"Federation Corner" column
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Wrong diagnosis underlies Post's pessimism on Smart Growth
By Walter Rybeck, Sierra Club

We would be amused if Martian observers, seeing people with crutches, concluded that crutches had crippled these folks. Analysts cited in the Washington Post's recent series on sprawl are not from Mars, but many confused the crutches localities fall back upon as the cause of our region's crippling growth pattern.

Post writer Peter Whoriskey blamed Montgomery and other counties around the District of Columbia for pushing residential growth to the Eastern Shore and West Virginia by inviting job growth while curtailing home construction. Those policies do accelerate sprawl. But they are crutches. Counties use these crutches to defend against the severe fiscal burdens of upgrading infrastructure to people fleeing the region's core. Residents support these crutches to keep their housing and tax costs in check.

The Post paints a seemingly hopeless picture because it fails to recognize the real engines of sprawl—high land values, land speculation, and subsidies for development on greenfield sites. Wasteful scattershot development will outsmart Smart Growth until officials and voters confront these matters.

High Land Values. High land values stem from 1) regional population growth, 2) public works like roads and schools and 3) special natural features like waterfronts. For example, a 1980 Congressional study found that Metro, still unfinished, had already generated $2 billion in new land values, "the biggest share of these new values…going to people lucky enough to own land within easy access of Metro stations." Neither Metro nor the taxpayers who financed it recoup the values they generated.

Speculation. Sprawl starts at the center of the metropolis and radiates outward. Smith owns a vacant downtown site. If he builds offices or housing, he invites risks and sizeable property tax increases. He keeps his parcel in minimal use like a parking lot. Brown, seeing its potential, offers to buy it. Yet Smith who enjoys rising land values without effort asks a price so high that Brown's venture can't fly. Brown approaches owners of other first-class parcels, meets the same hurdle, and finally buys a cheaper second-class site. More "Browns" do the same.

Soon Jones and other enterprisers find owners of second- and third-class sites boosting their asking prices. Owners get away with this because land hoarding in the core creates an artificial scarcity of affordable sites. "Joneses" are driven farther into the hinterland. Developers, denied entry by inflated land prices to close-in sites best suited for their ventures, invade open space. This race to beat speculators to cheap land fosters leapfrog growth.

How many infill sites in D.C. are withheld by speculation? Some 11,000 vacant lots and 7,000 boarded-up housing units were counted several years ago.

Subsidized Sprawl. Federal and state spending on misplaced highways, utilities, schools and the like subsidize premature urbanization of outlying areas. Tax abatements for malls lay waste to cornfields and forests and sap the vitality of older communities.

Sprawl defenders incorrectly equate the mini-ranch with the American dream. If affordable, many families prefer compact walkable neighborhoods with charm, amenities and mixed uses. People pay premiums to live in the places like Capital Hill, Old Town, Ellicott City and Georgetown. The popular New Community Design and New Urbanism are not new; they copy the virtues of old American cities. A 2001 nationwide survey by the National Association of Realtors found that 60 percent favored smaller lots, 77 percent wanted neighborhoods close to town squares, 86 percent wanted trails and bike paths. Given the barrage of pro-sprawl propaganda, these are remarkable findings.

Reality Pursues Sprawl. As inflated land costs drive middle income families far from choice central neighborhoods, their new localities duplicate the police, water systems and schools left behind, plus roads to get them back to work. High taxes to construct over-extended public facilities spur new home seekers to go even farther afield.

The real culprits—upside-down property tax incentives and inappropriate infrastructure investments—make it profitable for land speculators to keep their prime locations in cold storage, to board up rental housing, and to block the path of normal growth in appropriate city and town centers.

Sprawl Can Be Halted. The challenge is to take the profit out of sprawl so the massive inventory of skipped-over prime locations can be put to optimal use. Jurisdictions can deflate high land and housing costs by altering current taxes that favor land holding rather than land using. Then the counties' crutches, short-term palliatives at best, can be discarded. Only then can Smart Growth rather than sprawl become the dominant pattern in our region.

The author shortened his article from the October/November 2004 Sierra Club newsletter "The Montgomery Sierran". The author, director of the Center for Public Dialogue, was assistant director of the National Commission on Urban Problems and Washington bureau chief of Cox Newspapers.