

## **FINANCE: THE CRITICAL LINK THE TRANSPORTATION/LAND USE/ENVIRONMENT CONNECTION**

***October 19-21, 2003***

***UCLA Conference Center at Lake Arrowhead***

850 Willow Creek Road

Lake Arrowhead, California

The public finance of transportation systems and the public regulation of land use profoundly affect private investment decisions of developers, location decisions of employers and residents, and travel patterns of people and goods. These links between public finance and regulation, and private decisions and behaviors are the subject of this year's 2003 UCLA Lake Arrowhead Symposium. This program is part of an annual policy/research symposium series on the connections between transportation, land use, and environmental quality.

The past decade has witnessed significant efforts to better link transportation and land use investments. The connections between land/transportation prices, and private location decisions and travel behavior have received particular attention from both practitioners and researchers. The goal of this symposium is to present, discuss, and debate the most recent developments in the transportation—land use—environment—*finance* connection.

Finance is a particularly timely topic given the economic recession and the resultant decline in public funding to pay for needed facilities, programs, and services: In California, for example, the state has faced a two-year revenue shortfall in excess of \$38 billion. The federal deficit (due to the recession, tax cuts, and increased defense and security spending) is ballooning, and local governments throughout the country find it increasingly difficult to raise sufficient revenues to pay for expanding obligations. Furthermore, the environmental consequences of both expanded and intensified land development and growing personal and commercial travel are potentially significant, and the avoidance/mitigation costs substantial. The challenges to public and private financing of transportation systems, land development, and environmental mitigation—in an era of withering resources—form the backdrop to the 2003 UCLA Lake Arrowhead Symposium.

*Symposium Co-Chairs:*

***Joanne Freilich***, Director, UCLA Extension Public Policy Program

***Brian D. Taylor***, Associate Professor and Vice Chair of Urban Planning and Director, Institute of Transportation Studies, UCLA

### **SUNDAY AFTERNOON, OCTOBER 19, 2003**

2:00 pm

#### **SYMPOSIUM OVERVIEW**

***Brian D. Taylor***, Associate Professor of Urban Planning and Director, Institute of Transportation Studies, UCLA School of Public Policy and Social Research

2:30 pm

## **TRANSPORTATION AND LAND USE IN THE BROADER CONTEXT OF PUBLIC FINANCE**

This session lays the groundwork for the sessions to follow by examining how public finance and finance-driven public policies influence both the provision of infrastructure (including transportation) and the regulation of land development. Collectively, the presentations look to the future, identifying challenges, opportunities, and policies affecting land use and infrastructure.

*Moderator: Joanne Freilich, UCLA Extension Public Policy Program*

### **Paying for Infrastructure: Implication for Transportation Systems and Land Development**

*David Dowall, Professor of City and Regional Planning, UC Berkeley*

### **Managing Infrastructure Assets: Implications of New Accounting Guidelines**

*Daniel Dornan, Vice President, AECOM Consult, Inc., Fairfax, VA*

### **The Fiscalization of Land Use: Effects on Development and Travel Patterns, and Opportunities for Reform**

*Elizabeth Deakin, Associate Professor of City and Regional Planning, UC Berkeley and Director, University of California Transportation Center*

4:00 pm

Break

4:15 pm

## **THE ANATOMY OF TRANSPORTATION FINANCE**

The finance of surface transportation has evolved into a complex web of both private investments and public expenditures by all levels of government. This session gives a detailed overview of this finance system, highlights important turning points in its development, and explores the potential for improving the stability, effectiveness, and equity of surface transportation finance in the coming years.

*Moderator: Brian Taylor, UCLA*

### **Shifting Sands: The Evolution of Surface Transportation Finance**

*Arthur Bauer, Principal, Arthur Bauer & Associates, Sacramento, CA*

## **Where it Comes From and Where It Goes: The Current State of Transportation Finance**

*Therese McMillan*, Deputy Director of Policy, Metropolitan Transportation Commission, San Francisco

## **Reforming Surface Transportation Finance: Needs, Opportunities and Constraints**

*Martin Wachs*, Roy W. Carlson Distinguished Professor in Civil and Environmental Engineering, Professor of City and Regional Planning, and Director, Institute of Transportation Studies, UC Berkeley

5:45 pm      **Check-in and Opening Reception**

6:30 pm      **Dinner**

### **SUNDAY EVENING, OCTOBER 19, 2003**

8:00 pm      **WORKING WITH, AND AGAINST, FISCAL POLITICS TO IMPROVE LAND USE, TRANSPORTATION, AND ENVIRONMENTAL OUTCOMES**

How do political debates over public finance influence land use and transportation decision-making? What are the environmental consequences? Given the realities of political bargaining, how can we make decisions that result in sounder outcomes? These questions are addressed in a roundtable discussion among public and private sector policy leaders.

*Moderator: LeRoy Graymer, Founding Director Emeritus, UCLA Extension Public Policy Program*

*Dan Beal*, Manager of Public Policy and Programs, Automobile Club of Southern California

*Julie Bornstein*, Director, USC Keston Infrastructure Institute

*The Honorable Tom Torlakson*, California State Senator

## **Discussion Among All Participants**

9:30 pm      **Informal Reception and Continued Discussion**

**MONDAY MORNING, OCTOBER 20, 2003**

7:30 am Breakfast

8:45 am **THE FISCAL LINK BETWEEN LAND USE AND TRANSPORTATION:  
ASSESSING RESEARCH FROM HOME AND ABROAD**

Research on land use-transportation relationships includes a growing body of work on the role of finance in shaping both land development and travel behavior. This topic is examined from three perspectives: evaluations of the public and private costs of alternative forms of development; the effects of transportation investments on land development; and the effects of fiscal policies on development and travel in Europe.

*Moderator: Randall Crane, Professor of Urban Planning, UCLA School of Public Policy and Social Research*

**The Fiscal Impacts of Alternative Forms of Development: What Has the Evidence Shown?**

*Robert Burchell, Distinguished Professor and Co-Director, Center for Urban Policy and Research, Rutgers University*

**The Role of Transportation Investments in Shaping Land Development**

*Robert Cervero, Professor of City and Regional Planning, UC Berkeley*

**Using Public Finance Tools to Shape Land Development and Travel Patterns in Europe**

*John Pucher, Professor of Urban Planning and Policy Development, Bloustein School of Planning and Public Policy, Rutgers University*

**Discussion Among All Participants**

10:15 am **Break**

10:30 am **MAKING LAND USE AND TRANSPORTATION INVESTMENTS WORK TOGETHER: RECENT INNOVATIONS IN PRACTICE**

This session focuses on recent efforts to make land use and transportation investments work together better. The first presentation examines efforts to use finance creatively to better link land development with public transit investments. The second presentation examines the role that parking and parking revenues can play in revitalizing local commercial districts and neighborhoods.

*Moderator: Martin Wachs*

**Using Finance Creatively to Better Integrate Public Transit and Land Development: Assessing Recent Efforts**

*Will Fleissig*, Principal and Co-Founder, Continuum Partners LLC, Denver, CO; Senior Advisor, University of Colorado Real Estate Center, Boulder, CO

**Turning Small Change into Big Changes: Using Parking Revenues to Revitalize Commercial Districts and Neighborhoods**

*Donald Shoup*, Professor of Urban Planning, UCLA School of Public Policy and Social Research

**Commentary:**

*James Corless*, National Field Director, Surface Transportation Policy Project

**Discussion Among All Participants**

12:00 pm      **Lunch**

**MONDAY AFTERNOON, OCTOBER 20, 2003**

1:30 pm      **LINKING LAND REGULATION AND TRANSPORTATION FINANCE TO ENVIRONMENTAL QUALITY**

The regulation of land development and pricing of travel shape the use of land, the consumption of other natural resources, and the production of pollution. Can paying more attention to the land and transportation price signals significantly improve environmental quality? This session examines the latest work on the links between land and transportation finance and environmental quality.

*Moderator: Joanne Freilich*

**Measuring and Pricing Environmental Externalities in Land Use and Transportation Systems**

*Kenneth Button*, Professor of Public Policy, George Mason University

**Transportation Pricing as an Air Quality Management Tool: Case Studies of Recent Practice**

*Jennifer Dill*, Assistant Professor of Urban Studies and Planning, Portland State University

## **New Developments in Incorporating Environmental Mitigation into Project Planning and Finance**

*Jay Norvell*, Acting Chief, Division of Mass Transportation, California  
Department of Transportation

### **Discussion Among All Participants**

3:00 pm      **Free Time**

5:30 pm      **Reception**

6:30 pm      **Dinner**

### **MONDAY EVENING, OCTOBER 20, 2003**

8:00 pm      **PRIVATE SECTOR VIEWS ON DEVELOPMENT, LAND USE, AND  
TRANSPORTATION: A ROUNDTABLE**

Public policy is often promulgated on a limited, or even faulty, understanding of how private land development decisions are made. In this session, land developers and other private sector actors offer their views on location decisions, public regulation of private land markets, growth management and smart growth, and the role of transportation investments and exactions on development decisions. Panelists also discuss infrastructure finance issues, especially in the transportation realm.

*Moderator: Susan Kamei*, Executive Director, Urban Land Institute Los Angeles District Council

*Mitchell Menzer*, Partner, Project Development and Real Estate Group,  
O'Melveny & Myers, LLP, Los Angeles, CA

*H. Pike Oliver*, Principal, The Presidio Group & INTERRA, Sacramento, CA

*Bob Santos*, President, Lennar Communities Southern California Division

9:30 pm      **Informal Reception/Discussion**

**TUESDAY MORNING, OCTOBER 21, 2003**

7:45 am      **Breakfast**

8:45 am      **MOVING THE ECONOMY: WHO SHOULD PAY FOR GOODS  
MOVEMENT AND HOW?**

Growth in the surface movement of goods – by truck and by rail- is outpacing growth in personal travel. Yet, the role of pricing and taxation in shaping the movement of goods, and the land use impacts of a growing and restructuring freight industry have received little attention from analysts and policymakers. This session examines trends in the movement of goods, the implications of these trends for both transportation infrastructure and land development, and opportunities to use pricing to finance freight infrastructure.

*Moderator: Norm King*, Executive Director, San Bernardino Associated Governments

**The Restructuring of Freight Logistics: Implications for New Technologies,  
Land Use, and Infrastructure Finance**

*Peter F. Swan*, Assistant Professor of Supply Chain Management, Smeal College of Business, Pennsylvania State University

**Case Study: Financing Regional Goods Movement Projects in Southern  
California**

*Hasan Ikhata*, Director of Planning and Policy, Southern California Association of Governments

**Discussion Among All Participants**

10:15 am      **Break**

10:30 am      **THE POLITICAL CHALLENGES TO FISCAL REFORM: IMPROVING  
THE TRANSPORTATION – LAND USE – ENVIRONMENT – *FINANCE*  
CONNECTION**

Four senior practitioners offer their closing thoughts on how to improve the transportation – land use – environment – finance connection, and what implications they see if current patterns of growth, travel, and finance do not change. Participants are then invited to discuss the political challenges to – and opportunities for – fiscal reform.

*Moderator: Brian Taylor, UCLA*

***Gary Gallegos***, Executive Director, San Diego Association of Governments

***Pete Hathaway***, Deputy Executive Director, Planning and Project Delivery,  
Sacramento Area Council of Governments

***Ronal Kirby***, Director of Transportation Planning, Metropolitan Washington  
Council of Governments

***Ron Loveridge***, Mayor, City of Riverside, CA

**Discussion Among All Participants**

12:00 pm

**Concluding Lunch**  
**Steering Committee Meeting**