MEMO

DATE: May 5, 2005

TO: Community, Economic & Human Development Committee

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SUBJECT: Compass Partnership

SUMMARY:

In June 2004, The Regional Council approved the creation of a new Compass Task Force to guide the implementation of the Compass program.

The Compass Partnership will be established with representatives from the private and public sectors to serve as an extension of the Compass program into local communities. Its goals are as follows:

1. Stimulate the 2% Strategy Implementation, Monitoring & Consensus Building activities.
2. Mobilize private and non-profit interests to increase awareness and promote the Compass Regional Vision using their existing networks.
3. Advise SCAG as a regional agency on potential opportunities for SCAG to assume a leadership role for Compass and other activities.
4. Assist in interacting with state and federal officials and agencies for policy development and legislative opportunities

BACKGROUND:

Compass Partnership

Compass, with its bottom-up growth visioning process, has ushered a new level of coordination and integrated planning in the Southland. In implementing the Compass Vision, SCAG has a great opportunity to further enhance relationships with not only the many local governments and other public agencies, but also with the private sector, including business leaders, professional organizations, educational institutions, and many others. Coordination and integration is vital to the successful realization of the goals and strategies outlined in the vision, and to the long-term success of SCAG and its partners.

What is *Compass Partnership* and what does it do?

Compass Partnership is a new SCAG initiative dedicated to working with the private sector on issues affecting the mobility and prosperity of all residents, livability for all communities, and the sustainability of the SCAG region.

The program aims to work with the private sector in the development of:

- **Innovative ways to implement land use and transportation projects**. The Compass Growth Vision demonstrated the significant benefits of an integrated approach to land use and transportation projects. Additionally, throughout the region, many new developments are taking advantage of key new transit infrastructure to provide housing, employment and retail opportunities in underdeveloped areas, providing the efficient use of existing infrastructure resources while creating livable communities.

- **Incentive-based approaches to planning**. Regulation, while needed in many instances, in others in can act as an obstacle to creative solutions. SCAG is working to implement the Compass Vision in large part by providing incentives for its partners as well as the private sector to invest resources in strategic areas that bring the most benefits to the region.
- **Innovative finance mechanisms.** Developing innovative ways to finance transit supportive and other infill projects within Compass 2% Opportunity Areas is a critical component of a successful implementation strategy. The program will rely on identifying ways to attract private investment through new or revamped funding strategies and public sector regulations supportive of local market conditions.
- **Opportunities for public-private partnerships**. Solutions to complex regional problems often require that the private and public sectors team up in creative partnerships that result in mutually beneficial outcomes. Many of the most exciting new developments in the region have benefited from some type of cooperation between these two sectors.
- **Policies and legislative directives that bring prosperity to the region**. Policies need to be responsive to the needs and requirements of the business sector. Working together, SCAG and business leaders can devise policies that utilize the power of the market and input from the private sector to solve problems facing the region.
- **Avenues for effective communication**. SCAG understands that "magical" things can happen when different sectors of society sit around a table to discuss common problems and share information. SCAG aims to develop a diverse set of formats for business leaders to freely discuss issues important to the private sector as well as develop *Compass Partnership* into the avenue of choice for the acquisition of regional information.

Why is *Compass Partnership* important to the private sector?
The Southern California region is the second largest metropolis in the country, and one of its most diverse. While it contains one of the world's most dynamic economies, it is also holder of some less fortunate traits, such as being the most congested region in the country and a national leader for air pollution. The latest Census also revealed that the region has the highest percentage of people living in poverty of all the major metropolitan regions in the country.

The region is challenged by both a high population growth rate and substantial physical constraints. The same reasons that make the region so appealing (beaches, mountains) create limiting barriers to physical growth. Nonetheless the region will grow significantly over the next 30 years, bringing daunting challenges.

Increasingly, regional challenges are complex, with causes and solutions intertwined across political authorities, jurisdictions and all sectors of society. Cooperation and coordination on a much wider scale than has been practiced in the past is required to address this complexity.

Regional Issues Affect the Regional Economy
Some of the most important issues facing the region deeply affect the private sector. They include:
- **Congestion**. Between 1990 and 2000, the number of vehicle miles of travel per person almost doubled, despite growth having slowed down considerably. This led to the increase in the average commute time from 26 to 29 minutes, remaining considerably higher than both the state and national averages. If current projections continue, daily vehicle hours of delay will more than double from 1.6 million to 3.6 million in 2030. This will result in billions of additional dollars lost in time spent stuck in traffic.

- **Air pollution**. Despite significant air quality improvements in the region in the last 30 years, the Southern California region is still, and will continue to be, challenged with air pollution. Maximum pollutant concentrations still exceed the federal standards for ozone, carbon monoxide and particulate matter. Pollution abatement programs are very costly to industry and can be proved useless unless all sectors of society work together to create a long-term strategy to solve the problem of air pollution.
- **Workforce housing**. The cost of living has soared throughout the region, causing an affordability crisis for low-income households and increasingly for middle-income families seeking single-family homes. This is especially true in the coastal and jobs-rich areas of the region. The supply of affordable, quality housing is a key component to attract and maintain a healthy workforce in the region.
- **Freight mobility**. Truck access directly to the ports contributes to severe congestion on the freeway system and to poor air quality in the region. Additionally, the region is experiencing increasingly larger volumes of rail and truck freight. The surface road network plays a significant role in distributing freight destined for local markets. Delays in product delivery and additional distance traveled pose heavy costs to the regional economy.
- **Livable communities**. Population growth continues to threaten our valuable environmental assets. Today, some hillsides not long ago considered too steep for development are now sprouting houses. Some areas of the region provide few opportunities for experiencing the outdoors. A livable region is what attracted millions of workers and families to the region in the first place. It is now more important than ever, to effectively compete in the new global economy, that the region maintain and enhance its significant environmental amenities.

Organization Structure

Compass Partnership will be led by a commission that would act semi-independently of SCAG. This commission would be made of representatives from the private and public sectors, including SCAG members.

The mission of the commission would be to find ways to tackle the most important problems facing the region through a variety of tools. The commission would define programs that meet the demands of the business community, are supportive of SCAG goals, lead to short-term successes, strengthen partnerships, and lead to long-term solutions through a combination of legislation, incentive programs, partnerships and cooperation.

Task Force membership will consist of SCAG presidential appointees with the assistance of elected officials and SCAG staff. Membership will be solicited in part through the personal outreach of the Executive Director. Membership will include both elected and non-elected community leaders. These may include representatives in the fields of government, business, finance, economics, real estate and development, planning, education, community advocacy, among others.

The Task Force will be convened as prospects, progress and issues dictate rather than on a pre-determined regular basis (e.g. monthly). Meeting location could rotate to venues throughout the SCAG region.