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Suburban sprawl eats more than its share of taxes

By Bonnie Erbe

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Too many Americans buy into the common presumption that suburban sprawl is a revenue generator for local government. In fact, it turns out to be closer to gossamer fantasy than reality. Americans have yet to respond (in any unified, outspoken way) to the degradation in the quality of life that suburban sprawl and farmland development inflict.

We fail to protest the never-ending escalation of costs for services including sewer, water, police, fire safety, road maintenance and the seemingly annual hikes in real estate taxes to fund them. There was that one exception, California's Prop. 13. But that was 17 years ago. Meanwhile, we seem to tolerate, without protest, longer and longer commutes, heavier traffic and overcrowded schools. Perhaps the following will provoke a long-overdue rude awakening. Lots of numbers follow, but if you can slog through them, it's worth the work.

Pennsylvania's Shrewsbury Township (in a rural area that borders Maryland) surveyed these costs in 2000 in collaboration with the American Farmland Trust. The astonishing findings compare costs versus income from different types of land use.

The study found that 77 percent of revenue to the township in 2000 was generated by residential land uses, 19.7 percent by commercial land uses and 3.3 percent by farmland, forests or open land. This plays into the conventional wisdom that residential development boosts income for local government.

But it went on to report that 96.3 percent of the township's expenses were for services for residential land use, compared with 3.1 percent for commercial or industrial uses and a miserly 0.6 percent (less than 1 percent) for farm, forest and open land. In other words, in fiscal year 2000, for every \$1 of revenue generated by residential property in Shrewsbury Township, \$1.22 was spent providing services to those lands. By comparison, for every \$1 received from commercial and business land uses in the township, only \$0.15 was spent to provide services. For every \$1 received from farm/forest/open land uses in the township, only \$0.17 was spent providing services.

Sometimes the cost-benefit ratio hits taxpayers even harder. Another survey by the Burlington County (New Jersey) Office of Land Use Planning shows "that for every \$1 in taxes a new residential unit generates, it requires \$1.48 for services. Conversely, farmland costs \$0.27 in services for every \$1 it generates in taxes. Each new residential unit has a net negative fiscal impact of \$1,866 per year while preservation of the same land through the county farmland preservation program would result in a one-time cost of \$3,000."

Some local governments and even states are starting to fire back.

Gov. Ruth Ann Minner of Delaware set up a program she calls Livable Delaware to help taxpayers refuse to bear the costs of residential development and to place those costs where they belong: on developers. Rather than blowing millions of dollars in state and county subsidies for water, sewer and road maintenance costs to turn farmland into outlying suburban sprawl, Minner negotiates with developers to redevelop inner-city neighborhoods, where infrastructure and services already exist.

The Trust for Public Land is trying to persuade the nearby Maryland Legislature to restore full funding to Maryland's land-conservation programs, including the nationally recognized Program Open Space. The money goes for state and county parks, for buffers to protect water quality and for farmland and forests, which ultimately reduce sprawl and ease local taxes. Maryland Gov. Robert Ehrlich has diverted these funds over the past three years to help offset budget deficits. Perhaps he'll wise up soon and become a champion against sprawl, instead of for it.

The problem is greater on the East Coast than on the West, but it's truly nationwide. Yes, there's more land out west, but where is traffic and sprawl worse than in Los Angeles? Hardly anywhere on either coast.

Sitting in traffic is unhealthy (no physical activity and breathing exhaust fumes). It costs, too. One study found that the average commuter in the D.C. area loses about \$800 per year in commute time he or she could have spent earning money instead. Have you had enough yet? It's time to act.

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