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Guest Column

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More Roads Are Not the Answer

The unraveling of Virginia's transportation funding plans could be a blessing if it prompts lawmakers to wean the Commonwealth from its auto-centric, sprawl-inducing policies.

Virtually overnight, Virginia's transportation funding policy has collapsed. When the state Supreme Court ruled unconstitutional the creation of Northern Virginia Transportation Authority as an entity empowered to raise taxes, it kicked the props out of the General Assembly's plan to inject \$300 million a year into Northern Virginia projects. By implication, the ruling invalidated the Hampton Roads Transportation Authority as well. Meanwhile, the much-abused Abuser Fees have been relegated to the trash heap of bad laws by the General Assembly itself. Combine those developments with the revenue shortfall that cut into the anticipated application of General Funds to road-building projects, and nearly all of the work of the 2007 General Assembly has come undone.

This is somber stuff. Few would disagree that Virginia's epic transportation shortcomings require immediate and sustained attention. But even if Virginia finds a new source of transportation revenue, will we be having these same debates in 10 years?

I'm not optimistic. While the political dimension of the transportation crisis are linked to Richmond's fiscal policies, the roots of the problem run deeper. The transportation dilemma is inexorably bound to energy consumption habits and land-use configurations tailored to the automobile, both of which drive demand for more roads and all their associated costs. To be more specific, the economic externalities produced by cheap gas and sprawl consign Virginia, like most of America, to gridlock.

The challenges of the automobile-based society have been well-documented and oft discussed. Among other things, the requisite infrastructure is expensive to build and maintain, while the perception of environmental cost – Prius or not – is mounting. Indeed, most economists readily acknowledge that the gasoline fueling our autos produces substantial externalities. The political peril in trying to address costs not reflected in the market price of gasoline -- from the emission of greenhouse gases to dependence upon volatile sources of foreign oil -- is considerable.

Equally notorious, urban sprawl has been the subject of much spilled ink. While much of the criticism has taken on a 'holier-than-thou' tone, the effects are undoubtedly significant. Besides contributing to high-particulate and runoff pollution,

social fragmentation and the despoliation of the Virginia countryside, sprawl stresses municipalities fiscally. It takes proportionally more infrastructure – gas lines, sewage systems, electrical, etc – to service low-density environments than their high density counterparts. And who pays to link Johnny's exurban rancher to the grid? More often than not, it's the taxpayers. Sprawl is, from a policy perspective, a raw deal for the public.

Interestingly, sprawl's true costs to the public have not been factored beyond the speculative price of land. On the contrary, prevailing land-use policies subsidize wasteful uses of land that produce harmful externalities and perpetuate the automobile-dominant culture that abets our hand-wringing addiction to roads, roads, roads.

According to this line of argument, the relevant question isn't whether we have the money to build new roads, but if we have the means to curb injurious externalities of a growing, ever-dispersing population. With the gas tax – an obvious, if only partial solution – proving to be a political albatross with uncertain externalities of its own, Virginia should consider limiting the encroachment of sprawl development and encouraging high-density growth that can help mitigate vehicular use, improve mass-transit feasibility, cut energy consumption, better preserve Virginia's elegant natural environment, and finally reduce our addiction to roads.

But how to do it?

In many states and municipalities – Oregon having the most prominent examples and Virginia Beach being the closest – policymakers have opted for something called an "Urban Growth Boundary," which is exactly what it sounds like: terminal boundaries for development. While UGBs are widely considered to be successful, legitimate concerns abound regarding their end-productivity. For example, although UGBs have certainly encouraged denser development in Portland, they also have been blamed for meteoric spikes in real estate prices – a charge hard to deny, as scarcity is wont to propel costs – and for producing "skipover" effects, in which new development built away from UGB restrictions produces even more alarming kinds of sprawl. So, perhaps UGBs may not be right for Virginia.

What if we address sprawl's true costs with, well,

taxes?

Because the public cost of sprawl is not reflected in the market price of land, it might be worthwhile to place a graduated levy on development that fails to meet certain density limits – the higher the density (to a certain point), the less the tax. Revenues generated by a true-cost reform could be used to fund state transportation projects, while municipal governments could save money in service delivery.

There would have to be certain exceptions here and there, but a tax that rewarded density would be less fiscally draining than low-density sprawl. Instead of physically limiting development with arbitrary boundaries and land-use codes, a statewide, true-cost, land-use system could, if paired with single-use zoning reforms, encourage the kind of pedestrian-oriented development that would reduce demand for more roads.

Making Virginia land-use policies sustainable won't be a simple task. The very idea raises a number of practical questions about its feasibility. Is this a tax? Who will bear the costs? What is the optimal level of density? Who will decide?

The levy I propose would be a tax of sorts, but a tax on development that places unnecessary fiscal burdens on the general population. To recapture the hidden costs of sprawl, the levy likely would be most effectively collected from developers as supplemental property assessments adjusted for density. Such a fee would be smaller, even non-existent for relatively dense developments, while increasing commensurately with sprawl.

The policy would have to be implemented through a statewide framework that could be scaled to Virginia's diverse metropolitan areas and counties. After all, the ideal density level in Hampton Roads, Richmond or Arlington is bound to differ from the ideal in places like Lynchburg, Front Royal or Franklin. Instead of formulating a centralized policy, the Commonwealth should strive to define ideal density zones and – in full consultation with local & regional planning authorities and smart growth allies – oversee the matching of density zoning gradients to the localities.

In summary, road-building is a worthless endeavor without land-use reform. If policymakers are serious about lessening Virginia's dependence upon automobiles, petroleum and roads, it is critical to

move beyond tax-and-spend grandstanding to change the land use patterns that generate so much traffic demand. Otherwise, I fear, the transportation crisis will prove the undoing of Virginia's world-beating, competitive business environment. It's time the taxpayers to stop subsidizing the root causes of our transportation predicament, and insist that Virginia land either be used efficiently or that it be properly paid for.

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