

The Economics of Growth, Sprawl and Land Use Decisions

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Other Resources

- To see similar slides to those printed here and other graphs, reports, and resources on the economics of growth and land use, you can use the web at:

www.arches.uga.edu/~jdorfman/

or

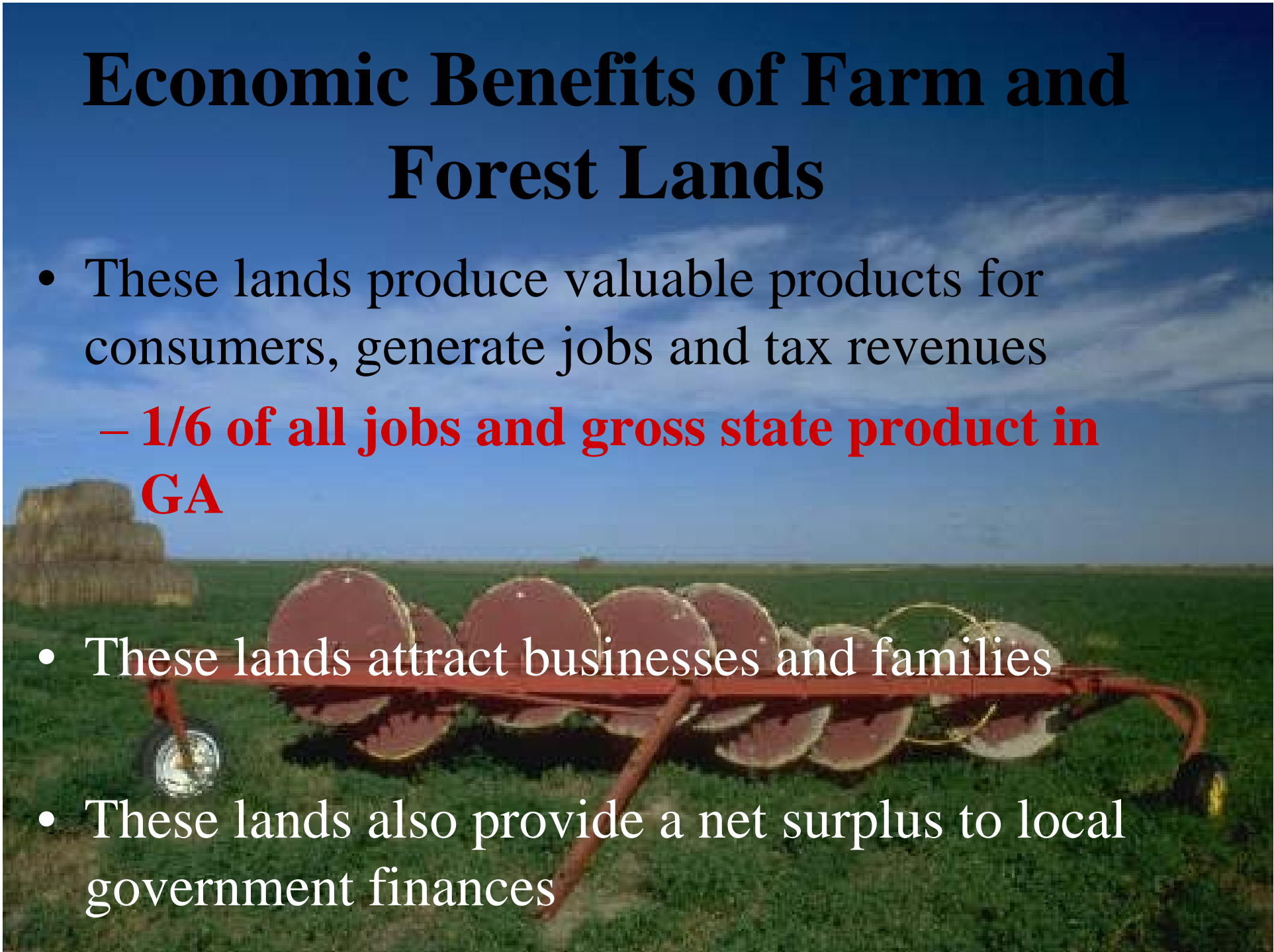
landuse.uga.edu

Why Manage Growth?

- Some growth will come to your city or county whether you want it or not.
- Some growth won't come to your city or county no matter what you do.
- Then there is a middle ground you can impact
 - **This part will decide your fate**

Economic Benefits of Farm and Forest Lands

- These lands produce valuable products for consumers, generate jobs and tax revenues
 - **1/6 of all jobs and gross state product in GA**
- These lands attract businesses and families
- These lands also provide a net surplus to local government finances



Economic Benefits of Green Space

- Green spaces increase property values of surrounding land
- Green and open spaces can provide environmental amenities for free
- If green spaces contribute to quality of life, you attract people and jobs to community

Development by Type

- Many counties and cities think that **growth** and **development** mean an **increasing tax base** and better financial health for the local government.
- Unfortunately a growing tax base is not enough to guarantee financial health, **you must get revenue to grow faster than expenditures.**

Cost of Community Service Studies



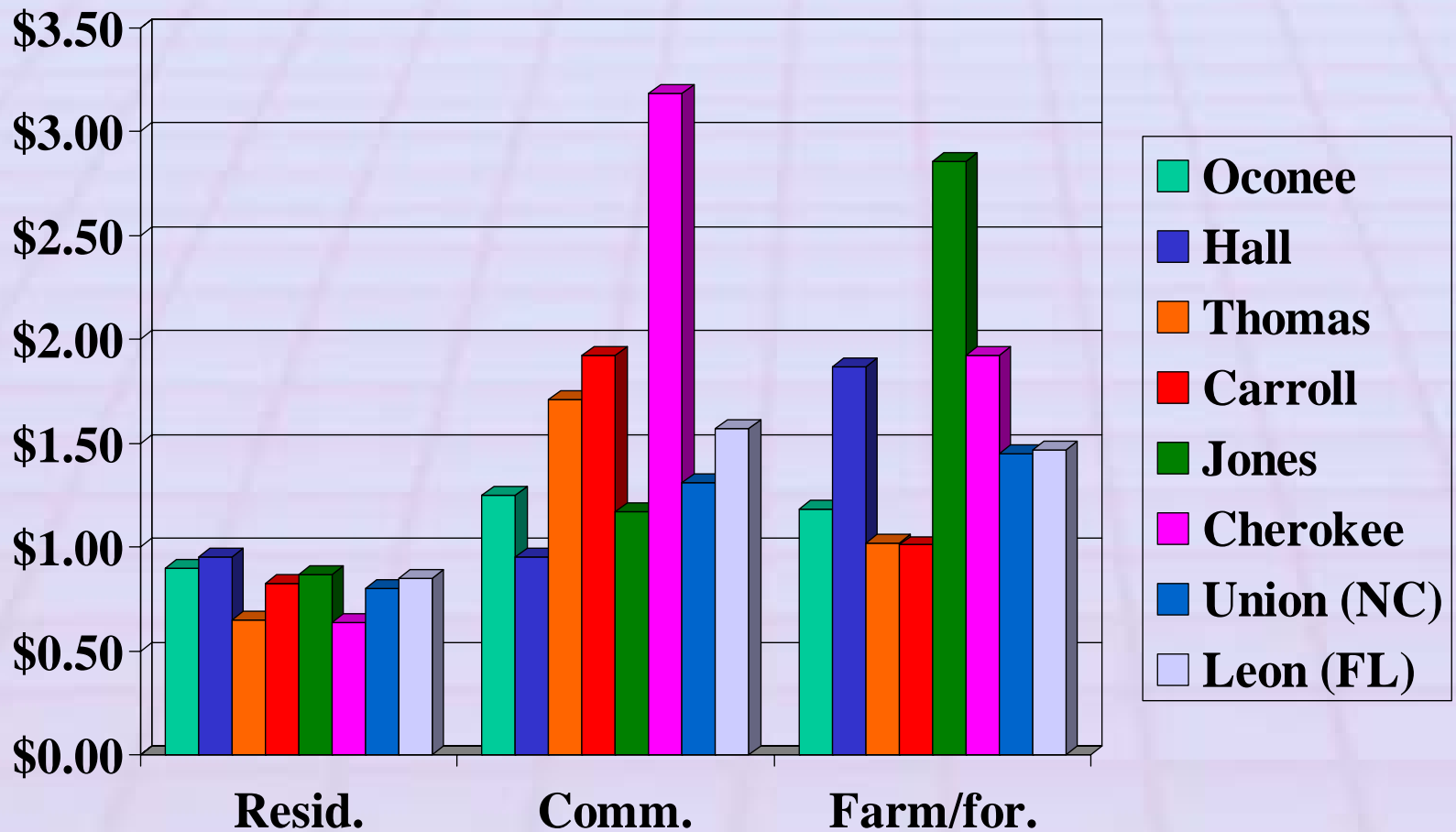
- A cost of community service study analyzes the revenue collection and expenditure burden by class of development
- Common categories are:
 - **residential**
 - **commercial/industrial**
 - **farmland/forestland/open space**

Revenues to Cost by Land Use

- Using results compiled by AFT, the national averages are:
 - **Residential:** **\$0.87**
 - **Commercial/Industrial:** **\$3.45**
 - **Farmland/Forestland/Open Space:** **\$2.70**
- These figures are \$'s of revenue for each \$1 of expenditures.

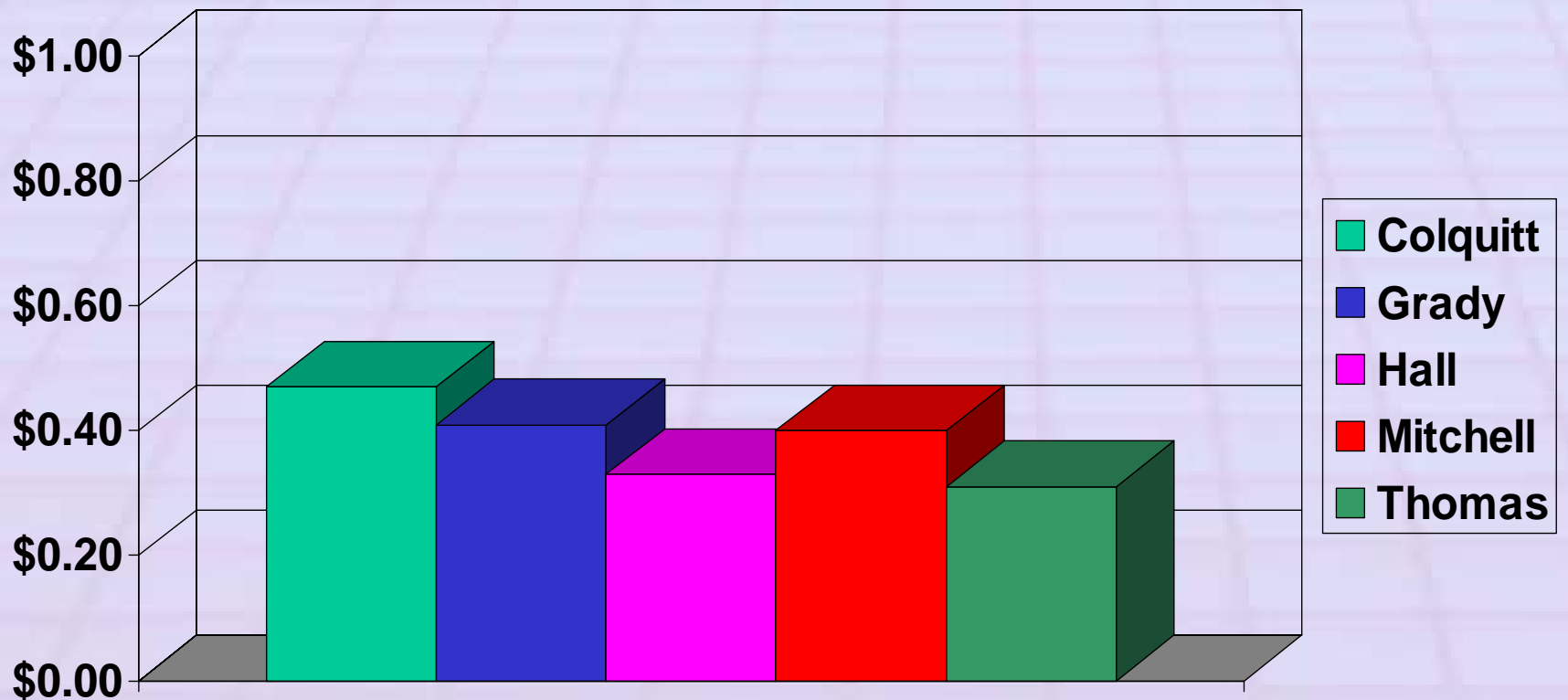
Some Southeastern US Results

Revenue:Expenditure Ratios

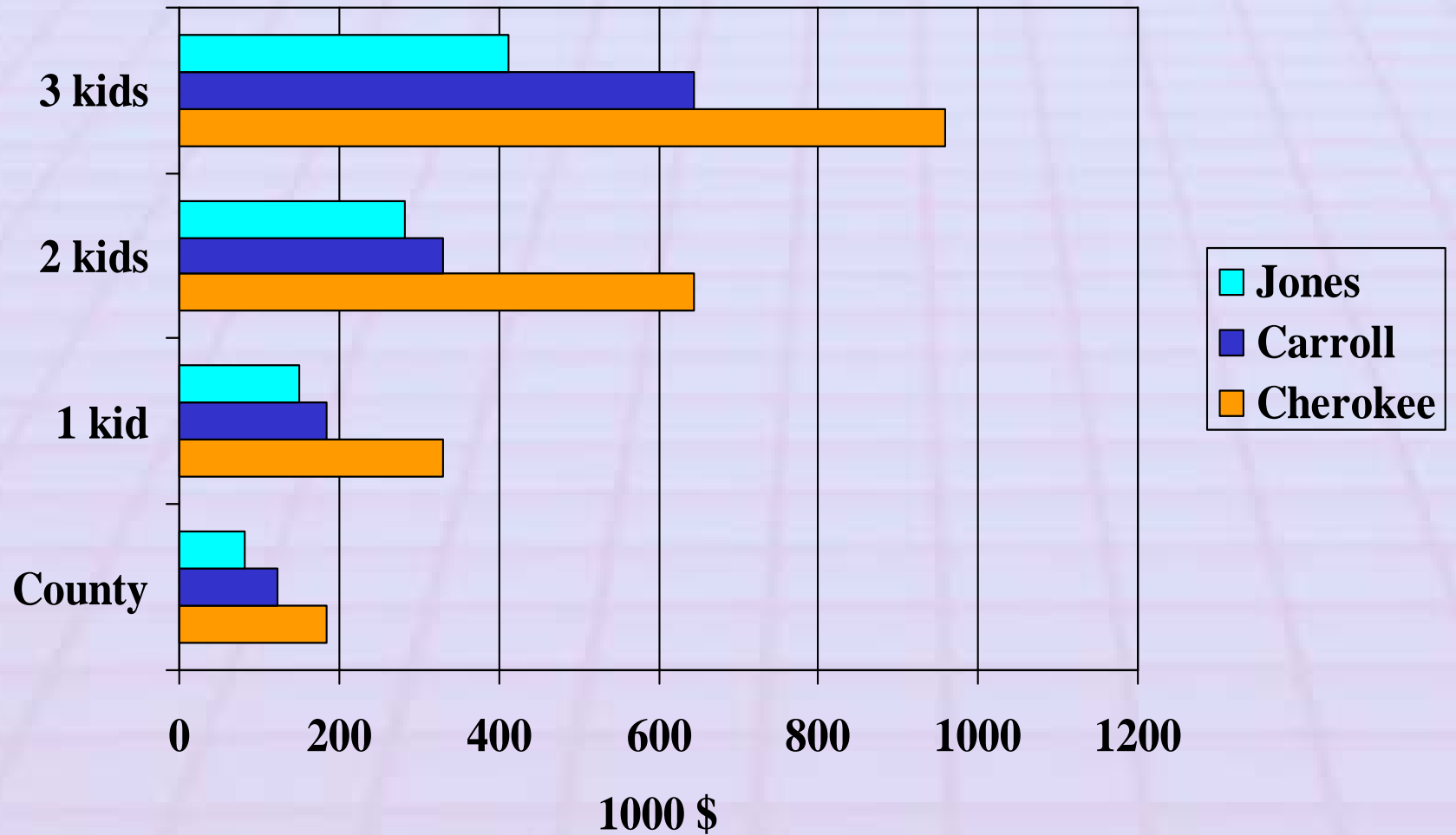


Manufactured Housing

Dollars of Revenue per \$1 of Service Cost



Break-even Home Values



Development Patterns

- Development patterns have an impact on the cost of service delivery: **sprawl is expensive to service.**
- The same growth done more densely and contiguously saves both money, farmland, and provides environmental amenities.
 - **New Jersey, South Carolina, California studies**

How to Change the Numbers

- Cost of service goes down by 50% of land savings (use half the land, save 25%).
- Avoid leapfrog development.
- Build where infrastructure already exists (infill is much cheaper than extensive growth).
- Multifamily is less expensive per unit until density gets very high.
- Design so service costs are low.

Possible Government Tools

- Zoning
- Standards
- Impact fees
- Incentives (time, approval, differential fees)
- TDRs
- PDRs
- Time
- **Infrastructure**



Alliance
for
Quality Growth



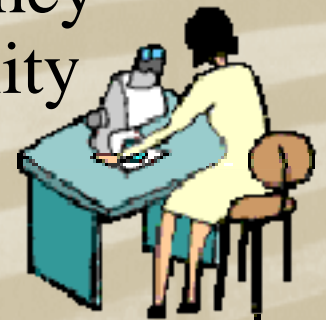
Jobs, Commuting, and Home

- 31% of workers in Rural South work in a different county than where they live.
- 52% of employment growth in metro areas was from in-commuters.
- 27% of employment growth in rural areas was from in-commuters.
- **This means jobs may not equal housing growth, but also that housing can grow without new jobs.**
 - Source for this slide is Mitch Renkow, NC State

Growth Patterns and Job Creation



- Sociologists are finding that today more and more high skill workers are choosing where to live first, then finding jobs.
- Because businesses want high skill workers, they follow these workers to places with good quality of life.
- **If you attract good workers, good jobs follow.**



Balanced Growth a Must

- The real conclusion is
- **Local governments must ensure balanced growth, as sprawling residential growth is a certain ticket to fiscal ruin*.**

*** Or at least big tax increases.**

