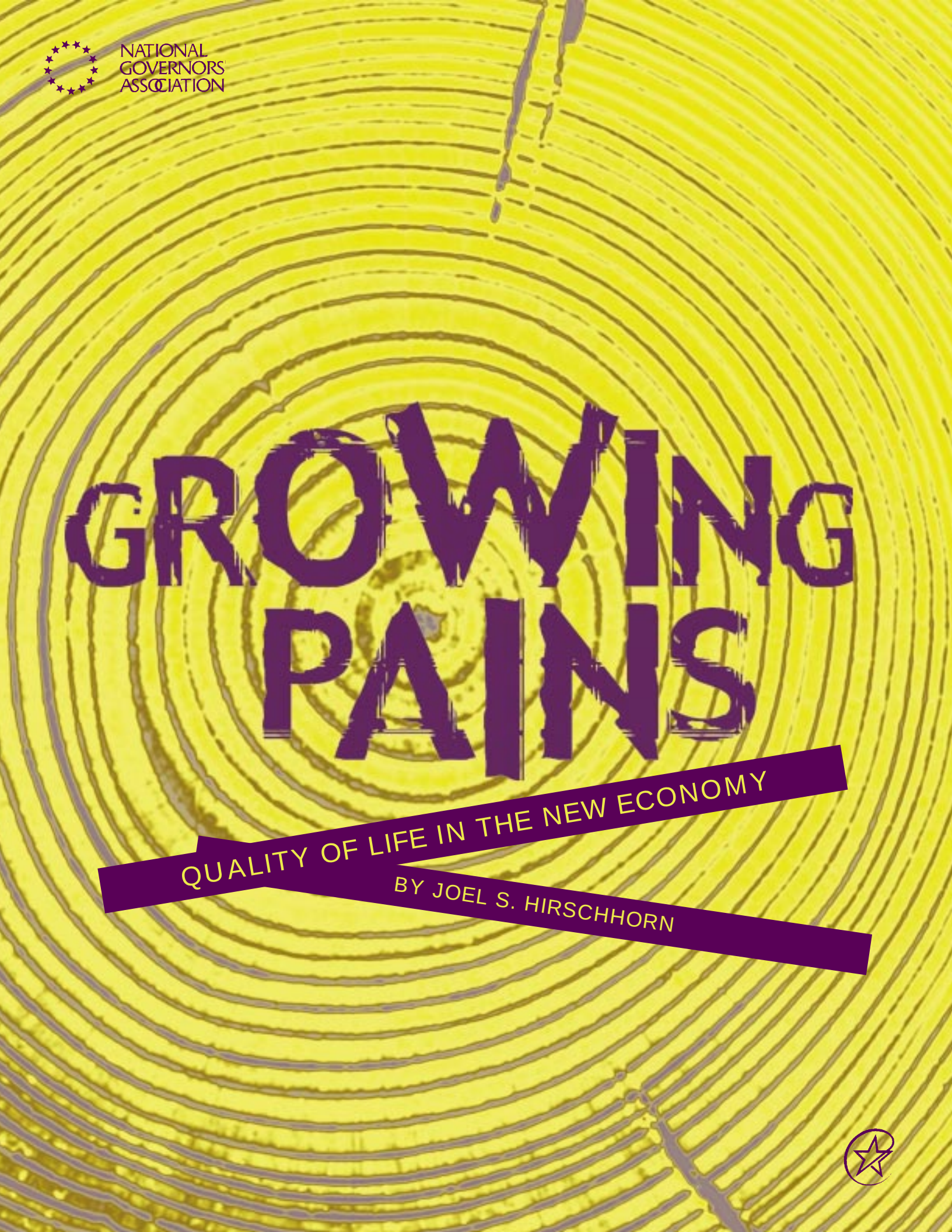
NATIONAL
GOVERNORS
ASSOCIATION
GROWING
PAINS
QUALITY OF LIFE IN THE NEW ECONOMY
BY JOEL S. HIRSCHHORN

NATIONAL GOVERNORS ASSOCIATION

Growing Pains

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By Joel S. Hirschhorn

Since their initial meeting in 1908 to discuss interstate water problems, the Governors have worked through the National Governors' Association to deal collectively with issues of public policy and governance. The association's ongoing mission is to support the work of the Governors by providing a bipartisan forum to help shape and implement national policy and to solve state problems.

The members of the National Governors' Association (NGA) are the Governors of the fifty states, the territories of American Samoa, Guam, and the Virgin Islands, and the commonwealths of the Northern Mariana Islands and Puerto Rico. The association has a nine-member Executive Committee and three standing committees—on Economic Development and Commerce, Human Resources, and Natural Resources. Through NGA's committees, the Governors examine and develop policy and address key state and national issues. Special task forces often are created to focus gubernatorial attention on federal legislation or on state-level issues.

The association works closely with the administration and Congress on state-federal policy issues through its offices in the Hall of the States in Washington, D.C. The association serves as a vehicle for sharing knowledge of innovative programs among the states and provides technical assistance and consultant services to Governors on a wide range of management and policy issues.

The Center for Best Practices is a vehicle for sharing knowledge about innovative state activities, exploring the impact of federal initiatives on state government, and providing technical assistance to states. The center works in a number of policy fields, including agriculture and rural development, economic development, education, energy and environment, health, social services, technology, trade, transportation, and workforce development.

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Growing Pains

QUALITY OF LIFE IN THE NEW ECONOMY

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Growing Pains

QUALITY OF LIFE IN THE NEW ECONOMY

Executive Summary

American growth has historically been linked to a higher quality of life. For some 50 years, the United States has experienced unprecedented economic growth, producing higher levels of affluence, homeownership, and mobility for most Americans. The economic boom of the 1990s has seen increasing demand for larger homes on larger lots, often with garages to handle three or more vehicles. Most Americans now live in suburban communities, and suburban growth has steadily increased pressures on government services, infrastructure, and the environment. One consequence of largely uncoordinated land development and rapid expansion of suburban areas is that many urban centers have languished.

A host of impacts from the traditional style of growth have sparked public concerns, including traffic congestion, a variety of environmental impacts, and loss of open spaces. Many people fear that the negative effects they already feel on their everyday lives may worsen if current growth patterns continue. Fueling public interest is a steady flow of local and national news stories, books, and campaigns by public interest and grassroots groups addressing local growth issues.

Considerable demographic data for the past several decades support what can be called the three Laws of Growth, which are helpful in understanding the character of rapid suburbanization and the types of policy responses that may be effective.

Law No. 1: *Population increases are accompanied by much larger increases in land consumption and somewhat larger increases in residential dwellings and private vehicles.*

Law No. 2: *As distance from urban cores increases and population density decreases, the rate of growth increases for population, land consumption, residential dwellings, and private vehicles.*

Law No. 3: *Rapid suburbanization and urban decay are mirror images of the same phenomenon.*

RESPONDING TO THE CALL FOR ACTION

Many Governors have recognized that the adverse effects of the traditional style of growth will produce two undesirable outcomes, unless significant and effective actions are taken.

1. **Higher Government Costs.** High infrastructure costs for new suburban communities confront state and local governments. Often this makes it difficult to maintain infrastructure systems in older cities and suburbs that are not fully utilized because of depopulation or slow development. Because new suburban developments are often subsidized by government and the broader tax base, local and state governments—and taxpayers—face high costs. These costs could be minimized by making more use of older urban centers and suburbs with infrastructure that can accommodate more development. A high quality of life in both suburbs and urban centers will give people more, not fewer, choices.

2. **Threatened Economic Growth.** The effects of growth on quality of life jeopardize future state economic growth. Companies deciding where to expand or locate new operations are sensitive to unchecked sprawl, environmental issues, and loss of quality of place. This is particularly relevant to New Economy, knowledge-based companies that may shift their locations because of talent needs, but effects on older sectors such as agriculture and tourism may also be significant in some states. Unless something is done to preserve quality of life, growth today will stifle growth tomorrow.

Growing Pains: Quality of Life in the New Economy illustrates Governors' choices from a wealth of ideas and experiments underway throughout the United States. National attention to growth-related issues is expanding, and the role of Governors is becoming more important. Governors are in a unique position to understand that the best solutions for growth problems must be regional in scope. Local governments lack the resources and legal powers to effectively address the many complex growth conditions and impacts that cross governmental boundaries. The federal government is handicapped by policy tools that are not finely tuned to the distinctive and diverse needs of regions and states.

In their 2000 state-of-the-state addresses, about half the Governors described their initiatives for guiding growth, and the number of states with smart-growth-type initiatives is increasing. *"Smart growth" does not mean no growth or slow growth, but rather quality growth that supports quality of life and place.*

GOVERNORS' STRATEGIES TO INFLUENCE GROWTH

For many historical and cultural reasons, local jurisdictions have primary authority over land development decisions, and Governors recognize and accommodate their citizens' sensitivities about state intervention in land use decisions. The historical, cultural, and legal limits to state intervention in local development vary widely among the states, creating a unique set of challenges for every Governor seeking to improve growth patterns. Each state also has its own set of unintended consequences of development. Still, Governors have enormous opportunities to improve statewide planning to enhance and shape economic development, protect natural resources, and preserve each community's quality of life. These opportunities are illustrated by a wide array of approaches that have been used individually or in concert to meet the specific needs of communities and states. *Growing Pains: Quality of Life in the New Economy* identifies and illustrates these options within a framework of three broad groups of initiatives.

Leadership and Public Education. One of the most effective ways for Governors to influence statewide development is to harness the power of public opinion. Perhaps more than any other factor, the public's attitude about growth and continued development outside of older cores of metropolitan areas is the key to reshaping America's growth patterns because public opinion shapes most public and private land use decisions at the community level. States, and Governors in particular, can be instrumental in creating a public dialogue on the potential impacts of various development scenarios and the options for carrying out a collective vision for growth. Through leadership, information, and education, Governors help citizens make thoughtful decisions about growth. Specific approaches include:

- articulating a statewide vision for growth;
- producing and providing access to information;
- creating tools to support local actions;
- fostering collaboration on growth strategies; and
- enlisting state agencies to support statewide development goals.

Economic Investment and Financial Incentives. Once Governors have identified statewide growth objectives and investment priorities, they can use state program expenditures to support and create incentives to steer local and private development where it is most desirable. The result can be collaboration among state and local governments and the public and private sectors to achieve a shared vision of the future. Specific approaches include:

- targeting state funds to support statewide development goals;
- revitalizing town centers and neighborhoods;
- integrating brownfields redevelopment efforts with broader initiatives; and
- acquiring and encouraging preservation of contiguous land areas.

Government Collaboration and Planning. As developed areas expand, local decisions about growth increasingly have regional or statewide impacts on transportation, wildlife habitat, water and air quality, and economic development. This is particularly true when a major strategy is to shift growth from the outer suburban and newly suburbanizing areas to older urban cores and close-in suburbs, because such areas are likely to cover a number of local governmental units. Without a regional approach and a common blueprint for the future, piecemeal solutions conceived by local communities will likely fail—and have negative impacts on nearby communities. To relieve these impacts, state-level intervention can improve coordination among local jurisdictions and provide guidance and technical assistance to inform development decisions. Local planning may also benefit from state efforts to remove regulatory barriers and speed development where it is most appropriate. Specific approaches include:

- fostering state collaboration with local jurisdictions;
- reducing barriers to development in targeted areas;
- requiring local planning; and
- assuming authority over area development decisions.

In creating a growth strategy, Governors assess the circumstances specific to their states, including public concerns about housing, business, commercial, and infrastructure development; the public's cultural values; the traditional limitations on state intervention in planning; and the financial resources and policy options available for influencing growth. Governors select a unique combination of policies and programs to meet their states' needs. Maryland, New Jersey, and Oregon, for example, are notable in their efforts to integrate a large range of policy options into a comprehensive growth strategy. But many policy innovations implemented by other states are no less significant in their potential to influence local development patterns, urban revitalization efforts, or land preservation programs.

Initiatives by Governors follow these principles:

1. There is no antigrowth sentiment or belief that suburbanization can or should be stopped completely. However, there is increasing interest in more intelligently and sensitively coordinating, steering, and shaping growth to better serve immediate and longer-term needs of states. The question is not *whether* to grow but *how* to grow. In general, this means channeling more growth into areas already developed, principally urban centers and older suburbs.

2. There is no one-size-fits-all approach to addressing growth issues. States and regions have unique histories, needs, and goals. The marketplace is also providing a wealth of new ideas and designs for addressing both urban and suburban issues and demands, challenging

all parties to seriously consider new solutions that seem appropriate for their communities.

3. Many of the actions being pursued are aimed at preventing future adverse impacts. Extrapolation of recent trends poses uncertainties despite using the best information and analysis, but it still builds public support for actions necessary to preserve quality of life for future generations.

4. Governors recognize that land use decisions are predominantly a local government responsibility. Nonetheless, they believe that states play an important role in fostering smart, long-term decisions. All efforts represent major collaborations among stakeholders and multiple levels of government, as well as balancing the rights and needs of individuals and communities.

5. Governors increasingly recognize that smarter growth improves statewide competitiveness in retaining and attracting New Economy workers and companies.

The impacts of rapid growth in a prosperous economy may backfire and stifle future growth. The challenge is to prevent strong economic growth from eroding quality of life. In the past, growth has equaled prosperity, and prosperity has equaled quality of life. But when growth produces too much pain as well as prosperity, it is no longer quality growth. Only quality growth can keep the engine of prosperity running in a sustainable mode.

All the talk about sprawl in recent years has missed the larger issue, which is how the loss of quality of life threatens future growth and prosperity. Sprawl is simply one form of suburban development that has come to symbolize a negative form of growth, but other forms are available. Solutions to growing pains require understanding that haphazard "greenfields" suburban growth is just half the puzzle. The other half is development or the lack of it in older urban centers and suburbs. If quality growth is to signify more and not fewer choices for Americans, then the quality of place for both urban and suburban lifestyles must be high and competitive even though they each will have distinctive styles and characteristics.

It took decades of American growth and prosperity to create today's growth issues, and it will take time to reorient the style of growth. Changing the way we grow requires a lot more than changing laws and redirecting state funding. Maintaining vibrant growth without adverse impacts also means developing public consensus for social and cultural changes that can protect and elevate a state's quality of life and place.

Chapter 1

Growing Pains

Decades of American prosperity have fueled largely uncoordinated development of open land and the rapid expansion of scattered suburban areas. This "greenfields" style of growth has historically been associated with a higher quality of life. But there is growing concern that haphazard development is beginning to negatively affect people's daily lives and diminish the cultural, natural, and historic characteristics that individual communities value. Long-term economic and population growth have produced "growing pains" that are already stimulating creative responses in the public and private sectors.

THE PROBLEM OF TRADITIONAL DEVELOPMENT PATTERNS

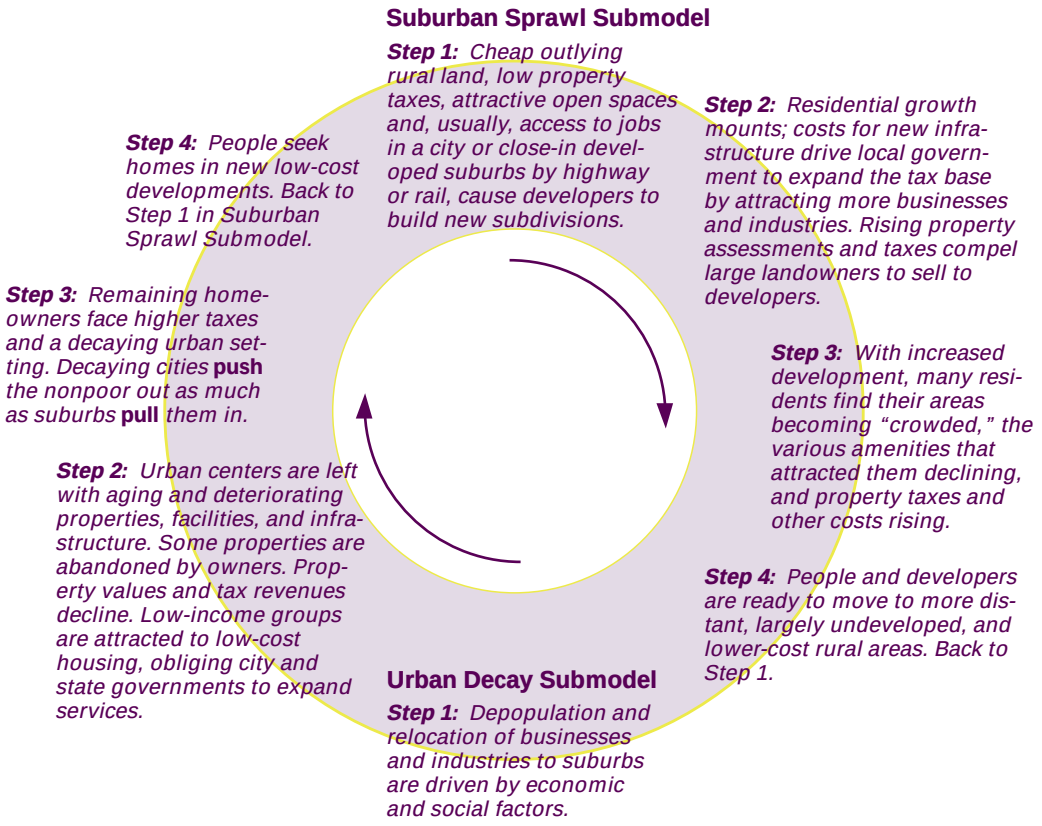
It took decades for the development patterns that have dominated the American landscape to create the cumulative effects that now raise widespread concern. Large homes, oversized lots, vast shopping centers, high-speed roads, and urban beltways were designed to provide personal space and convenience in a nation with large reserves of land. During the 1990s, more than 80 percent of new homes were in suburbs. Most Americans, roughly 60 percent, now live in suburban communities; and in the 75 largest metropolitan areas, some 75 percent of people live in suburban areas. Although approximately two-thirds of white, non-Hispanic Americans live in suburbs, about two-thirds of African Americans live in urban centers. Steering growth from suburban areas to urban cores, therefore, has a social dimension.[1]

The changes in land use caused by scattered development are readily apparent in U.S. Census figures. In 1920, the average density of all urbanized areas, including cities, suburbs, and towns (but not farms) was 6,160 people per square mile. By 1990, that figure was down to 2,589 persons per square mile. The average density of developments built since 1960 is just 1,469 persons per square mile, compared to urban-core densities in the range of 4,000 to 5,000 persons per square mile. These dramatic decreases in population density define the shift of people from cities to suburbs.[2] Suburbanization involves the steady movement of homes and jobs from high- to low-density population areas. Sprawl is one form of suburbanization and can be defined as the process whereby residential and commercial development extends out from a central city to the surrounding countryside, replacing open land and farms with especially low-density housing and creating a lifestyle that is dependent on automobile use. An excellent study of state growth came to this key conclusion about the price of rapid suburbanization:

> The dilemma of sprawl is that the greater the number of people who want to live in a ow-density living environment, the more difficult it will become to do so. At the same time, urban decay makes it difficult for those who prefer to live in an urban environment to do so as well. Sprawl thus greatly curtails the freedom of choice.[3]

The accompanying figure shows the "Circular Model of Sprawl," which explains the logic and implications of suburban sprawl

TRADITIONAL CIRCULAR MODEL OF SPRAWL



and urban decay and how they reinforce each other. In this traditional model, no significant actions curb urban sprawl or revitalize urban cores.

Only after years of rapid growth have the consequences of suburbanization become more apparent. Many of these impacts on quality of life are incidental and difficult to quantify, but collectively they can be profound. For example, homes on large lots produce housing developments where neighbors lose the daily interaction that close proximity provides, such as conversations at the fence line and greetings on the sidewalk. The abandonment of town centers for shopping malls and office complexes demands greater reliance on personal automobiles for transportation, increasing personal financial costs, traffic congestion, and air pollution. Commercial development along highways transforms high-speed intercity connectors into miles of congested traffic. Suburban development of farmland requires people to travel ever-greater distances to pick apples, walk in the woods, bicycle on a country road, or simply enjoy a rural landscape. Where once people saw natural hillsides and valleys in the distance, they now see hills and valleys dotted with hundreds of new homes. California historian Kevin Starr has said: "The remorseless devouring of landscape is pushing increasing multitudes toward a meltdown of rebellion over quality of life. The key challenge facing [California] for the next century will be growth."[4]

An illustration of the current set of conditions and stresses for new suburban communities is given in the accompanying box. Inevitably, some local residents, government officials, and businesses in mostly rural areas have opposing views about proposals for new greenfields developments.

ILLUSTRATION OF A PROPOSED NEW COMMUNITY IN A RURAL AREA

In Jefferson County, West Virginia, some 70 miles outside Washington, D.C., many local landowners and government officials favor a new planned community, while others strongly protest what they view as a "sprawl" community being imposed on a largely rural area. These are the major features of the situation, which typify similar development projects nationwide:

- On 1,000 rural acres of former apple orchards, a developer wants to build a community consisting of 2,100 single family houses, 750 town homes, and 450 apartments near retail shops and offices. One hundred forty-two acres of open space would be preserved.
- In 1990, the county was included in the Washington, D.C., metropolitan area, even though only 10 percent of the county's workforce commuted to work in the Washington area—but that represented a three-fold increase since 1970.
- The timing of the proposal matches considerable actions to limit growth in closer-in northern Virginia suburbs.
- A commuter rail line connects the heart of the area to downtown Washington and carries about 4,640 people a day, a 57-percent increase over 1985. Highways connect to northern Virginia suburbs.
- The $451.5-million development will generate $3.3 million a year in local property taxes.
- Capital school-building costs will range from $25 million to $40 million.
- A likely shortfall between new revenues and all new infrastructure costs will increase assessments and taxes for all county residents.
- A local resident opposed to the development said: "It's the typical problem with the growth of the population changing the rural countryside. I guess people love it so well, they're going to destroy it."
- A local businessperson in favor of the project said: "We need jobs. We need to grow." Another pro-development resident said: "The only way for Jefferson County not to develop is to pick it up and move it away from Washington and Baltimore."
- An official with the developer said: "From a smart growth viewpoint, this is not sprawl."

Source: "Development Sneaks Up on W.Va.: Panhandle Beckons Beltway Workers," *Washington Post*, March 5, 2000.

Suburban Jobs. An especially important dimension to current growth patterns is the location of jobs. Many people move to where the jobs are and vice versa, which increasingly means moving to outlying suburban areas, although traffic congestion and other factors are beginning to stimulate more interest in urban locations. The older image of suburban "bedroom" communities, where most people commuted to central cities to work, has changed. Now, about 60 percent of office space nationwide is in suburban areas, up from 25 percent in 1970. From 85 percent to 90 percent of total metropolitan jobs are now in suburbs rather than downtown areas of cities. In six New Jersey counties, nearly two-thirds of the new office space approved in 1999 by local officials is being built in largely rural areas. For some time, people moved to where the jobs were, but companies increasingly are

moving to locations where the workers are, which often means outer suburbs. This is particularly true for knowledge-based and high-technology companies. But another significant factor is the shift in retail jobs, which have moved from urban cores to suburbs because of expanding shopping malls, box stores, and strip malls.

In Ohio's seven largest cities, jobs increased by 19,510 from 1994 to 1997, but their suburbs gained 186,000 jobs. In the Atlanta area, 40 percent of jobs were in the city itself in 1980, but by 1996 only 24 percent were in the city. Milwaukee lost 14,000 jobs between 1979 and 1994, while its inner-ring suburbs gained 4,800 and the outer-ring suburbs gained a remarkable 82,000 jobs. The three main, older industrial cities in Rhode Island lost 4,600 jobs from 1980 to 1997, while the rest of the state, where the population has remained stable, gained nearly 48,000 jobs. These shifts in jobs, homes, and population do more than eat up land; they also inevitably result in more poor people being left behind in cities with fewer businesses and jobs and, consequently, a lower tax base, making older urban centers less and less attractive for new residents and development.[5] Lower-income urban people are also increasingly unable to afford housing in growing suburbs where many new jobs are, and they face high costs for "reverse" commuting to such jobs.

PUBLIC OPINION

The cumulative impacts of the traditional style of growth have produced a strong grassroots movement about growth-related issues. It involves hundreds of citizen groups, many networked together through Internet web sites, as well as many regional and national research and public interest organizations. This movement is gaining strength nationwide. Evidence includes the large number of local and state ballot initiatives that voters have overwhelmingly passed, including billions of dollars for land preservation efforts, as well as impacts on local elections, where candidates run on growth-related platforms.

A recent national poll illustrates the public's unease over growth.[6] Concerns about sprawl and growth are now edging out more traditional local issues. The set of issues referred to as "sprawl, growth, traffic, roads, and infrastructure" was deemed the most important problem facing communities by 18 percent of all respondents. This compared to 10 percent for those seeing education as the most important problem facing their community. But among those living in suburbs, the level of concern about sprawl-related issues rose to 26 percent. In some large, growing metropolitan areas, concern is even higher. In Denver, 60 percent of residents named sprawl as the biggest problem facing the area, as did 47 percent in San Francisco and 33 percent in Tampa.

Of all respondents, 40 percent agreed that "local government should try to limit growth in less-developed areas and encourage growth only in areas that are already built up." This view is consistent with the National Governors' Association's Principles for Better Land Use. Where people live greatly influences their perceptions: 41 percent of those living in suburbs see unlimited growth and development as a big problem, compared to 31 percent in big cities and 21 percent in rural areas. A 1999 survey conducted by the National Home Builders Association found similar results. At least 70 percent of those surveyed in San Diego, Minneapolis-St. Paul, and Washington said government should invest resources in older, existing neighborhoods to encourage people to live there. In Atlanta and Denver, 65.9 percent and 64.0 percent concurred, respectively.

Florida recently conducted a Growth Management Survey.[7] Nearly 3,700 people responded, and key findings included:

- 71 percent of respondents stated the quality of Florida's environment had

worsened, and 61 percent said that the general quality of life had changed for the worse;

- the most serious growth problem cited was traffic congestion, at 72 percent, followed by urban sprawl, at 70 percent;
- 83 percent favored providing incentives for urban redevelopment;
- 78 percent favored providing financial incentives to discourage conversion of agricultural land to urban uses;
- 76 percent favored using urban growth boundaries;
- 82 percent favored a high or moderate level of state involvement to shape community character and quality; and
- 55 percent favored development of a state plan that guides growth.

Similarly, the Connecticut Council on Environmental Quality conducted public forums over a three-year period to obtain citizen views on what the state's environmental priorities should be. The 1999 Annual Report said the leading citizen concern was land conservation, followed by the concern about sprawl and the need for "smart growth."

Survey results confirm that growth-related issues have strong grassroots interest. Some people talk about "population indigestion." Similarly, a 1999 survey by the National Association of Counties found that only 10 percent of county officials were *not* concerned about growth. A 1999 survey by the National League of Cities found that 40 percent of respondents said that development was "helter-skelter" rather than planned, and 66 percent worried about traffic congestion.

TRAFFIC CONGESTION

Traffic congestion and increased commuter times are intense issues in many communities. Americans are using more cars to travel more miles, and the growth rate for vehicle miles is greater than the growth in Gross Domestic Product and population. Both the people suffering in traffic and the companies that employ them are increasingly agitated. An important study on traffic congestion found that the annual cost from delays and fuel use totaled over $70 billion.[8] Today that figure would be much higher.

The data for metropolitan areas also showed that only 13 percent of the growth in driving was attributed to population growth, with the remainder caused by longer average car trips; less carpooling; and less use of transit, biking, and walking.[9] Even though the population grew by 49 percent from 1960 to 1997, the number of motor vehicles increased nationwide by 181 percent. From 1980 to 1995, 1.29 automobiles were added to the vehicle population for each person added to the nation's population. In Rhode Island, from 1980 to 1997, motor vehicles increased by 14 percent, even though population increased by only 4.2 percent. From 1990 to 1996, the average time an American family spent in a car every day increased by 22 percent. In the high-growth area of Sacramento, California, the hours of delays on freeways increased 1,000 percent from 1986 to 1998. In 1970, Americans averaged 4,485 automobile miles per person, but this rose to 6,330 miles in 1993, a 41-percent increase. That trend seems to be continuing and perhaps worsening. The implications are severe, considering that the nation's population from 2000 to 2020 is expected to increase by some 47 million people.

The national poll by the Pew Center for Civic Journalism, mentioned earlier, found that 35 percent of the public says that traffic congestion where they live is a big problem. But location means a lot: 51 percent of those living in big cities, which often include suburban areas, see congestion as a big problem, compared to 46 percent in strictly suburban areas and only 18 percent in rural areas. But people in some big cities see the problem as even

worse, including 73 percent of Denver residents and 68 percent of San Francisco residents. The 1999 survey by the National Home Builders Association found similar results. Almost 51 percent in San Diego, 49.9 percent in Atlanta, 51.2 percent in Washington, and 56.8 percent in Denver indicated that driving in their market is very difficult and has a very negative effect on their quality of life. A recent American Automobile Association poll of residents in the Washington metropolitan area found that nearly 25 percent of respondents were considering major changes, such as finding another job or home, to ease their traffic congestion problems.

A recent analysis reached this pessimistic conclusion: "The most important thing to understand about peak-hour traffic congestion is that once it has appeared in a region, it cannot be eliminated or even substantially reduced. There is no effective remedy for traffic congestion because it is essentially a balancing mechanism that enables firms and people to pursue key objectives other than minimizing commuting time."[10]

With respect to traffic congestion, Maryland Governor Parris N. Glendening has said: "We cannot fool ourselves—or the public—any longer: We can no longer build our way out of our highway congestion problems. It is not an environmentally or financially feasible solution." He has noted that the number of miles traveled is growing at a rate three to four times faster than the Maryland population. The difficulty of reducing traffic congestion, especially by building more highways and even by fostering more use of public transit, carpooling, and high-occupancy vehicle and toll lanes, must be acknowledged.[11] There is growing agreement that once heavy congestion is created, new highway capacity tends to induce still more traffic over time, perhaps as a result of still more development. One study found that metropolitan areas that aggressively expanded roads fared no better in relieving rush-hour congestion than those with the least amount of new highway construction; in fact, they did slightly worse.[12]

Some significant congestion relief may be possible through new "information bypass" and intelligent transportation systems. These include technologies such as smart tags and E-Z passes for toll highways, and the use of modern communication technologies to provide real-time information on traffic conditions to large numbers of people so they can fine-tune their decisions on travel routes. For example, one traffic information company serving 50 cities charges $60 per month to have traffic information displayed on cellular phones or hand-held computers as customers plot their course through rush-hour traffic; it is also available on the company's web site.[13] Another strategy is to encourage people to live closer to their workplaces. Congestion pricing is yet another approach. Two private highways in Orange County, California, for example, charge motorists up to $3 during rush-hour and as little as 25 cents during nonpeak hours. Expanding telework opportunities is another alternative.

All such approaches need to reduce the number of rush-hour drivers by only relatively small percentages to yield benefits. A study for San Diego found that by better matching jobs and housing, vehicle miles traveled would be reduced by 5 percent to 9 percent and traffic congestion cut by 31 percent to 41 percent. Portland, Oregon, has demonstrated that growth management planning can reduce growth in the number of vehicle miles traveled per person. It has the lowest vehicle miles traveled compared to other high-growth cities.

A new wrinkle, however, is that traffic congestion in many suburban communities is now worse on Saturdays than on weekdays. One reason is that only about 12 percent of new single family homes are near stores, compared to about 26 percent on average for all homes in the nation. A national survey found that

people drove 137 percent farther to accomplish errands in 1995 than in 1969.[14] It also found that commuting accounted for 32 percent of total trips in 1969, but this had dropped to 24 percent in 1995. With most adults working full time, most if not all family members now must use their individual cars to run errands on Saturdays, repeatedly moving from one location to another, from morning to evening. And Sundays may soon become as bad. The problem is also growing in largely rural areas with new greenfields subdivisions and old country roads unable to handle greatly increased traffic. Transportation planners are baffled because weekend errand-running, unlike weekday rush hours, creates no dominant traffic direction, only gridlock everywhere. As one Fairfax County, Virginia, traffic official said recently, "The frustration is even higher for people because the traffic congestion [on weekends] is not expected."[15]

ENVIRONMENTAL IMPACTS

Environmental impacts of growth are a major, widespread concern. Governors have often cited environmental problems when they have defined the seriousness of the growth issue. For example, Delaware Governor Thomas R. Carper said:

> Many of our state's most serious problems are directly related to poor land use planning—water pollution, dirty air associated with traffic congestion, erosion, flooding, and loss of open space. If we don't begin to do a better job of planning for future development in our state, we risk losing some of the very things that make the quality of life here so special.[16]

The table on the next page presents a summary of the major growth-related environmental issues, impacts, and possible solutions, including public health and safety issues.

Water Runoff. Water runoff is an important example of an environmental issue arising from continuing scattered development. On open land, much of the water produced by rain and snow can infiltrate soil, where it can slowly be cleansed and recharge underground water supplies. Storms are especially significant because very large amounts of storm water runoff can cause flooding and soil erosion. Development greatly increases water runoff. For example, parking lots generate almost 16 times more runoff than undeveloped open land. Continuous impervious surfaces, such as parking lots, roads, and commercial facilities, increase the volume and velocity of runoff. A study of growth scenarios for a South Carolina town found that runoff from large, spread-out lots was 43 percent higher than from a compact design. Runoff from artificial, impervious surfaces can also carry pollutants such as oil and gasoline into streams and rivers. A South Carolina Department of Health and Environment study found that runoff pollutants and sediment loads were 43 percent and 300 percent higher, respectively, from sprawl patterns than from traditional town patterns. A study for the Atlanta region found that new greenfields suburban development created an average of 0.28 acres of impervious surface per dwelling unit, compared to urban and compact development with 0.03 acres per dwelling unit. An environmental group claimed that of the 10 most endangered rivers in the nation, six are imperiled by suburban sprawl.[17]

Air Pollution. Another environmental link to suburban growth is air pollution from traffic congestion.[18] A 10-mile trip that lasts 11 minutes in light traffic can produce 2 grams of volatile organic compounds that contribute to ozone formation. The same trip, but lasting 30 minutes in heavy traffic, can produce 7 grams, a 250-percent increase in emissions. People in outer suburbs, who face some of the heaviest congestion, use three times as much gasoline as those in middle and inner suburbs that provide rail and bus transit options, and four times as much as those living in core areas that facilitate walking. A Pennsylvania study

GROWTH-RELATED ENVIRONMENTAL ISSUES, IMPACTS, AND SOLUTIONS

Growth Issue	Environmental Issue	Potential Impacts	Possible Solutions
Haphazard expansion of suburban communities.	Water runoff.	• Increased pollution of streams, rivers, and marine environments. • Increased flooding. • Loss of biodiversity in streams. • Soil erosion. • Decreased recharge of aquifers. • Lower drinking-water quality.	• Coordinated land use planning. • More compact communities. • Greenspace buffers and preservation. • Watershed protection.
Poor land use planning.	Consumption of open spaces.	• Loss of contiguous greenspaces. • Loss of natural habitats for native species. • Stressing of endangered species. • Loss of wetlands. • Fragmentation and loss of forestland. • Increased flooding. • Increased mountain mudslides and slope collapses. • Increased prevalence of non-native, invasive species. • Health impacts from proximity to wild animals and confined-animal feeding operations. • Loss of green infrastructure for metropolitan areas. • Less access to recreation areas. • Higher temperatures or "heat islands" in metropolitan areas. • Reduced plant photosynthesis.	• Land preservation. • Priority development areas. • Growth boundaries. • Purchased development rights. • Urban revitalization and infill development. • Higher impact fees for developers. • Expand green infrastructure in urban and suburban areas.
Traffic congestion.	Air pollution.	• Increased smog and other pollutants. • Increased health impacts, such as asthma. • Noncompliance with federal standards and limits on new road construction.	• Improved transportation, land use planning. • Mixed-use development. • Urban revitalization. • Mass transit. • Telework.
	Public safety.	• Increased response times for fires and medical emergencies. • Road rage.	• Traffic congestion relief efforts. • Public education.
	Energy use.	• Wasted petroleum.	• Improved transportation planning. • Flexible work hours and telework.
Urban depopulation and decay.	Contaminated land and buildings.	• Increased human exposure to toxic substances.	• Brownfields development projects.
	Public infrastructure.	• Decreased maintenance and greater service interruptions for water, sewer, road repair, and waste disposal.	• Urban revitalization and increased growth.

found that daily vehicle miles traveled per capita was about 50 percent higher in the suburbs than in urban areas, and about 150 percent higher than in rural areas.[19] Atlanta area drivers wasted 214 million gallons of gasoline while sitting in traffic in 1997, which created air pollution but no real benefits. Engine and emissions-control improvements have greatly reduced unit-per-mile pollution. However, the trend of increasing numbers of vehicles, increasing miles traveled, and increasing numbers of higher-emission sport utility vehicles portends increased air pollution in high-growth areas unless offsetting technological innovations reduce unit emissions from vehicles.

Heat Islands. A third and much newer example of a growth-caused environmental impact is the "heat island" caused by a large, dense metropolitan area with declining greenspaces. In places like Atlanta, with soaring downtown high rises, sprawling suburbs, and industrial parks, heat or radiant energy is soaked up during the day and held onto at night. Satellite data show that heavily developed parts of the Atlanta metropolitan area remain warmer than surrounding areas, effectively trapping heat like a sponge holds water.[20] Many localized heat islands are centered around areas where growth is greatest, especially along county borders, transportation routes, and downtown. The growth is changing the region's climate. Heat rising from developed areas is spawning thunderstorms, for example. Satellite images show storms beginning to coalesce directly over the hottest parts of town. As the city grows, so grow the thunderheads. Research has also shown that photosynthesis by plants in such regions is significantly reduced. From 1973 to 1992, forestland decreased by 15 percent, and grassland and cropland by 6 percent in the greater Atlanta metropolitan area. The Georgia Conservancy estimates that 27 acres of tree cover are lost every day in the Atlanta region.

LOSS OF OPEN SPACES

The rapid loss of undeveloped land to suburbanization has also generated considerable public concern, not merely for what has already occurred but because of a number of worrying trends and future scenarios. The conversion of open spaces to development is accelerating. According to U.S. Department of Agriculture data, during the five years from 1992 to 1997, the amount of nonfederal U.S. land developed—almost 16 million acres—was about the same amount converted in the previous decade.[21] In some states, development was much higher than in the previous decade, including nearly three times more in Pennsylvania and over twice as much in Mississippi, Nebraska, New York, and West Virginia.

The same database indicated that in eastern states, development was mostly on forestland, with Massachusetts having the highest fraction from forestland, at 78 percent. In midwestern states, development was mostly on cropland, with Illinois having the highest fraction, at 67 percent. In western states, development was mostly on rangeland, with Wyoming having the highest fraction, at 80 percent.

In 1997, 7.1 percent of all nonfederal land in the nation was developed. But in some states, the proportion was much higher, with New Jersey the highest at 40.8 percent, followed by Massachusetts at 31.9 percent and Rhode Island at 31.1 percent. About 15 percent of all land in the nation was developed between 1992 and 1997. In addition to developing farmland, pastureland, rangeland, and forestland, development has contributed to the annual loss of some 100,000 acres of wetlands nationally.

The development of suburban land since 1960 has far outpaced population growth in every region of the country. Population growth in the nation's suburbs has been more than twice that in central cities, 9.6 percent versus 4.2 percent from 1990 to 1997. In 1996 alone,

2.7 million people left a central city for a suburb, compared to only 800,000 who made the opposite move nationwide. From 1960 to 1990, the amount of developed land in the nation's metropolitan areas, which include nearby suburbs, more than doubled, while population grew by less than 50 percent.[22] Clearly, population increases alone do not account for the accelerated pace of open land consumption.

The greater, geometric rate of land consumption over population growth is not a regional or isolated phenomenon.

- In Pennsylvania, the population in the 10 largest metropolitan areas grew by only 13 percent from 1960 to 1990, while the amount of occupied land grew by 80 percent.[23]
- In Philadelphia, the land area increased by 32 percent from 1970 to 1990, for a population increase of less than 3 percent, consuming 125,000 acres of open space.
- Between 1970 and 1990, the population of Chicago increased by 4 percent, but its land area expanded by 46 percent.
- In central Puget Sound in Washington, population rose 38 percent from 1970 to 1990, while developed land increased by 87 percent.
- In the multistate Chesapeake Bay watershed, population grew 50 percent between 1950 and 1980, but the amount of land, including wetlands, consumed for residential and commercial development grew by 180 percent.
- In Kansas City, the population grew by less than a third from 1960 to 1990, but the urban area expanded by 110 percent.
- The amount of developed land in Rhode Island grew by 147 percent from 1961 to 1995, nine times faster than the rate of population growth and 50 percent more than all the development in the 325 years since the state's inception.
- In 1999, Rochester Mayor William Johnson said the upstate New York population had grown by a mere 4 percent since 1960, while land use during the period increased by 80 percent. He also illustrated why high rates of increased land use can result from suburban population growth by noting that 2 million square feet of retail big-box stores had been constructed in his area in the past few years, even though another 2 million square feet of retail space remained empty closer to the older urban center.

Considerable demographic data for the past several decades support what can be called the three Laws of Growth, which are helpful in understanding the character of rapid suburbanization and the types of policy responses that may be effective.

Law No. 1: *Population increases are accompanied by much larger increases in land consumption and somewhat larger increases in residential dwellings and private vehicles.* Other than controlling population growth, reducing economic growth, and controlling family preferences, this law does not suggest practical solutions to uncontrolled suburbanization. However, a significant national economic downturn could greatly diminish suburbanization and its various impacts.

Law No. 2: *As distance from urban cores increases and population density decreases, the rate of growth increases for population, land consumption, residential dwellings, and private vehicles.* See the accompanying table for data illustrating the effect of distance on growth rates. This law suggests policies such as urban revitalization and compact development that steer growth from the outermost suburbs into urban cores and older, close-in, more developed suburbs. Other policies suggested include open land preservation, urban growth boundaries, and priority growth areas.

PERCENT GROWTH RATES FOR URBAN AND SUBURBAN AREAS, RHODE ISLAND

	Population	Housing Units	Motor Vehicles	Developed Land	Private Jobs
Period	1980–2000	1980–2000	1980–2000	1961–1995	1980–1997
Area					
Urban Core	–0.9	5	–9	54	–3
Inner Suburb	2.7	26	22	122	31
Outer Suburb	13.5	40	44	169	20
Rural Emerging Suburb	22.8	30	44	205	50

Source: Data from Grow Smart Rhode Island, "The Costs of Suburban Sprawl and Urban Decay in Rhode Island," December 1999.

Law No. 3: *Rapid suburbanization and urban decay are mirror images of the same phenomenon*. To be successful, therefore, attempts to control suburbanization must include actions to revitalize urban cores and older suburbs, particularly the creation of attractive, affordable housing options. Many social and economic conditions that contribute to quality of life must be addressed to make living in such older areas competitive to living in new greenfields developments. This means addressing various aspects and impacts of residential areas with higher population density. Actions that only attempt to limit suburban growth are not likely to be effective and may have negative impacts.

Housing and Land Use. Public concerns about loss of open spaces confront personal choices about housing. Increased land use results from many social and cultural factors besides population increases, including increased household formation. For example, the Delaware Office of State Planning Coordination noted that between 1990 and 1996, the state's population grew by about 9 percent but the number of households increased by 19 percent. In Rhode Island from 1980 to 1997, housing units increased by 15.3 percent, even though population increased by only 4.2 percent. Because the average number of persons in each home has gone down, it takes more houses to give them all homes. Moreover, rising affluence results in increasing numbers of vacation and second homes. In Maryland, the average household size decreased from 3.25 people in 1970 to 2.67 in 1990 and is projected to drop to 2.43 by 2020. In the nation as a whole, the average family size dropped from 3.58 people in 1970 to 3.15 in 1990 and is projected to hit 3.12 in 2000.

There are also other factors, including demand for larger home lots and larger single-family houses, increasingly with garages for three or more cars. For the 1994 to 1997 period, the acres used for single family housing in the country increased 2.02 percent annually, compared to a population growth of only 0.96 percent annually, according to the U.S. Department of Housing and Urban Development's 1997 American Housing Survey. Over recent decades, an increasing fraction of the total national land area for single family housing has been for the largest lot sizes. A recent article explained many reasons for buying large homes, especially by single people or couples without children: a search for more floor and air space to compensate for increasingly pressurized lifestyles, for rooms for computers and home offices, and for rooms for specialized entertainment activities; the anticipation of having children in the future; and a desire to maximize the investment and resale value of the home.[24]

In Maryland, the average residential lot increased 50 percent from 1985 to 1993, reaching 0.6 acre per home, even though family size had decreased. In Rhode Island, from 1961 to 1995, the rate of land consumption and the increase in lot size per house were greater as the distance from urban cores increased. In the most outlying areas, the acreage increased by 33 percent, to 0.85 acre per house. According to the National Association of Home Builders, the average size of new, single-family homes grew 29 percent from 1971 to 1996. In 1998 the median size for a new home was 2,200 square feet, compared to 1,500 square feet in 1971. Today, new homes in greenfields communities are often in the 5,000- to 10,000-square-feet range.

New suburban homes require significant land to support roads and utilities. A growth study for Pennsylvania reported, for example, that every one acre of single-family residential development results in the loss of an average of 1.56 acres of agricultural, wooded, and vacant land.[25]

Citizens' choices and preferences are rooted in traditional American values that encourage rapid land consumption by equating affluence with increased space both inside and outside homes. As described earlier in the "Circular Model of Sprawl," urban residents leave cities for the suburbs and then leave the inner suburbs for outlying housing developments without considering the broader implications of buying bigger houses on larger lots and spurring commercial development beyond town centers. Nor do they necessarily see a future where they will want to jump to yet another more rural community to escape crowding. Even many individuals who complain about the suburbs' mounting traffic congestion, lost open space, and rising infrastructure costs resist solutions that require changing their personal tastes in housing.

Numerous surveys document the public's inherently conflicting attitudes about growth and housing. For example, in a statewide poll conducted by the Vermont Forum on Sprawl, 61 percent of respondents felt a need for action to stop sprawl. However, given a hypothetical choice between two $100,000 homes—one in an urban or village area close to work, shopping, and public transportation, the other a larger home in an outlying area with more yard space and longer commutes—74 percent chose the outlying area and only 21 percent chose the home in the higher density.[26] In Los Angeles, a newspaper survey of 2,385 suburbanites found that "the people who live in the suburbs generally love their lives. And the farther they get from Los Angeles, the more they love them."[27] A recent critique of the "smart growth" movement characterized the widespread attraction to suburbs as "people's attempts to move out of harm's way and to secure their property rights."[28] Private developers often say they are merely giving people what they want. Nevertheless, particularly among suburbanites, there are increasing expressions of concern about some aspects of contemporary life.

ABOUT THIS REPORT

Though this report focuses on what Governors are doing, state legislatures and local governments play a major role in taking actions on growth-related issues, and many city and county elected officials, as well as private-sector executives, are providing leadership in this area.

The policies and programs highlighted in the report are not intended to provide a comprehensive catalogue of all Governors' and state initiatives. Rather, they illustrate new ideas that are receiving broad public support and collectively revolutionizing how Governors view and address statewide growth. Because developments on growth are in a state of flux, public policy in this area is very much a work in progress. Limited information on actual performance and outcomes of Governors'

THE ABUNDANT LAND MYTH

A traditional American perspective is that this is a huge country with so much land that all growth can be accommodated. If this belief is true, there is no land use problem with the traditional pattern of growth. Statistics do show that developed land in the United States is still a tiny fraction of the nation's total land area—about 75 percent of the population lives on less than 4 percent of the land.

But the larger truth is that only a small percentage of U.S. lands are desirable places to live for the vast majority of people. Considering just the contiguous 48 states, more than 53 percent of the population lives on the coastal fringe areas that comprise just 17 percent of the land, and the rate of population growth is greatest in coastal areas. And within desirable areas, people need affordable housing, livable communities, accessible recreational areas, and convenient transportation to shopping and jobs. Over the long term, quality of life needs may no longer be compatible with expanding and largely uncoordinated development that permanently consumes those limited open lands that are best suited as places to live.

Utah is a good example. Because of the state's geography and the fact that the federal government owns two-thirds of the land in the state, 80 percent of Utah's population lives in a 10-county metropolis, known as the Greater Wasatch area, that stretches across two mountain ranges around Salt Lake City. According to the Utah Governor's Office of Planning and Budget, if current trends continue, the area's population will grow from 1.6 million in 1995 to 2.7 million in 2020, increasing the occupied urban area from its current level of 320 square miles to 590 square miles.[29] By 2050, there will be three people living in the area for every one today.[30]

initiatives to steer growth and revitalize urban areas is available, but most of these policies and programs are too new for their impacts to be measured. Land preservation efforts and brownfields redevelopment projects have already achieved impressive results.

NOTES

[1] For an excellent discussion of social issues related to "smart growth," see National Neighborhood Coalition, "Connecting Neighborhood and Region for Smarter Growth," January 2000, www.neighborhoodcoalition.org.

[2] The population density of the densest cities, such as New York and Los Angeles, are only about a third of the density in European cities such as Paris, Amsterdam, and Stockholm.

[3] Grow Smart Rhode Island, "The Costs of Suburban Sprawl and Urban Decay in Rhode Island," December 1999.

[4] "California Nearly 'Sprawled' Out," *Christian Science Monitor*, March 7, 2000.

[5] For the 20 largest U.S. cities, city per-capita incomes averaged 93.2 percent of suburban incomes in 1960, but this decreased to only 75.3 percent by 1990. Richard Voith, "Does the Federal Tax Treatment of Housing Affect the Pattern of Metropolitan Development?" *Federal Reserve Bank of Philadelphia Business Review*, March/April 1999.

[6] Straight Talk From Americans—2000, survey conducted for the Pew Center on Civic Journalism by Princeton Survey Research Associates, www.pewcenter.org/doingcj, February 2000.

[7] Florida Department of Community Affairs, "Growth Management Survey Report," February 2000.

[8] Texas Transportation Institute, Urban Mobility Study, 1999.

[9] "Why Are the Roads So Congested?" Surface Transportation Policy Project, November 1999.

[10] A. Downs, "Some Realities about Sprawl and Urban Decline," *Housing Policy Debate* 10(4): 955.

[11] P. Samuel, "Traffic Congestion: A Solvable Problem," *Issues in Science and Technology*, Spring 1999.

[12] "Why Are the Roads So Congested?" Surface Transportation Policy Project, November 1999.

[13] See www.etaktraffic.com.

[14] Federal Highway Administration, 1995 Nationwide Personal Transportation Survey.

[15] "Saturday Saturation: Traffic Volume on 'Off' Day Now Outpaces Weekday Rush Hours in Region," *The Washington Post,* February 19, 2000.

[16] "Shaping Delaware's Future: Managing Growth in 21st Century Delaware," December 1999.

[17] American Rivers, "America's Most Endangered Rivers of 1999."

[18] National Conference of State Legislatures, "Growth Management and Healthy Cities," November 1999.

[19] 10,000 Friends of Pennsylvania, "The Costs of Sprawl in Pennsylvania," January 2000.

[20] "Urban Growth Seen from Space" at http://svs.gsfc.nasa.gov/imagewall/AAAS/.

[21] Natural Resources Conservation Service, "1997 Natural Resources Inventory," U.S. Department of Agriculture, www.nrcs.usda.gov. Data are available for all the states. In April 2000, USDA officials announced that due to a computer programming error, the data will be revised and should be considered preliminary and subject to change.

[22] F. Kaid Benfield, Matthew D. Raimi, Donald D. T. Chen, *Once There Were Greenfields*, Natural Resources Defense Council and the Surface Transportation Policy Project, 1999, 6.

[23] Pennsylvania 21st Century Environment Commission, September 1998, 16.

[24] "Smart Moves: Buy Enough Space for Future," *Los Angeles Times*, April 9, 2000.

[25] 10,000 Friends of Pennsylvania, "The Costs of Sprawl in Pennsylvania," January 2000.

[26] Vermont Forum on Sprawl, *The Causes and Costs of Sprawl in Vermont Communities*, 1998, 7.

[27] D. Kelley, "As Suburbs Change, They Will Satisfy," *Los Angeles Times*, October 19, 1999.

[28] P. Gordon and H. W. Richardson, "Critiquing Sprawl's Critics," CATO Institute, January 24, 2000.

[29] Utah Governor's Office of Planning and Budget, "Baseline Scenario," Quality Growth Efficiency Tools Technical Committee.

[30] Elaine Jarvik, "Boundless Growth, Endless Questions," *Deseret News*, January 4, 1999.

Chapter 2

Implications for Governors—A Call for Action

Governors face a daunting challenge. They want to address the impacts of the traditional pattern of American growth that concern so many people, but being responsive to the electorate is far from easy. First, even among people who want something about suburbanization and urban decline to change, there are a host of inconsistencies and contradictions. Some individuals want something to change for the better in an idealistic or collective sense, but they do not necessarily want to make changes in their personal style of living—although they may see the desired changes as appropriate for other people. People do not want to give up their traditional American freedoms to buy the kind of house they have dreamed of in the spacious place they deem attractive, or give up their dependence on the automobile, for example. However, other people seek more choices, including a high quality of life in more urban settings. Second, many people fear some aspects of shifting the style of growth because they have benefited greatly from traditional growth characteristics.[31] Attempts to be responsive to public demands and yet respectful of the things so many Americans prize must be carefully pursued. But doing nothing poses its own penalties.

Despite the challenges and difficulties of making significant changes in how—not whether—we grow, there are two prime reasons that so many Governors are seeking statewide solutions: the increasing cost to government of continuing the traditional patterns of growth and the potential for current growth to stifle future economic growth. If nothing substantial is done about growth, the increasing costs to government may become unmanageable and the quality-of-life engine that drives growth and prosperity may stall. This is why many Governors are helping the nation move onto a new path to make growth smarter and more sustainable without diminishing it. "Smart growth" does not mean no growth or slow growth, but rather quality growth that supports quality of life and place.

HIGH GOVERNMENT COSTS

One of the most powerful arguments for more thoughtful, guided development is the rising costs of education, transportation, drinking water, and other forms of infrastructure. There are two main issues: infrastructure for sprawl-type development costs more than for new infill and compact housing inside existing communities; and the higher infrastructure costs for sprawl communities are being subsidized by others.

Higher Costs for New Developments. Outlying subdivisions require more schools and buses for students; new highways, roads, and transit systems; and sewer, water, and other basic services. The former Congressional Office of Technology Assessment (OTA) estimated that sprawl development raises

infrastructure costs from 10 percent to 20 percent.[32] For the high growth in southeastern Florida, the cost of accommodating new households with water, sewer, gas, electricity, telecommunications, and transportation was estimated at more than $10.5 billion over 20 years. But if the same growth were to occur within the highly developed eastern corridor, these costs could drop to not quite $6.15 billion by using existing infrastructure or building more economical new infrastructure.[33] With continued sprawl rather than compact development, Rhode Island faces a cost of $1.5 billion over the next 20 years for redundant infrastructure expenses (29.6 percent of total cost), as well as lost property taxes in cities (54.6 percent) and suburban areas (14.8 percent).[34] Each year, Pennsylvania's local governments spend up to $120 million more than they would spend if more compact development were used.[35]

OTA reported a study for Orlando, Florida, that found a clear distinction between infrastructure costs for new urban housing and more popular suburban expansion. The average cost for roads, schools, utilities, and other actions was $10,401 per single-family dwelling unit in the core areas, versus $15,941 for the outlying, scattered form of development, a nearly 40-percent increase, with the higher cost of roads accounting for 80 percent of the increase.

A Rutgers University study of New Jersey's growth management plan found that over 20 years the plan would save the state $1.3 billion in capital infrastructure costs, $400 million in operating costs for public school districts and municipalities, $740 million in road construction costs, and $440 million in water and sewer construction costs.

A study for Thurston County, Washington, found that only about 20 percent of the infrastructure costs of growth are paid by developers and other growth sources, while taxpayers in the area pay 80 percent. The county's population is expected to grow from its present 200,000 to 360,000 by 2020. The report noted that, "By refusing to continue this subsidy, we would have more resources to create better employment and living opportunities for our current population and our kids' future."[36]

Robert Burchell noted: "Dually supporting and underutilizing two systems of infrastructure—one that is being abandoned in and around central cities and close-in suburbs, and one that is not yet fully used in rural areas just beginning to be developed—is causing governments to forego the maintenance of much infrastructure and the provision of anything *other* than growth-related infrastructure. Thus, the primary concern about sprawl development, at a time when the average American is satisfied with its outcome, is *cost*."[37] A recent literature review of studies by Burchell and others found that, compared to sprawl communities, well-planned, compact forms of growth consume 45 percent less land and cost 25 percent less for roads, 20 percent less for utilities, and 5 percent less for schools.[38]

According to *The State of the Cities 1999* report from HUD: "Road costs are 25 percent to 33 percent higher and utility costs are 18 percent to 25 percent higher in communities marked by sprawl than in sprawl-free communities. Municipal and school district operating costs are 3 percent to 11 percent higher in sprawling developments." Increasingly, there are calls for developers and homebuyers in sprawl communities to pay more of the costs for infrastructure development. This would reduce the economic attractiveness of such places and make older, existing communities more attractive. Urban revitalization that increases the tax base is increasingly important because much of the nation's urban infrastructure is over 50 years old and will require trillions of dollars for refurbishment in coming decades.

The Subsidy Issue. State and local governments often subsidize public services even when existing infrastructure in older developed areas is underused. A recent report concluded that suburban sprawl is "draining our pocketbooks and raising our taxes."[39] According to one estimate, the city of Phoenix and Maricopa County subsidize new suburban development in metropolitan Phoenix at over $12,000 per dwelling. Particularly in "edge communities" beyond central cities and inner cities, middle-class families seeking moderately priced homes may not produce a local resource base capable of financing the new schools and other infrastructure that the scale of growth demands. As Burchell noted, "When [these families] reject neighborhoods and schools of increasing social stress, they often land in communities with enormous fiscal stress." In many cases, state government pays a significant portion of infrastructure costs, making the cost of haphazard growth an important public policy issue. For example, the state of Maine lost 27,000 students from 1970 to 1995, but spent $434 million on new schools in outlying locations, which also caused a 65-percent increase in school busing costs.[40]

Numerous studies on the cost of community services indicate a disparity between the revenues and costs of suburban development. A study conducted by the American Farmland Trust examined communities with several types of "scatter development," including some with an average housing lot size of 5.8 acres and others with smaller lots sizes but with large expanses of open space between housing clusters. The study found the homes in these areas do not generate enough tax revenues to cover local education costs, mainly because of the costs of running school buses. Nor do new homes in these areas generate sufficient taxes to cover maintenance costs for local roads; these costs are passed on to homeowners and commercial property owners in adjacent municipalities.[41]

An analysis for the Minneapolis-St. Paul area found that new sewer service was provided for 28 square miles of land between 1987 and 1990, at a cost of $50 million per year, even though the existing city sewer system was underutilized. As a result, by 1992 the central cities were subsidizing the more affluent suburban residents at more than $6 million annually.[42] A nonprofit group formed to monitor Oregon's growth management law found that the cost of providing infrastructure to new residential subdivisions averaged $25,000 per home, but that developers were asked to pay only between $2,000 and $6,000. The previously mentioned study concluded: "[D]evelopment on the edge of metropolitan areas, particularly sprawl development, does not pay for itself and is instead subsidized by others (e.g., local taxpayers in the core, consumers in the region, and state and federal governments)."

Rising Property Taxes. With local governments subsidizing new suburban developments, the source of such funds has become an issue. The general population of landowners, particularly longer-term owners in a rural but newly suburbanizing area, subsidizes new residential developments. When new subdivisions of much more expensive homes are built in largely rural areas, it generally raises the assessed property values of all landowners in a jurisdiction, usually a county. The chief reason is that the older and often large parcels of land are now valued in terms of their potential as new subdivisions. Such assessments become self-fulfilling prophecies because the higher tax bills compel more landowners to sell to developers. Local governments need the additional tax revenues because fees charged to developers do not cover all the costs of infrastructure and government services for the new subdivisions. Although all property owners in the area face rising tax bills, the owners of farmland, former farmland, and large rural plots located close to new developments often see their tax bills skyrocket so much that they are forced to sell to developers.

Loudoun County, Virginia, in the Washington, D.C., metropolitan area, experienced a population increase during the 1990s of 81 percent. Long-time homeowners there have faced steep increases in their tax bills because of new subdivisions and major commercial and office complex facilities. In one case, an owner of 12 acres saw the assessed value jump from $144,800 to $553,300 in one year; the tax bill jumped from $1,600 to more than $6,100. Countywide, residential assessments rose an average of 4.7 percent, and most homeowners are not in a position to profit from selling land to developers. Low-income residents are especially affected. Long-time residents, originally attracted to the rural character of the place, now complain that their taxes have risen so much that they can no longer afford to live there.

Rising property assessments also confront existing and new homeowners in urban cores and older suburbs because of successful revitalization efforts. Again, the impact on low-income people may be especially significant. This increases the challenge of providing more affordable housing in such older areas to help steer growth back to them.

THREATENED ECONOMIC GROWTH

The impacts of rapid growth in a prosperous economy may backfire and stifle future growth, especially for knowledge-based New Economy companies but also for older sectors, such as agriculture and tourism, that are important in some states. The challenge is to prevent strong economic growth from eroding quality of life. In the past, growth has equaled prosperity and prosperity has equaled quality of life. But when growth produces too much pain as well as prosperity, it is no longer quality growth. Only quality growth can keep the engine of prosperity running in a sustainable mode. The adverse impacts of traditional growth patterns on quality of life can kill the goose that lays the golden eggs.

What does quality of life mean? Clearly there are many possible answers, depending on a person's values and interests. But some general quality-of-life considerations are location-dependent and define what is called "quality of place":

- whether the physical environment is in good condition;
- whether attractive, safe, and "walkable" communities with affordable housing, racial harmony, and good schools are available;
- whether public services and infrastructure are high quality;
- whether cultural, shopping, and entertainment amenities are readily available;
- whether recreational and outdoor "natural" attractions (e.g., rural landscapes, streams and rivers, and farms) are accessible;
- whether efforts to revitalize distressed urban cores and older suburban neighborhoods are underway; and
- whether local and state policies exist to steer development and check unrestrained growth.

All the talk about sprawl in recent years has missed the larger issue, which is how the loss of quality of life threatens future growth and prosperity. Sprawl is simply one form of suburban development that has come to symbolize a negative form of growth, but other forms are available. Solutions to growing pains require understanding that haphazard "greenfields" suburban growth is just half the puzzle. The other half is development or the lack of it in older urban centers and suburbs. If quality growth is to signify more and not fewer choices for Americans, then the quality of place for both urban and suburban lifestyles must be high and competitive, even though they each will have distinctive styles and characteristics. Also, research has found that

efforts to improve the economic prosperity of urban centers increases regional prosperity.[43]

While all people are concerned about effects on their quality of life, there is a special impact for knowledge-based New Economy companies and workers. The many intangibles surrounding quality of life or quality of place help define a sense of place and constitute the nexus that attracts human talent so important to the most vibrant companies in the New Economy.[44] Knowledge-based workers can perform their jobs almost everywhere, and the demand for the most talented workers gives them unprecedented choices about where they live and work. Information technology and other types of New Economy companies want to go where the workers they need want to live.

One survey found that environmental quality was the top-rated factor for high-technology firms when choosing locations, ranking ahead of housing costs, cost of living, commuting factors, schools, climate, government services, and public safety.[45] Another survey of 118 foreign-owned companies with operations in North Carolina found that executives believed that the quality and availability of labor and transportation, the overall quality of life, and the general business climate were the most important factors for choosing a location.[46] Tax incentives, location assistance from government, government financing, and state marketing assistance ranked at the bottom.

Companies recognize that workers value quality-of-life and quality-of-place factors, particularly environmental quality. For example, the survey conducted for the 1998 *Money: Best Places to Live* asked people to rank 37 quality-of-life factors that were most important in choosing a place to live. Two of the top three were environmental. Clean water was number one and clean air was number three. While low crime was number two, good public schools, low property taxes, and low cost of living were ranked lower than clean water and air. Similarly, a recent survey by the University of Rhode Island found that state residents consistently valued environmental concerns more than economic growth or transportation. In Virginia, where rapid suburbanization has been occurring, a leader of a typical grassroots group, Voters to Stop Sprawl, said this about the plight of rural residents facing a deluge of new subdivisions: "Our region is not dying. It's morphing into road congestion, polluted water, and poor air quality, and our quality of life is going down the toilet."[47]

In a definitive study on the role of talent in the New Economy,[48] Richard Florida came to conclusions that have special meaning for how states manage growth:

- [L]eading technology firms . . . have played and continue to play a leading role in "smart growth" movements to reduce congestion and limit urban sprawl in areas such as Washington, D.C., Boston, the San Francisco Bay area, and Seattle.
- Leading regions have undertaken efforts to reduce sprawl and move to "smart growth," promote environmental sustainability, clean up and reuse older industrial [brownfields] sites, encourage firms to adopt environmental management systems, and preserve natural assets for recreation and improved quality of life.
- Sprawl poses a particularly vexing problem for rapidly growing high-technology regions. Part of their appeal in the first place came from their manageable size and high quality of life. Growth generates pressures that threaten these qualities. . . . Deteriorating air quality, traffic congestion, and damage to natural amenities are some of the negative outcomes that challenge prospering high-technology regions. In extreme cases, unmanaged growth may eventually destroy the appeal of a region and create an impediment to growth and make other regions relatively more attractive location choices.

- [T]he "quality" of a city or region has replaced cost and access as the pivot point of competitive advantage. . . . The quality of life, lifestyle, amenities, and environmental quality of a region thus play key roles in the ability to attract talent and develop high-technology industries.

Among Governors, the enormous interest in the booming New Economy reflects their concern about managing economic growth. The increasing concern of people and companies about quality-of-life issues raises the stakes in how communities compete for fast-growing, knowledge-based companies. The public policy concern is that economic growth could be inhibited because of growth-related impacts in some locations that have already achieved success and in those that seek more development. Some state officials now worry about an exodus of businesses that could result from suburbanization that degrades quality of life. The California Environmental Dialogue, a coalition of business groups and environmentalists, concluded that loss of open space "could diminish the willingness of business to locate high-paying jobs in California." The group favored increased environmental investments to sustain "a quality of life that attracts the workforce that underpins a vibrant economy."[49] This is how two Governors recently described the connection between the economy and growth:

- In his 2000 state-of-the-state address, Georgia Governor Roy E. Barnes made this point about responding to growth issues: "[T]he time to do it is now—when the economy is booming and we have the money to do it. Otherwise the natural beauty and quality of life that makes us want to live here and has fueled our prosperity by drawing so many others to our state will become a thing of the past. And the economic growth that it has attracted will fade with it."
- In late 1999, Colorado Governor Bill Owens announced his "Smart Growth: Colorado's Future" initiative, which was described as the "Agenda to Protect Colorado's Special Way of Life While Prospering." While he noted that the state's "economy is booming and is one of the most diversified in the nation," he also stressed that "prosperity attracts people and growth which bring more traffic, more housing, and more retail space. The challenge is obvious. How do we maintain that special Colorado way of life while growing and prospering?"

Loss of Farmland. Besides impacts on the New Economy, in many states an important part of the "Old Economy" is threatened—agriculture. Although ensuring food production is important, there are broader public concerns about losing farmland and the direct and indirect impacts on state economic growth and quality of life. Suburban development has converted some of the nation's most productive farmland to nonagricultural uses. Lands most suitable for growing crops are also the easiest on which to "grow" houses because they are flat and near population centers; however, about half of farmland is pasture, range, forest, or other rural lands that also are often converted to new suburban developments. Often farmland is taken out of production and converted to some form of rural land that later undergoes development.[50] New suburban developments are divided roughly equally between being established on former agricultural lands and on rural, open spaces. About 48 million of the 250 million acres of prime agriculture land in the nation are within 50 miles of the 100 largest population centers. The American Farmland Trust has found that more than 80 percent of the nation's fruits, vegetables, and dairy products are grown in metropolitan-area counties or rapidly growing adjacent counties that are in the path of sprawling development. Between 1982 and 1992, the United States converted

4.3 million acres of prime farmland—nearly 50 acres every hour, every day—to nonagricultural uses. This loss is a major concern in many states, even though many people argue that there is no shortage of farmland and that agricultural productivity has increased so much that food production capacity is not an issue. The issue is neither about protecting the agricultural industry nor about removing the rights of property owners, but rather about protecting broader economic development by understanding all the values of farmland.

First, farms remain an important part of many state economies, and in some locations soil and climate conditions offer special benefits for certain crops. Second, many people are concerned about longer-term "food security" issues, such as possible disruptions in food imports, as well as droughts and other impacts on crop production and transportation of foods. Third, farmland has intrinsic value because it serves purposes other than food production. For example, from an economic development perspective, farmland is a key environmental or location amenity that improves the quality of place and makes a state or region more attractive to workers and companies. In some places, working farms are also commercially viable tourist attractions. Moreover, technological advances are encouraging the manufacture of value-added products from crops and biomass, such as plastics and energy. Lastly, farmland, which often includes forests, rangeland, and grassland as well as cropland, has intrinsic ecosystem value, including protection of watersheds and wetlands, sequestration or storage of carbon, reduction of air pollution, and provision of natural habitat for various species, all of which can be translated into economic value for a state. These benefits are not offset by agricultural forms of pollution if farmland is taken out of production and preserved, but not developed. The experience of four states indicates the scale of loss of farmlands:

- In his 2000 budget address, Pennsylvania Governor Tom Ridge said: "[S]ince 1970, Pennsylvania has lost more than 25 percent of its farm acreage to other uses. Over 24,000 farms have disappeared. One thing's for certain—if we run out of farmland, Ohio or New York will not lend us any of theirs."
- In Rhode Island, a new study found that the state's farm acreage was roughly halved between 1964 and 1997 and that, with current trends, all 15 rural towns in the state will turn into suburbs this century.
- In California's incredibly productive Central Valley, which produces about 10 percent of the nation's farm output on less than 1 percent of its land, residential and commercial sprawl is consuming an estimated 15,000 acres of farmland annually and could affect more than half of the irrigated farmland by 2040, according to the American Farmland Trust. This would result in a loss of billions of dollars yearly in agricultural sales and of more than 40,000 farm-related jobs. Actual data show that total cropland shrank by 500,000 acres from 1978 to 1992, according to the University of California Cooperative Extension. Developers are now paying $30,000 an acre, which outmatches the economics of agriculture.
- According to a study of land use change by the University of Delaware, the state lost more than 9 percent of its agricultural and forestland between 1984 and 1992, while "developed" land uses (residential, commercial and industrial, and recreational) increased by almost 50 percent. Over the longer period between 1970 and 1997, 21 percent of farmland was lost. Preserving farmland is now a state priority.

An area that serves as a model for farmland and rural land preservation may be California's wine country north of San Francisco, which faced considerable demand for development of open space and farmland in the 1970s. The rural character was preserved with a combination of protective zoning, tax breaks

to farmers, and private trust money to buy development rights. For some years, many states have had successful programs for the purchase of agricultural conservation easements and development rights, and have also participated in the federal Farmland Protection Program, all of which have protected farmland from development. Nevertheless, considerable farmland continues to be lost to development. From 1992 to 1997, conversion of cropland and pastureland accounted for 45 percent of open space development. The University of Georgia Cooperative Extension Service has estimated that 329 agricultural land acres have been lost statewide every day since 1987.

For many states with strong agricultural sectors, preserving farmland is an important dimension to growth management, sometimes because of the direct economic importance of farms and other times because farmland is an important part of what defines a state's particular quality of place and is important, therefore, for other economic sectors. It is also worth noting that more than 40 studies have found that farms contribute more in taxes than they require in services, saving communities money, according to American Farmland Trust.

THE CRITICAL ROLE OF STATES

State concerns about growth started years ago. For example, Oregon Governor Tom McCall spoke in 1972 about "mindless growth" and the "shameless threat to our environment and to the whole quality of life" resulting from "sagebrush subdivisions, coastal condomania, and the ravenous rampage of suburbia."[51] More recently, the booming New Economy has caused more interest in growth issues, and the role of states has received more attention, as shown by this important observation by the authors of a leading book on growth:

> Only state governments can address some growth issues effectively. The federal government can't mandate solutions, and local governments are for the most part hopelessly overwhelmed by the issue. States alone have the ability to see the regional picture and have the legal reach to sort out complicated political and economic issues. Only states can require local governments to develop rational strategies for using already developed land more efficiently, to make thoughtful choices about where new development should and should not go, and to set up land use mechanisms that transcend local political boundaries. Most important, only states have the financial leverage to get results.[52]

Similarly, a key finding of a study based on interviews with business leaders from across the nation was that "state governments play a crucial role in fostering smarter growth patterns. Business leaders in states that have enacted 'smart growth' laws express support for these initiatives, while business officials in other states have voiced the need for more state government involvement in these issues."[53] An academic expert recently noted, "We are experiencing unprecedented gubernatorial support for land-use reform efforts. This interest is coming from all political parties."[54]

In August 1999, the National Governors' Association adopted the policy "Principles for Better Land Use." The policy includes these important statements:

> As the United States enters the twenty-first century and this diverse nation rapidly expands, Governors nationwide are addressing the issue of how best to use America's remaining land while preserving and protecting the environment. From coast to coast, Governors are becoming increasingly aware of the limits of once seemingly limitless natural resources. Governors know all too well that this is not a problem specific to any one state or region. Rather, all Governors face the challenges of unplanned growth.
>
> Many once-vibrant cities and towns have deteriorated. Some have suffered from tremendous loss in population, core businesses, and industry. After careful examination, Governors nationwide are realizing

NGA TOOLS FOR BETTER LAND USE

- Mix land uses.
- Take advantage of existing community assets.
- Create a range of housing opportunities and choices.
- Foster "walkable," close-knit neighborhoods.
- Promote distinctive, attractive communities with a strong sense of place, including the rehabilitation and use of historic buildings.
- Preserve open space, farmland, natural beauty, and critical environmental areas.
- Strengthen and encourage growth in existing communities.
- Provide a variety of transportation choices.
- Make development decisions predictable, fair, and cost effective.
- Encourage citizen and stakeholder participation in development decisions.

that, at times, government policies—even well-meaning policies—have stimulated and perpetuated the patterns of growth that many states and local governments are now trying to address.

The intention is not to stop growth or even to slow growth, but rather to foster more sensible, planned growth. The goal is a decisionmaking process that is more comprehensive, encourages growth, and addresses the needs and circumstances of each community.

The NGA policy presented a set of 10 tools (see box above) for "promoting smart growth and the preservation of open space." These tools collectively help define what a new style of quality growth encompasses.

THE NEED FOR REGIONAL APPROACHES

Governors understand that the best solutions for growth problems must be regional in scope. As developed areas expand, local decisions about growth increasingly have regional or statewide impacts on transportation, wildlife habitat, water and air quality, and economic development. Regional approaches are especially critical when a strategy is to shift growth from the outer suburban and newly suburbanizing areas to older urban cores and close-in suburbs because such areas are likely to cover a number of local governmental units. Without a regional approach and common blueprint for the future, piecemeal solutions conceived by local communities will likely fail and have negative impacts on nearby communities.

For example, restraining growth in an outer suburb could backfire by promoting new developments in more distant rural areas, causing "leap-frog development." Conversely, restricting new developments in a rural area could cause greater growth in an outer suburb already feeling growing pains. Promoting more residential growth in an urban center may fail if outer suburbs continue to promote new greenfields subdivisions. In general, restricting growth in one jurisdiction will almost always cause that growth to spill over into another jurisdiction. When framing development policies, land-use planners need to account for the possibilities and effects of such spillover growth. Similarly, the effects of growth policies, designed to protect environmentally sensitive areas, on the rate and pattern of urban land conversion will vary. In some jurisdictions, such policies would result in significant reductions in land consumption and new development. In other places, however, the same policies would push urban development further outward, thereby increasing land consumption and new greenfields developments.

Minnesota Governor Jesse Ventura has said: "As a former mayor, I believe in local control and I also believe that since public investments cross local boundaries, we must have regions that work as a whole." To relieve

adverse impacts and prevent the failure of government programs, state-level intervention can improve coordination among local jurisdictions and provide guidance and technical assistance to inform development decisions. Local planning may also benefit from state efforts to remove regulatory barriers and to speed development where it is most appropriate, such as in distressed urban areas.

MOVING FORWARD

Governors are uniquely positioned to safeguard quality of life by addressing growth management issues. Local governments lack the resources and legal powers to effectively address the many complex growth issues that cross governmental boundaries. Just as local governments are constrained by a limited purview, the federal government is handicapped by policy tools that are not finely tuned to the distinctive and diverse needs of regions and states. Moreover, some federal policies have clearly produced the growth patterns that now concern much of the public. The accomplishments of private public-interest groups, particularly those devoted to land preservation, are admirable, but they have limited effectiveness because of resource constraints and relatively narrow constituencies. A key role for Governors is to foster highly collaborative efforts that integrate all levels of government as well as multiple private-sector interests, including ones that may see threats from a new style of growth. Such collaborations create broad public support for innovative solutions that confront traditional behaviors.

One thing is clear. It took decades of American growth and prosperity to create today's growth issues, and it will take time to reorient the style of growth. Changing the way we grow requires a lot more than changing laws, such as for land use and planning and redirecting state funding. Maintaining vibrant growth without adverse impacts also means developing public consensus for social and cultural changes that can protect and elevate a state's quality of life and place.

Keeping growth strong while greatly reducing the consequences that so many Americans are concerned about faces two challenges:

- How can the rapid and haphazard growth of the suburbs that so many Americans seem to prefer be reconfigured to reduce its unintended impacts, such as traffic congestion and loss of greenspaces and other environmental amenities?
- How can older city and town centers with considerable infrastructure investments be revitalized and made more attractive for residential and commercial development?

Governors are responding to these challenges with a broad spectrum of policy initiatives sensitive to the individual needs

> Good planning protects the quality of our life and enhances our sense of community. . . . The challenge to us who see great value in good land use planning is to strip it of its jargon and make it simpler, to help people understand that land use planning is an integral part of making communities livable, along with quality schools, protection against crime, and other factors. This challenge falls first and foremost to the states, who are the obvious level of government to provide leadership. Nobody advocates a role for the federal government in this matter; planning based purely on local ordinances would lead to a hodgepodge of confusion and animosity. Only the states are positioned to coordinate the policy objectives of their environmental regulations with local and regional plans.
>
> Vermont Governor Howard Dean
>
> "Growth Management Plans," in Henry L. Diamond and Patrick F. Noonan, *Land Use in America* (Washington, D.C.: Island Press, 1996).

and characteristics of their states. They also are navigating paths between intense opposing positions, namely the view that cars and suburbs are an abomination versus the view that market forces should prevail over urban and land use planning by government. These gubernatorial initiatives have been divided into three categories:

- leadership and public education strategies;
- economic investment and financial incentives strategies; and
- government collaboration and planning strategies.

Initiatives by Governors follow these principles:

1. There is no antigrowth sentiment or belief that suburbanization can or should be stopped completely. However, there is increasing interest in more intelligently and sensitively coordinating, steering, and shaping growth to better serve immediate and longer-term needs of states. The question is not *whether* to grow but *how* to grow. In general, this means channeling more growth into areas already developed.

2. There is no one-size-fits-all approach to addressing growth issues. States and regions have unique histories, needs, and goals. The marketplace is also providing a wealth of new ideas and designs for addressing both urban and suburban issues and demands, challenging all parties to seriously consider new solutions that seem appropriate for their communities.

3. Many of the actions being pursued are aimed at preventing future adverse impacts. Extrapolation of recent trends poses uncertainties despite using the best information and analysis, but it still builds public support for actions necessary to preserve quality of life for future generations.

4. Governors recognize that land use decisions are predominantly a local government responsibility. Nonetheless, they believe that states play an important role in fostering smart, long-term decisions. All efforts represent major collaborations among stakeholders and multiple levels of government, as well as balancing the rights and needs of individuals and communities.

5. Governors increasingly recognize that smarter growth improves statewide competitiveness in retaining and attracting New Economy workers and companies. Georgia Governor Roy E. Barnes captured the spirit of the new interest in quality growth when he recently said, "It's quality of life that fuels our prosperity."

NOTES

[31] Interests that have publicly criticized important aspects of the new range of growth initiatives include home builders, realtors, and road construction groups, for example.

[32] Office of Technology Assessment, *The Technological Reshaping of Metropolitan America*, September 1995.

[33] South Florida Regional Planning Council, "Building on Success: A Report from Eastward Ho!" December 1998.

[34] Grow Smart Rhode Island, "The Costs of Suburban Sprawl and Urban Decay in Rhode Island," December 1999.

[35] 10,000 Friends of Pennsylvania, "The Costs of Sprawl in Pennsylvania," January 2000.

[36] The Carnegie Group, "What Price Growth? The Cost to Thurston County Residents: 1997-2002," September 1997.

[37] Robert W. Burchell, "A National Perspective on Land Use Policy Alternatives and Consequences," Rutgers University, Center for Urban Policy Research, September 22, 1998, 4.

[38] Robert W. Burchell et al., "Cost of Sprawl Revisited: The Evidence of Sprawl's Negative and Positive Impacts," National Transportation Research Board, National Research Council, Washington, D.C., 1998.

[39] Sierra Club, "Sprawl Costs Us All," 2000.

[40] Maine State Planning Office, "The Costs and Impacts of Development Patterns in Maine: Interim Report," 1996.

[41] American Farmland Trust, *Living on the Edge: Costs and Risks of Scatter Development*.

[42] M. Orfield, *Metropolitics: A Regional Agenda for Community and Stability* (Washington, D.C.: Brookings Institution Press, 1997).

[43] Manuel Pastor Jr. et al., "Growing Together: Linking Regional and Community Development in a Changing Economy," Shelterforce Online, National Housing Institute, Jan.–Feb. 1998, www.nhi.org.

[44] Milken Institute, *America's High-Tech Economy*, July 1999; The Trust for Public Land, *The Economic Benefits of Parks and Open Spaces*, 1999.

[45] Paul Gottlieb, "Amenities as an Economic Development Tool: Is There Enough Evidence?" *Economic Development Quarterly*, August 1994.

[46] Dennis A. Rondinelli and William J. Burpitt, "Do Government Incentives Attract and Retain International Investment? A Study of Foreign-Owned Firms in North Carolina," Kenan Institute of Private Enterprise, University of North Carolina at Chapel Hill, 1999. The conclusion was that government incentives can divert public expenditures from investments in human resources, quality of life, infrastructure, and services that companies consider more important in their location decisions.

[47] "An Anti-Growth Boom: With Population Expanding in Fredricksburg Area, Activists Seek to Counter Pressure for Development," *The Washington Post*, March 9, 2000.

[48] *Competing in the Age of Talent: Environment, Amenities, and the New Economy*, Carnegie Mellon University, January 2000.

[49] California Environmental Dialogue, "Habitat and Prosperity: Protecting California's Future," 1998.

[50] This may cause some statistics about how much development comes from conversion of farmland to be low.

[51] R. Moe and C. Wilke, *Changing Places: Rebuilding Community in the Age of Sprawl* (New York: Henry Holt and Co., 1997), 217. A similar perspective is in A. Duany et al., *Suburban Nation: The Rise of Sprawl and the Decline of the American Dream* (New York: North Point Press, 2000), 233.

[52] op cit, 252-253.

[53] National Association of Local Government Environmental Professionals, *Profiles of Business Leadership on Smart Growth*, 1999.

[54] Patricia E. Salkin, remarks at press conference for Planning Communities for the 21st Century, December 1999.

Chapter 3

Leadership and Public Education Strategies

Perhaps more than any other factor, the public's attitude about development outside the older cores of metropolitan areas is the key to reshaping America's growth patterns because public opinion shapes most public and private land use decisions at the community level. Citizens support change only if they see the relationship between development choices and their quality of life and, perhaps, the quality of life of their children. They also need ways to reconcile their personal preferences and rights with community welfare and to square short-term benefits with long-term goals.

One of the most effective ways for Governors to influence statewide development is to harness the power of public opinion. Through leadership, information, and education, Governors have taken the following steps to help citizens and communities make thoughtful decisions about growth:

- articulating a statewide vision for growth and quality of life that meets the goals of citizens, local governments, and private organizations;
- producing and providing access to information on the costs and benefits of various development scenarios and how those scenarios affect the characteristics that a community wishes to maintain;
- creating tools to support local actions that link development decisions to community goals for growth;
- fostering public-private collaboration on development strategies to accommodate projected rates of population and economic growth while preserving quality of life; and
- enlisting state agencies to support statewide development goals.

ARTICULATING A STATEWIDE VISION FOR GROWTH

Whether a state uses an elaborate system for statewide planning or provides minimal guidance for local development, the Governor's vision for growth can influence public opinion and drive development decisions. Through their state-of-the-state messages, policy addresses, and executive orders, Governors have initiated and reinvigorated efforts to improve development patterns.

Georgia: Providing Direction. Georgia provides a classic example of the need for direction from the highest levels of state government. Despite the success of the state's 1989 Planning Act in having 99 percent of the 700 local governments develop comprehensive plans, the Georgia Growth Strategies Reassessment Task Force found:

> [T]he bottom-up planning process established by the Planning Act provides no guarantee that execution of all these separate plans will result in a future "Georgia" that the state's leaders and residents would like to achieve. In fact, the casual

> observer could probably conclude that land use and development patterns during the 10 years since adoption of Growth Strategies have changed little from what was happening before Growth Strategies. A likely cause of this is that it is not clear what is to be achieved through the planning process—there is no "vision" to guide the effort.[55]

Georgia Governor Roy E. Barnes started providing that vision even before his 1998 election, pointing to the problems of sprawl and endorsing "smart growth" legislation. But the Governor reserved his strongest statement for his 1999 state-of-the-state speech. In a charge to the state's residents as well as the legislature, Governor Barnes underscored the state's mounting problems of air pollution and traffic congestion and said, "Either you help me do something now or this boomtown known as Atlanta becomes a ghost town. And if our growth stops here, it stops everywhere in the state." This was a defining statement for the lack of sustainability of existing growth patterns.

The Governor then described his proposal for a new state agency to coordinate and resolve differences in the planning of transportation in the 13 counties around Atlanta, operate a mass transit system, and approve all major developments within the metro area that create increased traffic. Within months of taking office, Governor Barnes succeeded in enacting legislation to create the Georgia Regional Transportation Authority, which is discussed later in this report.

Minnesota: Setting Goals for Growth. Newly elected Minnesota Governor Jesse Ventura also wasted no time in sending a strong message about growth. In his January 1999 state-of-the-state speech, the Governor focused on the increasing traffic congestion resulting from ineffective planning. "Why don't we have a transportation system that works after 25 years of investing in planning?" he asked. "I want to stop planning to do something about transit and urban sprawl and get something DONE . . . . In Minnesota, every day an area the size of the Mall of America gets paved over, and we're still 'planning' to do something about transit and sprawl."

Governor Ventura presented a clear and specific vision that he further developed six months later at a conference of 1,000 Friends of Minnesota. In his June 1999 speech, he articulated four goals for growth:

- protect open space and encourage development with existing roads, housing, and schools;
- create mixed land use linked to transit and transportation facilities;
- provide a range of transportation options, including light rail, commuter rail, and bus lines; and
- make collaborative development decisions supported by incentives and a predictable, fair property tax system.

New Jersey: Reinvigorating Statewide Planning. As a fervent champion of improving growth in her state, New Jersey Governor Christine T. Whitman revived public interest in the state planning process.[56] According to New Jersey Future, the state's elaborate process for creating a voluntary state development plan showed little impact on sprawl and urban decline in its first decade: "Municipal application of the State Plan [had] been scattered and minimal. State agency use of the Plan [had] been at the margins. Many people had given up hope for the New Jersey Plan. But not, apparently, Governor Christine Todd Whitman."[57]

Governor Whitman made development issues the centerpiece of her second inaugural address in January 1998:

> Every part of New Jersey suffers when we plan haphazardly. Sprawl eats up our open space. It creates traffic jams that boggle the mind and pollute the air. Sprawl can make one feel downright

claustrophobic about our future. Fortunately, New Jersey already has a strategy to deal with these problems. It's called the State Plan—a blueprint for redeveloping cities, relieving congestion, and containing sprawl. These are goals we all want for New Jersey.

Governor Whitman went on to describe a host of initiatives to strengthen local planning authority, examine the tax implications of various types of development, speed approval for development in targeted areas, preserve a million acres of open space, and use transportation to improve the state's quality of life. In her 2000 state-of-the-state address, Governor Whitman maintained the commitment to attacking the impacts of growth, particularly protecting watersheds:

> We all know what haphazard growth has done to our morning commute; we must also recognize what it may soon do to our morning coffee. . . . Unfortunately, as New Jersey has poured more concrete, cut down more woodlands, and built more buildings, we have put watersheds at risk, whether through saltwater intrusion along the coast or groundwater contamination farther inland. Saving land will help. But it's just as important to recognize that where we put sewers, roads, and new buildings can affect an entire watershed.

New Jersey is working to adopt rules for managing its watersheds. These rules will encourage development where sewers and roads exist or can be built without harming the environment. The Governor recently summed up her goal: "Smart growth is about building that future—a future of profitable development, livable communities, and environmental integrity."

PRODUCING AND PROVIDING ACCESS TO INFORMATION

In many states, the general public may have a vague sense of dissatisfaction with the pace and pattern of development, but relatively few interest groups raise specific concerns about growth. Therefore, Governors often take the lead in articulating the public's feelings and suggesting that growth patterns can change. Governors have been particularly effective in appointing task forces and commissions on growth that represent a broad range of interests and perspectives. These groups produce balanced, thoroughly researched reports on their states' development trends, status, and potential improvement. In some cases, very sophisticated data are being generated, particularly with the use of images from satellites and GIS systems. While words can describe patterns and trends of growth, pictures of how geographic areas have actually changed over time can be much more powerful.[58] In South Carolina, for example, satellite images provided the key information in documenting that the population increase of 40 percent in the Charleston tri-county area from 1973 to 1994 was accompanied by a 250-percent increase in conversion of land to development. Sophisticated maps have been used to show that by 2030 much of the remaining rural landscape will be developed.[59]

A key component of the creation and evaluation of new reports and information is public outreach. Even the most thorough and well-researched state goals and plans can flounder if they fail to engage the public. States, and Governors in particular, can be instrumental in creating a public dialogue on the potential impacts of various development scenarios and the options for carrying out a collective vision for growth. This two-way communication serves to educate the public about the policy implications and costs of development while informing state decisionmakers about community needs and preferences.

Arizona: Identifying a Need for Change. Arizona's Growing Smarter Commission is a primary component of the state's 1998 Growing Smarter Management Act. In addition to

strengthening local land planning and funding the purchase of State Trust Lands for open space, the act created the commission to produce broad-based collaboration on additional measures to preserve the state's natural environment and quality of life while maintaining economic growth in all of its regions.

RECOMMENDATIONS OF THE ARIZONA GROWING SMARTER COMMISSION

"Creating a Legacy for Our Children"

Preserving the Majesty of Arizona's Landscapes

- Protect the most extraordinary State Trust Lands by establishing a special "stewardship trust."
- Authorize conservation-based land exchanges.
- Create and fund a purchase-of-development-rights program to preserve agricultural land and ranchland.
- Provide monetary and procedural incentives to ranchers and farmers to be exceptional stewards of the land.
- Dedicate conservation-quality Trust Lands by recognizing increased values in surrounding lands.

Giving Citizens a Vote on Plans and a Voice in Zoning Decisions

- Require new community plans to be referred to the voters in fast-growing cities.
- Require elevated citizen review and involvement programs for rezoning cases and new regulations.
- Give property owners a process to voice their property rights concerns.

Authorizing Development Fees and Development Agreements to Pay for Growth Impacts

- Authorize both cities and counties to impose full development-impact fees.
- Allow counties to require developers to construct infrastructure in binding development agreements.

Strengthening Community Plans and Managing Growth

- Authorize local communities to set boundaries that limit where streets, sewers, and water will be provided.
- Provide incentives to encourage growth on vacant parcels where services already exist.
- Require regional coordination of community plans and authorize rural planning districts.
- Request that state agencies develop and use state planning goals in funding and permit decisions.

Free Lands and Additional Trust Funds for Schools

- Permit the State Land Commissioner to dedicate school sites at no cost.
- Modernize the State Land Department to create more revenues for the school trust fund.
- Increase funding to the State Land Department to allow it to protect the land assets held in the school trust.

Focusing Arizona's Economic Engine on Rural Communities

- Assist rural communities in funding and financing needed infrastructure.
- Authorize tax incentives and expedited approvals for economic enhancement projects.
- Allow for expedited sales of State Trust Lands for economic development.
- Provide technical assistance for compliance with Endangered Species Act requirements.

Arizona Governor Jane Dee Hull and the state legislature appointed the 15-member commission, which includes state officials and legislators, to oversee the work of eight committees of more than 100 participants. The committee members recommended modifications to the Arizona constitution, laws, and rules to improve the state's framework for managing growth. The commission issued a draft report on June 17, 1999, to provide a basis for an extensive public input process. After incorporating comments from 1,700 citizens, the commission presented its final report to the Governor and state legislature on September 1, 1999.

The report addresses 20 separate issues, including preservation of Arizona's landscape, assessment of impact fees, voting on general plans, service area limits, private property rights, and rural economic development (see box on previous page). In accepting the report, Governor Hull said, "These recommendations represent a truly democratic vision for Arizona's future. I believe this process has included more public participation than any other major issue facing the state in recent history."

A key to the commission's success is its understanding of the history, culture, general attitudes, and political climate of Arizona and its citizens. According to the commission's draft report, its growth management concepts "are predicated on the belief that the Arizona political culture does not encourage new layers of governmental or mandatory schemes, but rather envisions general goals and concepts using incentives to encourage all levels of government to make decisions related to growth management that support the goals and concepts."[60]

The commission called on the state to encourage compliance with these goals through incentives, primarily by targeting state funding to local jurisdictions with plans that have been certified by the Arizona Department of Commerce to meet the state goals. The commission also suggested that the Governor issue an executive order to support the state goals in their discretionary decisions.

Pennsylvania: Promoting Sound Land Use. Important information about state land use and quality of life can emerge from broad-based studies as well as those focused on growth issues alone. In Pennsylvania, Governor Tom Ridge created the 21st Century Environment Commission in July 1997 to recommend methods and policies to improve the environmental quality of the state while allowing for enhanced economic and social progress. In its September 1998 report, the commission found land use to be the foremost environmental issue. "Among all these urgent matters . . . we give top priority to the challenge of promoting responsible land use," the commission reported. "Promoting environmental stewardship may be the most important issue, but correcting our land use patterns is the most pressing."

Composed of 40 state legislators, environmentalists, businesspeople, academicians, elected officials, and government and community leaders appointed by Governor Ridge, the commission held 16 regional roundtables and 11 open houses that were attended by thousands of Pennsylvanians. Participants pointed to the problems of sprawl in the state, noting that from 1960 to 1990 the population of the state's 10 largest metropolitan regions grew by 13 percent, but the land they occupied increased by 80 percent.[61]

The commission concluded that some characteristics of Pennsylvania contribute to scattered development, saying: "current development patterns combined with Pennsylvania's land use laws, the number (2,571) of municipalities with land use authority, and insufficient intermunicipal coordination on land use issues work to foster sprawl, not deter it. Court-made rules, reacting to this fragmentation, exacerbate the situation by requiring that every municipality that chooses to plan and zone must provide for every use—

all kinds of housing, commercial, and industrial uses."

To improve Pennsylvania's development patterns, the commission recommended that the state take the following steps:

- recognize and acknowledge the problems created by current land use patterns;
- educate Pennsylvanians on land use issues;
- provide local governments with better tools to project, plan, and implement local and regional land use initiatives;
- lead by example;
- address the interrelationship between land use decisions and infrastructure; and
- revitalize older communities.[62]

In response to the commission report, Governor Ridge issued a Sound Land Use Executive Order on January 7, 1999, as part of his Growing Smarter initiative. The order charges the Governor's Center for Local Government Services with identifying and promoting sound land use practices in communities throughout the Commonwealth. To further that goal, the Governor's Center conducted Sound Land Use Forums to offer thousands of rural, urban, and suburban state residents a chance to present their perspectives on how they want their communities to grow in the 21st century. The forums also included representatives of state departments and several statewide organizations.

In his February 2000 budget address, Governor Ridge noted that 25 percent of the state's farmland had been lost since 1990 and that the state would spend $20 million this year plus $80 million over the next four years to preserve farmland and protect open space. He said, "To kick off Growing Greener, we intend to preserve 100 farms in 100 days, from the Farm Show to Earth Day." Ridge declared success on April 13, noting that the state had safeguarded 101 farms after spending $6 million on over 12,400 acres with ten days to spare. Additionally, the Governor said:

> In 53 hearings throughout the state, they told us that we should help local government control sprawl. So we will. But they didn't tell us that we should mandate a one-size-fits-all approach. So we won't. We'll start with the largest state investment ever in land use planning—$3.6 million—to give our local governments the tools they need to plan effectively for the future. We must work together to make significant improvements and revisions to the Municipalities Planning Code. I believe we can empower local governments and still respect private property rights.

CREATING TOOLS TO SUPPORT LOCAL ACTIONS

In many states, local governments and private landowners wish to improve development or conserve open space, but they may lack the funding or knowledge to take action. Governors can be instrumental in creating tools such as grants, technical assistance, and sources of information that spur local and private initiatives.

Illinois: Main Street Program. Illinois Main Street helps communities:

- build an effective, volunteer-driven, downtown management organization guided by professional staff and broadly supported by the public and private sectors;
- enhance the downtown's design and appearance through historic preservation;
- create a unified, quality image and develop promotional strategies to bring people downtown; and
- retain and strengthen existing downtown businesses, recruit appropriate new businesses, and develop economic restructuring strategies to sustain the vitality of the downtown.

Rather than impose the state's redevelopment vision on communities, Illinois Main

Street helps communities define their own vision and works with them to make that vision a reality. It provides each community with technical assistance valued at $20,000 to $30,000 a year. Local staff, businesses, and volunteers provide grassroots leadership, raise money, and spearhead revitalization activities. Program success relies on incremental simultaneous work in four broad areas known as the Main Street Four-Point Approach:

1. Organization: Developing and sustaining an effective downtown management organization.

2. Design: Improving the appearance of the downtown buildings and streetscape through historic preservation.

3. Promotion: Marketing the district's unique assets to bring people back downtown.

4. Economic Restructuring: Improving the downtown's economic base by assisting and recruiting businesses and finding new uses for underused space.

Presently, Illinois has more than 50 Main Street communities, up from nine when the program began in 1993. Since 1995, active communities have reported net gains of more than 600 new downtown businesses and 1,100 full-time and 760 part-time jobs. Main Street communities have made more than $21.9 million in public improvements and more than $73 million in private reinvestments in some 1,200 downtown rehabilitation projects

Maryland: Fostering Collaboration to Revitalize Neighborhoods. The Maryland Revitalization Center offers a one-stop shop of services and resources for creating attractive neighborhoods in which to live and work. A key element of Maryland's Smart Growth and Neighborhood Conservation Initiative, the center facilitates coordination among state agencies, promotes the use of existing resources, and assists localities in planning and developing projects to revitalize neighborhoods throughout the state. The center is a joint office of the state housing, natural resources, planning, transportation, and other agencies that design and implement neighborhood revitalization programs.

The center includes a neighborhood revitalization team that facilitates meetings of local groups to analyze community needs, assists with strategic planning, and identifies public and private resources to support neighborhood development. Once projects are identified, the center helps create project implementation collaboratives to introduce neighborhood developers to resource providers; assists communities in preparing proposals; and shepherds the projects to completion. The center also works with communities in obtaining interagency funding for planning, implementation, and leadership training.

The center provides ready access to Maryland's "smart growth" programs to support neighborhoods, including the following:

- ***The Neighborhood Business Development Program*** helps stimulate development in Maryland's established, older communities by providing flexible gap financing to small businesses that are starting up or expanding in locally designated areas.
- ***The Neighborhood Partnership Program*** helps nonprofit organizations serving designated revitalization areas build partnerships with private-sector businesses. The program promotes these partnerships by allocating $1 million in Maryland tax credits that will help nonprofits raise $2 million in private contributions for community revitalization projects.
- ***The Live Near Your Work Program***, a partnership of the Maryland Department of Housing and Community Development (DHCD), local governments, and the

state's businesses and institutions, provides a cash incentive for employees to live near their work in targeted neighborhoods. Participating employees receive a minimum $3,000 grant for costs associated with the purchase of a home.

- ***The Circuit Rider Town Manager Program*** enhances the management capacity of small-town governments by providing grants for hiring public management professionals. One professional administrator serves several towns in the same area and provides expertise in public administration, financial management, and community development.

New York: Quality Communities Task Force. In January 2000, New York Governor George E. Pataki issued an executive order creating this task force. A key goal is to develop measures to assist local communities in implementing effective land development, preservation, and rehabilitation strategies. The Quality Communities Program will provide incentives and enhance opportunities for innovative planning and community development techniques that link environmental protection, economic prosperity, and community well-being. Soon after forming the task force, the state announced it would provide $1.15 million to local governments, including school districts, for quality communities demonstration programs. The task force will report its findings to the Governor in one year.

Wyoming: Educating Landowners about Conservation Options. Wyoming Governor Jim Geringer pooled public and private resources to produce a guidebook for individuals and communities to use in voluntarily implementing various land conservation methods. *Ways to Conserve Wyoming's Wonderful Open Lands* is aimed primarily at private landowners, who control about 46 percent of the land that often contains critical habitats, important waterways, and dominant roadside scenic overlooks, particularly in the state's large river valleys. According to the guidebook, "the condition of private lands 'defines' Wyoming as much as anything and ties directly to the market forces that are making Wyoming popular."[63] The guidebook covers numerous options, including the following:

- ***Conservation easements.*** Landowners can place these voluntary restrictions on the use of their property to protect resources such as wildlife habitat, agricultural lands, natural areas, historic structures, or open spaces. The landowner retains title to the property and the easement is donated to a qualified conservation organization, such as a land trust or government agency. Landowners may live on the property, sell it, or pass it on to heirs while lowering estate taxes.
- ***Escrowed commitments.*** Escrowed commitments allow landowners to place conservation easements in escrow until a predetermined percentage of nearby landowners agrees to similar easements that can be transferred as a package. If the other landowners do not participate, the conservation easement does not take effect.
- ***Donating Land; Life Estates.*** Landowners lacking heirs may choose donation to a qualified nonprofit organization, gaining income tax deductions and avoiding capital gains taxes.
- ***Land Exchanges.*** Land exchanges can consolidate public and private holdings to assemble logical mining units, to establish development areas, to protect crucial habitats, or to improve public access for recreational opportunities. Typically, lands with little agricultural

value are traded for lands that are more highly appraised because of their recreational or wildlife value. Similarly, landowners may exchange their development rights for the right to develop public lands or lands better suited for development.

- ***Purchase or Lease of Development Rights.*** A private individual, government agency, or private group can pay a landowner to enter into a contractual agreement that would either permanently or temporarily suspend that landowner's right to develop that property. The landowner can get cash without giving up full ownership of the family land and simultaneously conserve the land for posterity.

FOSTERING COLLABORATION ON GROWTH STRATEGIES

Collaboration among all interested parties can produce local development strategies that enjoy support throughout the community. By considering projected growth and weighing the needs and preferences of residents, businesses, and the environment, communities can make conscious choices among development options. Governors can encourage, support, and even lead such efforts to improve decisions about growth. However, some groups have voiced serious opposition to many facets of state growth initiatives, and collaboration may be challenging. See the accompanying box for material on a new national campaign by road construction interests.

THE PARTNERSHIP FOR QUALITY GROWTH

This national coalition of 14 business and industry groups uses advocacy of "quality growth" to oppose "smart growth" initiatives. Confusion is inevitable because the terms are viewed by most people as roughly equivalent. The coalition champions increased spending on roads as the chief solution to the problems caused by traditional growth patterns, particularly traffic congestion. Its quality growth tool kit, released in April 2000, has a number of shortcomings, including these:

- The group asserts that "smart growth" proponents are "antigrowth and "antimobility" and want to "slow or stop growth entirely." This is not the case in general and certainly incorrect for the efforts of Governors.
- The coalition asserts that "smart growth" advocates "dictate public sentiment" and remove people's housing and travel choices. In truth, current national initiatives, including efforts by many Governors, are responsive to public concerns and demands and have broad public support.
- There is no recognition that nearly all "smart growth" efforts address not only suburbanization issues, but also the need for revitalization of older urban and suburban communities to make them more attractive and give people more, not fewer, choices.
- The group asserts that all "smart growth" efforts mean the "imposition" of urban growth boundaries, which is incorrect. This policy instrument has not been widely used, but where it has been used the local community has supported it.
- In praising the low costs of traditional suburbs, the coalition ignores the significant subsidies provided by government and taxpayers to provide expensive new infrastructure.

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THE PARTNERSHIP FOR QUALITY GROWTH

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- In condemning "smart growth" efforts, the group falsely asserts that the aim is to force people "against their will" to live in apartments and townhouses rather than single-family homes. Not only is this incorrect, but the group ignores the considerable creative efforts in the private sector to design new types of suburbs that provide advantages over traditional low-density, automobile-dependent places without mixed-use development.
- The enormous increases in automobile use are said to reflect the *desire* of Americans, rather than the fact that most people are *compelled* to make more noncommute trips over longer distances because of the nature of traditional "sprawl" development, and that the public views this condition as lowering quality of life.
- The coalition asserts that proponents of "smart growth" efforts want to spend money "only" on transit, but not on new roads, which is incorrect. However, the interest in enhancing transit capacity and use is consistent with recent data showing transit ridership increasing faster than automobile use, 4.5 percent versus 2 percent from 1998 to 1999. Road congestion and public interest in improving quality of life contribute to transit increases nationwide, which started in 1995, before recent gasoline price increases.
- The coalition opposes programs to preserve rural open spaces and, instead, asserts that most people want only "local" greenspace, such as larger backyards and neighborhood playgrounds. This position ignores widespread public support for state and other programs to purchase and preserve open spaces. It also ignores public demand for a host of greenspaces and natural amenities, including large parks and forests, nature and wildlife preserves, natural vistas, mountains, and even farmland, which are increasingly threatened by uncontrolled development. The group ignores the "smart growth" focus on improving green infrastructure in both urban and suburban communities.
- The impact of haphazard and scattered suburbanization on underinvestment in older urban centers and suburbs is ignored, as well as the desire of many people to live in such places. In noting higher housing costs in higher-density locations, the group fails to recognize that high demand for limited quality housing causes higher prices in urban settings. But the group lacks interest in increasing housing in older communities with existing infrastructure, wanting instead to expand outer suburbs that require more road construction.
- It is significant that the coalition opposes the involvement of states in land use planning and has mounted a large effort nationwide to mobilize local efforts to support its anti-"smart growth" positions and road-building goals. The coalition's positions are not consistent with NGA Principles for Better Land Use.

Coalition materials are available at www.qualitygrowth.org.

Utah: Making Choices about Growth. The Envision Utah public-private partnership is a prime example of a collaborative process to create a collective vision for statewide growth. Sponsored by the Coalition for Utah's Future, with the strong support of Governor Michael O. Leavitt as the Honorary Co-Chair of Envision Utah, the partnership is creating a publicly supported growth strategy to preserve Utah's high quality of life, natural environment,

and economic vitality during the next 50 years. It includes state and local government officials, business leaders, developers, conservationists, landowners, academicians, church groups, and general citizens.

Despite a relatively low population and large area, Utah is one of the most urban states in the country, with 80 percent of its population concentrated in the Greater Wasatch Area, the narrow corridor stretching on both sides of the Wasatch Mountains for 100 miles north and south of Salt Lake City. This area's population of more than 1.6 million is projected to grow to 2.7 million by 2020 and a staggering 5 million by 2050.

Since 1997 Envision Utah has relied heavily on public participation. As columnist Neal Peirce noted, "Instead of starting with government-imposed top-down controls, the Quality Growth Partnership (through Envision Utah) is trying to leap to a new strategy—to inform citizens so they're the ones demanding traffic restraint, protection for open space, pedestrian-oriented development."[64] The process included the following components:

- An in-depth study and a broad survey were conducted to determine area residents' values and to find out what they most want to preserve or change in the face of Utah's rapid growth.
- A baseline study projected the effects of Utah's growth during the next 20 to 50 years if current trends continue.

LOOKING INTO THE FUTURE: A QUALITY GROWTH INVITATION

After two and a half years of study, including over 150 public meetings, Envision Utah has released its Quality Growth Strategy. The strategy includes seven goals and 32 strategies intended to maintain and enhance the quality of life in Utah.

The strategy is an invitation because communities and residents are invited to *voluntarily* pursue a more desirable future. The strategy includes no mandates. It is based on the pursuit of six goals:

- enhance air quality;
- increase mobility and transportation choices;
- preserve critical lands;
- conserve water;
- provide housing opportunities; and
- maximize efficiency of public infrastructure investments.

The pursuit of the strategy is motivated by the common and regional nature of many of our challenges. We share the same economy, roads, air space, water resources, and natural assets. Our individual acts have collective repercussions. The future attractiveness of our region requires that we think purposefully about *where* and *how* we want to grow over the next 20 years. The Quality Growth Strategy has done just that. When compared to the baseline future, the Quality Growth Strategy results in many desirable attributes. In 2020, compared to the baseline, it will conserve 171 square miles of land; include a more market-driven mix of housing; result in a 7.3-percent reduction in mobile emissions; include less traffic congestion; and require $4.5 billion less investment in transportation, water, sewer, and utility infrastructure.

It projected that, from 1995 to 2020, the average commute in the area will increase from 24 minutes to 34 minutes, transportation infrastructure investments will exceed $9.7 billion ($3,599 per person), water infrastructure investments will exceed $3.1 billion ($1,200 per person, in 1997 dollars), and the urban area will increase from 320 square miles to 590 square miles.

- A series of public workshops held throughout the Greater Wasatch Area collected opinions and data from citizens on how to shape future development. Participants explored important topics such as land use, transportation, and open space preservation, providing vital input for the development of alternative growth scenarios.
- Four alternative growth scenarios were created to illustrate development patterns that could result in the next 20 years, including impacts on population, infrastructure costs, air quality, water, open space and recreation preservation, traffic congestion, and affordable housing.
- A widespread public awareness, education, and mass media campaign encouraged area residents to express their preferences on how they want their communities and the region to develop and increased understanding of growth options and challenges.

With the completion of four scenarios, the partnership embarked on an outreach campaign to determine the public's preferred growth strategy (see box on previous page).

ENLISTING STATE AGENCIES TO SUPPORT STATEWIDE DEVELOPMENT GOALS

Although local governments bear primary responsibility for planning and development, the programs and decisions of state agencies have a tremendous influence over growth. By guiding and coordinating state agency actions, Governors can help steer growth and set examples for local authorities. One thing is clear: for maximum results, no single state agency can effectively address the full range of growth management issues confronting most states. In particular, addressing growth and quality of life issues is not just an environmental matter. Although there are many environmental aspects of growth management, state environmental regulatory agencies do not have the full range of capabilities and resources to effectively handle all growth and quality of life issues and opportunities. What seems to work is a team approach, where a number of state agencies are enlisted to implement the broad vision and goals established to meet the growth and quality of life needs of the state.

Arizona: Paving the Way for Telecommuting. Arizona's state government has become a model for reducing traffic congestion through telework or telecommuting, a flexible work arrangement that enables selected employees to work from their homes or satellite offices on certain days. Formally established by a Governor's executive order in 1993, the Arizona Telecommuting Program has been implemented by 100 state agencies and has met its goal of achieving participation of 15 percent of the state's employees by 1999.

The state originally piloted the telecommuting program to help reduce traffic congestion, air pollution, and energy consumption. Each day, motorists in the Phoenix area drive 59 million miles, emitting approximately 1,180 tons of pollutants. In 1995 the area's residents used nearly 3 million gallons of gasoline a day. More than 75,000 Phoenix-area employees now work from home an average of one day a week, saving almost a million miles of travel and more than 35,000 pounds of pollution every day. Surveys show that

telecommuting has also improved the quality of life for state employees, resulting in decreased stress, reduced commuting time and expense, improved job satisfaction, closer bonds with family and the community, and has even enhanced community safety because telecommuters spend more time at home. The state has actively promoted the program, partnering with large corporations and providing information and training to business and local government leaders.

Colorado: New Office of Smart Growth in the Department of Local Affairs. As part of his comprehensive "Smart Growth: Colorado's Future" initiative, Colorado Governor Bill F. Owens created this new office to manage the "Strong Neighborhoods" component of the initiative. The primary mission of the office is to assist local communities as they plan for and manage growth. The office makes available *Colorado Heritage Reports* that document innovative strategies and best practices in land use planning, intergovernmental agreements, and open space preservation. The office will also offer dispute resolution services to handle issues related to growth management. Additionally, a new "Innovations in Collaboration" program was created in the department of transportation to work with local governments on land use and transportation planning.

Delaware: Coordinating Cabinet-Level Decisions. Delaware Governor Thomas R. Carper created the Cabinet Committee on State Planning Issues in 1994 to coordinate state investment decisions, resource management responsibilities, and cooperation with county and local governments. Through his strong commitment to the committee, Governor Carper has driven cabinet-level decision-makers in his state to forge a consensus and make their decisions stick. The committee is charged with ensuring that state investments promote development where infrastructure exists or is planned, while enhancing community character and protecting important natural and man-made resources. The committee also helps find the best locations for public facilities such as roads, schools, and water systems.

Chaired by the Governor's chief of staff, the committee includes the secretaries of the state departments of agriculture, health and social services, natural resources and environmental control, public instruction, and transportation, and the directors of the state economic development office and budget office. Its first task was to develop a vision for state growth in collaboration with Delaware citizens, which resulted in a 1995 report, *Shaping Delaware's Future*. In April 1995, the committee adopted 10 goals to serve as the basis for state infrastructure investment and resource management planning and programs, to guide state review of local land use decisions, and to provide a foundation for county and local comprehensive land use plans. In 1999 the original 10 goals were replaced by 11 revised goals, and in December 1999 the Governors' Cabinet Committee on State Planning Issues released its report, *Shaping Delaware's Future: Managing Growth in 21st Century Delaware*. The report presented strategies to guide state decisions about growth that are based on two key points: state spending should promote quality and efficiency, not sprawl; and state policies should foster order and resource protection, not degradation.

In his 2000 state-of-the-state address, Governor Carper emphasized: "For the first time in our history, agreement has been reached between the state and each of our counties about where growth should occur and when it should happen. This investment strategy will guide our state spending recommendations for transportation, open space and agland preservation, water and wastewater investments, school construction, and other areas."

Illinois: A New Balanced-Growth Cabinet. In April 2000, Illinois Governor George H. Ryan acknowledged that the state faced vanishing open spaces, loss of agricultural land, decaying

urban infrastructure, increased traffic congestion, and a reduction in the quality of life in many existing communities. In an executive order, he said: "if allowed to persist and worsen, these problems will damage our state's economic competitiveness, result in the loss of irreplaceable natural resources and erode the quality of life." His ''Illinois Tomorrow'' initiative established a new Balanced-Growth Cabinet, with representatives from many state departments. Five core principles were provided to guide the cabinet's efforts to coordinate, evaluate, and improve state programs: reducing traffic congestion, preserving open space, reinvesting and redeveloping in existing communities, increasing the quality of life, and using a local government partnership approach to provide incentives rather than penalties. The group will also pursue public input, public-private partnerships, and community-based planning.

Oregon: Setting Goals for State Agencies. By the 1990s, Oregon's urban growth boundaries had succeeded in containing growth within locally designated areas surrounding 240 urban centers, but scattered development was occurring within the boundaries. For example, the average density of new development within the boundary of Bend, Oregon, was just two units per acre. Governor John A. Kitzhaber, M.D., not only recognized that such densities could not be sustained, but also raised concerns that such sprawling development undermined a sense of community. In 1997 the Governor signed an executive order on "Use of State Resources to Encourage the Development of Quality Communities." The goal was to integrate state laws, planning goals, and rules to meet six quality development objectives.

The objectives provide a nonregulatory approach to complement the urban growth boundaries. State agencies use the following objectives to ensure that their actions contribute to achieving Oregon's vision of growth:

- promote compact development within urban growth boundaries to minimize the costs of public services and infrastructure and protect resource land outside the boundaries;
- give priority to a quality mix of development that meets economic and community goals;
- encourage energy-efficient development that promotes walking, biking, and transit use;
- support development that is compatible with a community's ability to provide public facilities and services;
- facilitate development that is compatible with environmental concerns and available natural resources; and
- support development that balances jobs and affordable housing within a community to reduce long commuting distances.

These objectives have already influenced development. For example, the department of transportation and department of land conservation and development have awarded numerous grants to help communities recycle used downtown land and take advantage of existing infrastructure. The state housing and community services department has provided $7.4 million in tax-exempt bond financing for an apartment complex in Portland as part of a mixed-use, transit-oriented, and pedestrian-friendly redevelopment project at the site of a former car dealership. The state department of transportation relocated its Region 1 headquarters from a suburban site that was poorly served by mass transit to a site in the Portland metropolitan area that is served by light rail and is accessible to other public facilities and services.

Rhode Island: A New Growth Planning Council. In February 2000, Governor Lincoln Almond formed this new group to study the state's land use needs for economic and residential development and balance those needs with the need for environmental preservation. The group will advise local communities in the development of their land use plans and foster partnerships among state agencies, communities, and the private sector. Governor Almond said, "Proper planning today will ensure our tremendous quality of life continues for generations to enjoy." The group will be chaired by the head of the department of environmental management and the head of the state economic development corporation. The steering committee includes the heads of other state agencies, including the state planning office and the transportation department.

NOTES

[55] *Georgia's Future: Beyond Growth Strategies*, report of the Growth Strategies Reassessment Task Force, December 1998, 7.

[56] Governor Whitman received two national awards in early 2000 for her "smart growth" efforts, one from the American Planning Association and one from Renew America.

[57] Barbara L. Lawrence, *State Plan Update: 1999*, New Jersey Future; www.njfuture.org.

[58] See, for example, the web site "Urban Growth Seen from Space" at http://svs.gsfc.nasa.gov/imagewall/AAAS/, which offers a remarkable array of information and images about the nature and impacts of dense growth patterns on several major cities.

[59] See www.charleston.net/org/greenbelt for an urban growth slide show.

[60] Arizona Growing Smarter Commission, "Growing Smarter Draft Report," June 17, 1999, 1.

[61] Report of the Pennsylvania 21st Century Environment Commission, September 1998, 16.

[62] Ibid.

[63] *Ways to Conserve Wyoming's Wonderful Open Lands: A Guidebook*, 1997, 5.

[64] Neal R. Peirce, *Development Democratized: Utah's New Promised Land?* Washington Post Writers Group, 1997.

Chapter 4

Economic Investment and Financial Incentives Strategies

State government funding exerts a powerful influence over local planning and development decisions. By constructing roads, building state government facilities, providing tax breaks and grants, and conserving open land, states constantly create incentives and disincentives for development in certain locations. Once Governors have identified statewide growth objectives and investment priorities, they can use state program expenditures to support and create incentives for local and private development where it is most desirable. The result can be collaboration between state and local governments and the public and private sectors to achieve a shared vision of the future.

Many Governors use state investments and incentives for a wide range of growth-related activities that do the following:

- target state funds to support statewide development goals;
- revitalize town centers and neighborhoods that foster a sense of community among residents and business owners;
- integrate brownfields redevelopment efforts with broader initiatives to channel growth to where it is most economically and environmentally beneficial; and
- acquire and encourage conservation of contiguous land areas with special environmental, cultural, or historical significance to the state or local community.

TARGETING STATE FUNDS TO SUPPORT STATEWIDE DEVELOPMENT GOALS

Traditionally, state expenditures in roads, schools, parks, and other infrastructure have not been coordinated among the numerous state agencies responsible for allocating funding. An overarching strategy or vision can guide investments so that these state projects, subsidies, and taxes encourage development that furthers the state's economic or environmental goals and enhances the communities' quality of life.

Georgia: Community Greenspace Initiative. Georgia Governor Roy E. Barnes created this program to preserve 20 percent of Georgia's greenspace. The program lets 40 fast-growing counties around the state divide $30 million in state funds in 2000 to help buy undeveloped land and protect it for parks and hiking and biking trails. Eleven metropolitan Atlanta counties could receive about $20 million. To participate, counties must submit a plan to permanently protect 20 percent of their land from development. If approved by the new Georgia Greenspace Commission, created to administer the program, counties then would be eligible for the grants. Unclaimed money—left over if identified counties don't participate—would be distributed among those that do. In April 2000, the program was signed into law and Governor Barnes said:

> On any given day in Georgia, construction and development consumes another

> fifty acres of our parks, open lands, and greenspace. . . . Georgia is blessed in that our problems stem from growth and prosperity not stagnation and unemployment . . . . But if we want this engine of growth to keep humming, we must protect these lands, because it is beautiful places . . . that attract people to Georgia. It's quality of life that fuels our prosperity.

Maryland: Setting Funding Priorities. Maryland Governor Parris N. Glendening was one of the nation's first Governors to recognize the perverse incentives created by some state funding decisions. "Government policies—even well-meaning policies—have sometimes perpetuated the very patterns of development we are now trying to reverse," he observed. To address this problem, the Governor signed an executive order in 1998 establishing the Smart Growth and Neighborhood Conservation Policy. The policy seeks to reverse a tradition of state subsidies for development on open lands. The state was projected to develop as much land in the next 25 years as it had developed during the past 366-year history of the state.

The Smart Growth and Neighborhood Conservation Policy implements Maryland's Smart Growth Areas Act, the centerpiece of the development initiatives enacted by the state legislature in 1997. The act directs most state infrastructure, economic development, housing, and other program investments to "priority funding areas" where the state and local governments want to encourage and support new growth. Counties may also designate priority funding areas, using models and guidelines developed by the state planning office, where growth is planned and infrastructure is available. The "smart growth" law generally prohibits the state from funding growth-related projects, such as land acquisition, roads, bridges, transit, and water quality and supply projects, that are not located in priority funding areas.

In making funding decisions on growth-related efforts such as land acquisition, transportation, and water quality projects, the Governor's policy directs state agencies to:

- give priority to central business districts, downtown cores, empowerment zones, and revitalization areas—designated as priority funding areas under the state's Smart Growth Areas Act—when funding infrastructure projects or locating new facilities;
- review programs and services in priority funding areas to enhance community revitalization;
- work with local governments to ensure that programs in rural areas maintain the character of area villages;
- locate workshops, conferences, and other meetings in priority funding areas to support businesses in those neighborhoods; and
- encourage federal agencies to adopt regulations and standards that can be used to support "smart growth" policies.

The policy creates a systematic way for agencies to review the funding of growth-related projects and verify that these projects are in priority funding areas. The review considers a range of factors, including whether the project will enhance or support other state agency activities in the area, such as brownfields cleanup and revitalization; support existing neighborhoods and communities; promote the use of mass transit; and reduce sprawl.

The state established minimum criteria for new residential growth in priority funding areas. The criteria require existing or planned water and sewer service; a minimum average density of 3.5 units per acre; and consistency between the county's growth plan and its long-range growth projections.

Some recent Maryland successes include:

- canceled or modified plans for five highway bypass projects;
- blocking sale of a 550-acre surplus state hospital tract to a developer;
- relocation of two new district court houses and a new county office building to the downtown sections of three communities rather than on the outskirts of town;
- locating a new university campus in a renovated, formerly abandoned department store building in a downtown area rather than on a farm field on the outskirts of town; and
- increasing the portion of the state school-construction budget dedicated to renovating or modernizing schools in existing neighborhoods, from 38 percent in 1992 to 84 percent currently, even as the budget was tripled.

New York: Main Street Program. In his 2000 state-of-the-state address, Governor George E. Pataki described this effort: "With smart investments and targeted economic policies, we can recapture that spirit and breathe new life into those Main Streets so they can bustle again with all of the vigor, energy and excitement of their glory days. Some call it Smart Growth. We call it smart. Period." The program includes seizing "every opportunity to move state offices from remote campuses to the Main Streets of New York. We've done it in downtown Albany. We're doing it in Schenectady and Troy. It's working. Now we will make it work in the downtowns of other cities as well."

Pennsylvania: Redirecting Environmental Funding. Pennsylvania Governor Tom Ridge responded swiftly to the recommendations of the 21st Century Environment Commission, which he appointed to examine the environmental challenges of the coming decades. Based on the commission's strong emphasis on improving statewide land use, the Governor issued an executive order in January 1999 to establish a new state land use policy. The Governor will implement the executive order in part through his "Growing Greener" initiative, a proposal to dramatically restructure existing environmental funding by 2005.

The initiative, signed into law in December 1999, will redirect money to priority programs such as protecting watersheds, preserving open space, investing in parks and environmental recreation, and reclaiming abandoned mines and wells. It shifts funding priorities from the state to communities, county conservation districts, watershed groups, and authorities across the Commonwealth. It also will reorient other programs to encourage sound land use practices and to discourage sprawl.

Growing Greener will direct nearly $650 million over five years to the new Environmental Stewardship Fund to emphasize clean water and sound land use planning. The fund will support the following initiatives:

- Public lands stewardship, eliminating the backlog of maintenance and infrastructure-improvement projects at Pennsylvania state parks.
- Community conservation for local projects for parks, greenways, bike and rail trails, streamside buffers, and farmland and open space preservation.
- Reclamation projects to reclaim mine lands and plug oil and gas wells by county conservation districts, watershed organizations, authorities, the Senior Environment Corps, and the state.
- Local projects to control and clean up nonpoint sources of pollution that impair watersheds.

- Incentives to communities to develop infrastructure projects that support sound land use planning and help economically disadvantaged communities.

REVITALIZING TOWN CENTERS AND NEIGHBORHOODS

Urban decay is the flip side of rapid suburbanization. This does not mean that each is the sole cause of the other, but only that the two are inexorably linked together and affected by the same social and economic forces. Downtown areas in cities and older suburbs often stagnate, lacking the attractive buildings, pedestrian access, and mix of commercial and residential development that draw people to neighborhoods for shopping, entertainment, and work. Preservation of historic buildings and older neighborhoods is an important dimension to many urban revitalization projects. Even for people living in outer suburbs, a vibrant town or city center is a location amenity that improves the quality of place, and this strengthens state competitiveness in the New Economy. Research has shown that economically strong urban centers help the economy of the larger region.

Governors can initiate public-private, multiagency efforts to reinvigorate downtowns in cities and older suburbs so that more people perceive real choices about where they can live—particularly safe, affordable housing opportunities. Some researchers suggest that aging baby boomers will increasingly want to live in urban centers, and many younger people prefer urban living. And some New Economy companies are discovering that the talented workforce they require may prefer living and working in revitalized urban cores. In Seattle, for example, 50,000 new jobs were created between 1995 and 1998, along with 7,700 new housing units. Fostering this resurgence were some 1,500 local community projects that built bike and jogging paths and constructed wetlands, as well as a host of city projects that created "green streets" with increased vegetation, open space, waterfalls, restricted traffic, and improved walkways. Some analysts argue that one reason to accept suburban traffic congestion is that it ultimately provides an effective incentive to revitalize urban centers, as the penalties of living in suburbia begin to outweigh the benefits.

A host of factors has caused the decline of America's downtown areas. Richard Moe of the National Trust for Historic Preservation notes the impact of large, regional shopping malls that siphon business from retailers in cities and suburbs: "Communities confront not only empty downtown Main Streets, but also boarded-up first-generation shopping centers, the new suburban slums . . . . With nearly 5 billion square feet of retail space, the United States has more than 19 square feet for every American, up from 4 square feet in 1960. Half a billion of that sits empty, the equivalent of more than 4,000 abandoned shopping centers or 'dead malls.'"[65]

Another debilitating factor for downtown areas has been the decline of housing options. Urban historian Witold Rybczynski points to the absence of housing in the flawed concept of urban development popular in the 1970s and 1980s: "The image of the successful central business district . . . with glamorous skyscrapers and exciting cultural showplaces, has turned out to be a false measure of urban health. Neighborhoods are the lifeblood of any city."[66]

This emphasis on mixing residential and commercial development is echoed by PricewaterhouseCoopers and Lend Lease Real Estate Investments in their 1999 report on real estate trends: "*Emerging Trends* has said it before, but it bears repeating: People want to live closer to where they work and play. Hectic lifestyles demand convenience. Golfers may gravitate to more suburban locations, and art collectors and restaurant lovers to the city.

Whatever the orientation, commercial real estate markets will thrive if they have attractive adjacent residential districts."[67] However, a concern about many new housing projects in major cities is that they are very high-cost units, rather than affordable housing for the middle class. Another concern is that successful urban revitalization efforts increase property values and the tax bills for homeowners.

A recent analysis of the plight of cities and suburban areas reached this insightful conclusion:

> [M]uch of the unhappiness of the cities is also the unhappiness of the suburbs. The familiar image of a beleaguered urban core surrounded by suburban prosperity is giving way to something more realistic and powerful: metropolitan areas in which urban *and* suburban communities lose out as a result of voracious growth in undeveloped areas and slower growth or absolute decline in older places.[68]

Kentucky: Creating Partnerships for Renaissance Cities. In 1997 Kentucky Governor Paul E. Patton unveiled a plan to revitalize downtown centers: "We've discovered that when it comes to the downtown areas of cities, we can't just let natural economic and social pressures take their own course." Known as "Renaissance Kentucky," the initiative directs assistance and funding to communities that want to improve downtown development.

Under the program, the Renaissance Alliance, composed of Kentucky's department for local government, heritage council, housing corporation, league of cities, and transportation cabinet, established criteria for a community to become a Renaissance Kentucky city. The program encourages the presence of activities that encourage downtown use by city residents, especially at night. Cities wishing to participate in this program form a local Renaissance Kentucky committee composed of the major stakeholders in the downtown area. The committee defines the downtown area to be evaluated and develops a plan to meet the program criteria.

Governor Patton has designated representatives from more than a dozen state agencies to work on the Renaissance Kentucky initiative and help direct state funding to selected communities. The Governor also instructed state agencies to use downtown locations whenever possible and directed the Kentucky Housing Corporation to develop programs to create residential space in downtown areas.

In April 1999, the Governor awarded a total of $8 million to 21 Kentucky cities that are revitalizing their downtowns. The communities will use the grants for projects such as sidewalk repair, utility relocation, and restoration of the facades of downtown buildings. The grants require a 20-percent match from the communities.

In his 2000 state-of-the-state address, Governor Patton reiterated his view of the core problem:

> And while we're talking about our inner cities, let's talk about our society's policy of the throw-away city. Just because we have abundant open space in the proximity of our cities that is the backbone of our agriculture economy, and is relatively cheap in one sense of the word, is no reason to ignore the long-term cost of random growth. Let's not just abandon our hundred-year-old downtowns and let them become deteriorated and the least valued part of our community.

Missouri: Providing Tax Credits for Housing in Established Neighborhoods. In July 1999, Missouri Governor Mel Carnahan signed legislation that will pave the way for the purchase and rehabilitation of urban homes in his state. The law provides tax credits that encourage the rehabilitation of older homes and the construction of new ones in the state's urban centers and established suburbs. The law's Housing Preservation Program will offset part of the cost of investment in repair or construction of

owner-occupied housing in moderate-income neighborhoods throughout Missouri. In signing the bill on July 8, Governor Carnahan said, "These incentives . . . will encourage Missourians to invest in their communities and in themselves."

Eligibility for the program will be based on the location of the property rather than the income of the homeowner. Locations are divided between "Level 1 Neighborhoods," with a median household income between 70 percent and 90 percent of the metropolitan area median, and "Level 2 Neighborhoods," with median household income below 70 percent of the metropolitan area median. Each category is authorized to receive a total of $8 million in tax credits per year. The amount of the tax credits will vary, depending on the amount of the expenditure, location of the property, and type of investment—whether it is for rehabilitation, substantial rehabilitation, or new construction. Taxpayers may apply for credits beginning in January 2000.

Ohio: Office of Urban Development. In 1999, Ohio Governor Bob Taft announced the creation of the Urban Revitalization Task Force. Hearings were held in 16 cities. Because every mayor spoke to the importance of reclaiming abandoned industrial sites, the Governor made a commitment in his 2000 state-of-the-state address to dramatically improve the state's role in brownfields redevelopment. He said he would reduce bureaucratic hurdles and hassles and increase state aid for brownfields cleanup and redevelopment. He proposed a $200-million bond program to reuse brownfields sites, create new jobs and new tax bases, and better protect the public from existing environmental hazards. The Governor said he intended to "build a foundation for urban rebirth." He intended to present legislation to foster economic development in urban cores through tax cuts, low- and no-interest loans, and grants. Further, the department of transportation would prioritize projects that create or retain jobs in urban areas, and increase funding to have more state routes within cities. The state would also create an office of urban development to mobilize resources to speed up brownfields projects, cut through red tape, and help revitalize urban centers.

Oregon: Launching a Livability Initiative. Oregon's population has grown by 500,000 since 1990. In the next 20 years, the population is expected to grow by another 700,000. Despite a 25-year-old statewide planning law, the state still faces a challenge to channel this growth. Governor John A. Kitzhaber, M.D., responded to this challenge by launching the Oregon Livability Initiative, which includes the Community Solutions Team. The team brings together the Oregon Department of Transportation, the Department of Land Conservation and Development, the Economic Development Department, the Oregon Housing and Community Services Department, and the Department of Environmental Quality to work with local communities and business. The team will develop an integrated investment plan for the state, bringing transportation, economic development, housing, planning, and infrastructure investments together.

The 21st Century Fund, composed of revenues from the Oregon Lottery and transportation funds, will target the following areas:

Rebuilding rural and distressed economies. The fund will seek to bring jobs and economic diversity to rural and distressed Oregon communities.

Rewarding development of affordable housing. The fund will seek to reverse rising housing costs and create affordable housing stock. Measures include providing financial incentives (other than financing) to developers to build affordable housing and developing a location-efficient mortgage program that rewards people who choose to live near transit and other services.

Revitalizing downtowns and main streets. The fund will discourage strip commercial development along high-volume, high-speed state highways; provide financial incentives for development that combines housing, commercial, and retail uses in one location; serve downtowns and main streets with transportation investments; and provide financial and regulatory incentives for retailers to locate in downtowns and main streets.

Reducing sprawl and traffic congestion. The fund will address the joint problems of sprawl and congestion by building street networks that carry local traffic so congestion on state highways is reduced; purchasing access rights along high-volume, high-speed state highways; creating a statewide transit network connecting high-speed rail with bus connections around the state; and providing financial incentives for "infill" development.

Pennsylvania: Eliminating Taxes to Spur Development. In October 1998, Pennsylvania Governor Tom Ridge signed legislation to create Keystone Opportunity Zones (KOZs). KOZs are defined geographic areas where state and local governments partner to eliminate state and local taxes on employers and residents, stimulating job creation and private investment where it is needed most.

"Keystone Opportunity Zones will use a very powerful tool—no taxes—to bring in new investment and jobs," Governor Ridge said. "These zones are an innovative new solution to the problem of blight and abandoned properties in some of Pennsylvania's most desperate and hopeless neighborhoods. We want homeowners and employers to come into these zones, raise families, create jobs, and make a once vibrant community new again."

Job-creation projects and community-development projects in the zones receive advantages through other programs of the department of community and economic development as well, including reduced rates on state loans and priority consideration for several grant programs. Approved zones receive one-time $250,000 grants to implement a development plan, update property ownership information, and make other preparations.

In February 1999, the Governor announced the 12 zones selected for the program, covering 26,000 acres in 54 of the state's 67 counties. In each zone, taxes on state corporate net income, capital stock, franchises, and personal income are waived for 12 years for employers and residents doing business or living in KOZs. Local governments have agreed to waive local taxes on real estate, earned income/net profits, and business gross receipts. By August 1999, the program had spurred 38 projects to create 2,410 jobs and retain 1,981 jobs that otherwise would have been lost.

INTEGRATING BROWNFIELDS REDEVELOPMENT EFFORTS WITH BROADER INITIATIVES

"Brownfields" are former industrial and commercial sites that remain abandoned or unused due to real or perceived environmental contamination. A survey of 231 cities by the U.S. Conference of Mayors found that brownfields sites take up more than 80,000 acres in 201 American cities, and that cleanup could boost local tax revenues by $878 million to $2.4 billion annually.[69] One hundred eighteen cities said they could add more than 5.8 million people without adding appreciably to their existing infrastructure. Interestingly, 21 percent of the cities said they were working with their states on the issue of urban sprawl, and 22 percent said they were working with their states on open space and farmland preservation, while 57 percent said they had city-state brownfields partnerships. Throughout the 1980s, redevelopment of these sites was hindered by concerns about the potential liability, complex regulations, and

uncertain costs associated with cleaning them up. These factors helped drive investors to build in undeveloped areas rather than assume the legal and financial risks of redeveloping brownfields sites in existing cities and towns. The 1990s saw much improvement in removing obstacles and creating incentives.

State agencies and cities have created successful brownfields redevelopment programs that can be a key component to broader strategies for revitalizing existing communities and preserving open space. These programs target brownfields sites where redevelopment has the greatest potential to spur economic growth and take advantage of existing infrastructure. Working with local government and the private sector, state brownfields redevelopment efforts can be a catalyst for creating economic and environmental benefits. In his 2000 state-of-the-state address, Massachusetts Governor Argeo Paul Cellucci captured the new priority: "And as this state continues to move from the old to the new economy, reusing old industrial sites will be critical. Our brownfields program represents a tremendous opportunity to turn these ugly eyesores into sights for sore eyes in those areas of the state that need creative ways to reach their full potential."

Michigan: Linking Economic Development with Environmental Stewardship. Michigan Governor John Engler proposed the Clean Michigan Initiative in January 1998, launching a $675-million investment in cleaning up brownfields and other environmental contamination. "I believe economic development and environmental stewardship go hand in hand," the Governor said. "I believe strongly that a balanced approach can allow for job creation today and the conservation of our precious natural resources for tomorrow."

Signed into law in July 1998, the Clean Michigan Initiative bond measure aims to reduce urban sprawl and the loss of farmland and greenspace while creating jobs, revitalizing communities, and improving environmental quality throughout the state. The initiative will:

- clean up toxic sites that threaten public health and stifle development, providing $335 million to restore contaminated property to productive use;
- revitalize local waterfronts through a $50-million Waterfront Reclamation and Revitalization Fund to make Michigan waterfronts accessible and enjoyable for the public;
- protect and enhance Michigan's lakes, rivers, and streams by spending $90 million to protect and improve statewide water quality, using a watershed approach to develop comprehensive water protection plans; $50 million for nonpoint-source pollution control grants; and $25 million for contaminated-sediment cleanup in targeted rivers and lakes; and
- make critically needed improvements in state parks by devoting $50 million to improve recreational facilities provided at the state's 96 parks and an additional $50 million to address priority health, safety, and environmental needs at the parks.

The initiative's $335-million brownfields redevelopment component provides $243 million for cleanup of contaminated sites with redevelopment potential. The state oversees these cleanups and selects sites based on community recommendations, a site's potential to create jobs and attract private investment, and the costs of remediation relative to the economic benefits of redevelopment. The brownfields program provides another $40 million to $60 million for state-funded cleanup of sites that threaten human health and the environment. Another $12 million provides grants to local units of government to help cover remedial costs for municipal solid waste landfills that are on or nominated for the Superfund

National Priorities List (NPL). The program allocates $20 million for grants of up to $1 million per year to local governments to assess, clean up, and promote redevelopment of sites.

A recent study ranked states' brownfields programs on liability protection, cleanup standards, financial incentives, and government support from both state and local levels.[70] Michigan ranked first in the nation. As a result of Michigan's strong commitment to facilitating reuse of contaminated property, developers have invested more than $1 billion in brownfields projects since 1995. More than 5,000 jobs are associated with this private investment.

Wisconsin: Brownfields Initiative. Wisconsin Governor Tommy G. Thompson's $20-million brownfields initiative allows recycling of contaminated land, which is put back into use for housing, business, and recreation. This program, which has become a model for the nation, helps revitalize not only the environment but neighborhoods as well. The initiative also provided $4 million to the Wisconsin Development Reserve Fund to support guarantees for private bank loans of up to $500,000 for land development. This funding can be expected to leverage more than $20 million in private capital for site assessment and redevelopment. The program got a boost under the Governor's 2000 budget, which committed an additional $10 million for brownfields cleanup and development.

ACQUIRING AND ENCOURAGING PRESERVATION OF CONTIGUOUS LAND AREAS

Increasingly, Governors recognize that preservation of open space can help communities maintain a high quality of place that contributes to a feeling of improved quality of life. In this sense, land preservation also assists economic development, particularly the competitiveness of a state in retaining and attracting knowledge workers, who greatly value environmental and natural amenities. Although some skeptics see no immediate need for land conservation because only a small percentage of U.S. land has been developed, the key factors in land conservation are location and quality, not acreage. Depending on the culture, history, and environmental character of specific locations, states work to preserve open space for a variety of reasons, including the following:

- sustaining resource-based rural economies;
- protecting tourism and recreation industries;
- limiting development;
- protecting critical watersheds;
- creating recreational opportunities;
- improving environmental amenities; and
- preserving natural habitat.

Also, land conservation efforts preserve or expand greenspaces for parks, recreation (e.g., biking and hiking trails), and buffers within or near cities and towns. This is often called "green infrastructure," a definite location amenity.[71] Similarly, urban forestry is being advocated as a way to clean air, provide shade, and control erosion. The pressure to develop open spaces, particularly near urban centers, is high. According to an American Land Institute report, "Despite intensive investment in land trusts by government agencies and foundations, sprawl development continues to consume more land on the edge of metropolitan regions each year than all these land trusts have saved in 20 years."[72] In 1998 the American public responded to this loss of open space by approving 10 statewide ballot measures and 163 local initiatives in 31 states to protect and improve parks, open space,

farmland, historic resources, watershed, greenways, and wildlife habitats.[73]

Samuel Staley of the Reason Public Policy Institute reports that the public is willing to pay for open space through home purchases as well as taxes. "Developers, property owners, and conservationists are responding to homeowners who want housing without eroding the aesthetic and environmentally useful functions of land," he writes. "Importantly, consumers with an interest in open space are willing to pay for it. The National Association of Home Builders surveyed more than 3,800 homebuyers in 1996 to determine what features they were looking for in a new home. Open space and access to walking and bike trails were the top priorities for prospective homebuyers."

State land conservation programs increasingly incorporate diverse goals that reflect the need for a statewide vision, local involvement or control, and the use of both incentives and investments to protect open space.

Florida: Preserving Open Space. On June 7, 1999, Florida Governor Jeb Bush signed the Florida Forever law to extend the nation's most ambitious land and water conservation effort. Florida Forever commits the state to a $3-billion, 10-year investment in acquiring, protecting, and restoring open space, greenways, and urban recreational land and to supporting certain water resource and supply development projects. The program will receive $300 million annually through the sale of bonds financed by documentary stamp taxes.

The Florida Forever program modified its predecessor, Preservation 2000, in several ways. The new program:

- encourages community and urban participation in land stewardship by

LAND PRESERVATION AND THE TRAGEDY OF THE COMMONS

To understand the substantial national interest in preserving open spaces, it is useful to think of the classic concept known as the "tragedy of the commons."* The commons can be thought of as any finite resource shared by society. Land is a commons because it is a vital part of the ecosystem and all societies have placed certain restrictions on how owners can use their land. In particular, green open spaces with unique natural features are a commons that enrich the quality of life for everyone. A tragedy results when individual members of society pursue their own best interests in a seemingly rational way but produce harmful results for society as a whole because so many people have acted in the same way. In the context of traditional growth patterns, the desire to live the "American dream" and purchase a single-family home on a large lot in a formerly open space can produce a negative outcome for society as a whole. Many people sense that uncontrolled suburban growth will remove valuable open spaces forever because of continued population and economic growth. Individual landowners may have pleasure from their personal greenspace, but the larger population may not have access to important natural amenities. In other words, the benefits of land consumption for development accrue to only a portion of people, but the costs of unlimited "sprawl," which is loss of finite open spaces, are borne by all people, both present and future. Clearly, possible conflicts between property rights and the value to society of protecting a commons, such as undeveloped land, require careful consideration, which in this case means that private entities and government bodies purchase land at fair market value to preserve it in the public interest.

*Garrett Harding, "The Tragedy of the Commons," *Science* 162 (1968), 1243–1248.

allocating funds to local governments for the purchase of environmentally sensitive lands and urban greenspaces;

- expands the constituency for conservation by making state lands more accessible to the public;
- manages environmentally sensitive lands to protect them from non-native plants and human threats; and
- uses land stewardship techniques, such as transfers of development rights and conservation easements, to reduce purchasing costs.

The Florida Forever program created the Florida Forever Council, seven citizens responsible for setting the goals and measures for the program. It also created an Acquisition and Restoration Council, composed of four citizens with scientific expertise and the heads of the state environment, forestry, fish and wildlife, historical resources, and community affairs agencies. The latter council will accept acquisition applications, establish priorities, recommend modifications to the acquisition list, and report on the program's progress.

New York: Saving Forestland for Recreation and Rural Development. Led by Governor George E. Pataki, New York State joined with the Conservation Fund and The Forestland Group (TFG) in a public-private partnership to permanently conserve 144,300 acres of the northwest Adirondack Mountains for public recreation and timber production. The agreement was the largest land conservation transaction in the state's history. Through a combination of land acquisition and conservation easements, it will spur the creation of a high-quality hardwood forest to support a vigorous forest-products industry in the area; conserve picturesque river corridors, ecologically important wetlands, and unique forests; and provide recreational opportunities on land that has been closed for more than a century (see box on next page).

The New York agreement was the largest component of a 300,000-acre land deal coordinated by the Conservation Fund to preserve a section of the Northern Forest in New Hampshire, New York, and Vermont. The 26-million-acre forest is the largest in the United States east of the Mississippi River. The agreement afforded an economically viable alternative to developing the land for housing, which could have occurred through divestiture of the land by its owner, Champion International.

In announcing finalization of the agreement on July 1, 1999, Governor Pataki said, "This transaction will open up terrific new outdoor recreational opportunities while also ensuring that thousands of acres of valuable timber lands will be forever available for the forest products industry, enhancing the twin pillars of the economy of the North Country—tourism and trees—for the 21st Century."

Utah: Conserving Critical Lands. In March 1999, Utah Governor Michael O. Leavitt signed the Utah Quality Growth Act to create state funding incentives for local governments to conserve greenspaces, make better use of infrastructure, and increase the availability of housing through more efficient land use. The act established a Quality Growth Commission to administer the LeRay McAllister Critical Land Conservation Fund to provide loans and grants to local governments and nonprofit organizations for conservation of critical open spaces.

Governor Leavitt brought the need to preserve Utah's open spaces to the forefront at the 1995 Utah Growth Summit. "There is only one chance to protect open space. When it's gone, it's gone," he said. "If we plan carefully now, we can build homes and save open lands. It is our duty to protect our land so that our children and grandchildren can enjoy the beauty and traditions we have known."

To help local communities conserve open lands, the Governor issued an executive order in May 1996 to create the Utah Open Lands

THE CHAMPION LAND AGREEMENT

The agreement to purchase the Champion International land involved a series of transactions. The Conservation Fund purchased all of the New York State lands from Champion, which sold the property through a corporate divestiture program. Simultaneously, the state purchased 29,000 acres of this land along river corridors containing ecologically sensitive wetlands, boreal forest composed primarily of spruce and fir trees, and some of the best canoe routes in the nation. It added this acreage to the Adirondack Forest Preserve. Acquisition of these northern-flow river corridors was a priority of the state's open space conservation plan to conserve open spaces and historic sites in affordable ways. To protect these scenic corridors, timber management activities will be restricted on easement lands up to a half-mile from the riverbank.

The Forestland Group (TFG) purchased another 110,000 acres of parkland from the Conservation Fund. (TFG also purchased the remaining 4,300 acres, which are outside the preserve.) The state then purchased a "working forest" conservation easement to make the 110,000 acres of parkland available for hiking, hunting, camping, nature observation, motorized access, and other outdoor recreational activities compatible with sustainable forestry. The easement ensures long-term, sustainable forest management that:

- conserves wildlife habitat and other natural resource features;
- prohibits logging within 100 feet of all lakes, ponds, and bogs, except where logging will support the perpetuation of native species;
- restricts development on the land to perpetuate Northern Forest resources;
- guides environmentally sound harvesting of timber;
- prohibits liquidation harvesting (i.e., clear-cutting) of the forest;
- minimizes conflicts with public land uses; and
- provides public access for outdoor recreation.

New York paid $24.9 million for the conservation easement, using funds from the 1996 Clean Water and Clean Air Bond Act. Endorsed by a coalition of major businesses, environmental groups, and labor unions, this act established a $1.75-billion plan to promote economic growth in the state by combating pollution problems. The bond act provides significant support to acquire open space to protect water resources, preserve agricultural land, and expand public parks.

The goal of sustainable forestry is to provide a continuous flow of forest products of gradually improving quality. Initial harvests will be improvement cuts that remove low-grade tree species and promote the growth of higher-quality timber. As the trees mature, more of the harvest will be quality logs used for furniture, cabinetry, hardwood flooring, and other products that add value to the raw timber. The production of this timber will benefit the regional economy by creating manufacturing jobs.

To implement the easement provisions, TFG will develop a forest management plan for approval by the New York State Department of Environmental Conservation (DEC). The plan will guide all timber harvesting and management in accordance with DEC's timber harvesting guidelines, and a professional forester must oversee these activities. The plan will include strategies to conserve threatened or endangered species, unique habitats, forested wetlands, and streamside buffers. It will also outline permissible recreational uses of the land and guide the development of parking areas, trails, roads, and other recreational infrastructure.

DEC will administer the public recreation uses of the land and ensure compliance with the easement's forestry and development restrictions. The department will also meet with TFG each year to review proposed annual workplans and review the previous year's activities.

Committee. In January 1997, the committee reported that the state's rapid population growth had increased air pollution, reduced water quality, and led to the loss of nearly 1 million acres of farmland from 1974 to 1992. The committee wanted to support local conservation efforts by offering technical expertise, establishing a conservation information clearinghouse, and facilitating cross-jurisdictional and multiagency partnerships. "The committee is not advocating government ownership of land," the report stated, "but is hoping to facilitate land exchanges and land conservation and management partnerships."

Today the LeRay McAllister Critical Land Conservation Fund provides approximately $3 million annually, which can be loaned or granted to Utah's local governments, the Utah Department of Natural Resources, the Utah Department of Agriculture and Food, or charitable organizations. The fund is designed to provide new opportunities for local governments and nonprofit organizations seeking to preserve agricultural land and open land. Under the program, "open land" means land that is preserved in or restored to a predominantly natural, open, and undeveloped condition and is used for wildlife habitat, cultural or recreational use, watershed protection, or another use consistent with the predominantly natural, open, and undeveloped condition. Open land does not include land for active recreational activities such as baseball, tennis, soccer, golf, or other similar activities. The presence or development of facilities, including trails, waterways, and grassy areas that enhance the qualities of the land or facilitate the public's access to or use of the land may be consistent with open land purposes.

NOTES

[65] Richard Moe and Carter Wilkie, *Changing Places: Rebuilding Community in the Age of Sprawl*, New York, 1997, 147.

[66] Ibid, 101.

[67] PricewaterhouseCoopers and Lend Lease Real Estate Investments, *Emerging Trends in Real Estate 1999*, October 9, 1998, 8.

[68] B. Katz and J. Bradley, "Divided We Sprawl," *The Atlantic Monthly*, December 1999.

[69] U.S. Conference of Mayors, *Recycling America's Land: A National Report on Brownfields Redevelopment*, February 2000.

[70] Consumers Renaissance Development Corporation, *National Comparative Analysis of Brownfields Redevelopment Programs,* 1999.

[71] The goal of creating or maintaining green infrastructure can sometimes conflict with infill development in older urban and suburban areas, if greenspaces are sacrificed for increased development. Another challenge is maintaining some continuity of urban greenspaces.

[72] Myron Orfield, *Washington Metropolitics: A Regional Agenda for Community and Stability*, Metropolitan Area Research Corporation, July 1999, 22. (Derived from Henry R. Richmond, *Program Design: The American Land Institute*, a report to the Steering Committee of the American Land Institute, August 29, 1997.)

[73] Phyllis Myers, *Livability at the Ballot Box: State and Local Referenda on Parks, Conservation, and Smarter Growth, Election Day 1998*, Center on Urban and Metropolitan Policy, The Brookings Institution, January 1999.

Government Collaboration and Planning Strategies

Although state education, outreach, and incentive programs are effective in responding to public concerns and guiding growth, some aspects of growth management require adoption of state laws, regulations, and guidelines. Some important examples of structural changes include the following.

- In New Jersey, a constitutional amendment was passed to allocate money from existing sales tax revenues to achieve the state's land preservation objective. The law provides up to $98 million annually for 10 years from sales tax revenues for the Garden State Preservation Trust Fund, and authorizes the issuance of up to $1 billion in revenue bonds.
- In Arizona, voters approved spending $220 million on open space acquisition in 1988 and, more recently, a survey found that 75 percent of residents favor a constitutional change similar to New Jersey's.
- A Connecticut law requires the gradual preservation of 21 percent of state land and sets aside several thousand acres per year toward that goal.
- A 1998 Maryland law prohibits the state from spending funds on growth-related projects, such as for infrastructure, outside of priority funding areas.

The National Conference of State Legislatures has listed 38 states that have enacted or are considering enacting incentive-based growth management legislation. The American Planning Association has conducted a detailed analysis of state planning laws and their implementation and concluded that six states that have experienced substantial suburbanization have made major reforms and been successful in working with local governments to ensure effective improvements.[74] Those states are Maryland, New Jersey, Oregon, Rhode Island, Tennessee, and Washington. The study recognized that states move incrementally in changing their laws over a number of years and that no one "best way" to modernize or reform land use and planning laws can or should be used in all states. The association also recognized that a key ingredient for state success is strong leadership by a Governor or legislators, and sometimes a combination of both, together with strong and sustained grassroots support for new laws and requirements.

One aspect of state laws and regulations regarding growth management is that it can become difficult at times to draw a clear line between good government and a violation of property rights, particularly conflicts with the "takings" clause of the U.S. Constitution. However, a recent comprehensive analysis of the issue reached this important conclusion: "Growth management programs that cause a loss in value by slowing down the rate of

growth and by limiting growth in specific locations will be defensible in most cases against taking claims."[75] The key is to expressly "identify critical public health and safety issues."

ADDRESSING THE LIMITS OF LOCAL GOVERNMENT

Historically, states have given local governments the authority to perform land use planning and make most development decisions. In a growing country with seemingly boundless land resources, it was sensible to leave planning to the local authorities most familiar with community needs. However, the rapid growth and typical development patterns of the past 40 years have revealed limitations to the policy of relying on local jurisdictions to assure orderly development. These limitations may include any or all of the following:

- the lack of coordination among local communities sharing regional infrastructure, particularly roads;
- the inability to enforce or impose sanctions for noncompliance with the provisions of local planning guidelines;
- insufficient resources and technical expertise to support planning efforts;
- too little involvement by stakeholders and the general public in setting goals and priorities; and
- the inability to address regulatory barriers to development in areas with existing infrastructure.

Some states have responded to the regional implications of development by assuming a larger role in encouraging, supporting, and guiding local planning. State planning statutes generally do not institute state-level land use planning, but rather attempt to ensure that local governments perform comprehensive planning; encourage cooperation among neighboring local jurisdictions; establish consistent goals among local plans and between local and state plans; regulate development of certain environmentally, culturally, or historically significant land areas; or prevent unwanted regional impacts of large development projects.

State land use statutes range from the most prescriptive, which in Hawaii require planning at the state level, to the least prescriptive, which encourage but do not require local governments to develop plans. In addition, some statutes require development of a statewide plan to govern the actions of state agencies but not those of local governments. States also have adopted statutes to control development of a specific land area of special cultural, environmental, or historic significance to the state.

Targeted state programs can help overcome these limitations without abrogating the local government's authority to make development decisions. Generally, state laws:

- foster state collaboration with local jurisdictions on planning that is consistent with statewide planning goals;
- reduce barriers to development in areas where growth is desirable;
- require local planning that meets specific state standards or guidelines; and
- assume ultimate authority over development decisions in a specific area of critical concern or significance to the state.

FOSTERING STATE COLLABORATION WITH LOCAL JURISDICTIONS

States can promote local planning that adheres to statewide goals by providing technical assistance and negotiating with community leaders to achieve consistency. Such

collaborative approaches are rooted in the belief that communities will undertake planning and work toward common goals for growth if they have the information and resources needed to do so. Examples of these approaches include Minnesota's program of incentives and assistance for local planning and New Jersey's process for resolving differences between state and local plans.

Minnesota: Assisting Local Governments in Community-Based Planning. Minnesota's 1997 Community-Based Planning Act encourages counties outside the Twin Cities metropolitan area to voluntarily prepare and implement comprehensive plans that are consistent with 11 goals contained in the law. The goals encompass citizen participation; cooperation among communities; economic development strategies; environmental conservation; livable community design; affordable housing; efficient use of transportation infrastructure; a framework for land use planning; thoughtful public investments; public education on growth impacts; and sustainable development.

As incentives for local planning, the law established funding for pilot planning projects, created technology and planning grants, and directed the state office of strategic and long-range planning (Minnesota Planning) to review community-based plans for consistency with the state's 11 goals. Although planning is optional, once a community adopts a comprehensive plan all future decisions and ordinances must be consistent with it.

Counties or joint-planning districts submit their plans to Minnesota Planning, which must approve them if they adhere to the planning goals. If the office disagrees with any element of the plan, it must notify the county or district in writing. The county may then resubmit a revised plan or enter into a dispute-resolution process through the state bureau of mediation. Counties that refuse to enter into this process for disapproved plans become ineligible for future community-based planning grants.

At the municipal level, the law requires coordination with any existing community-based, comprehensive county plan. Municipal plans must, at a minimum, address urban growth areas identified in a county plan or establish an urban growth area that provides sufficient land to support anticipated development over a 20-year period, based on demographic forecasts. Within urban growth areas, municipal plans must provide for services such as water, wastewater treatment, and transportation. Municipal plans must also provide for orderly annexation of land encompassed by the urban growth areas. Municipalities must submit their plans for review by the county and incorporation into the county plan. If the county does not approve the plan and the city refuses to enter into dispute resolution, the city must refund any grant received from the county for community-based planning.

New Jersey: Achieving "Cross-Acceptance" of State and Local Plans. New Jersey's 1985 State Planning Act created an elaborate "cross-acceptance" process for reconciling local development plans with a statewide plan, to ensure that governments at all levels, as well as stakeholders and the public, participated in preparation of the statewide plan. Through the two-year process, county and municipal officials negotiate with the state planning commission over proposed policies and planning area boundaries. Recently, under the strong leadership of Governor Christine T. Whitman, the cross-acceptance process has become a cornerstone of statewide planning.

The vision of the state plan is to create well-designed communities, towns, and neighborhoods with growth concentrated in town centers that already have roads, sewer systems, schools, bus or train services, shops, restaurants, and recreational facilities. According to the vision: "New Jersey would be made up of diverse, compact communities that nurture, respect, and preserve their open lands and natural resources. And they would be

places in which the vast number of New Jerseyans would prefer to live."

The cross-acceptance process is designed to achieve agreement throughout the state on the goals and methods of the state plan. The process involves the review of three documents: the preliminary plan, the interim state development and redevelopment plan, and the impact assessment of the interim plan. From 1988 to 1992, the state planning commission identified 600 disagreements between the state and county plans and resolved all but 54. In the most recent negotiations, 400 issues were resolved, culminating in adoption of the state's interim development plan on March 31, 1999.

Governor Whitman also encourages state agencies to change their plans, investments, programs, and regulations to more directly support the state plan goals. About a dozen state aid programs now give priority consideration to communities that follow the state plan. The Governor also has said the state will reduce regulatory burdens on communities that redevelop in ways consistent with the state plan. In a pilot program in Long Branch, the state is reducing coastal regulatory oversight for a major redevelopment plan.

REDUCING BARRIERS TO DEVELOPMENT IN TARGETED AREAS

Even when states and local jurisdictions agree that development is desirable in a particular area, they may confront regulations or bureaucratic processes that slow or prevent development. To speed development where it is needed most, states are devising ways to overcome regulatory obstacles, expedite zoning and permit processes, and facilitate coordinated planning. With regard to zoning, a recent analysis concluded that "traditional zoning has not proven to be an effective growth management tool." It has resulted in "far more overall development than is actually desired, the infrastructure can support, or the environment can tolerate."[76]

Georgia: Overcoming Regulatory Barriers. In some cases, federal regulations designed to prevent pollution can inadvertently have the opposite effect. State officials in Georgia encountered such a situation when federal requirements designed to reduce air pollution threatened to block redevelopment of a downtown Atlanta brownfields site, which ultimately would have led to increased air pollution. After this perverse effect of the federal rules was proven, the U.S. Environmental Protection Agency (EPA) worked with state and local officials to negotiate a solution that cleared the way for the redevelopment project. The 138-acre former steel mill known as the Atlantic Steel brownfields site will become a multiuse urban revitalization project with office space for up to 4,000 workers and housing for up to 20,000 people.

The redevelopment plan hinged on federal approval and funding to construct a bridge over two highways that would connect the site with Atlanta's midtown area and allow the passage of cars, pedestrians, bicycles, and rail. However, under federal clean air and transportation conformity rules, construction of the bridge was prohibited because Atlanta does not meet the national ambient air quality standards for ozone. Through an innovative negotiation process, federal regulators, state and local officials, and a private developer reached an agreement to allow the bridge construction as a designated transportation control measure that would result in lower air emissions than a comparable development in Atlanta's outskirts.

EPA found that the redevelopment, with its mixed-use and transit components, constituted a transportation control measure: a project that shows an air quality benefit and therefore can be built, even during the conformity lapse related to nonattainment of ozone standards. The determination was made after air modeling was used to compare projected air emissions from the downtown site with

projected emissions from other potential development sites.

Maryland and New Jersey: Smart Codes. In April 2000, the Maryland legislature passed Governor Glendening's "Smart Code" initiative to assist counties and municipalities in encouraging infill development and the reuse and preservation of older buildings. Smart Code provides a new "rehab code" to make it easier and less costly to reuse older buildings by not applying the standard building codes for new construction. The Maryland effort is based on a very successful model rehabilitation subcode developed in New Jersey, where some cities have experienced increased reinvestment rates of 60 percent or more by providing certainty and lower costs for lenders and developers. This approach helps eliminate rundown and vacant properties, promotes urban revitalization, and curbs the conversion of more greenspace into subdivisions. The Maryland Governor said this in his 2000 state-of-the-state address:

> We envision these "Smart Codes" being adopted statewide. Local jurisdictions may amend them. But, jurisdictions that accept them without amendment will be eligible for priority funding for initiatives such as our $150 million Neighborhood Conservation Program, which is revitalizing our downtowns from Cumberland to Cambridge. . . . We have come a long way in our battle to combat sprawl and invigorate our older neighborhoods and communities. Let us continue to lead the way. Let us have the courage to take the next step.

New York: Preparing Sites to Speed Development. In 1998, New York Governor George E. Pataki announced the creation of an inventory of locations for businesses in a wide range of industries, including semiconductors, research and development, manufacturing, light industrial, office park, and warehouse. Known as "Build Now–New York," the program readies these sites for development when the opportunity arises, and in some cases creates that opportunity. The program has awarded matching grants of up to $50,000 to 30 sites statewide to begin environmental review, zoning changes, and other site preparation and approvals necessary for development.

The program hired a leading consultant to develop seven land use profiles and site selection criteria to meet expanding businesses' location needs. Chatham Forests was the first company to take advantage of Build Now–New York. The company will invest $120 million and create 175 jobs, constructing a 200,000-square-foot oriented-strand board mill on a 45-acre site. Up to 125 construction jobs also will be created by the project, and as many as 400 logging industry jobs will be secured. In announcing the agreement in July 1999, Governor Pataki said, "Chatham Forest's decision to take advantage of our Build Now–New York program demonstrates that smart government policies designed to create jobs can and do pay off for the people of New York."

Pennsylvania: Marrying Land Recycling with Conservation Planning. Pennsylvania's land recycling program, introduced by Governor Tom Ridge in 1995, has long been a leader in redeveloping brownfields. Through a new initiative called Green Opportunities for Brownfields, the Governor is linking land recycling with other state programs to conserve land, restore watersheds, and create greenways and recreational areas. "These old industrial sites used to be a burden for communities—eyesores, locked up behind fences and avoided," Governor Ridge said at NGA's August 1999 Annual Meeting. "That picture has changed after four years of our successful land recycling program. Nearly 500 sites have been put back to productive use and, through these new grants, communities will be able to promote even more brownfields sites as assets for redevelopment."

Under the guidance of a 1999 executive order establishing a new policy for sound land use practices, the Green Opportunities for Brownfields initiative set the following goals:

- Continue and accelerate land recycling by encouraging mixed-use development that incorporates a variety of land uses and housing choices.
- Recognize the importance of open space networks, recreational areas, and greenways in urbanized areas.
- Demonstrate conservation design practices to industrial, commercial, and mixed-use development.
- Encourage community participation in decisionmaking about brownfields redevelopment.
- Facilitate nontraditional partnerships between redevelopment agencies and recreation/open space planners.
- Expand the Key Sites initiatives of the land recycling program to promote open space in mixed-use projects.

The program endorses a four-step community planning process for brownfields redevelopment. First, bring the stakeholders together to build consensus on important issues and forge a community vision. Second, think regionally and act locally, analyzing the site and its surrounding region to identify its physical, social, and historical attributes and opportunities. Third, evaluate the brownfields site's potential by determining the available resources for redevelopment and the nature of the contamination. Finally, apply conservation design principles to mixed-use projects, incorporating open space as an important amenity to compact development.

Green Opportunities for Brownfields offers communities and redevelopment agencies the assistance of a variety of state programs for conservation planning around brownfields sites. In addition to the state department of environmental protection's land recycling program, communities can call on the Keystone Grant and Technical Assistance Programs in the state department of conservation and natural resources; the Governor's center for local government services in the state department of community and economic development; and the Growing Greener program at the Natural Lands Trust.

REQUIRING LOCAL PLANNING

States may require local governments to undertake planning for their own, state-specific reasons. For example, local governments in Oregon must cooperate with one another and state agencies to develop a comprehensive plan and implementation measures. A key element of the planning process is adherence to 19 statewide goals adopted by the Oregon Land Conservation and Development Commission. Tennessee also requires counties and municipalities to develop joint plans for urban growth. However, in contrast to Oregon's law, the Tennessee planning statute seeks only to direct coordinated, efficient, and orderly development, without specifying overarching statewide planning goals.

Oregon: Instituting Statewide Comprehensive Planning. Oregon boasts the nation's oldest and most familiar comprehensive planning statute, the Land Use Planning Act of 1973. The act set forth 19 mandatory planning goals, including a requirement that local governments establish an urban growth boundary, a legally established boundary that separates an urban area from rural land. To set the boundary, local governments calculate the amount of land needed to accommodate new housing, economic development, open space, and other needs for 20 years. Other state goals require that:

- all land outside the urban growth boundary be zoned exclusively for farm use if it is classified as prime farmland by the Soil Conservation Service;

- public facilities have an orderly and efficient arrangement that serves urban and rural development; and
- local transportation plans consider alternatives to the automobile and avoid reliance upon any single transportation mode.

The Oregon Land Conservation and Development Commission prepares the statewide guidelines and reviews all comprehensive plans for compliance with the statewide planning goals. The commission may order local governments, state agencies, and special districts to take any actions necessary to bring their comprehensive plans, regulations, and development decisions into compliance with the state guidelines.

Planning disputes involving local governments, state agencies, developers, and property owners are heard before the Land Use Board of Appeals (LUBA), which also reviews all government land use decisions. LUBA may reverse any land use decision that does not comply with the applicable comprehensive plan.

Oregon's program has produced many successes. For example, 30 years ago, the statewide program required rezoning of the Red Hills of Dundee as agricultural land, thus prohibiting the development of planned home sites and preserving vineyards that today are at the heart of Oregon's $45-million wine industry. Since 1987, only 4,070 acres of farmland, or 0.2 percent of the state's total, have been rezoned for development, helping to maintain the vitality of Oregon's agricultural economy.

Oregon's planning act was strengthened in 1991 with a transportation planning rule designed to reduce dependence on automobiles and provide more transportation options by:

- requiring street designs and layouts that give people more options—options to walk, ride the bus, cycle, or take the car;
- bringing about more direct and convenient routes for walking, cycling, transit, and driving; and
- encouraging changes in development patterns so jobs, schools, housing, and shopping are closer together.

These measures work to reduce vehicle miles traveled (VMT), which in turn reduces traffic congestion, air pollution, and expenditures for new highways. A state study projected a savings of $11.5 billion in road expansion costs by 2013 through the VMT-growth reduction necessary to meet the Transportation Planning Rule in the four largest urban areas of the state. The main provisions of the rule apply only to Oregon's 44 largest urban areas. Cities and counties can obtain grants and technical assistance.

Much has been written about the use of urban growth boundaries in Oregon, particularly for Portland. A recent analysis provided strong evidence of the net benefits of the boundaries in Portland when various data were compared to Atlanta, Georgia, a metropolitan area experiencing similar growth, but without legal constraints, as shown in the accompanying table.

Tennessee: Encouraging Countywide Planning. Tennessee's 1998 "annexation bill" established a comprehensive growth policy for the state and a coordinating committee for planning in each county. Each committee was required to submit a county growth plan to the county legislative body by January 1, 2000. Counties that do not adopt a growth plan by July 1, 2001, will lose access to state transportation funds. For each municipality, the growth plans must include urban growth boundaries that can accommodate anticipated growth for 20 years. The plans also must identify planned growth areas and rural areas.

To take effect, proposed growth plans must undergo two public hearings and obtain

COMPARISON BETWEEN PORTLAND, OREGON AND ATLANTA, GEORGIA—MID-1980s TO MID-1990s

Factor	Portland, Oregon	Atlanta, Georgia
Population growth	+26%	+32%
Job growth	+43%	+37%
Income	+72%	+60%
Property tax	–29%	+22%
Vehicle miles traveled	+2%	+17%
Single occupant vehicle	–13%	+15%
Commute time	–9%	+1%
Air quality—ozone days	–86%	+5%
Housing prices (1991 to 1996)	+61.9%	+19.3%
Change in opinion of neighborhood quality, all households	+3.6%	+1.0%

Note: No significant differences between cities for levels of home ownership or housing costs as a percent of income.

Source: Arthur C. Nelson, "Effects of Urban Containment on Housing Prices and Landowner Behavior," *Land Lines,* May 2000.

ratification by the county legislative body and the individual municipalities. If the ratification process reaches an impasse, the secretary of state will appoint a three-member panel to resolve the dispute, and the panel may impose a growth plan if its recommended solutions are rejected. Once the growth plans are ratified, all land use decisions must be consistent with them.

ASSUMING AUTHORITY OVER AREA DEVELOPMENT DECISIONS

Despite state efforts to leave the ultimate decisionmaking authority for development to local jurisdictions, certain areas of the state at times require direct state intervention in land use planning. The most notable recent example is Georgia's Atlanta metropolitan area, where rapid growth has created enormous challenges in managing the transport of people and materials, conforming to federal air quality standards, and fostering desirable communities. Under the leadership of Governor Roy E. Barnes, the state has created an extraordinary regional authority to coordinate and direct the region's development. Other states, such as Massachusetts and New Jersey, have assumed control of development in discrete areas with particular cultural, environmental, or historic significance.

Georgia: Coordinating Regional Planning. When he took office in January 1999, Georgia Governor Roy E. Barnes made a resolution to make gridlock throughout the Atlanta metropolitan area a top priority. Within months, the state enacted legislation creating the Georgia Regional Transportation Authority (GRTA), charged with combating air pollution, traffic congestion, and sprawling development in the Atlanta region. Governor Barnes has noted: ''We had air quality problems for years—same with transportation problems. None of that brought about change. What put us in the position to create the authority was our loss of federal funding for roads.''[77] As other areas of the state fall out of compliance with the federal Clean Air Act, they too will fall under GRTA's authority.

While federal air regulations were a driver for the creation of GRTA, relief from traffic and congestion is the primary issue the authority will address. "The message we're sending is that Georgia is ready to grow," says Governor Barnes. "We'll do whatever is necessary to accommodate growth, even it if means re-examining some long-held views. The counties realize that if we don't do something, then growth is going to stop."[78]

GRTA was given unprecedented powers and responsibilities:

- Plan, design, construct, lease, operate, manage, and maintain public transportation systems and air quality control

installations through contracts with public and private entities.

- Coordinate planning for transportation and quality purposes among all state, regional, and local authorities.
- Review regional plans prepared by the Atlanta Regional Commission and the state transportation department, negotiate revisions, and approve the plans by a two-thirds majority vote.
- Review and approve by a two-thirds majority vote the projects planned by the Georgia Rail Passenger Authority and Georgia Environmental Facilities Authority.
- Review and approve developments of regional impact as a prerequisite to the expenditure of state transportation funds.
- Set targets for air quality improvements and standards.
- Make grants or loans to local governments; GRTA will have $2 billion in bonding authority that could be used to build and run rapid transit and/or commuter rail systems and help cities come into compliance with federal air quality standards.
- Acquire property through eminent domain.

A recent article noted: "GRTA can tell the state transportation department not to build a highway. It can tell a county not to allow a new shopping mall inside its borders. If it wants to, GRTA can build and operate a mass transit system in any of the jurisdictions surrounding Atlanta. It can then force those jurisdictions to pay for it by threatening to take their state funds away."[79]

GRTA's first order of business was reviewing the Atlanta Regional Commission's 25-year regional transportation plan, which was recently released for public comment. GRTA will work to ensure the plan can achieve conformity with federal air quality standards so federal highway funding for the Atlanta metropolitan area can be restored. GRTA also is working to increase mass transit options in the Atlanta area, using funding from the federal Congestion Mitigation and Air Quality Improvement (CMAQ) program to support a public bus system in Clayton County and working with the state transportation department to establish commuter rail lines between Athens and Atlanta and between Atlanta and Macon.

Massachusetts and New Jersey: Controlling Development of Specific Land Areas. Several states have enacted legislation to set strict guidelines for development of land areas that require extraordinary protection. In Massachusetts, the legislature created a commission in 1990 to protect the unique natural, coastal, historical, cultural, and other values of Cape Cod that were threatened by uncoordinated and inappropriate uses. The commission is a regional planning and regulatory agency that prepares and implements a regional land use policy plan for all of Cape Cod, reviews and regulates significant development projects, and recommends designation of certain areas as Districts of Critical Planning Concern.

The regional policy plan, first adopted in 1991 and updated every five years, provides standards and predictable ground rules for new development. Local comprehensive plans must be consistent with the regional plan and are encouraged to apply the regional plan's policies. The commission also can adopt new regulations for a specific area to preserve significant ecological features or promote particular types of development.

New Jersey's Pinelands Protection Act established special management provisions for the environmentally sensitive pinelands area. The act created the Pinelands Commission to administer its provisions and a Pinelands

Municipal Council composed of the mayors of the municipalities in the area.

The commission must develop a comprehensive management plan, including minimum development standards, for the council's review. The goals are to preserve the character of the pinelands, protect surface water quality, promote agriculture and horticulture, discourage piecemeal and scattered development, and encourage compatible development. The plan includes a natural resource assessment, a boundary map showing critical and significant areas, a land use capability map, and minimum development standards for municipalities in the area. Within preservation areas, the plan aims to preserve an extensive and contiguous land area in its natural state; promote compatible agricultural and other nondevelopment uses; prohibit incompatible construction; provide sufficient undeveloped land for wilderness management practices; and preserve the quantity and quality of surface and ground waters.

Each county within the pinelands area must submit to the commission its master plan revisions to implement the commission plan's objectives and conform to its minimum design standards. Through its review process, the commission may override county and municipal land use decisions within the pinelands area. Any development application approval granted in violation of these provisions is void and unenforceable.

NOTES

[74] American Planning Association, *Planning Communities for the 21st Century*, 1999.

[75] Dwight H. Merriam and Gurdon H. Buck, "Smart Growth, Dumb Takings," *Environmental Law Reporter*, December 1999. See also, Robert H. Frelich, *From Sprawl to Smart Growth*, American Bar Association, 1999.

[76] Ibid.

[77] *The Atlanta Journal-Constitution*, March 28, 2000.

[78] Alan Ehrenhalt, "The Czar of Gridlock," *Governing Magazine*, May 1999.

[79] Ibid.

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