

# SPRAWL AND SMART GROWTH

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**S**prawl is a catchall term that signifies fast, dispersed growth in major metropolitan areas, as well as similar growth in small towns and cities that are spreading into formerly rural regions. Sprawl reflects prosperity and the decisions of many people who seek large homes on large lots in areas with low crime, good schools, and space for ball fields. As Gregg Easterbrook wrote in the *New Republic*, “Sprawl is caused by affluence and population growth, and which of these, exactly, do we propose to prohibit?”

Yet the growth of metropolitan areas has undesirable aspects, from heavy traffic congestion to a “cookie-cutter” style of residences. Many problems and challenges, from protecting open space to designing highways, are often lumped together as the problem of sprawl. How can policy makers, working with local community governments and individual citizens, address legitimate concerns about growth and help communities be attractive, peaceful, and diverse?

This booklet discusses some of the myths and misconceptions about metropolitan growth while offering techniques and ideas for coping with it effectively. It offers five guidelines that can help state and local officials decide which policies to support and which to reject. The references lists useful publications that address sprawl.

## 1

**PROMOTE PRIVATE PROTECTION  
OF OPEN SPACE.**

- ✓ RECOGNIZE THAT PRIVATE ORGANIZATIONS CAN PROTECT OPEN SPACE
- ✓ COUNTER THE MYTH THAT SPRAWL IS EATING UP VAST AMOUNTS OF FARMLAND
- ✓ RECOGNIZE THAT MANY WILDLIFE POPULATIONS ARE THRIVING, EVEN IN THE SUBURBS

When suburbs expand into formerly rural areas, residents begin to regret the loss of open space. Their surroundings become less pristine and they may no longer have the scenic views of trees and mountains they once had. They naturally prefer the preservation of surrounding farms or forests. To avoid paying the bill, some demand regulations such as urban growth boundaries, which prohibit development outside a defined boundary line, and favor laws that stop farmers or other rural residents from building on or subdividing their land.

Yet forcing people to sacrifice the value of their land because other people want to see it empty is inconsistent with traditional American principles of justice. While policy makers may sympathize with people who lament the changes in their surroundings, regulation in effect makes someone else pay for preserving one's viewsheds and amenities. Too often, inaccurate information and specious arguments are used to support such demands for regulation. Fortunately, accurate information is available and there are alternatives to such regulation.

***Recognize that private organizations can protect open space.*** Recent years have seen the spontaneous growth of

land trusts as well as increasing activity by environmental organizations in private preservation. Land trusts are private, nonprofit organizations that protect land. Before 1950, the nation had fewer than 40 land trusts; by 1998 there were more than 1,200. These organizations manage more than 18 million acres of land in the United States.

Private organizations can augment and often improve upon public ownership. While municipal management is often more prudent than federal management, it is always subject to the whims of the voter. If an economic downturn occurs, voter support for higher property taxes to maintain open space is likely to diminish. Policy makers should be aware of private nonprofit land trusts and conservation organizations and help publicize their activities. Simply providing the public with information about them will reduce pressure for state or government control.

***Counter the myth that sprawl is eating up vast amounts of farmland.*** In 1999, the Department of Agriculture announced that during the 1990s about 3 million acres of land were being developed each year, well above the 1.3 million acres that had been typical for the post-World War II era. However, a few months later the department was embarrassed to admit that the figures were wrong. It withdrew the figures (the National Resources Inventory) as it struggled to correct them. It is likely that the traditional 1.3 million figure is close to the correct number.

The dramatic, but wrong, numbers received a lot of attention from politicians and the media and kicked off a push to set aside more land. Unfortunately, the Department of Agriculture's retraction of the 3 million figure was largely ignored.

Policy makers need to stick to the facts. They should explain to the public that the impact of suburban growth on the total available farmland is negligible. Here are the facts:

- Development (that is, buildings, roads, and military bases) takes up only about 5 percent of the nation's land space.
- The United States produces far more crops than we consume. Farmers are retiring farmland through the Conservation Reserve Program, which currently holds 33.5 million acres of marginal farmland in reserve.
- World food production has been outpacing world population growth. Between 1961 and 1997, according to the Food and Agriculture Organization, available food supplies per person have increased by 23 percent.

***Recognize that many wildlife populations are thriving, even in the suburbs.*** Some environmentalists argue that the intrusion of suburbs into farmland and forests is devastating wildlife so that the only animals left are “weedy” or “common” species such as raccoons, squirrels, and sparrows. This claim is overstated.

When viewed from the perspective of a century, the nation's wildlife has made a remarkable comeback. In the 1890s there were 500,000 deer in this country; today there are between 15 and 25 million, and they are not all in the woods. Indeed, the proliferation of deer is a serious problem because they cause highway accidents and destroy vegetation.

With their ponds, parks, and arboreta, suburbs often attract wild birds and animals. In his book *Edge City*, Joel Garreau discusses the towns at the edge of metropolitan areas, where “more humans are getting closer to other high-order species than at any time in the past century.” For the first time since the Industrial Revolution, he says, “the majority of the American people—whether they know it or

not or like it or not—may soon be sharing their territory with fairly large wild animals.” Fears that suburbs harm wildlife are exaggerated.

👉 For more information, see Shaw (2000); Garreau (1991).

## 2

### ADDRESS TRAFFIC CONGESTION.

- ✓ MASS TRANSIT DOES NOT RELIEVE TRAFFIC CONGESTION
- ✓ POLICIES THAT INCREASE POPULATION DENSITY ALSO INCREASE CONGESTION
- ✓ MORE ROADS AND DESIGN CHANGES CAN SMOOTH TRAFFIC FLOW
- ✓ CONSIDER CONGESTION PRICING

**T**o most people, traffic congestion—slow-moving traffic and periodic bottlenecks—is the essence of sprawl. Improving the flow of automobiles on suburban streets would largely erase the problem.

For many planners, the problem is not traffic congestion as much as it is the automobile itself. For them, “smart growth” means getting people out of their cars. This hostility to autos leads planners to propose street designs and ways of increasing population density that will increase traffic congestion.

Policy makers should understand that hostility to the automobile does little to deal with the problems of congestion. There are many ways to address traffic problems. But, first, legislators and their constituencies must understand where the conventional wisdom goes wrong.

***Mass transit does not relieve traffic congestion.*** Using federal dollars, several cities have made major investments in fixed rail lines, primarily in light rail, which is an updated version of electric trolleys. These consume resources and take up space but do virtually nothing to change traffic patterns.

Transportation consultant Wendell Cox points out that in cities that have opened new rail systems during the past two decades, a typical rail line carries about 20 percent of the traffic that a freeway lane does; none carries more than 35 percent. Furthermore, only 28 percent of these riders were previously in automobiles—the rest had been taking the bus. In Portland, which has been building light rail, the number of people in cars on Interstate 84, which is next to a light rail line, has increased by 70 percent since the train line was opened.

***Policies that increase population density also increase congestion.*** One of the goals of the “smart growth” platform is to increase population density. The idea is that if people live close to one another and near shops and jobs they will do more walking and biking. In fact, however, the more people there are in an area, the greater the traffic congestion because most people continue to use their cars.

Randal O’Toole, head of the Thoreau Institute, points out that according to Census Bureau surveys, 90 percent of commuters typically drive to work. Only when densities reach 5,000 per square mile (in cities such as Seattle, Chicago, and Boston) does the percentage of drivers start to go down from this high level.

Even then, the reduction in auto use is small until densities reach extremely high levels like those in New York City—20,000 people per square mile. In cities less dense than Seattle, such as Atlanta or Houston, doubling population density would increase traffic congestion because per capita auto use would go down by only about 5 percent.

***The good news is that more roads and design changes can smooth traffic flow.*** Sometimes common sense leads to answers that theorists ignore. That is the case with traffic. More and better-designed roads are the way to cope with traffic congestion. As Wendell Cox points out, “The fundamental cause of traffic congestion in U.S. urbanized areas is insufficient road space.”

But don't additional roads simply encourage people to drive more and thus end up creating more traffic? To a small extent, this is true. When a convenient new road opens, people shift from their old, slow routes to the newer one. The new road can bog down in traffic if road building throughout the area isn't keeping up with demand. But the net result of adding roads is less congestion. Studies show that metropolitan areas that have built more streets have seen less increase in congestion than cities that haven't added as many.

***Consider congestion pricing.*** Right now, toll roads are not popular. The problem is not so much the cost as the fact that toll booths are bottlenecks. This is unfortunate because the technology exists to let cars zip by without stopping, and pricing the access to roadways could reduce traffic. Today, a major highway outside Toronto collects tolls electronically without having the cars stop.

Because roads are financed by gasoline taxes, commuters don't select their routes on the basis of what they pay—they pay for roads on the basis of how much gasoline they buy. More use of tolls would lead people to modify where and when they drive by considering the price, which would be higher in places and times of congestion. This is called congestion pricing.

If prices were high at peak hours, people who have flexibility would plan for a lower-priced “bargain” travel time, reducing traffic congestion. Those who wanted most to travel at the congested time would be willing to pay

the higher price. Reflecting a multitude of constantly changing individual decisions, traffic would spread out over time and space, minimizing snarls and congestion. Just as differential pricing of air fares (with lower fares for those who can stay over a Saturday night or avoid the most popular flight times) enables many more people to fly than would otherwise, congestion pricing would allow people to use the available hours and streets more evenly, getting more total use from them.

 For more information, see Cox (2000); O'Toole (2000).

### 3

#### ENCOURAGE FLEXIBLE ZONING.

- ✓ ADOPT “AS OF RIGHT” ZONING AND NUISANCE STANDARDS
- ✓ STREAMLINE THE ZONING PROCESS

**M**uch of the dissatisfaction with today’s suburbs stems from rigid zoning. As suburban populations become more diverse and as wealth and education expand people’s desires and interests, new residential styles have emerged. Yet frequently, these cannot be adapted. Typical zoning plans dictate separation between commercial areas and residences, for example, and ordain large lots, thus requiring many linear feet of paved roads.

Planning boards often turn down creative designs that would appeal to potential buyers because they don’t conform to established planning concepts. Some of these plans are known as “new urbanist” designs, which reflect traditional small-town patterns typical of the 1920s, complete with small lots, big front porches, “mother-in-law” flats,



and alleyways. According to new urbanists, this design fosters community feeling.

Unfortunately, proponents of new urbanist designs are demanding new zoning rules that are just as rigid as the old ones. These would require higher density and make it difficult to use automobiles. What is needed, says planning consultant Samuel Staley, is more flexible zoning so that communities can “change over time in ways that allow consumers to achieve their wishes while maintaining long-term community stability.” Too often, zoning thwarts market responses that would solve emerging problems. Several policy changes could help.


***Adopt “as of right” zoning and nuisance standards.*** “As of right” zoning is the obverse of zoning today. It is a policy that allows changes in land use (from commercial to residential or the opposite) unless the local planning board or legislative body acts to stop them. This policy would end costly bureaucratic delays and would place the responsibility for such delays on the shoulders of public officials or of directly affected neighbors.

Such a zoning policy will protect neighborhoods if two conditions also apply. First, developers should be required to notify neighbors and others directly affected by the change before it takes place. Second, the standard for stopping a development should be the traditional common law standard of nuisance.

In other words, developments would be halted under specific circumstances: The people most clearly affected must make a plausible case that the developments threaten harm that is not compensated by benefits to them, and, in addition, that the harms violate these individuals’ rights and reduce their property’s value. Such a rule would return us to the original purpose of zoning, which was to protect people against reductions in property value through offensive or inappropriate uses nearby.

***Streamline the zoning process.*** Local governments should emphasize administrative rather than legislative reviews and consultations with planning staff before plans have been fully developed. Requiring developers to come up with a complete plan without advice from the people who control its approval wastes time and frustrates all participants. At the very least, the process should be streamlined with “one-stop” permitting, which allows a project to get all the needed approvals at one time and place.

There is a place for legislative review, but it should not be a tool to quash developments. A supermajority (more than 50 percent) should be required to overrule a planning decision. This will allow a basis for appeal but not bog down the process.

 For more information, see Staley (2000).

#### 4

### CHALLENGE “NIMBYISM” OR “MONKEY WRENCHING.”

- ✓ UNDERSTAND THAT NIMBYISM PENALIZES THOSE WHO DON’T YET “HAVE THEIRS”
- ✓ DIFFERENTIATE BETWEEN NIMBYISM AND PROTECTION AGAINST HARM

**W**hen new residential developments, schools, and malls spring up where orchards, cropland, and forests used to be, some residents contend that they have a right to their scenic views or to their small and quaint downtown. Unwilling to pay the costs of preserving the area themselves, they use regulation to keep others from having the right that they had—the right to purchase land and build on it. They

want to shut the door. This is NIMBYism (Not in My Backyard-ism). Another way to look at NIMBYism, says economist Richard Stroup, is to see it as the ability to throw a “monkey wrench” into other people’s plans without paying the costs of this disruption.

***Understand that NIMBYism penalizes those who don’t yet “have theirs.”*** When current residents use the power of regulation to keep others from buying land in a community, they are getting a free ride. They get something for nothing (except for the cost of lobbying for the regulation). This hurts others, some of whom live in cities and want the American Dream of buying a home in the suburbs.

When land for purchase is restricted, the price goes up as new home buyers compete for the dwindling available space. This is already the case in Portland. Now that its urban growth boundary has begun to limit housing construction, home prices in the Portland area are rising fast. According to the Housing Affordability Index of the National Association of Home Builders, Portland’s housing prices are now higher than prices in all but a few major metropolitan areas. “Portland is now less affordable than historically unaffordable Los Angeles and Orange County,” says consultant Wendell Cox. Urban growth boundaries and designated growth areas place the cost burden on new arrivals—people who can’t vote on the growth areas because they don’t yet live there.

Through self-serving regulation, current residents thus receive dual rewards, says Richard Stroup. They keep their scenic views at no charge to themselves and, because land for sale is restricted, the value of their previously purchased residences goes up. This helps explain why NIMBYism is popular and why it is wrong.

***Differentiate between NIMBYism and protection against harm.*** NIMBYism—using regulation to keep others from

having what they want—is not the same as the legitimate use of regulation to protect against harm.

When hazardous waste stored on a person’s property leaks into another’s source of drinking water, an environmental harm has been committed because rights have been violated. The principled official recognizes that this is wrong and does not try to protect or legitimize the perpetrator.

In contrast, when individuals express their objections to development in terms of protecting “open space” or endangered species—watch out. This may be NIMBYism in disguise. Only legitimate worries about genuine harms, such as contamination of soil or pollution from a factory, justify regulation.

☞ For more information, see Cox (2000); Staley (2000); Stroup (2000).

## 5

### **AVOID SUBSIDIES AND AVOID UNFAIR BURDENS.**

- ✓ DEVELOPERS SHOULD PAY THE FULL COST OF THEIR PROJECTS
- ✓ IMPACT FEES AND OTHER TAXES SHOULD NOT BE USED TO PENALIZE DEVELOPERS AND NEW HOME BUYERS
- ✓ TIME-TESTED FINANCIAL MECHANISMS SHOULD BE USED

**M**any “smart growth” advocates claim that federal programs such as the interstate highway program and Federal Housing Administration mortgages created the suburbs.

And they contend that suburbs today are being shaped by local subsidies that give developers a free ride.

The history and current state of the suburbs are more complex than these claims suggest, however. The interstate highway system, for example, did not start until suburbanization was well under way and it is not necessarily a subsidy. The amount of money paid each year in federal gasoline taxes and related user fees is about equal to the annual spending on highways in this country, says consultant Wendell Cox.

Whatever the historical truth (and it will be debated for years) about the forces that created the suburbs, legislators should make sure that subsidies are not perpetuated today. Developers should pay for the infrastructure for which they are directly responsible, but they should not be forced to pay extra simply because people who already live there can force costs on newcomers in the form of additional new taxes.

***Developers should pay the full cost of their projects.*** Taxpayer subsidies for development are not appropriate. The owner of a new development or subdivision should pay the cost of extending infrastructure to the new residences. This may be done through direct payment by the developer or by full-cost pricing of infrastructure. In the latter case, the city or town charges the developer for the entire cost of the investment (including debt service) that is attributable to the new homes.

***Impact fees and other taxes should not be used to penalize developers and new home buyers.*** In recent years, growing towns and cities have imposed additional taxes on new development beyond property taxes based on the value of the residences. These taxes are known as “impact fees.”

The idea behind impact fees is to cover the costs of infrastructure such as roads, sewers, and utility lines that

the city must build for the new development. In theory, an impact fee might pay for building the additional portion of a wastewater treatment plant necessitated by a new residence.

There is evidence, however, that impact fees are not levied or used in a consistent way. A study favoring impact fees (conducted by Growth Management Analysts, Inc. for the city of Albuquerque) described them vaguely as “local efforts to bridge the gap between the money needed to build or expand public facilities to accommodate new development and the funds available to do so.” A study in the *Journal of Urban Planning and Development* found that they have been used to support mass transit, historical preservation, day-care facilities, and low-income housing.

While developers should be paying the full cost of connecting to city services, costs that can be quantitatively determined, normal property taxes should be used to cover other city-provided expenses. Richard Stroup points out that a well-run city should experience economies of scale and reduce the per capita costs of its services as it grows. “On a per unit or per lot basis, new development should add *less* than proportionally to infrastructure cost, not *more* than proportionally,” he says.

***Use time-tested financial mechanisms.*** Of course, new schools and sewage plants must be built, often all at once and in large chunks. Construction may have to occur in advance of significant tax payments. There is a time-tested method of financing these—bond issues. These funding mechanisms allow the city to borrow money that will be repaid through the taxes collected over time. For other expenses such as sidewalks, lighting fixtures, etc., special improvement districts can be created that tax residents specifically for narrow purposes.

To do otherwise is to allow NIMBYism to raise its head. It may be that current residents are using impact fees to

avoid paying their share of taxes by placing excessive costs on newcomers.

➡ For more information, see Stroup (2000); Staley (2000).

## CONCLUSION

**S**prawl poses genuine challenges for policy makers, but they should not be overstated. Growth in urban areas reflects prosperity and the decisions of millions of people choosing where they want to live, many of whom have only recently been able to achieve the “American Dream.” Policy makers should recognize the frustrations that growth can cause but should avoid being misled by those who are unfairly trying to put burdens on others. By understanding the realities of sprawl issues, policy makers can promote cohesive and dynamic communities that citizens are pleased to live in.

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