proposed standards. After approving the standards, the R-LIDS sponsors should encourage local governments and special-purpose districts to endorse the standards for use within their jurisdictions. Furthermore, an opportunity may exist to connect these voluntary development standards to the H-GAC's Livable Centers Initiative. The R-LIDS sponsors should ultimately encourage H-GAC, in its allocation of discretionary transportation funds, to assign priority to transportation improvements that support participating projects.

Conclusion: Becoming a Global Region

The Center for Houston's Future and other regional organizations have adopted the overarching goal of making Houston one of the top ten regions in the world as a place to live, work, and play. The ULI team considers this goal to be entirely achievable in view of Houston's size, economic influence, and emerging quality of life.

The region's progress toward that goal will depend in large measure, of course, upon its success in addressing certain critical issues, such as mobility, air and water quality, and development of the region's increasingly diverse workforce. Such success is unlikely, however, in the absence of a compelling common vision for the region's future.

The panel commends the region's leaders for launching Envision Houston Region but strongly encourage these leaders to continue this visioning

process toward the formulation of a long-term strategic action plan that will unify the region. Many of the large metropolitan areas in the United States with which Houston competes for capital investment and jobs—such as Dallas/Fort Worth, Atlanta, Chicago, and Los Angeles—have moved aggressively in this direction, as have many renowned world cities, such as London, Paris, Melbourne, and Shanghai.

Houston today enjoys a historic opportunity to join this distinguished group of regions. As the Greater Houston Partnership has recognized in its own ten-year Strategic Plan, “the timing is perfect for a call to action.” Likewise, the region's leaders must step forward to see that this call to action is a success.

About the Panel

William H. Hudnut, III

*Panel Chair
Washington, D.C.*

Former four-term mayor of Indianapolis and member of Congress, author, public speaker, TV commentator, think-tank fellow, and clergyman, Hudnut currently occupies the Urban Land Institute/Joseph C. Canizaro Chair for Public Policy.

He is probably best known for his 16-year tenure as mayor of Indianapolis, 1976–1991. His stated goal was to build a “cooperative, compassionate, and competitive” city. He established “a national reputation for revitalizing his Midwestern city” and spearheaded the formation of a public/private sector partnership that led to Indianapolis’s emergence during the 1980s as a major American city. A past president of the National League of Cities and the Indiana Association of Cities and Towns, Hudnut helped Indianapolis record spectacular growth during his 16 years in office.

As a member of Congress, Hudnut sponsored 17 bills that became public law. He also served as mayor of Chevy Chase, Maryland, and is a member of the board of the National League of Cities. He was a member of the Millennial Housing Commission appointed by Congress during 2001–2002. Prior to his entry into public life, as a clergyman he served churches in Buffalo, New York; Annapolis, Maryland; and Indianapolis, Indiana. After stepping down as mayor, Hudnut held posts at the Kennedy School of Government at Harvard, the Hudson Institute in Indianapolis, and the Civic Federation in Chicago, before assuming his current position with ULI in 1996.

A much sought-after speaker, Hudnut is the author of *Minister Mayor* (1987), a book reflecting on his experience in politics and religion; *The Hudnut Years in Indianapolis, 1976–1991* (1995), a case study in urban management and leadership;

Cities on the Rebound (1998), an analysis of clues to the successful city of the future; and *Halfway to Everywhere* (2003), a portrait of America’s first-tier suburbs. He is the recipient of many awards, including Princeton University’s highest alumni honor, the Woodrow Wilson Award for public service (1986); *City and State* magazine’s “Nation’s Outstanding Mayor of 1988”; the Rosa Parks Award from the American Association for Affirmative Action in 1992; and the Distinguished Public Service Award from the Indiana Association of Cities and Towns (1985).

Hudnut graduated from Princeton University with high honors and election into Phi Beta Kappa. He graduated summa cum laude from Union Theological Seminary in New York City. He has received honorary degrees from 13 colleges and universities.

Kelli Bernard

Los Angeles, California

Bernard provides economic and real estate development services to those working or seeking to work in traditionally underserved communities. Currently, she serves as director of planning and economic development for Los Angeles city council president Eric Garcetti. Bernard is responsible for overseeing key development projects in the district, facilitating CD13’s economic development initiatives, and providing staffing for the Council president on citywide planning and land use issues.

Bernard also provides strategic counsel to developing faith-based economic development organizations. She was formerly vice president of real estate at Genesis LA, a nonprofit economic development corporation, where she was responsible for Genesis LA’s real estate development services, which include development strategies, project management, financial modeling, leveraging local resources and structuring public/private partner-

ships. Bernard has 15 years' experience in the areas of economic development, land use planning, housing, redevelopment, and public affairs. She also has in-depth knowledge of public/private partnerships, public funding and local, state and federal regulatory and legislative issues.

She has served as vice president of Lee Andrews Group, Inc., as senior business development representative in the office of former Los Angeles mayor Richard Riordan, as the planning deputy to a Los Angeles city council member, and with the Vermont Slauson Economic Development Corporation. She also served as an international fellow with Africare in Zambia. She is involved in a number of community organizations, including the Los Angeles Neighborhood Land Trust and the New Leaders. Bernard holds a master's degree in urban planning from University of California, Los Angeles, and a BA in sociology from University of California, Berkeley.

Fernando Costa

Fort Worth, Texas

Costa serves as director of planning and development for the city of Fort Worth. Before moving to Texas in 1998, he worked as a planner in Georgia for 22 years, including 11 years as planning director for the city of Atlanta and 11 years as a planner for the regional planning commission in Macon. Costa chairs the Management Committee for Vision North Texas, a ULI-sponsored program that promotes smart growth in the Dallas/Fort Worth metropolitan area. He also chairs the Planning Accreditation Board for the United States and Canada, and he serves as president of the Rotary Club of Fort Worth.

Costa received degrees in civil engineering and city planning from Georgia Tech, and he served as an officer in the U.S. Army Corps of Engineers. He has previously served on ULI panels for Kansas

City, Kansas; Trenton, New Jersey; Phoenix, Arizona; the Washington, D.C. region; Ardmore, Pennsylvania; and New Orleans.

Robert Grow

Salt Lake City, Utah

Grow holds degrees in engineering and law and has had a diverse career, including practicing law, being president of a large manufacturing company, chairing a national trade association, and being recognized as Utah's entrepreneur of the year. He has contributed to a variety of Urban Land Institute initiatives and programs.

Grow is founding chair emeritus of Envision Utah, a private/public quality growth partnership founded in 1997. Envision Utah is widely recognized as one of the country's most successful public involvement efforts for the development of a broad-based, long-term growth strategy for a major metropolitan area. As a model for regional visioning efforts nationwide, Envision Utah has been recognized with ULI's Award for Excellence, the Alliance for Regional Stewardship's Gold Recognition Award, and the American Planning Association's Daniel Burnham Award.

For his role in helping shape the strategy for the Salt Lake region's future transportation system, Grow received the American Public Transportation Association's Distinguished Service Award in October 2003. Recently, Don Chen, executive director of Smart Growth America, a national coalition with goals similar to those of Envision Utah, said that Grow "[is] the father of one of the greatest stories in the smart growth movement."

Grow is presently senior counsel with the law firm O'Melveny & Myers LLP, resident in Salt Lake City, Utah. O'Melveny & Myers is a 900-lawyer, Los Angeles-based law firm with a worldwide presence. Grow specializes in land use planning

and zoning, real estate development, regional visioning and growth planning, and environmental law. O'Melveny & Myers is development and entitlement counsel for a new 93,000-acre master-planned community in the Salt Lake Valley.

Scott Polikov

Fort Worth, Texas

Polikov started his professional life in law, focusing on public policy litigation and legislation. Leaving a successful law practice with the Washington, D.C., public policy firm, Patton Boggs, he returned to Texas in the early 1990s to be more involved in local affairs.

Once back home, he was appointed director of the Texas Alternative Fuels Program. Recruited to serve on the board of his local transit authority and the Austin region's metropolitan planning organization, Polikov has concentrated on urban design, place making, and the economics of transportation. He also began working with the Austin-San Antonio Corridor Council on the first comprehensive governance effort for the 22-county Central and South Texas Region, quickly recognizing the imperative of regional collaboration. Thereafter, the Austin-San Antonio Commuter Rail District was created, and the Envision Central Texas Initiative was commenced.

Today, as a town planner, Polikov works principally with fast-growing communities and developers to harness their growth into walkable, mixed-use neighborhoods. Whether in a downtown context or a suburban greenfield, he believes that sustaining America's urban renaissance requires the rejection of the growth/no growth debate in favor of a more sophisticated focus on the

basics: providing for a robust mix of housing types in each neighborhood; designing places with parks and other civic spaces within walking distance; letting the market dictate how uses change over time, instead of the municipal zoning commission micro-managing whether a vacant building should become a dress shop or a donut shop; re-injecting urban design standards into land development codes; and facilitating meaningful transportation choice by designing streets for cars, transit, and people.

Polikov's work with regionalism, transit, and economic development has attracted national attention. His firm's work puts a new twist on the centuries-old practice of leveraging regional transportation with local value capture to build communities (that's how the railroads built the West) and has been featured in *Urban Land*, the magazine of the Urban Land Institute, and *Planning*, the magazine of the American Planning Association. In this context, Polikov (with his city and state colleagues and other national experts) provides guidance to fast-growing communities and regions on how to implement high-quality growth. His clients have included such diverse places as Durango, Colorado; Austin and Fort Worth, Texas; Boise, Idaho; Charleston, South Carolina; and Charlotte, North Carolina. As a volunteer, he serves on the board of directors of the National Civic League and was recently appointed by the Texas Transportation Commission to co-chair a committee charged with the development of a new state design criteria manual for urban thoroughfares.



ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201