The Northern California Megaregion: Identifying Trends for Inter-regional Cooperation

December 17, 2019

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Under the Direction of
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The Northern California Megaregion: Identifying Trends for Inter-regional Cooperation

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Ryan Castaneda

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ABSTRACT

Over the past decade, the different subregions of Northern California (Bay Area, Sacramento Area, San Joaquin Valley and Monterey Bay) have become increasingly interconnected through various aspects of planning areas, such as transportation, goods movement, carbon emission reduction, housing and healthcare. While the traditional methods of government planning that involve Joint Power Associations and Councils of Government may have worked in the past for distinct regions, the growing interconnections across these four Northern California subregions requires a new form of collaborative planning. The purpose of this project is to offer a comparative analysis of two such efforts elsewhere in the U.S., where inter-regional collaboration has been successfully coordinated by a megaregional planning organization. This analysis is then used to provide a discussion of multiple identifiable characteristics of these existing organizations, revolving around three core functions of a successful megaregional planning agency, that may apply in the formation of a Northern California megaregional planning organization.

Keywords: megaregions, inter-regional cooperation, collaboration, government planning, local government, Northern California

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Introduction

As of 2015, the Northern California Megaregion (see Figure 1), comprised of the 21 counties making up the Bay Area, Sacramento area, Northern San Joaquin Valley and Monterey Bay, made up nearly one third of California’s total population and had the highest per-capita GDP of any megaregion in the United States (Bellisario, Weinburg and Mena, 2016). This highly critical area of the West Coast, and of the nation as a whole, has established itself as a powerful economic body that has the potential to prosper socially and economically both as individual areas and as a collective megaregion. However, issues such as the affordable housing crisis and lack of efficient transportation modes, combined with the high concentration of residents in this area have caused major setbacks for the prosperity of those living in the megaregion. According to data from the American Community Survey, three of the top ten metro areas with the highest concentration of super commuters (those traveling an average of 90+ minutes for work) are located in the Northern California Megaregion (Palpov & Salviati 2019). These transportation issues stem from a combination of inefficiencies in public transit and highway systems as well as a general lack in megaregional planning to better account for the changes in commuter trends.

In order to resolve these issues, particularly transportation, some form of megaregional structure needs to take place. With the ability to examine overarching commuter and transportation trends for the megaregion as a whole and take into consideration the transportation limitations and advantages of each individual area, some of these inefficiencies can be mediated. There are a number of different strategies for taking megaregional action and resolving these issues, some of which have been explicitly outlined by organizations such as the Bay Area Council Economic Institute, a think tank based in San Francisco that is “focused on the most critical economic and policy issues facing the nine-county Bay Area region” (Bellasario et al.
In a June 2016 report by the organization titled *The Northern California Megaregion: Innovative, Connected, and Growing*, authors Jeff Bellisario (Research Manager), Micah Weinberg (President) and Camila Mena (Research Analyst) offer detailed plans on improving the system for inter-regional daily commuters in the megaregion, the system of goods movement, as well as other areas of economic integration. Some of these options involve expansions in the total number and overall reach of existing passenger railway systems within the megaregion, improved efficiencies between passenger and freight railways and increases in housing projects near areas of high transit usage (Bellasario et al. 2016). The plans outlined in this report offer a number of potential options for improving the transportation issues facing all areas within the megaregion and have publicly available since 2016, yet no significant progress has been made on the matter. The only progress at all came as recently as September 2019 where funding for expansion of railway projects was finally put into consideration but has not yet been secured.

It is clear that these issues regarding transportation have been heavily impacting the nearly 13 million residents of the megaregion. Despite this, progress on viable solutions for these issues remains slow and hard to come by. There are a number of academic institutions performing valuable research on solutions, organizations fighting for funding and providing solutions, as well as numerous governmental bodies within each subregion of the megaregion that attempt to work together on planning efforts. What is missing in this, however, is a formal megaregional structure to provide an avenue for collaboration and cooperation amongst all of these separate entities within the megaregion. This paper seeks to provide a comparative analysis of existing megaregional organizations within the U.S. that offers the Northern California megaregion valuable lessons and models of success to follow in forming a similar megaregional
organization with the hopes of improving communication efforts across different groups of actors in each subregion and formalizing a megaregional body for Northern California.

**Research Question & Motivation**

The initial research goal of this project was to examine the potential implications for certain recommendations made by the Bay Area Council Economic Institute for the Northern California Megaregion; however, upon preliminary research for this aspect of the project, it came into realization that the Northern California megaregion has not taken any significant action on any kinds of recommendations such as these because it appears to lack a formal structure, public or private, for doing so. With this in mind, the primary research goal was shifted towards studying this lack of formalized cooperation and the current efforts happening in place of it, considering Northern California is rich in many favorable actors for inter-regional cooperation, including strong corporate sectors, elite academic institutions and a well-funded governmental presence. As such, the research question this project intends to answer is as follows: given that existing inter-regional organizations have seen success in other megaregions across the U.S., what are some key takeaways and lessons for success that Northern California can take into consideration in forming its own megaregional planning structure?

The motivation behind this research lies in the multitude of social issues facing California as a whole, but especially concentrated in Northern California. The physical proximity of regions such as the Bay Area, San Joaquin Valley, Sacramento and Monterey Bay has connected each of these areas and the problems associated with them. For example, the Bay Area housing crisis has begun to cause increased impact in the surrounding regions with Bay Area workers and renters seeking cheaper housing prices, which in turn has a significant impact on the transportation
routes of Northern California that are seeing increasingly high levels of commuters and goods movement. Growing up in Monterey County and spending the past five years in the Bay Area at Stanford, I have seen and felt many of these impacts firsthand. As such, I feel it is important to examine how the different regions that make up Northern California can work together in order to tackle some of these issues while promoting the economic prosperity of each region. Further, it is equally important to research how this inter-regional cooperation will take shape and what structural actors will be necessary to make these megaregional efforts a success. While there are other potential solutions for establishing higher levels of megaregional cooperation, such as further incentivizing or empowering existing agencies to do so, I felt that my research should focus specifically on formal megaregional planning organizations for two specific reasons:

- These kinds of organizations can usually have larger scaled impact on planning and have branches in multiple areas of expertise. For example, one organization could work within transportation, housing, goods movement, workforce improvement / human capital, as opposed to implicitly incentivizing collaborative efforts amongst existing agencies with more specific and limited responsibilities.

- Megaregional planning groups have been successfully implemented before, as will be reviewed in my research, and will likely be supported by local actors due to existing support for increased collaboration across boundary lines from a variety of sources, including leadership at COG’s (Mike Keever, CEO of Sacramento Council of Government), local academic institutions (Dr. Jeff Michael, Executive Director, Center for Business and Policy Research, University of the Pacific), and local governmental agencies (John Pedrozo, Chair of the San Joaquin Joint Powers Authority; Merced County Supervisor) (Bay Area Council Economic Institute 2016). Each of the individuals
mentioned here, representing a wide range of agencies and government associations, expressed support for the idea of increased megaregional collaboration. Further, there is little to no negative commentary on megaregional planning, as many the megaregion as something that has already taken shape and needs action on. I believe offering a formal structure for doing so that has seen previous success in other megaregions will likely garner widespread support and is structurally feasible in Northern California.

As such, while there are other potential solutions for increasing megaregional collaboration efforts, some of which will be discussed in the Further Research section, my research will focus specifically on megaregional planning organizations with the intent to identify key trends and characteristics of existing organizations that will be necessary for consideration and development of a Northern California megaregional planning organization.

**Literature Review**

Regarding the literature review for this research, I aimed to address prior research on the relevance of U.S. megaregions, the current regional planning efforts taking place, as well as studies on the benefits (or shortcomings) of inter-regional cooperation and collaboration. Doing so provides the relevant context of megaregions, which can take shape without inter-regional cooperation, while also offering information on why inter-regional collaboration may be necessary for resolving some of the communication and planning issues faced by subregions that share close physical proximity to each other (such as the four subregions of the Northern California megaregion). This section provides both descriptive information on megaregions and examines the results of a study performed to research the benefits of inter-regional cooperation on performance metrics.
Relevance of Megaregions

Megaregions are generally defined as integrated sets of metropolitan centers and their surrounding areas, which are spatially and functionally connected through environmental, economic, and infrastructure interactions, generally with total population size exceeding five million people (Ross and Woo 2009). As population trends in the U.S. push towards urbanization, these metropolitan centers and surrounding areas are becoming increasingly populated, increasing their relevance on a national level and requiring the adaptation of planning efforts in the areas where megaregions are prevalent. According to the Regional Plan Association, there are currently eleven megaregions emerging across the U.S. (see Figure 2 in Appendix). It is projected that, by the year 2050, as much as 70% of the U.S. population and 80% of the employment opportunities will reside in these eleven emerging megaregions, highlighting both the rapid trend towards urbanization and the increasing importance of megaregions as a vital piece for the future of U.S. society (Regional Plan Association 2006). With these increased layers of integration between large metropolitan areas, such as “interlocking economic systems, shared natural resources and ecosystems, and common transportation systems,” traditional regional and municipal strategies for policy design and funding are becoming less relevant and effective at tackling issues faced by these larger geographic territories (Regional Plan Association 2006).

Regional Planning Efforts

Regional planning efforts in California have held great significance dating back to the 1990’s due to California’s extremely high levels of growth; however, even some of these more progressive regional planning efforts are beginning to become inadequate as the formation of
megaregions, such as that of Northern California, begin to take shape in the Golden State. The traditional system for regional planning involves the use of Metropolitan Planning Organizations (MPO’s), which were originally designated with the task of “developing long-range regional transportation plans” (Teitz and Barbour 2007). These MPO’s are close relatives to Councils of Government (COG’s), which are considered voluntary forums established in urban areas for the purpose of discussing common concerns of the area. Due to California’s stricter emissions policies, these designations for transportation are of key importance for the region and offer the opportunity for cooperation amongst different territories.

Utilizing these formal structures, MPO’s and COG’s, California set forth with a strategy for regional planning described as blueprint planning, which involves orienting land use to promote regional as well as local transportation-related and environmental goals (Teitz and Barbour 2007). In this way, COG’s and MPO’s were seen as useful because they allowed for the combination of “regional systems-level planning functions for transportation and air quality with the community-level land use authority of local governments (cities and counties)” (Teitz and Barbour 2007). This usefulness has proven to be limited, however, within the scope of megaregional growth for Northern California. As the geographic space within the megaregion begins to grow, these institutions have an increasingly difficult time communicating in a cooperative fashion, while also lacking any real authority. These institutions must rely heavily on transportation funding to operate and in that sense only have the capability to “influence local policy through identifying funding incentives from their own transportation resources” (Teitz and Barbour 2007).

In examining these current efforts for the many planning aspects of Northern California, it is important to take a step back and consider the roles and responsibilities of our existing local
governmental agencies. These local agencies are held responsible for providing public goods and services that the market cannot adequately produce, some which include reducing traffic, handling pollution, police protection, education, highway and transportation planning, hospitals and healthcare (Financing State and Local Governments, n.d.). However, in areas where there is a high concentration of cities, municipalities and people, many of these responsibilities tend to spill over into the jurisdiction of neighboring counties or regions. For example, transportation planning for the Northern San Joaquin Valley is directly connected to the Bay Area, where many of the goods traveling through the Northern San Joaquin Valley highway system originate from. As such, the responsibilities for transportation planning in one region is directly interconnected with that of another. In cases like the Northern California megaregion where multiple issues such as transportation, housing, carbon emissions and workforce development are all interconnected aspects of the megaregion as a whole (and not one specific region), the existing status quo political organization of jurisdiction within county lines is not optimal and requires a new form of collaboration arrangements, such as the megaregional planning organizations I am researching.

*Inter-regional Cooperation Within Megaregions*

The use of inter-group cooperation has long been shown to produce beneficial results in regards to efficiency and innovation for small groups and large companies alike. With this in mind, there has been little research in the area of cooperation between regions in regards to these same outcomes of efficiency and innovation, particularly for the United States. However, some interesting findings from a pair of researchers show promising results for the case of the Northern California megaregion. In a quantitative-empirical analysis that studied the negative
effects related to regional cooperation in Germany it was shown that, to some extent, inter-regional cooperation can lead to positive outcomes. For example, the results of the study showed that some levels of both “inter” and “intra” regional cooperation produced increased levels of innovation and helped to promote collective learning processes (Broekel and Meder 2008). Other findings involving the potential negative impacts of cooperation, such as the occurrence of “regional lock-in,” where ideas from exterior sources are locked out of the collective thought processes of the cooperating regions, have less relevance to the concept of megaregions due to the constant presence of the state and federal government that can remain intact with exterior research and ideas. Perhaps the most important finding of this research that best relates to Northern California is the importance of universities and large firms located within a region, as well as the presence of a well-developed economy (Broekel and Meder 2008). Each of these factors plays a role in protecting regions from the negative effects of cooperation such as regional lock-in and low innovation performance. This finding provides an optimistic perspective for the idea of cooperation within the Northern California megaregion, which is known for containing both a large number of high-achieving universities and a powerful, diverse economy (tech, healthcare, goods movement, agriculture).

The approach I am taking for this research involves combining lessons from the traditional planning methods for Northern California with this research in inter-regional cooperation that has seen success in other parts of the U.S. in order to present a recommendation for a formal structure of megaregional transportation planning that can hopefully be replicated across other areas of planning as well. In order to do so, a critical component of my research involved identifying key trends in both the differences and similarities between the Northern
California megaregion and two other examples of megaregional organizations that have seen recent success in achieving inter-regional cooperation across state and country lines.

**Methodology**

*Research Design*

In order to address my research question, two components of research were necessary. For the first component of my research, I needed to gather information on the current governmental and municipal bodies that handle what are considered to be megaregional issues, such as transportation, and examine how these actors operate both separately and collectively, if at all. The second component of the research required analyzing existing megaregional planning organizations across the U.S. to compare to Northern California, particularly ones that were successful in integrating megaregional planning efforts focused on transportation.

As part of the first component of research, I chose to focus on local COG’s within the megaregion due to their traditional role in handling regional transportation issues and interviewed high-ranking members of these governmental bodies in order to gather information on their operations and cooperation efforts with other regions in Northern California. Regarding the second component, I focused on two organizations, the Alliance for Regional Development (ARD or “The Alliance”) in the Great Lakes megaregion and The Borderplex Alliance (Borderplex) which operates within Texas, New Mexico and Mexico. For these organizations, I collected information via their CEO (Alliance for Regional Development) and their Executive Vice President (Borderplex) who offered to discuss the objectives and operations of their respective organizations as well as share case studies prepared by their organizations. ARD and
Borderplex were chosen because of their successful integration of complex regions that cross both state lines and national borders, particularly regarding transportation planning.

ARD was originally mentioned in the report by the Bay Area Council Economic Institute as a successful example of inter-regional cooperation and Borderplex was identified by the CEO of ARD as another highly successful organization with a slightly different organizational structure. As such, I gathered information on these organizations via company reports, case studies and interviews with leadership in order to identify trends between them and highlight key lessons that may apply to Northern California in the formation of its own megaregional planning organization. A brief discussion of these two megaregional planning organizations will take place in the following sub-section, while the trends and key lessons will be discussed later in the Findings section of this paper. Full information on interviews, such as who was interviewed and what the interview questions consisted of, can be found in the Appendix on page 40.

Comparable Megaregional Organizations

Alliance for Regional Development

The Alliance for Regional Development defines itself as a “coalition of high-level leaders in business, government, and academia working together to strengthen the economic competitiveness of Chicago’s tri-state region, including northeast Illinois, northwest Indiana, and southeast Wisconsin” made up of 21 counties in the three states and seen in Figure 2 (Alliance for Regional Development). With focuses in transportation and logistics, workforce development, innovation, and green growth, the organization acts as a formal structure to encourage and promote inter-regional cooperation between public and private sector actors. The
primary goal of the organization is to develop strategies for completing a list of recommendations broken down into five categories:

- Matching skills to jobs
- Innovation and leadership
- Transportation and logistics (primary focal point of my research)
- Green Growth (secondary focal point of my research)
- Effective institutional arrangements (Alliance for Regional Development).

These recommendations stem from an economic report on the region conducted by the Organization for Economic Cooperation and Development (OECD). The OECD is a Paris-based “intergovernmental agency promoting economic development in 35 member countries…[with] expertise [in] regional economic analysis” (Tri-State Regional Development Case Study 2018).

The Alliance of Regional Development is headed by Chief Operating Officer Kelly O’Brien and also contains three co-chairs, all of which are CEO’s of high-profile businesses from each of the three states represented in the Alliance. These co-chairs are primarily involved with securing private-sector funding for the organization, which is often a more accessible option than public funding. Overall, the organization is funded through a number of different resources, including an EDA grant, as well as “state commerce entities, foundations and corporate sponsorships” (Tri-State Regional Development Case Study 2018). This diverse funding structure allows the organization to operate effectively without remaining entirely dependent on one source. The primary methods for promoting collaboration and ensuring the fulfillment of the goals set out by the OECD involve the development of working teams tasked with one of the four aforementioned focuses, a collaboration with the Federal Reserve Bank of Chicago to help promote inclusive economic development, hosting annual summits on regional competitiveness.
and the designation of the University of Wisconsin-Parkside as a fiscal agent to oversee the EDA grant received by the organization (Tri-State Regional Development Case Study 2018). Using these methods, the Alliance has seen great progress in working to achieve the OECD recommendations.

One area of success in particular for ARD was that of making progress towards the improvement of megaregional transportation planning efforts. Through work from the organization’s Transportation and Logistics team, ARD was able to coordinate successful projects in improving “multimodal freight distribution within the Megaregion and upgrading mass transit (Tri-State Regional Development Case Study 2018). Highlights of these improvements, provided by an ARD case study from 2018, include the following:

1) “A transportation mapping tool was created that made it possible to generate maps showing any desired subset of transportation infrastructure in the Megaregion’s 21 counties using a geographical information system (GIS) developed in partnership with Purdue University. Staff from the Northwestern Indiana Regional Planning Commission (NIRPC) collected and collated asset data and GIS shapefiles from regional partners including the Chicago Metropolitan Agency for Planning (CMAP) and the Southwest Wisconsin Regional Planning Commission (SEWRPC)” (Tri-State Regional Development Case Study 2018). As part of this effort by ARD, Purdue University utilized its own resources to help provide the GIS system while ARD helped to coordinate the partnerships between transportation agencies in the region that allowed for the layers of transportation to be collected.

2) The Transportation & Logistics team from ARD also coordinated the creation of regular caucus meetings between the Northwestern Indiana Regional Planning Commission
(NIRPC), the Chicago Metropolitan Agency for Planning (CMAP) and the Southwest Wisconsin Regional Planning Commission (SEWRPC) (Tri-State Regional Development Case Study 2018). As a result of these meetings taking place for one year, these three agencies were able to reach consensus on “plans to increase passenger rail service from Wisconsin and Indiana to Chicago; selected projects to reduce rail travel times between Chicago and cities such as St. Louis, Minneapolis-St. Paul and Detroit; and freight rail improvements such as…[eliminating] a choke point on Chicago’s south side” (Tri-State Regional Development Case Study 2018). Successes such as these highlight the importance of formal structures for megaregional planning that create avenues of communication between different actors from each region where they may not have existed before.

Efforts such as these reveal that improvements to complex transportation systems can be achieved through megaregional planning efforts. Through a combination of work from corporate, governmental and academic actors, The Alliance for Regional Development was able to take an aspect of the region that was lacking in progress and make advancements towards solving the common issues shared by all three regions involved. Case studies such as this, which involve the successful integration of ideas from three different states that, before the creation of ARD, considered each other to be rivals in economic gains, show that inter-regional cooperation can be successful and can be accomplished if properly structured. For a combination of the reasons mentioned above, ARD was chosen as an organizational study to examine as part of the research involving the creation of a successful megaregional planning structure for Northern California.
Comparatively, The Borderplex Alliance is “a nonprofit organization dedicated to economic development and policy advocacy in the El Paso, Texas; Las Cruces, New Mexico; and Cd. Juárez, Chihuahua region” seen in Figure 4 (The Borderplex Alliance). According to the organization’s mission statement, Borderplex and the coalition of business, community and civic leaders within it, primarily work to increase the level of investment in the region and generate a healthy, inclusive business environment to improve the regional economy. In order to do so, the organization is currently making progress on two initiatives: Borderplex 2020, which aims to tackle the economic improvements, and CONREDES, which is aimed at integrating the private and academic sectors within the region. One differentiating aspect of Borderplex is its role as a consulting organization that offers “regional, national, and international development, advocacy, representation, and support to businesses looking to expand their operations within the Borderplex region” (The Borderplex Alliance). The Borderplex Alliance is led by Chief Executive Officer Jon Barela and Executive Vice President Marcos Delgado. The board of the organization is led by Raymond Palacios and contains other community members from each of the three regions represented by Borderplex that work in a range of different sectors. The methods utilized by Borderplex include the formation of a Border Trade Alliance, partnerships with organizations like the Aspen Institute and a variety of Chambers of Commerce within the region.

Examples of success from Borderplex that make this organization ideal as a case study come from a number of projects where the organization coordinated communication efforts between regional bodies. For example, as part of a business project with Mesilla Valley Transportation, a supply chain freight company within the Borderplex region, Borderplex was
able to coordinate communication across different MVT factions in all three states (Chihuahua (Mexico), New Mexico, and Texas). This helped MVT to identify and solve “issues arising from border issues” as well as introduce the freight company to new business development opportunities through other members of Borderplex (Success Stories: The Borderplex Alliance). Other examples include Borderplex projects with GECU, an El Paso financial institution, where the work of Borderplex helped GECU gain “a deeper insight into our region’s economic development efforts” by sharing resources and information from the other areas of the region (The Borderplex Alliance). These examples highlight the ability of The Borderplex Alliance to initiate communication efforts between different regional actors and, in particular, improve the efforts for economic development in the region.

Comparative Analysis

In examining the aforementioned megaregional agencies, much of the emphasis was placed on studying the ‘core functions’ of successful megaregional planning structures. As discussed above, The Alliance for Regional Development and The Borderplex Alliance were each chosen because of their prior success in megaregional planning and collaboration efforts, particularly related to common issues shared with Northern California, such as transportation for both commuters and goods movement. A truly successful megaregional planning organization will see progress made in three categories: Processes, Information Sharing and Policy Implementation / Joint Action. The two organizations described above have seen success in different aspects of these categories and in different ways. For example, a strategy of The Alliance for Regional Development is to coordinate the sharing of information through ‘summit’ events, discussed in the chart below, where members of different regional agencies are brought
together to share information and ideas, thus leading to joint action on different planning efforts and the successful implementation of new policies and tools for improving transportation. The information gathered from these organizations, as well as my discussion of other organizational characteristics that relate to replicating success in Northern California, will revolve around and/or be categorized by these three core functions.

The following table in the “Findings” section provides a comparative analysis of different trends and characteristics identified as critical to the success of the aforementioned megaregional planning organizations. These trends, labeled in the far left column along with the core function this trend relates to, were identified by examining company reports and case studies, as well as interviewing organizational leadership. Using this information pulled from various sources, I identified key similarities and differences across the two existing organizations and the current economic/business/governmental climate of Northern California. Taking these similarities and differences, I identified seven key trends or characteristics revolving around the core organizational functions that I believe played a vital role in the success of the Alliance for Regional Development and Borderplex and would further be key in the success of a megaregional planning organization in Northern California.

**Findings**

In performing the comparative analysis and searching for common trends across the different organizations, I was expecting to find similarities in the more general aspects of the organizations, such as their genesis, their funding structures and their planning areas. I further expected the organizations to be similar in that they were guided by a set of goals or objectives and that these would shape the directions taken by the organization. Where I expected to find
differences between the organizations was in regards to their methods and tactical strategies for achieving the goals outlined for them.

Upon completion of the comparative analysis, found below, it was found that while the organizations did share some of the same planning roles, leadership structures and stories for their formation, they actually had very different strategies for tackling their objectives and were quite different in the structure of their funding. As such, the comparative analysis below is shaped by the characteristics and trends that were important to the success of the organizations and not necessarily by their similar characteristics. Following this table in the Stakeholder Implications & Future Research section, I will discuss each of these seven identifiable characteristics in relation to their applicability to and potential for the Northern California megaregion.

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<tr>
<th>Core Function</th>
<th>Identifiable Characteristics &amp; Trends</th>
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<th>The Borderplex Alliance</th>
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| Policy / Joint Action | Clearly Defined Megaregional Objectives & Recommendations | At the request of the Chicagoland Chamber of Commerce and with the help of future Alliance CEO Kelly O’Brien, the OECD generated a report on the “economic status of the tri-state region” in 2012 that would eventually become the driving force behind the formation of the Alliance for Regional Development. This | The original version of The Borderplex Alliance was formed in 2012 after the city manager of El Paso collaborated with Dr. Edward Phaser from the University of Illinois on a report of “economic development” in the region that consisted of interviews elected officials and top business men and women (M. Delgado,
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<th>Backbone of objectives and recommendations helped in shaping the organization and its strategies (personal communication, October 30, 2019).</th>
<th>Personal communication, November 13, 2019). This report led to the development of a strategic plan for cooperative regional efforts that itself led to the merging of the Regional Economic Development Company and the Paso Norte Group into The Borderplex Alliance in 2013 (M. Delgado, personal communication).</th>
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<td><strong>Formal Leadership Structure</strong></td>
<td>ARD utilizes a formal leadership structure that includes a Staff team led by President and CEO Kelly O’Brien, as well as a leadership board that includes chairs from all three states representing the organization. While the board makes more overarching decisions for the organization, O’Brien runs the operations side of ARD, helping to establish the “Working Teams” that tackle issues on Human Capital and Transportation (Alliance for Regional Development).</td>
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<td><strong>Information Sharing</strong></td>
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<tr>
<td><strong>Consistent Efforts to Encourage Intergroup Communication Between Stakeholders</strong></td>
<td>Regarding efforts for encouraging communication across different members and areas within the organization, the Alliance for Regional Development utilizes a combination of “annual economic summits, Similar to ARD, Borderplex instituted a “summit” strategy in order to ensure its members from different regions were taking time to communicate about issues and effective strategies for resolving them.</td>
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</table>
meetings of the working teams, and occasional special conferences” to ensure its members are all contributing and continuously learning from each other (Tri-State Regional Development Case Study 2018). This aspect was noted as particularly important for the success of the organization during my interview with CEO Kelly O’Brien. O’Brien mentioned that the meetings for working teams involved different members of transportation agencies (etc) from all three regions getting together not to brainstorm what the “greatest” options were for the region, but rather to “talk about what they could actually do based on networks and assets in order to identify an action item that this team could feasibly work on and accomplish it” (personal communication, October 30, 2019).

According to the Borderplex 2018 Annual Report, the organization hosted seven investor events, four distinguished speakers series events, as well as their annual organizational event that included the former president of Mexico, as well as multiple members of U.S. Congress, notable CEO’s and 4 regional mayors (2018 Annual Report). Executive VP Marco Delgado also mentioned that the “executive committee meets once a month, while the board meets once every quarter,” emphasizing that this constant state of communication helped to ensure all regions remained on the same page and committed to the same issues (personal communication, November 13, 2019).

<table>
<thead>
<tr>
<th>Process</th>
<th>Specific Planning Responsibilities (e.g. Transportation)</th>
<th>The Alliance for Regional Development has 4 key planning responsibilities, including: transportation &amp;</th>
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<tr>
<td></td>
<td></td>
<td>Unlike ARD, Borderplex does not have have individual teams designated for specific tasks such as transportation. Rather,</td>
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<tr>
<td>Public vs. Private Funding</td>
<td>The Alliance for Regional Development utilizes a combination of public and private funding. As highlighted in the <em>Tri-State Regional Development Case Study</em> provided by ARD, the organization first gathered private sector funding through the assignment of co-chairs that were CEO’s of companies from each of the three regions. Later, EDA funding was secured through the federal government, as well as funding from “state commerce entities, foundations and corporate sponsorships” (<em>Tri-State Regional Development Case Study</em>). As a non-profit organization, Borderplex utilizes mainly private sector funding and member dues for its financing. Executive Vice President Marcos Delgado mentioned the importance of the organization’s impetus on private sector funding, mentioning that the Phaser report (mentioned in the first row of this chart) was “taken out of the hands of the public sector” in order to ensure that the organization was funded by the private sector (personal communication, November 13, 2019). In this way, the group is self-funded in that its logistics, workforce development, innovation, and green growth (<em>Tri-State Regional Development Case Study 2018</em>). These planning responsibilities are handled by distinct teams designated within the organization and comprised of mixed groups of public and private sector individuals from each of the three regions in order to ensure full representation and input from all parties. Borderplex utilizes overarching organizational “program areas and initiatives” to guide the direction of the non-profit and keep it on track (<em>The Borderplex Alliance</em>). While these program areas guide the organization as a whole, Borderplex also offers specific services (“development, advocacy, representation, and support”) to businesses.</td>
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<tr>
<td>Presence of Economically Advantaged “Predatory” Region</td>
<td>Among the three primary regions within the Alliance for Regional Development, Chicagoland (the Chicago metropolitan area) has a much larger GDP than the Milwaukee and Northwest Indiana regions. According to data from the Federal Reserve Bank of St. Louis, Chicagoland’s GDP as of 2018 reached approximately $680B, compared to the Milwaukee MSA GDP of approximately $105.4B (FRED Economic Data 2019). This stark economic advantage presents an obvious power dynamic amongst the three regions, an issue highlighted by Kelly O’Brien: “I give a lot of credit to the Chicagoland Chamber Foundation in that they understood the territorialism between Chicago and surrounding areas” (personal communication, October 30, 2019). This understanding of the perceived predatory nature of the larger economic presence</td>
<td>Regarding the three primary regions of The Borderplex Alliance, though on a smaller scale this same issue is prevalent. When asked about this issue of economic advantage, Marcos Delgado noted that the “El Paso business community provides about 65% of funding, with 30% from Juarez and under 10% from New Mexico” (personal communication, November 13, 2019). As such, “New Mexico was worried about not being represented fully by the organization and as a result, the group ensures to go back and forth to strengthen the relationship with New Mexico” (personal communication, November 13, 2019). Because the organization is entirely funded by the private sector and dues from its members, the issue of representation and fairness held significant importance for certain regions.</td>
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made it possible for the organization to focus on leveling the playing field and ensuring all regions had their concerns and ideas taken with the same level of importance as those of the Chicago area.

Stakeholder Implications & Further Research

Implications for Northern California Megaregion

Policy / Joint Action

1. **Clearly Defined Megaregional Objectives & Recommendations**: Due to reports from organizations like the San Francisco Bay Area Planning and Urban Research Association (SPUR) and the Bay Area Council Economic Institute (the original motivation behind this research), the Northern California megaregion already has multiple options in regards to potential objectives and recommendations to build from. These recommendations, such as expansion and enhancement of high-demand public transit systems and increasing housing development in areas near transit stations, can act as framing devices when forming the megaregional body (Bellisario, Weinburg and Mena, 2016). These kinds of recommendations are also effective in shaping the policy options taken and acting as the driving force behind collaborative efforts. This is a particularly strong component that plays in favor of Northern California because the area already has access to a number of recommendations to utilize in the formation of a megaregional planning organization.
2. **Formal Leadership Structure**: For the potential Northern California megaregional planning entity, a formal leadership structure will likely be necessary moving forward. Based on the structures of ARD and Borderplex, a board of leaders from both the public and private sector (representing all four regions of the Northern California megaregion) combined with a “staff” and teams of individuals from a mix of different fields in the megaregion will likely be necessary to ensure both governmental and private sector support. In this way, essential actors such as those in the private sector, public sector and academia could become involved in the collaboration process, which can help to curate joint action amongst different sectors. During my interview with ARD CEO Kelly O’Brien, she described gathering support from all areas (public sector, private sector, academia), explaining that she began by gaining private sector and academic support so that the public sector would join in due to the force behind the existing movement (personal communication, October 30, 2019). In regards to Northern California, there is no shortage of successful CEO’s and leaders in business, with many large companies calling the Bay Area their home. The selection of corporate sector leaders will be critical due to the negative public image of many tech CEO’s. Leaders will be needed who are both successful and have maintained a favorable image with local governments and the public.

**Information Sharing**

3. **Full Representation of All Participating Regions**: For Northern California, the presence of regional issues that seemingly stem from the Bay Area (such as housing prices) will only generate further tension along with the existing economic tensions that
come from the Bay Area’s role as a “predatory” region. This is one aspect of Northern California that may make it difficult to organize a formal structure for megaregional planning. It will be extremely difficult to get some of the smaller regions on board and fully participating when they are aware of the economic strength and advantage held by the Bay Area. Ensuring that smaller regions like Northern San Joaquin Valley and Monterey Bay feel that their concerns and ideas are being heard will be critical. A first step towards this will be gathering co-chairs from all four regions to sit on the board, as well as integrating different private sector, public sector and academic institutions from each of the represented regions, similar to ARD. This kind of full representation can also be key in ensuring that all parties are participating, and thus, sharing the essential kinds of information necessary for collaborative efforts. Without the participation of each region, lack of communication can cause information lapses, creating problems for the organization to properly function.

4. **Consistent Efforts to Encourage Intergroup Communication Between Stakeholders:**

Intergroup communication between stakeholders is one of the primary strategies for ensuring the sharing of information across organizations and regions. There are currently already “megaregional” summit events taking place in Northern California, giving the area an advantage in this aspect of the core functions of megaregional planning organizations. According to Andrew Chesley, the Executive Director of the SJCOG, “there is [going to be] a meeting in San Francisco on November 15th to discuss and attempt to reinvigorate the megaregional efforts as well as a megaregional planning conference coming up,” revealing that to some extent collaborative efforts for megaregional conversations are taking place (Andrew Chesley, personal communication,
October 28, 2019). The attention paid to the importance of megaregional conversations means that awareness of this issue (and the lack of progress on it) is prevalent. Moving forward, meetings such as these will continue to be critical to the success of a megaregional planning agency and may even be more effective if led / hosted by a more formal structure with explicit goals and objectives in mind. As previously discussed above, ARD saw immediate results in mass transit solutions by coordinating the communication between three regional transportation agencies in the Chicago tri-state area.

Process

5. **Specific Planning Responsibilities (e.g. Transportation):** Currently, issues such as transportation and emissions goals are designated to local government bodies such as MPO’s and COG’s, which can create issues for communication efforts across regional boundaries. This notion was affirmed during my interview with the Executive Director of the San Joaquin Council of Governments, who stated that “informal relationships” had been established with groups like the Bay Area COG, but “lack of funding” and struggles with finding time to commit to these more “megaregional efforts” caused these relationships to wither and remain mostly unfruitful (personal communication, October 28, 2019). Further, while speaking with a communications representative from the Bay Area Council of Governments, it was made clear that legislation such as Senate Bill 375 (which places the responsibility of meeting greenhouse gas emission requirements on regional government bodies like COG’s) and more locally focused efforts like Plan Bay Area, a long-term plan specifically addressing issues in the nine-county Bay Area, were
interfering with collaboration efforts between the two COG’s (personal communication, November 5, 2019). Issues such as these could potentially be mediated with the presence of a formal body designated with the responsibility of achieving collaboration. By offering communication avenues and connecting experts and leadership from different regions, as opposed to relying on existing COG’s to handle the logistics and operations of communication, a megaregional planning structure could increase the amount of progress made on transportation efforts spanning across regional boundaries.

6. **Public vs. Private Funding:** Regarding Northern California, since there is currently no megaregional planning organization, the plan for funding will still need to be determined. As mentioned in previous sections, the presence of Silicon Valley and the large number of very profitable companies makes private sector funding very appealing, but public sector support is also a critical component and if there is potential to secure a combination of the two sources to ensure diversification of funding sources, this should be pursued. For the specific case of Northern California, due to its similarity in population and economic strength to the Chicago tri-state region, a dual approach similar to that of ARD would likely yield more positive results. By incorporating private sector funding while also fighting for public funding through state or federal grants, a potential organizational would have more robust funding and be less susceptible to cuts in public funding. One issue that may arise in Northern California could potentially involve the number of donors or funders involved. There is a large presence of non-profits and other non-governmental organizations that will likely want their opinions to be considered by a megaregional planning body in Northern California. As such, it will be difficult but
necessary to decide how much power will be held by those funding the organization, if any at all.

7. **Presence of Economically Advantaged “Predatory” Region:** Regarding Northern California, this idea presents the largest issue. The Bay Area, including the San Francisco, Oakland and San Jose areas, has a total GDP of approximately $535B, ranking it 19th in the world when compared to other nations (French-American Chamber of Commerce). This extremely high GDP presents a clear economic advantage over the smaller economies of the other regions in the Northern California megaregion, including Sacramento, Northern San Joaquin Valley and Monterey Bay. This issue was highlighted in multiple interviews with COG leadership from the smaller regions who wished to remain unnamed under this context. In this statement, the individual noted that during a conversation involving the absorption of one smaller region into the neighboring Bay Area for transportation planning means, he stated that his region “was not interested in hostile takeovers” (personal communication, n.d.). This quote brings the regional tensions to light and reveals how important it will be to ensure that each region in Northern California feels they are receiving as much (if not more) as they are contributing to the megaregional planning operation. These regional tensions may present a case against the formation of a megaregional planning organization in Northern California.

*Future Research*

In regards to future research and expanding upon the results of this project, it will be necessary to increase the amount of research for inter-regional cooperation and how this form of collaboration can improve the efficiency of larger regional planning efforts. As discussed in the
*Prior Research* section of this paper, there has not been significant research into the effects and benefits of inter-regional cooperation and collaboration within the U.S. Much of the prior work found during my preliminary research involved extremely large scale collaboration across regions such as the EU and Asia or small scale collaboration in relation to its effect on very specific aspects of economic achievement, such as innovation within a company or industry. In order to further my own research on what may be necessary in forming a megaregional planning structure for a region as complex as Northern California, formal quantitative research will be necessary to provide concrete evidence that these efforts will generate value from both a qualitative and quantitative perspective.

Another aspect of future research to be examined involves the potential for alternate solutions for the lack of megaregional cooperation in Northern California. As discussed briefly in the *Methods* section, while a formal megaregional planning organization is the recommended structure in this research, there are other potential options for resolving this issue. For example, as opposed to creating an entirely new organization, there is the possibility to expand the responsibilities of existing agencies beyond their current boundaries, such as Councils of Government or specific agencies such as the Metropolitan Transportation Commission, in order to incentivize and empower them to work at a more megaregional capacity. There is existing evidence that such projects have lead to results on a research scale, such as the *Northern California Mega-Region Goods Movement Study* conducted by the Northern California Metropolitan Transportation Commission. This project aimed to offer recommendations for improving goods movement in the Northern California megaregion and involved partnerships with the “Association of Monterey Bay Area Governments (AMBAG), Sacramento Area Council of Governments (SACOG), the San Joaquin Council of Governments (SJCOG) and the
California Department of Transportation (Caltrans)” (Northern California Metropolitan Transportation Commission). Projects such as these reveal that targeted research and collaboration opportunities are possible without a formal megaregional planning structure; however, further research will be necessary to determine if similar projects can be replicated at a larger scale and if these kinds of recommendations can feasibly be implemented through policy, which may be difficult without a formal body or agency.

**Conclusion**

As megaregions become increasingly more relevant for long-term planning of transportation, housing and economic development, new planning structures that span across county and regional lines will become increasingly necessary for these plans to be effective. In its current state, the Northern California megaregion consists of a multitude of regional agencies that lack the necessary structures for collaboration, cooperation and communication, despite the presence of verbal and written agreements to work together on regional planning efforts. This lack of a formal structure for collaboration across regional bodies has caused a lag in the planning efforts for particularly impacted areas like transportation, both passenger and freight. There are existing examples of successful megaregional planning organizations that have been able to integrate the planning efforts of large geographic regions across state lines and national borders in areas with larger populations than that of Northern California. This evidence and the organizations providing them offer Northern California a unique opportunity to learn from the lessons and successes of existing organizations in forming its own megaregional planning body.

For this project, I conducted a comparative analysis of two existing megaregional planning organizations in the U.S. compared to the existing structures, or lack thereof, in
Northern California in regards to long-term transportation planning. As part of this research, I analyzed multiple case studies and reports offered by these organizations as evidence of success stories and lessons learned, as well as conducted multiple interviews with leadership from the megaregional organizations and Executive Directors at the individual Councils of Government making up the Northern California megaregion (Bay Area, Sacramento, San Joaquin Valley, and Monterey Bay). After collecting this information, I searched for overarching trends and characteristics of success in the existing organizations and identified seven such trends. These characteristics are as follows: Clearly Defined Megaregional Objectives & Recommendations, Specific Planning Responsibilities (e.g. Transportation), Public vs. Private Funding, Formal Leadership Structure, Consistent Efforts to Encourage Intergroup Communication Between Stakeholders, Presence of Economically Advantaged “Predatory” Region, Full Representation of All Participating Regions. Taking these seven organizational characteristics into consideration, as well as prior research on what regional elements are required to foster successful inter-regional cooperation, my research concluded with a discussion on Northern California’s ability to successfully integrate a megaregional planning structure and how it could go about doing so.
Works Cited


Appendix

Figure 1
The Chicago Tri-State Region
Figure 4

The Borderplex Region consisting of Texas, New Mexico, and Chihuahua, Mexico
List of Interviewees

- Andrew Chesley: Executive Director, San Joaquin Council of Governments
- James Corless: Executive Director, Sacramento Council of Governments
- Kelly O’Brien: CEO of The Alliance for Regional Development
- Leah: Communications Representative, Association of Bay Area Governments
- Marcos Delgado: Executive Vice President of The Borderplex Alliance

Interview Questions

What is the current role of this organization within the area?

How was the coalition originally founded? Was there an event, recession, etc., that caused a sense of urgency to start it?

What kinds of projects fall within the scopes of the organization?

Does the organization ever work with other JPA’s or COG’s outside of _________?

How is ____ funded? Govt. funding or private funding? Member funding?

Note: During the phone interviews, other questions and conversations came up, but these were the primary questions asked for the purpose of my research.