Smart Growth Can Be a Taxpayers Friend

Smart growth means development that serves the community, the economy, and the environment.

The State of Maine Planning Office conducted a *cost of sprawl* study yielding some tangible results at the national scale:
"Shifting just 25% of low-density development to more compact growth would save American taxpayers billions of dollars. For example, we would save:

- $2.6 billion over 25 years (from 2000 – 2025) because 4.6 million fewer water and sewer hookups would be needed for single-family, detached homes;
- $110 billion over 25 years in road construction costs because the need for local roads would be reduced by 188,000 lane miles;
- $420 billion over 25 years in development costs because the average cost of a home would drop by $16,000;
- $24 million/day in costs associated with the automobile because Americans would drive 56 million fewer miles each day.

Recently, Denver Regional Council of Governments studied future development scenarios in the Metro Vision 2020 effort. They found that sprawling development would cost Denver-area governments $4.3 billion more in infrastructure costs than compact smart growth through 2020.

American Farmland Trust's *Cost of Community Services* (COCS) studies, conducted dozens of times throughout the U.S. demonstrate repeatedly that on average, the tax revenues generated by residential development do not cover the costs incurred to local government from them.

In 1996 Montana State University completed a COCS study for Gallatin County. It too showed that residential land uses in Gallatin County demand more costs to provide services than the revenues they generate. According to the study, while commercial and industrial land uses contribute more to the government budget than the costs incurred by them, residential land uses cost Gallatin County $1.16 in services for every $1.00 of revenues they generate.

Recent advances in fiscal impact analysis of development patterns emphasize the impacts of increased driving associated with dispersed residential development compared to more compact development patterns. As part of its 2005 Master Plan, Gunnison County, Colorado, contracted with RPI Consulting to evaluate the fiscal impacts of accommodating a fixed number of residential units under two land use patterns: a business-as-usual future with 10 to 35 acre subdivisions accommodating future full and part-time residents and a "compact alternative" with density limitations in the rural reaches of the county and directing most future development to towns and economic activity centers. The sprawling business-as-usual land use pattern was found to cost $2.3 million more annually for basic county services than the compact alternative while capital improvement costs top $17 million more under the business-as-usual scenario. These differences were entirely attributed to longer commutes and more driving associated with the business-as-usual land use pattern.

Gallatin County's neighbor, Beaverhead County, has also undertaken a fiscal impact analysis of future land use pattern scenarios. The Sonoran Institute produced a business-as-usual future growth scenario that predicts extensive development in rural areas on the County's best rangelands. The Beaverhead County Commission and Planning Board then developed an alternative scenario that limits residential density on ranchlands; homes predicted in those areas were redistributed to the County's existing growth areas. RPI Consulting then compared the fiscal implications of the two scenarios. The study predicted that the more scattered business-as-usual development pattern would cost 46% more than the alternative scenario for roads and 14% more for law enforcement. Because of their commitment to provide ambulance and EMS for motor vehicle accidents, rural fire districts also stand to save 44% on annual operations costs due to less vehicle miles traveled in the alternative scenario.

(from: Gallatin County, Montana Fiscal Impact Analysis prepared by the Sonoran Institute and RPI Consulting, LLC, with assistance from Geodata Services, Inc., March 2009) This hand-out provided courtesy of MyValleySprings.com: www.myvalleysprings.com.