

Report of the

91ST ARIZONA TOWN HALL

“LAND USE: CHALLENGES AND CHOICES FOR THE 21ST CENTURY”

Grand Canyon, Arizona

October 28 – 31, 2007

Arizona’s recent and projected population growth means that change is inevitable. This inevitable change will have a profound impact upon the quality of life and the sustainability of the environment of our state unless addressed by prudent, informed, innovative and coordinated land-use planning. Arizonans must look beyond the practices of the past and embrace a series of land use changes that:

- Include enactment of comprehensive State Land Department reform;
- Promote effective intergovernmental collaboration and cooperation;
- Balance the human, natural, and cultural resources;
- Embrace conservation opportunities; and
- Recognize the responsibility of all citizens to work towards a prosperous, livable, sustainable and economically responsible future.

The participants of the 91st Arizona Town Hall, drawn from across the state, met for three days of thoughtful discussion and deliberations, inspired by the majesty of the Grand Canyon as a backdrop. These citizens believe that the time has come to face the challenges of future growth by making hard land use choices for the 21st century.

This Town Hall addressed population growth; the balance of responsibility for land-use planning and regulation among local, regional, tribal, federal, and state governments; and the effectiveness of collaboration among tribal and non-tribal communities. Participants examined the interface of land-use planning with transportation, education, water, energy, and state trust land issues. They debated the best approaches to creating livable communities and considered the roles of financing and incentives in directing change.

The results of these discussions are included in this report. While not all Town Hall participants agree with each of the conclusions and recommendations, this report reflects the overall consensus achieved at the 91st Arizona Town Hall.

SURVEYING THE LANDSCAPE

The diversity in Arizona’s natural, historical, cultural and economic landscapes is one of our state's most important features. This unique diversity contributes greatly to the quality of life in Arizona. Arizona’s wide open spaces, natural beauty, and climate are high among the reasons people come to Arizona and choose to make their homes here.

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Other important and unique natural landscapes include Arizona's lakes, watersheds, natural washes, rivers and streams, wetlands, ponderosa pine forests, mountains, vast deserts, plateaus, grasslands, agricultural and farming lands, blue and night skies, parks and monuments, indigenous wildlife, and native vegetation.

Enhancing and Preserving Arizona's Diverse Landscapes

We need to enhance and preserve each of Arizona's diverse landscapes in a way that allows for growth, yet does not harm the features that draw people to Arizona. Arizona's varied geographic and historical landscapes provide the state with a cultural identity to be valued and preserved. As growth continues, Arizona should maintain the authenticity and mystique of the western experience, including historical, cultural and heritage sites.

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To maximize livability, Arizona should preserve open spaces, natural landscapes and habitats, and public lands in both rural and metropolitan areas. We also must provide physical and visual access to these places. We must find ways to connect people to the "place" in which they live.

Arizona should balance preservation of natural, cultural and historic landscapes with its various economic landscapes, including mining, ranching, farming and agricultural industries. Arizona also should preserve and enhance its climate by addressing air quality, solar energy and alternative fuels, and protect corridors, such as land, air, water, utility and wildlife corridors, and the human, natural and cultural resource areas connected by those corridors.

Impacts of Arizona's Rapid Population Growth on Its Landscape

Arizona's rapid population growth has a significant impact on its many and varied landscapes. Preserving land and the natural environment does not mean stopping growth. Growth is not inherently bad, but uncontrolled sprawl is. Better planning will help mitigate issues created by sprawl and ease population growth pressures throughout Arizona.

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Landscapes will change as a result of rapid population growth, thus preservation efforts must be planned and implemented. Arizona needs to responsibly facilitate change through a balanced approach. We need to identify the natural, cultural and human resources we have, assess the essential components of those resources, and determine how we can prioritize, use, manage, and implement those resources as Arizona grows.

How Current Systems of Planning and Land Use Address Population Growth

Arizona's population is expected to double within the next forty-five years and its current systems of planning and land-use regulation to address such population growth are inadequate. Collaborative planning among all levels of government is crucial, particularly in managing infrastructure, transportation, education, environmental, energy, natural and water resource concerns.

There must be improved land-use planning coordination among the various levels of government – federal, state, tribal, county and municipal. While local communities necessarily act independently, they also should communicate and coordinate regarding issues that cross artificial boundaries such as transportation

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infrastructure. There is a need for more consistency among local communities in statewide and regional land-use planning.

Opportunities for Improvement

There are many opportunities for improvement in current systems of planning and land use.

- Coordinate and share planning processes among state, tribal, county and municipal governments. This includes expanding and encouraging regional planning and land-use planning among all levels of government. For example, statewide framework studies for transportation have been effective and should be expanded to other resource areas. Future transportation studies need to include multi-modal options.
- Implement multi-county plans whereby counties work together to establish a multi-regional system of planning.
- Coordinate land-use decisions with water-use decisions. Much of rural Arizona does not have sufficient water management. For instance, expanding the use of gray water and rainwater harvesting could reduce Arizona's water shortage concerns. New planning models need to be created with regard to water conservation. For example, land-use planning should be asking what can be done to reduce water use.
- Improve statewide wastewater planning. Opportunities exist for statewide cooperation in identifying water supply issues and complying with safe drinking water standards.
- Educate the public and decision-makers on the importance of increased density housing in urban areas. Arizona should consider statutory changes to encourage increased density.
- Amend statutes and local ordinances to encourage long-range regional planning. For example, many state statutes need to be updated to mirror municipal ordinances and regulations. A problem with creating additional statutory requirements is that we run the risk of overburdening the system and creating a structure of laws and ordinances that are not enforced. We need smarter regulation, not just more regulation.
- Use state discretionary funds to encourage cities and counties to grow smarter by requiring cities and counties to implement smart growth measures.
- Amend Growing Smarter and Growing Smarter Plus statutes to require all general and comprehensive plans to contain benchmarks to determine progress or regression, and require coordination of all general and comprehensive plans with neighboring communities. Municipalities may have to share some control to further the ideals of comprehensive planning as set forth in Arizona's Growing Smarter and Growing Smarter Plus legislation.
- Amend Growing Smarter statutes to include affordable/workforce housing and a job/housing balance within general plans.

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- Emphasize sustainability in land-use plans. In addition to sustainability of our natural resources, this includes physical, cultural, social and economic sustainability.
- Require sufficient infrastructure planning to be in place prior to the approval of large-scale developments.
- Educate property owners about the responsibility that goes with ownership and development, and encourage private property owners to take personal responsibility with the planning process.
- Recognize existing entitlements to use Arizona lands when developing land-use plans. Such entitlements should not constrain land use and development and should not constrain funding the purchase of private lands to make them public.
- Enact enabling laws to require a conceptual build-out plan that works and can be implemented.
- Give Arizona's youth an active role in land use planning and development. For example, encourage youth to serve on non-elected councils and commissions, and then let it be known of their ability to become involved.

BALANCE OF RESPONSIBILITY FOR LAND-USE PLANNING AMONG VARIOUS GOVERNMENTS

Local governments have the greatest responsibility for land-use planning and are best-suited to deal with local land-use planning issues. Nonetheless, Arizona needs stronger regional planning and better coordination among state, federal, county, municipal, and tribal governments in land-use planning, especially when land use decisions cross jurisdictional lines.

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Collaborative planning also is necessary for specific forms of land use, such as preserving open spaces and natural resources, affordable housing, transportation, adequate use of water resources, infrastructure, lot splitting, and planning for unincorporated land.

Revisions of the Current System

To reflect an optimal balance, the current land-use planning systems need revision. Local governments should review their plans more regularly. In addition, Arizona has a Growing Smarter Committee, but its activities are not well known. The state should coordinate a statewide framework of the state's natural, cultural, and human resources that can be used to provide land-use planning guidance in support of tribal, county and municipal governments.

The state also should give additional authority and resources to counties. Most counties do not have sufficient revenues to implement effective land-use planning and development. Counties also have limited

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power to regulate and control important issues such as lot splits. Counties need additional statutory authority and resources to follow through with regulation.

Role of the Free Market in Land-Use Planning

Capitalism also plays a role in land-use planning, as private capital is a crucial component of land-use planning and development. To help the free market function properly and help Arizona achieve an optimal balance, there must be more predictability within the market. Private land developers need more predictability in land-use planning and development in both rural and urban areas.

A balance also must be struck between basic land-use planning and private property rights. Personal responsibility and accountability are imperative. Individuals must take into account how their use of natural and cultural resources affects the greater community and future generations.

Effective Interaction among Governments, Their Agencies, Property Owners and Other Stakeholders

To promote effective collaboration among the various Arizona governments (including tribal and non-tribal), government agencies, property owners and other stakeholders, Arizona has a responsibility to educate all stakeholders about land-use planning and development.

Other suggested specific actions to help promote effective interactions among all stakeholders include:

- For regional planning that has impacts beyond local boundaries, local authorities need to be willing to share some measure of control with regional authorities.
- State government should implement policies that demonstrate integrated, community-based planning performance measurements and benchmarks and subsequently direct state discretionary funds to cities and counties that achieve these goals.
- Arizona should strengthen the notification requirements with respect to encroachment. All affected entities (cities, individuals, etc.) should then have the ability to respond if they are impacted and engage in possible adjudication if there is a dispute.
- The voting public should be better educated on ballot initiative and referendum measures and on land planning and development issues. These steps will enable and encourage citizens to become more actively engaged in local government.

TRIBAL AND NON-TRIBAL COMMUNITIES WORKING TOGETHER

Tribal governments manage 28% of the lands in Arizona, which includes a significant percentage of water resources. Tribal lands are a critical component of the future of Arizona. Generally, Arizona's tribal and non-tribal communities have not collaborated as effectively as they could in the area of land use and land-use planning. Historically, communications between tribal and non-tribal communities regarding land-use planning have been limited, in some instances because tribal communities were left out of the process. Tribal governments are sovereign, and there are many legal and cultural challenges that have prevented adequate communication and collaboration. Nonetheless, both tribal and non-tribal communities

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have joint concerns about land-use planning and growth-planning that affects each other's communities.

Arizona's tribal and non-tribal communities have successfully collaborated in areas such as transportation planning, water use, and land preservation, and there have been challenges in these and other areas as well. One ongoing collaborative effort is Arizona's tribal participation in collaborative planning with county associations, and regional metropolitan planning organizations.

To foster greater collaboration and cooperation between tribal and non-tribal communities, creating cultural awareness in each community is critical. The cultural differences between tribal and non-tribal communities affect how each community's respective government makes decisions. Tribal and non-tribal communities often have different procedures, values, expectations, timeframes and understandings regarding land-use planning.

Arizona governments and tribal communities should increase collaboration in land-use planning at the municipal, county, and statewide levels to better address the concerns of each community, to better account for and address cultural differences, and to better identify common expectations and goals.

Other suggested steps to foster greater collaboration and cooperation between tribal and non-tribal governments include:

- Encourage participation in the planning process by civic leaders, including youth, who are not necessarily land-use planning or development experts, but who may represent the concerns of the community's citizens.
- Encourage participation of tribal members in state and local governments, for example, by seeking public office or serving on councils or commissions.
- Provide specific "incentives" to tribal and non-tribal communities for effective collaboration and implementation of land-use planning.
- Provide current tribal and non-tribal governments with information on successful case studies of tribal and non-tribal cooperation and planning; share input and share successful land-use plans with each community.

THE RELATIONSHIP BETWEEN LAND-USE PLANNING AND DEVELOPMENT AND TRANSPORTATION NEEDS

There is a direct relationship between land-use planning, development, and transportation. Sufficient funding at all levels for transportation needs is critical. It also is essential that transportation needs are taken into consideration in the early stages of planning and development. The amount and kind of land-use development directly impacts our transportation needs, and transportation infrastructure directly impacts land use.

Proper planning can improve efficiency and reduce costs. For example, advance transportation planning within land-use plans will help guide where and how we grow. When transportation comes ahead of development, development will build up around the existing transportation systems. Advance planning requires obtaining adequate rights-of-way early in the process when land is still easily available to keep costs down. Even if governments cannot purchase the land now, at least the location of the transportation corridors should be identified and efforts made to restrict their development until funding is available.

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Addressing Transportation Needs through Land-Use Planning

Arizona's transportation needs can best be addressed through long-range, statewide land-use planning. Transportation corridors have taken a long time to plan, finance and construct; realistically, it should take 10-12 years to build freeway and transit projects. Arizona is currently engaged in a five-year implementation program based on a 20-year transportation plan. Arizona needs a comprehensive multi-modal statewide transportation plan that includes reserving transportation corridors for at least a 20-25 year planning horizon.

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Alternative modes of transportation, such as bike lanes, mass transit, airports, heliports, bullet trains and pedestrian transportation, must be included in our long-range transportation planning. We need to make alternate transportation choices attractive, affordable, and economically compelling. For example, in considering

“walkability” we should increase shade over pedestrian walkways and slow traffic in high pedestrian areas. Mass transit options including bus, light rail, and commuter rail should encourage connectivity between the systems and the communities they serve.

There must be comprehensive employment centers included in land-use planning, which will reduce the need for expanding transportation. Location of employment centers and population density also should be taken into account when determining appropriate modes of transportation for the specific land use and development.

Additionally, there needs to be greater connectivity between various communities. Current communities are not always designed for ease of access between developments. Many master planned communities do a good job providing for transportation infrastructure within the community, but fail to provide for regionally significant transportation improvements that are necessary for travel beyond the boundaries of that development.

Identifying Those Who Are Responsible

All levels of government should be responsible for coordinating transportation needs within land-use planning. There needs to be coordination among federal, state, tribal and regional transportation planning agencies. Cooperation and strong leadership is necessary to develop a comprehensive transportation plan. Regional planning for transportation is critical.

For local transportation issues that do not impact beyond a local boundary, the local government should continue to take the lead. But where transportation reaches beyond artificial boundaries, local governments must work in conjunction with other affected jurisdictions. Local government should provide infrastructure planning for local communities, while state and regional entities should be responsible for inter-city transportation planning. Metropolitan Planning Organizations (MPOs) also need to accelerate their planning efforts to ensure a local voice in transportation planning.

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planning is that highways and freeways rely significantly on federal and state dollars, which do not necessarily correlate with impact fees and other revenues associated with municipal land-use planning and development.

One way in which transportation needs can be addressed is by sharing information between parties associated with the specific development. For example, utility companies share their development plans with municipalities to allow for more efficient and effective planning. Collaboration between public and private entities is essential to successfully meeting transportation needs.

Federal and state agencies should work with local agencies to conduct framework studies to integrate transportation planning, including alternative forms of transportation that drive land-use decisions (e.g., roadways, rail transit, pedestrian and bike paths, walkable neighborhoods). A mechanism is already in place to do this: the Arizona Department of Transportation has agreed to fund ten framework studies, and several other studies jointly funded with other jurisdictions. Regional planning allows jurisdictions to build infrastructure that they could not build independently. In addition, and as recommended subsequently in this Report, the Arizona State Land Department should be given the authority to dedicate right-of-way for transportation improvements as part of its planning process.

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Land-use and transportation decisions must be integrated. The process should begin with local planning agencies, and then be proposed to or merged with the plans of Metropolitan Planning Organizations (MPOs) and/or Councils of Governments (COGs), with the hope of developing a statewide plan.

Funding transportation infrastructure will require tax increases and other funding sources. All potential funding sources should be considered, including a gas tax, sales tax, impact fees and private investments, which could include toll roads. Consideration should be given to a statewide, voter-approved tax package to fund statewide transportation plans. We also should consider public-private partnerships in funding and creating new transportation systems. Although developers should not be responsible for developing an entire regional or statewide transportation plan, there must be a mechanism for jurisdictions to recover the substantial value added to private land from the transportation infrastructure being built.

Regardless of the funding source, we need to develop a broad-based, statewide approach, the benefits of which accrue to smaller and rural communities as well as major urban cores.

RELATIONSHIP BETWEEN LAND-USE PLANNING AND DEVELOPMENT AND WATER RESOURCES

There is a direct and vital relationship between land-use planning, development, water resources and conservation. The land-use and urban patterns that Arizona chooses will determine the quantity, quality and reliability of the water supply that Arizona needs. We need to adequately consider water resources when we engage in land-use planning. Arizona must prioritize its use of water and make tough decisions regarding the amount of water used for exterior purposes.

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Assuring Efficient Utilization of Arizona's Limited Water Resources through Land-Use Planning and Regulation

Arizona can assure the efficient utilization of its limited water resources through integrated land-use planning and regulation. It is necessary to identify the true cost of water and educate the end user about water conservation.

Once we understand how much water we have, we need to prioritize water use and use incentives to achieve our water usage goals. Zoning and land-use planning decisions must consider water availability.

Growth should not occur unless there is sufficient water supply to support Arizona's population and natural resources.

Depending on the type of development, certain restrictions can be placed upon the type and amount of water used. Consideration should be given to the standard that when no potable water supply exists, then there will be no development. Growth should not occur unless there is sufficient water supply to support Arizona's population and natural resources.

Regulating water use is difficult for several reasons. Many communities have experienced critical issues relative to water shortages, lack of an adequate water supply, and consistent water quality control and management. Different water use regulatory schemes have developed around the state. In urban areas, a mid-level of regulation has evolved. In many rural communities, scarce water resources have led to stringent controls. Getting rural communities involved is important; but to get buy in from rural communities, we need to show more emphasis on regulation in urban areas. For rural communities to accept Active Managements Areas (AMAs), they need to see active efforts in urban areas.

Arizona citizens and decision makers need better information about all of Arizona's available water resources, including how the water resources are used and how much growth they can support and sustain. Data on water supply and usage should be gathered and brought into a usable form. A key issue with Arizona water supply is groundwater consumption. Groundwater usage and replenishment should be measured and managed tightly. Exempt wells should be required to participate in collection of data, and legislation should be drafted to change the classification of exempt wells to non-exempt wells.

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Arizona should be more proactive in educating its citizens regarding water conservation issues with public service announcements and water conservation campaigns, including the water that we do not have, the benefits of conservation, and sustainability. We need more information on how limited our water supply is and what it can sustain. Arizona has been in a drought for thirteen years, yet we do not talk about the drought, or encourage citizenry to use the water wisely.

Further, Arizonans may want to put a true price tag on water usage and offer incentives to those who minimize water use and implement successful water conservation mechanisms. High population density reduces water use per capita, and high density maintenance may be used as an incentive.

Finally, a related issue is how, or whether, Arizona can increase its water supply. We need to consider recycling water, such as using reclaimed rainwater, which currently is treated as wastewater and can play a valuable role. Water storage, such as cisterns and groundwater recharge also can play a role in moving toward save yield. There might be value in the state investigating how to increase the water supply and investing in

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and encouraging technologies that help do that, such as desalinization plants. Improved watershed management, including reducing density of small diameter trees and brush, also can increase watershed production and reduce wildfire danger.

Responsibility for Assuring Efficient Utilization of Arizona’s Limited Water Resources

All are responsible for assuring the efficient utilization of Arizona’s limited water resources: individuals, developers, private utilities, municipalities, counties, the state, tribes, and even the Federal government/military. But there is no concerted effort to coordinate between the various players. It is essential to clarify what authority and obligation each of these levels of government has to protect and conserve water resources.

Local control is important, but we need to study our water resources so that we know what we have. One example would be to require local government to consider water use and availability when considering a lot split. As we experience more growth, we should consider the expansion of Active Management Areas (AMAs) under the Groundwater Management Act so that more consistent water resource management can occur.

Developers also need to share responsibility by designing and building for controlled water use and consider greener development. Some builders are responding to market pressures that make “green” development desirable.

The state has a role to play in building infrastructure and resolving conflicts over the priorities and uses of water. We should have a statewide resource plan that includes all water resources outside AMAs. We also should expand groundwater management statewide, which should include drought planning.

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A regional water authority might be appropriate to help set priorities between water rights and realistically look at the interplay between groundwater, surface water, rivers, etc. Counties, in conjunction with cities and towns, should be encouraged to adopt the goal of sustainable water supply and ensure the efficient use of

water as it relates to land use planning and development, and should be provided with the tools to implement such goals. Various stakeholders, including residential, industrial, agricultural, environmental, tribal, mining, and other various interest groups need to engage in a discussion on water use at the state level.

Water management districts and commissions are important components to successful land development. The Arizona Water Institute, which combines the expertise of Arizona’s Universities, was established to conduct applied research, provide technical assistance, and capitalize on new technologies to aid water management throughout Arizona. A key activity is to assist local government with water resource issues, including building web-based information systems providing access to data (collected by ADWR, ADEQ and other state, federal and local entities) regarding Arizona’s water resources. The Arizona Water Institute should continue to receive state funding for these activities. The Arizona Department of Water Resources also should be adequately funded to develop information on water resources and to monitor trends in those resources.

In summary, Arizona needs a long-term strategy before decisions can be made about water use. We also must look at how water affects quality of life: personal lawns, green belts, decreasing the impact of heat islands, etc. We must develop some criteria as well as consideration of the costs, benefits, environmental use,

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and third-party impacts of allowing water supplies to be moved from one area to another. And if we choose to move water from one area to the other, we need to build the infrastructure to do so.

RELATIONSHIP BETWEEN LAND-USE PLANNING AND DEVELOPMENT AND THE STATE'S ENERGY NEEDS

Affordable energy and reduction of energy usage are critical issues facing Arizona as it experiences rapid population growth. Just as with water, the land-use planning and development that Arizona chooses will determine the necessary quantity, quality, and reliability of Arizona's energy supply. Energy conservation is influenced by land-use design. Our rapid population growth is stretching our energy infrastructure daily. Arizona's energy needs must be included in our land-use planning as we continue to grow.

Land-Use Planning and Development and the Impact on Per Capita Energy Use

Land-use planning and development can impact per capita energy use dramatically. Arizona cannot support its growing population without doing more to conserve, and Arizona's land-use planning must encourage conservation practices. For example, the use of densities or designing mixed-use development to reduce trips reduces traffic which, in turn, reduces energy use. In addition, items as simple as building placement in relation to the sun can have a dramatic impact on energy use and should be part of land-use planning.

Arizona should be more proactive in evaluating energy availability and routes on a statewide level. Collaboration by governmental entities, developers, and energy providers would be beneficial to Arizona to effect smart land-use planning and development that incorporates energy infrastructure corridors. The planning of energy sources, and identifying energy corridors, prior to the start of the actual development is critical to successful land-use planning. When we engage in land-use planning and development, we need to identify all necessary right of ways, including transportation and energy corridors. Additionally, energy corridors should be used, wherever possible, for purposes such as recreation, bike trails and hiking trails.

The planning of energy sources, and identifying energy corridors, prior to the start of the actual development is critical to successful land-use planning.

Building up versus building out reduces the use of energy and the costs associated with providing energy. To the extent that development is done in a "leapfrog" fashion, this increases expenses to everyone because every energy user pays for the expansion of the system. There must be efficient use of land and efficient use of existing infrastructure.

Land development should be evaluated on the basis of its energy innovation. State and local governments need to encourage and provide incentives for effective land-use planning and energy conservation that fosters infill and diverse balanced economic incentives, such as the creation of LEED (Leadership in Energy & Environmental Design) certified buildings and use of alternative sources of energy. LEED certified buildings, while more costly to build, provide for a greater conservation of energy resources in the long-term.

Arizona also must consider alternative energy sources as part of land-use planning and development. Such alternative sources might include alternative fuels (including forms of biofuels), solar energy, water-based energy sources, wind farms, and nuclear energy. Arizona's landscapes offer three unique assets that will

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help us with our energy needs. We have many days of sunshine, Class 4 winds in northern Arizona, large areas of state trust and other federal and state public lands, and research institutions that can help us develop those resources.

Impacts of Government Regulation of Land-Use Planning and Development on Energy Efficiency

Government regulation of land-use planning and development can impact energy efficiency. It would be beneficial to Arizona for governmental entities, developers and energy providers to collaborate in order to affect smart land-use planning and development. We need to encourage conservation energy efficiencies through current efforts, such as solar tax credits. Arizona should be a leader in developing and utilizing solar energy. There should be some incentive for renewable energy to be generated in Arizona.

Government can encourage energy conservation through LEED standards, adherence to green building, and incentives for alternate energy, including incentives to users and utility companies.

Government can encourage energy conservation through LEED standards, adherence to green building, and incentives for alternate energy, including incentives to users and utility companies. Arizona may want to work with energy providers to offer incentives to developers who engage in smart planning and developing of efficient energy provisions. For example, utilities try to most efficiently use water in the provision of electricity,

and an example of such a project is the Palo Verde Power Plant. Utilities engage in exploring new energy sources to ensure the efficient and effective provision of energy and they actively explore energy conservation mechanisms.

A statewide mandate should be developed and implemented among the building community to aid in energy innovation and conservation. Local government should provide incentives to developers to encourage participation in energy conservation implementation, including density bonus incentives, infrastructure assistance, and lot coverage.

State and local governments should create a comprehensive plan identifying the location of future power generation and transportation facilities. State and local governments should encourage mixed use and transit-oriented development.

THE RELATIONSHIP BETWEEN LAND-USE PLANNING AND DEVELOPMENT AND STATE TRUST LANDS

State trust lands play an important role in Arizona's land-use planning and development, because state trust land planning significantly impacts where, when, and how growth occurs in Arizona.

The mission of providing financial support for education, which was the basis for creating trust lands in 1910, must be kept in mind and maintained. Arizona's education system faces many challenges, and our state trust lands provide an invaluable resource to help meet those challenges. Consistent with the trust's fiduciary responsibility, we also need to find a way to effectively incorporate conservation into the planning and use of state trust lands.

We can work for preservation of important environmental resources and open space and still protect beneficiaries of state trust lands. State trust lands should not only be evaluated in terms of development, but

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also in terms of the preservation of open space and natural resource preservation. When valuing state trust land we must recognize that conservation is an important tool that can increase the value of adjoining land. Setting aside state trust lands for conservation must be done strategically; we must think about the various corridors and areas we want to preserve. Water use and availability also are long-range issues at play affecting the value of trust lands.

State trust lands should not only be evaluated in terms of development, but also in terms of the preservation of open space and natural resource preservation.

More than one million acres of Arizona's trust lands are located within rapidly urbanizing areas, including Maricopa, Pinal and Pima counties. As Arizona's cities have grown, these parcels have been swallowed by urban growth leaving islands of undeveloped trust lands amidst a dense urban landscape. Providing the Land Department the

necessary resources will allow for the development of these "in-fill" trust land parcels, will encourage increased urban densities, and limit continued sprawl. Trust land in northeastern Pinal County known as "Superstition Vistas" provides one example of an opportunity to create a model of sustainable, smart growth.

Accomplishing Goals and Addressing Existing Barriers

We recommend some important changes so that Arizona benefits from land-use planning of state trust lands and the beneficiaries receive their value from the trust. The State Land Department should be given the tools needed to increase the value of state trust lands. The best way to accomplish the use, management, and sale of state trust lands is through state trust land reform, and Town Hall recommends the following reforms.

- The State Land Department should become a true asset manager. Additional resources dedicated to state trust land planning are needed, and additional funding for the State Land Department is critical. Through statutory reform, the State Land Department should be allowed to retain a portion of the proceeds from the sale and lease of state trust lands to fund planning and development. Town Hall recommends that an enterprise fund be created for the State Land Department that will allow the department to retain a portion of proceeds from sales and leases, including brokerage fees, for use in the operations, planning, management, and development of state trust lands.
- Town Hall recommends reform that allows the State Land Department to increase the value of state trust lands. For example, reform should include an adequately-funded and timely process to dedicate rights-of-way, dedicate open spaces, and account for conservation concerns within the land development process. The State Land Department must be authorized to plan, engineer, design infrastructure, and entitle (which includes zoning changes with the local community) on state trust lands. However, because the Enabling Act and the Arizona Constitution restricts the way state trust lands may be used and the manner in which the State Land Department operates, a constitutional amendment is most likely needed to achieve this type of reform.
- Another recommended change to the Arizona Constitution is to allow the sale of trust land for conservation purposes, at appraised market value but without auction, to allow for the purchase of lands for open space and environmental needs consistent with the mission of the trust.

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- The State Land Department should expand the use of long-term land leases on an auction/bid basis to provide for more effective land-use development and planning that is allowed without any constitutional amendment.
- Town Hall recommends that counties and municipalities be given some ability to participate in land-use decisions regarding state trust land that affect open space, and environmental issues. Planning for state trust lands must be broader and more comprehensive. For example, counties and the State Land Department should be encouraged to work together to identify lands for development over the next 50 years, and to identify lands considered for long-term retention by the trust. Another example is to allow cities to have a consultation function within the State Land Department's planning efforts.
- Town Hall recommends constitutional reform to authorize public-to-public land exchanges, including exchanges between federal and state lands that are in Arizona's best interests. Although prior attempts to achieve this reform have been unsuccessful, continued efforts are essential. Past initiatives that included both public-to-public and private-to-public provisions have been repeatedly rejected by the voters; this private-to-public provision should not be included..

Although the above reforms may require amendments to the Arizona Constitution and the Enabling Act, it is important to keep moving forward – for Arizona's future growth, land planning in general, and the beneficiaries of state trust land.

CREATING LIVABLE COMMUNITIES

Preferred Balance of Population Densities Throughout Arizona

Arizona's densities are likely to increase with its inevitable population growth. It is difficult to precisely quantify a preferred density balance throughout Arizona, because the market drives the balance and people choose where they want to live. However, local governments can use planning to provide people with density alternatives to achieve a better balance between urban cores, suburbs, and rural areas. The preferred balance of density should optimize our use of transportation, water, and energy resources, and also provide quality jobs, quality schools, and affordable and workforce housing.

All levels of government can assist in achieving the preferred balance by developing the necessary infrastructure and creating corridors and connections between and within density areas that make them more attractive. Density is based on gross acreage, not net, and open space is included. Density is based on the number of residences divided by the gross amount of land in the project.

Support or Barriers to These Preferred Densities

Many factors encourage and discourage the preferred densities. Current densities and development are driven by existing market and regulatory forces. Varied forms of density will help achieve the preferred balance of population between urban and rural centers.

Density also is driven by land value, and growth on the fringe is more economical because land is less expensive. Density is often related to the infrastructure in place and the availability of employment

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opportunities and affordable and workforce housing. It is imperative that land-use planning take into account local communities' needs and desires and provide for high and low density options. While decisions about density and local development should be left to the local community, it is important to share information with neighboring communities.

The advantages of higher density cores include: mass transit is more feasible and cheaper to install; high density development is more energy efficient; and, by appropriate clustering you can protect the natural flow of water and protect wildlife. Higher densities also can improve livability, create better established neighborhoods, and foster a sense of community.

Various factors, however, discourage higher densities. Additionally, people move to Arizona for wide open spaces. High density areas should have access to open space (trails, parks, and natural areas.). Higher density development also escalates land prices in the core, which makes it more challenging to have nearby affordable and workforce housing. Public and private partnerships, in combination with incentives and requirements, should be encouraged to result in more affordable and workforce housing.

Specific Actions Needed to Achieve Preferred Densities

Various steps can be taken to achieve the preferred balance. We must meet the challenges of achieving a preferred balance among urban, suburban and rural communities.

Town Hall recommends revising local zoning ordinances and general plans to allow for higher density urban cores. This would include revising regulations to reduce mandatory large lot sizes, large setbacks, wide street widths, sidewalks, etc. Municipalities must review and revise their zoning requirements and general plans to allow for more efficient and effective creative development in both high and low density plans, to consider multiple centers of high-density, to maintain open space between population centers, and to reduce sprawl. Municipalities should consider adopting minimum density districts and should require height and density designations within general plans.

Town Hall recommends revising local zoning ordinances and general plans to allow for higher density urban cores.

Town Hall recommends educating the public about the consequences of sprawl. The public does not want growth on the fringes, but some neighborhoods do not want to allow higher density in their own neighborhoods. Community leadership and the education of citizens are crucial when exploring the advantages and disadvantages of high or low density developments. The goal should be to help the public understand that higher density housing, if properly planned, can improve the quality of life by creating livable communities.

Proactive measures must be taken to achieve high density urban areas that allow for a diverse community, which includes taking into consideration varied forms of housing, such as affordable and workforce housing, high-end housing and the redevelopment of blighted areas. Measures also should provide incentives to developers who are willing to develop and create alternative forms of housing and who are willing to redevelop blighted areas. Collaborative and creative partnerships between municipalities and other stakeholders must be fostered to allow for the opportunity to explore creative solutions. It is imperative that land use planners take into account the required infrastructure to ensure livable conditions, sufficient modes of transportation, the adequacy of the natural resources available and environmental impacts. High density development must take into account the accoutrements necessary for a livable community, which include, but are not limited to, retail, community and cultural spaces. Cultural characteristics also must be considered in

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planning dense developments. It is recommended that low density areas allow for incremental increases in density to provide for cultural diversity and economic sustainability.

Town Hall recommends statewide redevelopment financing, on a competitive basis open to all-sized communities, which would provide funding for items including workforce housing, historic preservation, urban open space, replacement of aging infrastructure, redevelopment of public facilities and remediation of brownfields.

Town Hall recommends encouraging higher density through impact fees on infrastructure, reflecting the cost of servicing certain areas.

Town Hall recommends encouraging higher density through impact fees on infrastructure, reflecting the cost of servicing certain areas. One way would be through graduated impact fees which would encourage higher density urban cores while discouraging lower density sprawl. However, we should not lose sight of the purpose of impact fees, which is to address the actual impact of development by taking all costs into account. In addition, impact fees should not be seen as the panacea for resolving all infrastructure needs.

Overall, we must stop subsidizing growth that does not optimize our use of transportation, water, and energy resources and does not provide quality jobs, quality schools, and affordable and workforce housing. Arizona should avoid additional sprawl, which we define as low-density, poorly planned or unplanned areas, on the outer fringes of urbanized areas. If planning is not happening on multiple levels, we can end up with sprawl between master-planned communities.

With the recommended increase in funding for planning and coordination with local government, appropriate developable infill state trust lands should become the focus for the future of urban sustainable growth.

In short, we recommend making the changes listed previously that encourage smart growth. We must resolve the dilemma that local jurisdictions face — growth as a source of revenue. Although a new regulatory program may not be necessary, we need to provide alternative sources for revenue besides growth at the fringes.

Developing Communities Where Arizonans Live, Work, Learn and Play

Land-use planning must promote communities in which Arizonans live, work, learn and play within the same geographical area, a concept sometimes called an “urban village.” This model reduces the impact on our resources and helps give the public a vested interest in their communities. We should promote mixed-use land development that encompasses employment, education, and housing, and other important attributes, such as community centers, meeting places, cultural and social venues.

The development of “live, work, learn and play” communities will require creative and insightful solutions as well as strong political will and market force support. Each community must have zoning ordinances and general plans that allow mixed-use districts and other designations that promote cluster development. Benchmarks for progress and adherence to general plans must be created so we can track achievements and address deficiencies.

In many cases, people work in a high-density, urban area, but prefer to live in a low-density area; however, they want the benefits associated with high-density living in their low-density communities. Infrastructure requirements including, but not limited to, hospitals, fire, police, sewage, adequate

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transportation, and the availability of sufficient funding are often insurmountable obstacles to achieving such desires.

Through their leadership role under the state's Growing Smarter process, the Department of Commerce, in partnership with the Growth Cabinet and other interested parties, should provide funding and work with cities, counties, and towns to educate the public about the benefits of creating a model based on high density, mixed use, livable, walkable communities. There should be a mechanism, like Urban Land Institute's "Reality Check," to educate citizens about key land use issues. This education process could help coalesce a broad-based group of citizens to take action to ensure that things get done. Further, the Department of Commerce should be supported in continuing and increasing its community planning and development role in providing assistance to small towns and rural communities.

A balanced approach to planning is critical for mixed-use communities to succeed. Local governments must develop general plans, use zoning where appropriate, offer incentives, and integrate transportation overlays to encourage mixed-use developments. Planning also must be used to turn challenges into success stories. The state should reserve areas of state lands for a new town design competition to create an entirely new living concept to reflect Arizona's unique natural beauty.

A number of factors create barriers to developing "live, work, learn and play" communities. Housing costs dictate that many people "drive until you qualify" to purchase houses, resulting in long commutes. NIMBYism (Not In My Back Yard) comes into play when residential communities and neighborhoods oppose nearby development that would provide employment opportunities. Existing state laws, local zoning ordinances and general plans also create obstacles to viable growth. Existing infrastructure systems may not have the capacity to absorb higher density development. The realities of personal circumstances also lead some people to live a greater distance from where they work, learn and play. For example, family illness, caring for elderly relatives, concerns about school systems, job changes, and household members who hold jobs in different areas often play a role in where people choose to live.

In some cases, large commercial tracks are developed without sufficient planning for affordable and workforce housing. To create diverse "live, work, learn and play" communities, planners must take into account housing and transportation pressures, required infrastructure, community demographics (families, singles, senior citizens, etc.), and hold back parcels of land for employment/commercial uses. Commercial development must meet the needs of the community and a one-size-fits-all solution will not work.

While large scale master community planning is one mechanism that can create livable communities, they often are located in areas at a significant distance from existing urban areas and employment sites. Statutes should be changed to ensure that land for schools will be available in such communities. Also, many rural communities want to remain rural and preserve their natural landscapes and do not want master planned communities developed in their areas.

The Town Hall recommends changes in local zoning to encourage employers to locate close to affordable and workforce housing. As part of this, local communities must work with private developers to create affordable and workforce housing. For example, they should allow increased density, consider reducing some impact fees, allow for modifications such as changes to setbacks and garage requirements, and also consider paying for infrastructure to encourage affordable and workforce housing. In short, local communities

The Town Hall recommends changes in local zoning to encourage employers to locate close to affordable and workforce housing.

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must recognize that developing affordable and workforce housing requires a partnership with private developers.

Town Hall makes the following additional recommendations:

- Utilize regional and state tools, including regional planning and business associations, to ensure that we attract employment and economic development opportunities.
- Review and perhaps revise zoning laws, regulations and ordinances to ensure smart growth and development.
- Provide incentives to entities that engage in collaborative land-use planning and provide for community spaces.
- Give the State Land Department the resources to allow for the planning of livable communities and development that will minimize our use of water, energy, and transportation resources.
- Support continued full funding for the Arizona State Commission on the Arts and Arizona Heritage Fund, which strongly contribute to enhanced quality of life for Arizona's cities, towns and counties.
- Encourage employers to take a role in ensuring affordable and workforce housing. Some examples include subsidies and assistance with down payments, but we should not expect employers to bear full responsibility for ensuring nearby affordable and workforce housing.
- Make statutory changes to ensure uniformity between county and city planning.
- Master Planned Communities should be planned with a job creation/employment element, with a mix of housing options appropriate to reasonably projected employment uses.
- The state, county and local governments should capitalize on new types of alternative forms of public transportation and non-vehicle based transportation to alleviate low-density sprawl.
- Municipalities and counties should create flexible zoning regulations that increase open space, high density and mixed-use development.
- The Governor should create a blue ribbon panel of employers that would consider how to create communities where employees live closer to their jobs.
- The state should provide assistance to rural areas to plan for and manage development. Funding, technical assistance, and development planning are needed to help rural areas manage and plan for growth.
- Zoning ordinances and general plans should allow accessory dwelling units, such as guest houses, within single family zones, to create higher density and provide affordable housing closer to areas where people work.

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- ADOT and relevant associations of government must take an active role in developing designated freight corridors in conjunction with funding associated with the reauthorization of the Federal Surface Transportation Act.

Quality of Life Factors in Land-Use Planning

Land-use planning should incorporate “quality of life” factors to the maximum extent possible. Early planning is essential to successful incorporation of desired quality of life factors. Achieving quality of life factors includes the use of eminent domain, zoning laws, general plans, regulations, and planning policies. Quality of life factors impact how people decide where they want to live and where employers choose to

Land-use planning should incorporate “quality of life” factors to the maximum extent possible.

locate. When employers are considering location options, they are concerned with quality of life factors and amenities, such as primary and secondary schools, arts and cultural facilities, parks, access to health care, and higher educational opportunities. In deciding where to live, people will look for many of the same amenities or “livability factors.” Thus, it is in the best interest of communities to have these lifestyle activities available.

General plans should be designed to address a broad-range of quality of life issues and should include designations for quality of life factors before development is proposed. At its core, fundamental quality of life issues start with factors such as affordable and workforce housing, livable wages, access to healthcare, energy sources, utilities, public safety, and creation and preservation of open space. We also must address the socioeconomic concerns of the underprivileged and impoverished.

Arizona’s communities currently incorporate some quality of life factors in land-use planning, but not enough. Schools, community colleges, and universities play a critical role. They also need to provide educational opportunities for people of all ages. Schools are more than just a place to learn; they provide opportunities for community interactions at many levels through extracurricular activities and amenities. Also, schools tend to encourage nearby community development. Educational institutions should play an active role in developing parks and structures or facilities that can be shared with the communities in which they are located. Educational institutions can help revitalize communities by drawing people and services into the areas in which they are located. Cities should plan with educational institutions to locate them in places where cities seek to develop high density cores.

To attract and retain a knowledgeable employment base, cultural and recreational resources must be available and easily accessible. Allowing for art, cultural and community centers can only be accomplished with sufficient funding and financing. These quality of life factors are important in attracting new economic opportunities and a diverse employment base. Art and cultural quality of life factors also can serve as economic engines, bringing money into the community. Land-use planners should consider public/private partnerships, as they are essential to ensuring that cultural, artistic and community-based activities and events are part of the development of a community. Currently, communities such as Tempe and Phoenix require a percentage of the capital cost of construction be paid to the arts as part of development.

In identifying “quality of life” factors, we should remember the different generational needs. Certain mixed-use zoning should specifically reflect our aging population by encouraging essential services that are accessible by foot or public transportation. Land-use planners must account for future population projections and ensure proper infrastructure for adequate public safety, health care, and educational services.

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General plans also should be designed to address health and health care issues. Communities should be designed to facilitate exercise and recreation by having features such as parks, and walking and biking paths close to where people live. Cities should use incentives to strongly encourage developers, in a form of public-private partnership, to include these improvements.

General plans should include open spaces, public parks and large destination or civic areas. These public spaces are important not only in large urban areas, but also in smaller and more rural communities. There must be a long-term investment in community spaces, including maintenance and upkeep. State and regional cooperation is needed to ensure that “recreational” destinations are funded in rural areas.

Preservation of unique historic areas must be included in the planning process. Historic preservation commissions need to be brought into the planning process to protect historic areas while promoting growth and redevelopment.

Agriculture affects quality of life and should be included in open space planning in rural and urban areas. Community based agriculture is increasingly popular in urban areas and important for giving people an appreciation for where food comes from and for creating a wellness-type food source for Arizonans. Additionally, wildlife and natural areas should be included as “quality of life” factors.

Finally, we need to listen to the public to learn what the public wants in a livable community and then plan based on those expectations. This requires actively surveying and listening to the public early on so that our long-range development meets those needs. Satisfying the public’s expectations is paramount because ultimately the public will need to provide the financial resources for our planning.

Balancing the Needs of a Growing Population with Environmental Consequences

Arizona has not done a good job of balancing the needs of a growing population with the environmental consequences in either our short-term or long-term planning. Arizona needs to avoid, minimize, and mitigate environmental consequences of population growth. Arizona needs to be more proactive and visionary in protecting our environment.

Actions to Address Environmental Consequences and those Responsible

Not only must Arizona comply with federal and state environmental regulations, it is recommended that Arizona and its leadership proactively promote a statewide partnership, including tribal communities, to properly protect the environment, Arizona’s landscape, wildlife, and natural resources. Because many environmental concerns expand well beyond any local or regional border, it is recommended that we create a state master plan that addresses environmental issues and considers alternative energy sources to meet the needs of a growing population.

Because many environmental concerns expand well beyond any local or regional border, it is recommended that we create a state master plan that addresses environmental issues and considers alternative energy sources to meet the needs of a growing population.

Lessening environmental impacts starts with early planning, and incorporating development that avoids the environmental impact of rapid population growth. Our planning needs to look at sustainable communities that minimize our environmental footprint. Impact studies should be performed

before development occurs, with local governments and communities involved. Pima County’s Sonoran

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Desert Conservation Plan is an example of a community incorporating wildlife preservation into planning. The costs to the environment should be incorporated into development, perhaps through indirect impact fees. Arizona's State Department of Transportation and State Land Department as well as the Governor's Growth Cabinet should work with local governments at a regional scale to reduce impacts on ecological, recreational, and cultural resources.

We need to reduce or eliminate the heat island effect.

We need to reduce or eliminate the heat island effect. Municipalities and counties should consider providing developer trade-ups to encourage use of new construction materials that reduce the heat island effect. Governments also should consider using underground parking to reduce the heat island effect. Arizona should engage in research on the heat island issues, and universities and practitioners should be involved in applied research about the proper building materials, technology, and design.

Arizona also should engage in research on climate change and its effects on the state, and based on that research, identify adaptation and mitigation measures that could be adopted to effectively address the potential impacts of this climate change on Arizona. Arizona's leadership should be educated on the ability to decrease or diminish the effects of global warming, as well as the effects of climate changes on the preservation of Arizona's natural resources and wildlife. Planning for areas of food production and the adoption of agricultural practices to respond to climate change is essential.

We also must consider the impact of development on air quality. Incentives should be created to encourage donations of qualifying conservation easements. We must do a better job in land-use planning to ensure that we look at ways to reduce vehicle miles traveled and encourage land-use patterns that have "live, work, learn and play" opportunities. Citizens should be educated as to how their personal choices affect air quality and should be encouraged to travel less, carpool, use alternative forms of transportation, and telecommute.

We also need to evaluate our actual construction to minimize and mitigate the effects of growth. Environmentally friendly construction comes at an economic cost. Incentives such as accelerating permitting processes and reducing impact fees for green building development can help developers overcome those economic costs. Importantly, public projects must be included in the discussion about environmentally friendly construction and design techniques.

As part of our efforts to minimize and mitigate the impact of growth, we must encourage conservation, by reducing electricity use in building units, revising the building code to require green building development, and requiring public building facilities to incorporate those green building standards as well. Perhaps public and private sectors, including universities, should further develop Arizona-appropriate LEED standards. We also must require the public sector to use renewable energy, and encourage large commercial energy users to do the same.

As part of our efforts to minimize and mitigate the impact of growth, we must encourage conservation.

Arizona's communities should utilize transfer of development rights (TDR) programs, including cross-jurisdictional TDRs, so as to ensure adequate protection and use of agricultural lands, natural resources, wildlife corridors, riparian habitat, special preservation lands, open space, and military installations. Legislation should be considered to allow jurisdictions to transfer development rights across jurisdictional boundaries and incentives should be created to encourage donations of qualifying conservation easements.

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The Governor's Office should provide leadership in collaboration with the legislature to initiate science-based regional framework studies, similar to the framework studies performed by ADOT and regional entities regarding transportation. Environmental framework studies should address wildlife corridors, habitat areas, water resources, and other natural and infrastructure corridor issues.

All levels of government (federal, state, tribal, and local) and private developers must take responsibility for environmental impacts.

FINANCING, INCENTIVES, AND TAKING ACTION

Condemnation and Eminent Domain Laws – Effect on Land-Use Planning.

Eminent domain laws are necessary and effective tools of land-use planning. The public generally has a negative view of eminent domain and we should educate the public about the value of eminent domain. Generally, Arizona jurisdictions have not abused their eminent domain powers. Most eminent domain actions in Arizona have been for public health and safety purposes, not for economic development.

It is proper for the state or utilities to use eminent domain to put in critical infrastructure. It is only appropriate to consider eminent domain for public amenities that are not critical infrastructure after all other possible options have been explored and exhausted. We do not believe it is appropriate for cities to transfer property from one private owner to another for redevelopment or to create an additional tax base for a public entity.

Balancing Effective Land-Use Planning with Personal Property Rights

We recommend that whenever an entity exercises its eminent domain power, it must properly inform affected individuals (including the property owner and owners of adjacent lands) at the time of the taking of the proposed plans for the property, the complete anticipated use, and any other changes that will be involved. This allows the property owner to more effectively negotiate the proposed price.

States and municipalities should create an education program that balances and respects private property rights with community and civic responsibilities, including a matrix of costs and benefits for landowner and community.

Government must exercise its power of eminent domain carefully, and ensure that the private land owner believes the process is fair. In particular, small landowners must be protected. We cannot underestimate nor discount the importance of private property rights to the citizens of Arizona.

Railroads are a unique entity in that they are private entities that have the power to condemn property without any requirement that the railroads provide information on the impacts of major rail infrastructure to state, county or local officials. Without regulating what railroads may do, as that is a federal function, there should be a "sunshine" process requiring the railroad to at least inform the public as to those impacts, particularly impacts related to water, natural resources and local environmental considerations.

Steps for Achieving Balance

The current eminent domain process is slow and difficult. We recommend making the process easier by: permitting the ability to pay higher than market value where justifiable to more fully compensate people,

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including some concept of damages; paying higher relocation benefits; and, creating an administrative process for expedited hearings.

Because of certain provisions of Proposition 207, local governments are hesitant to make difficult planning decisions due to the fiscal impact such planning decisions could cause if they are considered regulatory takings. This limits the ability to create historic districts and overlays such as cultural and runway clearance zones. The regulatory takings provision of the measure has added difficulties and uncertainty to the entitlement process and many jurisdictions require a waiver to file a claim under Proposition 207 as part of considering any land use change.

Because of the potential ramifications of Proposition 207, as related to effective land-use planning and development, we recommend the governor and legislature assemble a blue-ribbon panel. The panel should be comprised of governmental officials, public and private stakeholders, and citizens to address concerns raised by Proposition 207. The panel shall make recommendations to the public and legislature. Town Hall recommends the legislature and Governor create the blue-ribbon panel in the next session.

After receiving judicial guidance regarding the regulatory taking provision, we may want to ask the voters to revisit the regulatory takings provision of Proposition 207.

After receiving judicial guidance regarding the regulatory taking provision, we may want to ask the voters to revisit the regulatory takings provision of Proposition 207, either through a direct repeal or through revisions to narrow the impact through definitions and standards. One revision that should be considered is a process to ensure that smaller landowners have some protections, such as a takings assessment process that gives all landowners notice of the impact of a regulatory taking. Asking voters to make any changes to a recently enacted proposition is a concern. We may need to be cautious, educate the public first, and then prepare necessary changes.

Government Needs for Revenue and Infrastructure in the Context of Land-Use Planning

Arizona communities rely too heavily on sales tax revenues which has a direct and negative impact on effective land-use planning. To have a truly effective planning and development system, we need to consider new and more diversified revenue sources and financing mechanisms such as tax increment financing (TIF), real estate transfer taxes, and toll roads. We also should explore increases in the gas tax, property taxes and sales taxes. Furthermore, there should be more incentives to encourage municipalities to share sales taxes that have a regional component.

It is important to offer a balance of financing options to attract new industries and developers. However, municipalities that offer these incentive-based packages should require that the incentives are performance-based and contain penalties for failure to perform.

ESSENTIAL ACTIONS

The key recommendations of the 91st Arizona Town Hall are as follows:

State trust land reform must be enacted. The State Land Department must receive adequate funding and authority to become a trust asset manager. An enterprise fund should be created that would allow the State Land Department to retain a portion of land sale and lease proceeds, including brokerage fees, and use those

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funds for state trust land planning, operations and management. Reforms must allow the State Land Department to increase the value of state trust lands for its beneficiaries. Further, counties and municipalities must be given the ability to participate in land use decisions regarding state trust lands that affect open space and environmental issues, such as biodiversity. Public-to-public land exchanges, such as land exchanges between the State Land Department and the federal Bureau of Land Management, should be authorized through an amendment to the Arizona Constitution.

Additional and diversified revenue sources should be adopted to support long-range smart growth planning and implementation. Revenue sources should be related to the end users, including developers and existing users. Revised inter-jurisdictional revenue sharing should be considered. In addition, federal resources commensurate with taxes paid by Arizonans should be sought to address all aspects of Arizona's long-range land-use planning.

Communities should revisit their land use planning mechanisms to ensure that the mechanisms meet the needs of Arizona's rapidly growing population. The League of Arizona Cities and Towns and the County Supervisors' Association should create a public/private task force to: (1) evaluate the successes in the area of smart growth and sustainability; (2) inventory and assess industry best management practices in sustainability used by Arizona and other states; (3) consider appropriate local time frames for implementation for smart growth and sustainability; and (4) review potential incentives for voluntary incorporation of sustainable land use practices. Local jurisdictions must review general plans and zoning codes to see if they accommodate anticipated growth and are compatible with smart growth principles and sustainability.

State statutes should be changed so that municipal and county planning statutes are made comparable by granting municipal planning authority to counties. Adequate public infrastructure must be a prerequisite for land use development. Stronger regulations of lot splits and other unplanned development are needed.

Regional planning and cross-jurisdictional communications should be enhanced to ensure smart land use planning on issues that straddle jurisdictional boundaries. The state must take a more active leadership role in ensuring smart land use planning. We must produce regional, long-term plans for transportation, water, energy, infrastructure, affordable and workforce housing, education, and open space.

A blue ribbon panel comprised of governmental officials, public and private stakeholders and citizens should be established to address current and future concerns raised by Proposition 207. The panel should specifically address the regulatory takings provision of Proposition 207.

The governor should lead a visioning process for the entire state to determine where we want to be in 50 years. The Governor's Growth Cabinet, in partnership with the Arizona Planning Association and the private development community, must develop a smart growth vision for Arizona and a training program for planners, local elected officials, planning and zoning commissions and other volunteer boards.

The governor's office, in collaboration with the legislature and regional entities, should provide leadership to: facilitate the development of framework studies of the natural, human and cultural resources within the state; identify opportunities and constraints and critical elements of each of these resources; overlay these to identify conflicts; resolve those conflicts through multi-use planning; and, use these studies in guiding land-use planning – including transportation, wildlife, open space, and recreation elements. Particular attention should be paid to water resources, energy resources, wildlife corridors, habitat areas, riparian habitat, and other natural and infrastructure corridor issues.

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Arizonans should establish a broad-based, diverse citizen organization that can provide a sustained presence in support of effective growth management. Ideally, such an organization can provide education, technical expertise, and broad-based, reasoned citizen involvement on the issues discussed at this Town Hall.

Arizona's universities should be engaged to do applied research on issues raised in this Report in collaboration with practitioners. Studies that are performed should not stop at data collection and analysis; they also should include interpretation and practical application. Additionally, resources need to be studied and addressed at the appropriate scale for the issue. We need to think beyond fences or boundaries. Studies need to cross jurisdictional lines and it is essential that we make better use of public-private partnerships and take steps to attract venture capital to leverage both private and public investments.

State and local governments should identify the top 20 land use planning, conservation and environmental opportunities and implement those priorities within the next five years.

These might include:

- A multi-modal statewide transportation plan and funding package that includes rail, mass transit, airports, heliports, roadway and pedestrian transportation, and public and private partnerships.
- Strengthening the linkage between water issues and land-use planning.
- Data collection on actual use of ground and surface water in Arizona, and developing a comprehensive strategy for long-term sustainability of Arizona's water supply.
- Prohibiting exemption of any well from data collection.
- A citizens' initiative on comprehensive environmentally sensitive state trust land reform in conjunction with the November 2008 election.
- Performance-based development codes, including zoning ordinance texts that include mixed-use components and higher density housing and zoning ordinance map amendments that encourage a higher jobs-to-housing ratio.
- Amending comprehensive plans to include decentralized multi-modal urban centers, a job growth component, an energy component and integration with adjacent comprehensive plans.
- Enacting legislation to allow local and tribal tax increment financing (TIF) with appropriate use guidelines and other local revenue generation options.
- Developing a multi-year communications plan to engage recent and long-term Arizona residents regarding land use challenges during this period of rapid growth.
- Enacting legislation to continue authorization for the Transfer of Development Rights program. Additional consideration should be given to expanding TDR to authorize cross-jurisdictional transfers. The current statute is scheduled to sunset in 2009.

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