

# A Better Way to Grow

“Growth has helped fuel California’s unparalleled economic and population boom and has enabled millions of Californians to realize the enduring dream of home ownership . . . but sprawl has created enormous costs that California can no longer afford. Ironically, unchecked sprawl has shifted from an engine of California’s growth to a force that now threatens to inhibit growth and degrade the quality of our life.”

—*Beyond Sprawl: New Patterns of Growth to Fit the New California*, 1995

**T**he quote above illustrates the importance of how growth and development issues can affect citizens’ fiscal, environmental, and social goals. The quote is drawn from a report written by a group that is itself impressive: the Bank of America along with the Greenbelt Alliance, California Resources Agency, and Low Income Housing Fund. Increasingly, organizations that represent diverse orientations are agreeing that business-as-usual development patterns incur costs related to growth that simply are too high.

Traffic congestion, the need for new and costly infrastructure expansion and increased levels of services, conflicts over growth, loss of farm land and open space, environ-

mental degradation, and an ebbing sense of community and place are trends associated with sprawling development. These growth trends impose a cost on local governments and have important implications for their continued success.

Recently, debates on growth have been changed by the emergence of a new perspective: smart growth. Smart growth recognizes that how buildings are built and where development takes place are the factors that make development a community asset or liability. Smart growth is development that is environmentally, fiscally, and economically smart.

Such a prominent financial institution as the Bank of America urges communities to move beyond sprawl to ensure that they remain vibrant

places to live and work. To do so requires local governments to examine the basis of development decisions to ensure that they are truly meeting community needs for the future. Ignoring the trends cited earlier can cost local governments because, in the words of the New York Yankees baseball legend Yogi Berra, “If you don’t know where you’re going, you might not get where you want to be.”

—Kendra J. Briechele  
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# **Smart Growth:** Why Local Governments Are Taking a New Approach To Managing Growth In Their Communities

**Maryann Froehlich**

**C**ompeting demands are a daily fact of life for local governments. Simultaneously maintaining great schools and low taxes, good transportation and clean air, rising property values and affordable housing are just a few of the balancing acts that local governments are expected to perform. The field of development embodies these tensions. Development can create a better tax base, provide jobs and amenities for residents, and enhance a community's livability. It also can add to traffic problems, disrupt neighborhoods, and detract from the character of the community. To avoid the pitfalls and to capture development's benefits, local governments are increasingly turning to the policy of "smart growth."

Smart growth invests time, attention, and resources in restoring community and vitality to center cities and older suburbs. New growth is more town-centered and transit- and pedestrian-oriented; includes a greater mix of housing,

commercial, and retail uses; and preserves open space and other environmental amenities. Examples are springing up in communities across the United States.

Portland, Oregon, with its longstanding urban growth boundary and well-developed transit system, is one of the best-known and most frequently cited examples of smart growth. A recent groundswell of efforts around the country has been changing development patterns for the better. Over the past 18 months, 11 cities in California have enacted urban growth boundaries.

The city of Fort Collins, Colorado, is expediting permitting for exemplary developments with superior environmental performance. Charleston, South Carolina, is creating dispersed affordable housing that actually revitalizes neighborhoods and spurs private investment. Lancaster, California, is encouraging investment in town by reducing development impact fees. And the city of St. Louis, St. Louis County, and the state of Missouri are using their new transit system, Metrolink, as a potential focus for new development.

This movement is not about no-growth, or even slow growth. People want the jobs, tax revenues, and amenities that come with development. But they want these benefits without degrading the environment, raising local taxes, worsening traffic congestion, or busting budgets. More and more local governments are finding that current development patterns and practices often fail to provide this balance.

## **The Right Time for Smart Growth?**

In communities across the nation, there is a growing concern that current development patterns—dominated by what some call “sprawl”—are no longer in the long-term interest of our cities, existing suburbs, small towns, rural communities, or wilderness areas. Though supportive of growth, communities are questioning the economic costs of aban-

**A**lthough smart growth is not the answer in every locality, an increasing number of local governments are using it to create good neighborhoods, reduce traffic, and preserve open space.

doning infrastructure in the city, only to rebuild it farther out. They are questioning the social costs of the mismatch between new employment locations in the suburbs and the available workforce in the city.

They are questioning the wisdom of abandoning brownfields in older communities, eating up the open space and prime agricultural lands at the suburban fringe, and polluting the air of an entire region by forcing more people to drive to get anywhere. Spurring the movement for smart growth are demographic shifts, a strong environmental ethic, increased fiscal concerns, and more nuanced views of growth than in the past. The result is both a new demand and a new opportunity for smart growth.

## **Demographics and Preferences**

Consumer preferences change as demographics and values change. A demographic study by the marketing firm American LIVES indicates a growing desire for community, open space, and town-centered living, with less reliance on the automobile. Demographic shifts underlie and support these trends. The

phrase “typical family”—meaning a married couple with children—described 40 percent of all households a generation ago; it now accounts for only 26 percent.

Homebuyers are getting older, too. A third of the homebuying market is over the age of 45. In surveys published by the National Association of Home Builders, most of this market segment wanted to live in communities with a diversity of ages and thus a diversity of housing sizes and types. Three of their top four location priorities were based on ease of transportation and access—to shopping, family and friends, and medical care.

And most of the mature homebuyers who intend to move will move to smaller houses with smaller yards, to reduce cleanup and yard work. Mature buyers’ preferences, in combination with the overall trend in the United States toward smaller households, will mean a greater market for smaller houses on smaller lots, especially where density’s perceived problems can be solved through smart design.

## **Environment**

It seems that everywhere you look, from Portland, Oregon, to Portland, Maine, and from Toronto, Canada, to Miami, Florida, people are concerned about vanishing farmland and open space. Yet loss of open space is not an inevitable outcome of growth. Smart growth scenarios such as the New Jersey redevelopment plan show that a 43 percent reduction in the loss of open space can be achieved by better directing growth. Support for plans that preserve open space is evident. Open space initiatives and bond issues fared well on voters’ ballots in the last national election and often have won support at the local level.

Water quality concerns also are affecting the development industry. Contaminated urban runoff increases as rainwater pours off newly constructed roofs, driveways, roads, and parking lots

and into lakes, rivers, and bays. Increasingly, developers and local governments seek development designs that protect water resources. Town-style developments designed with stream buffers and lots of open space can cut runoff by over 40 percent, reducing contaminants and avoiding potentially costly upgrades at the local treatment plant. Projected treatment-plant cost savings drove New York City and upstate New York to an agreement sharply curtailing development in upstate watersheds.

### **Time, Air Quality, and Traffic Congestion**

Getting stuck in traffic is a ubiquitous phenomenon in America. In fact, Americans lose more than 1.6 million hours a day mired in traffic. And delays only are expected to lengthen, as traffic congestion is projected to get worse. For a suburban mother interviewed by the *Wall Street Journal*, the cost of being stuck in traffic is already high. Asked what social reform would most improve her quality of life, she replied, "Lower the driving age to 10." She had put 40,000 miles on her minivan in the previous 18 months by ferrying her three kids around the suburbs.

Costs to the nation also are high. Traditional fixes—involving building more roads—seem to be less effective. Congestion levels have risen an average of more than 22 percent between 1982 and 1994 (just under 2 percent per year) according to a 10-year study recently completed by the Texas Transportation Institute. Many localities have experienced a much greater increase in congestion during this time, including two with greater than three percent increases per year. Of the 50 cities in the study, only two (Houston and Phoenix) had lower congestion levels in 1994 than in 1982. Metropolitan planning organizations like the one in greater Washington, D.C., predict that even massive, costly building programs will only be able to slow the worsening of traffic conditions on area roads.

## **States Support Smart Growth**

As this article was being written, of the 43 governors who have delivered state-of-the-state addresses so far in 1998, 14 have highlighted the need for new development policies. In addition, New Jersey's Republican Governor Christine Todd Whitman began her second term with a number of proposals designed to improve the state's livability.

In her second inaugural speech, Governor Whitman expressed her concern over sprawl and urban disinvestment, loss of farmland and open space, congestion and time lost to traffic, air pollution, and barriers to infill development. Against this backdrop, she announced plans to encourage downtown redevelopment, protect farmland, give strategic direction to new development, preserve green space, and weave an extensive network of bicycle and walking trails.

In the spring of 1997, Maryland's Democratic Governor Parris N. Glendening shepherded through the legislature several smart growth bills with bipartisan support. Rather than set cities against suburbs or no-growth policies against those that favor unfettered growth, Glendening sidestepped the pitfalls and emphasized investment in existing communities.

The legislation includes measures to encourage redevelopment of contaminated sites and tax incentives to encourage a better mix of housing and jobs. It also directs the state to work with local governments to designate high-priority growth areas—ones served by water and sewer—to which the state will direct money for infrastructure, schools, and other public investments. Localities still may direct growth as they see fit. State money, however, will be targeted to support development within the smart growth areas.

The connection among development patterns, transportation, and air quality is receiving increased attention. There is a growing recognition that the auto-oriented development patterns of the past 50 years have contributed to the need to drive more and farther. While Americans averaged 4,485 automobile-miles per person in 1970, this number increased to 6,330 miles per person in 1993, a 41 percent increase.

Between 1983 and 1990, almost every segment of U.S. society increased its trips and mileage. According to the national personal transportation survey conducted by the U.S. Department of Transportation during that time, the average trip for all purposes went from 8.68 to 9.45 miles. EPA's Office of Air and Radiation predicts that by the year 2005, growth in vehicle-miles traveled will begin to overtake the improvements in air quality gained from using cleaner fuels and less-polluting cars. In other words, after 30 years of steady im-

provement in air quality, we will begin to lose the battle because of burgeoning growth in automobile travel.

These trends are stimulating a search for development alternatives that will provide more choices, better accessibility, and less auto dependence. Advocates for alternative means of transportation believe that air quality, community livability, and transportation choice all can be improved through smart growth and through supporting transportation investments. This means that the traditional opponents of development are increasingly seeing development as part of the solution.

And local governments are agreeing, particularly when they have the opportunity to combine more intense, compact, mixed-use development with access to transit. Rail transit service is a new feature in a dozen cities, including St. Louis, Tampa, Salt Lake City, San Diego, and Dallas. An amazing 100 new transit project startups are currently proposed in the United States.

## Fiscal Concerns

Fiscal conservatives and antitax groups have been increasingly vocal players in development debates. They object to the dynamic of subsidizing costly development at the fringe while previous investments in neighborhood infrastructure go underused or unmaintained. This phenomenon can be seen at work in the state of Maine: between 1970 and 1995, the state lost 27,000 students but spent \$434 million on new schools in outlying locations. During this same period, school-bus costs rose from \$8 million to \$54 million, a 65 percent increase in inflation-adjusted dollars.

And in Prince William County, Virginia, officials estimate they collect about \$2,100 a year in real estate and other taxes on the average house. That same house, however, costs the county \$3,700 a year in services to its occupants.

Scattered development also can bring higher infrastructure and public capital costs as development takes place beyond the local service area. A major source of the higher costs for "leapfrog" developments is the need for longer trunk lines and connecting roads. The Urban Land Institute has reported that for residential developments of three to five dwelling units per acre, which are located 10 miles away from the service area, utility costs are almost \$10,000 per unit, compared to less than \$5,000 for developments that are five miles away.

Concentrating development along service corridors or in a specific area can reduce costs. A study of the forms of similar land uses and levels of service in Florida, conducted by James Duncan and Associates, showed that public capital costs were between \$16,000 and \$17,000 per unit for corridor and nodal developments and almost \$24,000 for scattered developments.

Another study of two alternative growth patterns in New Jersey conducted by the New Jersey Office of State Planning found that following the dispersed pattern of growth would cost approximately 9 percent more in infras-

## Building Boom Revitalizes California City

In 1989, the *San Francisco Chronicle* ranked the city of Suisun, California, as the worst place to live in the San Francisco Bay area. In response, the city took on a massive building effort in its own downtown, renovating some buildings, demolishing others, and clearing the waterfront for better commercial and citizen access. Today, commercial activities have returned to the downtown, and the waterfront draws boaters and festival crowds.

*Source: USA Today, December 27, 1996, p. 4A, published by Gannett, Arlington County, Virginia.*

structure capital costs than following a planned development pattern. Other studies have found similar outcomes.

Thus, while previous efforts to redirect growth have often been driven by a desire to protect open space and the environment, the new concern in many communities is increasingly about the fiscal impacts of development patterns.

## Local Competition

To relieve fiscal pressures and bring in jobs, virtually every local government pursues what it calls economic development. According to former Pasadena (California) Mayor Rick Cole, in the vast majority of cases, what that essentially boils down to is sales tax development. Cities, particularly those in California, depend on sales tax revenue to pay the bills for police, fire, library, and other basic services.

Unfortunately for local governments, the escalating subsidy war is stealing more and more revenue from these services. For instance, in the past several years, New York City has provided subsidies to corporations to keep them from moving to New Jersey or Connecticut: \$235 million to Chase Manhattan Bank,

\$98 million to the National Broadcasting Company, and \$97 million to Citicorp. As long as one jurisdiction offers incentives, others must follow suit.

Local officials know that this type of competition often is a loser for the public. And more and more taxpayers are questioning it, too. Stadium bonds are facing tougher scrutiny, and local jurisdictions are seeking solid assurance that the promised jobs, taxes, and other benefits will materialize. But some jurisdictions have taken steps to make more fundamental change. They are seeing a common interest in ensuring the health of their nearby neighbors.

Minneapolis/St. Paul has an innovative tax base-sharing arrangement. Corporate executives in the Pittsburgh area have proposed a metro-wide sales tax, including the outer suburbs, to finance new riverfront development projects downtown. In greater Cleveland, a regional consortium of older suburbs has joined forces with the city, civic, and business leaders to lobby state officials to stop building new roads and start repairing older ones, and to push for legislation that would encourage families and businesses to reclaim vacant land near the urban center rather than undeveloped farmland farther away.

## Projects at Loggerheads

Unease over current growth patterns has spread among suburbanites, environmentalists, fiscal conservatives, alternative-transportation advocates, and civic activists. As a result, pitched battles over approvals of new infrastructure and development projects have become more and more the norm.

Win or lose, developers and local advocates pay a higher and higher toll in the form of lost time and piecemeal, ad hoc solutions that often fail to satisfy any group. Proposals to stop all growth, to cap property taxes permanently, and to close off schools to new residents have gained currency in some locales, illustrating one extreme of the spectrum of community reactions to growth.

Surprisingly, some good is coming out of this seemingly intractable impasse. Frustrated with the business-as-usual, project-by-project fighting that has prevailed, developers, fiscal conservatives, local governments, environmentalists, and suburbanites are finding common ground in the philosophy of smart growth.

## No Special Formula

Smart growth shifts the terms of the debate away from the pro- and antigrowth context of the past. It seeks growth, recognizing the crucial role that development plays in maintaining and improving communities. But smart growth also acknowledges the fiscal, environmental, and other concerns that are dominating current discussions of growth, and it asks the fundamental question, not of whether to grow but of how to grow.

There is no one-size-fits-all formula for smart growth. It takes different forms in different communities. Smart growth, however, shows common features in each of the communities that have adopted it. Wherever it occurs, smart growth:

- Enhances a sense of community.
- Protects investment in existing neighborhoods.
- Provides a greater certainty in the development process.
- Protects environmental quality.
- Rewards developers with profitable products, financing, and flexibility.
- Decreases congestion by providing alternative modes of transportation.
- Makes efficient use of public money.

Following smart growth principles, developers, environmentalists, affordable housing providers, and alternative-transportation advocates are able to agree on a surprising range of development questions. The most consistent agreement occurs over the need to enable development that meets smart growth criteria—to make it easier to

## Join the Smart Growth Network

The Smart Growth Network (SGN) was launched last year to provide a forum for facilitating sustainable development in neighborhoods, communities, and regions across the United States. SGN, a diverse coalition of public, private, and nongovernmental organizations seeking to encourage better development decisions, is a nationwide effort coordinated by the U.S. Environmental Protection Agency's Urban and Economic Development Division.

ICMA, a major partner in SGN, is helping local governments foster sustainable communities through smart growth activities and related programs, and it serves as the organizational "home" of SGN's membership program. It is working with EPA and such national organizations as the Urban Land Institute, American Farmland Trust, and American Planning Association to encourage better development decisions.

Through membership in SGN, local governments can share growth strategies with colleagues, gain access to the latest trends in sustainable development, learn about innovative financing for infill and brownfields redevelopment, gain access to tools for evaluating competing development options, and identify money-saving investments that reap economic and environmental benefits.

In exchange for annual dues of \$29, members receive a membership kit containing primers on *Best Development Practices*, *What Is Smart Growth?* and *Transportation and Land Use Innovations*; a bimonthly newsletter covering smart growth topics; a video and slide show on smart growth; notification of regional conferences and workshops; and the most current information on making the most of the local land use and development decision-making process.

To join SGN, contact Noah Simon, research assistant, ICMA, 202/962-3591; e-mail, [nsimon@icma.org](mailto:nsimon@icma.org). Information on the network is available at the Smart Growth Web site, <http://www.smartgrowth.org>.



**SMART GROWTH**  
N E T W O R K

permit, easier to finance, and easier to build.

Many local governments have found that they play a crucial role in bringing barriers down and offering incentives for smart growth. For example, some communities have discovered that their zoning ordinances actually raise barriers to the type of growth they want to attract, requiring unnecessarily wide streets, deep setbacks, large lots, and excessive parking.

Ordinances often forbid mixing retail and commercial uses with residential ones. In addition to changing zoning, many local governments have had success in using tax increment financing, public/private partnerships, coordinated transportation and land use policies,

and other approaches to encourage smart growth.

Although smart growth is not the answer in every locality, an increasing number of local governments are using it to create good neighborhoods, reduce traffic, and preserve open space. And, these localities are not only finding solutions. By encouraging development that serves the economy, the community, and the environment, they also are helping to build consensus and broad support among key community constituents. **PM**

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