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Regionalism Panel Discussion

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REGIONALISM PANEL DISCUSSION

FEATURING: MR. JON COOPER*, MR. RALPH SCHULZ,** AND
MR. MICHAEL SKIPPER***

*Moderated by Mayor Karl Dean*****

October 7, 2016

Moderator: This panel is going to focus on the issue of regionalism, which I think is one of the most pressing issues facing almost all major cities and is certainly an issue that is important to us here in Middle Tennessee. Stop and think for a minute about the premise of this discussion, which is that cities and metropolitan areas are the engines of economic prosperity and social transformation in America. Twelve percent of the land mass is made up by metropolitan areas, but they contain two-thirds of our country's population.¹ Metropolitan areas generate seventy-five percent of our nation's gross national profit.² You can define a metropolitan region essentially as a collection of municipalities that together form a unified labor market, and it is often defined statistically by the commuting patterns of its residents between home and work.³ An example of the metropolitan area and the complexity of it is Chicago. Chicago is made up of hundreds of municipalities and fourteen different counties and it stretches across

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1. JENNIFER BRADLEY & BRUCE KATZ, *THE METROPOLITAN REVOLUTION: HOW CITIES AND METROS ARE FIXING OUR BROKEN POLITICS AND FRAGILE ECONOMY* 1 (Wylie O'Sullivan ed., 2013).

2. *Id.*

3. *Id.* at 2.

Illinois, Wisconsin, and into Indiana.⁴ The city of Chicago itself, where we think of the Chicago Cubs on their march to the World Series, accounts for less than one-third of the metropolitan population.⁵ I would like to start off by asking Ralph Schulz, the head of our Chamber of Commerce—who has probably thought about regionalism as much as anybody in this area—to discuss regionalism and where he thinks we should be heading. Ralph?

Ralph Schulz: Thanks, and glad to be here. It is always an honor to have Mayor Dean ask me to be a part of a panel. I'm sort of surprised that he used the Cubs and not the Red Sox; big Red Sox fan. About twenty years ago, the Brookings Institution started doing research on the national economy, and one of the things they uncovered while doing that research is that there is no national economy. Instead, there is an amalgamation of about 100 regional economies in the United States, and when they looked further, they began to see that that was actually a global trend, a global issue. Part of it was because of the migration to the cities that created a workforce concentration that helped those regions be successful, but a large part of it was also concentration of infrastructure—those things that are necessary to drive the prosperous growth of business.

As you look at this Nashville region, you will see a region that began as a riverfront and then, with the Civil War, it became a distribution center because of the heavy investment of the federal government at the time in distribution infrastructure. Then, in the 1960s, Nashville kind of led the way for the nation. In fact, decades ahead of others, it consolidated its governmental jurisdictions into one consolidated government. That created huge economic development advantages for what was then a Davidson County region, but by 1990 had become an expanded region of ten or twelve other counties in the area. So as you see the GDP blowing past the 100 billion mark and as you see the population of this area growing, part of the reason that is happening is because there are many options, many assets, and many attributes that exist in the region that don't exist in one place or another, or in one jurisdiction or another. So it makes collaboration a really essential element, particularly when you're looking at things like infrastructure and natural resource use. Frankly, I would tell you that it's essential even for land use policy and housing policy because this region has lots of assets it's able to employ to create prosperity.

So what have been some of the results over the last twenty-five years? Because we have collaborated well as an economic region, per capita income has risen by over 150%.⁶ Between 2014 and 2015, Nashville—this

4. *Id.*

5. *Id.*

6. *Updated Partnership 2020 Strategy to Address Traffic Congestion, Educational Attainment*, NASHVILLEPOST (Feb. 19, 2015), www.nashvillepost.com/home/article/20481812/updated-partnership-2020-strategy-to-address-traffic-congestion-educational-attainment.

region—led the way for average median income growth across the nation.⁷ Number one. Number one in all cities, all regions, everywhere. There was a ten percent increase in average median income. The second thing that happened was that poverty dropped from 19.9% to 16.9%.⁸ That happened because jobs were created. That happened because work force was available. The work force was here because it was a desirable place to live, and part of the reason that it's a desirable place to live is because of all of the options that exist in this region for lifestyle.

Last point: from an economic development perspective, I can tell you, the mayor can tell you, Michael Skipper can tell you, we're all participants in a regional economic development effort. When businesses are looking for a place to locate, they are looking for different attributes. Some want to be in the center of the region because it gives them access to workforce. Some want to be on flat land next to an interstate, which makes Rutherford County or Wilson County a great place to be. When that whole region is interacting, you're capturing all of those jobs and then that prosperity is piling up for all of us. And even though fifty percent of the population of this region crosses county lines every day,⁹ we're all sharing in the prosperity that is built regardless of where the homes and the jobs are located.

Moderator: Thanks, Ralph. One of the issues that clearly has a regional impact is transit, and Michael has worked on this issue for a long time. Can you give us your thoughts on transit as a regional issue?

Michael Skipper: Thank you, Mayor. Good morning, everyone. Before I talk about transit, I would like to relate this panel back to the discussion we were just having with Professor Brian Ohm.¹⁰ I represent or have represented a couple of the organizations that he talked about. Right now my current role is the Director of the Greater Nashville Regional Council, which has a pretty broad portfolio, but one of the things that we do is develop a comprehensive economic development strategy for the region, which is one of the projects that he talked about. And what that's really intended to do is pull communities together across the region with private

7. Eleanor Kennedy, *New Ranking: It Pays to Live in Nashville*, NASHVILLE BUSINESS JOURNAL (Sept. 15, 2016), www.bizjournals.com/nashville/news/2016/09/15/new-ranking-t-pays-to-live-in-nashville.html.

8. *Data from U. S. Census Bureau's 2015 American Community Survey*, METROPOLITAN SOCIAL SERVICES at 1 (Sept. 15, 2016), http://www.nashville.gov/Portals/0/SiteContent/SocialServices/docs/plann_coord/PovertyIncomeUpdate2015ACS.pdf.

9. *Transit Plan Looks at Population Growth, New Automobile Technology and Public Land Use*, THE NEWS (June 29, 2016), www.gcanews.com/transit-plan-looks-at-population-growth-new-automobile-technology-and-public-land-use/.

10. *See generally* Brian Ohm, *Is There a Law of Regional Planning?*, 4 Belmont L. Rev. (2017).

sector leaders and determine how our economy is going to grow, so that those communities can prepare for infrastructure investments to accommodate that growth. I have also served as Director for the Greater Nashville Area Metropolitan Planning Organization, which Professor Ohm talked about as being an essential forum for pulling communities together to work with state and federal partners to decide how federal gas tax dollars are going to be invested in roadways and transit across the region. I also staff an informal organization of city and county mayors across Middle Tennessee called Middle Tennessee Mayors' Caucus, which is really intended to build trust among elected leadership across the region so that as they're working in their roles as board directors for the Metropolitan Planning Organization or the Greater Nashville Regional Council, there is a level of relationship that can lead to a positive outcome.

Ralph Schulz: Who led the formation of the Mayors' Caucus?

Michael Skipper: That was led by Mayor Dean as a result of Ralph Schulz taking us all to dinner one night and hearing that the best practice out there was in the form of a Metro Mayors' Caucus. So Ralph talks a lot about prosperity piling up, and my job is really aimed at making sure that our communities who share in this prosperity also recognize that they share in dealing with some of the consequences and challenges associated with the growth and development that we're seeing, largely around infrastructure. And there's not a more convenient influence than that issue that we're experiencing with respect to transportation right now. So the mayors, back in 2010, adopted—while Mayor Dean was chair of the Metropolitan Planning Organization—a pretty major shift in policy in a new transportation plan that sought to double down on providing access to public transit.¹¹

As we see, Ralph Schulz talks a lot about the recent prosperity, but the reality is the forecast of population growth that we've been studying recently that has us growing another million people by year 2040, so we'll be even larger than the Denver region by 2040 and approaching the size of the Seattle/Puget Sound region by 2040.¹² So there will be over three million people in Nashville and the surrounding counties by then. 2040 sounds like a long time in the future but the reality is that it's closer to us now than 1990 is, twenty-six years ago. With that growth is going to come substantial burden on our infrastructure, particularly transportation. We've

11. *Mayors Adopt New Transportation Plan for Middle Tennessee*, NASHVILLE AREA METROPOLITAN PLANNING ORGANIZATION (Dec. 15, 2010), www.nashvillempo.org/docs/RELEASE-%2012%2015%2010%20MPO%20Mayors%20Adopt%202035%20Regional%20Transportation%20Plan.pdf.

12. *Regional Profile*, NASHVILLE AREA METROPOLITAN PLANNING ORGANIZATION, <http://www.nashvillempo.org/growth/> (last visited Mar. 30, 2017).

reviewed those traffic models and forecast that the amount of time you spend in your car traveling throughout the region will more than double by 2040.¹³ That's on top of a pretty horrendous baseline depending on where you live in the region. So really the issue of transportation is the central convenient issue for most of the mayors in Middle Tennessee.

Moderator: Could you talk a little about how do you, as a region, address transit?

Michael Skipper: Well I think that in terms of the overall transportation strategy, one of the things we're beginning to recognize is that we need to diversify the portfolio. So over the last fifty years we really haven't done anything more than invest in a roadway expansion, and we're really reaching our limits with how wide we can make our roadways here in Middle Tennessee, particularly in the city. So what many regions across the country are doing, and what the mayors have gravitated to in terms of a policy position, is to begin adding capacity to the transportation system through public transit and then create a particular route for transit that is often operating in dedicated lanes that makes it immune from growing traffic congestion in the future. So if you think about light rail or bus rapid transit that would be in the dedicated lane, the travel times on that facility, if it's not stuck in traffic, will be the same in 2040 as it is today because it's immune from that traffic congestion. The other part of the transportation strategy is really this notion that you can build great transit in our region but if you can't access that transit, it's going to be a problem. So the notion of investing in walkability and your opportunity to just bicycle or walk to transit stations is a key part of the strategy.

Moderator: Jon, what are your thoughts on how, as a government, we can be more involved in regionalism and what sort of tools are out there for us?

Jon Cooper: I think, historically, local governments, at least here in Tennessee, have not been strong proponents of regionalism. There's been a lot of protecting our boundaries, our borders, and keeping tax dollars in the county. For example, in 2004, the city of Memphis proposed and tried to implement a payroll tax so that they could collect tax revenue from people who were living outside the city limits of Memphis and in the surrounding counties. That was deemed to be unconstitutional and was never implemented.¹⁴ I would say going back to the 1970s, thanks to some federal money, the metropolitan government and the surrounding counties started looking at how to improve infrastructure. Extending our sewer system was

13. *What is Our Plan*, NASHVILLE AREA METROPOLITAN PLANNING ORGANIZATION at 22, www.nashvillempo.org/docs/FAQ.pdf.

14. *City of Memphis v. Shelby Cnty. Election Comm'n*, 146 S.W.3d 531 (Tenn. 2004).

very important to allow for future growth and that took a lot of work by a great partnership between some of the surrounding counties and Metro. I think that if we're going to be successful as a city, we absolutely have to participate in pushing regionalism to the forefront of our thinking across the entire border. I mean, the one thing that is driving regionalism, as has been said, is traffic. I think we're moving in that direction, and I look forward to getting the mass transit and the additional infrastructure improvements that we need to move forward.

Moderator: Beyond transit, Ralph, can you identify other areas in regionalism where the Chamber thinks or, in your viewpoint, you think that we should be working on?

Ralph Schulz: Well, the Chamber's actual purpose statement that we live by everyday says that we create economic prosperity by facilitating community leadership, and that community leadership can be divided into a public sector and a private sector. Now from a private sector perspective, you see consumers traveling all over the region to do business and you see businesses all over the region doing business. For a long time, really until the Mayors' Caucus was created, you saw public officials kind of manipulating things for the benefit of their jurisdiction. That is not the case as much anymore, so you see a lot of harmony and collaboration on transit among all of those elected officials, but you're also seeing a conversation among those elected officials about the utilization of natural resources. Believe it or not, there are some parts of this region that are water-starved and there are some parts of this region that have great access to water, but everyone needs access to water if we're going to thrive.

That vital center which is Nashville and Davidson County needs the benefits that are provided by that outer ring of counties as well because it houses work force; it houses infrastructure; it houses manufacturing opportunities and logistics. I mean, the advanced manufacturing and logistics are two of the big industries in this town, along with healthcare. So managing natural resources is going to be important, and enlisting the aid of those state legislators, particularly in the ring counties that are part of the supermajority, to advance policy that is good for Davidson County education and post-secondary education is important. I think when you look at education, when you look at land use, and when you look at natural resource use and infrastructure use, you really need to have collaboration among all of those public officials.

Moderator: In terms of economic development, do you think there have been times when the lack of a regional entity or the lack of cooperation between governments has been hurtful to the efforts of Middle Tennessee?

Ralph Schulz: Well, that's a yes. If you look at the late 1980s, you'll see a Wall Street Journal article about the cities of the south prospering because of growth opportunity, but Nashville was not prospering. So there was a group of businesspeople that came together and said, "We need to have a plan. It is untenable for our area not to experience the growth that should be naturally coming to it." So they bound together with a regional plan. They redirected the Chamber from being a Nashville-specific chamber to a regional chamber, making economic development a focus. What I think is interesting about the history of that time is that then-Mayor Bredeesen was pretty skeptical about the business community providing that leadership because he hadn't seen a whole lot of action out of the business community in a sort of futuristic way. So, for a year or two, he was kind of skeptical. But when the business community started delivering on some of their planned promises, he became engaged as a co-chair. Karl Dean and all of our mayors since then have been co-chairs of that economic development effort.

But the difference between the 1980s and the 1990s was that there was a plan that public officials and private supporters could agree on. There was a disruption in the 1980s where you really saw employment dropping and when you looked at Nashville's bread and butter at that time, you see the economy in great decline. Our cost of living was eighty-nine percent of the national average, but our per capita income was also eighty-nine percent of the national average. Now we have a cost of living that is 96% of the national average, but our per capita income is 116% of the national average.¹⁵ So for all of you that are thinking of places where you're going to live later, you're going to get more for your money here. You're going to pay that law school tuition off a lot faster here. You're going to own a home faster. That is a big advantage, but it comes because of a collaborative and specifically intentional plan.

Moderator: Michael, I've always looked at it in that in Nashville, because we're the hub and because the density here is different than other parts of the region, transit solutions within the county were going to be beneficial to us. If you invest more in buses and if you do more with alternative transit, Nashville becomes a more livable city, one where people are able to move around freely and have a higher quality of life. Then when we're competing sort of on a national basis, people will look at that and think, "This is where I want to be." But when you look at it on a regional basis, that's where I think you probably see the most stress. The biggest complaints I used to hear when I would go on cable TV and answer phone calls were from people who were driving up from Rutherford County, driving down from Sumner County, or coming in from Lebanon area where

15. *Regional Stats*, NASHVILLE AREA CHAMBER OF COMMERCE, <https://www.nashvillechamber.com/economic-development/data-reports/regional-stats> (last visited Mar. 30, 2017).

they sit in traffic on the interstates all the time. I would agree with the idea that the political leadership in the city and surrounding counties get it and they want transit solutions, but are there mechanisms to legally and institutionally get that done?

Michael Skipper: I think legally there is the mechanism to get that done from an institutional standpoint. It's in the form of the Regional Transportation Authority ("RTA"), which you and I worked on to enable legislation for back in 2009 to allow it to expand its capacities as an organization in order to deliver high capacity transit projects across the region and across multiple jurisdictional boundaries.¹⁶ I think that the missing ingredient in terms of delivering these transit projects is on the funding and finances side. So while the RTA provided it through the legislature's bonding authority, that's just a way to finance projects and not really a way to fund projects. I think what we're really struggling with across our region is figuring out ways of coming up with local revenue and partnering with state and federal grants so that we can pay for transit.

The RTA in cooperation with the Nashville MTA recently released NMotion, which is the transit component of the Regional Transportation Plan.¹⁷ What really made the headlines was the six billion dollar price tag.¹⁸ That wasn't a budget. That was just the estimate based upon when they went out and talked to communities across Middle Tennessee about what they wanted with respect to transit and then married that input with an analysis of what was feasible. The list of projects ended up costing six billion dollars in total. That sounds like a lot of money, and it is a lot of money for transit within the Middle Tennessee context, but there are single roadway projects in America that are triple that price tag. This is a six billion dollar investment now to be scheduled over the next twenty-five years. A significant chunk of that six billion dollars, and likely more since Denver is approaching nine billion dollars on their transit system now, is to come from a local source of revenue.

That's where I think we're weak in terms of enabling authority from the state legislature. The Tennessee Constitution limits passing authority to political subdivisions of the state. The RTA is a transit agency, so it really relies on multiple governments, municipalities, and county governments or the state legislature to raise the necessary taxes devoted to this project. What you see now is the Mayors' Caucus coming together to build on the enabling legislation that they worked on together in 2009 to expand the option for us to raise revenue locally to dedicate to transit systems.

16. *Accomplishments*, NASHVILLE.GOV, <https://www.nashville.gov/Mayors-Office/Infrastructure-and-Sustainability/Accomplishments.aspx> (last visited Mar. 30, 2017).

17. *Transit Plan*, NMOTION (2016), nmotion2015.com/wp-content/uploads/2016/09/MTA_RecommendedPlan_9.21.pdf.

18. *Id.* at 29.

Moderator: In terms of actually implementing something and getting a workable budget, it would seem to me that you have to have either an ironclad agreement – obviously a good faith agreement – between the variety of political jurisdictions in Middle Tennessee or the state is going to need to play a significant role. I mean they’re either going to need to be in a position where they are funding the Regional Transit Authority or creating an organization that allows sort of a regional overview of transportation with funding to get something done.

Michael Skipper: Yeah. I think that the likelihood of the state funding the RTA is relatively low. The state by itself at the Tennessee Department of Transportation is facing a huge backlog in projects made by lack of revenue.¹⁹ The state gas tax hasn’t been raised in over a quarter of a century, and it has lost a lot of its purchasing power during that time.²⁰ So I think there is an opportunity for the state to consider more investments in transit at a regional level, but I think a lot of that burden is going to fall on us locally and that’s how you see it happening across the country. Denver has a penny sales tax dedicated to transit²¹ that raises half a billion dollars a year.²² We’re spending about seventy million total.²³

Moderator: But we’re not asking the state to pay for it all, right? But instead to create or help create the support through the legislature. Where Middle Tennessee creates some sort of revenue-creating stream that might even be able to go into a place where Middle Tennessee would be able to use it, and that needs to happen. Would that be fair to say?

Michael Skipper: Yeah and one of the things we did in 2009 was that we gave the RTA board, which is also governed by city and county mayors across the region, the ability to draw a district within the RTA geography,

19. *Governor and Commissioner Release Transportation Improvement Plan for 2017-2019*, TDOT (Mar. 31, 2016), <https://www.tn.gov/tdot/news/governor-and-commissioner-release-transportation-improvement-plan-for-2017> (“Despite the increase in revenue for FY 2017, the department still has a multi-billion dollar backlog of unfunded highway and bridge projects that have been approved by the General Assembly, but lack available funding to move forward.”).

20. Richard Locker, *If There’s a Tennessee Gas Tax Increase on the Horizon, How Much?*, KNOXVILLE NEWS SENTINEL (Dec. 26, 2015), archive.knoxnews.com/news/local/if-theres-a-tennessee-gas-tax-increase-on-the-horizon-how-much-2794751c-e8ef-7232-e053-0100007f0c97-363476991.html.

21. *Financing FasTracks*, FASTRACKS REGIONAL TRANSPORTATION DISTRICT OF DENVER, www.rtd-fastracks.com/main_33 (last visited Mar. 30, 2017).

22. *Transit: The Long-Shot Funding Tools Mayor Barry May Explore*, TRANSIT ALLIANCE OF MIDDLE TENNESSEE (May 4, 2016), thetransitalliance.org/2016/05/04/transit-the-long-shot-funding-tools-mayor-barry-may-explore/.

23. Substitute Bill No. BL2015-122 (2016), *available at* www.nashville.gov/Portals/0/SiteContent/Finance/docs/OMB/FY16_Budget/FY16SubstituteOrdinance.pdf (page 17 lists total infrastructure and transportation budget at \$68,861,300).

develop a program of projects that is very similar to what you see with NMotion now, and then go to voters across Middle Tennessee and ask them, through a ballot measure, to approve funding for that program of projects. And if that referendum passed, then send it up to the state legislature for enactment.

Ralph Schulz: Can I throw a political thought in here? Middle Tennessee generates thirty-eight percent of the state's GDP. That level of economic activity benefits the entire state, not just Middle Tennessee. Because the state legislature has demonstrated an unwillingness to fund transit in Middle Tennessee, we will have to take the first step to initiate execution of the transit plan. Hopefully later the state will join in but we need the proposed local option enabling legislation and, in the future, governing legislation to make sure we have the opportunity to make these choices. State legislators from this area are willing to take the first step. Legislators from other parts of the state are less willing. It's in everyone's best interest to keep the economic engine of Middle Tennessee in high gear.

Jon Cooper: I would point out that local governments here in Tennessee do not have very strong home rule powers, so it's not like the Metro Council could just create a tax and solve this. We have to have authority from the state. Tennessee follows Dillon's Rule,²⁴ which goes back to the 1800s from I think an Iowa Supreme Court justice that basically says local governments only have the authority that the legislature or the state has expressly given them or can be implied from those express powers.²⁵ And our taxation authority is very limited.

Moderator: Right, and that would apply to all the other subdivisions and counties around us, and our ability to create an organization that would be truly responsive to transit needs is also limited. When I became the Law Director myself in 1999 and I didn't have Jon's background—Jon's got a great background for this job working for the Council—one of the first things I did was start reading about local government law, and I came across Dillon's Rule. I had already accepted the job and was like, "What? Wait a minute." Basically, what it means is that cities only have the power that's given to them by the state, and the state can take those powers away whenever they want to.

Jon Cooper: And they've done that quite a bit recently.

Moderator: One of the things in terms of regionalism that we have in Middle Tennessee and specifically Davidson County is the Metropolitan

24. See *Southern Contractors v. Loudon Cnty. Bd. of Educ.*, 58 S.W.3d 706, 714 (Tenn. 2001).

25. *Merriam v. Moody's Ex'r*, 25 Iowa 163, 170 (Iowa 1868).

Government. One of the things that the Metropolitan Government has done since 1963 is that we are in a county that has a consolidated government, and so the area that Jon serves as Law Director for is 503 or 530 square miles. It's a big area. One of the things Nashville has benefitted from, I think, has been that over the course of the years – if you think back to the early 1960s to the present – you had white flight and the decay of the central cities. While all of those things happened in Nashville, Nashville was a bit better able to weather them because the suburban part of the county was part of the city and the rural part of the county was part of the city. And so we've been able to preserve this larger tax base to fulfill our needs. And I think it's something that everyone recognizes as a real positive for Nashville. Maybe Jon can talk a little about the importance of the Metropolitan Government and how it's working.

Jon Cooper: Sure. How many metropolitan governments are there in Tennessee? Does anybody know? There are actually three.²⁶ Nashville is the only city or what we think of as an urban area. I think the others are Trousdale County and Moore County. The tax base that we have and our tax rates, if you compare them to the other three big cities in Tennessee – Knoxville, Memphis, Chattanooga – the combined city county tax rates there are significantly higher than what ours is here. So we've been able to maintain taxes pretty low, especially compared to other cities and other states. By being able to not have the duplicate services, having one police department and one fire department has been a great help to the city. If it weren't for politics, I truly believe cities all over the country would do this because, clearly, it makes the most sense.

Moderator: Michael, if you had one action that could be taken by the state or by the combination of all the counties in Middle Tennessee right now, what would it be?

Michael Skipper: Well, I think we need to dedicate revenue to investing in our transit system. We just had a six billion dollar plan rolled out by NMotion, and I'm afraid that it will go stale over the next couple years if we don't take action on it. And to take action on it, we need revenue to start investing. I think part of the issue with the state's lack of investment in public transit is political in that the state government thinks Middle Tennessee can take care of itself, but it has also not demonstrated successful transit in the way we're talking about transit in the future for Tennessee. I think the quicker we can get to funding transit and building projects and seeing that success as a result, the quicker the state is going to

26. *List of Consolidated City-County Governments*, NATIONAL LEAGUE OF CITIES, www.nlc.org/build-skills-and-networks/resources/cities-101/city-structures/list-of-consolidated-city-county-governments (last visited Mar. 30, 2017).

realize that it's a place that they should be investing in as well as in partnership with the local community.

Moderator: Ralph, what's the most resistance you feel toward regionalism? I mean, to me, regionalism at first glance does not appear to be a controversial thing. People sort of get that the more complicated society gets, the less boundaries mean in terms of where businesses locate or people live, and that you have to change your approach or you're going to fall behind. But it is not something that, when push comes to shove, everyone's on board for. Where does the resistance come from and what is the answer to that resistance?

Ralph Schulz: Well, it's interesting. You know, there's only one former mayoral candidate that I know of that's against regionalism. He's been very open and expressive about it. I think, largely, the population generally agrees with the idea of regionalism, but I think the resistance comes when you start to break it down into specific issues and tasks. For instance, education – pre-kindergarten through grade twelve education, high school education – every community kind of wants to have their own education system. They don't necessarily want to blend it into a giant composite. But, as we serve a membership and as we poll people a couple of times a year, we actually find that people are aware that a regional concept makes sense for this region. They like the amenities that have a tendency to be closer to the center of the region. They like the affordable housing options that exist. They don't like that, from a transit perspective, they can't cover that territory as quickly or as predictably as they want to. But I'd have to say that the large majority, I think eighty-three percent of the population in our last poll, said that a regional concept made a lot of sense.²⁷ I can't remember what it is in vital signs. Every year we do kind of a test of the health of the region with research. The MPO, when Mike Skipper was there, became our partner in doing that. I don't remember the number from that poll, but I would say there's not a lot of controversy until you get down to specific issues that people like to hold closer to home.

Michael Skipper: Well I think the controversies are over the interpretation of what we're talking about. So when we talk about regional government and governance, that's the issue: government versus governance. I mean what we really have is governance, which is the ability to cooperate together to make joint decisions, versus government. So I think the people that are fearful of regionalism are those who think there would be a layer of government between state and local governments that tells local governments what to do, which is not the model that we have here, for

27. *Nashville Area MPO 2035 Regional Transportation Plan*, NASHVILLE AREA METROPOLITAN PLANNING ORGANIZATION at 23 (Dec. 15, 2010), www.nashvillempo.org/docs/lrtp/2035rtp/Docs/2035_Doc/2035_Chapter2.pdf.

better or worse. In some situations, it would probably solve a lot of issues if we had a clear leader across the region. But you know we don't often come across a lot of controversies on the public sector side once we sort of clarify the point that there isn't a layer of government that's telling local governments what to do. This isn't a subjugation of local governments that are coming together to make joint decisions.

Ralph Schulz: Could I add to Michael's point on governance? Consolidated government of Davidson County in the 1960s created numerous advantages for economic growth, cohesion of growth strategy, and cost of governing. Presently, collaboration among political jurisdictions happens mostly informally through things like the Middle Tennessee Mayors' Caucus. It is my belief that a regional consolidation could create benefits for the region that Davidson County enjoyed in the 1960s to formalize the collaboration process. It won't happen, but my belief is that it would be beneficial.

Jon Cooper: The state recently enacted legislation that makes it virtually impossible to annex new territory. So yeah, we would go after Wilson County if we could. [Laughter.]

Moderator: Well it's one way of looking at regionalism when people think that regionalism is about, in essence, getting the borders right; that things have changed and times are different, so we need to get the borders right. But really most of it is intergovernmental cooperation. And a reference was made to the Mayors' Caucus in Denver, and essentially Denver is, in many ways, the city we look at very carefully, because we match up with them. It's bigger than us and it's grown fast, and in 2040 we'll be about the size they are now. But Denver was having a very difficult time solving its transit issues because it couldn't get cooperation from the smaller cities and towns in the region. And the legislature there did something which really almost eliminated the ability of the city of Denver to annex further territory, unincorporated areas of county, into the city. And so what they needed to do was to create more spirit of cooperation and the then-Mayor John Hickenlooper went out and invited all the surrounding counties and cities to come to Denver and to establish the Mayors' Caucus where they would meet in a formal manner but didn't have any binding power. Everything was done by consensus.

So when the Chamber – which did a great job of studying other cities – did a trip to Denver, I went. It was early in my first term, and Hickenlooper, who is now the Governor, was Mayor and told us about it and I thought, "What a wonderful idea." So I came back to Nashville and just did it. There's no copyright on any of these ideas. And it kind of worked. It's not something where you can bring a proposal in and say, "We're going to do an up or down vote on this and then everybody is

bound.” You have to do it by consensus. You’ve got to get everyone working together on the same page. But I would say we found it remarkably useful in developing a consensus in Middle Tennessee that transit was the number one regional issue and that we needed to be unified on it. And, as you know, there’s a non-partisan mayor of Nashville and other counties and cities have partisan mayors, but it went across party lines. There’s no real objection to it, and it seemed to be a step forward.

Let me just put out one more thing to the panel here: other cities that have been looked at and sort of talked about as regional governments. We have Portland, Oregon, that’s famous for having its urban development boundary and the Minneapolis-St. Paul area that has created a stronger regional government. Are there any models out there that you think Middle Tennessee ought to be looking at? And this is not making proposals here, we’re just thinking out loud. Is there anything out there you find particularly compelling?

Michael Skipper: Well, you know, you probably didn’t ask the question for this specific answer, but it’s funny that you asked that question because the board of the Greater Nashville Regional Council and the board of the Metro Planning Organization just entered into a memorandum agreement to study reforms to regional governments in Middle Tennessee, because one of the issues that’s getting in the way is that there are so many different regional organizations that, to most people, look like they’re doing the same thing. So the two boards will be working together over the next six months to figure out if we should gravitate towards Portland Metro and that council model. I suspect that we’ll fall short of those regional governments and have something more similar to the Puget Sound Regional Council or the Denver Regional Council where you basically have the MPO and the economic development district as one organization so that you can integrate the transportation decision-making process with the other issues.

One of the things that’s fascinating about the mayors’ caucuses, whereas transportation was the central issue, is that they’ve begun to realize that the way to solve some of these transportation problems isn’t just to build the infrastructure. It’s also going upstream and making better decisions on housing, land use, and economic development, which are creating a lot of the negative outcomes on the transportation systems that we’re seeing today. So the notion of collaboration, while it may have been centrally focused on transportation initially, is now also talking about housing, solid waste, and other aspects of the infrastructure, and the decisions they’re making about land development in their communities that also need to be coordinated across the region.

Jon Cooper: I think it’s important to point out – well it might not be important, but interesting – that in 2015, the state passed a law to strip

Nashville of its weighted authority on the MPO.²⁸ So the way that MPOs are set up under federal law is that the key population-based city has more votes on decision-making. That has never been an issue. I don't think weighted voting was ever exercised or was ever exercised on the MPO. So you've got this; again it just goes back to this.

Moderator: There's some fight with the state and its almost anti-regional approach from the state legislature. We have time for questions from the audience. Whatever you would like to ask about.

Audience Member: This is for Mr. Skipper. What are some of the projects and ideas involved in that six billion dollar price tag project?

Michael Skipper: It's great. It's both short-term and long-term projects but, more immediately, you're talking about better access to information about the existing bus service and more frequency along those bus routes. Over the long-term, you're talking building heavy infrastructure and dedicated lanes – could be bus or it could be rails – to connect communities across the region. But it's got to be a combination of the regional services and the local circulation services. The commuter rail that currently runs between Lebanon and Nashville is about at capacity. You know, there is just very little funding to increase the frequency or add trains to that service, or we could get more ridership. But really the barrier to greater ridership there is that fact that you're dropping a lot of people off in downtown Nashville without a great system to circulate them to their final destination. So I think ultimately one of the things that led to the legislation that stripped Nashville's proportional population of votes in the MPO board was the Amp project.²⁹ The bus routes and trains that would have connected East Nashville to downtown along West End out past the Midtown area on down to White Bridge Road. A project like that on multiple quarters throughout the region is likely to be necessary to make a transit system work. Otherwise you're just throwing buses into the same traffic that

28. 2015 Tenn. Pub. Acts 479.

29. The Amp project planned to implement "a Bus Rapid Transit (BRT) corridor, with dedicated lanes, traffic signals that give priority to buses, dedicated stations and streetscape improvements along run along . . . the East/West spine of the city, along the Broadway/West End corridor, beginning in the Five Points area of East Nashville, crossing the Cumberland River and terminating next to St. Thomas Hospital in the West End." *Music City's Leaders "Amped" About the Future of Their Economy*, TRANSPORTATION FOR AMERICA, <http://t4america.org/maps-tools/local-successes/nashville-profile/> (last visited Mar. 30, 2017). The project was ultimately abandoned. Joey Garrison, *Nashville MTA: Amp is Dead*, THE TENNESSEAN, (Jan. 22, 2015), <http://www.tennessean.com/story/news/local/2015/01/22/nashville-mta-amp-dead/22172861/>.

everybody else is sitting in, so there's no travel time saving or advantages as a result of those buses.

Audience Member: On the transit issue, I know you said a lot of the fear in the public has to do with the price tag, but the six billion dollars over twenty-five years isn't that much money. My concern with it has been the twenty-five year timeframe. I mean the bus and, by my review, the train development, the Lite Rail, wasn't even going to start until year fifteen, at which point that might be even more obsolete technology than it is getting to be now. I totally agree that we need to take on this level of project. I live in Mount Juliet, and it's a terrible drive. But is there any concern that when we finally have the time and means to produce these projects, there will be better and more efficient technology? Especially since technology is improving so rapidly now.

Michael Skipper: I have three responses to that. One is that the timeline is a function of two things. One is market feasibility, so when can you introduce the product and make it successful? I would argue that we have market feasibility in a lot of quarters now. The other factor becomes funding, so the timeline is really being driven by the lack of funding. Twenty-five years in the future, when you do the math, is when we will have the money to do the project. And by that time, I'm worried that it becoming obsolete is not the issue, but that it's going to be twice the price tag. Land acquisition costs. Just the cost of construction. Not that investments in mass rapid transit aren't going to become obsolete because of the emerging technologies and the driverless cars.

I think the technology that's propelling that vehicle down to that right-of-way designated quarter evolves. There might be driverless trains and driverless buses, but I think the investment in rapid transit is more consistent with the future than expansions of our suburban highways are. That's more of an obsolete technology than any investment we make in transit in the urban quarter, because even if you have driverless cars today, there's still a lot of people driving around by themselves or riding around by themselves. They're still a single occupant vehicle, not mass transit, whether it's self-propelled or driven around by people. But if you're dissatisfied by the timeline, then you have to be interested in figuring out ways to fund this. I mean we're one of the largest metropolitan regions in America that hasn't dedicated a single penny to public transit. Communities across the country have voter initiatives that have dedicated sales tax, property tax, computer taxes, and gas taxes to a capital fund that's there to build transit. We just don't have that here.

Ralph Schulz: So again, look at Denver. Fundamentally, they started the expansion of their transit system in 2004. Twelve years later they have a transit system that is to envy. The reason they can do that is because the

voters stood up and said, “We’re willing to pay for it.” I think this thing can go as fast as you want it to go and as fast as you can convince others to go. Because I heard Toks Omishakin³⁰ indicate the other day that, if we build out every single one of the six billion dollars’ worth of projects that are back logged, congestion will only double over the next fifteen years. So, bottom line: I would make a plea to you if you’re going to stay in Nashville to get engaged in this discussion because your voice is going to be necessary. But I would tell you it’s another good reason to look at Denver. How did they build a great transit system in twelve years? One of the greatest services that the Amp project did was it educated the public in a large way on what the options are and educated the public on the fact that right-of-way is the issue. You know John Schwarz, the TDOT Commissioner, said the other day, “The cost of right-of-way acquisition right now is larger than construction costs.”

Moderator: I think one of the things, too, that I would add, is that I wouldn’t get past the mission. Denver rejected transit by referendum at least once, I think maybe twice. The same is true of almost every other city. Sort of non-traditional transit cities, which I would say are in the Southeast, have rejected serious transit proposals to begin with and then ultimately they got there. So it’s not something that I would look at and say, “We’re so far behind, there’s no way we’re going to catch up, and it’s all hopeless.” I might be a little optimistic, but I tend to think that Nashvillians’ history has been that when we get to a pathway, a crossroads that diverge, we take the right direction. And this is something where I think, clearly, the city is going to make the right decision. I think the state will too. I think the state will get on board eventually, and I think that the regional people will get there. As they have said, it can be wrapped up. Once you start getting into a position where you have access to funds, then things start to move. By nature, I’m an optimistic person, but I do think the city tends to make these right decisions as a whole and they will in this area, too.

Jon Cooper: We said yes to the Titans, so maybe we will say yes to transit too. [Laughter.]

Ralph Schulz: Just one quick line: from the end of the Civil War to the 1960s, Nashville was much about transporting goods. It was a distribution center. As we become a service economy, it’s now much more about transporting talent and connecting talent. If we don’t have this transit system, then you can’t connect the talent and we can’t grow.

30. Toks Omishakin is the Deputy Commissioner and Chief of the Bureau Environment and Planning for the Tennessee Department of Transportation. *Chief of Bureau of Environment and Planning*, TENNESSEE DEPARTMENT OF TRANSPORTATION, <https://www.tn.gov/tdot/article/chief-of-environment> (last visited Feb. 29, 2017).

Audience Member: I'm confused on where you said we are in terms of law. Has the enabling legislation been passed for Regional Transit Authority or do we still even need to have that?

Michael Skipper: We have the law that provides an institution that has the capacity to design and build a project. We don't have sufficient law that allows the region to come together to dedicate revenue. I'll give you the comparison to Denver. So, in Denver, they have similar constitutional limitations in that taxing authority can only be delegated to political subdivisions of the state.³¹ Colorado actually created Denver's version of RTA as a political subdivision of the state.³² So it's like a municipality. It has taxing authority over eight counties,³³ and it can go directly to the voters to raise shared revenue across the region for transit lines on its own. Whereas we're requiring that either the state or several local governments come together with their own individual tax initiatives to come up with that revenue. That's just the much more difficult approach than the sort of all-or-nothing approach across the entire region.

Audience Member: Under the Tennessee Constitution, can you have what they have in Denver or are you saying that's not even possible?

Michael Skipper: We can, yeah.

Jon Cooper: If the Tennessee General Assembly says yes.

Michael Skipper: It's like a special school district at that point. It's like how you set up that.

Jon Cooper: The Tennessee Constitution says that all legislative authority is with the General Assembly and they get to decide how they delegate it.³⁴

Audience Member: You talked about the role in regionalism and promoting economic development, and I want to ask if there's a role in that beyond the ten counties surrounding Davidson County. I mean just a couple hours' drive from here, we have counties that are in the bottom ten percent in terms of unemployment, poverty, and per capita income for the nation and we have seventeen of those counties across the state. So, is there a role for Nashville in helping the greater state?

Michael Skipper: Yes. Part of the undertone right now is this urban versus rural divide. This idea is that the rural communities are jealous of the

31. See Colo. Const. art. X, § 7.

32. 1969 Colo. Sess. Laws 719 (RTD's enabling statute).

33. 1973 Colo. Sess. Laws 991-92 (granting RTD authority to tax).

34. See Tenn. Const. art. II, § 3.

prosperity that's happening in urban areas and the urban areas are not too concerned with the lack of prosperity in the rural areas. When we talk about regionalism in Middle Tennessee, one of the things you've got to recognize is the Greater Nashville Regional Council, who works a lot with the Tennessee State Department of Economic and Community Development, is trying to balance this access to prosperity by helping communities of all sizes and all contexts have access to that prosperity. I think urban areas aren't successful with getting help from the state until the urban areas will help the state find ways to provide prosperity to rural communities as well. I hear what Ralph is saying about how Nashville generates so much of the tax revenue –

Ralph Schulz: Thirty-eight percent.

Michael Skipper: - for the state of Tennessee. But I think that's an argument that doesn't work, that shows no empathy for what's happening.

Moderator: I think empathy is definitely needed, but one of the things that's happening on kind of a larger macro level is there's this whole idea, as stated in a book called *The Great Inversion* by Alan Ehrenhalt, about how the core of the city's essential areas is more popular than ever and is drawing people in.³⁵ And you've got people in smaller towns and in suburbs even – less so in the Nashville region, but it could happen here – where the economy's different, so they're facing more economic challenges than the core city has. This is a reverse of where we've been historically. Historically, if you look at the cities from post-World War II up to now, the big issue was suburbanization and at a huge level, the tax base of the city emptying out. And in the last ten or fifteen years, that's changed.

We could look at this from when I ran for Mayor the first time in 2007, and you know the issue was, "Are we going to lose all our business to Williamson County?" And no, because they had their wins, we had our wins. But it's not anything we did. People—young people—want to be at the core. That's why Bridgestone is downtown. That's why HCA's doing their facilities downtown. Because in order to attract the people they want, they want to be in the urban area where the amenities are. And so the challenge, particularly in a state like Tennessee, is looking out for small towns and suburbs that are not creating new jobs or opportunities, and that are seeing their hospitals close, and it becomes even more compelling. That should certainly be part of the discussion.

Michael Skipper: Because we're not going to shut down those small towns. We want to help them reimagine the possibilities.

35. ALAN EHRENHALT, *THE GREAT INVERSION AND THE FUTURE OF THE AMERICAN CITY* (2013).

Ralph Schulz: Business and job creators place their jobs where there is infrastructure, workforce, and amenities to support them. It's a big part of the reason that Nashville has seen forty-three percent of the job growth of the region over the last ten years. Transit is key to rural and urban areas because it provides access to jobs for rural residents and access to a rural lifestyle for urban workers.

Michael Skipper: I'm going to offer through investments in rural broadband mainstream programs and tourist development-type programs that can help these smaller communities redefine who they are.

Moderator: That's an important point that definitely should be part of the discussion. Let's give the panel a round of applause. [Clapping.]