

## SMART GROWTH A NO-BRAINER

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When forming our circular firing squad of blame for Stockton's bankruptcy, we overlooked sprawl. Because the crash that busted Stockton halted growth.

But sprawl was a culprit. Leaders who assured Stockton-ians that sprawl brings jobs and prosperity served the city poorly. Sprawl can be a money hole.

Smart Growth America recently released a study that confirms it. Something to remember as recovery brings renewed pressure to sprawl. The three main findings;

» **Smart growth costs one-third less up front.**

When a subdivision spreads from urban fringes, a city must extend roads, sewers, water lines, etc. Cities also incur long-term costs: repaving roads, for instance.

Contrast smart growth. "Buildings located closer to each other; more walkable neighborhoods; streets with better connections among destinations; a greater mix of home types; and more transportation options."

Smart cities use existing infrastructure, saving money, the study says.

The study scrutinized 17 cities. Champaign, Ill., for one.

Champaign studied the cost of growing 25 percent bigger in population in two scenarios: if all newcomers lived within city limits, or if many were housed in sprawl.

Sprawl gobbled twice as much greenfield, 14 square miles, And it was a perpetual money hole, costing \$19 million in red ink over 20 years of capital and operating costs.

Smart growth required only 6 square miles of greenfield. More to the point, over the same 20-year stretch it enjoyed a \$33 million surplus in tax revenue.

That makes it clear how Stockton's sprawl put a perennial drain on the treasury.

John Beckman, head of the Building and Industry Association of the Delta, disputed the study.

"Here in California as you know we are required to mitigate our impacts and pay \$55,000 per unit to cover our costs of the infrastructure ..." Beckman wrote. "We pay that cost, not the City!"

Developers pay some costs - not all - then pass them on to homebuyers, countered William Fulton, who headed the study.

"So if all you care about is the General Fund, that would be an improvement," Fulton said. "But you're also making housing more expensive."

The capital costs transferred to smart housing are lower, so smart housing is more affordable, Fulton said.

» **Smart growth saves cities an average of 10 percent on services.**

After laying roads and sewers, etc., a city has to fund ongoing services: police, fire, parks people, extra staffers in other departments, more city vehicles, and so on.

Charlotte, N.C., found smart growth saved 25 percent per capita over conventional suburban neighborhoods.

In Charlotte's conventional suburbs, fire stations served as few as 6,000 people. In smart districts, as many as 27,000. The wide difference on annual cost per household to the city: \$740 to \$159.

Smart growth eliminated the need for two future fire stations. That saved \$13 million in capital costs and \$8 million a year in operating costs.

» **Smart growth generates 10 times more tax revenue per acre.**

By tax revenue is meant primarily property taxes (in Stockton, 27.5 percent of general fund revenue) and sales tax (25 percent).

Raleigh, N.C., found that a six-story smart growth building downtown produced 50 times as much property tax revenue per acre as a Walmart!

The study may omit a couple obstacles to infill in California.

The California Environmental Quality Act is often abused by opponents to impede legitimate projects. The law needs to be revised.

(But not gutted. CEQA stopped the rampant sprawl in Stockton's General Plan 2035. It steered the city towards more infill and public transportation).

Prevailing wage laws can run up the cost of infill housing to one-third over equivalent suburban housing.

Still, "A community gets to decide, not the developers, where growth occurs," said Steve Chase, Stockton's Community Development Director. "Who's running the show? When a community asserts itself, it gets what it wants."

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