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Regional Intergovernmental Cooperation

in the

Ninth Federal Reserve District:

A Status Report

By

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REGIONAL INTERGOVERNMENTAL ORGANIZATION
AND COOPERATION IN THE NINTH FEDERAL RESERVE DISTRICT: A STATUS REPORT

Introduction

Several new forms of intergovernmental organization and cooperation are currently being introduced or are already functioning in the Ninth Federal Reserve District. The distinguishing feature of these innovations in state and local government is that they encompass regions which reflect the relationship between people and the geographic areas they occupy. Regions have or are being designated in the district which consider the political, economic and social realities of the 1970's and which will be used to facilitate social and economic planning and development. The process of establishing these regions and making them function is called "regionalism," and in the Ninth District, it is being implemented on both inter- and intrastate levels.

This movement toward regionalism grew out of a realization that many of the problems facing state and local government could not be effectively solved by individual units of government. The roots of many of these problems in the district can be traced to recent shifts in population and changes in its economic structure.

Although regionalism is a very controversial subject, there is a definite trend in the Ninth District toward intergovernmental cooperation for solving area-wide problems. Recent Federal Government programs and directives which require or strongly encourage regionalism have provided a powerful impetus for adopting regional programs. Such programs are underway in all states and areas in the district and should result in better health services, employment opportunities, recreation and improved governmental services for many district inhabitants.

Factors Underlying Regionalism in the Ninth District

What has stimulated this movement toward regionalism in the Ninth

District? The justification for regionalism can be traced to the dynamics of district economic development and technological changes in transportation. The Ninth District was settled at the end of the nineteenth and the beginning of the twentieth centuries, and the initial impetus for its economic development came from the exploitation of its natural resources -- agricultural, mineral and timber. The dominant economic and human community at that time was the small town or village and its surrounding trade area. The village and its trade area were usually self-contained and had a population of 3,000 to 4,000 people. Transportation technology limited the radius of the trade area to the distance a pedestrian or a horse and wagon could travel in an hour's time, about five miles.

The governmental structure that overlay this settlement pattern was appropriate and efficient at the time, but it has become outdated. First, the economy of the district has shifted away from its natural resource-based industries, and the manpower needs of these industries have been reduced. Although district agricultural output has continued to expand, employment opportunities in agriculture have declined because of rapid productivity advances. Only 13 percent of the district's employment is currently attributed to agriculture as compared to 28 percent in 1950. Much of the district's valuable timber resources were logged out during the first third of the century. Although timber and related industries are still important to the district's economy, they have been declining in relative importance. Mining also has made an important contribution to district economic activity, but it too has suffered declines from resource depletions, in spite of reprieves introduced by new technology. District employment in mining has declined from 39.3 thousand in 1960 to around 32.4 thousand today.

The decline in these industries has adversely effected the economic growth of the district's rural areas, while growth has continued to occur in

the urban areas. In the last decade, for example, 62 percent of the growth in district payroll employment was in the Twin Cities metropolitan area.

Accompanying this change in the district's economic structure has been the revolutionary impact of the automobile. As faster cars have evolved and better roads have been constructed, the trade area surrounding a community in the district has expanded. Consequently, today's trade area has about 10 times the radius and 100 times the area of its horse and buggy age predecessor. This has resulted in the extension of the trade areas of larger towns and cities into areas once served by villages. In many cases, these trade areas extend over all or part of several counties.

A combination of declining employment opportunities in the district's rural areas and the increased range of travel permitted by the automobile has resulted in migration from the countryside and villages into the larger towns and cities. This phenomenon is 'urbanization'. In the last ten years alone, 45 percent of the district's 305 counties lost 10 percent or more of their population, and 26 percent experienced smaller population losses. Only 29 percent of the district's counties gained population, with only 14 percent gaining 10 percent or more. As a result of these population shifts, only 37.0 percent of the district's population live in rural areas today as compared to 47.0 percent in 1950.

In spite of the economic, demographic and social changes these shifts in population have wrought, the basic governmental structure has remained unchanged. The number of cities and villages has remained almost constant over the last forty years, despite the sharp drop in population in many towns and villages. Consequently, the Ninth District with approximately 195 units of local government^{1/} per 100,000 inhabitants as compared to 41 units per 100,000 inhabitants

^{1/} These units of government include counties, municipalities, townships, school districts and special districts.

in the United States as a whole has a surplus of local governmental units.

The impact of urbanization has had an adverse effect on both rural and urban areas. People in rural areas and small towns have seen their tax bases erode as their populations have declined due to dwindling employment opportunities. Consequently, the inhabitants of these communities are receiving fewer and a poorer quality of public services. These units of government acting by themselves cannot provide proper health care facilities, a broad range of educational opportunities or other types of public services. This deterioration in governmental services is especially acute for those such as the elderly who are "locked into" these rural communities. By combining and pooling their resources, however, groups of communities or counties could upgrade and provide the proper level of public services. Facilities such as junior colleges, hospitals or sewer and water systems, for example, could be established that would serve an entire area instead of each community providing such facilities on its own. Furthermore, coordinated action to meet the problems of an area could stimulate its economic development. Those rather obvious potential gains from cooperative action, then, form the basis for regionalism.

Some form of regionalism is not only necessary for the depopulated rural areas of the district, but it is also essential in the rapidly expanding metropolitan areas. The sharp increase in urban inhabitants has resulted in a spill-over of population into the countryside surrounding cities. As metropolitan areas were not planned to accommodate this growth, the result is a highly fragmented governmental structure. In the Twin Cities seven-county metropolitan area alone there are 312 units of local government, which, in striving to provide urban services to their residents, frequently work at cross purposes with one another and in many cases are too small to provide an adequate level of services. This has resulted in community competition for high-valued commercial/industrial property and in zoning to keep out low income housing in order to

increase their tax base. Most communities in a metropolitan area cannot deal on an individual basis with such problems as sewage disposal. Consequently, some type of intragovernmental regional cooperation on a metropolitan basis is necessary for solving many of our urban problems.

The governmental structure in the Ninth District inherited from the past by both rural and urban areas is not aligned with today's social and economic structure, and regionalism is a mechanism that can help rectify this situation. These problems, of course, are not restricted to the Ninth District but are found throughout the United States and the world.

The Federal Government's Role in Encouraging Regionalism

How has government responded to the rapid effects of urbanization and the changing patterns of rural life? Examples of regional planning and development are evident in all periods of the nation's history. But it is only in recent years that governments in the United States have aggressively pursued policies of regionalism. Although several states, notably New York and Wisconsin, were early innovators in establishing multijurisdictional regions, the primary impetus for regionalism in the United States has come from the Federal government.

In partnership with the States, the Federal Government has taken a direct role in solving the economic problems of various areas in the United States through the Public Works and Economic Development Act of 1965 and its predecessors. In addition, Federal Government programs providing financial assistance to state and local governments have been designed to promote regional cooperation and coordination.

As part of an Administration effort under President Johnson to combat rural poverty, Congress passed the Public Works and Economic Development Act of 1965 which was designed to combat the problem of structural employment in depressed areas. This law contained two important provisions. First, Title V

provided for the establishment of multistate regional commissions to improve the economy of regions which have lagged behind the national growth rates. These multistate commissions were modeled after the Appalachian Regional Commission and provide for joint Federal-state participation. The Appalachian Regional Commission grew out of the 1960 formation of the Conference of Appalachian Governors, which represented nine and later eleven Appalachian states. These governors pushed for a special regional program of development involving local, state and federal governments and private organizations. As a result of their efforts, the Appalachian Regional Development Act was enacted in 1965 establishing the Appalachian Regional Commission. The legislation also provided funds for highway construction and public works projects generally related to health, education and industrial development in the Appalachian Region.

Five Title V commissions, encompassing all or part of 20 states, were established in 1966 (See Appendix B) and one of them, the Great Lakes Regional Commission, includes the northeastern portion of the Ninth District. The Missouri River Economic Development and Planning Commission of Montana, Wyoming, Nebraska, and North and South Dakota is the District's second Title V Commission, and it is in the process of being formed. These commissions are expected to produce comprehensive economic development programs of an interstate nature and to formulate programs and projects for implementation by federal, state and local governments.

The 1965 Public Works and Economic Development Act's second provision established the Economic Development Administration (EDA) in the U.S. Department of Commerce which provides funds and assistance to areas suffering from "persistent and sustained" unemployment. EDA is a successor to the Area Re-development Administration which was established in 1961 and grew out of efforts in the late fifties to provide aid to economically depressed areas. Under EDA's multicounty economic development district program, rural counties are adjoined to medium-sized cities. As of June 30, 1970, EDA has authorized 137 districts, 92

of which have been officially designated as economic development districts. In the Ninth District, seven of these districts have been so designated and three more authorized (See Appendix C). Each district is governed by a locally elected representative board of directors whose responsibility is to direct a program of planning and overall economic development. A professional staff assists the district board in assessing the problems inhibiting economic development and in initiating and implementing actions to revitalize the district's economy.

The U.S. Department of Agriculture has been involved with various rural economic development and planning efforts since the mid 1950's. In the Food and Agriculture Act of 1962, Congress established programs for rural renewal, similar to the urban renewal program, and a resource conservation and development project program. While the rural renewal program was not very successful, resource conservation and development projects have enjoyed considerable success.

A resource conservation and development project is a locally sponsored, multicounty organization which seeks to expand the economic opportunities of an area by developing and carrying out a plan of action for the orderly conservation, improvement and development of its natural resources. It is designed, in particular, to stimulate economic development in areas suffering from unemployment and chronic rural underemployment. Although the projects are funded and primarily rely on U.S. Department of Agriculture resources, they also utilize the programs of other federal agencies such as the Economic Development Administration and the U.S. Department of Housing and Urban Development and of state and local government. Eight of these projects have been approved and funded in the Ninth District, and applications have been filed to form three more (See Appendix D).

Aside from directly participating in regional development efforts,

federal legislation providing grants and aids to state and local governments has encouraged and requires regional multijurisdictional planning. Federal funds for comprehensive planning assistance are provided for in Section 701 of the Housing Act of 1954. This section initially furnished matching grants to metropolitan areas and states in order to allow smaller communities and metropolitan areas and states to do systematic planning for the elimination of urban slums. The scope of the program and the participation of state and local government were gradually increased. In 1968 this program was completely overhauled, and its orientation was broadened from a purely urban thrust by including assistance to certain types of rural and nonmetropolitan areas. Today, eligible applicants may be states (for statewide planning or assistance to counties or cities with populations under 50,000), nonmetropolitan districts, metropolitan regional councils or commissions, cities, agencies, or interstate regional commissions, disaster or federally impacted areas, and Indian Tribal Councils. The planning must be comprehensive in scope, but a broad range of subjects may be covered. They include physical facilities, governmental services, housing, transportation, pollution, land development patterns, manpower needs and recreation. Federal grants under this program cover up to two-thirds, and in some cases three-fourths, of the cost of these planning grants. The Ninth District received 98 of these grants in 1968, over \$2.2 million.

Recent legislation has greatly strengthened metropolitan area planning. Section 204 of the Housing and Urban Development Act of 1966 requires that all applications for federal loans and grants within a metropolitan area must be submitted for review to any area-wide agency which is designated to perform metropolitan planning. Section 204 applies to all loans and grants for open space land projects, public facilities such as libraries and hospitals, transportation facilities and conservation projects. There are 204 agencies serving all Ninth District standard metropolitan statistical areas (See Appendix E).

This requirement was further strengthened by the Department of Housing and Urban Development on July 1, 1968, when it required the legal establishment of a single comprehensive coordinating planning agency for each metropolitan area. The Department of Housing and Urban Development, consequently, now deals with only one agency in receiving applications and awarding grants to local units of government and agencies within a metropolitan area.

State and local review of applications for federal assistance were further strengthened in Title IV of the Intergovernment Cooperation Act of 1968 and spelled out in detail in Bureau of the Budget Circular No. A-95. Any state agency or local government applying for federal assistance must submit its application for review to the state planning and development agency and to the regional planning agency, if it exists, or the appropriate 204 agency if the federal assistance affects a metropolitan area. As a result of this legislation, all federal applications will be scrutinized to insure that they conform to the comprehensive planning and development for the state, region and metropolitan area affected.

An effort by the Federal Government to encourage states to establish multicounty planning and development regions has been an important factor in bringing regionalism to the district's rural areas. During recent years a number of federally assisted programs have required special kinds of limited purpose multicounty districts such as economic development districts, comprehensive health planning districts, community action program districts and resource conservation and development districts. Each of these districts required a special criterion for delineating boundary areas. Consequently, local units of government in qualifying for these programs could end up in a number of special districts, each with a unique set of boundaries. This situation created confusion for the units of government involved and impeded overall economic planning and development.

In order to correct this situation, on September 2, 1966, the President

issued a memorandum to federal departments and agencies involved in comprehensive or functional planning covering multijurisdictional areas which required that they use a common set of multicounty planning regions in administering their programs. The Director of the Bureau of the Budget, in explaining the President's memo, issued Bureau of the Budget Circular No. A-80 declaring that states should be encouraged to establish multicounty regions and that federal agencies were to use state planning agency boundaries where established. If a state fails to establish a set of planning regions, the federal agencies involved will establish regions in consultation with the major units of general local government involved. The Nixon Administration issued Bureau of the Budget Circular No. A-95 in July of 1969 which superseded Circular A-80 and also directed federal agencies to use state planning area boundaries where established. In response to these directives, all states either are conducting studies or have delineated substate planning regions, and Section 701 of the Housing Act of 1954 has been an important source of funds for accomplishing this planning.

Many states in establishing these regions have envisioned them as having two purposes. First, they should provide an area-wide framework for the coordination of the planning and programming activities of state government. Second, they should encourage coordination of planning and programming activities on an area-wide basis at the local level. One recent example of how these regions are to function is the Omnibus Crime Control and Safe Streets Act of 1968. Requests by local units of government for law enforcement facilities must be submitted for review to "any area-wide agency which is designated to perform metropolitan or regional planning for the area within which the assistance is to be used." Consequently, federal legislation and directives have laid the groundwork for encouraging and establishing regionalism.

Federal efforts to promote regionalism should not, however, overshadow the efforts of state and local governments in promoting intergovernment regional

cooperation. There has been an increasing awareness among state and local government officials and concern by private citizens about regional planning and development, and the success of the previously described programs depends on local participation and support. The availability of federal funds, programs and guidelines, however, has been a crucial incentive in encouraging the adoption of regionalism at the state and local level.

Criteria for Establishing Regions

The need for regions in the Ninth District has been established and the legislation and directives promoting it described, but exactly how are regions determined? There are two criteria that can be used; the functional integration principle and the homogeneity principle. The functional integration principle refers to the fact that the area tied to a central place or mode is called a region. The standard metropolitan statistical areas (SMSAs) used by the Bureau of the Census embodies this principle. An SMSA contains a central city of at least 50,000 inhabitants and its county and any additional contiguous county in which commuting patterns and other measures indicate their integration with the central county. Karl Fox of Iowa State University also used this principle in developing his functional economic areas. A functional economic area is essentially a labor market area whose boundaries are determined by the labor force's propensity to commute. It contains both the residences and the location of the jobs of the workers in an area.

The homogeneity principle for delineating regions states that regions should be as much alike as possible throughout and different from nearby areas. The Bureau of the Census has used this approach in forming the states into eight regions. The use of lagging economic growth as a criterion for establishing Title V commissions under the Public Works and Economic Development Act of 1935 is another example of the use of the homogeneity principle.

In practice, the criteria used to establish most regions represent

some combination of the functional integration and homogeneity principles. Economic development districts established by EDA must meet certain criteria with respect to income and unemployment (homogeneity principle), but they must also contain a growth center (functional integration principle). The growth center or central place concept has been used by Ninth District states in establishing substate planning areas, but certain homogeneity criteria were also employed. In Michigan, for example, such factors as newspaper circulation, traffic volumes and trade areas, all functional integration criteria, were used as well as state economic areas, which were established using the homogeneity criteria.

Survey of Regionalism in the Ninth District

Considering the previous background on regionalism, to what extent has regionalism been implemented at inter- and intrastate levels in the Ninth District? The Upper Great Lakes Regional Commission is the most important interstate regional organization functioning in the district. It consists of 119 counties in Northern Michigan, Minnesota and Wisconsin, 76 of which are in the Ninth District. The Commission was formally organized on April 11, 1967, and is authorized by Title V of the Public Works and Economic Development Act of 1965. Commission members consist of the Federal co-chairman and the Upper Great Lakes Governors, and the governors elect one of their members to be the commission's state co-chairman. The three state governors' membership on the commission involves the states at the policy-making level and stresses the primary role of state governments in planning economic growth programs.

The lumber and mining industries in this region prospered during the first third of the century due to its vast woodlands and available iron and copper deposits. Boom times ended, however, when the forests were logged out and accessible ore deposits depleted. This region has never recovered from the decline in these industries and its economic growth has lagged substantially

behind the rest of the nation. Consequently, the goal of this regional commission has been to close the gap in economic performance between the United States and the Upper Great Lakes Region. It is attempting to accomplish this by developing long-range comprehensive programs which identify and exploit the economic potential of the region and by implementing them through action programs. The commission is concentrating its programs in such areas as tourism, transportation, natural resources, industrial development and human resources. Grants for public works programs and facilities have been an important component of the commission's action programs.

The commission's budget in fiscal 1970 was \$4.4 million, and \$9.3 million has been requested for the current fiscal year. Most of the commission's funds are spent on public works funding. Many of the grants are made to assist local units of government in matching a basic grant from some other federal agency. Grants were made in Minnesota for planting Coho Salmon in Lake Superior, building park facilities, test drilling for gypsum, harbor improvement and vocational training programs at Indian reservations. The commission also totally funds demonstration projects that have a regional economic development impact. Demonstration projects have been funded for inland lake renewal, timber procurement, wild rice harvesting, industrial development potential, pelletizing plants and a land-use information system.

The district's second Title V commission, the Missouri River Economic Development and Planning Commission of Montana, Wyoming, Nebraska, North and South Dakota, is currently in the process of being organized. Even though the application to form this commission was initially rejected by the Nixon Administration, Congress provided funds for its establishment in fiscal 1971. The commission will be concerned with solving such problems as unemployment, underdevelopment, lagging industrial growth and out-migration. This commission is unique from the other Title V commissions in that the entire states instead of

just parts of states are included within its boundaries. Also, the fact that the impetus for the region's formation came from the states rather than from the federal government indicates this region's willingness to seek regional solutions to area-wide problems.

At the intrastate level, there are numerous forms of multijurisdictional regions functioning in the Ninth District. All states have conducted or are conducting studies to determine boundaries for planning and development regions, and state multicounty planning areas have been designated in four of the six district states. Also, many regions have been established under the various Federal Government programs. All district states have enabling legislation providing for intergovernmental cooperation by local governments which has stimulated the movement toward regionalism in the district. Among the most significant of these have been efforts to implement statewide multicounty planning and development commissions in the district states.

Minnesota

Significant strides have been taken in Minnesota to implement regionalism. The Minnesota Legislature, in enacting the Regional Development Act of 1969, provided for the establishment of a statewide set of multicounty planning and development commissions. This legislation grew out of the recognition of the need for substate regions by state government.

In the fall of 1966, the Minnesota State Planning Agency began interviewing Minnesota state departments and agencies to gain an understanding of their planning programs. The consensus emerging from these interviews was that the state needed a common set of planning regions if meaningful and efficient interagency planning and program implementation was going to take place. An additional prod to establish state planning regions came in the fall of 1966 when Bureau of the Budget Circular No. A-80 was issued.

Consequently, in November of 1967, Governor LeVander issued Executive

Order No. 9 which delineated seven substate planning areas and directed the State Planning Agency to evaluate their impact. In carrying out this directive, in 1968 the State Planning Agency conducted research on three aspects of regionalism. First, it evaluated the acceptance and usefulness of the seven regions in Executive Order No. 9. Second, it studied the structure for organizing local government on a regional basis. And third, it examined the feasibility of delivering state services on the basis of uniform regions.

The State Planning Agency made two recommendations to the governor and Legislature as a result of this research. It felt that the number of planning regions should be increased from seven to eleven and that legislation should be passed permitting the creation of regional planning and development commissions. The Legislature adopted the second recommendation by enacting the Regional Development Act of 1969 and permitted the governor to determine the number of planning and development regions.

In implementing this act, the Governor delineated eleven substate regions in Executive Order No. 37 issued on April 3, 1969. In this directive, eleven regions were established consisting of "core" and "transitional" counties. The "transitional" counties had the opportunity to participate in their final assignment to a region and had 12 months in which to decide on that assignment. The State Planning Agency during this period was directed to conduct meetings around the state educating the people about regionalism and to assist each of the "transitional" counties in their final regional assignment decisions. Fourteen months later, on June 12, 1970, after each transitional county had been given an opportunity to evaluate its placement, the Governor issued Executive Order No. 60 (See Appendix A, Map 2). The eleven planning and development regions designated in this order reflect each transitional county's preference as to regional assignment. Counties, however, remain free to request reassignment to an adjoining region at any future time.

After the regions had been designated, the Regional Development Act of 1969 allowed each designated area to create a planning and development commission. These commissions in effect would be a confederation of county, municipal and special district governments. Commissions can be initiated by the governor's appointment of a regional chairman or by petitions from counties and municipalities which represent a majority of the region's population. The incumbent governor has chosen the latter alternative. Once formed, the commission (1) has comprehensive power over all planning within the region, (2) operates as the receiving agency for all federal and state grants within the commission's area (with special exceptions), (3) has the right to indefinitely suspend projects of local governments which conflict with the regional plan, and (4) has the power to hire staff and initially receives \$25,000 per annum from the state government.

So far, only one of these regions has established a district under the provisions of the Regional Development Act of 1969, the Arrowhead Regional Commission in northeastern Minnesota. This six-county region was established as an economic development district in mid-1967 under the provisions of the Public Works and Economic Development Act of 1965. Consequently, it was a functioning entity when the 1969 Regional Development Act was passed and was grandfathered into the state scheme. The nation's first application for federal funds, to help finance a new regional detention center for juveniles was submitted by this region. Also, Duluth has been selected as the site for a new airport and technical library, both of which will serve the entire Arrowhead region. The region's banks have agreed to set up a \$4 million pool and share the risk of loans for new and improved tourist facilities in an attempt to upgrade their third-biggest industry. The Arrowhead Regional Commission is also undertaking comprehensive sewer planning for 60 communities which have populations under 5,500 and lack professional staffs.

Efforts currently are underway to organize several more regional planning and development commissions in Minnesota. Although the establishment of multicounty planning and development commissions throughout the state has been a matter of considerable controversy, evidence indicates that Minnesotans are receptive to regionalism. The results of the Minnesota poll, published in the July 26, 1970, issue of the Minneapolis Tribune, revealed that 71 percent of the people queried favor the concept of regional development. The acceptance of regionalism, however, was higher in urban than in rural areas, for 78 percent of the respondents favored regionalism in the urban areas as compared to 56 percent in the rural areas.

One of the eleven planning regions designated by the Governor is the Twin Cities Seven County Metropolitan Area. Its regional coordinating body, the Metropolitan Council of the Twin Cities Area, was created by the Minnesota State Legislature in 1967. The Metropolitan Council is the District's most significant and successful regional effort, considered nationally as one of the most effective organizations for matching metropolitan area problems with area-wide solutions. It is unique in that it is not just a regional planning body but has true governmental authority. It is not, however, a full regional government such as those found in Nashville, Tennessee, and Jacksonville, Florida.

The Metropolitan Council developed out of the realization by businessmen, local government officials, the Minnesota Legislature and other interested groups that the Twin Cities area growth and development patterns were not satisfactory. The region by 1959, for example, had 300,000 individual wells and septic tanks, and individual municipal action to deal with the sewerage problem would result in harm to the area's lakes and streams. The Metropolitan Council was consequently established in 1967 to substitute rational regional cooperation for this type of haphazard growth.

The Metropolitan Council consists of 15 part-time members appointed by

the governor for six year terms, after initial appointments for staggered terms. Fourteen members represent the state legislative districts in the seven county area, and the chairman, the 15th member, is appointed at large and serves at the governor's pleasure. The Council is permitted to levy a seven-tenths of a mill property tax throughout the seven county metropolitan area and supplements this funding with federal grants for specific programs. The Council is served by a full-time staff trained in a diversity of skills necessary to prepare a development plan for the region and evaluate development proposals.

The 1967 legislation establishing the council also directed it to prepare a metropolitan development guide and invested it with broad review powers over the area's local governments. The council reviews all long-term comprehensive plans of independent single-purpose agencies and may suspend them if they are inconsistent with the metropolitan development guide or detrimental to the orderly and economic growth of the area. Comprehensive plans or zoning changes of municipalities and towns having metropolitan significance are also reviewed by the Metropolitan Council and can be held up sixty days if the council does not give its approval. In addition, it reviews and comments on applications of local governmental agencies for grants or loans from the Federal Government when required and participates in proceedings before the Minnesota Municipal Commission on municipal annexation and incorporation issues. One of the council members was assigned to sit on the board of each independent special-district agency, such as the Metropolitan Transit Commission or the Hennepin County Park Reserve District. Finally, the 1967 legislation instructed the council to do research in air and water pollution, parks and open spaces, solid waste disposal, tax structure and equalizing tax resources, storm water, consolidation of common local government services, and advance land acquisition, and to make recommendations to the Legislature about the governmental organization best suited to solve these metropolitan area problems.

As a result of carrying out the Legislature's mandate, in 1939 the Metropolitan Council presented recommendations to the Legislature which responded by broadening its powers. The council was empowered to set criteria and guidelines for land use and development within three miles of the new major metropolitan airport and to become a participant in highway planning. It was directed to prepare a long-range metropolitan sewerage plan and implement it through a seven-member, council-appointed Sewer Board. The council was also given authority to prepare a long-range metropolitan open space plan and to appoint a seven-member Metropolitan Park Reserve Board to acquire and develop property. In addition, state agency plans for the location and development of a zoological garden in the metropolitan area are to be reviewed by the council.

At present, the council is at various stages in implementing its numerous programs and is embroiled in such controversies as the selection of a new airport site in the Twin Cities. The multifaceted problems of metropolitan finance is currently its first priority item.

In addition to the Metropolitan Council, there are two other regional organizations in Minnesota which are designated by the Bureau of the Budget to review applications of local governments in metropolitan areas. The Head of the Lakes Council of Governments, which encompasses St. Louis County in Minnesota and Douglas County in Wisconsin, is the 204 agency for the Duluth-Superior SMSA. Its principal programs are concerned with comprehensive land use, transportation, and water and sewer facilities planning. Clay County, which contains Moorhead, is part of the Fargo-Moorhead Metropolitan Area Council of Governments, the 204 Agency for the Fargo-Moorhead SMSA.

There are two resource conservation and development (RC&D) projects in Minnesota. One of the first three designated under the Food and Agricultural Act of 1932, the West Central Minnesota RC&D Project includes Swift, Pope, Kandiyohi, Wadena, Ottertail, Todd, Douglas, Stevens and Grant counties. The

Onanegozie RC&D Project covers Aitkin, Carlton, Kanabec and Pine Counties. These projects were sponsored by the Board of County Commissioners from each county and the Board of Supervisors of each soil and water conservation district within the project.

More than 217 separate land-and water-based development measures have been proposed by the project's sponsors. These measures include lake and stream improvements for fishing, lake level stabilization, a large number of new and improved recreational facilities such as canoe and saddle trails, land use conversions, increased industrial use of resources (including the use of a pulp and paper mill, snow fence factory and pallet plant), water fowl area developments, and a variety of watershed improvement measures.

By the end of 1969, 119 of these projects had either been completed or installation was under way in Minnesota. In fact, the Crow Wing Canoe Trail in the West Central Minnesota RC&D Project was the first completed RC&D project measure in the country. The Soil Conservation Service estimates that these projects already are providing an estimated 558 man-years of new employment and \$16 million of increased gross income annually.

Montana

Montana has passed no legislation providing for the formation of multi-county planning and development districts, but the Montana Department of Planning and Economic Development hopes to have a map delineating possible planning and development regions ready by the time the State Legislation convenes in January of 1971. At present, the state has minimal enabling legislation providing for local government planning. The Department of Planning and Economic Development is in the process of developing a new law which will provide for planning on a regional basis.

Montana has three designated Economic Development Districts. The Bear Paw District was designated on March 22, 1969, and its appointed growth center

is Havre. The Big Horn District was designated on September 6, 1969 with Hardin as its growth center. And the Intercounty District was designated on June 26, 1968 with Butte-Anaconda assigned as its growth center.

The Great Falls City-County Planning Board is the 204 Agency for the Great Falls SMSA, and its encompasses part of Cascade County and the city of Great Falls. Its programs have been concerned with comprehensive and airport planning, solid waste disposal and housing. The Billings-Yellowstone City-County Board Planning is the 204 Agency for the Billings SMSA. Montana also has one resource conservation and development project.

North Dakota

In Executive Order No. 49 on September 18, 1969, Governor William Guy of North Dakota divided the state into eight planning and development regions (See Appendix A, Map 3). In each region, counties were arranged around a central city which provides major services in marketing, education, health, finance, recreation and cultural enjoyments for the majority of the citizens in the counties of the region. In implementing the order, the governor directed all state agencies to adjust their agency planning and administration to conform to these regions. Although North Dakota does have legislation that permits the establishment of regional commissions and multicounty planning districts, the State Planning Agency considers it outdated and inadequate and has proposed a new law providing for the establishment of regional planning and development commissions.

The one 204 Agency in North Dakota is the Fargo-Moorhead Metropolitan Area Council of Governments for the Fargo-Moorhead SMSA. It encompasses part of Cass County in North Dakota and Clay County in Minnesota, and health planning is its principle program at present. North Dakota also has one resource conservation and development project.

South Dakota

South Dakota has no complete set of multicounty planning regions, but

a study has been completed by the South Dakota State Planning Agency which recommends a possible set of regions (See Appendix A, Map 4). In its study, the State Planning Agency states that the regions it delineates can have two primary functions: to serve as state government planning regions and to provide boundaries for regional planning and development commissions.

The one 204 Agency in South Dakota is the Greater Sioux Regional Planning Commission for the Sioux Falls SMSA, which encompasses parts of Minnehaha and Lincoln counties. Its program of greatest local interest and importance so far has been concerned with housing, but it has other programs in the areas of public education, public works, transportation and the coordination of local planning activities.

South Dakota also has two resource conservation and development projects. The Black Hills, Resource Conservation and Development Project includes Butte, Lawrence, Pennington, Custer, and Fall River counties plus several Wyoming counties. It is currently concerned with improving logging and recreation access roads and increasing camping and picnic facilities in the Black Hills. South Dakota's other resource conservation and development project includes Charles Mix, Douglas and Bon Homme counties.

Upper Peninsula of Michigan

The Ninth Federal Reserve District includes the Upper Peninsula of Michigan which has a distinct cultural, geographic and historical regional identity from lower Michigan. This region also has a common set of economic problems, for it has suffered from the depletion of its iron and copper ores and the logging out of its forests. This situation has consequently led to the formation of a number of public and private regional organizations which are striving to stimulate economic activity and to improve the quality of life in the Upper Peninsula.

The Upper Peninsula Committee for Area Progress (UPCAP) is one of the

Upper Peninsula's leading regional organizations. It was formed in December of 1961 by 14 of the 15 Upper Peninsula counties to be a regional planning and development agency. It grew out of the idea that people working together in an organized fashion, on a regional basis, with adequate technical experience, can plan and carry out effective action to influence the development of their economic and human resources. In 1965, its base of representation was broadened to include the four universities active in the region and the six community action agencies created out of the Economic Opportunity Act. It has subsequently included representatives of the Economic Development Districts in the Upper Peninsula, and all 15 counties are now members.

UPCAP seeks to create a total environmental change to make the Upper Peninsula attractive for business by improving health services, expanding educational facilities and housing and by providing other community development services. In pursuing these goals, it relies on the cooperation and assistance of companies now operating in the region, of local, state and federal agencies, and of the area's universities and colleges. UPCAP's programs can be divided into two categories: economic development and human resources development. New programs are constantly being adopted as opportunities arise and others dropped as funding and needs expire. These programs are either directly or cooperatively administered by UPCAP or delegated to other agencies.

In the economic development area, UPCAP's main emphasis has been on industrial development and in establishing and assisting economic development districts. In the five-year period ending in 1969, 36 industrial development projects were completed, which created 839 new jobs and resulted in new investment in the Upper Peninsula of \$6.9 million. Three economic development districts, Western, Central and Eastern Upper Peninsula were established as a result of UPCAP assistance and encouragement, and UPCAP continues to work with them.

An unique relationship exists between UPCAP and these economic development districts, and they all receive funding from the Economic Development Administration.

UPCAP is considered the regional economic development agency for the Upper Peninsula, and the districts are considered sub-regional. Consequently, UPCAP's programs are regional in scope, and the districts concentrate on close community involvement. UPCAP provides technical assistance to the economic development districts and carries on highly specialized programs such as industrial financing. Representatives from the economic development districts serve on both UPCAP's economic planning and development committee and its executive committee. UPCAP is also concerned with promoting tourism and improving highways in the Upper Peninsula.

In the area of human resource development, UPCAP provides technical assistance to the Office of Economic Opportunity's Community Action Agencies in preparing proposals for such projects as sheltered workshops, head start programs, dental care and summer work programs for youth. It also helps these agencies prepare long-range plans, conducts training programs for their personnel, and in conjunction with community action agencies, administers a Neighborhood Youth Corps program. It is the sponsor of a legal services program run by the Upper Peninsula Legal Services, Inc., and an on-the-job training program administered by Lake Superior State College.

UPCAP receives funding from several federal agencies including the Department of Labor, the Economic Development Administration and the Office of Economic Opportunity, from the State of Michigan and from private organizations. Its professional staff and governing body are advised by a number of lay advisory committees, the two most important are the Economic Planning and Development Committee, composed of representatives from universities, other agencies, business and industry, and the Human Resources Development Committee.

UPCAP also works with private regional economic development organizations in the Upper Peninsula such as Operation Action - U.P. and the Upper Michigan Tourist Association.

In February of 1968, the Governor of Michigan established a set of state planning and development regions (See Appendix A, Map 1). These regions were established to meet the requirements of the Bureau of the Budget's Circular A-80 and to provide for coordination of state programs with one another and with federal, regional and local government and private programs. Four of these regions are located in the Upper Peninsula. However, the boundaries of the three economic development districts in the Upper Peninsula and the four state planning and development regions do not correspond, and this matter has not yet been resolved.

In addition to having established planning and development regions, Michigan has laws which provide for the establishment of regional planning and development organizations. This legislation was used, for example, in establishing economic development regions in the Upper Peninsula.

Northwestern Wisconsin

One of the earliest recorded programs of multicounty area development began on a modest scale in Wisconsin. Large parcels of cutover timberland, made valueless by destructive logging practices and widespread fires during the first part of the century, were acquired by land speculators, but after they failed to attract sufficient settlement after World War I, much of the land was reverted to the counties for delinquent property taxes. As a result of the promotional efforts of a University of Wisconsin professor in the late 1920's and early 1930's, county planning councils were formed. These councils were composed of private citizens, political leaders, government administrator's, and university technical and research experts who made studies and drew up plans for better land use for agriculture, settlement and industry. Later

these committees combined to create multicounty facilities such as tuberculosis sanitariums and general hospitals.

Multicounty administrative districts were established by the Governor of Wisconsin in August 1969, and four of the eight districts delineated are wholly or partly in the Ninth Federal Reserve District. These districts were established to improve the administration of state programs, to enhance federal, state and local intergovernmental cooperation and to permit state government to focus on regional and local, as well as statewide, conditions. The district boundaries were adjusted as a result of experience in implementing the districts and recommendations by citizens and local officials. Governor Knowles issued a revised set of state administrative districts in August 1970 (Appendix A, Map 5).

The Wisconsin governor is permitted by legislation to create regional planning commissions on the petition of local governmental units. In reviewing applications for regional commissions, their adherence to state administrative districts is one criterion he will use for approving the application. Nearly half of the state's counties are included in regional planning commissions. These Commissions are authorized to level a tax of .003 percent on the adjusted assessed valuation of real property in the region and the last session of the legislature granted them \$200,000 biennially to defray costs. In addition, they receive state and federal grants to carry out various functional programs they are sponsoring.

One of these regional planning commissions is the Northwest Wisconsin Development Region, the first commission of this type established in the state. The geographic area it serves includes the ten northwest counties of Wisconsin, all of which are in the Ninth District. Its boundaries are coterminous with the boundaries of the state's Northwest Administrative District. In addition

to doing comprehensive planning for the region, the Northwest Wisconsin Regional Planning Commission is responsible for that area's law enforcement and water and sewer facilities planning. It is also in the process of establishing an economic development district, coterminous with its present boundaries, which has been approved for designation by the Secretary of Commerce.

Five of the seven counties in the Mississippi River Regional Planning Commission are in the Ninth District as well, while Douglas County is encompassed by the Head of the Lakes Council of Governments, which is the 204 Agency for the Duluth-Superior SMSA. And two resource conservation and development projects are also located within the Ninth District's portion of Wisconsin.

Conclusion

In summary, intergovernmental regional cooperation is being embraced by all levels of government in the Ninth Federal Reserve District. Recent trends in district economic and demographic data clearly illuminate the necessity for state and local government to adopt regionalism, and recent Federal Government programs have been designed to encourage them to seek regional solutions to area-wide problems. The Ninth District has responded by adopting a large number and variety of regional programs. The Metropolitan Council of the Twin Cities Area has received national acclaim for its efforts, and the district has already reaped benefits from its regional efforts.

The adoption of a system of state-wide planning regions by district states has significant implications for state and local government in the future. Although their adoption is far from widespread, the use of these districts as regional planning areas by the local government is an effective measure for reconciling the district's governmental structure with its social and economic structure. The establishment of regional planning and development commissions will be slow and difficult, but the realities of social and economic change and state and federal government programs for delivering governmental services will eventually force their adoption.

APPENDIXES

Appendix A - Maps of State Planning Regions

Map 1 - Michigan

Map 2 - Minnesota

Map 3 - North Dakota

Map 4 - South Dakota

Map 5 - Wisconsin

Appendix B - Map of Title V Commissions

Appendix C - Map of Economic Development District in the
Ninth District

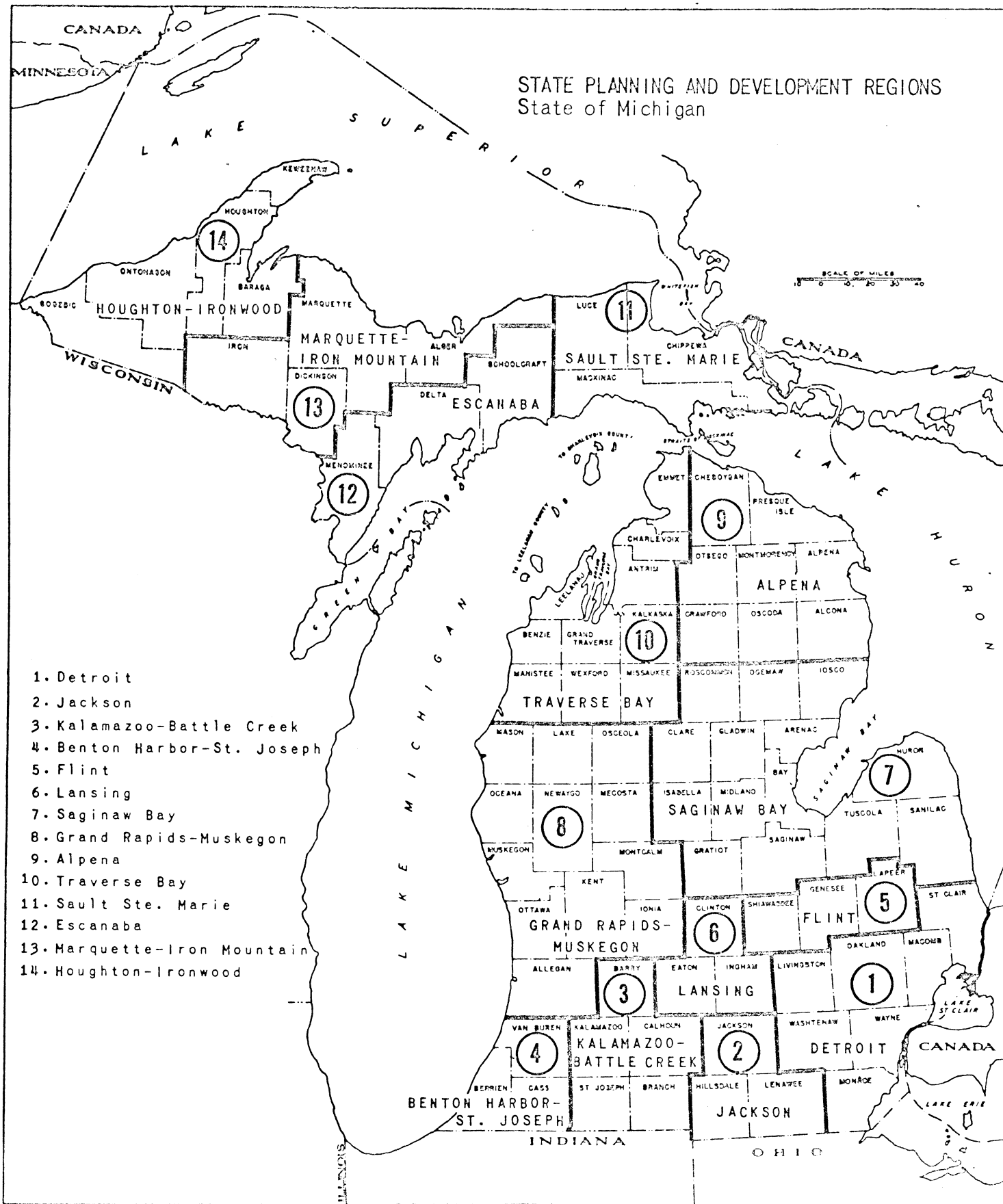
Appendix D - Map of Resource Conservation and Development
Projects in the Ninth District

Appendix E - List of 204 Agencies within the Ninth District

Appendix F - List of Ninth District State Planning Agencies

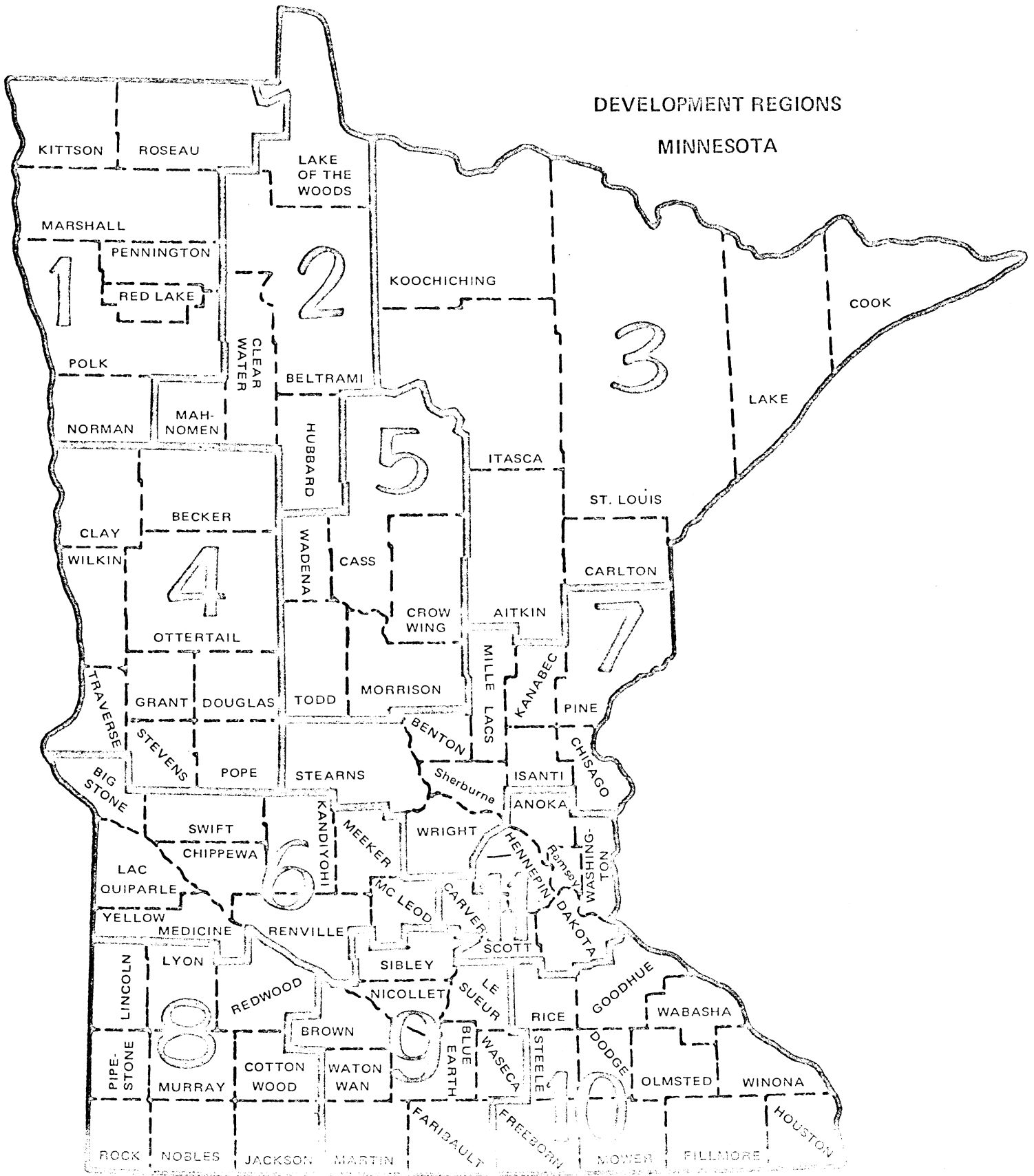
APPENDIX A MAP 1

STATE PLANNING AND DEVELOPMENT REGIONS
State of Michigan



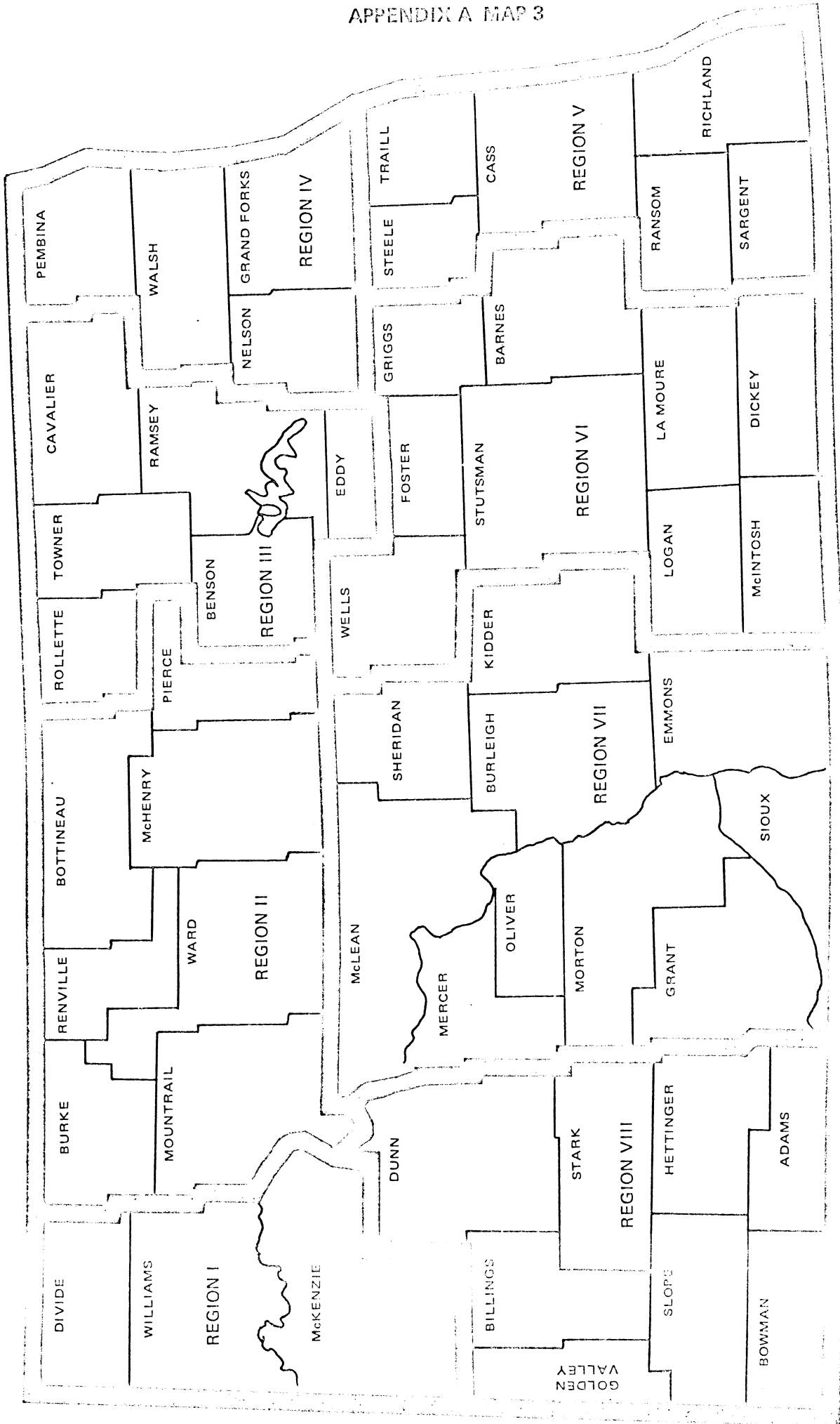
- 1. Detroit
- 2. Jackson
- 3. Kalamazoo-Battle Creek
- 4. Benton Harbor-St. Joseph
- 5. Flint
- 6. Lansing
- 7. Saginaw Bay
- 8. Grand Rapids-Muskegon
- 9. Alpena
- 10. Traverse Bay
- 11. Sault Ste. Marie
- 12. Escanaba
- 13. Marquette-Iron Mountain
- 14. Houghton-Ironwood

APPENDIX A MAP 2



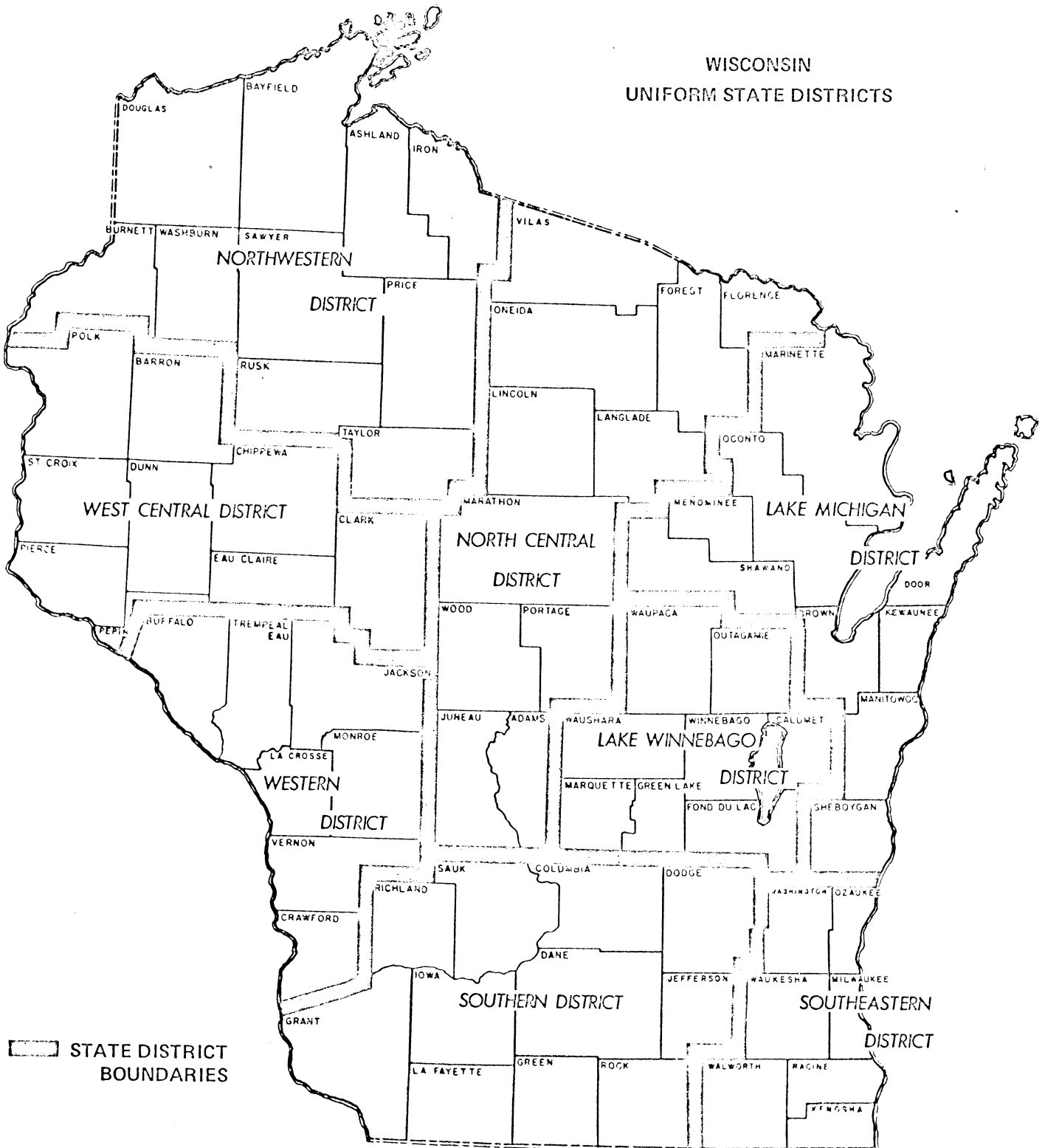
APPENDIX A MAP 3

NORTH DAKOTA



APPENDIX A MAP 5

WISCONSIN
UNIFORM STATE DISTRICTS



APPENDIX B

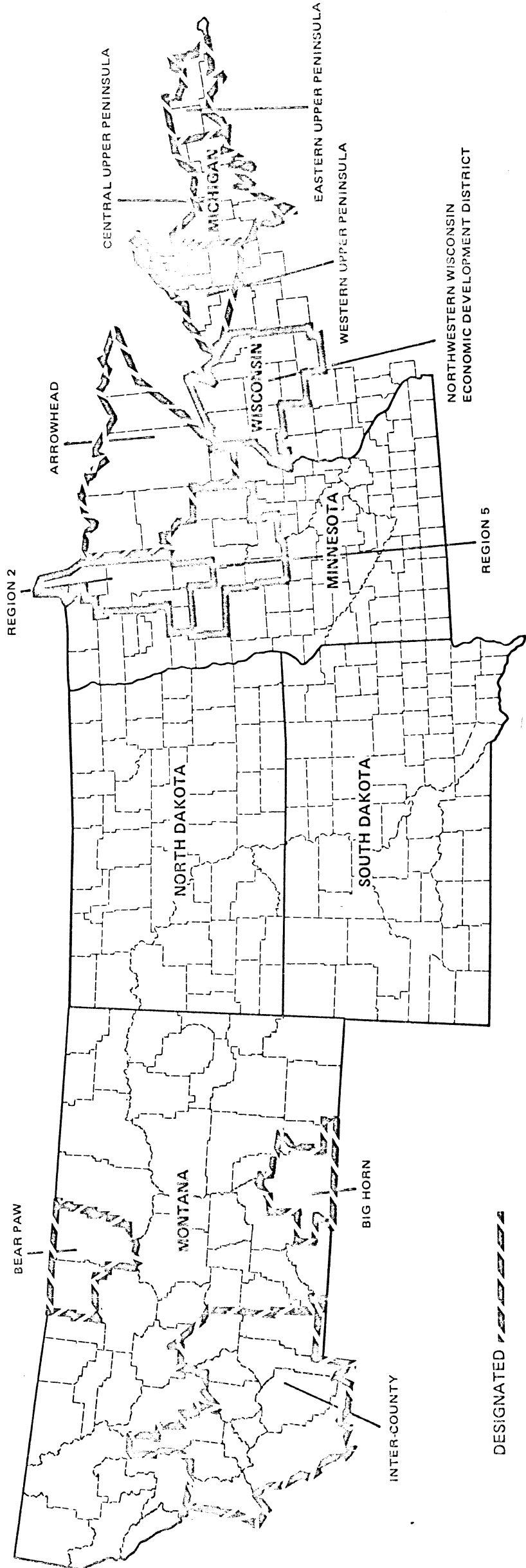
TITLE V COMMISSIONS

MISSOURI RIVER PLANNING COMMISSION FOR MONTANA,
WYOMING, NEBRASKA, NORTH AND SOUTH DAKOTA.



OCTOBER 22, 1968

ECONOMIC DEVELOPMENT DISTRICTS THE NINTH FEDERAL RESERVE DISTRICT

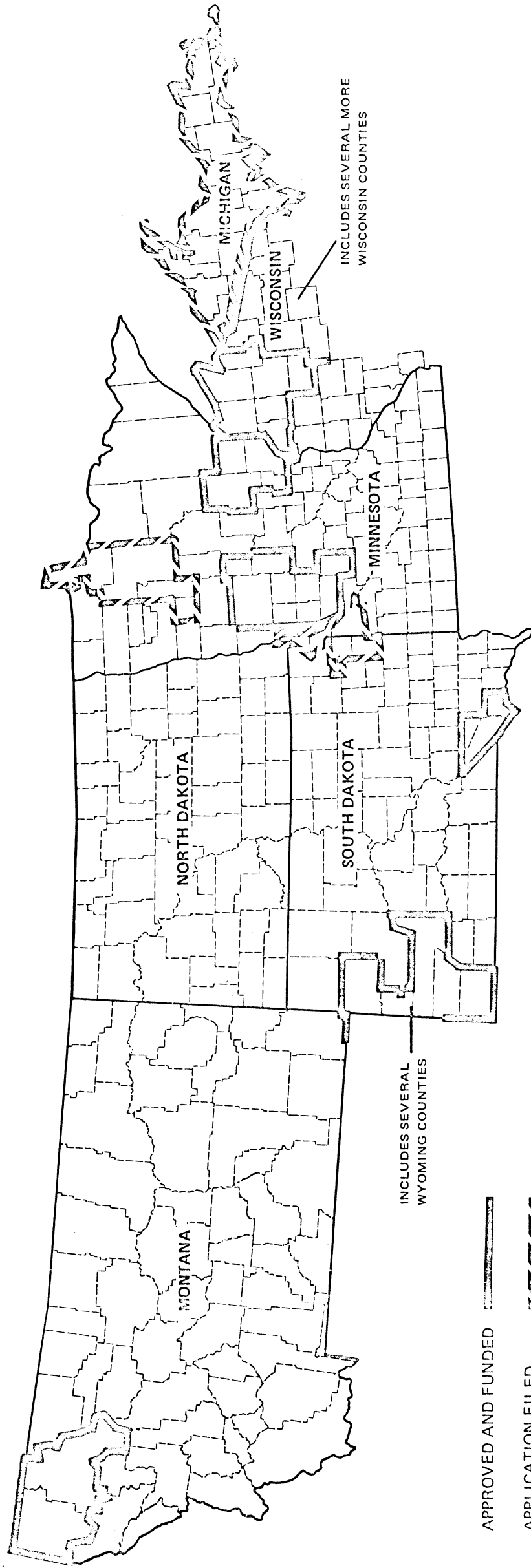


DESIGNATED 

APPROVED 

RESOURCE CONSERVATION AND DEVELOPMENT PROJECTS

THE NINTH FEDERAL RESERVE DISTRICT



Appendix E

204 Agencies in the Ninth District.

Billings SMSA:

Billings-Yellowstone City - County Planning Board
Room 303
Billings, Montana 55101

Duluth-Superior SMSA:

Head of the Lakes Council of Governments
409 City Hall
Duluth, Minnesota 55802

Fargo-Moorhead SMSA:

Fargo Metropolitan Area Council of Governments
City Hall
Fargo, North Dakota 58102

Great Falls SMSA:

Great Falls City-County Planning Board
Post Office Box 1609
Great Falls, Montana 59401

Minneapolis-St. Paul SMSA:

Metropolitan Council of the Twin Cities Area
Suite 101
Capital Square Building
550 Cedar Street
St. Paul, Minnesota 55101

Sioux Falls SMSA:

Greater Sioux Falls Regional Planning Commission
224 West Ninth Street
Sioux Falls, South Dakota 57102

APPENDIX F

State Planning Agencies.

Michigan: Michigan Office of Planning Coordination
Lewis Cass Building
Lansing, Michigan 48913

Minnesota: Minnesota State Planning Agency
Capital Square Building
550 Cedar St.
St. Paul, Minnesota 55101

Montana: Montana Department of Planning and Economic
Development
Capital Station
Helena, Montana 59601

North Dakota: North Dakota State Planning
Division
State Capital
Bismarck, North Dakota 58501

South Dakota: South Dakota State Planning Agency
Office of the Governor
Pierre, South Dakota 57501

Wisconsin: Department of Local Affairs and Development
123 West Washington Avenue
Madison, Wisconsin 53702

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