revisiting the urban west

Politics and economics limit what cities can do.
Tempe Butte, also called "A" Mountain and Hayden Butte Preserve, rises 350 feet above Sun Devil Stadium and the waterfront condominiums of Tempe Town Lake. Next: Vintage Reno.
Twenty years ago we began our research into cities in the West. In *The Urban West: Managing Growth and Decline*, published in 1994 by Praeger Publishers, we detailed the experiences of mid-sized cities (100,000-200,000 in population) and did a more in-depth analysis of 10 focus cities—Boise, Idaho; Eugene and Salem, Oregon; Modesto, California; Pueblo, Colorado; Reno, Nevada; Spokane and Tacoma, Washington; Salt Lake City, Utah; and Tempe, Arizona. Since then we have seen our home city of Boise and all the other focus cities continue to cope with growth, decline, and economic development challenges. For this study, we have expanded the population range up to 300,000.

This book is a study of the limitations imposed on western cities and their struggles to maintain services during periods of rapid growth and decline. In the *Urban West Revisited* we trace the trajectory of trends identified in the early 1990s, and discuss new challenges facing western cities as they cope with the most severe economic downturn since the Great Depression.
Maintaining a healthy tax base, promoting the city to new businesses, and preserving the quality of life are issues that remain critical for cities. Other issues reflect the larger size and increased sophistication of some of our cities, such as light rail and rapid transit development or the creation of a regional approach to growth management and economic development. Regardless of their size today, each of our focus cities is struggling to meet these challenges in the midst of cyclical and structural budget shortfalls facing state and local governments throughout the West.

When we refer to cities, we primarily mean city governments. They are our central unit of analysis, and our focus is primarily on the public sector. Other actors in this study are typically viewed from the perspective of cities. When we speak of partnerships with the private sector or the work of other groups, it is from the perspective of city government. We believe that most of our Urban West cities have the potential to avoid the mistakes of our country's largest cities, to overcome the intractable problems that beset most of the nation, and to shape future courses in ways that would maintain human scale in the midst of growing metropolitan areas.

This book is an outgrowth of our fascination with city government and our belief that cities are important and interesting in and of themselves. We have spent most of our professional lives either studying urban government and politics or working directly on the challenges that beset municipal and other local governments. It is a book for both practitioners and students of urban government. We deal with "real world" issues as well as the factors explaining the underlying patterns and diversities found among western cities. Two bodies of excellent work informed this analysis: one is rooted in the theoretical and empirical work of political science and economics, the other in public administration. The first body of literature addresses abstract questions such as how a city should be governed, the proper relationships in American federalism, and the theoretical relationships between economic policies and city welfare. The second takes up the applied questions of what cities are actually doing and how they can operate more efficiently and democratically.

Having exposure to both literatures enriches readers and their politics. It is critical to have some sense of the larger picture and to develop a framework to understand the political and economic forces shaping urban politics. It is also imperative to understand the major concerns of the people who actually run our cities and to have some sense of how they go about their jobs.
Cities as Limited Actors

There are three main sources of limitations on cities:

- The economic context and realities within which cities operate in the national and global economies.
- The limitations set upon cities by their state constitutions and statutes.
- The limitations set upon cities by their citizens through the direct democratic process.

- Economic context

Today's cities are not city-states. They do not control the movement of people and capital in and out of their boundaries. Political scientist Paul Peterson's "limited cities" are limited by their place in the global and national economy. Peterson maintains that the economic interest of the city as a whole drives the decisions and politics of American cities. In other words, in most major municipal decisions, the need for communities to grow economically and to expand their tax base is far more influential in the decision-making process than such non-economic factors as the type of governmental structure, the degree of neighborhood activism, or the nature of mayor-council interactions.

Scholars have debated the extent to which only economic factors determine the limitations on city decisions. Some have argued that Peterson's analysis overlooks important neighborhood and leadership influences on city decision making. The bulk of the recent research on urban politics has focused on the interaction of public and private interests as cities seek to grow and maintain their economic well-being.

This more balanced approach to the role of politics and economics is evident in the "urban regime" literature. Dennis Judd and Paul Kantor refer to the urban regime approach as one that includes an analysis of the "tensions between local democracy and the marketplace." This urban regime, initially presented by Stephen Elkin, is also used by Clarence Stone, who defines an urban regime as the "informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions." The work of Peterson, Judd, and Kantor recognizes the importance of legal and economic limitations on city decision making. A focus solely on the internal politics of cities or

Pictured: The interdependent city is seldom a globe unto itself. Next: Municipal bonds.
solely on the economic constraints of cities is incomplete.

- Intergovernmental limits

The second major set of limitations derives from the city’s role in our intergovernmental system. Cities can do little that is not mandated or authorized by the state government. This approach to the study of cities can be seen in the work of Gerald E. Frug and David J. Barron (2008). Cities in the United States are creatures of their state, as the famous (or infamous) “Dillon’s Rule” opinion asserted in 1868. That is to say, cities have only those powers and authorities granted them by their state. These state provisions include such constraints on city governments as specifying the form of government, determining how cities are financed, and limiting the extent of their regulatory powers. In addition, the actions of other local governmental entities have some impact on city prerogatives. Local school districts or highway districts can implement their own public facilities plans without any city input.

The impact of our federal system is also seen in the rise of federal mandates on cities and congressional pre-emption of municipal authority. These mandates include federal laws, and regulations requiring cities to improve air and water quality, comply with federal civil rights laws, and satisfy Occupational Safety and Health Administration (OSHA) standards. The federal courts also impose significant restrictions, particularly in the area of limiting municipal bond authority and requiring municipal compliance with federal employment laws (Fair Labor Standards Act).

- Citizen initiatives

A city’s own citizens may place further constraints through the initiative process. Scholars such as Todd Donovan and Shaun Bowler have investigated how citizens increasingly use initiatives to restrict taxing powers, as in property tax revolt-like measures, or to slow or even stop growth. The increasing use of these direct democracy tools raises a question about the distinction between local autonomy and democracy. Local control has generally meant that local officials had the ultimate say on issues that directly affected communities. Today, the concept is a bit more complex as citizens increasingly use the initiative process to affect city policy. Who should prevail in matters of local control: the electorate through the direct democratic process (initiative, referendum, and recall) or the community’s elected representatives?
Overview

Cities are important partners in our American intergovernmental system, but they do not have inherent powers of local self-government. All American cities operate within an environment of limits. They are limited in a formal, legal sense because they derive most of their powers from law or constitutions. As the phrase goes, they are creatures of the state. Cities are limited by their economic context; they are small pawns in a larger national, even global, economy. Decisions made in corporate boardrooms, far removed from city boundaries, often have more impact on communities than do the actions of their elected officials. It would seem, then, that western cities' struggle toward local autonomy and economic self-sufficiency would be doomed. No amount of home rule authority or economic development will give them absolute independence. In spite of this situation, cities fight against their limits, asserting the value of local initiatives and discretion. The fight for greater local autonomy "has been a century-long struggle and an article of faith among local officials." 9

Urban West cities have pushed against the limits in recent years either to promote growth or to respond to growth's impact on municipal services and facilities. The population and economic growth in the Urban West has focused attention on cities and their ability to serve both new and existing residents. Questions have been raised about how much growth is beneficial, who should pay for growth, and how growth can be managed. Response to growth has raised further questions about the meaning of local autonomy, the power of elected officials to implement their policies, and the rights of citizens through the initiative and referendum process to restrain or modify local policies.

Urban West cities have also struggled to cope with decline as the national and global economies shrink and remake themselves as a result of what is being called the "Great Recession." 10 The Great Recession is hitting cities hard. As a recent National League of Cities study noted: "Local governments across the country are now facing the combined impact of decreased tax revenues, a falloff in state and federal aid and increased demand for social services. Over the next two years, local tax bases will likely suffer from depressed property values, hard-hit household incomes and declining consumer spending. Further, reported state budget shortfalls for 2010 to 2012 exceeding $400 billion will pose a significant threat to funding for local government programs. In this current climate of fiscal distress, local governments are forced to eliminate both jobs and services." 11
Our focus cities have all experienced revenue shortfalls and have been faced with difficult decisions about how to balance their budgets and maintain necessary services.

**Unemployment**

The impact of the downturn in the national economy in 2008 is illustrated in the sudden uptick in unemployment rates in each of the Urban West cities between 2007 and 2009. For example, unemployment rates in Washoe County, Nevada (Reno), increased from 5.3 percent in 2007 to 13.3 percent in 2011. While the national economy has shown some indications of improvement in early 2011, the Urban West cities have yet to experience that positive change. In January 2011, the national unemployment rate in the United States was 8.9 percent. As the table below illustrates, all of the Urban West cities except Salt Lake City had unemployment rates higher than the national figure in January of 2011.

### Unemployment Rate, January 2011

<table>
<thead>
<tr>
<th>County, State</th>
<th>City</th>
<th>2001</th>
<th>2005</th>
<th>2009</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanislaus County, CA</td>
<td>Modesto</td>
<td>9.1</td>
<td>10.0</td>
<td>15.4</td>
<td>18.2</td>
</tr>
<tr>
<td>Washoe County, NV</td>
<td>Reno</td>
<td>5.0</td>
<td>5.7</td>
<td>11.0</td>
<td>13.3</td>
</tr>
<tr>
<td>Pueblo County, CO</td>
<td>Pueblo</td>
<td>4.4</td>
<td>7.7</td>
<td>8.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Marion County, OR</td>
<td>Salem</td>
<td>6.2</td>
<td>7.6</td>
<td>10.9</td>
<td>11.6</td>
</tr>
<tr>
<td>Lane County, OR</td>
<td>Eugene</td>
<td>6.4</td>
<td>6.9</td>
<td>11.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Spokane County, WA</td>
<td>Spokane</td>
<td>6.7</td>
<td>7.1</td>
<td>8.8</td>
<td>10.5</td>
</tr>
<tr>
<td>Pierce County, WA</td>
<td>Tacoma</td>
<td>6.0</td>
<td>6.7</td>
<td>8.3</td>
<td>10.4</td>
</tr>
<tr>
<td>Ada County, ID</td>
<td>Boise</td>
<td>3.7</td>
<td>3.9</td>
<td>7.4</td>
<td>9.7</td>
</tr>
<tr>
<td>Polk County, OR</td>
<td>Salem</td>
<td>5.6</td>
<td>6.5</td>
<td>9.1</td>
<td>9.7</td>
</tr>
<tr>
<td>Maricopa County, AZ</td>
<td>Tempe</td>
<td>3.6</td>
<td>4.2</td>
<td>7.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Salt Lake County, UT</td>
<td>Salt Lake City</td>
<td>3.7</td>
<td>4.5</td>
<td>5.6</td>
<td>7.7</td>
</tr>
</tbody>
</table>

All unemployment rates are not seasonally adjusted. January 2011 unemployment rates are preliminary. Salem's city limits include portions of both Marion and Polk counties.
Income

Per capita personal income (adjusted for inflation) was above the national level of $40,166 in only two of the 10 Urban West focus cities in 2008. Two of the 10 Urban West cities/counties have had significant increases in inflation-adjusted per capita income in the 2003–08 time period: Pierce County, WA (Tacoma) and Salt Lake County, UT (Salt Lake City) with increases of 8.9 and 9 percent, respectively. Pierce County and Salt Lake County are the only two counties that had per capita income increases in income greater than the national increase of 6.3 percent in the 2003–08 time period. Three cities/counties, however, had very small or negative changes in per capita incomes (adjusted for inflation): Ada County, ID (Boise), Marion County and Polk County, OR (Salem), and Pueblo County, CO (Pueblo).

Per Capita Personal Income, Inflation-Adjusted, 2008

<table>
<thead>
<tr>
<th>County, State</th>
<th>City</th>
<th>1993</th>
<th>1998</th>
<th>2003</th>
<th>2008</th>
<th>% Change 2003-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washoe County, NV</td>
<td>Reno</td>
<td>$38,310</td>
<td>$43,190</td>
<td>$44,526</td>
<td>$47,045</td>
<td>5.7%</td>
</tr>
<tr>
<td>Ada County, ID</td>
<td>Boise</td>
<td>34,976</td>
<td>38,644</td>
<td>41,517</td>
<td>42,273</td>
<td>1.8%</td>
</tr>
<tr>
<td>Pierce County, WA</td>
<td>Tacoma</td>
<td>29,470</td>
<td>33,916</td>
<td>36,229</td>
<td>39,444</td>
<td>8.9%</td>
</tr>
<tr>
<td>Salt Lake County, UT</td>
<td>Salt Lake City</td>
<td>27,443</td>
<td>33,202</td>
<td>34,892</td>
<td>38,026</td>
<td>9.0%</td>
</tr>
<tr>
<td>Maricopa County, AZ</td>
<td>Tempe</td>
<td>30,065</td>
<td>35,073</td>
<td>36,120</td>
<td>37,168</td>
<td>2.9%</td>
</tr>
<tr>
<td>Spokane County, WA</td>
<td>Spokane</td>
<td>28,117</td>
<td>31,052</td>
<td>32,493</td>
<td>34,011</td>
<td>4.7%</td>
</tr>
<tr>
<td>Lane County, OR</td>
<td>Eugene</td>
<td>27,512</td>
<td>31,682</td>
<td>32,422</td>
<td>33,522</td>
<td>3.4%</td>
</tr>
<tr>
<td>Marion County, OR</td>
<td>Salem</td>
<td>27,811</td>
<td>30,478</td>
<td>32,239</td>
<td>32,565</td>
<td>1.0%</td>
</tr>
<tr>
<td>Stanislaus County, CA</td>
<td>Modesto</td>
<td>26,511</td>
<td>29,462</td>
<td>30,547</td>
<td>31,485</td>
<td>3.1%</td>
</tr>
<tr>
<td>Pueblo County, CO</td>
<td>Pueblo</td>
<td>24,355</td>
<td>27,932</td>
<td>29,989</td>
<td>30,564</td>
<td>1.9%</td>
</tr>
<tr>
<td>Polk County, OR</td>
<td>Salem</td>
<td>25,356</td>
<td>30,283</td>
<td>31,771</td>
<td>29,772</td>
<td>-6.3%</td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td>31,872</td>
<td>36,003</td>
<td>37,770</td>
<td>40,166</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Figures calculated using the annual average Consumer Price Index, base = 1982-84. 2008 is the most recent year available for per capita personal income data. Salem's city limits include portions of both Marion and Polk counties.

Sources: Bureau of Economic Analysis and Bureau of Labor Statistics
• Foreclosures

The impact of the collapse in the housing market on the Urban West cities can be seen in this map that displays the rates of foreclosure in each of the 10 counties where the focus cities are located. (Salem lies in two counties.) Seven of the 10 counties have foreclosure rates that exceeded the national average of 577 housing units per foreclosure.

As a region, the West has experienced phenomenal population growth over the past three decades. Most of our focus cities experienced that rapid growth, while a few have struggled to maintain their 1990s population levels. Most have continued to cope with the fiscal challenges detailed in our first edition, including significant limitations on property taxes, the chief source of revenue for most cities. As a region, the economy has continued to evolve away from the traditional resource extraction industries of timber, mining, and grazing. Agriculture, while still important, continues to diminish as a percentage of the region's economic power. These changes have impacted all of our Urban West cities, some more than others.
Unique Influences on the Western Political Culture

“Urban West” may seem to be a strange oxymoron. The West, known for its big-sky country, wide-open spaces, and frontier, is rarely viewed as a region of significant urban places. In fact, some of its states are among the most urbanized in the country because of the relatively small amount of land available for private ownership and settlement. In Idaho, for example, the federal government owns 63.1 percent of the land. Because of the relatively small amount of privately owned land available for development, Utah and Nevada are as urban as New York and Massachusetts in terms of concentrated population.

The Urban West cities are of medium size, but they are real cities with many of the same major urban problems and service-delivery issues faced by our nation’s largest central cities. They are not merely bedroom communities whose existence is totally dominated by and dependent upon a much larger central city. They have the resources and capacity—professional and financial—to become major participants in the further development of this country.

In many respects, the West is a unique region. A comparative study of western cities would be incomplete without at least a brief understanding of the historic and political context in which these cities operate. The influences of municipal reform, property tax revolts, and public lands are more predominant in the West than in any other part of the country.12

Municipal reform proposals had a major impact on the West, even though some of these states were not in existence during much of the early...
days of the reform movement. Western cities typically use many reform features, such as the council-manager form of government, nonpartisan elections, at-large council seats, and initiative and referendum processes.

The 1978 property tax revolt that started in California made a deep impact on the West, spreading to Nevada and Idaho, and subsequently to Colorado and Oregon. The property tax revolt would not have gotten off the ground in the West without the prevalence of such direct democratic devices as the initiative and referendum. These tools of direct democracy are used in the West not only for property tax-protest purposes but also for growth management. Growth management was a predominant issue during the decades of our study 1978-2008, because the West was growing—more rapidly in many respects—than any other region of the country. With growth came conflict over its benefits and power struggles in many communities over how much growth should be allowed.

Underlying the aversion to the property tax, however, is the typical western hostility toward government. “Complaints of ‘big government’ and ‘high taxes’ strike a responsive chord among self-reliant Westerners,” according to Scott Mackey of the National Conference of State Legislatures. Mackey has noted the western states’ ability to export their tax burdens to other parts of the country through natural resource charges on hydroelectric, mining, timber, and oil and gas industries. This tax-avoidance mentality helps explain why three out of the five states in the country that do not have a
sales tax are in the West—Alaska, Montana, and Oregon—and six of the nine states without a personal income tax are in the West—Alaska, Nevada, South Dakota, Texas, Washington, and Wyoming.\textsuperscript{14} It should not be surprising, then, to find that many of the state and local tax structures in the West are not particularly well balanced. They typically rely heavily on only one or two major revenue sources, leaving them vulnerable to a significant revenue shortfall should one or the other dry up. Oregon’s 1990 tax revolt can be attributed to the state’s almost 50 percent reliance on one revenue source, the property tax. California in 1978 mirrored Oregon, with almost the same percentage property tax burden. Most of the other states in the Urban West face similar tax problems because of unbalanced tax structures, with the exception of Idaho and Utah.\textsuperscript{15}

Another important limitation on municipal government, and another reason for such a high incidence of tax revolt activity in the past, is the widespread use of the direct democratic process. Almost every western state gives its citizens direct lawmaking authority through a petition and initiative method. This provides angry citizens and taxpayers a “handle” to seize when they think government is out of control or has gone too far in its taxation decisions.

The West has also been deeply affected by the presence of the federal government, which owns huge amounts of land. This has made the federal government, even though an important player in the development of the West, a hated absentee landlord. When westerners attack government, in most cases they are really complaining about the federal government. Western leaders are concerned about their dependence on natural resources, agriculture, and government, and the fact that world prices and decisions in Washington, D.C. often determine the economic well-being of the West. This has led to a search for economic diversification and independence in order to insulate the western states from these external influences.\textsuperscript{16}
Focus Cities

As academics located in the city of Boise, we began our comparative analysis in 1990 with a study of cities that were somewhat comparable to Boise. Our 10 focus cities generally met similar criteria: population range, their status as "second tier" cities in the West, and the fact that they view or have viewed each other as economic development competitors. Our selection of focus cities coincided with an earlier study conducted by the Boise Future Foundation, which had studied the revenue and expenditure patterns of the same cities. According to the Foundation study, the "sister cities" were selected because of their "population size, demographic composition, proximity to Boise, and frequency with which such cities are mentioned as alternative sites for business or residential location." In analyzing differences, we wanted to look at these cities' reliance on the property tax, growth management strategies, and their successes in promoting economic diversification.

Boise: Estimated population 205,671 (2010). Boise is the capital city of Idaho and the Ada County seat. The city is located in southwest Idaho along the Boise River and is known as "The City of Trees." Some have claimed that Boise is the "most remote urban area in the United States" because the closest metropolitan areas are 360 miles away (Salt Lake City), Spokane (379 miles), Reno (425 miles) and Portland (430 miles). Boise was once known as home to corporate headquarters, including Albertsons, Micron Technology, Morrison-Knudsen, Simplot, Ore-Ida, and Boise Cascade. Today, only Micron and Simplot remain headquartered in Boise. Home to Boise State University, the city holds the unique distinction of having the world's largest concentration of Basques outside of the Basque Country.
Eugene: Estimated population 156,185 (2010). Located at the southern end of the Willamette Valley, between the Cascade mountains and the Oregon Coast range, Eugene refers to itself as “A Great City for the Arts and Outdoors.” It is home to the University of Oregon, which at 22,300 students is a substantial presence in Eugene. Lumber and wood products-related manufacturing remain important to the Eugene economy, as do food processing industries. Eugene has a reputation for progressive politics and was fifth in Popular Science’s list of the top 50 green cities (2008).

Modesto: Estimated population 201,165 (2010). Modesto is located in the fertile agricultural area of California’s San Joaquin Valley. It describes itself as “The City of Water, Wealth, Contentment, Health.” Modesto’s rapid growth has made balancing the preservation of agricultural land with growing numbers of houses a critical issue for the city. Modesto has the distinction of having a citizen initiative-created statute that requires a vote of the citizens before extending sewer trunk lines (Measure A). Modesto is home to Gallo Winery and a number of agricultural processing industries. The city was the location for the 1973 film American Graffiti.

Pueblo: Estimated population 106,595 (2010). Pueblo is located in southern Colorado and is the county seat of Pueblo County. Thirteen percent of its residents are retirees of the state employment system. Pueblo’s population is 50 percent Hispanic. Pueblo, sometimes referred to as “The Steel City,” was once home to the largest steel mill in the West. It is home to Colorado State University-Pueblo. Pueblo’s long-time local newspaper, the Pueblo Chieftain, is locally owned and has been a staunch editorial supporter of Pueblo’s unique half-cent sales tax dedicated to economic development.
Reno: Estimated population 225,221 (2010). Reno is known as “The Biggest Little City in the World.” Its economy is dependent on the tourism and gaming industries. There is a significant union presence in Reno and surrounding communities. Washoe County has 13 separate collective bargaining agreements in place. Located only 50 miles from Lake Tahoe and other major ski destinations, the area is also known for outdoor activities. Reno is home to the University of Nevada, Reno.

Salem: Estimated population 154,637 (2010). Salem is the capital city of Oregon and has the somewhat unusual circumstance of extending across two counties, Marion and Polk. Salem is located in the Willamette Valley less than 50 miles south of Portland. State government is a major employer and presence. In fact, government is the largest employment sector in Salem with 43,700 jobs. The next largest sector is trade, transportation and utilities at 24,200 jobs. Salem is home to Willamette University.

Salt Lake City: Estimated population 186,440 (2010). Salt Lake City is the largest city in Utah and is headquarters to the Church of Jesus Christ of Latter-Day Saints. The church is a major physical and political presence in the city and is currently in the process of investing $1.5 billion in downtown hotels, housing, and retail developments. The surrounding metropolitan area (the Wasatch Front) with 2,076,307 residents dwarfs Salt Lake City itself. Many of the people living throughout the metropolitan area commute into the city to work, nearly doubling the city’s population by day. Salt Lake City hosted the 2002 Winter Olympics and is home to the University of Utah and Westminster College.
Spokane: Estimated population 208,916 (2010). Spokane is located in eastern Washington and takes pride in being the second largest city in Washington (behind Seattle). Spokane is the regional economic center for the “Inland Empire,” the name given to a large area in eastern Washington and northern Idaho. Fairchild Air Force Base is located to the west of the city. Once fueled by agriculture and extraction industries, Spokane’s economy is now fueled in part by a large health-care sector. Spokane is home to Gonzaga University, Washington State University-Spokane and Whitworth College. Spokane hosted the 1974 World’s Fair and the Riverfront Park built for that event still draws many visitors.

Tacoma: Estimated population 198,397 (2010). Tacoma is located on the Puget Sound south of Seattle and in some ways continues to try to escape the shadow of that larger city. It is known as the “City of Destiny.” Tacoma’s economy is built upon the working port that is one of the largest container ports in the country. Tacoma has shed some of its industrial past and grimy image by dismantling factories on the waterfront and building some upscale housing and amenities in the waterfront district. Tacoma is home to Pacific Lutheran University and a satellite campus of the University of Washington.

Tempe: Estimated population 161,719 (2010). Tempe is located in the Valley of the Sun that includes Phoenix, Scottsdale, Glendale, and Mesa and has a population of more than 3 million. Arizona State University, which is located in the downtown area, is the largest employer in Tempe, with more than 10,500 employees. Tempe is approximately 40 square miles and landlocked by surrounding cities. It thus faces the challenges inherent in growing through greater density of development and housing. Responding to the Great Recession, Tempe voters increased their sales tax burden over and above a statewide tax increase that was approved the same day—a unique response among Urban West cities.