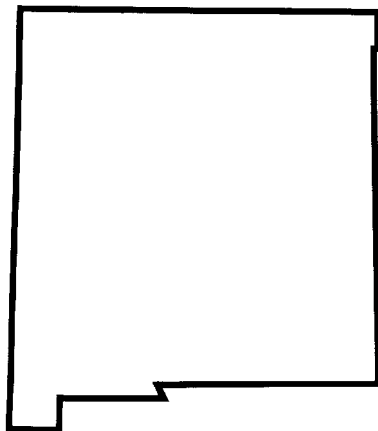


# **GROWTH IN NEW MEXICO: IMPACTS AND OPTIONS**



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## **EXECUTIVE SUMMARY**

### **Background**

The 1996 state legislature passed Senate Joint Memorial 34 requesting the Local Government Division to “conduct a comprehensive study of the costs and benefits of growth and evaluation of growth management alternatives.” Prepared with input from two round table discussions on growth, many conversations and conferences, and dozens of pieces of literature on the subject, this report responds to the legislative request. ***The Local Government Division does not support or oppose any policy changes in this report; rather, it attempts to fully explore the multi-faceted and complex issue of growth to assist elected and appointed decision makers better understand the issue.***

The report’s sections-- 1) Impacts of Growth, 2) Options for Managing Growth, and 3) Challenge for New Mexico-- are preceded by a summary of findings and policy options. Each section is introduced with excerpts from the article, “Paying for Growth, Prospering from Development,” Rocky Mountain Institute’s most cogent discussion of the issue. The fiscal consequences of growth are discussed in Chapter One, showing how the location and timing of growth affects public coffers. Social, environmental and spatial effects of growth (particularly from low intensity development characteristic of post-World War II physical patterns) are presented in Chapter Two.

The options section of the report begins with an explanation of the gamut of growth management tools, as explained in Chapter Three. Explanations of land use strategies, intergovernmental agreements and public facilities techniques are presented as tools to help local and state governments grapple with growth in a more coordinated, planned fashion. How certain states have applied these growth management tools to guide growth are highlighted in Chapter Four. State mandated planning (Oregon and Washington) as well as state promoted planning (Georgia and New Jersey) are included to show the variety of growth management tools in effect today. Also highlighted are examples of local growth management applications.

How New Mexico is challenged by growth and possible responses by the state and our communities is the focus of Section Three. Chapter Five explains the planning and development process in New Mexico and addresses related studies, trends in economic and population growth, and other long-range trends. Outlined in this chapter are basic laws and regulations that are the underpinnings of state assistance for provision of public facilities and services, necessary to accommodate basic needs such as water, roads, community buildings, wastewater collection and distribution, solid waste collection and disposal/recycling, and community development. The volume of need for such infrastructure and financing methods are also identified.

Chapter Six explores the state of growth management in New Mexico communities. Lessons learned, innovative physical designs, elements of planning and development reform, and methods

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for assessing fiscal impacts of growth are covered. Chapter Seven offers a series of policy options for New Mexico to better plan and more wisely accommodate development in ways that can nurture an economic vitality and quality of life to make the Land of Enchantment a vibrant place to live.

Supporting materials are provided in the Appendix:

- Names of growth round table attendees and notes from the discussions;
- Listing of New Mexico laws, regulations and programs pertaining to planning, development and financing infrastructure;
- Colorado's guiding principles for "Smart Growth;"
- Cost of water treatment systems in New Mexico by urban, suburban, semi-rural and rural settings;
- Strategies, methods and considerations for financing infrastructure;
- Senate Joint Memorial 34;
- Bibliographic listing of resources on growth, including citations from New Mexico, other states, relevant books, articles and Internet web sites;
- Questions and answers on comprehensive planning; and
- Glossary of terms.

## **Findings**

There will be 650,000 more New Mexicans in 2015 than in 1995 -- one-half from net natural increase, one-half from net migration--according to the Census Bureau. That is equivalent of adding the combined current populations of Albuquerque, Las Cruces, Santa Fe and Roswell. We will be the second most favorite location in the country, after California. Where should the new development needed to accommodate the new population be located? How should needed services and facilities be paid for? By whom? How much? Where? For whom? These are cogent questions in need of thoughtful answers.

Increased costs associated with land development, promotion of economic development, high rates of population growth, the increased need for efficient and effective use of public money, and resource conservation concerns: all have spurred the examination of new ways to manage growth.

Based on recent reports, New Mexico has more than a \$14 billion backlog of infrastructure needs. Funding from federal and state sources has been identified for only a fraction of this gap. Over \$1.5 billion in capital outlay was requested from state agencies and educational institutions alone for fiscal year 1997.

New Mexico's 1.6 million residents are spread out in pockets all over the nation's fifth geographically biggest state. Each pocket of population is driven by different economic, social and physical factors; each grows or declines at different times under differing circumstances.

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Low density, spread out development is a nationwide, post-World War II phenomenon built to satisfy demands for housing. On one level, this system of homebuilding responds very efficiently to market demands; at another level, its pattern of growth is blamed for contributing to problems such as traffic congestion, loss of open space, air pollution, and social inequities.

Benefits of growth include higher tax revenues, more jobs, new businesses, and increased economic growth. These benefits would be more apparent if the costs of growth, as driven by regulations, market demands, and location of growth, were not so high. Managing growth in ways that reduce these costs can help increase net benefits.

The baby boom generation has been influential in driving the demand for schools, housing and shopping, plus the infrastructure to serve them. As it ages, this generation will make different demands on society. At the same time, there is a clear call for less government.

The predominance of low density land development is also due to signals sent to the private sector by the government in the form of highways, sewer and water facilities, mortgage backing for single family (but not multifamily) homes, federal facilities location, capital gains taxation, bailing out market failures such as savings and loans, and even planning and zoning requirements.

Neither federal or state funds will be able to afford new roadways and sewers necessary for outward growth to occur as it has in the past. With an aging existing infrastructure, more money will be needed for maintenance.

Growth varies widely throughout New Mexico, as does its effects. Some communities grow and their landscapes, cultures, economies and overall character will change dramatically. Other communities change through decline. Growth can be a problem or an opportunity, depending on how a community absorbs growth, locates it and pays for it.

Growth by itself as a strategy for community development does not work when demands on government to service growth outweigh increases in revenues. Economic booms may provide temporary relief from unemployment and public cash flow woes, but growth is not the long-term solution to unemployment.

Residential development may result in decreased quality of services to all existing and future residents. Without the fiscal assistance of commercial development and rural landowners, taxes to pay for basic services for residents would likely need to go up.

Newcomers do not guarantee economic development. While “amenity migration” creates some jobs, they are mostly low paying and seasonal. Jobless rates stay high, incomes stay low and demand for government services increase.

How a community is fiscally affected is often contingent on the rate, location and type of growth.

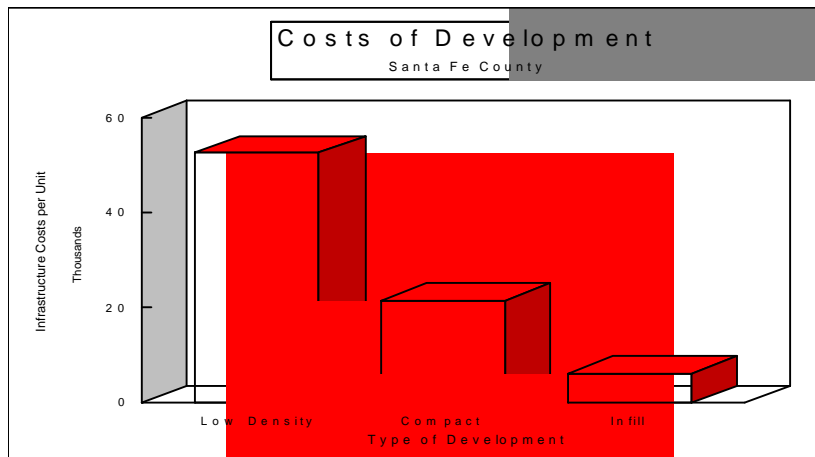
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For instance, residential development in rural areas is often justified by the claim that it increases the tax base, and thereby lowers property taxes. But studies in various states found that while new homes do increase the local tax base, they did not pay for themselves, rather, they are subsidized locally by businesses and rural landowners. Thus, the traditional philosophy that residential development pays its own way may be misguided. Sound fiscal and land use policy would encourage mixed use development.

The effects on New Mexico brought by high growth rates often collide with a growing desire to protect the state's assets such as water, unique character and way of life. In-migration can benefit land-rich, cash-poor landowners, but at a cost of political and cultural restructuring. For many traditional New Mexico communities, that is a cost too high for them to bear. Most communities need to increase their civic capacity to manage the tension between economic and physical development and the consequent need to steward natural and cultural resources.

Housing, education, water, transportation access, and other public demands are enormously challenging and quite costly, especially in an era of diminishing public resources.

Costs for infrastructure vary according to location. Rural water distribution systems can cost up to four times as much as urban systems. In Santa Fe County, infrastructure costs for households on large lots is over twice that of compact development and over *eight* times more than infill of existing development.



The *amount* of growth is less important than the *pattern* of growth in determining the level of environmental impact and the efficiency of resource use. Each new person to a community can cost less than average if the community has excess infrastructure capacity. But if infrastructure is at or exceeding capacity, it is more expensive to

grow in population.

Taxes collected from residents in new subdivisions are often outweighed by the costs of providing facilities (laying new water, sewer and gas pipes, extending electric and telephone lines and building new roads) and services (police and fire protection, garbage collection, street maintenance and school transportation).

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Continued expansion often comes at the expense of maintaining what is already in place. It also creates an ever-increasing inventory that must be maintained with shrinking government resources at all levels.

New Mexico communities would benefit from more rigorous analysis of the fiscal, social and environmental benefits and costs of proposed developments, so a least-cost approach to providing facilities and services can be devised. For instance, buying open space or annexing farmland, or zoning it as such, may be cheaper for a municipality than allowing development on lands that would require new, expensive infrastructure.

No local community is master of its own fate. National trends, global market forces and regionwide swings have impelled some states to act to set up growth management frameworks in tandem with local government, to help counteract such buffeting winds.

Growth management techniques work best if used together, not singly. Similarly, a community acting to manage growth will likely not achieve its objectives unless it works in tandem with surrounding communities, its county and the state.

Any community or county in New Mexico already has the legal authority to manage growth, using such measures as:

- Urban growth boundary;
- Performance zoning;
- Use of fees to encourage development where desired and discourage where not desired;
- Preservation of open space and agricultural land;
- Clustered development;
- Intergovernmental growth management agreements;
- Density and development transfers;
- Water availability as a condition of building permit;
- Acquisition of land for future development or open space;
- Adequate public facilities requirements; and
- Minimum density requirements.

Some growth management techniques serve certain purposes better than others. For instance, an urban growth boundary can help a community stop and face its physical problems by putting the brakes on unchecked growth patterns, steering more development into urban areas and making neighborhoods out of suburbs. However, by itself it will not advance affordable housing, which is best handled by a combination of limits on lot sizes, minimum density zoning bonuses, priority allocation of state mortgage finance backing to multi-family housing *and* urban growth boundaries.

Citizens and government all over the United States are grappling for new ways to plan for growth

and prosper from development. Experiences from those efforts should be examined. This study's list of policy options is one place to begin. What works elsewhere will not be a perfect fit here; however, we can learn from how others have attempted to manage growth and continue to examine what might work in the Land of Enchantment.

## **Summary of Policy Options**

This report does not recommend policies to better manage growth; however, it does offer a menu of policy options which may be pursued by decision makers at the state or local level. These 35 options are organized by: 1) land use strategies, 2) intergovernmental agreements, 3) public facilities techniques, and 4) economic development options.

### 1) Land Use Strategies

- Streamline state and local permitting
- Make more explicit policies on where new development should and should not occur;
- Make more efficient use of land that has already been developed;
- Establish procedures for local review of proposed development activities;
- Reform the state zoning code;
- Encourage counties to offer incentives to landowners for clustered development;
- Offer infill and redevelopment strategies;
- Measure the level of services currently existing in a community; and
- Require consistency between adopted plans and local decisions.

### 2) Intergovernmental Agreements

- Create a growth management consensus project;
- Set up a statewide task force on growth;
- Ask local governments to adopt and implement comprehensive land use plans to remain eligible for infrastructure and economic development funds or to enact impact fees;
- Establish a regional review and permitting process;
- Develop growth management joint powers agreements;
- Require coordinated planning;
- Set up a rural comprehensive planning framework;
- Support local and regional planning;
- Change the role of the state to one of initiator, convener, and facilitator;
- Encourage relevant local governments and special and school districts to enter into urban service agreements when planning and developing facilities;
- Offer incentives to keep land in farming and open space; and
- Encourage jurisdictions to share revenues and costs of regional facilities.

### 3) Public Facilities Techniques

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- Direct scarce state money most cost-effectively, to where infrastructure already exists;
- Set regional urban service standards for minimum levels of service;
- Require new developments to have adequate public facilities prior to construction;
- Focus scarce public dollars into public investment areas;
- Set facility financing fees on a marginal cost basis; and
- Encourage communities to conduct a property tax impact statement.

### 4) Economic Development Options

- Analyze economic development options on a cost-benefit basis;
- Incorporate economic development into any growth management package;
- View environmental quality and quality of life as economic assets;
- Promote diverse small businesses;
- Put a premium on human resources;
- Recognize that growth and development are not synonyms;
- Develop an economy without growth; and
- Put technological change to work to dissuade low density development rather than encourage it.

## **Acknowledgments**

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Contributing materials were Don Chen of the Surface Transportation Policy Project; Utah's Bear West Planners; Albuquerque planning firms Consensus Planning and Miller and Lucero; New Mexico Homebuilders Association; State Land Office; Sierra Club; Legislative Council Service's Gordon Meeks, Jr.; State of Oregon's Elaine Smith; and 1000 Friends of Oregon's Robert Liberty. We also thank Washington Post columnist Roger Lewis for his permission to reprint the cartoons gracing this report, and to State Land Commissioner Ray Powell for permission to use drawings of the State Land Office's proposed development at Albuquerque's Mesa del Sol. Finally, a grateful acknowledgment to Local Government Division Director Jeff Condrey for his full support in taking on this project.

## **SECTION ONE - IMPACTS OF GROWTH**

### ***Development Does Not Equal Growth***

*A sound economy requires development, that is, vigorous enterprise and a decent standard of living. But, it doesn't necessarily require growth, that is, expanded community size. A community might be compared to a human being. Human growth after maturity becomes cancer. When a town continues to grow after maturity, its cancer is manifest in many ways -- higher taxes, environmental degradation, spiteful controversy, and loss of a sense of community.*

*But development is quite different from growth. After reaching physical maturity, humans continue to develop in many beneficial and interesting ways -- learning new skills, discovering new interests and enterprises, and gaining deeper wisdom. Similarly, a community can develop itself without expanding. It can reduce costs, create jobs and affordable housing, enhance cultural and educational opportunities, and improve health and public safety.*

*Growth is an increase in size, while development is an increase in quality and diversity. Development increases the value of both public and private investments, while growth tends to require increases in these investments that may or may not increase value.*

*Some will argue correctly that growth puts people to work. But sustainable development (development that can endure for the foreseeable future) also offers jobs without the problems of growth. For instance, while construction of new buildings on open land (growth) puts people to work, it also requires expansion of public infrastructure and services that then leads to higher taxes. In contrast, enhancement and modernization of existing structures (development) employs people without necessarily requiring increases in public services. Sustainable development enhances existing assets, while growth requires expenditures to bring in additional capital assets.*

*This is not to say that growth is always wrong. Some communities need to expand if they are to become prosperous. Others, however, are realizing that growth will force them to confront difficult choices.*

*Excerpted from *Paying for Growth, Prospering from Development*, by Michael J. Kinsley and L. Hunter Lovins, Rocky Mountain Institute*

## **CHAPTER ONE: FISCAL IMPACTS OF GROWTH**

As long as people have lived together in towns, they have expected their leaders to provide the necessities for community life. Medieval citizenry demanded walls and moats. Modern citizenry demand their equivalent and then some. Indeed, as voters we often judge the quality of our leaders by the cost and quality of the services delivered.<sup>1</sup>

Growth generally increases governmental revenue and expenses alike, though usually not at the same amount, time or location. It is usually sought because of the perception that through more people and more businesses, more revenues are collected to pay for public services without having to raise taxes. A community can also afford extras like a library or health clinic, thereby increasing the quality of life for its citizens.

Growth, in a era of high regard for individual property rights and low regard for governmental interference with private enterprise, has been guided primarily by private decisions to efficiently subdivide and sell land. When public officials seek to maximize the efficient use of facilities, however, it may not coincide with marketplace decisions. Montana planner Kristina Ford argues that, “in situations when the quality of infrastructure is down and population is up, public decision makers need to assess under what conditions must they guide the location of growth so it will use and pay for infrastructure, and thereby minimize costs of public service delivery.

Ford also points to a change in thinking, akin to other debates on intergenerational transfers: “Until recently towns found that property taxes paid by new residents more than offset the additional costs of providing common services for them. [Thus] it has been an article of faith that growth would mean greater tax revenue for a more pleasing community life. In the 1960s this changed: sometimes new growth was not always positive. . . . Towns are more than businesses, but guardians of a public interest more broadly defined than municipal budgets. Where growth is not rapid, the cost of delivering services is high, especially where overly optimistic projections of growth were not met and the burden of taxpayers covering bonds for under used or useless facilities is great. Fronting costs by one generation to pay for another generation’s infrastructure places a substantial investment in oversized infrastructure. This is also a function of unguided growth, for if new development goes outside the reach of existing facilities, new residents do not use the excess capacity built precisely in anticipation of the population growth they represent, nor do they pay for it. . . . It may also mean the tax base is inadequate to pay off past investments and to maintain infrastructure already in place. Then, the notion that older generations provide for future generations becomes no more than a foolish investment.”<sup>2</sup>

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<sup>1</sup>Kristina Ford, *Planning Small Town America*. 1990, page 56.

<sup>2</sup>Ford, page 56.

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Findings from a variety of sources showing the fiscal effects of growth are highlighted in the rest of this chapter. A Colorado study showed growth counties in better fiscal shape than nongrowth counties and per capita spending lower. A New Jersey study showed residential development created a fiscal surplus when school costs and revenue are not part of the equation.<sup>3</sup> However, many studies show that growth is not always profitable. A Montana study found new development revenue generated was half the total expenditures needed to serve that development.<sup>4</sup> Springfield, Oregon's decade of rapid growth in the 1970s caused spending and indebtedness to quadruple and per capita spending to triple. While impact fees can cover a portion of the costs of roads, sewers, water, electricity, schools, parks, libraries, police, fire protection and other basic services, the fees usually are inadequate to the task: Eugene, Oregon collects \$2,000 per new unit when the actual costs of public infrastructure to support new development start at levels over ten times the collection rate.<sup>5</sup>

*Traditional towns cost only a third to one half as much for infrastructure as low intensity suburban development.*  
Urban Land Institute

An Urban Land Institute study of every major postwar study of development costs found that traditional towns, when compared to low intensity development, cost only a third to one half as much for roads, sewers, mail delivery, fire protection, and other government services.<sup>6</sup> Streets, utilities, and schools for a suburban single family development with three dwelling units per acre built five miles from sewage and water treatment plants in a leapfrog pattern cost \$43,381 per dwelling in 1987 dollars. Building the same development adjacent to existing development and near central facilities would reduce costs by \$11,597 per dwelling unit, a 27 percent reduction.<sup>7</sup>

How a community is fiscally affected is often contingent on the rate and type of growth. Typical of many New Mexico communities since the 1950's is a low density development pattern. This pattern reflects a life style and way of thinking that has evolved with the American frontier. People living in New Mexico prize the feeling of wide open spaces. While there may be

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<sup>3</sup>Eric Kelly, *Managing Community Growth: Policies, Techniques, and Impacts*, 1993, page 170.

<sup>4</sup>Nicholas Kaufman, "Fiscal Impact Analysis for New Single Family Residential Development in Plains, MT," cited by Meeks, *Montana Policy Review*, page 6.

<sup>5</sup>Eben Fodor, *Three Myths of Growth*, in *Planning Commissioners Journal*, Winter 1996, page 2.

<sup>6</sup>Thomas Hylton, *Save Our Lands Save Our Towns: A Plan for Pennsylvania*, 1995, page 42.

<sup>7</sup>Oregon Land Conservation and Development, *Indicators of Urban Sprawl*. 1992, page 2.

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psychological benefits to residents of this low density living arrangement, there are also costs for low density development that are much higher than for traditional communities. According to *Costs of Sprawl*, overall costs to develop low density communities (three or four dwelling units per acre) are about 44 percent more than high density communities (15 to 30 dwelling units/net acre). The cost of roads and utilities may be 55percent higher. Low density communities require 44 percent more energy use, 35 percent more water consumption, and generate 45 percent more automobile use and air pollution.<sup>8</sup>

A review of literature on the costs of providing infrastructure, contrasting planned or compact development with low intensity or sprawling development, concludes:

*Land consumption:* planned development consumes 40 percent as much land as low intensity development, 60 percent as much agricultural acreage and 17 percent the level of development on frail lands;

*Infrastructure:* planned development is 75 percent less expensive for roads, 95 percent for schools, and 85 percent for utilities as for low intensity development;

*Housing:* planned development does not increase costs, and may yield a small (less than six percent) savings over low intensity development; and

*Fiscal Impact* -- planned development is less costly to both municipality and school district by two percent, and requires about three percent less capital expenditure for school districts.<sup>9</sup>

An analysis of the fiscal health of a Fairfax County, Virginia traditional bedroom community of West Springfield compared to Reston, a new town of mixed uses, showed Reston to be a \$1 million asset to the county, compared to West Springfield's \$500,000 deficit. Reston was able to generate a much larger real estate tax revenue from its industrial and commercial tax base which also allowed the city to keep its tax rate relatively low. The study concludes that sound fiscal policy would encourage mixed use development, and that the traditional philosophy that residential development pays its own way is misguided.<sup>10</sup>

Residential development in rural areas is often justified by the claim that it increases the tax base,

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<sup>8</sup>Kelly, page 170; "*Albuquerque: Urban Sprawl or Urban Concentration*" from the Housing Density Web Page [[www.teleport.com/~mrtom/hdens.html](http://www.teleport.com/~mrtom/hdens.html)]

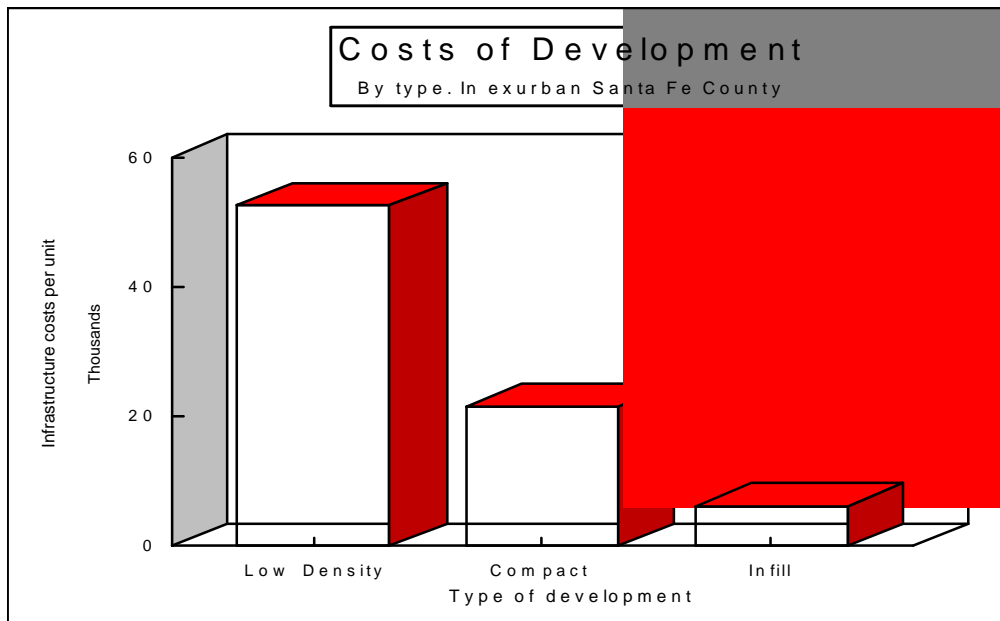
<sup>9</sup>Robert Burchell, "Impact Assessment of the NJ Interim State Development Plan." Cited in Donald Chen, *The Impacts of Transportation Investment on Equity and Land Use*," page 3.

<sup>10</sup>I.D. Cuthbertson, "Fiscal Impact of New Town Development: An Empirical Study of Reston, West Springfield, and Fairfax County, Virginia." Cited in Chen, page 4.

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thereby lowering property taxes. Nationwide between one and two million acres of farmland are converted every year to development.<sup>11</sup> Between 1982 and 1992, 163,500 acres of New Mexico farmland and open space were converted to residential development.<sup>12</sup> But a Massachusetts study found that while new homes do increase the local tax base, they did not pay for themselves. Localities paid more for residential services than they received in revenue: for every dollar paid in taxes, residences receive \$1.12 in services, while the average farmer or open space owner receives just 33 cents in services for every tax dollar and commercial and industrial development receives 41 cents. The study concluded that rural housing is subsidized locally by businesses and rural landowners.<sup>13</sup>

The cost of infrastructure in Santa Fe County for a 300-unit low density subdivision, \$52,597 per unit, is eight times higher than for as infill of existing development (\$6,251) and 2.5 times that of new, planned clustered development (\$21,536). Long distances for extending roads, water, sewer and electric lines cause not only higher housing costs but higher taxes and lower disposable income.<sup>14</sup> Santa Fe County, armed with these figures, now requires fiscal impact analyses for new subdivisions.



<sup>11</sup>Henry Richmond, at Santa Fe Growth Forum, June 28, 1996.

<sup>12</sup>William Fuller, *Data for Decisions*, 1992, page 39.

<sup>13</sup>American Farmland Trust, *Does Farmland Protection Pay? The Cost of Community Services in Three Massachusetts Towns*, 1992, page 20.

<sup>14</sup>Judy MacGowan, "Costs of Rural Sprawl" Santa Fe County Planning Office, 1996.

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On the other hand, regulatory costs are blamed by homebuilders as unnecessarily raising housing costs. The 12-fold increase from 1974 is broken out in the following table, on a per unit basis:<sup>15</sup>

<b>Regulatory Costs</b>	<b>1974</b>	<b>1994</b>
Water and sewer tap fee	\$ 285	\$ 3,000
Building permit	165	475
Streets and sidewalks	2,300	6,500
Impact fees	0	1,500
Estimated value land exactions	0	0
Land and engineering needed to gain subdivision approval	250	2,500
Storm water runoff controls	0	1,000
Soil sedimentation and erosion controls	0	1,000
Off-site improvements	0	500
Tree preservation/reforestation	0	500
Wetlands mitigation	0	0
Time from start of subdivision review to start of construction	3 mos.	9 mos.
Government approvals required	3	12
Total regulatory costs	3,000	16,975

*We may love a place and still be dangerous to it.*  
Wallace Stegner

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<sup>15</sup>National Association of Home Builders, *The Truth About Regulations and the Cost of Housing*.

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A Florida fiscal impact study contrasted capital costs for five categories of development:

*Scattered*: low density development that has leapfrogged past vacant land into relatively undeveloped areas. Characterized by long distances to urban jobs and facilities, minimal levels of services.

*Contiguous*: moderate density developments that is adjacent to or near established urban areas. Also characterized by mixed land uses, proximity to support services and satisfactory levels of public services.

*Linear*: low densities and intensities of mixed used development extending outward from the city along major transportation corridors. Also characterized by decreasing land use intensities and heavy dependence upon vehicular access.

*Satellite*: moderate to high intensity mixed use development occurring within identifiable outlying suburban or exurban areas. Also characterized by cultural and economic ties to, though physically separated from, the city.

*Compact*: high intensity development within an urban area. Also characterized by more vertical development, redevelopment, and under capacity public facilities.

The study found the scattered and linear forms of development to be the least efficient, while the contiguous form is the most efficient.<sup>16</sup> Another Florida study found that to serve a development 10 miles from major capital facilities costs \$5,000 more than a location five miles out.<sup>17</sup>

Maryland Governor's Growth Commission applied Florida's cost figures to that state's growth projections. Trend growth's infrastructure costs for roads and utilities total \$9,191 per single family unit, while a more compact, contiguous growth scenario costs \$4,104 per unit. Savings are projected to be achieved by limiting marginal costs through maximizing use of existing infrastructure.<sup>18</sup>

A California study showed revenue ahead of costs more in slow growth than in high growth cities, due in large part to attributes in communities more likely to control growth: traditions of good government, management and planning, and higher levels of citizen involvement.<sup>19</sup> But in a

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<sup>16</sup>Kelly, page 170.

<sup>17</sup>James Duncan, *Growth Management Principles and Practices*, page 113.

<sup>18</sup>Kelly, page 170.

<sup>19</sup>Henry Diamond and Patrick Noonan, *Land Use in America*, page 20.

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separate study, Richardson and Gordon examined possible employment, population and public expenditure effects arising from either an infusion of new employment into a suburban area or a transfer of employment from an urban core to a suburb. Their findings for Southern California are that core job decline affects the entire central city, and that attracting new employment to suburbs from outside the region benefits not only that suburb(s) but the central city.<sup>20</sup> Finally, the same authors, in a paper for the North American Mortgage Company, questioned the value of compact development, concluding that “there is no reason to believe that the alternative of attempting to promote a reversal of existing urban development trends is either feasible or desirable.”<sup>21</sup>

New Jersey’s State Planning Act required that a fiscal impact assessment be made of the economic, environmental, infrastructure, community life and intergovernmental implications of the state plan before the state’s planning commission voted on it. The state asked Rutgers University to conduct a costs of trends versus managed growth study. The study determined that implementing the state plan’s call for managed growth could save \$700 million in road costs, \$562 million in water and sewer costs, \$178 million in school capital facilities, and up to \$380 million per year in operating costs to local governments and school districts during this planning period.<sup>22</sup> Specific effects were:

*Location of jobs:* Managed growth will shift 10 percent of new jobs to cities, with the bulk in suburban and rural centers.

*Fiscal impacts:* \$400 million is saved by municipalities and school districts, due to using excess operating capacity in already developed areas or expanding centers in newly developing areas.

*Land used:* Managed growth will consume 28 percent less farmland and 67 percent less other vacant land for the same level of development as the trends scenario; the latter scenario would also use 80 percent more frail lands: forests, steep slopes and sensitive watersheds.

*Agricultural lands:* Managed growth saved 30,000 acres of farmlands from development.

*Pollution:* Managed growth, while equivalent on air pollution impacts with trends, generates 40 percent less water pollution, in part by reducing the number of septic systems.

*Infrastructure:* Local road costs are cut \$740 million, and state roads by \$90 million.

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<sup>20</sup>Richardson and Gordon, “Economic and Fiscal Impacts of Metropolitan Decentralization: The Southern California Model,” cited in Chen, page 6.

<sup>21</sup>Gordon and Richardson, *The Case for Suburban Development*, 1996, page 19.

<sup>22</sup>New Jersey State Planning Office Home Page: [www.state.nj.us](http://www.state.nj.us).

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*Water and sewer costs* are cut by \$440 million, by using existing pipes, greater clustering and multi-family housing. Capital costs for new schools are cut by \$200 million.

*Housing:* With more townhouses and multi-family units built under a managed growth scenario, housing costs would be somewhat lower.<sup>23</sup>

The study cautions against trying to provide for both roads of growth patterns at once: “The dual costs of (1) providing new infrastructure for those who are moving outward, and (2) maintaining the old infrastructure for the population and economic entities that are left behind, cause taxes and development costs to rise throughout the metropolitan area, thus causing a regional rise in the costs either to do business or to reside in the area.”<sup>24</sup>

High growth in the twin border cities of El Paso and Juarez, despite job gains, has led to deteriorated infrastructure, strained public services, high poverty levels and chronically high unemployment. According to Juarez Mayor Ramon Galindo, “While we have more growth, more unemployment, we have less money.” Roads are especially inadequate for accommodating increased commerce in the metropolitan area of two million residents.<sup>25</sup>

Studies in Wisconsin estimate the additional local government expenditures required to meet the needs of 400,000 new residents by 2010, according to low density versus compact development patterns. The former would cost \$300 million per year, or \$11,000 per each new resident. The compact option would save \$25 million per year in public expenses. Each new house in the town of Dunn costs \$1,060 to service for each \$1,000 paid in property taxes, while commercial building costs are \$290 and farm and park land \$180 for each \$1,000 in taxes paid.<sup>26</sup>

A similar study by American Farmland Trust for the Central Valley of California showed that if the Central Valley chooses compact growth, it will save \$29 billion in taxpayer financed services over 50 years, and each new resident will contribute \$27 more in tax revenue each year than the costs in services. Under low intensity development, each of the eight million new residents will cost \$123 a year more in services than contributed in taxes, and the cost of providing services will

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<sup>23</sup>Buchsbaum and Smith, *State & Regional Comprehensive Planning: Implementing New Methods for Growth Management*, 1993, pages 39-48.

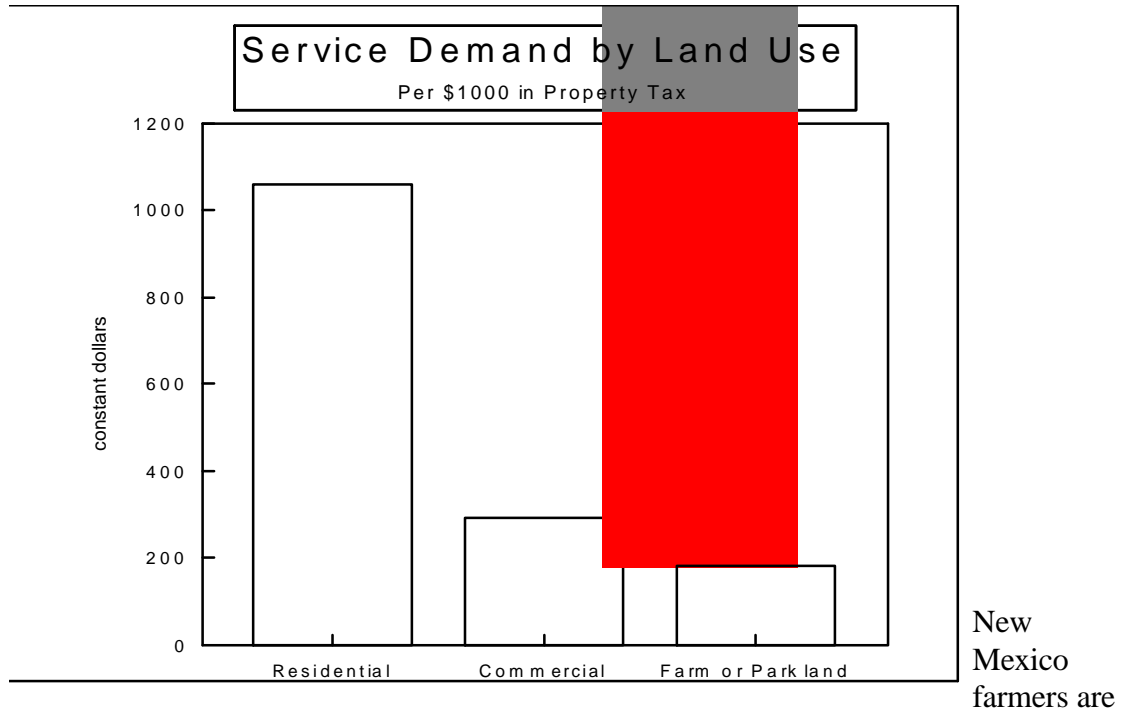
<sup>24</sup>Burchell and Listokin, cited in US Department of Energy’s Center of Excellence for Sustainable Development, *The Energy Yardstick: Using PLACE3S to Create Sustainable Communities*, 1996, page 15.

<sup>25</sup>Eduardo Montes, *El Paso, Juarez Mayors Seek Growth Aid*. Albuquerque Journal, August 27, 1996.

<sup>26</sup>Brett Hulsey, *Sprawl Costs Us All*, 1996, page 5.

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exceed tax revenue by \$1 billion a year.<sup>27</sup>



New Mexico farmers are feeling the pinch of higher property taxes caused by new residential development near their farms. Land in the Española Valley, with private land becoming a premium, has gone from \$15,000 per acre in 1994 to as much as \$45,000 per acre two years later. As a result, productive agriculture lands that have been in one family's hands for generations are being sold. The pressures to sell on those making under \$15,000 per year are enormous, according to Edmund Gomez, director of New Mexico State University's Rural Agricultural Improvement Project in Alcade. Another concern he notes is the proposed redefinition of a farm, with \$10,000 being the threshold; at that rate, nearly every farmer in Taos County would see lands taxed not as farm but as residential, and residential is what that lands might increasingly become. A final concern is the severance of water rights from agricultural lands and sold for development.<sup>28</sup>

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<sup>27</sup>Richard Benner, *Another Lesson From California: Sprawl Costs More*, 1996, page 1.

<sup>28</sup>Personal interview with R. Edmund Gomez, Executive Director of Rural Agricultural Improvement Project, September 11, 1996.

*Farmers often don't have a choice but to sell out to developers. When people want to move to the country and live the American Dream on a one- to ten-acre ranchette with a single-family home in the middle, that is the worst possible kind of sprawl. But what farmer wouldn't sell a piece of land that's going for \$20,000 an acre?*

Chuck Beretz, American Farmland Trust, quoted by Jeff Gersh, Subdivide and Conquer

Lag time is a problem for public revenue: a Colorado study found that revenue would lag behind costs for nearly seven years, though revenue after that would exceed costs. This deficiency is often due to bond financing or through developer exactions.<sup>29</sup>

Off-site costs are often external and borne by the state. In effect, low intensity development is subsidized by policies such as average cost pricing, which ignores the higher marginal costs of service provision in far-flung areas.<sup>30</sup>

Taxpayer protection is a major consideration, especially when imprudent private investment decisions leads to overbuilding. Savings and loan failures in the 1980s were due in large part to overbuilding driven by tax policies, unrealistic market expectation and the absence of growth management. New Mexico, a non growth management state, had a per new resident bailout cost of nearly \$10,000 while growth management state Oregon, a state of comparable size and growth rate, had costs under \$1,000 per new resident.<sup>31</sup>

*Don't just make it, manage it*  
Norwest Bank slogan

Taxpayers are also affected when economic development, which affects 75 percent of New Mexico's general fund, does not provide sufficient new revenue to pay for growth driven demands for public school and higher education enrollments, corrections and human services. This leaves policy makers trying to simultaneously cut state taxes, provide generous tax and other incentives for economic development, while keeping with demands for more public services asked by a growing population.<sup>32</sup> The risk New Mexico takes is that in not meeting the demanded services, quality of

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<sup>29</sup>Kelly, page 179.

<sup>30</sup>Kasowski,"The Costs of Sprawl, Revisited," in Chen, page 27.

<sup>31</sup>Duncan, page 8.

<sup>32</sup>New Mexico Business, *Strong State Economy But Sluggish State Returns*, April 1996, page 8.

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life suffers and businesses will be deterred from moving or expanding here.<sup>33</sup>

In many cases it comes down to finding the biggest bang for the public buck. A University of Minnesota study found a \$6.5 billion return for every \$1 billion invested in public works in the Twin Cities and close in suburbs from taxes paid by residential and commercial/industrial development. The same \$1 billion invested in the urban fringe only returned \$2.4 billion. According to author Lyle Wray, “from this simple financial perspective, sprawl has become a critical business climate issue.”<sup>34</sup>

How taxes are assessed on which types of property can affect location of growth. According to a 1980 U. S. House Subcommittee on the City report, *Compact Cities: A Neglected Way of Conserving Energy*, “one of the major causes of sprawl is the upside-down incentives of state and local property tax systems which invite land speculation. In the nations’ 100 largest cities, nearly one-fourth of all the privately held land is vacant. Taxes on idle (urban) land are typically low, making it profitable to keep parcels unused while land values are rising.”<sup>35</sup> Other public policies have subsidized low density development. Asserts Maryland Governor Glendening, “sprawl has been supported by an avalanche of federal, state and county policies. The G.I. Bill, school funding formulas and the construction of the Interstate Highway System, for example, have had a dramatic effect on American living patterns. It is almost as if we have tried to devise a system that is wasteful of tax dollars.”<sup>36</sup>

Impacts of growth on businesses are substantial. Many businesses benefit from suburban locations. But all businesses, both small and large, also bear many of the following three costs, as described in *Beyond Sprawl: New Patterns of Growth to Fit the New California*, the report issued by the consortium of Bank of America, California Resources Agency, Greenbelt Alliance and Low Income Housing Fund. First, there are higher direct business costs and taxes to offset the side effects of sprawl. This can include the cost of new business infrastructure or of mitigating transportation and environmental problems. For example, in Albuquerque, air quality regulators have forced businesses to take the lead in fighting air pollution by initiating car pooling programs for their employees. Second, there is a geographical mismatch between workers and jobs, leading to higher labor costs and a loss in worker productivity. Many workers must now commute long distances to their jobs, which takes a significant toll on their personal, family and professional life.

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<sup>33</sup>Jerry Ortiz y Pino, *Why We're Always Broke*. Santa Fe Reporter, November 13, 1996.

<sup>34</sup>Lyle Wray, *Sprawl Steals More than Urban Residents, it Undermines Business and Regional Health*. Woodrow, January 1996.

<sup>35</sup>Nadine W. Stoner, *Another Look at Taxes and Sprawl*. Beloit Daily News, July 20, 1995

<sup>36</sup>*Conserving Neighborhoods -- Maryland's Approach to Controlling Suburban Sprawl*. Governor Parris. N. Glendening. November 18, 1996.

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Many other workers are removed from large portions of the job market simply because they cannot get to the location of the new jobs. And third, abandoned investments in older communities, which become economically uncompetitive because of sprawl and its associated subsidies, especially affects utility companies whose investments in gas, electric and water infrastructure are literally rooted in established communities. The report asserts that “businesses cannot compete globally when they are burdened with the costs of sprawl. An attractive business climate cannot be sustained if the quality of life continues to decline and the cost of financing real estate development escalates.”<sup>37</sup>

*Urban sprawl is about more than the loss of green space -- it is about the business climate necessary to sustain a healthy metropolitan area. Unfortunately, we are swayed too easily by short-term cost and expenses, and too many business decisions today are penny-wise and dollar-foolish. Sprawl may save a few dollars today; but tomorrow, and the day after, it will cost many more dollars to support an overbearing and unnecessary system -- dollars that would be better spent on new technology, or new anything to help businesses compete.*

Lyle Wray, “Sprawl Steals More Than Urban Residents, It Undermines Business and Regional Health.”

Woodrow

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<sup>37</sup>Bank of America, *Beyond Sprawl: New Patterns of Growth to Fit the New California*, 1995, page 4.

## **CHAPTER TWO: OTHER CONSEQUENCES OF GROWTH**

In the decades after World War II, New Mexico's economic and political forces provided jobs and housing for most of the state's new residents. Following the California model, this success relied on a development pattern that emphasized heavy automobile use, expanded cities, and converted desert and farms to residential use. In the postwar era, this way of life worked for New Mexico, and most families could reach the middle class and with it, home ownership. Jobs were created that fueled demand for more New Mexicans. Government agencies and private businesses were able to provide the infrastructure of growth: new homes, roads, schools, water systems, sewage treatment facilities, and extensions of gas and electric distribution.

But, according to the Bank of America report on consequences of low density development in California, for many communities the 1970s and 1980s brought overwhelming consequences of this postwar formula for success. Housing throughout the West costs more, roads are more congested, private land is not as vast as it once seemed, and because of increasing costs, government agencies have not been able to keep up with the demand for public services.<sup>38</sup>

The vision of growth as unlimited low-density development, according to urban analyst Anthony Downs, includes:<sup>39</sup>

- Ownership of detached homes on spacious lots, the heart of the American dream;
- Ownership of automobiles, realized to such a degree that there is one for every two Americans;
- Work done in low rise settings with free parking lots;
- Homes set in small communities that control their own governance; and
- Communities free of signs of poverty.

This vision has offered a middle class lifestyle to millions of people, an unprecedented achievement in the history of mankind. It does have its costs, however:<sup>40</sup>

- Excessive travel between where people live and where they work, shop, school or play;
- Lack of affordable housing in growth portions on urban areas, relegating most service workers to long commutes;
- Lack of consensus on financing infrastructure fairly, so that adequate facilities often are built after residents have moved in, paid for by reluctant or unsuspecting taxpayers;

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<sup>38</sup>Bank of America, page 3.

<sup>39</sup>Anthony Downs, *New Visions for Metropolitan America*, 1995, page 6.

<sup>40</sup>Downs, page 7.

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Siting needed but locally undesirable land uses, such as landfills, pushing them farther away from far flung backyards;  
Failure of those who generate significant social costs to pay those costs directly, such as rush hour drivers; and  
Absorbing too much open space.

The overall impact of these problems, Down says, is the creation of a “beggar thy neighbor” policy, such that citizens, officials and community leaders all try to capture as many benefits of growth as possible and shift as many costs onto other localities, state and federal taxpayers or the environment.<sup>41</sup>

*Somehow, somewhere, something went wrong. Modernism aspired to build “the radiant city.” Instead, for the most part it has produced inhospitable, sterile places lacking human scale, grace or charm. The 20th century city has not lived up to its promise . . . its street life sucked out of downtown and hermetically sealed in suburban malls surrounded by seas of asphalt and automobiles. . . a city of vibrant parking lots -- its history one of ‘what used to be there.’*

John Monczunski, Notre Dame Magazine

The West’s transience in lieu of community was captured by writer Wallace Stegner: “Ghost towns and dust bowls, like motels, are western inventions. All are reflections of transience, and transience in most of the West has hampered the development of stable, rooted communities . . . . Deeply lived in places are exceptions rather than the rule in the West.”<sup>42</sup> Portland’s Ethan Seltzer similarly notes that “the history of the West . . . has been one of escape and redemption, people leaving behind one life for a new start. The problem was that the form that redemption took was turning . . . agricultural land into unattractive, very low density, urban sprawl.”<sup>43</sup> Many New Mexico communities are the exception to the transience generalization of the West with the oldest continuously inhabited community in the nation at Acoma. Both Santa Fe and Albuquerque are rooted in an ancient past unlike any other cities in the United States: Urbanologist V.B. Price notes that “where Albuquerque now sits, once contained perhaps as many as 45 multistory Pueblo Indian villages made of adobe, stone, and wood, with an estimated total population of some

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<sup>41</sup>Downs, page 21.

<sup>42</sup>Quoted in Gordon Meeks, Jr., *Managing Growth in Western Rural Communities*, 1994, page 1.

<sup>43</sup>Ethan Seltzer, *Planning in the Portland Region: Lessons and Legacy*, 1995, page 4.

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15,000 people.”<sup>44</sup>

Many of the consequences of growth are not manifest overnight and are thus not immediately recognized to be problems. Yet over time indicators develop that are too obvious to ignore: traffic congestion, air pollution, inadequate infrastructure financing, decreasing amount of open space, availability of low-income workers’ homes in suburban settings, availability of low wage workers in suburbs, inequitable social services distribution, increase in crime rates, tax base erosion in the central city, cumbersome administrative structures, percentage of children growing up in poverty and the quality of public schools. Hardest hit are teenagers, women, the poor, aged and disabled.<sup>45</sup> But, according to Downs, “people simply do not believe the problems associated with growth are bad enough to energize them to demand the necessary reforms. And neither leaders nor citizens connect the recent increase in the severity of social problems with unlimited low-density growth, even when they believe crime or other social problems are at a critical stage.”<sup>46</sup>

It was noted in the growth round table that people want to live on land and not touch their neighbors. As a consequence, for every one percent growth in population, land is absorbed by development at a rate of 10 to 20 percent. Growth is especially obvious on the edge of Albuquerque, led by businesses such as Intel. Even outside Albuquerque, however, the high rate of low density growth is creating four new kinds of development, as offered by writer Jeff Gersh. The first are *Resort Communities*, with Ruidoso, Santa Fe and Taos transformed into this role. Tourists love coming for the feel of the culture as well as the restaurants, then end up moving there. Second homes spring up, with an inverse correlation between time spent there and the size of the home. Pushed out, however, is the middle class, who as volunteers and taxpayers are the backbone of communities. The second type of transformed places are *Bedroom Communities*, working class towns like Santa Clara, Española, Bernalillo and Aztec, which have had to expand to accommodate homes for service workers commuting to more upscale neighbors. With commuting times of 40 minutes to one hour becoming more commonplace, less time is available for family or community. *Amenity Enclaves*, the third transformed community type, are gateways to national parks, recreation areas and other outdoor sites attracting tourists in droves, who then may end up becoming residents. Jemez Springs -- with two million cars passing through annually -- and Chama epitomize places ‘in play,’ yet enchanting landscapes without sound land-use

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<sup>44</sup>V. B. Price, *People Create Their Own Environment: Architecture and Infrastructure*. 1996

<sup>45</sup>David Popenoe, “Urban Sprawl: Some Neglected Sociological Considerations,” cited in Chen, page 29.

<sup>46</sup>Downs, page 192.

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planning could attract so many people they could be loved to death.<sup>47</sup> The fourth type of community are *Stand-alone Subdivisions*, bringing with them the paradox of trying to have it both ways: rural settings and urban services. Tyrone (south of Silver City), Paa' Ko (east of Albuquerque), Las Campanas and Eldorado (near Santa Fe), and Santa Teresita (next to Sunland Park) epitomize a type of development that Gersh says is "extruded in subdivisions on cheap lands across the desert and tethered to the city by subsidized highways and public utilities."<sup>48</sup>

Rural New Mexico is affected by growth, often in different ways. The visual changes are the most obvious. One of the most famous photos ever taken ("Moonrise Over Hernandez," by Ansel Adams in 1941) is a scene now obscured by a new road and a county road equipment compound. Adams commented in 1980 that "I would never stop and photograph that mess today. There's nothing there that (one) could visualize."<sup>49</sup> While cultural and community ties remain strong in rural New Mexico in the face of changes rigid opposition to planning and zoning is softening especially if no other method for preserving long held rural lifestyles works.

As in other Western communities analyzed by the National Conference of State Legislators, rural New Mexico communities "have experienced significant out-migrations of population (and corresponding losses of talent and revenue) because of the decline of traditional extractive industries and agriculture-based economies. Others have experienced significant in-migrations of population (and corresponding advances in growth and prosperity) because of tourism and recreational amenities that result in higher quality of life for those who can afford them. In both cases, demographic changes and value shifts challenge traditional perceptions of what rural communities are and what they might be. Rural communities may be on their way to becoming as diverse as their urban counterparts . . . [thus they] may differ as much from one another as from their urban counterparts. A farming or mining community suffering decline faces a very different set of challenges than a less traditional, tourist or recreational based community experiencing rapid growth."<sup>50</sup>

The same report notes the particular dependence of rural areas on the federal government: "rural development has always been a function of federal intervention and the federal government has been the key 'actor' . . . in a variety of ways: regional development programs, sewer and water

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<sup>47</sup>Jeff Gersh, *Subdivide and Conquer*, page 17, 1996. The article cites geographer Gundars Rudzitis' study of counties with designated wilderness (i.e., places preserving, not extracting, the landscape) hosted population increases six times the national average in the 1980's.

<sup>48</sup>Gersh, page 17.

<sup>49</sup>David Wallace, "One Fleeting Moment." Denver Post, October 27, 1996, page 27.

<sup>50</sup>*Rural Growth in Western Communities: Economic Development and Environmental Protection*. National Conference of State Legislators, 1996, pages vii and viii.

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projects, highway construction, loans and loan guarantees for housing and businesses, federal lands management, military bases, federal regulatory agencies, and national and fiscal monetary policies. [Yet today] . . . the federal government is less able to help the states respond to the changing economy. . . . Moreover, the federal government has proved incapable of addressing how to keep people on the farm and in rural areas, how to address problems of the urban-rural fringe, and how settlement patterns affect economic development.”<sup>51</sup>

An analysis of the effects of a tripling of population by 2040 on California’s Central Valley by American Farmland Trust looked at a trends scenario versus compact development.<sup>52</sup>

<b>Trends (Low Density Development)</b>	<b>Compact Development</b>
3 dwelling units per acre	6 dwelling units per acre
1 million farmland acres lost	475,000 farmland acres lost
2.6 million farmland acres put at risk	1.6 million farmland acres put at risk
Cumulative value of agricultural products reduced by \$49 billion	Cumulative value of agricultural products reduced by \$23 billion
Cumulative value of agricultural support businesses reduced by \$76 billion	Cumulative value of agricultural support businesses reduced by \$35 billion
Cumulative deficit of cost of community services valued at \$24 billion	Cumulative surplus of community services valued at \$5 billion savings

Communications technology may not be the salvation anticipated by many in rural or inner city areas. In its report *The Technological Reshaping of Metropolitan America*, the congressional Office of Technology Assessment notes that economic activities can be farther apart than ever before, but the preference will remain to locate industries and other business in metropolitan areas, particularly the outer edges.<sup>53</sup> Thus, to mix metaphors, the superhighway’s off ramps may have short coattails.

Low intensity development patterns have taken a toll on New Mexico’s land, air, and water.

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<sup>51</sup> National Conference of State Legislators, pages 5 and 6.

<sup>52</sup>Valerie Berton, *Growing Pains: Once-Rural Communities Greet New Taxes, Strained Services, Less Farmland*. American Farmland, Fall 1995, page 15.

<sup>53</sup>Cited by Chinitz and Horan, *Communications Technology and Settlement Patterns*. Landlines, September 1996.

*Land, water and clean air are finite quantities; the number of people looking to use them seems bound only to increase.*

Michael E. Long, "Colorado's Front Range," November 1996 National Geographic

*Land:* The value of open space is a major consideration in New Mexico's ability to attract and hold workers, tourists and investors. The beauty and drama of the landscape is not a luxury but an essential part of the Land of Enchantment. Eating up the landscape eats into the enchantment or as put by Gersh, "low-density development erases prime farmland and wildlife habitat in favor of a single, perennial crop: large-lot homes in subdivisions named for the displaced farm, ranch, or meadow . . . . Sprawl is a national problem in a country where recycling has become commonplace, but landscapes are treated like disposables."<sup>54</sup>

*Air:* Dramatic gains in pollution technology are offset by choices about where to live and work, modes of travel and vehicle miles traveled. Total vehicle miles traveled in the United States has grown 400 percent faster than population over the last three decades. At present, a third of America's 1.8 billion-plus tons of carbon dioxide emissions every year is generated by motor vehicles.<sup>55</sup> A round table participant also attributed diminished air quality to dirt roads, built to serve platted subdivisions in rural four-lot splits.

*Water:* The 1995-96 drought once again placed a spotlight on our most precious and vulnerable natural resource. Agriculture in New Mexico is the heaviest user of water, taking 85 percent. Depleting groundwater basins and shortages from streams (the latter the majority of urban water system supplies) points to a future of people surplus and water deficits. The supply, quality and availability of water to accommodate growth is a major concern to New Mexicans. Round table participants noted that:

We are a water limited state. Water's most beneficial use is a key issue for growth. Water resources are the limiting factor to sustainable growth. The combination of rapid growth, traditional irrigation, lack of planning and drought means at least one thing: no more cheap water. We are all wildly borrowing against the future. When you run out of water you are overpopulated. Water law encourage waste, and we also have archaic legal constraints relative to transporting and recycling water.

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<sup>54</sup>Gersh, 1996, page 20.

<sup>55</sup>Gersh, 1996, page 16.

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We need to know how much water we have and what it costs to distribute.  
Water is polluted in shallow groundwater systems from septic tanks.

Arizona also has water in mind, as evidenced in the following excerpt from its Town Hall report on growth: “Water issues always will be important to Arizona. Because it is an arid state, Arizona must be cautious about attracting industries that consume, as opposed to recycle, large amounts of water. The existing legal structure that treats surface water as property is one such factor. Unresolved Indian water rights claims and concerns about equity between urban and agricultural areas are other factors. The gradual process of removing land from agricultural uses that consume large amounts of water is having a significant and perceptible effect on agriculture. Specific actions . . . must be taken to ensure that we have a sufficient supply of good quality water to maintain a high quality of life and to accommodate projected growth.”<sup>56</sup>

Virtually every community in America has been under the spell of the automobile, that great servant but lousy master, or as the *Economist* put it, “a blessing turned into a curse.”<sup>57</sup> Dispersed home locations have been made possible chiefly by a decent road system and the ubiquitous nature of cars. Indeed, the American dream of owning a home is only out paced by owning automobiles. Our unprecedented devotion to auto-motion -- Americans collectively drive to the planet Pluto and back each day -- also means we devote one-half of urban space to roads, streets and parking spaces; and that we devote one-fifth of our disposable income to driving. Yet \$8.50 of every \$10 spent on gasoline leaves a community, whereas \$10 spent on bus fare generates \$30 locally.<sup>58</sup> Average commuting distances has gone from 8.6 to 11 miles from 1983 to 1990, with average vehicle miles traveled up 40 percent, whereas the number of Americans over the age of four rose only 4.3 percent during this same period.<sup>59</sup> Suburban growth trends means jobs further away from homes, increasing commuting distances and congestion. This does not necessarily mean more roads, according to Deborah Gordon: “Many local governments are predicting that not enough highways can be built to accommodate projected growth over the next 30 years. Congestion could increase catastrophically, by up to 1,000 percent in certain areas.”<sup>60</sup> Thus, new or expanded roads may not benefit either communities or commuters.

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<sup>56</sup> “Arizona’s Growth and The Environment - A World of Difficult Choices.” In Environmental and Urban Issues, Summer 1996, page 27.

<sup>57</sup> Quoted by Jessica Mathews, “Cars, Cars, Cars.” Washington Post, September 30, 1996.

<sup>58</sup> Ken Hughes, “Driving on Earth” Report for the New Mexico Energy, Minerals and Natural Resources Department, 1992.

<sup>59</sup> Downs, page 156.

<sup>60</sup> Deborah Gordon, *Steering a New Course: Transportation, Energy and the Environment*, p. 43.

*People are for the first time in human history, systematically building meaningless places. The myriad of shopping centers and the anarchy loosed upon the world by the road . . . infrastructure which goes to support them are among the many accomplishments for which our dear car can claim full credit . . . In the sprawls people do their living and working, in the suburbs their sleeping. The two are absolutely dependent on each other, and both rely entirely on [automobiles] between them.*

Wolfgang Zuckerman, End of the Road

A study of the relationship between local land use, and household travel pattern, found that low intensity development generates nearly two-thirds more vehicle hours per person than in compact areas.<sup>61</sup> Americans in 1990 spent nearly \$1 trillion, or about one-sixth of the GNP on automobiles. As a household, this translates into between \$8,000 and \$10,000 per year -- a sizable portion of many household incomes. Auto over-reliance also is a major contributor to air pollution, smog, health programs, a large share of U. S. energy use and carbon dioxide emissions.<sup>62</sup> And the \$180 billion spent annually on protecting Persian Gulf oil lanes is due in part to importing oil needed to continue our driving habits.

Spatial segregation is a major problem for the elderly. According to surveys by the American Association of Retired Persons, the “overwhelming desire on the part of older persons to remain in their current homes and communities” is hard to acquiesce in the face of current development patterns where smaller, cheaper and easily maintained residences are hard to find. Low density development also makes the elderly, like everyone else, very dependent on the automobile to shop for groceries or visit the doctor, despite diminished driving skills.<sup>63</sup>

A major study by the *Kansas City Star* catalogued the effects of low density development on the Kansas City area. Beyond the fiscal problems associated with growth not paying for itself and the federal government no longer covering the difference, the newspaper series points to suburban fiefdoms provoking political polarization, parochialism, racism, and animosity, raising barriers to cooperation and planning.<sup>64</sup> A December 1995 “Nation of Strangers” series in the *Chicago Tribune*<sup>65</sup> attributes suburban hypermobility (where homes, jobs, schools and recreation are only

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<sup>61</sup>Reid Ewing, “Characteristics, Causes, and Effects of Sprawl,” cited in Chen, page 11.

<sup>62</sup>Hubbard, Alice. “What are Sustainable Communities?,” 1995.

<sup>63</sup>AARP, as quoted in Rhys Roth, *Redevelopment for Livable Communities*, page 18.

<sup>64</sup>Lester and Spivak, Kansas City Star, December 17 through 22, 1995.

<sup>65</sup>Grossman and Leroux, Chicago Tribune, December 25 through 29, 1995.

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reached by long car rides) as breaking down community and creating sterile environments. A life void of social interactions, possible in a society of drive-through windows for food, ATMs for cash, QVC television network for shopping and the Internet for recreation, leaves no room for the social conversations which build democracy.

Cleveland's Catholic Bishop Anthony Pilla inveighs against development patterns as contravening basic Catholic social doctrine, with far suburbs dividing people physically and spiritually from the inner city poor.<sup>66</sup> Denver's Archbishop J. Francis Stafford's pastoral letter reminds people that land, housing, and jobs are not just commodities but basic human rights: "What we risk creating is a theme-park alternative reality for those who have the money to purchase entrance. Around this Rocky Mountain theme park will sprawl a growing buffer zone of the working poor. In the last century, the Western Slope functioned as a resource colony for timber and mining interests. Those scars will be with us for generations. We cannot afford to stand by now as the culture of a leisure colony . . . takes its place."<sup>67</sup> He urges society to fulfill basic human needs with dignity while working through tensions of individual property versus common good, and economic development versus human development. The archbishop writes in his letter that decisions on land development, especially in the pricey western slopes of Colorado, affect the moral fabric of society, and that the moral significance of land use decisions must include principles such as option for the poor and dignity. Ownership of land has a social mortgage attached to it, he feels, thus society needs to address not just infrastructure but affordable housing as part of the needs of the whole community.<sup>68</sup>

At our second round table, Doña Ana County Chief Planner Judy Price noted that gated communities at one end and gangs at the other are manifestations of a new feudalism: both keep people out. The lack of civic capacity translates into an inability of neighbors to communicate with each other, with negative consequences for the community as a result. Socorro County Planner Greg White commented that we often have "cultural communities" with different perspectives: the educated professionals versus historic villagers versus ranchers. Most of these communities of interests do not want growth, yet they see zoning as allowing, or at least fostering, growth. This has contributed to a loss of respect for traditional forms of government.

Many participants in our round table discussions lament the loss of the sense of community inherent in the physical nature of traditional New Mexico settlements, whether they be Hispanic barrios, Indian pueblos, ranches or small towns. Albuquerque natives look back fondly on their

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<sup>66</sup>*Bishop Urges Catholics in Suburbs to Reach Out to Those Left in City.* Cleveland Plain Dealer, April 16, 1996; Neal R. Peirce, *Sprawl's Ills: Even Worse Than Advertised*.

<sup>67</sup>Archbishop Stafford, cited in Gersh, 1996.

<sup>68</sup>Archbishop Stafford, *The Heights of the Mountains are His - A Pastoral Letter to the People of God of Northern Colorado on Western Slope Growth*, 1995, page 2; Notes from Rocky Mountain Land Use Conference.

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1950s city as one of diverse neighborhoods, and Santa Feans remember well when locals frequented the Plaza before it became chiefly a place for tourists. Others from small towns recall vibrant main streets.

Zoning as practiced in American communities has had negative effects on the sense of community. Zoning code minutiae often get in the way of timely building of development. Costs unnecessarily rise, a complaint made by homebuilders at our growth round tables; for instance, over wide streets can add up to \$9,000 to the cost of a house.<sup>69</sup> How zoning segregates uses and its exclusionary consequences means that, according to urban historian Larry Gerckens, “virtually every American problem . . . was ‘solved’ by physical isolation and segregation; from race relationships, to illness, to illegal behavior, and to undesired contact with persons of lower income. Spatial segregation was the answer -- an answer embodied in and enforced by local zoning ordinances. In the 1950s, the ‘purity’ of zones became the operative concept (not-in-my-backyard) for the legitimization of segregation and social isolation . . . [This] meant the exclusion of all but the more affluent from participation in the new modern suburban American society.”<sup>70</sup> This was a theme also mentioned by many growth round table participants.

Another critique of zoning is given by writer James Kunstler: “Almost everywhere in the United States laws prohibit building the kinds of places that Americans themselves consider authentic and traditional, . . . can feel good in and can afford to live in, . . . [and] are worth caring about. Is Main Street your idea of a nice business district? Sorry, your zoning laws won't let you build it, or even extend it where it already exists. Is Elm Street your idea of a nice place to live -- you know, houses with front porches on a tree-lined street? Sorry, Elm Street cannot be assembled under the rules of large-lot zoning and modern traffic engineering. All you can build where I live is another version of Los Angeles -- the zoning laws say so.

“This is not a gag. Our zoning laws are essentially a manual of instructions for creating the stuff of our communities. Most of these laws have been in place only since the Second World War. For the previous 300-odd years of American history we didn't have zoning laws. We had a popular consensus about the right way to assemble a town or a city. Our best Main Streets and Elm Streets were created not by municipal ordinances but by cultural agreement. Everybody agreed that buildings on Main Street ought to be more than one story tall; that corner groceries were good to have in residential neighborhoods; that streets ought to intersect with other streets to facilitate movement; that sidewalks were necessary, and that orderly rows of trees planted along them made the sidewalks much more pleasant; that roofs should be pitched to shed rain and snow; that doors should be conspicuous, so that one could easily find the entrance to a building; that windows should be vertical, to dignify a house. Everybody agreed that communities needed

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<sup>69</sup>Edward T. McMahon, *Environmentally Sensitive Development*. Planning Commissioners Journal, 1996.

<sup>70</sup>Laurence Gerckens, *American Zoning & the Physical Isolation of Uses*. 1994, page 2.

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different kinds of housing to meet the needs of different kinds of families and individuals, and the market was allowed to supply them. Our great grandparents didn't have to argue endlessly over these matters of civic design. Nor did they have to reinvent civic design every fifty years because no one could remember what had been agreed on. . . . Therefore, if you want to make your community better, begin at once by throwing out your zoning laws. Don't revise them -- get rid of them.”<sup>71</sup>

Development financing puts a premium on standardizing buildings as products. Real estate financiers invest \$9 trillion into only 18 kinds of developments according to Santa Fe's Christopher Leinberger, a national real estate consultant who participated in the growth round table. Each are modular, stand alone products based on a formula. The result is the most efficient real estate system in the world. The trade-off for efficiency, however, is community character, and those communities and neighborhoods which exhibit character are the very ones prized. Leinberger notes that “Visual preference surveys yield a nearly universal conclusion that conventional, formula-codified development is viewed as ‘an evil unleashed on the community’ . . . that a pedestrian-oriented village retail is overwhelmingly preferred to eight lanes of traffic separating the local Wal-Mart from the MacDonal'd's.” Paradoxically, by their very inefficiency, communities with character are costly and are unaffordable for most.

Leinberger posits three policy options: 1) market driven, even if it leads to disinvestment in older neighborhoods and a series of stand-alone suburbs; 2) market driven but mitigate the consequences with regulations, managed growth and programs such as vanpooling; or 3) change in the system, starting at the state level, with requirements such as urban growth boundaries and directed growth.<sup>72</sup>

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<sup>71</sup>James Howard Kunstler, “Home From Nowhere.” Atlantic Monthly, September 1996.

<sup>72</sup>Christopher Leinberger, “Standardization of the American Dream.” Newsletter of the National Academy of Sciences. Presented to 1000 Friends of New Mexico, August 24, 1996.

## **SECTION TWO - OPTIONS FOR MANAGING GROWTH**

### ***Why Communities Encourage Growth***

*Four kinds of towns consciously seek new growth. They might be called Hungry, Rusty, Debtor, and Booster towns. These titles are simplified categories that illustrate the variety of factors driving growth in communities. In real communities, these factors are combined in various ways. But together they are the primary reasons many communities find themselves trapped in a dynamic they don't understand, or know how to cope with.*

*Hungry towns want growth in order to save themselves from a . . . declining economy. Rusty towns seek growth to upgrade old, deteriorating infrastructure and substandard public services. Debtor towns are growing, maybe by choice or possibly by chance, and can't seem to keep up with expansions in infrastructure. . . required and demanded by new residents. As costs rise, they look for still more growth to keep up with lagging revenue. Booster towns are riding a wave of prosperity. They feel and act as if the town will expand forever.*

*In many cases, growth can genuinely improve Hungry and Rusty towns, but only if carefully managed. Many are so desperate that they'll take anything, regardless of whether it is compatible with the community. They may then get a business that stays a few years, then moves on to the next town that offers a bigger tax break or more give-aways. This leaves the towns with waste and unemployment. Or, they may even get dirty industry that discourages clean, new business from coming to town and leaves an expensive mess for the community to clean up. Even if they avoid these problems, there remains the risk that they may be overwhelmed by success.*

*Debtor and Booster towns are in this situation. They are expanding and experiencing serious side effects. But no matter how bad the effects, there is always a small, active group pushing hard for more growth. These range from well-intentioned folk who wish to better the community, to people who believe that they will directly profit from growth, to manipulative outsiders who care nothing for the community.*

*- Kinsley and Lovins*

### **CHAPTER THREE: GROWTH MANAGEMENT TOOLS**

Growth management, according to land use attorney Robert Freulich, “simply means *planning for the future*. . . . Unlike traditional subdivision and zoning, which are two dimensional , growth management adds and emphasizes a third dimension - timing. Managing growth does not mean stopping change or closing the doors to new residents. . . [It] provides a framework that enables local governments to balance and accommodate diverse and competing interests while ensuring the quality of life expected.”<sup>73</sup> Thus, growth management tools comprise a variety of ways to control, guide, or mitigate the effects of growth, rather than merely react to its effects.

Lincoln Land Institute director Benjamin Chinitz contrasts growth management with zoning: “[unlike] zoning, which is passive and static, growth management is active and dynamic. While zoning defines the desired fully built town, the ultimate equilibrium, growth management seeks to maintain an ongoing equilibrium between development and conservation, between various forms of development and the concurrent provision of infrastructure, between demands for public services generated by growth and the supply of revenue to finance those demands, and between progress and equity.”<sup>74</sup>

Land use regulations have been around since the early part of the 20th Century. Comprehensive planning and zoning tools developed back then for New York, New York still predominate today. However, in a time when Levittown, New York’s style of housing prevails, planning and zoning regulations too often fail to address more fundamental questions, such as whether enough public facilities exist to absorb growth and if so, where that capacity exists within an urban area.<sup>75</sup> Growth management tools look at these concerns as well as keeping abreast of infrastructure needs as development occurs, properly balancing development and environmental protection, and promoting economic development. Growth management also recognizes the critical role of affordable housing and transportation planning.

Growth management helps address problems associated with short-term growth spurts. They go beyond responding to market trends to try to shape the desired community of tomorrow without asking the poor to shoulder the burden.<sup>76</sup> In fact, limiting growth outside urban areas must be complemented with infill development strategies to lighten the poor’s burden, according to Missoula, Montana’s former mayor Daniel Kemis, who urges containing a city through infill and

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<sup>73</sup>Freulich, as quoted in Mark Roseland, *Toward Sustainable Communities: A Resource Book for Municipal and Local Governments*, 1992, page 126.

<sup>74</sup>Benjamin Chinitz, *Growth Management: Good for the Town, Bad for the Nation?* 1990, page 6.

<sup>75</sup>Duncan, page 94.

<sup>76</sup>Duncan, page xi.

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open space preservation, while encouraging smaller outlying communities to develop their own cultures.<sup>77</sup> And, according to one growth round table participant, growth management scenarios can create jobs, save municipalities dollars and create a better tax situation.

Higher densities as a growth management strategy in new residential development is a key element of a positive infill strategy. Key to this strategy is making access by proximity rather than access by transportation a central focus.<sup>78</sup> For local officials, concentrating development means less low-density development, fewer infrastructure costs, more housing options and designs and the potential for more open space.<sup>79</sup> For builders, boosting density means boosting profits; it also boosts the type of housing most in demand by low and moderate income residents. Avoiding high-density's loss of privacy and individuality requires smart land planning and design.<sup>80</sup> It also means avoiding resistance to higher densities by those with a NIMBY attitude, opined a growth round table participant. Means of achieving higher densities include:

A fair share of multifamily, attached or small-lot housing set aside in comprehensive plans and subsequent land use regulations such as zoning;

Transfer of development rights programs or density bonuses to permit higher densities in exchange for keeping land in outlying areas open or agricultural; reduced lot sizes incorporated in comprehensive plans or zoning; and

Performance zoning award points for higher density and affordable housing.<sup>81</sup>

Planner and APA President Eric Kelly identifies four types of growth management:<sup>82</sup>

1. *Adequate public facilities requirement* directly controls impacts of development on public facilities and ensures capacity is there to serve new developments as they occur. While it can reduce sprawl, if public infrastructure is already built in non contiguous areas or where developers are willing to pay for the costs of extending facilities to high growth areas, the mandate will not work.

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<sup>77</sup>Daniel Kemis, lecture at Santa Fe's Healthier Communities Initiative, May 17, 1996

<sup>78</sup>Mark Roseland, *Toward Sustainable Communities: A Resource Book for Municipal and Local Governments*. 1992.

<sup>79</sup>Judith Kunofsky, *Fact sheet: Infill Housing*. Greenbelt Alliance, 1995.

<sup>80</sup>Builder Home Page.

<sup>81</sup>Duncan , page 86.

<sup>82</sup>Kelly, page 43.

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2. *Growth phasing program* directly controls the timing of growth in certain locations based on availability of public facilities. While phasing is usually more effective to reduce sprawl than a facilities requirement, it can lead to situation where developments are approved before all public facilities are in place.
3. *Urban growth boundary* clearly delineates limits of urban growth, between developed and undeveloped lands. But if too tightly drawn, it can induce leapfrog development.
4. *Rate of growth program* directly regulates the community's growth rate without regard to capacity.

Kelly has also identified which types of growth management program work best (or conversely, least effectively) at achieving certain purposes, as outlined in the following matrix.<sup>83</sup>

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<sup>83</sup>Kelly, page 45.

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**Growth Management Techniques to Serve Specific Purposes**

TECHNIQUE	Adequate Public Facilities	Phased Growth	Urban Growth Boundary	Rate of Growth	Minimum Density	Capital Investment	Annexation	Land Acquisition
<b>PUBLIC SERVICES</b>								
Optimize fiscal impacts	++	+	+		++	++	++	
Balance public service capacities and demands	+++	+	+	+	+	+++	++	
Limit traffic congestion	++	+	-			+++		
<b>URBAN FORM</b>								
Define urban edge		+	++			+	+	+++
Limit continuous sprawl		+	++			+	+	
Limit discontinuous development	++	++	-			++	+	
Make development more compact	+	+	+		+++	+	+	
<b>COMMUNITY CHARACTER</b>								
Stop growth								+
Maintain semirural character			+					++
Establish greenbelt			+				+	+++
<b>ENVIRONMENTAL</b>								
Preserve sensitive lands within urban area								+++
Preserve sensitive lands near urban area	+		++			++	++	+++
Preserve open space	+		+					+++
<b>HOUSING</b>								
Promote affordable		--	---	---				
Promote diverse housing		-	--	--	+			

+ indicate relative benefits of program for specific purpose; - indicate costs (negative impacts) of program

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Local governments increasingly ask those who demand growth to pay for it. American Planning Association's past president James Duncan notes that in "a new era of more responsible attrition of facility costs to the sources of demand. Ironically, it is the usually politically conservative development community that harks back to the liberal approach to accommodating new development through general taxpayer financing of improvements . . . [yet] local governments are finding that facility costs can only be reduced through more efficient land uses and squeezing more capacity out of existing facilities."<sup>84</sup> As a result, facility financing tools have become more important as the era of generous federal funding of vital public works comes to an end. Techniques such as exactions, impact fees and special financing districts all shift new developments' infrastructure costs from the general public toward those creating the need for that infrastructure.<sup>85</sup> Location sensitive pricing becomes important if a locality wishes to make use of land and public works most efficiently.

The State of Oregon, with many years of experience in implementing a variety of growth management options, has delineated three kinds of growth management tools: 1) land use strategies, 2) intergovernmental agreements, and 3) public facilities techniques, all within its system of urban growth boundaries.<sup>86</sup>

*Land use strategies* can help encourage development at higher densities, mixed use development, infill development, and patterns that reduce driving. Infill and redevelopment, the first land use strategy, works to concentrate development within existing urban areas. The focus is on changing regulations to reduce barriers and offer incentives; reducing costs to developers; and improving the market for higher density development. Potential infill strategies include: 1) update inventory of sites; 2) eliminate zoning restrictions; 3) reduce permit or impact fees; 4) upgrade urban services; 5) assist with financing improvements; and 6) offer tax abatements.<sup>87</sup> Dallas is pursuing such a set of incentives to induce infill and redevelopment on its south side with low or no impact fees, while charging the full costs of infrastructure to developments on its north side.<sup>88</sup> California's second largest city, San Jose established urban growth boundaries in May 1996 to put the breaks on unchecked growth patterns, to steer more development into urban areas, and to make neighborhoods out of suburbs.<sup>89</sup>

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<sup>84</sup>Duncan, page 133.

<sup>85</sup>Duncan, page 112.

<sup>86</sup>State of Oregon, *Tools of the Trade*, 1995.

<sup>87</sup>State of Oregon, page 1.4.

<sup>88</sup>Rio Rancho Administrator James Lewis, at June 6 round table.

<sup>89</sup>Bradley Inman, *Has Sprawl Met Its Match?* Los Angeles Times, June 2, 1996.

### ***Exploding the Myths of Sprawl***

*Myth #1: Reform means interfering with free markets and allow planners to impose their elitist views on the public. In truth, sprawl is the result of many market-warping policies. Highway construction, mortgage insurance, fragmented property tax systems, favorable tax treatment of homes and sales and mortgage interest, etc., all help shape the 'market.' What's needed is to free the market from the unintended consequences of such policies.*

*Myth #2: Property rights advocates say that stopping sprawl means denying people free use of their property. But we've got to look at all property owners. Relatively few will continue to profit from subsidized speculation at the urban fringe. Many more will see taxes rise and property values fall thanks to the rising costs of sprawl and urban disinvestment. A Rutgers study showed sprawl costs taxpayers over 20 times what it provides in financial gain to speculators. Condoning sprawl because of a distorted notion of "property rights" is just caving in to greed.*

*Myth #3: Sprawl's defenders say that growth management limits the prerogatives of local officials and diminishes local control. Reformers need to ask, what local control? Local governments are increasingly buffeted by forces they can't control: federal and state budget cuts, unfunded mandates, nationally or globally-economic shifts, etc. Land use reformers want to bolster local government's fiscal independence by achieving land use patterns that minimize municipal costs and boost tax base.*

*Myth #4: Greedy developers are the problem. Wrong. Developers just play the hand they are dealt. Actually, they are the solution. Regulation can direct development to certain areas and protect open lands. But regulation by itself can't remedy the physical defects in existing land use patterns. Only new development can. Land use reform can support free markets, property values, local control and development.*

*Myth #5: Politicians have no backbone. Why should politicians have more backbone than anyone else? Why should they champion a cause few people care about, few newspapers write about and prevailing myths argue should not be touched? It is up to private citizens to create a very public parade for land use - and to make it big and visible enough that elected officials will want to march at the head of it.*

Henry Richmond, National Growth Management Leadership Project, at Santa Fe Growth Forum, June 28, 1996.

Excerpted from Common Ground, November/December 1996.

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Minimum density zoning, the second land use strategy, sets a floor on density levels, unlike the typical zoning procedure of a density ceiling. Achieved is a range of units per acre so that land is developed to a modicum of desired levels, thereby avoiding under-building from planned densities. Such minimums can thus encourage more efficient land use, encourage more efficient use of services; reduce obstacles to higher density development; and change development designs.<sup>90</sup> *Builder Magazine's* web site features a project which took advantage of minimum density zoning: "At 20 units to the acre, Richmond Mews could look and live like barracks. Instead, it's a highly hospitable living environment for pedestrians of all ages. Front porches face sidewalks, streets, parks, and each other, encouraging neighborliness between residents and passersby. Thick columns, roof overhangs, and white picket rails add privacy. Average porch depth is eight feet, which allows plenty of room for furniture."<sup>91</sup>

Specific development plans flesh out details more than can be found from a comprehensive plan, zone map or public facilities plan. Usually applied to an area with multiple parcels and owners, it can work to develop new areas as well as infill of urban areas. Such plans are characterized by: designation of site specific land uses; design standards that may vary from the zoning ordinance; detailed description of public facilities; and consensus based development process. The Town of Newberg, Oregon, used a specific development plan to integrate planning for land use, transportation and public facilities for a 150-acre site.<sup>92</sup>

Interim development standards are put in place temporarily to ensure that future development at the urban edge is at planned densities and to avoid development impeding forces such as neighborhood opposition, fragmented ownership, small parcel sites and isolated building locations. Such standards can: maintain large blocks of developable lands; reduce barriers to future redevelopment; increase developments at planned densities; and fully service developments with public facilities.<sup>93</sup>

Transportation efficient land use strategies offer incentives to walking, bicycling, or taking mass transit, thus reducing automobile overuse. The aim is to connect land use and transportation with comprehensive plans and ordinance requirements. Strategies for addressing the demand side of travel include: encourage neighborhood shops and parks; reduce street widths and setbacks; allow mixed housing types and land uses; encourage transit supportive development; provide

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<sup>90</sup>State of Oregon, page 1.12.

<sup>91</sup>Builder Home Page.

<sup>92</sup>State of Oregon, page 1.15.

<sup>93</sup>State of Oregon, page 1.23.

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interconnected, pedestrian scale street networks; and enhance civic spaces and centers.<sup>94</sup>

*Intergovernmental agreements*, the second group of tools, recognize the fact that growth problems transcend jurisdictional boundaries; so, too, do solutions. Urban growth management agreements coordinate growth management objectives between a county and its municipalities. Thurston County, Washington and the Cities of Lacey, Olympia and Tumwater, in 1988 signed such an agreement to establish a framework to coordinate how growth is managed within the county; a copy of the agreement is in Chapter Four. A two-tiered urban growth boundary was set up, the first to accommodate 10 years of growth, the second for 25 years. Beyond the second tier is limited to rural uses. Planning is done jointly, including joint meetings of individual planning commissions.<sup>95</sup> Urban service agreements stipulate planning and developing facilities to meet needs of urban, urbanizing and rural areas. Such agreements are particularly useful in inducing coordination among various entities, ensuring areas are well served with services, thereby maximizing development potential.

The third family of growth management tools identified by Oregon are *public facilities techniques*. Lack of facilities and services (which can stymie development) is attributable to funding shortfalls, fragmented service provision and lack of proper standards. This can lead to variable quality, availability and cost of services; inconsistent relationship between growth and the ability to pay for extending facilities; inconsistent application of impact fees and developer exactions; uncoordinated extension of services; lower-than-optimal rates of development; and ineffectiveness of growth management tools.<sup>96</sup> The first public facilities technique recommended to overcome these consequences is regional urban service standards which set minimum levels of service for transportation, sewer, water, drainage and parks. These standards: ensure facilities are consistent with comprehensive plans, so that growth patterns are achieved at the least cost; balance service levels among communities to minimize avoiding certain activities and seeking others at the expense of neighboring jurisdictions; provide adequate funding for services; and encourage cooperation between service providers.<sup>97</sup>

Adequate public facilities requirements, by ensuring that new developments has adequate services, seek to avoid the negative impacts of rapid growth, such as insufficient sewer capacity and traffic congestion. This is a key growth management tool, for without such facilities private development could not occur. Most programs include policies designed to ensure provision of

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<sup>94</sup>State of Oregon, page 1.28.

<sup>95</sup>Duncan, page 80; Thurston County, WA, *Memorandum of Understanding: Urban Growth Area Zoning and Development Standards*, 7 December 1995.

<sup>96</sup>State of Oregon, page 3.2.

<sup>97</sup>State of Oregon, page 3.8.

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adequate public facilities and developer participation in paying for such facilities as needed in new development. Types of growth management systems that emphasize adequate public facilities include<sup>98</sup>: concurrency so that new development must show it has facilities available when the project is completed; growth phasing, whereby new development is limited to a set amount (often through the building permit system) over a certain period of time; rate of growth is by a percentage increase in growth rather than a set number; and carrying capacity, that is, growth is limited to how much the area's resources such as water can absorb.

Focused public investment plans, like a capital improvements plan (CIP), identify where and when facilities would be built. Beyond a CIP, however, it identifies public investment areas to focus such improvements. The intent is to concentrate enough scarce public dollars into a certain area to attract private development into the same area. Focusing investments decreases dispersed development lacking services; increases density in growing areas; encourage infill; and improves local control over capital budgets. Elements of such a plan include: future development forecasts; build able lands inventory; updated facility plans; capital improvement program; revised urban service agreements; public investment area map; and, as an option, system development charges.<sup>99</sup>

Saving lands from being developed beyond the wishes of the community involves a whole set of options, ranging from acquisition of land to regulation of the land's use. Transfer of development rights (TDR) is a market based technique that allows a landowner to sever the inherent right to develop a piece of land and transfer that right to another piece of land. This allows the landowner to get development value even when choosing not to develop the land. A TDR program includes a sending zone where rights to develop are severed, and a receiving zone where rights are sent for more dense development than otherwise would be the case. Rather than depending solely on developers and property owners to transfer density rights project by project, local or state governments can establish TDR banks. A TDR bank can use funds to acquire and warehouse rights from sending properties then later sell those rights to developers -- with a reasonable profit -- for projects in receiving zones. This way a community can protect in a sending zone open space, farmland, sensitive lands, historic areas or other lands unsuitable for development. It can also be used to steer development to areas best equipped for that purpose.<sup>100</sup>

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<sup>98</sup>Duncan, page 95.

<sup>99</sup>State of Oregon, page 3.22.

<sup>100</sup>Roseland, page 132; Roger K. Lewis, *Little-Used Zoning Strategy Could Keep Suburban Sprawl in Check*, Washington Post, November 16, 1996.

**Matrix of Oregon’s Growth Management Programs**

Objectives						
Tools	Limit dispersed development	Encourage development at planned densities	Ensure adequate levels of service	Reduce cost of service provision	Reduce fragmentation in authority	Reduce opposition to higher densities
<b>LAND USE STRATEGIES</b>						
Infill and redevelopment strategies	√	√		×		√
Minimum density zoning	√	√		×		×
Specific development plans		×	×			√
Interim development standards	×	√				×
Transportation efficient land use strategies	√	√		×		
<b>INTERGOVERNMENTAL AGREEMENTS</b>						
Urban growth management agreements			×	×	√	
Urban service agreements			×	×	√	
<b>PUBLIC FACILITIES TECHNIQUES</b>						
Regional urban service standards	×		×	×	√	
Adequate public facilities requirements	√	×	√	×		
Focused public investment plans	×	×	√	√		
Annexation plans	×	×	×	×	×	

“√” indicates Primary Tools; “X” indicates Secondary Tool

Source: **Tools of the Trade** by Oregon Transportation and Growth Management Program, 1995

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Conservation land trusts are used to protect land permanently from development through acquisition of land and restriction of its use and development. While private, each trust works cooperatively with government agencies and landowners to make the transition of land to trust status. Trusts work quickly and flexibly in ways government agencies normally cannot. With tax advantages to landowners, land can be preserved at a fraction of the market rate.<sup>101</sup> A farmer, for instance, can donate a conservation easement, deduct the value of the easement from income taxes as well as reduce taxable value for inheritance tax purposes and still continue to farm. The Colorado Cattlemen's Association formed an Agricultural Land Trust, in the hope of protecting agricultural lands in mountain valleys from development.<sup>102</sup>

Clustering of homes is perceived as a desirable growth mechanism. It makes better use of the land for agriculture and environmental purposes, recognizes the aesthetics of open space, and reduces costs and increases efficiencies of providing services, roads, and amenities. In areas with rising land costs, clustered housing permits more dwellings on a given site. It avoids large lot subdivisions too small to grow, too large to mow.

Affordable housing needs are often recognized in growth management plans. Financing techniques for affordable housing include: low-income housing tax credits; historic tax credits; federal housing funds; and local housing trust funds.<sup>103</sup> Oregon has mandated higher densities and areas set aside for multi-family housing, as has Washington State. New Jersey's mandated regional fair-share approach to affordable housing has been upheld in the courts. Maine targets 10 percent of all new housing units as affordable. Vermont includes funding for housing in its growth statutes. Florida earmarks ten cents per \$100 increase in the real estate transfer tax into affordable housing, generating over \$100 million annually.<sup>104</sup> The City of Juarez, Mexico, used funds generated by a 20 percent tax on maquiladoras to build high density, affordable housing. Infrastructure such as water is made available as long as residents provide the labor.<sup>105</sup>

The following matrix lists ways to acquire or regulate lands to serve public needs, with pros and cons for each option.

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<sup>101</sup>Roseland, page 133.

<sup>102</sup>American Farmland, *The Changing Face of Land Trusts*. Summer 1995, page 20.

<sup>103</sup>Perry, at Rocky Mountain Land Use Conference.

<sup>104</sup>Buchsbaum, page 8.

<sup>105</sup>Nat Campos, El Paso TX Planning Director, at Growth Round Table, August 8, 1996.

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<b>OPTIONS</b>	<b>PROS</b>	<b>CONS</b>
<b>ACQUISITION</b>		
<b>Fee Simple Acquisition</b>	Most complete means of affecting control and preserving land; compensates landowners completely.	Most expensive approach, managed and maintained by government; takes land off tax rolls.
<b>Easements</b>	Local governments can buy development rights; government has only partial rights and interest in land; income tax deductions for landowners.	Affordable only when development pressure low, thus prices low; no complete control of land.
<b>Private Land Trusts</b>	Land held by a non profit; tax benefits for landowners; can buy and hold property for future government acquisition; savings for government.	Public planning objectives must coincide with private land trust objectives to be realized.
<b>Purchase And Sellback or Leaseback</b>	Enables government to recover a portion of acquisition costs; government can exercise direct control over development activity.	Higher burden on government to enforce restrictions; does not guarantee public access.
<b>Purchase Options</b>	Government agency has the right to purchase first.	Cost to agency; option may expire prior to sale; ties up property.
<b>Purchase Rights of First Refusal</b>	Government agency has rights to purchase first; expires only after it has had an option to purchase.	Cost to government, ties up a property.
<b>Land Banking</b>	Purchase, reserve land for future development.	Cost prohibitive.
<b>REGULATION</b>		
<b>Transfer of Development Rights</b>	Shifts development from sensitive lands to off-site receiving areas: allows higher density development in receiving areas.	Must have an area more suitable for development and with strong growth demand.
<b>Agricultural Protection Areas</b>	Protects farmland; relieves farmers from nuisance complaints from surrounding homes.	Only for agricultural land.
<b>Urban Growth Boundaries</b>	Development occurs on the urban fringe.	Restricts development outside the boundary.
<b>Performance Zoning</b>	Can target single or multiple impacts; can supplement or replace traditional zoning.	Limits development rather than density; developers must meet a level of performance.
<b>Cluster Zoning</b>	Flexible: can cluster yet restrict density; allows for open space; minimizes needed roads and lines.	Does not provide for complete control or protection of land.
<b>Sensitive Land Overlays</b>	Adds regulations to underlying zoning districts; imposes special restrictions on sensitive lands.	Does not provide for complete control or protection of land. <sup>106</sup>

Location efficiency measures in planning community development include transit oriented design

<sup>106</sup>Bear West, "Shaping Livable Communities," 1996, pages 5-7.

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which clusters mixed use communities around mass transit stations; and location efficient mortgages designed to both capture the value of living in higher density, transit focused areas and to encourage settlement there. A market based mechanism for making housing more affordable (the one-car mortgage) would recognize savings from not owning a second car.<sup>107</sup> Households with one car have about \$3,000 a year more than two-car households. If lenders recognized this savings when setting mortgages, a mortgage could increase by 34 percent. The net effect in many locations would be to eliminate the cost advantage of homes built on the edge. Mortgage money and young leadership could therefore stay in urban neighborhoods.<sup>108</sup>

Certain types of government regulations affect housing costs:

Quality improvements, such as smoke detectors, “egress windows” and other items for which the consumer pays more and gets more;

Cost shifting, so that community services and facilities are paid by developers, for which the consumer may pay more to get the same amount of urban amenities as his neighbor, who paid less before impact fees were imposed;

Over specification, so that the consumer pays for unreasonable requirements;

Regulatory overhead, where the developer pays interest on borrowed money pending regulatory approval;

Market impacts, when regulations restrict the supply of land and/or housing;

Stifling innovation, through a highly prescriptive building code; and

Exclusionary effects of shutting out of single family neighborhoods less desirable but more affordable housing.<sup>109</sup>

While delay costs are under one percent of the price of a house (thereby increasing monthly payments by \$7 on an \$80,000 house)<sup>110</sup> growth management programs need not delay development review. It’s best for the developer to obtain a growth management review decision prior to investing in engineering costs associated with preliminary subdivision plat

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<sup>107</sup>Hare, *One Car Mortgages and One-Car Rents*, 1994, page 12.

<sup>108</sup>Cecilia Gallardo, “Spatial Mismatch Vs. Location Efficiency,” cited in Chen, page 31.

<sup>109</sup>Kelly, page 179.

<sup>110</sup>Kelly, page 179.

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review/approval. Any growth management program that significantly reduces the supply of housing or land is likely to increase price of housing. Thus, a rate of growth system with a rate below market demand; an urban growth boundary that reserves too little land for development; or a phased growth system that restricts land supply below market demand are likely culprits. An adequate public facilities program, however, simply prevents leapfrogging.

Economic development can also be incorporated into growth management legislation. Maine's law strongly supports economic development in its northern portion, the poorest in the state. Washington State has similar features for its eastern half, and New Jersey for its inner cities. Georgia spelled out clear economic development goals in its legislation, helping broaden support for its passage. Oregon's economic development goal kept growth management laws from being repealed in 1992 and 1995. Maryland emphasizes economic development as an integral part of its plan.<sup>111</sup> Measuring economic impacts of development is important for targeting incentives most effectively. The Economic Development Administration intends to offer in 1997 a benefit-cost analysis methodology to states for measuring the efficacy of economic development incentives.<sup>112</sup> At the local level, fiscal impact analytical tools, using basic software programs such as FoxPro or Lotus, can measure the tax benefits of a new commercial or industrial facility as well as finances for government services not only for the facility but for the new economic growth generated as a result of that project.

An analytical tool called committed lands analysis can help a community determine which existing facilities have excess capacity and can estimate the value of gains in efficiency each additional customer would bring. It can also define the public benefits of a private decision to develop land, allow an orderly assessment of long-term capital needs and aid long-term location decisions.<sup>113</sup>

*Local growth-control policies do not stop development, but merely deflect it, often to another area further out on the metropolitan fringe, where the cost of development is even greater. The question is not whether to address sprawl. The question is how to address it.*  
"Beyond Sprawl" Bank of America

This section concludes with a brief description of two traditional methods of regulating land use and development, subdivision planning and zoning, and addresses how these can help manage growth. Zoning has a bad connotation to many, as expressed by two observers at the end of

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<sup>111</sup>Buchsbaum, page 9.

<sup>112</sup>Philip Sugarman, Assistant Secretary of Commerce, at the NM Association of Regional Councils, September 10, 1996.

<sup>113</sup>Ford, page 75.

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Chapter Two. Zoning is seen by many as a system of guiding density of development through a convoluted process with no consistent basis save exceptions given by local officials. It is also blamed for outlawing replication of desirable parts of communities like plazas and dictating characterless development. Scenic America's Ed McMahon makes a compelling case for more flexibility in zoning: "Do residential streets have to be 36 to 42 feet wide when 24 feet is safer and less costly? Is it better to carve up five acres of woodland than to temporarily disturb an acre of wetland? Put another way, does it make sense to destroy a lot of one natural feature to save a little of another? Does every parking lot have to be designed for the Christmas Eve overflow crowd, even when it is mostly empty 95 percent of the time? Do your regulations permit developers to use natural storm water management systems such grassy swales or gravel packed trenches? Or do your regulations require storm sewers, curb and gutters or other high cost systems in every case? What about retention ponds? Do your regulations give developers the flexibility to design ponds as an amenity, surrounded by vegetation instead of fences? Can channels be curved instead of straight? Is local zoning flexible enough to protect open space and natural features?"<sup>114</sup>

Zoning tools which could be applied with growth management techniques include:

*Planned unit development*: provide developers incentives to meet pre-determined land use goals;

*Floating zoning*: permit special uses within a community according to development criteria;

*Incentive zoning*: provide developers incentives to achieve desired outcomes, such as higher densities;

*Mixed-used zoning*: require a wide array of housing and other developments to reduce distances between home, job, play and school;

*Land banking*: buy land ahead of development, to ensure appropriate land use; and

*Transit zoning districts*: target development to areas served by mass transit.<sup>115</sup>

A zoning technique appealing by its very flexibility is called development permit system, as is now in place in Mora County. The permit system is similar to traditional zoning in that it establishes development zones with standards for land uses, but differs from traditional zoning

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<sup>114</sup> Edward T. McMahon, "Environmentally Sensitive Development." Planning Commissioners Journal, 1996.

<sup>115</sup>Roseland, page 126.

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requirements in several important areas:<sup>116</sup>

<b>Traditional Zoning</b>	<b>Development Permit System</b>
Establishes broad zones of use classification: residential, commercial, recreational, agricultural and industrial.	Establishes development districts with very specific guidelines concerning acceptable development.
County or board review not necessary in every case.	Every development must receive a permit from the joint planning board.
Addresses land use concerns but not health, safety and environmental standards, which are dealt with in health, subdivision or other ordinances or state laws.	Addresses land use and environmental concerns. The plan sets land use standards, and a permit requires meeting local, state and federal health, safety and environmental standards.
Has no clear standards for development approval.	Sets relative performance standards on many land use, health, safety, environmental and other standards for any permit application.
Low predictability for government and developers. Many ordinances are legally challenged for being arbitrary and unreasonable.	Predictability for the county and developers is very high. The permit system sets specific guidelines for each development district.
A challenge to a zoning classification may change the status of the entire zone.	Variations are granted to individual properties where classification removes all beneficial use of property.
Requires oversight and, in some cases, multiple permits or approvals, from agencies and boards to enforce land use and environmental standards.	Requires approval for certain local, state and federal standards but one board approves the permit.
Enacted to meet broad planning goals.	Enacted to allow redevelopment, but established a comprehensive development permit system for the entire county.

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<sup>116</sup>National Council of State Legislators, 1996, page 22.

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Subdivision regulations can also guide growth according to community desires. For example, New Mexico's newly updated county subdivision ordinance seeks to:

Provide for and protect the public health, safety and general welfare of the county;

Guide the future growth and development of the county in accordance with any official plans adopted by the county;

Provide for adequate light, air and privacy; to secure safety from fire, flood and other danger; and to prevent overcrowding of the land and undue congestion of population;

Protect and conserve the value of land and of buildings, and improvements upon the land and to minimize the conflicts among the uses of land and buildings;

Provide the most beneficial relationship between uses of land and buildings; avoid congestion in the streets and highways and pedestrian traffic movements appropriate to the various uses of land and buildings; and provide for proper street location and width;

Establish reasonable standards of design and procedures for subdivisions in order to further the orderly layout and use of land and to ensure proper legal descriptions and monumenting of subdivided land; and

Prevent the pollution of air, streams, and ponds; to assure the adequacy of drainage facilities; to safeguard the water table, and encourage the wise use and management of natural resources throughout the county in order to preserve the integrity, stability, and beauty of the community and the value of the land.<sup>117</sup>

Previously, splitting lots into four units or less was exempt from county regulations. This loophole left innocent home buyers and renters without adequate roads, water, drainage and wastewater services. Responsible developers and property owners pay for their share of these infrastructure costs; taxpayers foot the bill when they are not put in. Counties under the new law can now insist that all new development be done in a responsible manner and that all developers pay their fair share to put in needed roads, utilities and other basic services. The new law defines subdivision to include all divisions of land; asks counties to adopt regulations affecting water availability, protection of cultural sites, and other issues; asks developers to show there is sufficient water to meet the subdivision's needs; and adds stiffer penalties for violations of the act. If the county has a comprehensive plan in place, it can go beyond the law's benchmarks to tailor the regulations to most appropriately suit its own needs.

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<sup>117</sup>New Mexico Association of Counties, *Model Subdivision Ordinance*, May 1996.

## CHAPTER FOUR: STATES' REFORMS

*To some it is still the great suburban dream: the classic quest for the picket fence, lush lawn and multi-bedroom home next door to nobody. But to more and more state and local leaders who have looked down the road, it's called sprawl, and it is killing treasuries, urban areas, forests and farmlands at an alarming pace.*

*"Sprawl and the Grass Roots" Washington Post editorial, June 27, 1996*

States' responses are driven by an inability to cope with the effects of high rates of growth; traffic congestion; "uglification" of the built environment; a belief that a healthy environment and strong economy are synergistic; a need for more affordable housing; and a conviction that sprawl carries heavy fiscal, social and environmental costs which are difficult if not impossible to pay.<sup>118</sup>

Governance and planning structures often fail to adequately meet these concerns; as the American Planning Association's board found, "the traditional relationship of the state to comprehensive planning . . . is no longer adequate."<sup>119</sup>

To better address growth impacts, many states have begun to assert a degree of planning authority. With the intent of helping local governments solve problems beyond their capacities, states are encouraging or requiring compact urban development patterns. Some state growth management programs require planning while others support and facilitate it. Statutory approaches are designed to balance economic development and demands for infrastructure, environmental protection and management. Approaches include: mandated local comprehensive planning; required consistency and coordination between local, regional and state planning; statewide development and growth management goals; and identification of critical areas of importance and developments of statewide significance.<sup>120</sup>

Growth management laws passed Florida in 1985; New Jersey in 1986; Maine, Vermont, and Rhode Island in 1988; Georgia in 1989; Washington in 1990; and Maryland in 1992. Regional planning systems are strongest in Florida, Georgia and Oregon. Other states have passed less sweeping laws while others have studied the issue and looked strictly to counties and municipalities to guide and manage growth. Where growth management policies have been implemented, much effort was needed to build consensus among normally competing groups in the public and private sectors. The following matrix summarizes state level programs, key characteristics and by whom.

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<sup>118</sup>Buchsbaum, page 6.

<sup>119</sup>American Planning Association, *Appropriate State Role*, 1995, page 1.

<sup>120</sup>Buchsbaum, page 238.

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<b>Main Types of State Land Use Planning Programs<sup>121</sup></b>		
<b>Type of Program</b>	<b>Key Characteristics</b>	<b>Examples</b>
1. State Planning	State plans and zones land, develops and maintains a statewide land use plan, implemented through state land use permits and regulations. Only in this model is the state agency truly a state planning department.	No state has a true state planning system, though Hawaii's comes closest.
2. State Mandated Planning	State sets mandatory standards for those aspects of land use that involve state interests. Local governments must plan; their plans and implementing measures must meet state standards. The state agency reviews local planning for compliance with state standards; it may impose sanctions for failure to comply, and it may set policy through administrative rules.	Florida, Oregon
3. State Promoted Planning	State sets guidelines for those aspects of planning that involve state interests. It establishes incentives to local governments to meet the guidelines. Local governments may plan; if their plans and implementing measures meet state guidelines, they receive incentives. The state agency reviews local plans for compliance with state guidelines and it administers incentives program.	Georgia
4. State Review	The state requires environmental impact reports for certain types of development, thus superimposing a second tier of review on the traditional local planning model. The state agency reviews the reports for conformance with state standards.	California
5. State Permitting	The state requires permits for certain types of development, thus preempting local review and permitting for those types of development. The state agency administers the reviews and permits.	Vermont
6. State Enabling	The state, through enabling legislation, authorizes local governments to plan and zone land if they so choose. The state agency, if any, may provide technical assistance, administer grants, project population growth and train in the use of computer mapping, i.e., GIS.	Most states have adopted enabling legislation derived from models created by Dept of Commerce in the 1920s.

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<sup>121</sup>“Recommendations for the Role and Structure of State Planning Agencies,” by Mitch Rohse, in *APA’s Modernizing State Planning Statutes*.

**Arizona: the Four C's**

*We need to consider . . . whether we want to keep on accepting the kind of communities we get, or whether, together, we can build the kind of communities we want.*  
1996 Arizona Town Hall

While Arizona has no statewide planning requirements, joint city-county planning has begun in Mohave County with adoption by the Arizona Legislature of regional growth management legislation. Included in the law is a comprehensive planning framework to analyze problems regional in nature and the authority to develop joint solutions to such problems.<sup>122</sup> The fastest growing county in the second fastest growing state, Mohave County's unregulated growth is leapfrogging beyond the boundaries of Kingman, Bullhead City and Lake Havasu City. Lack of coordination between municipal and county planning efforts, plus different sets of planning and land regulation statutes, set the stage for a chronic inability to address growth. The county and cities worked out a cooperative approach for dealing with shared problems. The new state law enables them to enter into intergovernmental agreements to jointly adopt a development plan, regulations, and procedures for approval of developments. The capital improvements program allows either jurisdiction to use the other's powers to raise funds to pay for infrastructure.<sup>123</sup>

The subject of the May 1996 Arizona Town Hall -- growth and the environment -- made these key recommendations:

To develop a statewide vision that incorporates goals for Arizona's future in managing growth and protecting the environment;

To amend the Arizona Constitution enabling the state to exchange trust lands for preservation or other aesthetic, recreational, or economic reasons;

To acquire open space for preservation and reduction of the impact of unmanaged growth;

To implement a "pay as you go" policy toward growth user impact and other fees should recoup the full incremental costs of new development;

To provide for fiscal incentives to ensure that growth does not erode quality of life;

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<sup>122</sup>Buchsbaum, page 216.

<sup>123</sup>Buchsbaum, page 221.

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- To reduce over-reliance on groundwater;
- To consider postponing planned property tax reduction when funds are needed for growth;
- To focus strategies for conserving wildlife on ecosystems rather than just individual species;
- To allow use of gas tax funds for public transit through a ballot initiative; and
- To adopt Four Cs -- coordination, collaboration, cooperation, common sense.<sup>124</sup>

A bill was introduced in the legislature to allow schools to impose impact fees based on a Utah study showing that residential developments never pay for schools. Another bill would allow state trust lands to be classified as environmentally sensitive and to lease lands for preservation in lieu of the highest and best use. State trust land within Tucson is being planned “to foster a small town atmosphere where commercial, cultural and civic activities are clustered in a village center.”<sup>125</sup> Scottsdale is using transfer of development rights to preserve open space.

The City of Flagstaff has applied a variety of mechanisms for managing growth. It has an urban service boundary at a 7,000-foot elevation that denotes areas that receive city water and sewer service, and thereby is to contain urban sprawl. The city’s general plan has goals and objectives to guide growth, development and preservation. In addition, its land development code provides natural resource protection and land development regulations.<sup>126</sup>

A 1995 “Acre an Hour Price of Urban Sprawl” series in the Arizona Republic was named after the rate by which the Phoenix area is expanding into the desert. Former mayor Terry Goddard says that “Phoenix is approaching the ‘marginal disutility’ of suburban sprawl. This is the point at which each new subdivision subtracts more from the quality of life than the new inhabitants will contribute to the economy by buying wind chimes, mesquite logs and Navajo-motif throw rugs.”<sup>127</sup> A proposed mall in the Phoenix urban area was challenged under the Clean Air Act.<sup>128</sup>

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<sup>124</sup> “Arizona’s Growth and The Environment - A World of Difficult Choices.” “Twin Strategies to Mitigate the Negative Impacts of Sprawl Development Patterns.” Environmental and Urban Issues, Summer 1996.

<sup>125</sup> Quoted by John DeGrove, 1996, page 23.

<sup>126</sup> *Flagstaff 2020*. From Flagstaff Net.

<sup>127</sup> Jerry Adler, “Paved Paradise”. Newsweek - 15 May 1995.

<sup>128</sup> Rocky Mountain Land Use Conference.

*The new reality for most Westerners is, or soon will be, people packed into relatively few watered valleys, suffering traffic jams, air pollution, crime, crowded public lands, and diminished natural beauty. Global forces are now reshaping the West, and any strategy of planning will never keep pace.*

*“Can Planning Rein in a Stampede?”, High Country News, September 5, 1994.*

### **Colorado: Smart Growth**

While the fourth fastest growing state has no state level growth management legislation, much growth management activity exists throughout Colorado. At the state level, the Land Use Act focuses on the environmental impacts of development, chiefly energy resources, land use and water conservation. The act asks local governments to determine what areas should be classified as matters of state interests; if so, the state’s Land Use Commission (a nine-person gubernatorially appointed board) can act to ensure that land development activity promotes the public interest. The commission’s land use planning program, as administered by the Department of Local Affairs, uses an environmental matrix, management matrix, impact model, and growth monitoring system in its decision making. It also develops model subdivision and floodway resolutions that local governments and special districts can adopt for their own uses.<sup>129</sup>

A state planning aid fund pays for planning at the county and municipal levels within areas designated as in need of critical planning funds or have submitted a work plan approved by the Land Use Commission. Designation kicks in either after inadequate land use planning becomes apparent (overtaxed utilities, traffic congestion, water pollution or poor access) or after it is apparent to local officials that new development may significantly affect an area, require extensive public investment, or adversely affect the environment.<sup>130</sup>

A Smart Growth process began in Colorado in 1994, when Governor Roy Romer convened statewide meetings. He asked citizens, “what do you want Colorado to be like 50 years from now, [then] motivate people community by community to mold their own destinies.”<sup>131</sup> As a result of these statewide meetings, Governor Romer released a Nine-Step Plan for Smart Growth in Colorado, outlining specific elements of a locally driven, bottoms up approach for creating a vision for Colorado of its future.

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<sup>129</sup>APA’s State Planning Statute Summary for Colorado, page 2.

<sup>130</sup>State Planning Statute Summary for Colorado, page 2.

<sup>131</sup>Michael E. Long, “Colorado’s Front Range.” National Geographic, November 1996.

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The January 1995 “Colorado Leadership Summit on Smart Growth and Development”, sponsored by the state, the Colorado Municipal League and Colorado Counties, Inc., was attended by over 1,000 local and state elected and appointed officials, environmentalists, developers, planners, business, agriculture and industry representatives. It addressed growth and development issues critical to the state's future and identified ways that state policies could be realigned to support sound planning efforts and effective partnerships around these issues. One of its key principles is that most decisions regarding growth and development should be made at the local and regional levels. At 11 regional meetings, citizens and elected officials began to develop visions, plans and priorities for their communities. Major issues identified resulted in the formation of task forces: agriculture; economic vitality/affordable housing; land use and governance; natural resources and environment; sustainable communities; and transportation/air quality. The Interregional Council (IRC) was presented with activity updates from the 11 regions and progress reports from the six task forces. During the course of IRC deliberations, 14 guiding principles were used to guide and frame discussion (an annotated list of principles can be found in Appendix F).<sup>132</sup>

Many Colorado localities are using growth management techniques to cope with the effects of growth. Larimer County joined forces with Fort Collins in a 1980 agreement to set an urban growth area which encompasses service areas of water and wastewater utilities. A review board addresses lands adjacent to Fort Collins and makes recommendations to the county commission on development approvals, using a plan prepared by the county and approved by the city as guidance. This agreement has strengthened the decision making role of county commissioners, and it has improved relationships between the city and county. Subsequent joint efforts have occurred on congestion management, regional transportation planning and a heritage plan.<sup>133</sup>

Boulder uses growth management techniques to prevent being subsumed into Denver's, to accommodate growth and diversity and to protect its quality of life. An urban growth boundary, rate of growth and a limit on residential and commercial permits have all been applied. The city combines informal regulatory and targeted investment approaches to encourage affordable housing through its infill program. Boulder spends \$1.8 million on 40 affordable housing units, a \$45,000 per unit subsidy. It uses tax credits, such as for historic buildings, to make possible a bigger project of mixed uses. A supermarket received zoning modifications to allow second story residential units above the store to allow service workers a chance to live in town. A permit system awards points for providing moderate-income housing, and it requires 10 percent of units in all residential developments be affordable.<sup>134</sup> The paradox is that while these measures have made Boulder one of the most sought after places to live in the West, the city now suffers congestion, smog and other symptoms of sprawl. The lesson Boulder has learned is that by itself,

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<sup>132</sup>Colorado Home Page: [www.state.co.us](http://www.state.co.us).

<sup>133</sup>Duncan, page 79.

<sup>134</sup>Duncan, page 86; Peter Jamar, at Rocky Mountain Land Use Conference.

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it cannot prevent sprawl. Boulder's neighbors did not plan accordingly, thus growth spilled over political boundaries, wiping out much of what Boulder might otherwise have accomplished.<sup>135</sup>

To prevent agricultural lands from turning into unregulated ranchettes, Eagle County works with farmers to cluster development and to preserve the balance of lands through an agricultural easement; in return the county streamlined its regulatory process.<sup>136</sup> Transfer of development rights, used in high growth Pitkin and Summit Counties, is balanced with adequate compensation.<sup>137</sup> Water capacity must be ensured in El Paso County so that subdivided land has the necessary water infrastructure in place. It also requires that a developer must demonstrate a 300-year supply of water to obtain subdivision approval.<sup>138</sup>

### **Connecticut: Infrastructure Capital Improvement Plan as Growth Tool**

Connecticut uses an incentive based land use planning approach. Local planning bodies are given a presentation by state officials, then asked to plan before they zone, and to make the latter consistent with the former. It asks that infrastructure capital improvement plan (ICIP) funds go to areas identified in plans as suitable for development, and not to open space or farmland. Other themes it proscribes include: private initiative, modest goals, incremental progress and consistency between jurisdictions and levels of government.<sup>139</sup>

### **Florida: Pay As You Grow**

The fourth largest and one of the fastest growing states, the Florida planning system is the most comprehensive in the nation, addressing a broad array of environmental, fiscal and social concerns. Florida's 1985 concurrency law, the first and toughest in the nation, stipulates that local governments need to ensure concurrent availability of adequate public facilities before approving new development. Behind the law is the notion that, whether adequate public facilities requirements reduce sprawl and thus better shape urban form is a function of where facilities are available. Florida asks each community to spend its own funds to bring existing facilities up to the same standards it requires in new developments. This is based on a principle that a community expand its infrastructure as it requires all new development to have access to infrastructure -- in other words, pay as you grow. Local governments also must identify and fill gaps in existing

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<sup>135</sup>Gersh, 1996.

<sup>136</sup>Peter Jamar, Esq., at Rocky Mountain Land Use Conference.

<sup>137</sup>Rich Roddewig, at Rocky Mountain Land Use Conference.

<sup>138</sup>National Council of State Legislators, 1996, page 18.

<sup>139</sup>Workshop on state planning reforms, APA, 1995.

infrastructure needs.<sup>140</sup>

Beyond concurrency are consistency requirements. That means that the 27 goals and policies of the state (covering everything from land use, water and transportation, to affordable housing and public facilities) must be implemented through regional plans that are consistent with the state plan, which in turn are mirrored in local plans that must be consistent with both regional and state plans. Each plan must show how it will accommodate projected growth in a full range of uses and locations, with adequate public facilities and services to meet the projected demand. This capital improvements element to the plan estimates costs of the infrastructure as well as how it is to be paid. Once adopted, only facilities on the plan's list are to be funded.<sup>141</sup>

*Americans moved to the suburbs for the best of motives -- to give their children better schools, cleaner air, a place to ride their bicycles. . . . Suburbs should teem with life, with humanity in all its diversity. . . . But their design has promoted instead the ideals of privacy and exclusivity.*

Jerry Adler, *Paved Paradise* Newsweek, 15 May 1995

An impetus for land use reform in Florida has been the amount of analysis and detailed research done on the subject. In 1989 the Governor's Task Force on Urban Growth Patterns issued a report on where and how growth in Florida should take place. It cited fiscal, environmental and social burdens placed on the state by traditional development patterns and on the need to come up with more compact and planned models. The report looked at areas of the state, assessing capital and operating costs of service, environmental costs, revenue attributable to development and demographic trends. It gave decision makers 40 policy and planning recommendations for growth management, combating urban sprawl, creating a state urban policy, enhancing the urban environment, land acquisition of sensitive and open space, improved intergovernmental coordination, and enhancing transportation options.<sup>142</sup>

### **Georgia: Bottoms Up**

Regional and local planning is complemented in Georgia with state monitoring to ensure conformance of local plans with state goals. New development in Atlanta's outlying area caused growth pressures; it also led to a Growth Strategies Commission which called for more planning. In 1989 the Growth Management Act passed with both bottoms up and top down approaches.

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<sup>140</sup>Buchsbaum, page 8.

<sup>141</sup>Buchsbaum, page 99.

<sup>142</sup>Rotella, "Governor's Task Force on Urban Growth Patterns," cited in Chen, page 30.

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Grants are offered to local governments as carrots since planning is not mandatory, but it works best where citizens are heavily involved. Laws too hard to carry out at the state level are bucked down to the local level. For instance, developers got the legislature to impose extra requirements on local governments seeking to impose impact fees.<sup>143</sup> The 1989 act also requires local governments to adopt and implement comprehensive plans if they wish to remain eligible for state economic development funds or to enact impact fees. It created regional development centers to prepare regional plans, mediate disputes among local governments and provide technical assistance for local planning efforts. A state community development council is charged with developing a state plan that integrates local and regional plans. Regional councils of government review local plans for compliance with state standards and for compatibility with plans of nearby localities. Regional plans will be an aggregation of local plans (with the state's plan likely to be a policy document) with major elements of regional and local plans.<sup>144</sup>

### **Hawaii: Top Down**

Hawaii is the epitome of state based planning. The state is the major actor on most major areas of people's lives, such as education, health and the judiciary; thus land use planning and zoning at the state level is not unusual in this context. The state's Land Use Commission groups end up in one of four land use districts: urban, rural, agricultural or conservation. Urban districts include not only lands urban in use today but reserve areas for foreseeable urban growth. The Office of State Planning located within the Governor's Office coordinates planning, articulates statewide goals and priorities, develops a quality growth plan and offers technical assistance to the governor and legislature.<sup>145</sup>

### **Maine: Affordable Housing Set-Aside**

Business and environmental groups both backed the passage of legislation in 1988 to require towns to adopt comprehensive plans and zoning based on state guidelines. Maine's Economic and Community Development Department reviews each plan to ensure adherence to state goals such as: strategies for protecting farms, forests and natural resources as well as scenic landscapes, historic buildings and neighborhoods; delineation of areas where development is encouraged and where it is discouraged; and ten percent of all new housing is for low- and moderate- income residents.<sup>146</sup>

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<sup>143</sup>Workshop on state planning reforms.

<sup>144</sup>Duncan, page 28.

<sup>145</sup>State Planning Statute Summary for Hawaii, page 2.

<sup>146</sup>Hylton, page 105.

### **Maryland: Directing Growth**

In 1992 Maryland passed the Economic Growth, Resource Protection and Planning Act, though without enforcement mechanisms proposed in 1990. The law requires local governments to include in their comprehensive plans seven state visions of how development should occur. For urban areas, the state wants to see homes and offices built on smaller lots and close together; for rural areas, development is to be concentrated in specially designed growth centers. Zoning and other land use regulations must be consistent with the state plan.<sup>147</sup> A project checklist used to ensure compliance follows. Governor Paris Glendening feels the state cannot afford to build all the infrastructure needed to accommodate sprawl. While not usurping local authority over land use, he intends to direct more state money to other projects such as low interest mortgages for first-time house buyers to existing communities rather than on the fringe.<sup>148</sup> Thus the \$14 billion state budget will encourage redevelopment of communities where infrastructure already exists.<sup>149</sup>

*Sprawl is creating a hidden debt of unfunded infrastructure and services, social dysfunction, urban decay and environmental degradation. Simply put, sprawl is a disease that is eating away at America. . . . I know that when a governor starts talking about coping with growth, people get nervous. I want you to be nervous, nervous about what happens if we do not act now, to make sure you understand that there are real and damaging consequences if we do not take action now.*

Maryland Governor Paris Glendening

Large lot living is blamed by its Association of Counties for increasing housing costs: “. . . people live way out in the boonies, and spend two hours on the road to get to work. They lose all ability to participate in the life of the community. It’s not healthy, it’s contrary to our quality of life, and it’s an absurd waste of land.” Developers favor recreating a small town milieu, according to state Homebuilder’s Association staff: “I think you’d see a lot more environmental sensitivity and more green space in the community. A lot of it is getting people to accept changes. They need to be shown you can live in a private setting and don’t need five acres to do it.”<sup>150</sup>

At the regional level, a gubernatorially appointed task force supports stronger local land use

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<sup>147</sup>Hylton, page 106; APA’s Growing Smart, page 174.

<sup>148</sup>*Sprawl and the Grass Roots*. Washington Post, editorial, June 27 1996.

<sup>149</sup>*Maryland Urban Growth Plans Announced*. Washington Post, July 10, 1996.

<sup>150</sup>Hylton, page 106.

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policies as a condition for getting transportation funding along a major road corridor east of Washington D.C. The task force recognized that more roads will not cure congestion without land use policies that concentrate growth and attract economic development. Indeed, compact development in this part of Maryland, with 40 percent of the state's growth, is intended to support transit and relieve highway congestion.<sup>151</sup>

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<sup>151</sup>*Maryland Study Links Transportation and Land Use. Planning, September 1996, page 23.*

**Project Checklist, State of Maryland** <sup>152</sup>

Project Title \_\_\_\_\_  
 Project Description \_\_\_\_\_  
 Project Location \_\_\_\_\_

Approximate Funding Share

STATE	LOCAL	FEDERAL	OTHER
\$	\$	\$	\$

- Y    N    N/A                      Any “no” response must be briefly discussed below.
- The proposed project or action remedies an existing problem.
  - The proposed project or action is within or serves a designated development or redevelopment area.
  - The project or action encourages the redevelopment of existing urban areas or infill development.
  - The project or action is consistent with the adopted comprehensive plan.
  - The project or action is in an area served by an approved water or sewer service system with available treatment capacity.
  - The project or action is located in an area where all public facilities and services are adequate.
  - In designated rural community centers the project or action supports economic growth and compact development.
  - The project or action supports the retention of agricultural or forest land.
  - The project or action is/will be sited and designed to prevent adverse impacts to sensitive areas, including floodplain, steep slopes, stream buffers, habitats for endangered species, and other sites [as determined by each local jurisdiction].

Determination:     Consistent     Inconsistent with extraordinary circumstances     Inconsistent

Discussion of any “no” response; extraordinary circumstances; and alternative considered:

Jurisdiction: \_\_\_\_\_ Date \_\_\_\_\_

**Massachusetts: Integrating Planning and Real Estate**

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<sup>152</sup>“*Managing Maryland’s Growth: Models and Guidelines.*” Maryland Office of Planning, 1992.

Local comprehensive plans based on state policies are encouraged and zoning must be consistent with the plans. Regional agencies are used to ensure consistency with state policies and to address areas of environmental sensitivity with the Cape Cod Commission given additional powers to manage its sensitive lands. Developers who once opposed planning are now supporters of incentives such as clear-cut impact fees and abbreviated environmental impact statements.

Planning is funded by one percent of the value of Capital Improvement Plan (CIP) bonds. A five-year CIP is required of local governments with state agency review to check for regulatory compliance. The task is to integrate planning and real estate, so that development occurs where infrastructure exists, not in farmland or open space.<sup>153</sup> A movement is afoot to assess service costs to tax exempt properties in places such as Boston, which is 58 percent tax exempt.<sup>154</sup>

*Conventionally Developed Rural Area*

### **Michigan: Up on the Farm**

Farmland protection was a driving force behind Governor Engler's Intergovernmental Growth Management Consortium which recommended service districts, transfer of development rights, concurrence, agricultural security areas, purchase of development rights, valuing farmlands according to their agricultural use instead of highest and best use and elimination of incentives to split lots of 10 acres or more. State officials strengthened farmland protection with help from Agriculture Department, Farm Bureau and county and township officials.

*Creatively Developed Rural Area*

After field hearings to discuss planning needs, legislators introduced 17 pro-planning bills.

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<sup>153</sup>Workshop on state planning reforms

<sup>154</sup>Robert Freulich, at Land Use Conference, June 8.

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Communities have also implemented growth management measures on their own.<sup>155</sup>

### **New Jersey: Bridging Gaps**

Six years after a state planning act, coupled with a Rutgers University report showing planned development's big savings on infrastructure, New Jersey passed a statewide comprehensive plan in 1992. Its goals are to revive troubled cities, preserve farmland and open space and encourage traditional communities so that people can choose safe places to live and good schools to attend. The previous piecemeal planning approach, whose "cumulative impact was the nickel and diming to death of the New Jersey landscape and its quality of life," was replaced by a cue sheet to be read from by both towns and state agencies.<sup>156</sup>

Instead of requiring local governments to prepare plans and implement state goals, New Jersey created a state planning commission to put together a state plan. Through its 21 counties, cross acceptance coordinates the state commission and local bodies and it reconciles state planning goals and policies with the interests of cities and counties. A central tenet of the state plan is to accommodate projected growth by directing it to existing urban areas and to defined, compact locations in rural and environmentally sensitive areas. Its use of the plan to guide public investment and finance decisions is a real strength. State infrastructure spending is concentrated where growth is most cost-effective.<sup>157</sup>

*The Rutgers study found that planned development could save \$9.3 billion in capital, operation and maintenance costs over low density development.*

New Jersey is considering joint land use and environmental planning. This would dovetail with regulatory reform in New Jersey which uses a covenant approach to get cooperation between business and environmentalists to fashion goals. One local planning process works to bridge economic barriers, involving social service providers who noted that physical placement of services makes a big difference in the lives of the poor.<sup>158</sup>

At the local level, Hackensack and surrounding jurisdictions engage in fiscal revenue and cost

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<sup>155</sup>Workshop on state planning reforms; APA's *Modernizing State Planning Statutes*, page 174. Drawings from Rural Massachusetts web page: [www-unix.oit.mass.edu/~ruralma](http://www-unix.oit.mass.edu/~ruralma).

<sup>156</sup>Hylton, page 99.

<sup>157</sup>Duncan, page 25.

<sup>158</sup>Workshop on state planning reforms.

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sharing to pay for facilities. This ensures that towns with wetlands are not penalized because they are not sites for locating tax lucrative businesses.

### **Oregon: Comprehensive Planning Guides Growth**

Oregon's statewide planning program began in 1973. It features mandatory local planning that respond to specific statewide land use goals; zoning and regulations specifically directed to enact the comprehensive plans; a seven-person State Land Conservation and Development Commission that issue policies; a Department of Land Conservation and Development to carry out commission and gubernatorial policies; and grants and technical assistance programs to help local governments plan. Impetus came, not so much from urban residents as from their rural brethren who did not want low intensity development encroaching on small yet profitable small farm and wooded lots. The system is thus one based on rural land use preservation.<sup>159</sup>

Oregon bases all development decisions on comprehensive land use plans compiled by each local government under state guidelines. The plan interrelates all natural systems and activities related to land uses, such as sewer, water, transportation, education, recreation, natural resources, and air and water quality. The department carries out commission set goals made consistent with regional, municipal and county concerns; prepares land use inventories and state-wide planning guidelines; reviews plans for compliance; coordinates planning efforts of state agencies, counties and cities; insures citizen involvement; and reviews areas of critical state concern.<sup>160</sup>

Now in place are 240 city plans and 36 county plans to cover all private land in Oregon. Farms have been preserved and sprawl is minimized. Success is due to:

Public partnership between state directive and local government initiative. Control at one level over another is not viable, because different interests still have a means to protect and further the interests of both;

Fair and flexible system that can accommodate changing situations, needs and circumstances, with quasi-judicial decision making;

Land use decisions not ad hoc but based on previously determined policy set out in a comprehensive plan;

Local comprehensive plans based on state policy, as stated in statewide planning goals;

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<sup>159</sup>Ethan Seltzer, Institute for Metropolitan Studies, interviewed July 25, 1996 in Portland, Oregon.

<sup>160</sup>State Planning Statute Summary for Oregon, page 1.

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A policy for saving farm and forest lands and natural resources;

A policy requiring cities and counties to agree on urban growth boundaries;

Plans reviewed for compliance with state goals;

Enforcement by incorporation of goals into plans with various penalties as alternatives;

Challenge of plan amendments on the basis of continued compliance with goals;

Periodic review process;

Designation of a state review agency and coordination of state agency plans with local government comprehensive plans;

Very high citizen participation, with over 10,000 people attending initial meetings;

Adequate funding: \$74 million over 20 years, half as grants to local governments, the other half to the state for administration. The \$4 million spent statewide for land use planning equates to \$1 to \$2 per capita per year, or less than 0.1 percent of the state budget;

Two-tiered system for local governments with growing pains, then more relaxed standards for the rest<sup>161</sup>; and

Systems development charges, similar to impact fees, based on location of development, with highest costs on the city edge, lowest at infill sites.<sup>162</sup>

Oregon allows neither new wells nor homes outside urban growth boundaries. Oregonians feel that high densities at levels common in European cities are not an impediment to quality of life. Outside urban growth boundaries, lots often on a minimum of 80 acres are zoned as open space, and taxed accordingly.<sup>163</sup>

Efforts have been made to gut or repeal laws and regulations setting forth land use prescriptions, the latest effort in the 1995 legislature, but Oregon has worked on applying and refining the 1973 initiative. One important innovation has been the use of an administrative land use board of

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<sup>161</sup>Workshop on state planning reforms; Buchsbaum, page 53.

<sup>162</sup>Lainie Smith, staffer, Oregon Department of Land Conservation and Development, July 16, 1996.

<sup>163</sup>Henry Richmond, at Santa Fe Growth Forum, June 28, 1996.

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appeals as an alternative to taking everything to the courts. The board acts as a tribunal to resolve legal disputes.<sup>164</sup> Builders' opposition was offset by requiring planning actions to turn around in 120 days, supporting housing and reduced lot sizes and supporting rural preservation. Also, by making lot sizes smaller, houses became more affordable.<sup>165</sup>

Portland has taken the growth management framework the furthest. Instead of allowing a freeway to its west, it put together a Land Use, Transportation and Air Quality program to change travel behavior and gain support for funding close-in roads and transit. Benefits include cheaper land, more transit, less vehicle miles traveled and families can get by on one car. Zoning was revamped for the edge of Portland so that growth of housing units occurs not on separate spacious lots but in density levels sufficient to support transit.<sup>166</sup> The potential pie for housing has increased from 160,000 new units on average lot size of 13,200 square feet, to 310,000 new units on an average lot size of 8,700 square feet.<sup>167</sup> Relative to household income, housing in Portland is two to three times as affordable as in Seattle, San Jose and other West Coast cities.<sup>168</sup> Finally, Portland's Metro, a regional and directly elected unit of government, manages the region's growth boundary. Based upon input from 17,000 citizen comments, it has set out in its 50-year plan accommodation for 40 percent population growth with just a seven percent expansion of the urban growth boundary.<sup>169</sup>

### **Utah: Bringing Together All Sides**

Utah shows a trend toward incorporating environmental protection with economic development in land use laws. The 1991 County Land Use Development Act requires each county to prepare and adopt a comprehensive plan. County planning commissions must recommend to the legislative body a proposed general plan for the county which may include an environmental element that addresses protection, conservation, development and use of natural resources, including the quality of air, forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals and other natural resources; and reclamation of land, flood control, prevention and control of pollution of streams and other waters, regulations of the use of land on hillsides, stream channels, and other environmentally sensitive areas, prevention, control and correction of the erosion of soils,

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<sup>164</sup>Henry Richmond, at 1000 Friend of New Mexico's kick off meeting, November, 1994.

<sup>165</sup>Henry Richmond, 1996.

<sup>166</sup>Henry Richmond, 1996.

<sup>167</sup>Seltzer, page 4.

<sup>168</sup>Marcia Lowe, as quoted in Roseland, page 235.

<sup>169</sup>Douglas R. Porter, *A 50-Year Plan for Metropolitan Portland*. 1996, page 15.

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protection of watersheds and wetlands and the mapping of known geological hazards.<sup>170</sup>

While Utah has not addressed the issue of growth management statutorily, as a high growth state it has engaged in extensive dialogue on the subject. A December 1995 growth summit called by Governor Mike Leavitt was transmitted over the Internet and aired on radio stations statewide. Issues discussed included transportation, water and open space, each in the context of preserving the state's quality of life. Alternative proposals from Republicans, Democrats and local leaders were presented, and the general public responded through a broadcast town meeting.<sup>171</sup>

To follow up the growth summit, Governor Leavitt issued an executive order on May 24, 1996, to help rapidly growing communities protect the scenery, recreation opportunities, wildlife habitat, agriculture and watersheds. The executive order creates a Utah Open Lands Committee which will help local communities identify open land conservation projects initiated by local interests to be submitted to future state legislative sessions for authorization. In addition to his statewide initiative, the governor asked that city and county leaders in growth affected areas of the state establish local Open Lands committees.<sup>172</sup>

Affordable housing is given more credence under a 1996 law requiring and funding each locality to address the issue in its comprehensive plan (an ongoing requirement).<sup>173</sup> Another state law offers a homestead exemption on property taxes for primary residences. Second homes are taxed at nearly 50 percent more. Resort towns (which are getting the brunt of trophy homes) also can tack on a special leverage if the home is occupied only part of the year.<sup>174</sup>

## **Vermont: Preserving Rural Character**

Vermont has grown due to better transportation, changing cultural values, increased telecommunications and rising tourism. But the resulting degradation of the state's scenic and recreational amenities brought pressures to manage growth, though development pressures are still great.<sup>175</sup> A land use and development law passed in the 1970s established criteria for development:

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<sup>170</sup>National Council of State Legislators, 1996, page 12.

<sup>171</sup>State of Utah's Home Page: [www.state.ut.us](http://www.state.ut.us).

<sup>172</sup>State of Utah's Home Page: [www.state.ut.us](http://www.state.ut.us).

<sup>173</sup>Telephone conversation with Lee King, Governor's Planning and Budget Office, November 11, 1996.

<sup>174</sup>Ring, in *High Country News*, 1994, page 8.

<sup>175</sup>*Small Towns in Vermont*, *Small Town*, 1996, page 4.

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No undue water or air pollution;  
Sufficient water available for its needs;  
No burden on existing water supply;  
No increase in erosion or ability of land to hold water;  
Prevent unsafe or congested traffic conditions;  
No burden on educational or governmental facilities;  
Retain scenic beauty, historic sites or natural areas;  
Prevent harm to wildlife or their habitats; and  
Conform to local or regional plans.<sup>176</sup>

With the 1988 passage of growth management legislation, as amended onto the state planning enabling law, Vermont set 32 statewide goals to be followed by all state agencies, regional commissions and municipalities in all planning decisions; it also gave a strong role to local governments in the growth management process. While local participation is optional, participating towns can receive funding. They may impose impact fees and insist that state agencies heed their plans. Opponents to the act succeeded in reducing goals to 12, and they are more general and less enforceable.<sup>177</sup> Growth management techniques such as cluster housing and growth centers must be analyzed to regulate growth in a way that is compatible with the surrounding rural character. Key to these goals and techniques is to discern how much growth to allow in Vermont and on what terms to allow it.<sup>178</sup>

### **Virginia: Studying, Talking Growth**

While Virginia has no state planning agency or powers, its Commission on Population Growth and Development has studied the consequences of population growth and patterns of development on the Commonwealth's economy and environment; suggested ways to ensure that planning, coordination, and data dissemination occur at all levels of government. It also suggested alternative funding mechanisms for critical infrastructure and conservation measures to manage its population growth and development and examined methods of coordinating activities between the legislature and agencies. Eleven public meetings were held and a report was issued. In 1992 the commission received \$150,000 from the legislature to continue its work.<sup>179</sup>

### **Washington: The Stick of Carrots**

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<sup>176</sup>*Small Towns in Vermont*, page 7

<sup>177</sup>Duncan, page 27.

<sup>178</sup>*Small Towns in Vermont*, page 8.

<sup>179</sup>Buchsbaum, page 247.

## *Growth in New Mexico: Impacts and Options*

Washington requires planning in counties with a population of 50,000 or more (and whose population has increased by 10 percent in the previous 10 years) but it is optional in counties with lesser populations. The Growth Management Act outlines 13 planning goals, such as encouraging development in urban areas with adequate infrastructure, reducing sprawl, and promoting the retention of open space and recreational opportunities.<sup>180</sup>

Urban growth areas are set by Washington's counties in consultation with municipalities. These areas are to accommodate 20 years worth of growth based on state forecasts with 10-year reviews. Annexations are prohibited beyond the designated growth areas. Counties can choose to plan new communities outside urban growth areas but they must include transportation management, mixed use development, affordable housing and buffers from adjacent land areas.

Transportation planning by local governments must conform to the act with six-year comprehensive planning programs, including accommodation of bicycle, pedestrian and equestrian needs. Impact fees can only be used for streets, roads, open space, parks, recreation, school facilities and fire protection.

Jurisdictions found to be in noncompliance can lose some or all revenue from: vehicle fuel tax; transportation accounts, state public works loans or grants; sales taxes; liquor taxes; and real estate excise tax.<sup>181</sup> The act redefines urban growth areas, clarifying how growth can occur in tiers. It allows counties to provide services without producing urban growth. The state's Local Government Division gives local governments a range for growth in lieu of a specific number. A regulatory reform bill combines growth management review processes with environmental processes and sets a 120-day time limit in which to make land use decisions. Proposed is an ombudsman to work with citizens on property rights issues.<sup>182</sup>

The intent of the law is that by putting houses on smaller lots and locating them closer to stores and offices, it will reduce the cost of housing and infrastructure, reduce traffic and protect farms and forests.<sup>183</sup> It also has provided a legal framework for addressing developments having a regional impact. The state's courts, for instance, voided a proposed outlying regional shopping center because of impacts (sprawl, air pollution, high infrastructure costs, ill effects on existing neighborhoods) inimical to implementing the area's comprehensive plan.<sup>184</sup>

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<sup>180</sup>National Council of State Legislators, 1996, page 10.

<sup>181</sup> Puget Sound Regional Council, *Summary of Washington State Growth Management Act*, 1994

<sup>182</sup>Workshop on state planning reforms.

<sup>183</sup>Hylton, page 101.

<sup>184</sup>Robert Freulich, at Planning and Zoning Conference

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At the regional level, the following is the intergovernmental agreement to guide growth, established in the capital region around Olympia<sup>185</sup>:

### ***Memorandum of Understanding - Urban Growth Area Zoning and Development Standards***

*The purpose of this Memorandum is to set forth the Agreement between Thurston County and the cities of Lacey, Olympia and Tumwater on adoption and implementation of Urban Growth Area zoning and development standards.*

*WHEREAS, the cities of Lacey, Olympia and Tumwater have adopted Joint Plans to guide the character of future development within their respective Urban Growth Areas:*

*WHEREAS, Thurston County has adopted Joint Plans and made them a part of its Comprehensive Plan:*

*WHEREAS, the Washington State Growth Management Act requires Thurston County to enact development standards consistent with its adopted Comprehensive Plan:*

*WHEREAS, Thurston County and the cities of Lacey, Olympia and Tumwater will each adopt development standards intended to implement the Joint Plans applicable to their respective cities and their Urban Growth Areas: and*

*WHEREAS, Thurston County and the three cities find that the adoption of such standards by the County will contribute to the achievement of the long term objectives that each city has for the development of its Urban Growth Area:*

*NOW THEREFORE, Thurston County and the cities of Lacey, Olympia and Tumwater do hereby agree that:*

*Section 1: Thurston County will adopt each city's zoning standards, except that the County will retain its authority to approve administrative variances and to conditionally approve expansion of non-conforming uses and structures. It is also understood that review procedures under each of the standards will be modified to conform to existing County review procedures.*

*Section 2: Thurston County will maintain administration of its Critical Areas Ordinance within the Urban Growth Area except the County will modify its ordinance to adopt each city's method of calculating development densities.*

*Section 3: Thurston County will adopt a Forest Practices Ordinance that applies a single approach throughout the Urban Growth Area. This approach is intended to support forest management practices that retain and integrate significant stands of trees into the layout and design of developments within the Urban Growth Area.*

*Section 4: Thurston County will maintain administration of its current Subdivision Ordinance within the Growth Area, except that the County will amend either its subdivision or zoning code to reflect the different open space requirements for each of the three cities.*

*Section 5: Thurston County will adopt each city's street design standards. It is intended that civil engineering plan review and inspections for streets and utilities related to private development projects will be conducted by each city's staff under the direction of the County Engineer. The cities may charge plan review, permit and inspection fees as necessary to cover the cost of providing these services.*

*Section 6: Thurston County will adopt city design standards only for commercial and multiple-family projects greater than fourplexes.*

*Section 7: Thurston County will adopt the various village classifications advanced by the cities, except that some review procedures may need to be modified to accommodate existing County review processes.*

*Section 8: Thurston County and the cities of Lacey, Olympia and Tumwater agree that it is desirable to annex properties located within village classifications prior to securing development approvals. Where prior annexation is not possible, city staff will lead review processes for village projects. The cities may charge development review fees as necessary to cover the cost of providing these services.*

*Section 9: The cities of Lacey, Olympia and Tumwater will each provide 75% of the funding to support the preparation of a County bill draft version of each of their respective development standards.*

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<sup>185</sup>Thurston County, 1994.

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*Section 10: The cities of Lacey, Olympia and Tumwater will provide ongoing technical assistance and support to County staff responsible for implementing their development standards in their respective Urban Growth Areas.*

*Section 11: The cities of Lacey, Olympia and Tumwater agree that the standards adopted in reliance upon this agreement are the complete requirements for developments within the Growth Area. The cities will not apply additional physical development requirements as a condition of utility connection approval.*

*Section 12: Thurston County and the cities of Lacey, Olympia and Tumwater agree to develop a process for the joint consideration and adoption of future code amendments affecting the Urban Growth Area. The parties further agree to establish a process for resolving disagreements over implementation of this Agreement.*

## **Wyoming: Land Use Consistently Guided**

Wyoming passed a Land Use Planning Act in 1975 which set up a statewide system of land use governed by a state land use commission. Its duties include: develop a state land use plan; offer information on land and natural resources, population densities and trends, industrial development and plant siting, economic characteristics and projections, environmental conditions and trends, and directions and the extent of urban and rural growth; and identify those areas in the state “where uncontrolled or incompatible large scale development could result in damage to the environment, life or property, where the short or long term public interest is of more than local significance” and establish developmental guidelines for such areas. The statute requires cities and counties to develop local land use plans consistent with established state guidelines, and counties must incorporate land use plans of all incorporated cities and towns within the county.<sup>186</sup>

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<sup>186</sup>National Council of State Legislators, 1996, page 10.

### **SECTION THREE - THE CHALLENGE TO NEW MEXICO**

*All towns need to manage carefully any new growth they may secure, or they will come to feel like Alice in Wonderland when she said, "The hurrier I go, the behinder I get." Their quality of life, often their primary salable product, declines. Their sources of income -- clean businesses, retirees, tourists -- begin to look for the next unspoiled paradise. Revenues from new growth are often insufficient to outweigh the costs of higher demand for such public services as schools, roads, and sewers. As a result, taxpayers unknowingly subsidize [sprawl]. . . . This confuses many citizens and local officials. For years they have been assured by growth boosters that the solution to a community's economic problems is to increase the tax base. The next big expansion project, say growth advocates, will produce enough tax revenue to fix local problems without raising taxes. The claim that we can grow our way out of growth problems seems so reasonable that most of us don't think much about it. After all, we've always been told that growth is the basis of prosperity.*

*Some community residents want growth because they benefit from it, others because they're desperate. These people all work hard to perpetuate the community's belief that it cannot survive without expanding. The community shouldn't wonder that some people promote growth. The rules of the game give them the benefits, while imposing on the community a large portion of the public costs. Despite the persuasion of growth advocates, some communities attempt to manage growth. . . . Local government begins to confront growth problems. Citizens organize on both sides of the issue. Tougher and more complex problems emerge more frequently. Discussions about solutions become acrimonious. Community divisions deepen and widen as cooler heads withdraw in frustration to the sidelines. Many residents, opposed to any change, don't want growth but neither do they want the local government to control growth. By opposing growth control measures, however, they allow more expansion. This, in turn, forces higher taxes, which these same residents oppose saying it's all the government's fault.*

*Fear of change often leads to haphazard change instead of change that can be made compatible with the community. For instance, local government allows growth to sprawl into the countryside, while voters deny school bonds meant to preserve high-quality education in the face of the influx of new students who live in the sprawl. The unintended and confusing result is change no one wants: declining quality of education, urbanization of farms, and a deteriorating sense of community. . . . Local communities would be well served if each side of the growth debate stopped demonizing the other and focused on finding solutions that equitably serve the community. It is also important that communities realize that they need not sacrifice prosperity if they choose to slow growth.*

*-Kinsley and Lovins.*

## CHAPTER FIVE: PLANNING AND DEVELOPMENT

### Previous Studies

New Mexico's now defunct State Planning Office commissioned studies to look at the planning and development process in New Mexico. A 1962 enabling statute study by Harvard Professor William Doebele recommended a two-step process for general plan preparation and adoption. He also urged the use of the general plan to support ordinances implementing land use regulations. The report's recommendations were not adopted.<sup>187</sup>

A 1979 report looked at problems New Mexico municipalities have in managing growth and possible solutions that could be offered by state, regional and local governments. Questions it addressed are still relevant today: "Are communities encountering difficulty in keeping up with increasing demand for services and facilities generated by new populations? Is there a relationship between the physical pattern of new local development and the capacity of these communities to sustain their traditional character as well as to govern effectively? What management strategies are being used or could be used by small communities to assure orderly development and timely delivery of new services and facilities? What combination of development and growth management strategies offer the greatest potential for addressing growth-related problems identified by a representative sample of these communities?"<sup>188</sup> A 1981 growth management plan for San Juan County sought to ameliorate effects of rapid development of the energy sector.<sup>189</sup>

*Think of the West as a large, leaky hot-air balloon being inflated at a rapid rate by newcomers. So long as more new people push their way into the West than are leaking out, the balloon grows. But once the inflow stops, the balloon deflates. The Western towns that look so calm and bucolic are churning at a fierce rate, and are anything but stable.*  
Ed Marston, Editor High Country News

### State Economic Growth

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<sup>187</sup>APA's Growing Smart, page 5.

<sup>188</sup>Stephen Flance, *Community Growth and Development Strategies: The New Mexico Experience*. 1979. page I.

<sup>189</sup>Jerry O'Shea, *San Juan County Growth Management Plan*. 1981.

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Per capita personal income: In 1991 New Mexico had a per capita personal income of \$14,709, 47th in the United States. In 1981, New Mexico ranked 40th. While the state's income grew at five percent per year over the past 10 years, the average annual growth rate for the nation was 5.7 percent.<sup>190</sup> Median household income for New Mexico in 1995 was \$25,991 which is just 76 percent of the national average. One of four New Mexican households lived in poverty in 1995, even while the poverty share nationwide fell and the state's per capita income grew.<sup>191</sup>

Total personal income: In 1991 New Mexico had a total personal income of \$22,781,657, 40th in the United States. In 1981, New Mexico's ranked 37th. The average annual growth rate of income in New Mexico over the past 10 years was 6.5 percent, versus 6.7 percent nationwide. In 1991 earnings were 65.8 percent of total personal income (compared with 69.6 percent in 1981); dividends, interest, and rent were 15.7 percent (vs. 15 percent in 1981); and transfer payments were 18.5 percent, compared with 15.4 percent in 1981. From 1981 to 1991, earnings increased on average six percent each year; dividends, interest and rent increased on average seven percent; and transfer payments increased on average 8.6 percent.

Earnings by industry: Earnings of New Mexican workers increased from \$8.9 billion in 1981 to \$16 billion in 1991, a six percent average annual growth rate. The largest industries in 1991 were services, which accounted for 27 percent of earnings; state and local government, 18 percent; and retail trade, 11 percent. In 1981 the largest industries were services, with 19 percent of earnings; state and local government, 16 percent; retail trade, 11 percent; and mining, 10.5 percent. Of the industries that accounted for at least five percent of earnings in 1991, the slowest growing from 1981 to 1991 was construction (5.6 percent of earnings in 1991) which increased at an average annual rate of 2.4 percent; the fastest was services which increased at an average annual rate of 9.8 percent.

## **State Population Growth**

New Mexico continues to be one of the fastest growing states in the nation. According to the U. S. Bureau of the Census, the population increased by 2.3 percent between 1993 and 1994, the sixth highest rate in the U. S. The 1994-95 figures show a slight cooling to a 1.8 percent increase, seventh on the list of states. New Mexico's annual percentage increase was among the top ten three out of four times this decade. Natural increase (births minus deaths) accounted for 43 percent of the growth, while domestic net migration accounted for another 44 percent of the growth. The natural increase of 15,500 residents during the 1994-95 period accounted for over half the total population change. Another 10,400 persons moved to New Mexico from elsewhere in the U. S. and 3,400 more came from other countries. One thousand new arrivals are due to

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<sup>190</sup>Regional Economic Information System, Bureau of Economic Analysis

<sup>191</sup>U. S. Census Bureau figures, cited in "Poor Getting Poorer, N.M. Statistics Show." Albuquerque Journal, November 25, 1996.

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military and federal civilian movement.<sup>192</sup>

Suburban growth around Albuquerque has been increasing at rates well above the state average, led by Tarrant (7.6 percent), Valencia (7.4 percent) and Sandoval (4.8 percent) Counties. Other counties exceeding the state's 1.8 percent growth rate in 1994 were: Luna (2.9 percent), Lincoln (4.7 percent), Santa Fe (3.4 percent), Doña Ana (1.8 percent), Catron (3 percent), Cibola (2.8 percent), DeBaca (3.9 percent), Grant (2.8 percent), McKinley (2.3 percent), Mora (2 percent), Rio Arriba (2.1 percent), and Taos (2.3 percent).<sup>193</sup>

*Economic growth is distinct from development. It is defined simply as an increase in production. Economic growth is not an unmitigated good; it does not by definition improve per capita income, human capital, economic diversity, community health or distribution of income. In fact, simple growth without concomitant development will tend to make the region more specialized, dependent, and vulnerable to changing forces of demand and technology. Growth certainly can be part of the development process. But growth is better for the economy and the society if it is slow and steady, rather than intermittent with explosive growth spurts followed by busts and declines.*

Hecox and Ack, Charting the Colorado Plateau

The level and type of population growth in New Mexico literally vary all over the map. Communities with heavy rates of in-migration include Bernalillo, Columbus, Corrales, Los Lunas, Rio Rancho and Sunland Park. Los Ranchos de Albuquerque (which annexed heavily), Questa, Las Cruces and Angel Fire join the other communities with annual growth rates exceeding three percent. Municipalities with the most negative population rates in the 1980's were Virden, Milan, Grenville, Causey and Reserve.<sup>194</sup>

Only 14 municipalities in New Mexico have a population of more than 10,000 persons. Counties range in population from 515,570 in Bernalillo County to 939 in Harding County. Population densities also vary widely, affecting the delivery of services. Catron County with a population of only 2,603 includes some 6,929 acres of land area, whereas Valencia County with a land area of only 1,450 acres has a population of 53,808.

New Mexico's population is projected to grow by 472,299 in the next 20 years, from 1,643,581

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<sup>192</sup>*Handbook for Local Government Officials*, page 4; New Mexico Business, 1996, page 2

<sup>193</sup>New Mexico Business, 1996, page 4.

<sup>194</sup>Alcantara, *Population Profiles of Incorporated Places and Cities in New Mexico, 1910 - 2015*. 1994, page

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in 1995 to 2,115,880 in 2015, according to the Bureau of Business and Economic Research at the University of New Mexico.<sup>195</sup> The U. S. Census Bureau's latest projections are even higher: it pegs New Mexico at 2,260,000 in 2015, or 615,000 more people than in 1996.<sup>196</sup> That is the equivalent of the 1994 populations of Albuquerque, Las Cruces, Santa Fe and Roswell combined. By contrast, the state has grown by 382,000 since 1980.

*Between 1990 and 1995. . . 39 of the 281 counties in Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming grew by a remarkable 20 to 65 percent. About one-third of the 2,000,000 people who have found new homes in the Rockies since the beginning of the decade have landed in these thirty-nine counties -- the busiest real estate in the country. Here, when the prairie winds blow right, you can smell fresh carpet glue evaporating from new subdivisions. . . . Most of the rapid growth is churning away in counties where the largest cities have populations comfortably below 50,000. . . . Many of the newcomers are moving to large-lot subdivisions well away from town. In both cases, sprawl is a fugitive trying to get "away." And in all cases, sprawl brings with it the problems it is trying to escape. Jeff Gersh, "Subdivide and Conquer."*

As projected by rate of increase, the top ten growing communities in the next fifteen years are: Sunland Park, Corrales, Rio Rancho, Los Lunas, Melrose, Moriarity, Bernalillo, Los Ranchos de Albuquerque and Estancia. Those expected to show the biggest rate of population loss: Milan, Virden, Reserve, Maxwell, Lordsburg, Bayard, Mosquero, Hurley and Santa Clara.<sup>197</sup>

The 1990s has seen a swelling of in-migration to fast growing Rocky Mountain states from other states such as California. Whereas New Mexico lost 4,100 people to California in 1988-89, it gained 4,600 persons in 1992-93 from the Golden State. However, a new study cited in the November 11, 1996 High Country News notes that an improved California economy may mean a deceleration in job growth and real estate prices elsewhere in the West. The vastness of the Rocky Mountain West's scenery (the big draw) masks its shortcomings in water and private lands.<sup>198</sup> Newcomers bring trust funds and other windfall profits to land-rich, cash-poor landowners, but at the potential price of political and cultural restructuring of the character of

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<sup>195</sup>Alcantara, page 25.

<sup>196</sup>Richard Parker, *Growth Wave to Hit N.M.* Albuquerque Journal, October 24, 1996.

<sup>197</sup>Alcantara, page 25.

<sup>198</sup>Paul Larmer and Ray Ring, in High Country News, 1994, page 6.

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communities. The influx of immigrants does not guarantee economic development and the majority leave within a decade due to lack of jobs and culture shock.<sup>199</sup>

According to census data, resort and other tourist towns have higher poverty levels due in part to a lack of affordable housing for seasonal workers. Growth based on tourism, retirement and even telecommuting creates some jobs, but they are mostly low paying and seasonal. Ravalli County, Montana, for instance, had the fastest growth rate in that state in the 1980s, yet its jobless rate stayed high, income stayed low and demand for government services increased.<sup>200</sup>

Low wage jobs also stem paradoxically from growth in manufacturing. The high technology sector of Portland, is being touted as the economic road to the future. Exporting products and importing dollars causes a multiplier effect throughout the local economy for jobs in many other sectors. But in Portland, this economic growth has chiefly gone into poorly paid service jobs, offsetting the positive effects of the area's economic growth. As in New Mexican resort towns, the upshot is more jobs and more people, but no income gains. In fact, the only regions with wage growth in the 1980s were those with moderately declining manufacturing employment and strengthening high end service industries.<sup>201</sup>

Population growth can make a significant effect on the demand for services. For instance, the Village of Columbus which borders Mexico has been growing at an annual rate of 12 percent in recent years. Based on projections included in the village's comprehensive plan, in 10 years the village will have to spend \$600,000 more to provide municipal services under a high growth rate scenario than under a low growth rate.<sup>202</sup>

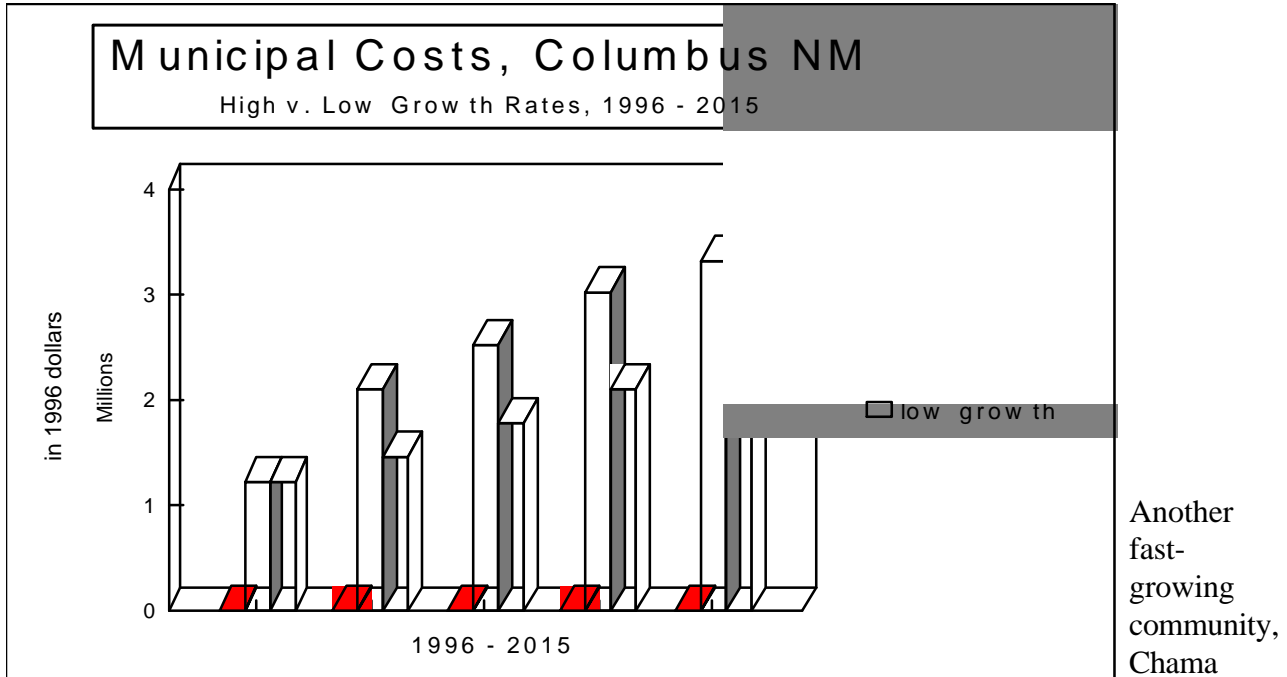
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<sup>199</sup>Gordon Meeks, *State Land Conservation & Growth Management Policy: A Legislator's Guide*. 1990.

<sup>200</sup>Meeks, 1990, page 2.

<sup>201</sup>Chris Ertel, *Revenge of the Baristas: Economic Growth and Income Stagnation in Portland, 1983-1993*. page 11.

<sup>202</sup>Rich Schrader and David Henkel, *Village of Columbus Comprehensive Plan*, UNM Planning School, 1996.



borders Colorado, has a marginal cost of growth to the community: each new resident of Chama requires \$1,000 per year in services above the current level of services.<sup>203</sup>

**Economic Development**

Connections are being made between land use and economic development. Alice Hubbard writes that “land use, community design, buildings, transportation and water systems usually are not considered part of the economic development picture. However, this infrastructure can create the foundation for long-term economic and environmental well-being or it can be a long-term drain on economic and environmental vitality.”<sup>204</sup>

Developments in one locality often have an impact on neighboring localities. Often a community seeks gross receipts tax revenue from big box retailers, even at the expense of smaller merchants, and at the same time seeks to place less desirable uses elsewhere. Neighboring communities, which incur infrastructure expenses yet receive no tax or income benefits, have no say in development decisions.<sup>205</sup> However, there is no state or regional forum set up to address

<sup>203</sup>Kenny Pin and David Henkel, *Village of Chama Comprehensive Plan*, UNM Planning School, 1996.

<sup>204</sup>Alice Hubbard, *What Are Sustainable Communities?* 1996.

<sup>205</sup>Energy Outreach Center, *Redevelopment for Livable Communities*. 1996, page 21.

intergovernmental conflicts.

Some participants in the round table sessions on growth asked if it is possible to have regional planning absent a regional tax policy. Other participants were concerned that a regional approach will stop growth and considerably complicate and lengthen the permitting process, thereby adding to the home builders and home buyers costs. Still others say that a clearly spelled out policy, consistent from community to community, will help facilitate the development process, thereby reducing costs by reducing the time it takes to get a permit.

*Effective long range regional planning does not deal with future decisions; rather, it deals with understanding the future of present decisions, or non-decisions.*

Michael DeWitte, Sandia Labs

### **Basic Land Use and Planning Laws**

Laws governing the powers of municipalities and counties cover many community development activities and related local ordinances. The overall existing statutory framework for regulating growth in New Mexico derive from a variety of land use, planning, and economic development laws (listed in Appendix B).

When it comes to land use planning laws, New Mexico shares with other western states three of four important characteristics. First, planning is directed to the local level. According to the National Council of State Legislators, this is indicative of “the independence and individualism traditionally identified with the American West. Second, they tend to separate economic development from environmental protection. Third, the great majority of state laws are directed at traditional, not sustainable, development. Finally, most of the state laws do not incorporate subdivision regulation -- a critical issue when trying to manage growth onto agricultural lands -- into comprehensive land use statutes.”<sup>206</sup> New Mexico differs on subdivision regulations; its Subdivision Act gives the state’s 33 counties authority to include subdivision regulations in its comprehensive plans. Examples of statutory authority for planning and regulating land use in New Mexico include:<sup>207</sup>

Municipal housing development for low-income residents is promoted by the municipal housing law which defines the powers of municipalities on housing development and

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<sup>206</sup>National Council of State Legislators, 1996, page 9.

<sup>207</sup>Handbook for Local Government Officials, page 18.

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renovation; and provides for the delegation of such powers to municipal housing authorities which must operate on a not-for-profit basis - § 3-45-1 et seq. NMSA 1978.

The community development law provides for municipalities to identify slums and blighted areas for clearance, redevelopment, rehabilitation or conservation according to a community development plan - § 3-60-1 NMSA 1978.

The urban renewal law seeks to eliminate slums and blight and redevelopment according to specified plans. The area must be declared to be a slum or blighted by resolution of a local government. Powers may be delegated to a redevelopment agency - § 3-46-1 et seq. NMSA 1978.

Under the powers of eminent domain a municipality has the power to condemn private property for a number of specified public and additional uses in the above laws - § 3-18-10 NMSA 1978.

Municipalities may establish and delegate powers to a planning commission and carry out a master plan for physical development within the planning and platting jurisdiction. If a master plan is adopted by the governing body, the approval of the planning commission is needed for a number of land use and development activities - § 3-19-1 et seq. NMSA 1978. County and municipal subdivision and zoning powers are defined in § 3-20-1 et seq. and § 3-21-1 et seq. NMSA 1978.

Counties are granted the same powers as municipalities except for those powers that are inconsistent with statutory or constitutional limitations placed on counties. On community development, some powers include general police powers and zoning, operation of housing projects and planning. County planning commissions also recommend capital projects and their financing to county government officials - § 4-57-1 et seq. NMSA 1978.

## **New Mexico Infrastructure Needs<sup>208</sup>**

Infrastructure encompasses all the physical building blocks on which a community depends to sustain itself and grow. It creates economic growth by inducing new, or retaining existing, business within a community: good roads, water and wastewater systems, and quality public buildings and parks. Growth in turn creates the need for new or additional infrastructure.<sup>209</sup>

The federal government has funded an enormous amount of infrastructure since World War II.

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<sup>208</sup>This section includes information updated in October, 1997.

<sup>209</sup>New Mexico Finance Authority, *New Mexico Infrastructure: Needs, Funding and Recommendations*, 1995, pages 1 and 2.

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Yet, even while that era is ending, demands to spend more on infrastructure are increasing: nationwide there is a \$64 billion infrastructure gap, attributed by Oregon's Henry Richmond to 30 years of unplanned growth.<sup>210</sup>

Studies point to poor infrastructure for why firms are driven away from a community even more than superior capital plant attracts new businesses. The prevalence of potholes and stopped-up sewers relays an image of economic decline, leads to disinvestment and discourages new business and residential development. As much as four-fifths of added manufacturing capacity comes from plant expansions locally,<sup>211</sup> and even local firms want assurances that expansion of public facility capacities will accommodate them.

Rates of growth greatly influence how much infrastructure is used and, if overused, the rate at which the facilities deteriorate faster than expected. New Mexico's portion of I-40 hosts heavy volumes of trucking, shortening the predicted useful life of that road. This is partly due to congressional approval of heavier load limits. Similarly, as more new industries rely on water and sewer infrastructure, those public facilities can become taxed beyond their capacities. Rapid population-driven expansion out from existing city limits can lead to demands for expansion of infrastructure lines. But just as not having enough infrastructure can delay development, speculative, i.e., non-demand driven, infrastructure gambles that if it is built they will come. But if it does not entice development, a small poor community will have to pay far beyond its means. Pressures to reduce excess tax burdens can lead to fiscally unwise decisions such as promotion of a sprawling type of development that can induce costs for new services exceeding new revenue.<sup>212</sup>

A study of *Fortune 500* business location decisions found that large firms take advantage of public infrastructure more than any other public assistance, such as zoning, job training and financing.<sup>213</sup> Indeed, the growth of public infrastructure is the primary determinant of the growth of a region's economy.<sup>214</sup> In other words, public dollars beget private. A study done in the town of Clay, New York, found that parcels with access to sewer facilities fetched 1.8 to three times the price of similar but unserved parcels, and that sewer systems were a far more important factor

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<sup>210</sup>Henry Richmond, at Santa Fe Growth Forum, June 28, 1996.

<sup>211</sup>Rita Bamberger, "Infrastructure Support for Economic Development." American Planning Association, 1985.

<sup>212</sup>"Infrastructure and Economic Development - A Summary of Literature Search." Boston's Metropolitan Area Planning Council, 1997. Also Chapter One of *Growth in New Mexico: Impacts and Options*. New Mexico Local Government Division, 1997.

<sup>213</sup>Roger Schemmer, *Making Business Location Decisions*. Prentice-Hall, 1982.

<sup>214</sup>Randall Eberts and Michael Fogarty, "Estimating the Relationship Between Local Public and Private Investment." Federal Reserve Bank of Cleveland, 1986.

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than centralized water in determining community land values.<sup>215</sup>

Planning for public infrastructure normally is conducted to fill in the missing pieces of the puzzle, as a way to entice a new firm or keep an existing firm. Many communities have relied on grants and (increasingly) loans from a variety of federal and state public sources to provide for the final infrastructure piece that can entice economic development projects. Entering the analysis are equations which weigh the costs of investing in infrastructure capital outlays and maintenance against the benefits of jobs (new or retained), new tax revenue and leveraged private investments. But, as will be seen in this paper, the costs of these investments in New Mexico are huge.

### Infrastructure Capital Improvement Program

DFA's Local Government Division coordinates the annual compilation of local infrastructure capital improvement program plans. The program's purpose is to:

Initiate long-range local capital planning;

- a 3 year plan for communities under 10,000 population,
- a 5 year plan for communities over 10,000 population,

Encourage and assist municipalities, counties, tribes, and special service districts to focus on short and long term infrastructure goals and needs and prioritize those needs; and

Maximize available resources by identifying and coordinating all available funding sources for capital projects from both state agencies and local governments.

Program objectives include:

Identify local prioritized needs by project, and develop a comprehensive capital financing plan that matches needs with available or potential resources;

Provide information to the Executive and Legislative branches of government about the statewide capital infrastructure needs by local entity;

Encourage legislative action to maximize use of available resources allocated to local governments;

Provide information on local capital infrastructure needs to other state agencies to better coordinate and streamline the required process for local governments; and

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<sup>215</sup>Richard Tabors, Land Use and the Pipe. Lexington Books, 1977.

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Determine critical capital outlay needs on a statewide basis.

### Infrastructure Investment Goals

Infrastructure commonly means physical facilities used by the public, such as roads, highways, utilities, buildings, water and wastewater facilities, and recreation sites. Investing in infrastructure helps meet a variety of goals:

- Provide for the basic health, safety and welfare of New Mexicans;
- Ensure enhanced freight, residential and employee mobility;
- Ensure an adequate supply of water, power and other utilities at a price reasonable to the end user;
- Maximize the effectiveness of public and private sector infrastructure investments;
- Enhance the environment; and
- Retain and expand the number of high quality family-wage jobs.

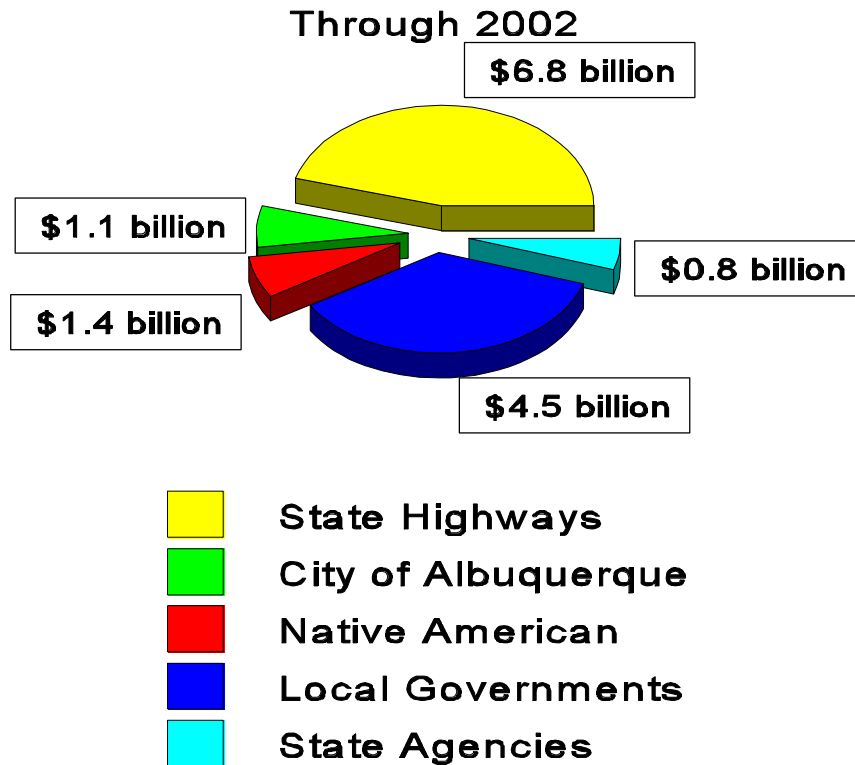
The delineation of infrastructure projects is based upon analysis, dialogue and planning by New Mexico jurisdictions and public bodies, and is intended to reflect those physical improvements critical to the economic vitality and livability of New Mexico.

### Infrastructure Needs Assessment

Over the next five years, \$14.6 billion worth of infrastructure needs have been documented to solve our infrastructure gap. The needs gap can be broken into five categories:

- 1) State Highways - \$6.8 billion
- 2) City of Albuquerque - \$1.1 billion
- 3) Native American - \$1.4 billion
- 4) Local Governments - \$4.5 billion
- 5) State Agency Capital Facilities - \$782 million

## **New Mexico Infrastructure Needs**



### State Highways

Potholes and other huge road-related deficiencies are the biggest gap in New Mexico's infrastructure. The State Highway and Transportation Department has identified over \$6.8 billion in transportation needs between 1997 and 2002, as determined through a combination of technical engineering measurements, citizen input, and discussions with elected and appointed officials (prior to such input, only \$3 billion of needs was projected for a 20-year period in 1995).<sup>216</sup> Deficit reduction, sprawling growth and maintenance of an aging transportation infrastructure are cited as the main reasons for the major increase in highway financing needs.

Funding is needed to improve 5,886 miles of deficiencies in roads on the state highway system, up from 4,309 miles in 1987, including poor pavement conditions, inadequate capacity and unmet safety needs. Additionally, there are needs for bridges, four-lane facilities and paving of

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<sup>216</sup> "NMSHTD Major Investment Plan," page 2, 1997.

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unpaved state highways, in part to meet the 292 percent increase in traffic in the last decade and the resultant congestion. Meeting the infrastructure needs is made more difficult by the reduction in both federal and state funds: SHTD notes that only \$1.2 billion worth of projects will be funded with expected revenue, creating a shortfall of \$5.6 billion.

### City of Albuquerque

The City of Albuquerque lists \$422 million in infrastructure needs in the Local Infrastructure Capital Improvement Plan (ICIP) for the years 1997-2001. Albuquerque estimates the majority of its funds - about \$218 million - should be spent on water and wastewater collection, treatment and distribution. Further documentation<sup>217</sup> shows a five-year need for water projects at \$122.6 million and wastewater projects at \$154.3 million. Albuquerque area storm water drainage projects have been documented at \$234.8 million, with only one-seventh of the funding identified.<sup>218</sup> Duke City streets are short by \$400 million. Together with other capital improvement projects identified by the city,<sup>219</sup> infrastructure needs for New Mexico's largest city total \$1.16 billion.

### Native American

The amount of infrastructure needed on tribal lands in New Mexico is probably much greater than the amount listed in the ICIP. The ICIP lists the amount as \$25 million; though the amount needed is closer to \$1 billion. This figure was derived according to the following methodology:

The United States Department of Agriculture asked tribes to submit input for the Tribal Strategic Plan. Written input was received from five tribes. Of these, it was determined that two offered enough detailed information on infrastructure needs: Taos Pueblo and Acoma Pueblo. These two tribes serve as the baseline for determining the per capita need. Other tribes are still determining their needs and as these reports are released, the amount needed to meet infrastructure needs will climb higher.

Acoma Pueblo stated about \$64 million was needed to meet infrastructure needs. About \$9.5 million was needed in equipment; \$43 million in facilities construction; \$4 million in business improvements; \$2.9 million in water improvements; and \$4.2 million wastewater improvements. Other needs were listed but no dollar figure was given for them. The \$64 million was divided by

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<sup>217</sup>Estimated CIP Project Cashflows, Water/Wastewater Program, City of Albuquerque Public Works Department, June 24, 1996

<sup>218</sup>"Albuquerque Area Wide Storm Drainage Projects." Albuquerque Public Works Department, January 1997.

<sup>219</sup>"Local Infrastructure Capital Improvement Plan, 1997" DFA-Local Government Division; notes from talk given by City Council staff Lou Colombo, at the New Mexico Infrastructure Financing Conference, October 27, 1997.

the number of people living on the reservation, about 6,000. The per capita need was \$10,671. The same was done for the Taos Pueblo and the per capita infrastructure need was \$12,882. By averaging the two figures, a per capita baseline of \$11,777 was reached. This figure was then multiplied by the number of residents on pueblo lands, 64,000. The approximate needs of the residents of the pueblo lands is totals about \$753 million.

Though many chapters of the Navajo Nation are presently working on ICIPs or other plans that would estimate their infrastructure needs, it is currently impossible to estimate the infrastructure needs of the Navajo Nation although the nation's five-year road needs have been documented to be \$303 million.<sup>220</sup> However, the same per capita figure of \$11,777 was used to estimate these needs. This amount was multiplied by 52,586, the number of New Mexico Navajo reservation residents. Thus, the total estimated infrastructure needs for the Navajo Nation is \$619 million.

Together with Mescalero and Jicarilla Apache tribal figures, which are derived by the same per capita methods, the total estimated infrastructure needs of the Native American communities in New Mexico is \$1.4 billion.

#### State Agencies/Local Governments

The New Mexico Finance Authority released a report in 1995 stating the reported infrastructure needs of state agencies and local governments was about \$5.3 billion from 1995 to 1998. The total is comprised of the following: about \$1.6 billion to transportation; \$1.5 billion to public/higher education; water, wastewater and solid waste facilities needed \$860 million; government service about \$705 million, including jails; social services and public health services totaled about \$462 million; and parks and recreation facilities totaled about \$144 million.<sup>221</sup> It should be noted the transportation component does not include any highways, only state highway buildings.

Local government needs were identified according to Infrastructure Capital Improvement Plans submitted to the DFA Local Government Division, with participation by all municipalities and counties, as well as 57 special districts, four pueblos, and 12 fire districts<sup>222</sup>.

The following table shows totals by entity, type and year, in thousands of dollars:

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<sup>220</sup>Resolution of the Transportation and Community Development Committee of the Navajo Nation Council. September 29, 1997.

<sup>221</sup>"New Mexico Infrastructure: Needs, Funding and Recommendations." New Mexico Finance Authority, 1995.

<sup>222</sup>"Local Infrastructure Capital Improvement Plan, 1997." DFA Local Government Division, 1997.

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Year	County	Municipal	Alb.	Soil & Water	Native Amer.	Fire Districts	Water Assoc.	TOTAL
1997	403,302	472,073	151,312	2,605	2,734	1,051	13,732	\$1,046,811
1998	252,111	460,404	91,969	1,289	6,021	337	940	\$813,071
1999	218,743	339,339	61,897	1,493	7,034	778	2,426	\$631,711
2000	173,209	298,464	60,365	1,319	1,059	427	843	\$542,516
2001	191,838	310,792	56,371	1,169	1,059	428	843	\$562,500
TOTAL	1,881,072	1,881,072	421,915	7,876	25,403	3,044	18,095	\$3,596,609

State government needs were identified either from the 23 state agencies that submitted a capital improvement plan for fiscal year 1995, or the 1997 Capital Improvement Program compiled by the DFA State Budget Division. The latter’s survey of all state agencies and public higher education institutions shows a four-year buildings demand to be \$782.3 million.<sup>223</sup>

Conclusion

With an infrastructure financing gap nearing \$15 billion, clearly our infrastructure needs far surpass the amount of funding that is available. Consequently, we need a more effective, efficient and innovative methods of financing capital projects to offer New Mexicans the infrastructure that is key to our quality of life. The role of state government in New Mexico, hence, becomes even more critical to ensure the construction and maintenance of needed infrastructure. Clearly, meeting future infrastructure needs -- whether derived from existing residents or growth-induced -- will be hard, if not impossible, to meet unless new planning and funding mechanisms are devised and costs are reduced. These numbers also suggest local governments may have developed an infrastructure deficit due to previous growth, i.e., past efforts to find funds to maintain and expand facilities did not keep pace with the high costs of providing services to low density growth.

**Local Infrastructure Planning**<sup>224</sup>

Benefits of local comprehensive and infrastructure planning include: a framework for decisions on community growth and development; citizens participate in identifying priority goals, needs and capabilities; rate and tax increases avoided which assists in preserving property values; efficient

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<sup>223</sup>“Capital Projects Four Year Plan - Summary Report - All Buildings.” DFA State Budget Division, September 1997.

<sup>224</sup>Information in this section is excerpted from LGD’s *Handbook for Local Government Officials*.

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government operation and maintenance of facilities are encouraged, avoiding deterioration; opportunities for outside financial assistance are enhanced by planning ahead to explore funding alternatives; and improved rating by municipal/county bond rating agencies and credit markets is likely.

Since 1992, as part of its statutory duty to assist with local government management [§ 6-6-2J and § 6-6-4 NMSA 1978], the Local Government Division has strongly encouraged each municipality and county to prepare a multi-year infrastructure capital improvement plan (ICIP). Indian tribes and special service districts (the latter numbering over 1,000) were added in 1995. Technical assistance is offered by the division to any entity seeking help in compiling a plan.

ICIP plans are reported to the legislature as well as to state and federal agencies with funding responsibilities. Identified priority projects may receive up to 15 points when community development block grant applications are rated. Plans also serve as a basis for requesting appropriations from the legislature, New Mexico Finance Authority, Construction Programs Bureau of the Department of the Environment and other state grant and loan programs.

Capital improvements are often financed by public borrowing at the state or local level. State and local governments must be able to predict how to pay for needed infrastructure and public buildings over several years into the future. To aid in this process, the 1992 legislature passed the New Mexico Finance Authority Act to “provide for long-term planning and assessment of state and local capital needs”.

Local governments face increasingly stiff competition in obtaining appropriations during the legislative session. Unlike school districts and state agencies, they have not been part of a systematic state process of setting priorities for capital projects. With local capital improvement plans, there is a more rational basis for budgeting local, state and federal dollars.

An ICIP is usually tied to an overall community development plan and projections for population growth or decline. It includes policy direction, justification, schedule and estimated costs of infrastructure capital improvement projects over a multi-year period and detailed costs and budgets for one or two years. The plan is a statement of intent, not a commitment to build each project listed. The plan should involve the community and governing body, include a description of local community goals, trends affecting the community, adequacy of current facilities given these goals and trends, and include a projection of future capital funding needs.

Local Government Division’s ICIP technical assistance to local communities includes cost estimates for public facilities. Appendix C offers one such estimate for water treatment

systems.<sup>225</sup> Costs per household unit are cheapest in an urban area, highest in rural areas.

### **Programs For Financing Infrastructure**

The burden of piecing together various local, state and federal resources to pay for growth related infrastructure largely falls on local governments, most of which have few staff. As was commented at the round table discussion, spending on infrastructure improvements are made in the favored corridor of growth of a community. Yet, since sources of funds are raised throughout the community, this de facto policy raises social equity issues. The corollary effect, noted by another round table participant, is that as we grow and devote tremendous resources at the edge, we dis-invest in our older areas.

Although each state and federal program is intended to be helpful, the combined complexity of state procedures is often a hindrance to the most effective use of public funds. In a 1993 survey,<sup>226</sup> the Local Government Division identified 10 cabinet level agencies administering dozens of infrastructure related programs in addition to programs administered directly by federal agencies. It also identified barriers to using state and federal funding programs, including: lack of personnel and technical assistance to prepare projects and applications; lack of matching funds; lack of local technical expertise often results in proposed projects that are not the most effective solution or are not ready to be built when funding is allocated or appropriated; paperwork burden of managing grant and loans which limits community competitiveness; lack of bonding capacity; and <sup>227</sup> construction delays due to piecemeal funding.

The Local Government Division analyzed the experience of other states that have formed interagency infrastructure groups, to illustrate how local plans can be used in allocating state and federal resources.<sup>228</sup> An evaluation of what works, and what would improve financing of projects, points to:

Simplifying funding process and leveling the playing field for all sizes of governments;

Using well documented local infrastructure capital improvement plans in evaluation of

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<sup>225</sup>Figures, cost estimates and technical information used were obtained from the New Mexico Engineering Research Institute under the Infrastructure Development Assistance Program.

<sup>226</sup>Local Government Division, *Catalog of Financial Assistance Programs*, 1994.

<sup>227</sup> New Mexico counties and communities have \$1,268,352,062 in bonding capacity, according to the Financial Management Bureau, Local Government Division

<sup>228</sup>Local Government Division, *New Mexico Intergovernmental Infrastructure Group: Progress Report*, 1995.

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proposals and funding needs;

Removing obstacles to packaging of diverse financial resources so that projects can be completed in a timely manner; and

Committing all agencies involved to save time for local governments who face complex demands and limited staff resources.

State programs to finance infrastructure are detailed in Local Government Division's Catalog of Local Assistance Programs (listed in Appendix D).

## **CHAPTER SIX: NEXT FOR NEW MEXICO -- BACK TO THE FUTURE**

### **Lessons Learned**

Two days of round table discussions on growth, held in the Governor's Office in June 1996 and at New Mexico State University's Dove Hall in August 1996, brought together 50 individuals to discuss key social, fiscal and environmental facts, and points of information relevant to growth. The participants did not hesitate to address issues surrounding growth, such as: community services, population, social infrastructure, planning, affordable housing, community services, local government financing, infrastructure financing, economics and land use. Many cogent suggestions were made regarding future policies to better address growth. Beyond selected remarks highlighted in this report, a summary of the 10 hours of discussions is included in Appendix A.

In a recent survey by the Local Government Division of county managers and planning officials, growth-related issues rated most important included:<sup>229</sup>

- Water availability;
- Impacts of growth;
- Demands on services and infrastructure;
- Transition from rural to urban;
- Increase or decline in population;
- Affordable housing;
- Degradation of natural resources; and
- Lack of political power to enact zoning or subdivision ordinances.

*People tell us "we're tired of subdivisions; we want neighborhoods."*

Buddy Lucero, Santa Fe City Planner

To help address these issues, county officials recommend that the state: re-create a state planning office; redraw and merge regional and district jurisdictions; provide enhanced technical assistance, such as for computer mapping or statistics; hold training sessions on topics such as basic requirements of planning, especially for those new to county management; and develop how-to guidebook or template for planning, but avoid mandating it.

### **Growth Management in New Mexico**

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<sup>229</sup>Elaine Hebard, *New Mexico Counties - A Snapshot of Planning*. Local Government Division, 1995.

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Even for those New Mexico communities actively seeking new residents and new businesses, growth has often occurred at rates higher than they can handle. Increasing interest in ways to adequately respond to the challenges of growth is manifest in various ways throughout the state. Planners are being hired in greater numbers than before. In the past year several counties, including Mora, Taos, Rio Arriba, San Miguel, and Lea, have imposed moratoria on issuing subdivision permits until they had a chance to update their subdivision or zoning regulations. Growth management training workshops have been held for citizens of Chama and Columbus. A May 1996 growth management forum, with Portland's Henry Richmond as keynote speaker, provided Santa Feans a chance to learn about how to handle growth; both the city and county are incorporating growth management techniques into revisions of their general plans. The City of Albuquerque has put together a Sustainable Communities group to explore ways for the city grow within its natural and economic bases. Gallup has enacted a Pro-growth management policy. And a new citizens group, 1000 Friends of New Mexico, has formed to promote sound land use planning.

Tools to manage growth have been applied in New Mexico communities, though not under a framework of comprehensive growth management planning. The following list of tools in use is mainly based on research by land use attorney Anita Miller.<sup>230</sup>

Land acquisition to protect fragile lands, create open space, provide recreational areas and provide a buffer from development has occurred throughout New Mexico. In fact, over 20 square miles of municipally owned land has been identified as vacant or open space, according to 63 municipalities responding to a Local Government Division survey.<sup>231</sup> In the 1950's Mesilla annexed agricultural lands surrounding the village to not only preserve farmland and provide a buffer from the city of Las Cruces but also to remind its residents of the "ejido" culture which once allowed Hispanic residents to own and use land in common.<sup>232</sup> Albuquerque has used a one-quarter cent quality of life tax to acquire open space; the tax was terminated by referendum. It has also acquired a site near downtown for a multi-modal center that could accommodate rail, bus, bike and light rail. Santa Fe has 3,614 acres in vacant land, some of which may be used for an urban boundary and it has recently acquired railyard property near downtown for use in part as open space and as a multi-modal center.

Conservation land trusts have been set up in Santa Fe to acquire steep slopes and scenic vistas in and adjacent to the city; in the Taos area; and in San Miguel County to acquire a conservation easement over an acequia. In a joint agricultural/environmental effort, ranchers known as the Malpais Group are working with the Nature Conservancy to form agricultural land trusts to keep

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<sup>230</sup>Anita Miller, Esq, *Tools For Managing Growth*.1996, pages 1 - 5.

<sup>231</sup>Kenneth Pin, "Municipally Owned Real Property," LGD, 1995.

<sup>232</sup>Conversation with Mesilla Town Planner J.D. Trebec, 4 September 1996.

ranch land along the Arizona border in Hidalgo County from becoming subdivisions.<sup>233</sup>

*Creating green open space and abundant native vegetation is far more effective in achieving the much desired “rural environment” than large-lot residential zoning.*  
Bear West Planners, Shaping Livable Communities

Community land trusts are used to promote affordable housing by removing land from the speculative market and holding it for the benefit of a community and its residents. Such a land trust is being developed in Silver City.

Extraterritorial zoning requires either creation of an Extraterritorial Zoning Authority (EZA) and Commission or intergovernmental agreements to regulate use of lands three to five miles around a city. They are in effect for Albuquerque/Bernalillo (joint powers agreement); Roswell/Chaves; Fort Sumner/DeBaca; Las Cruces/Doña Ana; Carlsbad/Eddy; Silver City/Grant; Ruidoso/Lincoln; Lordsburg/Hidalgo; Hobbs/Lea; Deming/Luna; Alamogordo/Otero; Farmington/San Juan; Las Vegas/San Miguel; Sandoval; Santa Fe/Santa Fe; Taos/Taos; and Valencia County.<sup>234</sup> Even where an EZA specifies a single comprehensive plan, none have yet created policies that implement growth management through extraterritorial zoning.

Urban growth boundaries and urban service areas are implicit in a Santa Fe City policy of not intending to extend its water and sewer services. Less utilities has meant more restrictions on development which has raised land and housing prices in the city and effectively encouraged development on lots outside the city boundaries.<sup>235</sup> Its new general plan recommends the city take over planning for the EZA but maintain its rural character, and not annex any lands unless they are needed for more urban expansion. The plan also recommends capping the rate of residential permits through the year 2020.<sup>236</sup> Albuquerque is also exploring the concept of imposing an urban growth boundary.

Fiscal impact analysis is used on major development proposals by Albuquerque and Las Cruces. Albuquerque has the analytical ability to distinguish between growth and nongrowth related costs and revenue. Its fiscal impact model breaks out costs by department with figures for total costs and revenue, per capita costs and growth related costs compared to nongrowth costs.

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<sup>233</sup>Josef Hebert, *Ranchers Riding into the Sunset*. Albuquerque Journal, November 24, 1996.

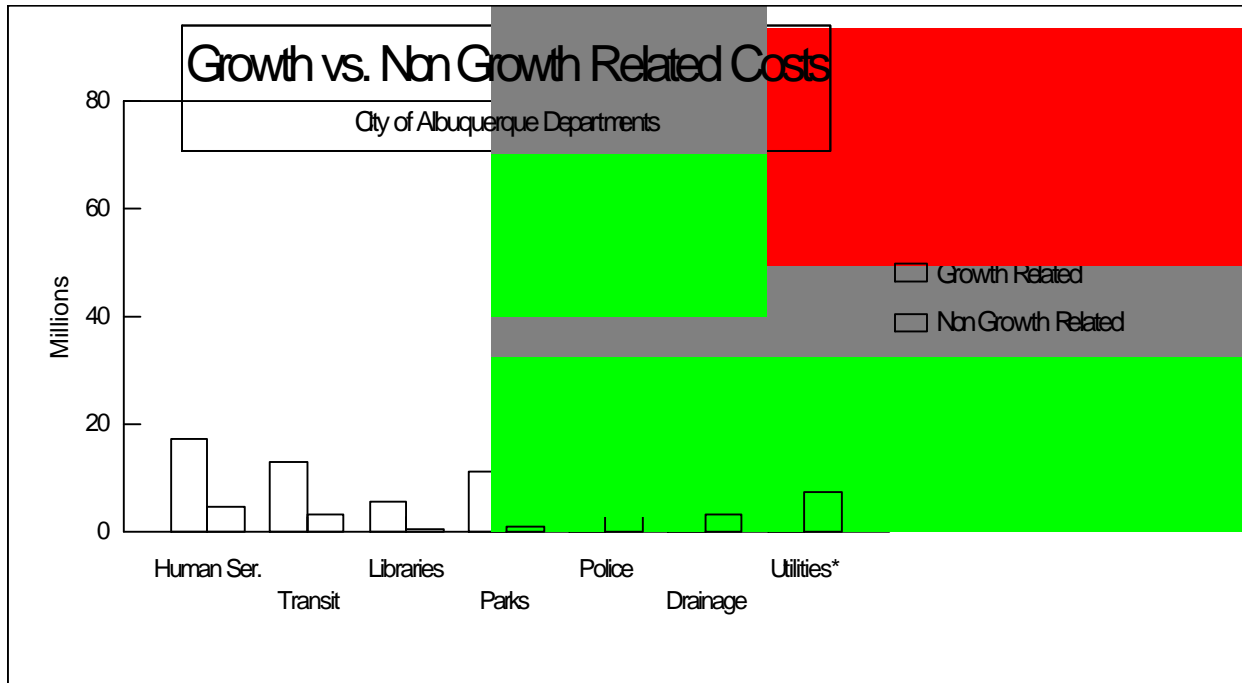
<sup>234</sup>Hebard, Appendix A.

<sup>235</sup>City of Santa Fe, *Economic Development Plan*, 1996, page 10.

<sup>236</sup>*Neighborhoods Focus of Plan*, Albuquerque Journal North, October 2, 1996.

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It quantifies development impacts on school districts, traffic levels, utility rates and land consumption. Figures are based on the city’s general fund, capital fund (bonds for infrastructure) and enterprise funding for water and sewer. The chart reveals growth related costs for human services, transit, parks and recreation, costs rarely considered in determining assessment or other fees.<sup>237</sup> Overall, the city’s annual growth related costs are at \$122,881,536 (or \$288.74 per capita) while nongrowth related costs are \$80,701,094 (or \$189.62 per capita).<sup>238</sup> Note that the



utilities figure is gross costs: with revenue from sale of water and sewer services, the city actually makes \$42 million from growth related additions. Las Cruces has adopted the same model for its departments’ budgets. Silver City has applied a fiscal impact model to a proposed business relocation.<sup>239</sup>

Exactions, dedications, and impact fees are used in Albuquerque, Bernalillo County, Rio Rancho, Las Cruces, Santa Fe, Los Lunas and Santa Fe County to fund off-site infrastructure improvements as allowed under the Development Fees Act. Waivers may be given for infill

<sup>237</sup>Planning Department, *Service Level, Cost & Revenue Assumptions: Fiscal Impact Model*. City of Albuquerque, September 1996.

<sup>238</sup>Conversation with Shirley Wozniak, Albuquerque City Planner/Economist, July 9, 1996.

<sup>239</sup>Jerry Walker, *Cost-Benefit Analysis: How to Calculate the Impact a Firm Will Have on Taxing Entities in a Community*. Presented to the New Mexico Rural Economic Development Forum, October 18, 1996.

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development, affordable housing and other public purposes, and a graduated fee system could be used as incentives to develop in areas already planned for urban growth with higher fees for areas with inadequate facilities.

Different types of innovative zoning are being pursued to meet various objectives. Performance zoning is implied in a new Santa Fe County rule basing lot densities on a geohydrological study. In effect this limits lot size to two acres unless there is a community water system available. The City of Santa Fe's new general plan calls for inclusionary zoning to require developers to include a percentage of affordable housing units for low- and moderate-income residents. Cluster zoning is encouraged in Albuquerque and Bernalillo County to use infill sites, to create open space, and to protect steep slopes. Agricultural land/open space zoning is used by Mora County with sliding scale lot sizes; Socorro County, whose right-to-farm ordinance ensures that any zoning cannot increase taxation on traditional agricultural operations;<sup>240</sup> and Sandoval County.

Regional planning that links up land use and transportation is being developed by the Middle Rio Grande Council of Governments. Its 50-year plan for the most populous portion of the state intends to offer a long-range strategy for managing growth. Regional water, solid waste, transportation and economic development planning, which have occurred piecemeal, will all be linked up under this plan.

Intergovernmental agreements have been pursued in Albuquerque, Santa Fe and Silver City to extend water and sewer services outside municipal limits into unincorporated areas. However, this has occurred in response to growth, not as a way to manage it. Most parts of the state have such agreements to respond to changes in the way solid waste is handled.

Density transfers are used by Albuquerque within large development sites in the Sandia foothills and is proposed in the west side strategic plan draft, more as a way to protect critical areas than for growth management. Transfer of development rights has not been used in the state, given the difficulty of identifying receiving areas for the increased density being transferred to preserve open space, agricultural lands or critical resources. However, Las Vegas, Taos County and Socorro County are exploring the feasibility.

Subdivision regulations in New Mexico were strengthened in 1995 with passage of a law amending the Subdivision Act. Counties updating their ordinances since July 1996 include: Mora, Bernalillo, Santa Fe, Dona Ana, Sandoval, and San Miguel.

The infrastructure capital improvement plan (ICIP) is another ongoing tool for planning. As suggested by Santa Fe County's 1996 ICIP document, growth management tools could be incorporated into the ICIP to encompass "creative use of land use and design incentives which

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<sup>240</sup>Conversation with Greg White, Socorro County Planner, September 12, 1996.

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minimize the need for capital expenditures by public and private parties.”<sup>241</sup>

While not in itself growth management, comprehensive planning can provide a proper framework by which a community can enact the kinds of land use management tools discussed in this section that best fit with that which the community desires to become. See Appendix H for a question and answer discussion on this vital tool. Comprehensive planning has been underway or enacted in the last three years in the following New Mexico counties: Doña Ana, Grant, Luna, McKinley, Mora, Rio Arriba, Sandoval, Santa Fe, San Miguel, Socorro, Taos, and Union<sup>242</sup> with others such as Lincoln and Otero soon to begin. Communities that have recently performed comprehensive planning include Chama, Columbus, Gallup, Las Vegas, Magdalena, Santa Clara, Santa Fe, Santa Rosa, Silver City, Taos and Tucumcari. Columbus has such a high growth rate that it is considering adopting a Growth Management Committee.<sup>243</sup>

The City of Santa Fe’s general plan weaves together themes touted in various growth management techniques.<sup>244</sup>

- Balance growth, conservation, redevelopment, and natural resource protection;
- Enhance Santa Fe’s unique character and sense of place;
- Maintain a regional growth management perspective;
- Promote a compact urban form and encourage infill redevelopment;
- Reduce automobile dependence and dominance;
- Enhance quality of life for the community;
- Require new development to foster public life, vitality and community spirit;
- Put community activities back downtown;
- Provide mix of land uses in all areas of the city;
- Participate in the creation of affordable housing;
- Streamline the planning and development review process;
- Make comprehensive efforts to conserve water and ensure adequate supplies; and
- Ensure consistency between the General Plan, city ordinances and capital improvements program.

### **Models of innovative development**

Nationwide attention is being given to new patterns of development which integrate public

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<sup>241</sup>Vincent Ojinaga, *Santa Fe County’s Infrastructure Capital Improvements Plan*, 1996.

<sup>242</sup>Elaine Hebard, 1995.

<sup>243</sup>UNM Planning, *Columbus Comprehensive Plan*, 1996.

<sup>244</sup>*General Plan Maps 20-Year Development*. Albuquerque Journal North, September 7, 1996.

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concerns on fiscal, social and environmental issues with developers' interest in efficiency and profit. The three principles of new urbanism, as described in a Newsweek special issue on the subject, include: 1) Density: low density development of two or less dwelling units per acre is laid out entirely for the convenience of the automobile. New urbanism's density of five units per acre, with a mix of housing types, would bring back the bus stop and corner store to get a paper and milk; 2) Civic space: low density development is "two-thirds grass but with nowhere for kids to play ball, except in the streets. Communities need parks and outdoor public spaces in which people can gather and interact;" and 3) Mandatory design codes: New urbanism literally builds in lively streetscapes, a feeling of neighborliness and downright cuteness. "And it's the cuteness that sells."<sup>245</sup>

Utah study posits a checklist of ways to integrate these concerns into design elements, as shown in the following chart.<sup>246</sup>

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<sup>245</sup>Jerry Adler, *Paved Paradise*. Newsweek, 15 May 1995.

<sup>246</sup>Bear West, page 3-10.

**CHECKLIST OF DESIGN ELEMENTS**

RECOMMENDED DEVELOPMENT POLICIES	IMPLEMENTATION
<b>NEW DEVELOPMENT</b>	
New development should be designed to achieve sustainable development standards fully.	Local officials should be committed to this objective and develop sustainable development plans
Development should provide for compactness and maximum accessibility to jobs and leisure opportunities while also creating attractive living and working conditions.	Development guidelines should be included in the general plan, supported by zoning and subdivision ordinances. Site plan review conducted by the planning commission should look for ways for new development to accomplish this goal.
More intensive development and higher residential and commercial densities should be located along public transport corridors.	The general plan should provide for concentrated development to support increased use of mass transportation which can be achieved by careful transit planning and supportive zoning.
High density mixed use zones should be encouraged for combined living and working.	Mixed use, often contrary to traditional zoning practice, suggests location of work sites close to residential areas.
There should be a greater diversity of new development; some achieving energy efficiency through better design; some having greater self-containment for energy and food supplies.	Local officials should learn of urban designs and transportation planning concepts that stress energy efficiency. They should also be aware of the tools for preservation of local agriculture.
<b>BUILDING CONSERVATION</b>	
More buildings should reduce energy consumption, reduce heat loss and make more use of solar gain.	Staff should be aware of and encourage use of sustainable architecture. Developers should hire knowledgeable architects.
Redevelopment should be discouraged when rehabilitation and reuse would require less use of scarce natural resources.	Urban redevelopment can clear aging structures without serious cost/benefit analysis. An investigation should be required of any redevelopment project before any buildings are razed.
<b>TRANSPORTATION</b>	
The impact of motor vehicles on local neighborhoods should be reduced through progressive exclusion of through traffic and more extensive use of traffic calming measures.	Higher density residential and commercial development should be located in closer proximity to high volume stress. Narrow and winding residential streets calm vehicular traffic.
Long distance commuting should be significantly reduced.	Reducing car dependency goes beyond commuting. Residential development in suburban areas require that children are auto-dependent for their activities.

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RECOMMENDED DEVELOPMENT POLICIES	IMPLEMENTATION
<b>OPEN SPACE CONSERVATION</b>	
Encourage an active program of protecting natural features and greening urban areas.	This can be aided by organizing citizens who are concerned about open space and agricultural preservation.
Community forests, tree planting and total biomass should be increased significantly.	Creating open space and abundant native vegetation is far more effective in achieving the desired rural environment than large lot residential zoning.
<b>WATER CONSERVATION</b>	
Water consumption should be reduced and groundwater resources should be increased.	Greater use of indigenous vegetation and other water conservation policies can cut water use. Regulations can require reduced development on watersheds.
<b>WASTE REDUCTION</b>	
There should be a reduction in the total waste stream from housing and business.	Buy in bulk or concentrate, avoid non recyclable packing, recycle all wastes, buy food in reusable containers, and compost food and yard waste.
<b>ECONOMIC DEVELOPMENT</b>	
The local economy should have an increasing level of self-sufficiency in terms of the capacity of the region to provide a greater variety of job opportunities and to supply daily goods and services from local sources.	The economic objective of communities is to establish stable base industries that create goods and jobs is important to self-sufficiency and economic stability. Minimum wage jobs merely circulates local wealth but does not generate new wealth.
The capacity of local producers to serve local markets for daily goods and services should be enhanced.	Concern for private property rights and compensation to farmers who no longer wish to farm are vital.

Innovative developments which encompass some of these principles and design elements are starting to take shape in New Mexico. They are arising partly in response to visions of development embedded in emerging comprehensive plans of New Mexico communities and partly in reaction against standardized subdivisions straight out of the Los Angeles model of growth. De-emphasizing the automobile and tilting the priority to pedestrians is one common element among these new developments; emulating much of the traditional village setting of the state is another common element.

At the macro scale, Albuquerque's Mesa del Sol is the most valuable piece of publicly owned and undeveloped property in the country with the promise to be a model for sustainable development for New Mexico. The master plan for the 13,000-acre parcel of state trust land calls for a mixed use pedestrian oriented development with a number of activity centers and districts for its 90,000 residents. State Land Commissioner Ray Powell sees Mesa del Sol as a way of conserving open

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space, reducing cost of infrastructure, promoting affordable housing and enhancing the possibility for community and a sense of place.<sup>247</sup>

At the neighborhood scale, Tierra Contenta features affordable housing in an increasingly unaffordable Santa Fe, coupled with neotraditional design and water/energy conserving guidelines. According to Executive Director Steve Bruegger, it attempts to “re-establish the connections between neighbors by establishing places where people can meet.” In a public-private partnership, the City of Santa Fe offered up-front land acquisition payable upon resale and the federal government put in \$1.5 million for infrastructure.<sup>248</sup> Houses are clustered together and hug streets, streets are narrow and garages are placed in alleys to provide more space for parks and open space corridors. Traffic calming techniques such as bringing out the sidewalk at crosswalks and keeping major corridors to two lanes, coupled with a network of hiking/biking trails, will allow residents to safely walk or bike to school, play, shops or work.<sup>249</sup> Plazas have been designed as neighborhood centers with shops catering to residents’ daily needs. Native plants, water recycling, passive solar and terrain management are some of the age-old techniques of New Mexico that are incorporated into the design guidelines.<sup>250</sup>

At the block scale, Commons on the Alameda is New Mexico’s first cohousing community. A concept pioneered in Denmark, cohousing designs intentional neighborliness into its six-acre, 28-unit subdivision. With ages ranging from infancy to 87, the 60 residents experience a sense of community largely provided by the built environment. The six-acre site on the edge of Santa Fe City features a common house used for meals, meetings and special events. Homes are clustered around smaller plazas, each connected by meandering sidewalks and landscaping. Decisions, including the original site and common house plans, are made by consensus.

### **Elements of Reforms**

Effective growth management techniques are applied concurrently in coordination with other jurisdictions throughout a region and include:

- Urban containment boundaries with interim development boundaries, urban reserves and urban service limits;
- Appropriate capital and operational pricing of public facilities, such as user fees,

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<sup>247</sup>Information provided by Tom Leatherwood, State Land Office.

<sup>248</sup>Anne Wright, *Tierra Contenta is Building Neighborhoods*. 1996, page 12.

<sup>249</sup>Stephen Kress, *Fighting Sprawl: Innovative Development Projects on the Drawing Boards Make New Mexico a National Leader in Smart City Planning*. 1996, page 5.

<sup>250</sup>The City of Santa Fe, *Tierra Contenta Master Plan*, 1995.

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improvement district fees, and various forms of impact fees that equitably and efficiently allocate costs;  
Concurrency. This asks that facilities be available concurrent with demand for them;  
Preservation of environmentally sensitive lands or resource areas;  
Minimum density standards;  
Infill and redevelopment;  
Transfer of development rights;  
Rural land reassembly;  
All forms of special-area protection;  
Streamlined permitting;  
Nondiscretionary standards; and  
Expeditious development review.<sup>251</sup>

According to James Duncan, past American Planning Association president, growth management works best with the following elements:

Consensus for growth management;  
Executive (governor) leadership;  
Goal setting and visioning;  
Citizen involvement;  
Financial and technical support;  
Intergovernmental coordination;  
Streamlined review processes; and  
Adequate administrative support.<sup>252</sup>

According to the Bank of America report on growth, goals that encompass many of these elements toward smart growth:

Provide more certainty in determining where new development should and should not occur;

Make more efficient use of land that has already been developed, including a strong focus on job creation and housing in established urban areas;

Establish a legal and procedural framework that will create the desired certainty and send the right economic signals to investors; and

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<sup>251</sup>Duncan, pages 147 - 150.

<sup>252</sup>Duncan, pages 143 - 147.

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Build a broad based constituency to combat sprawl that includes environmentalists, community organizations, businesses, farmers, government leaders and others.<sup>253</sup>

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<sup>253</sup>Bank of America, page 2.

## **CHAPTER SEVEN: POLICY OPTIONS**

*If we do not change the direction we are going, we will end up where we are headed.*  
Chinese proverb

Participants at our growth round tables had many useful policy options to consider in order to better manage growth in New Mexico. Beyond those highlighted elsewhere in this report are these options:

Enhance intergovernmental cooperation.

Coordinate planning, starting with a real capital plan that deals with deficiencies and neglect of existing infrastructure;

Come up with more realistic local building standards;

Include the required use of mediation in statutory reform;

Equalize revenue and charge appropriately;

Quantify costs and benefits of growth;

Stress a more compact urban system that we can maintain, realizing that there are constraints;

Implement a process to start doing things smarter and agreeing on what we can do about it;

Study infrastructure needs;

Redirect the patterns of growth;

Get it simple, for we over design a lot of things that drive up land development costs;

Clarify types of growth;

Enhance dialogue between developers, planners and architects;

Pass enabling legislation to provide flexibility in managing growth, such as performance

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zoning and special assessment districts;

State should provide technical support and funding;

Look at revamping zoning statutes; and

Make the ICIP more than just a lot of wishful thinking.

The bulk of this chapter looks at these and other recommendations for managing growth in the form of policy options. Many have been adopted or proposed in other states, though if seriously pursued each must be tailored to New Mexico. ***This report makes no recommendations for which policies New Mexico and its communities should adopt in order to better manage growth, however, it does offer a menu of policy options which may be pursued by decision makers.*** The options come from a variety of sources: our round table participants; the American Planning Association; the Smart Growth initiative of the State of Colorado; laws and initiatives pursued by other states; and others who have thoughtfully considered the subject. The options are organized by 1) land use strategies, 2) intergovernmental agreements, 3) public facilities techniques, and 4) economic development options.

### **1. Land Use Strategies**

Streamline state and local permitting. This is critical to encouraging development in areas with existing adequate infrastructure. It may require changes to legislation that relate to permitting. Options include: one-stop shops for doing all necessary paperwork; time limited regulations; performance based regulations; market based regulations to encourage proper activities; negotiated regulations to get all interested parties around the table; and no regulations, as offered in enterprise zones.<sup>254</sup>

Make more explicit policies on where new development should and should not occur. Current policy constrains the real estate market by rewarding leapfrog development driven by cheaper and more easily developed land on the metropolitan and suburban fringe. The alternative is to better integrate and make more explicit conservation and development priorities. This approach means using land at the fringe more efficiently and encouraging the reuse of land in already developed areas. It does not mean stopping growth at the fringe but doing it at density levels that will not promote unaffordable densities. Real estate developers and their lenders know that certainty of approval and availability of infrastructure, rather than speculative leapfrogging, will reduce costs and processing time. Thus, new real estate developments can be brought to market more quickly and cheaply within areas where effective consensus plans for conservation and development have

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<sup>254</sup>*Developers, Environmentalists Seen as Natural Allies, But...* Community Development Digest, June 4, 1996.

been created.<sup>255</sup>

Make more efficient use of land that has already been developed. Existing communities and neighborhoods should be reinforced as good places to live and do business in a way that does not displace long-time, low-income residents. Better school systems, job training and access to capital for small businesses should be offered through a combination of government policy initiatives, active business investment and community group involvement. Incentives are needed to entice job-creating businesses and home buyers willing to invest in older neighborhoods. Home ownership at all income levels needs to be encouraged with the development of affordable housing and provision of supportive services. If developers are to provide quality housing in existing neighborhoods, they need protection from frivolous environmental and product liability suits.<sup>256</sup>

Establish procedures for local review of proposed development activities. The review is to ensure that development is consistent with the local comprehensive plan, and if not, that extraordinary circumstances warrant approval or that no reasonably feasible alternatives exist. Accompanying the review of local development projects should be a project review checklist (see Maryland's in Chapter Four) to help evaluate the project's adherence to growth management principles, functional plans and the local comprehensive plan.<sup>257</sup>

Reform the state zoning code to encourage communities to use regulation of development's location to enhance community character. Reforms would include effective comprehensive planning requirements, a streamlined state regulatory process and either statewide mandatory land development ordinances or a model land development code for use for localities.<sup>258</sup> For example, instead of zoning rigidity, a community could have a point system: if the project includes aspects desired by the community (such as mixed land use) includes a day care or supports a job-housing balance, it gets more points. This development guidance system would adhere to the notion that the developer's goal is to build the easiest and most profitable thing they can. Thus, if the rules of the game are changed to enhance community character, developers will follow.<sup>259</sup>

Encourage counties to offer incentives to landowners to cluster development. Workshops by

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<sup>255</sup> Adopted from Bank of America.

<sup>256</sup> Adopted from Bank of America.

<sup>257</sup> Adopted from Maryland Office on Planning, page 5.

<sup>258</sup> Buchsbaum, page 251.

<sup>259</sup> Adopted from Jonathan F. P. Rose, President, Affordable Housing Development Corporation, cited in Gersh, 1996.

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Local Government Division, New Mexico Association of Counties, New Mexico Association of Home Builders and 1000 Friends of New Mexico would assist in making landowners and other citizens more aware of the opportunities available to analyze approaches to more compact development. All stakeholders are important to this process; however, a minimum program would include county planners, county commissioners, state agency technical assistance staff and other interested parties.<sup>260</sup>

Offer infill and redevelopment strategies. Higher densities (key to infill success) should be promoted through multi-family, attached or small lot housing set-asides; transfer of development rights or density bonuses; or awarding of points under zoning schemes. For future redevelopment sites, interim development and design standards should be put in place to ensure planned densities and to avoid neighborhood opposition, fragmented ownership, small parcel sites and isolated building locations. For new sites within an urban area, communities should encourage pedestrian friendly neighborhoods through mixed use and minimum density zoning; transit oriented design of clustered housing; and location efficient mortgages. The last of these techniques (by factoring in transportation savings into a buyer's ability to afford a home) can mean as much as \$400 a month more to spend on a mortgage.<sup>261</sup> Public funding agencies should target funds to areas identified in plans as suitable for development, and not to open space.

Measure the level of services currently existing in a community to give public officials reliable information on where development should be encouraged and where capital facilities should be extended as needed. Called a committed lands analysis, it would also include: growth projections' impacts on public facilities; extent to which outsized facilities are going unused by newly constructed businesses or subdivisions; the need for additional public services or the timing needed for maintenance of existing infrastructure. A map can highlight committed lands where sewage coverage exists, where water lines are laid or where fire protection is offered. It can suggest where capital improvements should occur next, especially in areas with facilities with excess capacity.<sup>262</sup>

Require consistency between adopted plans and local decisions. Adopted local plans would have to be followed in zoning, subdivision, annexation and capital improvement decisions. State laws could require that local plans be geographically and substantively comprehensive, but local governments should be given great latitude in defining the format and content of such plans. Municipalities should be permitted to rely on applicable county or regional plans. The state could establish overarching statewide goals and ask that local plans themselves be consistent with those goals. To the extent that such goals mandate local expenditures on purely non local concerns, the

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<sup>260</sup>Adopted from Colorado Interregional Council Recommendations.

<sup>261</sup>"Homing in on Solutions." Amicus Journal, Fall 1996, page 7.

<sup>262</sup>Adopted from Ford, page 56.

state should fully fund those expenditures.<sup>263</sup>

*Low-density developments are often marketed as “communities”; because it is a bedrock American value, the idea of community sells well for developers no less than for politicians. But finding “common unity” and a sense of participatory citizenship is challenging in developments built to accommodate automobiles rather than to satisfy people’s social instincts. In many newer subdivisions, sidewalks are nowhere to be found, because there are no blocks around which to stroll and no places to which one might walk, such as a neighborhood coffee shop or corner store. Compared to older villages, contemporary subdivisions have few places that invite the sort of local, everyday interactions that help people to feel part of a community. Instead, we are more likely to live as strangers to one another.*

Jeff Gersh, “Subdivide and Conquer.”

## **2. Intergovernmental Agreements**

Create a growth management consensus project as a way for stakeholders to seek collaborative solutions to the complex issues surrounding growth management. The project could address: how to integrate state policies that affect the location and financing of growth; what kind of planning would best address growth challenges; how local government’s role can be enhanced; and which existing and innovative sources of financing can help implement growth management goals and public facilities and services.<sup>264</sup>

Set up a statewide task force on growth. Such a group would be appointed from among interested parties (including local government and other public and private sector representatives) to analyze and recommend where and how growth in New Mexico should take place.

Require local governments to adopt and implement comprehensive land use plans if they wish to remain eligible for state infrastructure and economic development funds or to enact impact fees. Such a requirement or variation thereof is in place in New Jersey, Maryland, Florida, Oregon, and Washington.

Establish a regional review and permitting process for developments generating impacts that extend beyond boundaries of the permitting jurisdiction to encourage local governments to pursue

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<sup>263</sup> Adopted from American Planning Association’s Board of Directors, page 4.

<sup>264</sup> Buchsbaum, page 240.

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intergovernmental solutions to regional problems. This could be implemented through intergovernmental agreements with councils of government support or through approval or rejection of proposals by the citizens in affected communities through a referendum.<sup>265</sup> Other regional activities include:

Regional development centers to prepare regional plans, mediate disputes among local governments and provide technical assistance for local planning efforts;

Regional councils of governments given the charge to review local plans for compliance with state standards and for compatibility with plans of nearby localities; and

Regional planning commission to simplify the planning process for, and increase coordination among, municipalities, landowners and developers alike.<sup>266</sup>

Develop growth management joints powers agreements between local governments. As jurisdictions deal with cross jurisdictional issues, or that require large investments such as solid waste facilities, joint powers agreements (JPAs) are increasingly useful to structure joint efforts. Through their respective governing bodies, the Joint Powers Agreement Act<sup>267</sup> authorizes two or more public agencies, to make an agreement to exercise any power common to the contracting parties upon approval by the Department of Finance and Administration. JPAs may be carried out with public funds, and the sharing of costs, conditions of joint revenue bonds and uses of proceeds should be detailed. The use of joint powers agreements among neighboring jurisdictions is encouraged for services most effectively delivered jointly by more than one local government. See Chapter Four for a model agreement among jurisdictions in Washington State.

Require coordinated planning. The state planning process, based on a grassroots consensus among the full diversity of the state, should yield plans to guide:

Capital investment by the state in infrastructure, institutions, and other state facilities;  
Allocation and expenditure of funds for infrastructure and other physical facilities;  
Management of social and economic development programs;  
Implementation of environmental programs;  
Provision of the opportunity for affordable housing;

Management of state owned lands;

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<sup>265</sup> Adapted from Colorado Interregional Council Recommendations.

<sup>266</sup> Adopted from Colorado Interregional Council Recommendations.

<sup>267</sup> Sec. 11-1-1 et seq. NMSA 1978

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Resolution of planning issues affecting more than one local government;  
State land acquisition and disposition policies; and  
Location of regionally essential but locally unwanted facilities such as landfills.

Further, state agencies should conform to local plans meeting the minimum requirements of state law except where that state agency has an approved plan. However, the state should require coordination of state, regional, and local plans and policies.<sup>268</sup> In return, it should offer a guide for local governments on growth management based planning and a model ordinance.

Set up a rural comprehensive planning framework. Traditional planning and zoning is geared for urban areas. Planning and development decisions are based on the assumption that land is a commodity, not open space or farmland with an economic value as a resource in itself. Through a resource-based planning process, rural communities can identify lands with conservation value and measure what it would cost to protect them from development versus the expenses incurred by development. Communities can also consider the type of growth they want, the level of density and the location of lands to be developed or to be conserved. For conserved lands, it can examine a whole variety of uses of the lands which comes with non development: farming, ranching, hunting, fishing, recreation, tourism, historic preservation, floodplain, and wetlands protection.<sup>269</sup>

Support local and regional planning. The state can offer growth management workshops for elected officials, technical assistance and extension programs, and studies of effective planning techniques. The state should also provide incentives to encourage local planning such as: planning grants; infrastructure grants; limiting the use of certain regulations, like zoning, to communities with adequate plans; allowing a portion of bond money (or other capital project expenditures) to be used for planning; increasing revenue sharing funds to communities with planning programs that meet certain state criteria; and allowing counties to plan and zone in areas where municipal governments do not have jurisdiction or have not exercised it. In addition, the state should provide direct financial assistance to local governments and regional entities to meet state planning requirements on issues of greater than local concern and for communities that want to plan but lack the resources. Further, if necessary, state law can authorize state fees, local fee, or taxing authority to support planning and implementation measures by providing a reliable and continuous stream of revenue for planning<sup>270</sup>.

Change the role of the state to one of initiator, convener and facilitator. Establishing minimum standards to protect the health and environment of all its citizens may be state government's more

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<sup>268</sup> Adopted from American Planning Association's Board of Directors, 1993, page 3.

<sup>269</sup> American Farmland Trust, page 23.

<sup>270</sup> Adopted from American Planning Association's Board of Directors, page 6.

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important role, as made explicit in the state's police powers. A new role may be to act as mediator between the local and federal levels, to initiate new programs, to convene new research, and to facilitate the work of communities facing similar challenges. Instead of being directly responsible for entire program development, state legislatures would work to encourage federal, local, and private groups and individuals to become policy makers themselves. With minimum health and environmental standards in place (such as regulations to protect air and water quality), localities could mix and match state, federal and private sector offerings to design a suitable package of economic development and environmental protection options.<sup>271</sup>

Encourage relevant local governments, and special and school districts to enter into urban service agreements when planning and developing facilities to meet needs of urban, urbanizing and rural areas. Such agreements are particularly useful to induce coordination among various entities, thereby reducing fragmentation in authority; ensuring areas are well served with services, thereby maximizing development potential; and reducing costs of service provision.

Offer incentives to keep land in farming and open space, such as conservation/agricultural land trusts, transfer or purchase of development rights and assessment of farmlands according to their agricultural use instead of highest and best use.

Encourage jurisdictions to share revenue and costs of regional facilities. Low density development has been encouraged by tax revenue competition among local governments for some land uses (such as retail centers) and by slow-growth policies that discourage other land uses (such as low-income housing). Local governments should be encouraged to work together toward consistent land use policies when given incentives to do so.<sup>272</sup>

*The movement into the inland West has led to conflict everywhere, whether we are talking about the displacement of Spanish-speaking people in Santa Fe, (or) the struggle over grazing in Catron County . . . In each case, an urban culture with urban sensibilities has gotten a glimpse of a desirable landscape and a desirable way of life, and has attempted to take over both, always with the best intentions. There's more to the story of this newest West than the clash of cultures. . . . But we might move more quickly toward solutions if we were able to admit that everything is made more difficult because we hated each others' values on sight.*

Ed Marston, "What Happens When True Grit Meets Easy Rider." High County News, October 14, 1996.

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<sup>271</sup> Adapted from National Council of State Legislators, 1996, page 16.

<sup>272</sup> Adopted from Bank of America.

### **3. Public Facilities Techniques**

Direct scarce state money most cost-effectively, to where infrastructure already exists, so that roads, schools, sewers, water systems, public buildings and other projects (such as low-interest mortgages for first time house buyers) go to develop existing communities.

Set regional urban service standards for minimum levels of service for transportation, sewer, water, drainage and parks to ensure that facilities are consistent with comprehensive plans; that accommodation of growth is achieved at the least cost; that services are balanced among communities; that adequate funding for services is provided; and that cooperation between service providers is encouraged.<sup>273</sup>

Require new developments to have adequate public facilities prior to construction. Techniques include:

Concurrency, so that new development must show it has facilities available when the project is completed;

Growth phasing, whereby new development is limited to a set amount, often through the building permit system, over a certain period of time;

Rate of growth, whereby new development is limited to a percentage increase in growth;

Carrying capacity, where growth is limited to how much the area's natural resources can absorb. It could also be applied to an area's cultural resources, as stewardship capacity.<sup>274</sup>

Focus scarce public dollars into public investment areas to attract private development into the same area. Focused public investment plans (like a capital improvements plan) identify where and when facilities would be built. Additionally, it identifies areas akin to enterprise zones or communities to focus such improvements. The intent is to concentrate enough scarce public dollars into a certain area to attract private development into the same area. Focusing investments: decreases dispersed development lacking services; increases density in growing areas; encourages infill; and improves local control over capital budgets. Elements of such a plan include: future development forecasts; lands suitable for development inventory; updated facility plans; capital improvement program; revised urban service agreements; public investment area map; and as an option, system development charges.<sup>275</sup>

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<sup>273</sup>Adopted from the State of Oregon, page 3.8.

<sup>274</sup>Adopted from Duncan, page 95; and State of Oregon, page 3.2.

<sup>275</sup>Adopted from State of Oregon, page 3.22.

Set facility financing fees on a marginal cost basis to capture more of the actual costs of services and facilities provision in far-flung areas. Housing and businesses are cheaper on the fringe because those developments pay for local infrastructure, but do not pay the full cost of constructing roads, developing water supplies and disposing of sewage, and mitigating environmental problems. Imposing exactions, impact fees or other financing tools on those developments would discourage sprawl. Government agencies, such as water suppliers, should cease the practice of spreading the cost across all users, new and old.<sup>276</sup>

Encourage communities to conduct a tax impact statement to estimate taxpayer costs and benefits of new development for services such as schools, roads, fire, police, water, wastewater and ambulance.<sup>277</sup> Effects on property, gross receipts and other revenue brought in by a new business, subdivision or institution could be more accurately weighed against the costs of providing public services and facilities.

#### **4. Economic Development Options**

Analyze economic development options with a cost-benefit model. Incentives should be tailored to different local circumstances by using performance criteria such as: wages relative to the local area; impact on affordable housing; capacity of existing infrastructure; environmental impact; tax base impact; and locally adopted targeted industries. In addition, cost-benefit analysis tools should be made available to local decision makers for development that does not seek state incentives.<sup>278</sup>

Incorporate economic development into any growth management package. To compete economically means competing globally. Spending scarce public or private dollars on unsustainable growth patterns takes money away from the kinds of infrastructure that can really allow a community to compete.<sup>279</sup> As adopted from Portland, elements of an effective economic development portion of a growth management policy include:<sup>280</sup>

Protect quality of life. This has been and can continue to be the draw for New Mexico;

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<sup>276</sup>Adopted from Bank of America.

<sup>277</sup>Brett Hulsey, *Sprawl Costs Us All*, 1996, page 13.

<sup>278</sup>Adapted from Colorado Interregional Council Recommendations; Jerry Walker, *Cost Benefit Analysis*, at the Rural Economic Development Forum, October 17, 1996.

<sup>279</sup>Daniel Kemis, at the Rural Economic Development Forum, October 17, 1996.

<sup>280</sup>Adapted from Chris Ertel, page 12.

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Be choosy. New Mexico's quality of life is limited; spending it to attract growth that ultimately does not raise the state's capacity to generate wealth is short sighted at best, money squandering at worst. Unzipping the tax break purse should be a very conservative exercise;

Invest in higher education. Beyond scratching New Mexico's lottery tickets (whose proceeds go for college scholarships) we must do all we can to invest in the tremendous human potential that lies within our borders; and

Raise the productivity of the low-wage service sector. While the top of the economic ladder usually gets most of the attention, it may be the bottom where most productivity gains can be made. Wishing away (or in land use parlance zoning away) the poor will not make them go away. Recognizing their value and essential nature to community life, steps need to be taken to find ways to change low wage jobs into jobs that pay a living wage, even if it means finding out how people can do things just a little better.

View environmental quality and quality of life as economic assets. New Mexico needs to recognize that recreation, tourism, new business development, in-migration of new residents and related economic sectors (retail trade, services, construction, etc.), which are all significant forces in the state's economy, depend to some extent on protecting and enhancing the natural resources and environment of the region. Those concerned with the environment and those concerned with the economy must find common cause in protecting the foundation of both -- the very natural and cultural resources which bind the region together. Economic activity must occur within a framework of protection of natural and cultural assets if the economy is to be environmentally sustainable. Policies and practices should ensure that economic development protects the economy's fundamental bases, such as sustainable use of renewable natural resources; minimization and substitution of the use of nonrenewables, protection of our air, water, soils and open spaces; plugging leaks in the economy; and adding as much value as possible to all products and services.<sup>281</sup>

Promote diverse small businesses. By its very nature, small business tends to promote diversity, strengthen the economy from shocks and employ local people. Economic development planners and officials should reevaluate the emphasis on big wins in business recruitment, and focus adequate effort on encouraging and strengthening the homegrown businesses that are all around us. Public policies on zoning, economic development, community design, community services as well as private sector attitudes toward growth and business development, help determine patterns of change. Existing development policies should promote healthier communities and economies for diversification of jobs, income sources and business entities, and for development of a work

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<sup>281</sup> Adapted from Walter Hecox and Bradley Ack, *Charting The Colorado Plateau - An Economic and Demographic Exploration*, 1996, page 46.

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force and community conditions that will be competitive in the 21st Century.<sup>282</sup>

Put a premium on human resources. Keys to a healthy community and healthy economy include an educated and talented workforce, dynamic educational institutions, and an ability to adapt to changing economic and technological conditions. Students need to learn cutting edge skills and abilities, and gain knowledge to become active citizens. If they do not get these skills, they will be a burden on the economy rather than an asset.<sup>283</sup>

*We need to better understand that business and community "growth" does not mandate outward expansion. Unrestrained physical growth has persisted simply because it could, with little regard as to whether this was healthy in a broader context. Certainly, current development patterns have benefited some people, and some growth must take place in outlying areas simply because urban areas have limited vacant land. The question is whether we are making good long-term investments. The initial answer seems to be no.*  
Lyle Wray, Woodrow

Recognize that growth and development are not synonyms. Growth is about getting bigger, development is about getting better. Like slow release fertilizer, a slower but steady increase in economic activity can be more beneficial to the community than growth which overwhelms. A focus on development strategies which diversify and deepen the economy is more likely to provide increases in jobs, income and overall wealth. Managing the substance and pace of economic change is not anti-growth, and it need not be contrary to the aspirations and values of the majority of residents. It does require a clear understanding of the economy and which way it is headed. This means broader community and regional discussion of growth and development, of quality of life, of carrying capacity, and of desired futures.<sup>284</sup>

Develop an economy without growth. Becoming more locally self-reliant, through producing locally what had previously been purchased from outside the community is important to a thriving economy and healthy community.<sup>285</sup> For example, a program for energy conservation financing and installation for schools and communities throughout New Mexico is available through the Energy, Minerals and Natural Resources Department and the Local Government Division. The

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<sup>282</sup> Adapted from Hecox and Ack, page 46.

<sup>283</sup> Adapted from Hecox and Ack, page 47.

<sup>284</sup> Adapted from Hecox and Ack, page 48.

<sup>285</sup> Daniel Kemis, at the Rural Economic Development Forum, October 17, 1996.

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program has great potential to stop not only energy leaks but also the dollars that go with it: recycling captured dollars in the local economy can create three times as many jobs than if spent on fuel bills. Community supported agriculture (as in Peña Blanca in Sandoval County and Rowe Mesa in San Miguel County) preserves farmland and farmers while offering fresh produce to consumers through farmer's markets which is not only good as a loop closer but also for downtown redevelopment (as in Las Cruces).<sup>286</sup> A third example is a revolving loan fund to encourage employee owned businesses, which are considered more stable and more likely to hire, train and promote local residents. The North Central Economic Development District and the Northwest New Mexico Council of Governments (through Farmington's Enterprise Center) administer revolving loan funds.<sup>287</sup>

Put technological change to work to dissuade sprawl rather than encourage it. Highways often have encouraged fringe development, requiring expensive after the fact government action of questionable value (such as ridesharing requirements). Today the information superhighway offers the opportunity for many New Mexicans to work at home. This can improve land use patterns rather than further destroy them, if public and private policies encourage the use of telecommunications.<sup>288</sup> Public investments should be used less for fringe industrial parks and more for fiber optics and other communications infrastructure needed for tomorrow's business market. With such improvements New Mexico businesses can better compete globally.<sup>289</sup>

*Growth over the past 15-20 years has left many native Santa Feans feeling like strangers in their own home town.*

City of Santa Fe's General Plan, Growth Management Chapter

## **Next Steps**

Beyond the policy options, the Local Government Division has identified the following next steps as appropriate follow-up activities to this report.

1. Document fiscal impacts of growth on a representative sample of communities and counties throughout New Mexico.

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<sup>286</sup>Jim Ericson, Las Cruces Development Director, at August 8 Round Table.

<sup>287</sup>Adopted from Duncan, page 95; and State of Oregon, page 3.2.

<sup>288</sup>Adopted from Bank of America.

<sup>289</sup>Adopted from Wray.

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2. Document existing contradictory and conflicting state policies, programs and processes, and suggest reforms to streamline them.
3. Create and carry out an extensive citizen participation program, including training of mediators for areas of the state seeking such technical assistance.
4. Examine the experience of other states in greater detail.
5. Prepare model legislation.

New Mexicans need to confront questions that growth brings and not, in the words of National Geographic writer Michael Long, “busily get rid of possibilities.”<sup>290</sup> During the preparation of the report and at the round table discussions, questions have arisen that deserve consideration:

What are known and suspected costs and benefits of growth?

What are methods of assessing impacts?

What gaps and inconsistencies are there in existing data and research?

What do current trends portend?

How can we integrate social, fiscal and environmental impacts of growth?

How can growth management account for immigration and fertility patterns which affect the population size?

Can one measure intangible factors that draw one to stay in or move to New Mexico?

Can local governments manage growth by themselves? Can they work with other entities on a regional basis?

Which kinds of growth affect communities in which ways?

Is it sufficient to front costs by one generation to pay for another generation’s infrastructure, with the risk of substantial investment in oversized infrastructure?

When should local governments guide the location of growth so as to maximize the use and minimize the costs of public service delivery?

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<sup>290</sup>Long, page 102.

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What is the vision for the future of New Mexico?

Can growth management and better land use planning help achieve sustainable development and pass on to future generations more livable communities?

Should present residents help pay for services and facilities to new housing areas?

Would self-sufficient satellite communities (physically separated from existing communities with their own employment, shopping and recreational opportunities) help prevent or reduce urban sprawl?

### **Conclusion**

Growth can be a best friend and worst enemy, at the same time. On one hand, growth brings economic vitality, more and better jobs, increased cultural offerings and additional tax revenue for public services. On the other hand, it strains infrastructure, challenges traditional land uses, stresses natural resources and change the social fabric of the community. At its best, growth can catapult a community to a higher level of activity, opportunity and achievement. At its worst, it can rob a community of its character, hurt the environment, send housing prices soaring and lead to more crime, congestion and urban sprawl. Growth has become one of the biggest concerns in New Mexico, and in some arenas, a highly divisive issue.<sup>291</sup>

How we develop as a state is very much dependent on the approaches we take to managing growth. How wisely we choose policy options will determine how well New Mexico flourishes in the 21st Century. As conveyed in the closing illustration,<sup>292</sup> a community can be seen as a triangle comprised of economic development, stewardship of natural and resources and the civic capacity to resolve differences between the two. A community's many facets are ultimately all interconnected. The same applies to the state. To emphasize growth in population and jobs without recognizing impacts on cultural and natural resources is shortsighted; so, too, is an inordinant emphasis on preserving natural resources without taking into account economic needs. Recognition of all sides of the triangle and the need to balance them is an increasingly urgent need as we prepare for over 600,000 more New Mexicans by the year 2015.

At one point, most New Mexicans owed their livelihood to an economy based on mining, logging or agriculture. Land and water as *ejidos* and *acequias* served as a common bond. Today, much of New Mexico's economy is based on silicon and scenery. Urban, rural and suburban interests do not always coincide in an era of a larger and increasingly diverse population. The glue that

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<sup>291</sup>Adopted from *Flagstaff 2020*, the general plan for Flagstaff, AZ.

<sup>292</sup>Janet Topolsky, Aspen Institute, presentation to the Ford Foundation's Learning Seminar, June 23, 1996.

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binds together our society and culture is under great challenge from growth and change. How can New Mexico best wrestle with that challenge? Oregon's Ethan Seltzer offers five lessons:

1. Planning matters, but especially about things that really matter, such as patterns that affect our future;
2. Participation of citizens matters, and around the table in ways that represent everyone;
3. Leadership matters, with a top-down call for planning and a commitment to do planning based action;
4. Good things take time. Choices made today may take decades to pay off but our children will benefit;
5. Quality of life cannot be mandated by regulation. Changes in behavior coming from the heart, rather than the law, are ultimately the bottom line.<sup>293</sup>

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<sup>293</sup>Ethan Seltzer, *Planning in the Portland Region: Lessons and Legacy*, 1995, page 11.