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CITIZENS LEAGUE REPORT

GROWTH

WITHOUT

SPRAWL

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"GROWTH WITHOUT SPRAWL"

How the Twin Cities area can provide amenity in housing
without an unnecessary increase in costs
of urban services or damage to the environment

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INTRODUCTION

The question of urban growth and its distribution into the surrounding countryside is one that no metropolitan area in the country has been able to come to grips with. There are models in Canada, England, Sweden, and elsewhere in Europe. None of these, however, have been followed in this country.

The issue of growth and sprawl is an elusive one . . . much like the weather. Everyone talks about it, but no one does anything.

It's a tougher question in the Twin Cities area than in many others . . . given our terrain - its few natural obstacles apart from a couple of river valleys which can be easily crossed. Consequently, development can and is occurring in all directions . . . outward into new suburbs and the countryside beyond the established ring of suburbs around the two central cities.

In many senses, sprawl is the most complex of all urban problems. It goes to the heart of what local governments do and to the heart of private enterprise in housing and development and the private ownership of land. In spite of all this it cannot be ignored. Indeed, it has not been. It is the top item on the Metropolitan Council agenda for 1973-74, and permeates all discussions about regional improvements such as transit. Least of all, however, can it be ignored by residents and public officials of the built-up urban areas which are becoming the new "central city" and by those concerned about our future environment.

This report takes a new look at the whole issue of sprawl and in doing so looks at it diametrically opposite from the way others have. We see critical decisions now made at the bottom - by the local units of government and by individual land owners. We propose this continue - but under a new development process in which the key actors will be strong, competent local government units working under policies that recognize the interests of people in the state and the region.

MAJOR IDEAS

- * Sprawl has now reached epidemic proportions in the Twin Cities urban area, making the 'sprawl' of the 1950s look high-density by comparison.
 - In the early post-war years we saw 75-foot lots.
 - Today: Commercial subdivision is at one-third acre and even 1 to 5 acre lots, scattering along roads and around lakes into six counties beyond the established metropolitan area.
 - This process is fueled by recent changes in the policy on financing public improvements and services which--while necessary and desirable--have removed some restraints which formerly discouraged urban people from moving into the countryside.
 - The effect of this dispersal is visible in the federal re-definition of 'urbanized area' to include all or parts of 10 counties . . . in battles over school bond issues and year-round schools in Mora and Delano . . . and in the transfer of school records to schools in Wright and Chisago Counties.
- * This is happening despite the fact that plenty of land--already provided with sewers, streets, water, schools and other urban services and facilities--remains available for development within existing municipalities . . . capable of accommodating the next million future residents of the Twin Cities metropolitan area.
- * Our present theory and strategy for guiding and directing metropolitan growth is unlikely--it now appears--to be a successful one. Development probably cannot be 'shaped' on the urban fringe by efforts to provide, or to withhold, major roads, sewers, parks or private utilities or commercial facilities. Recent experience clearly suggests that, once people have gone out into the country to live, both common sense and the realities of politics require that essential services and facilities will be, and should be, provided to them. Increasingly, therefore, the critical point in the cycle of development appears to be the point of decision about the location and timing of residential development. This must, we believe, become the foundation of any realistic and successful urban growth strategy.
- * The dispersal of this urban region into the surrounding countryside raises major questions of equity. The costs of servicing this sprawl are now borne by the residents and the businesses of the existing suburbs and of the central cities. Under present decision-making arrangements, however, they have virtually no voice in the development decisions which perpetuate this sprawl and which impose these costs on them. They must be given a voice.
- * We believe the consequences of the present trends will be seriously harmful to the people of the Twin Cities area over the long term. Partly it is a matter of rising costs of public services and facilities, at a time of real pressure on public--and private--budgets. Partly, too, we are concerned about the damaging impact on the environment. There is a serious risk, in addition, that unrestrained development on the outer fringe will lead to the abandonment of commercial, industrial, residential and other institutions in the existing developed part of the area . . . frustrating the region's effort to develop a rational transportation system and to maintain some incentives for the redevelopment of the older areas - suburban as well as core city.

IN OUR REPORT

- * An effort to restrain sprawl is made enormously difficult, however--intellectually and politically--by the fact that it does, demonstrably, provide major benefits to important groups in the population. Most important: It offers the amenity, for some, of life in the woods and by the lakes and streams. Because it occurs in jurisdictions willing to accept partly "unfinished" houses and subdivisions, it makes it possible for a significant number of persons to get housing at a lower cost.
- * No program to guide or shape development should, therefore, be considered unless it also, in other ways, offers these advantages of amenity and reduced housing cost.
- * Fortunately, it does appear that an alternate strategy is possible. It builds on the practice followed by many of the stronger municipal governments in handling their own development programs . . . and envisions municipal land development controls exercised by municipal governments within a framework of regional policies laid out by the Metropolitan Council, which is the only body through which the legitimate concerns of the developed areas can be given a voice in decisions made on the outlying fringe.

This program can be undertaken without major governmental reorganization. What is needed is for the Metropolitan Council to advance a bill to the 1974 Legislature on behalf of citizens of this region to accomplish the following:

1. Permit urbanization only when really suitable. To accomplish this: Officially designate a limited amount of land as "urbanizing". Any land so designated (a) must, in turn, be fully taxed as urban, not rural, and (b) must be served already by urban services, such as municipal sewer, water, storm sewer, streets, and schools, or be part of an adopted plan for receipt of such services within the next 5 years. In all non-urbanizing areas, prohibit commercial and industrial development and allow nothing more intensive than 5-acre or larger lots for single-family dwellings.
2. Treat remaining "rural" land fairly. To accomplish this, permit owners of open land which is not designated as urbanizing to be taxed at an agricultural, not urban level.
3. Leave basic land-use decision local. To accomplish this, assign local units of government the responsibility of designating land as "urbanizing" and "rural", with review and comment on their actions by regional or state agencies.
4. Guard against undesirable side effects of controlled growth, such as possible higher housing costs. To accomplish this: Require the Metropolitan Council and the State Planning Agency to monitor all side effects of these recommended land-use controls, with particular emphasis on their impact on the cost of housing, and report regularly with recommendations to the Legislature. Such reports should indicate the extent to which local subdivision and building codes are assisting to keep housing costs reasonable and are promoting environmentally sound developments, specifically Planned Unit Developments.

FINDINGS

- I. Startling changes trending to dispersal of housing development on the fringe of the metropolitan area are now evident.

What is going on?

- A. Agricultural activity is retreating from the urban core leaving huge amounts of vacant land available for new housing development in a 12-county area within 50 miles of the Twin Cities.

Dispersal of housing is occurring in a fringe area encompassing at least 11 counties in Minnesota and one in Wisconsin. Pockets of intensive new development are largely found in a rapidly growing middle and outer ring of suburbs in the 7 core counties - Hennepin, Ramsey, Anoka, Dakota, Washington, Scott and Carver. It is also increasingly scattered in many small towns, along lakes and throughout the rural countryside of 5 others - Wright, Sherburne, Isanti and Chisago Counties in Minnesota and St. Croix County in Wisconsin.

1. *Land available for development in the urban fringe is dramatically increasing as the number of acres in farm land declines.*

* Total farm land acreage in the 11 Minnesota counties decreased by 20% or by 450,000 acres from 1959 to 1969, according to the U.S. Census of Agriculture. This is an area almost 7 times larger than Minneapolis-St. Paul combined.

* In the 7-county area alone there was a decrease of 2,500 farms totaling 260,000 acres or about 406 square miles - almost 4 times larger than the central cities.

A decrease in total farm acreage occurred throughout much of the state but at a much slower rate of 6%. Much of the 20% decrease within the 11 counties, however, resulted because of the sale of farm land to others for immediate or future-anticipated urban development. The increased demand for rural and lakeshore land for home locations by people in the metropolitan area has resulted in rising prices offered for this land. As a consequence, many farm owners may consider sale of the farm or portions of it. These include: farmers nearing retirement; those who do not have a sufficient quantity of land to make a living from farming; those whose land is marginally productive or who have portions which are unsuitable for cultivation; and those whose costs are increasing due to accelerating property valuations and higher taxes in areas of intensive urban development. The allure of making high profits has also enticed some into selling their land.

2. *There is now about four times as much vacant land - land not used for agriculture, roads, homes, factories and businesses or covered by lakes - as for residential purposes in the 7-county area.*

Much of the land sold for non-agricultural uses is not immediately developed or used in another way. Instead it may simply be held for a number of years and added to the stock of vacant land. This type of land also exists in built-up communities in the form of vacant lots.

Approximately 500,000 acres - 780 square miles - or 26% of the total 7-county land area is now vacant, according to the Metropolitan Travel Behavior Inventory. This contrasts with the 125,000 acres - 195 square miles - used for residential purposes. The total amount of vacant land in the larger 11-county area might approximate 690,000 acres - 1,078 square miles - if all the acres lost to farming in these 4 adjoining counties were added to the 7-county total.

Information about this land - its location, value, ownership and planned future use - is not known. Soil conditions, topography and access may preclude development of much of it. Nevertheless, it represents a tremendous land bank for potential new development.

B. Land values on the fringe in 9 counties are significantly increasing.

The demand for fringe area land by people who work in the Twin Cities area has increased raw land values - not only for vacant parcels but for farm land as well.

1. *Farm land values increased by 56% in four years (1968-72) in 7 counties surrounding Hennepin and Ramsey, according to surveys of the University Department of Agricultural Economics. These included: Anoka, Carver, Chisago, Dakota, Scott, Washington and Wright. Similar increases were also reported in some portions of Isanti and Sherburne Counties.*

The value of farm land on the urban fringe is far in excess of what a willing farmer would pay a willing farmer for agricultural use. Instead, the value is bid up in a sale by anticipation of a change in its future use.

Many sale reports indicate farms selling in what are still essentially rural areas at double their value for agriculture. Thus, land valued at \$200 per acre for agriculture was selling for \$400-450 in Chisago County. Similarly, an acre of more productive soils in Carver County which might be sold for \$350 if it were located farther away from the Twin Cities, now sells for \$700.

As the value of vacant and farm land increases, the cost of holding it in the form of increased property taxes should also increase and begin to move the land into development. In some closer-in suburban areas where development is obvious, this is happening. But this

process does not appear to be occurring in much of the outlying area due to the difficulties of keeping up with rise of land values and the decisions of assessors to only gradually move up the values of this land for tax purposes. Within the middle and outer suburban ring, many farm owners are able to continue farming increasingly expensive land as they have applied for and received a lower preferential assessment which is the agricultural value of the land under the "Green Acres" act. This law allows owners of land who qualify to have their land valued for agricultural use until they sell it. The act requires, upon sale, a back payment of the difference in taxes that would have been paid for the past three years if the land was valued at its higher urban use.

An unknown but probably considerable amount of vacant land is also held by land speculators and investors. They hold land in anticipation of its increasing value and thus a future profit when it is subsequently sold. If this land is located in areas where assessments are not keeping up with actual sale prices they benefit from the considerably lower agricultural value and relatively lower taxes. In areas where assessments are keeping up their taxes will also increase and may shorten the time they can afford to hold the land unless they are able to obtain some income from the land by leasing it for farming or some other use. In any case, land investors are in the business of holding land. Property taxes are computed as a business cost and may only become a burden if there is an unexpected increase in them.

- C. The pattern of metropolitan housing development has exploded outward in pieces over the past 20 years into pockets of commercially produced housing and at sites scattered along lakes and throughout much of the previously rural countryside.

Until the mid-50s, commercially produced housing, which provides the largest stock of new homes, was developed in narrow bands in the two central cities and an adjoining tier of suburbs in 4 counties. A limited amount of new housing also was located along lakes such as White Bear and Minnetonka. Many of these, however, were still summer cottages.

The pattern today, by contrast, consists of a growing number of homes scattered throughout the lakes and rural countryside of the outer fringe portions of 12 counties and pockets of commercially built housing in parts of an ever-widening ring of suburbs together with some filling-in of remaining land in the built-up area.

1. *Land is coming into development on the outer fringe at the initiative of the owner and typically on a lot-by-lot basis.*

Increasing numbers of buyers from the central cities and suburbs looking for home sites in the country are meeting land owners willing to sell various-sized lots or tracts of land.

Small amounts of scattered housing are beginning to appear in the country along county and township roads and extensively along the shores of lakes and rivers in our 12-county area. The increase of housing units in rural townships from 1960-70 is some indication of this activity.

Little is known about the demand for this type of setting. However, many resource persons suggested it was increasing and readily observed by long lines of Sunday drivers along county roads who stop to talk with farm owners and the growing number of ads in papers for this type of property.

The supply of land for country and lake living is comparably growing. This process begins with the decision of a farm owner to either divide his land and sell individual lots or by the sale of the entire farm to a land investor or developer. Increasingly, a number of farm owners are dividing land, which is accessible but least productive for farming, into lots and selling them. This includes land in demand for its natural resource characteristics such as wooded areas, lakes and streams which tend to be quickly developed. It also includes land on the edge of the farm along township or county roads and even state highways.

Land investors and developers who purchase tracts of farm land also play a critical role in decisions about urban land development. These developers, depending upon their intentions, resources, the location of their land, may either be active or passive participants in bringing land into development. In some cases, land developers are simply speculating in land and holding it for anticipated profitable resale to another developer. In other cases, they may subdivide the land and sell lots after making only necessary improvements such as building access roads. Under this approach, the lots may be acquired by individuals who in turn either contract for construction of all or portions of their home or build it themselves. Lots may also be purchased by smaller builders who construct homes and then sell them to home buyers.

The sizes of pieces of land sold for housing in this outer fringe range from 1/3 acre to 1 acre; an increasing number of larger 2½ and 5 acre lots; and a few large tracts of 10-40-80 acres. In the developing suburban/semi-rural area consisting of townships or recently incorporated municipalities, development may occur in any place where land owners are willing to sell with lot sizes largely based on the judgment of the owner. Some few townships, municipalities, and 5 of the counties, however, have begun to regulate lot sizes and will not permit subdivision of land into lots of less than 1 or 2½ acres. The state has also specified limits on the minimum lot size adjacent to lakes.

2. *Large-new commercial housing subdivisions are found on numerous tracts of land in many scattered locations - largely beyond the I-494 and I-694 beltline around the inner suburban ring. These subdivisions consist not only of conventional 1/3 acre lots and homes but also of apartments and larger 1 acre and 2-1/2 acre lots and homes.*

The active builder-developers who are responsible for construction of the bulk of housing units in larger subdivisions begin the process of intensive urban housing development by searching for, acquiring a single parcel or assembling a tract of land. They either buy the land or take an option directly from a farm owner but also frequently purchase it from land developers.

Many developers are moving outward to the edge of the suburban area and even into largely rural townships and small existing villages. This is seen in the location of homes in the 1973 Parade of Homes where builders advertised new housing in locations as distant as Ramsey and Grow Townships in Anoka County, near Elk River in Sherburne County, Buffalo in Wright County, Waconia in Carver County, and Farmington and Hastings in Dakota County - all 20 to 40 miles from Minneapolis or St. Paul.

This outward movement appears to be happening for a number of reasons. Some developers attempt to obtain less costly land; others look for tracts of sufficient size which require minimal land preparation for large housing projects; and others select tracts in communities that have few requirements or will permit the type of housing proposed or where local approval of projects can be readily obtained.

After purchasing land the commercial developer arranges his financing, prepares preliminary plans and seeks approval from the local unit of government of any zoning and subdivision regulations prior to subdividing the land into lots. He then makes improvements such as grading, installs streets and utilities, and proceeds to build the housing units. Along the way he must further obtain any permits required by the local units of government including possibly those for septic tanks in areas without public sewer, and the building permit. The developer may also be required in some cases to post bonds for utility and street improvements and to dedicate lands or provide cash substitutes for local park land acquisition.

D. Population is rapidly growing in a wide band of middle-outer suburbs and in the outlying area of 12 counties, while it is leveling off in the inner suburbs and declining in the two central cities.

More than 85% of the 438,000 population increase outside of Minneapolis and St. Paul from 1960-70 settled in the 82 municipalities and 18 townships in the rapidly growing middle and outer suburban ring and farther out in 64 long-established small towns and 98 townships in a 12-county area.

1. *Population is dispersing outward from 5 counties to cover large parts of at least a 12-county area.*

A growing population (26,770 from 1960-70) - with jobs in the 5-county core - Anoka, Dakota, Hennepin, Ramsey and Washington - are now living not in these counties but in 7 adjoining ones - Scott, Sherburne, Carver, Chisago, Wright, Isanti and St. Croix County, Wisconsin. Approximately 70% of the villages and 65% of the townships in these 12 counties experienced growth rates at double the state average.

Some 16 villages/cities and 25 townships in an additional 8 counties adjoining the 12 also noted significant increases. These counties include: Kanabec, Mille Lacs, McLeod, LeSueur, Rice, Goodhue in Minnesota and Pierce and Polk Counties in Wisconsin.

2. *The federal government recently recognized this metro-related fringe development and doubled the territorial size of the metropolitan area.*

The U. S. Census definition of the Twin Cities Standard Metropolitan Statistical Area (SMSA) was changed in the spring of 1973 to add 5 additional counties to the 5 already included in this area. These new counties include: Carver, Scott, Wright and Chisago Counties in Minnesota, and St. Croix County in Wisconsin. Sherburne County was added to an expanded St. Cloud SMSA although it is questionable whether its growth is more related to the Twin Cities or to St. Cloud. It is not known why the 12th county - Isanti - was not added, but this is likely in the future.

3. *Almost two thirds of the increased metropolitan population from 1960-70 settled in a rapidly growing middle and outer ring of 82 suburbs and 18 townships.*

The area of most rapid growth has passed beyond the more built-up inner suburbs to a middle and expanding outer ring of developing suburbs. The middle suburban ring, which is 5 times the territorial size of Minneapolis and St. Paul, grew by 102%, while an even larger outer suburban area increased by 58%. This contrasts with a 28% increase in the inner ring of suburbs where many villages are nearly completely built up and the 7% decline in population of the two older central cities.

- E. Outer suburban and some adjacent rural school districts have almost three fourths of the growing numbers of young children entering school in kindergarten, while schools in the central cities and inner suburbs are losing enrollment.

The metropolitan school districts with major new enrollment growth are all located in the middle-outer suburban fringe and the area beyond this. This may best be observed in looking at where increases in the kindergarten/first grade enrollment is taking place. If the numbers are increasing at this entrance level, enrollments will continue to grow as they advance from grade to grade.

Approximately 73% of the growth in kindergarten/first grade enrollment of 8,500 from 1960-72 in the 11-county Minnesota area was found in 31 districts in Anoka, Dakota, Washington, Wright and Scott Counties, according to figures of the State Department of Education. By contrast, 11 of the 21 school districts in Hennepin and Ramsey Counties experienced an absolute decrease from 1960-72 and the remaining 10 grew by only a modest amount.

Many of the districts in Hennepin and Ramsey Counties that are now losing enrollment were only a few years ago in the same situation as these outer-growing districts of today. Due in part to the shift of population and the

declining birth rate, however, some now find themselves with empty recently built classrooms. The 31 growing school districts - some as distant as Monticello, Buffalo, Elk River and Cambridge - now lack capacity to handle their enrollments. These are districts where new buildings are proposed and where bond elections will more frequently be held if the present pattern of development and school attendance policies continue unchanged.

7. Each year from 1960-70 a territory the size of Minneapolis was incorporated into an average of two municipalities on the fringe. These incorporations enabled the existing and the increasing number of newer residents to obtain local urban services and to control future development.

1. *The evolution of the fringe from rural to urban is rapidly continuing to produce 25 new major municipalities every 10 years.*

The spread of new housing and populations outward from the core of the urban area has fueled the continued transition in the form of local government from rural (townships) to urban (municipalities). This phenomenon has occurred in three ways:

- * As any significant amount of new housing develops and people from the central cities and suburbs move to rural areas they carry with them expectations and a need for many urban services such as prompt snow removal and good roads for their commuter trips and higher levels of fire and police protection to protect their investment and new life style. These new residents who move into the countryside may find either the township - with its more limited powers - unable to effectively control future development and to deliver desired services, or a townboard unwilling to provide even its limited services at a higher level. The result in the latter case is a struggle for control of the town meeting and board with the new residents winning when their numbers are sufficient. Where many new residents, however, discover the township lacks the legal powers they are likely to begin petitions for incorporation as a municipality.
- * Many of the existing land owners in urbanizing townships may initiate the petition for incorporation - particularly if there is a threat of annexation of part of their territory by an adjoining municipality simply to maintain their control over future development and its tax base. Others within this area may simply desire to retain their local identity.
- * Existing municipalities on the edge of the fringe may see development beginning in an adjoining township and desire to add it to their tax base. In this case they will petition to annex all or part of this adjoining township.

The net effect of development on the fringe for the past two decades was the creation by incorporation or annexation of 54 major new communities within the 7-county area. Nearly half of these (21) occurred during the past 12 years, while the remainder (26) came into existence from 1950-60.

2. *The land area moving from township to new municipal status in the past 20 years is nearly ten times the geographic size of Minneapolis and St. Paul combined.*

The 54 major incorporations and 28 smaller ones in the 7 core counties together brought 1,082 square miles of land into municipalities from 1950-72. This contrasts with the 106 square miles in the two central cities. Slightly more than half of this increase was added by the 33 incorporations and annexations approved by the Minnesota Municipal Commission from 1960-72.

II. A number of powerful economic and social forces are at work in pushing development out into the fringe. Population and development projections suggest these are likely to continue and may possibly accelerate in the face of weak countervailing forces.

Why is development moving outward?

- A. Forces encouraging outward movement. Economic and social forces encouraging the outward movement of new housing include:

1. *Lower total new housing cost.*

Many people seeking single-family housing are likely to look at the large number of used homes found in the built-up suburbs and central cities. If they want a new single-family home, however, they will find them in the developing suburbs but at a price - an average of \$38,000 in 1973 - beyond the means of a growing proportion of the population. Some, therefore, look to the fringe where they may find or build a new house they can afford.

New homes may cost less on the fringe because of the lower per-acre land cost, the minimal public services provided, and the fewer limitations on what an individual can build. It is possible in many fringe area townships and municipalities to have mobile homes, to build pre-cut homes, or to phase construction over a number of years. Many of the more built-up closer-in communities, however, had discouraged or even prohibited such activities.

2. *Drive for amenity and increasing incomes to achieve it.*

Increasingly, the desire for amenity or for privacy for a growing number of people has become translated into ownership of a large piece of land with a semi-rural setting. These desires, coupled with the 71% increase in median family incomes in the past 10 years, have made it possible for an increasing number of people to purchase this amenity or privacy on the fringe.

The desire to own a large piece of land may be expressed by people stating they want to live in the country to enjoy nature, to engage in extensive farming, or to obtain a high degree of privacy. This

movement, which began with individuals purchasing a single large lot, has now grown to commercial proportions in development of 1, 2½ and 5 acre parcels in many of the outlying areas.

Even within the intensively developing commercial housing market, this desire for amenity or for privacy has resulted in significant decreases in the density of new housing. For example, densities have declined from 10 housing units per acre in the central cities, to 6 per acre in many of the older communities in the inner suburban ring, down to 3 units per acre in the newer suburbs. This force accounts for the fact that the Twin Cities urbanized area, of the 20 most populated in the United States in 1970, was the 6th largest in geographic size and the 19th lowest in density.

3. *Growing supply of land for development on the fringe.*

The escalation in demand for farm land permits and encourages farm owners and large land holders to sell at a substantial profit. Land on the fringe is less expensive than land closer in to the built-up area even with its increased value. In some areas where farming is highly profitable, there appears to be some resistance to making land available for development. However, the overall increase in value makes it difficult for some farm owners who must expand their land holdings to continue farming, since they must pay a higher cost for this additional land. Frequently, they are unable to do so and may consequently simply sell the land for housing development. In a few instances, farm owners may also either be unable to continue farming and therefore sell their farms, or they may sell portions of them to obtain a flow of income for their retirement. Finally, this supply is increased by the actions of land investors and speculators who make a profitable business out of buying, holding, and selling it.

B. Restraining influences on development have been lifted to increase the number of forces contributing to outward development.

A significant number of changes relating to the ability of people to move into the fringe have occurred in the past few decades. Some of these previously operated to restrain development, while others have simply contributed to making this development possible.

1. *Improved access and lack of physical barriers to land on the fringe.*

Relatively good access is provided by an extensive road network throughout the urban fringe. This access has resulted not only from the development of miles of interstate and multi-lane highways, but also from the substantial upgrading of the county and township roads. Much of the new growth observed in previously rural areas is seen within a few miles of recently constructed or planned interstate highways and multi-lane state highways. Many of these - such as I-35 in Dakota, Anoka, Isanti and Chisago Counties, T.H. 12 and 55 and County Road 18 in Hennepin County, T.H. 10 and 65 in Anoka, Isanti and Sherburne Counties, and T.H. 12 and 61 in Washington County - have exerted

the greatest influence on making large amounts of land accessible to employment in the Twin Cities area.

The lack of any significant physical barriers - except possibly for river valleys - permits development to occur wherever land is made available within 360 degrees of the Twin Cities. This contrasts with a number of other cities where mountains, oceans or large lakes prevent development in certain directions. In addition to this lack of physical barriers, the location of high-amenity natural resource areas such as lakes, streams, and wooded areas within commuting distance makes many of these areas highly attractive for development around the Twin Cities.

2. *Increasing suburban job locations.*

The travel time from the fringe to possible work locations has significantly decreased in recent years with the growth in the number of jobs located in the suburbs. These jobs resulted from the development of many new industries, plants, and offices in the suburban area and the relocation of a number of industries from the central cities partly because of changing technology and the availability of land for plant expansion and employee parking. The location of these jobs, coupled with the improved access resulting from additions or upgrading to the road network, have made it possible for large numbers of people to commute daily from new homes on the fringe in what they view as an acceptable amount of time.

3. *Availability of public and private services on the fringe.*

Many public and private services which previously were lacking in rural areas now exist there. These include electricity, telephones, school transportation, health care, and better roads. In the past, the lower levels of services or the lack of them tended to discourage outward movement since the new residents would have to live without many conveniences and services considered to be essential today.

4. *Restraints imposed by financing of public and private services have been lifted.*

Many of the costs for services which previously were directly paid by home owners living on the rural fringe of the metropolitan area are now picked up by taxpayers or rate payers in the region due to changes in the techniques for financing them. Some of these costs include the following:

- a. The added cost of longer linear footage for public and private utilities (gas, electricity, telephones and roads) which serve scattered lot and low density development are now largely ignored in installation or monthly service charges.

Differentials in the cost to home owners based on their front footage or the distance of a dwelling unit or a group of them

from the completely built-up areas are not recognized in a separate installation fee or in the base monthly rate for electricity or telephone service. Generally, whenever a person desires this service, it is extended to them with the additional costs related to increased linear footage of line picked up by rate payers throughout the region. For telephone service, there is some differential in the base rate depending upon how far away from the core of the Twin Cities area a person may live. Within the first zone - a densely populated, urbanized zone - a flat rate applies regardless of the size of the lot or the distance between homes. This zone currently extends throughout all of the middle suburban and large portions of the outlying suburban area. Beyond this, there are a series of zones with different base rates for full metropolitan private service. A slight increase in the base rate is charged within each of these zones for this metropolitan service if a majority of the people within the area petition and vote to have it. Such a petition and vote was recently taken in the village of Isanti in Isanti County.

The additional toll charge previously required for people living on the outer edge of the fringe has also been eliminated in recent years as the toll-free zone has expanded outward to include areas such as Elk River, St. Michael, St. Bonifacius, Chaska, Hastings, and Marine on the St. Croix.

The policies on the rates paid for gas service or its installation similarly do not recognize differences based on the densities. However, extension policies on gas mains do limit them to new subdivisions or property near existing mains. Others who may be some distance from the pipe are served by propane tanks.

Finally, the county and township roads are financed not by front footage assessments but by property taxes on all taxable property in the jurisdiction or by state highway user aids.

- b. Increased state aids and equalization of them has significantly decreased the direct cost of education to home owners on the fringe.

In the past few years, a number of changes in the state school aid formula have significantly contributed to reducing the tax burden of living in these previously rural areas where there is little commercial or industrial property. Previously, as new homes were constructed and increased numbers of children moved into school systems, property taxes increased to pay for the cost of education. A number of changes in the school aid financing since 1967, however, including the equalization of tax burdens and the increase in state funding of education from 37 to 70 percent, have eliminated much of the restraint which increasing property taxes due to educational costs placed on fringe area development.

Other educational costs have also decreased in these fringe area communities as transportation costs which previously were partly locally funded are now paid nearly 100 percent by the state. This is a service which increases in cost as the distance between homes increases. Finally, the direct capital cost of new school buildings to home owners has also decreased with the inclusion in 1973 of debt service as one of the costs used in computing the homestead credit for state property tax reimbursement.

- c. The mixture of user funds and countywide property taxes to fund major road and highway improvements has minimized the direct cost to fringe area development.

The homogenization of transportation funding tends to limit the direct cost of road improvements to development on the fringe. This is particularly true of county roads, where 45 percent of the funds come from property taxes throughout the county. In effect, this results in the built-up area, with its more substantial property tax base, providing funds to build or improve county roads that largely serve new development on the fringe.

- d. Numerous state and federal aids for sewers and parks have further reduced the direct cost to home owners in many fringe area communities.

The availability of federal and state funds from numerous categorical programs - particularly sewers and open space - make it possible for fringe area communities to minimize the cost of these improvements to their home owners. In the past, when such aids were not available, expensive local trunk line sewer programs were entirely financed from assessments levied against property owners on a front footage basis or from local property taxes. The availability of federal and state aids which are largely collected from people and corporations located in the built-up areas have reduced these direct costs to home owners living in fringe area communities.

C. Countervailing forces to discourage fringe area development are weak.

There are a few forces which could discourage further development on the fringe. These, however, are either weak or uncertain for the future. They include:

1. *The possible gasoline shortage and/or its higher cost.*

One of the significant costs which people who live on the fringe must pay in return for their lower cost housing, amenity, or privacy is an increase in the cost of transportation including not only the mileage but the need for two cars. This factor undoubtedly has deterred some from moving any significant distance from the built-up urban area. However, this increased cost in time and dollars apparently is one which an increasing number believe they can afford or one which they are willing to absorb.

Present discussions about the "energy crisis" and the possibility of shortages of gasoline and/or its higher cost, if they are realized to any significant degree, are likely to discourage a portion of this outward movement. This factor, however, is a relatively recent one whose expense and longer-term effect is unknown.

2. *Resistance of farm owners to making land available.*

In some locations - particularly in areas to the south-southwest where land productivity is high - there is evidence of some resistance by farm owners to the division and/or sale of their farms for development. This resistance is expressed in the actions of town boards in denying zoning changes or issuing building permits for residential development. Overall, however, the resistance of land owners at best will only deter development in some limited portions of the fringe for a period of time. The escalation in land values is likely to make the development alternatives to farming attractive to many. In addition, although a few farm owners may resist within a particular township, the increases in population are likely to lead to changes in the membership of the town board and to changes in the local rules governing development. Even where some land owners and newer residents of a young community would like to resist development, they are faced with a lack of administrative and financial capability in their local government.

D. The dynamics of forces encouraging development and their possible acceleration suggest expansion of the population on the edge of the metropolitan area will continue.

Forces which either encourage or contribute to development on the fringe are all continuing or increasing. Among others, they include probable increases in housing costs, increases in personal income to achieve amenity or privacy, improved access on the fringe, and increasing subsidy of public and private services by people in the built-up urban areas.

Housing costs appear likely to continue to increase without changes in basic public policy. In addition, there will be an increased demand in the housing market for new single-family housing due to family formations from the post-war baby boom. Many of these new families in search of new housing which they can afford are likely to find it available in quantity only on the fringe.

Probable continued increases in personal disposable income are also likely to make it possible for more people to buy more land either for its amenity or for its privacy. As a result, land along lake shores, rivers, and in wooded areas within commuting range of the Twin Cities can be expected to be developed within coming years. The large quantity of land already vacant on the fringe - much of which is held by owners in anticipation of development - will further act as a stimulus to development at the fringe.

Improvements in access to the fringe will continue. A number of planned freeways are now in design and discussion or under construction. These include: To the northwest, I-94 to Monticello and St. Cloud; to the west, I-394, T.H. 12 to Maple Plain; to the southwest, T.H. 169 and T.H. 212 to Young America and then to Glencoe; to the south, I-35E, T.H. 36, and T.H. 3 to southern Dakota County; to the east, I-94 to Hudson, Wisconsin. Many counties also have plans for substantial upgrading of the county road network including development of a number of multi-lane highways and the paving of all remaining gravel roads.

Present population projections suggest that the bulk of "new growth" in the metropolitan area will continue to be found on the urban fringe.

Population projections prepared by the Metropolitan Council and the Minnesota Health Department for 1990 suggest more than 85 percent of the 830,000-880,000 increase will be located essentially in the outer edges of the middle suburban ring and beyond. These projections are based upon the continuation of trends built into the population increases within the metropolitan area from 1950-70. The only significant difference between these two projections is the direction of fringe area development with the Metropolitan Council suggesting it would be more in a south-southwestern area, whereas the Health Department looks toward a pattern outward from the areas experiencing the greatest new growth from 1960-70. This suggests the development will be heavily in a north and a southern direction into the outer portions of Anoka and Dakota Counties.

Another projection of future population growth prepared by the Upper Midwest Council similarly suggests a continuation and even an acceleration of the outward movement. In their report they note that:

"Rural non-farm population will continue to increase at a rate well above the national growth rate within the commuting range of the Twin Cities. This will affect at least three western Wisconsin counties and a dozen Minnesota counties beyond the 7-county metropolitan area."

Some of the estimated increase in population by the Upper Midwest Council study is projected to occur within long-established rural towns. A considerable portion of it, however, will also occur in presently rural townships on land which is now either vacant, used for farming, or adjacent to a lake or stream.

III. Serious consequences affecting people who live within the built-up urban area and to the environment will result from the present pattern of fringe area development.

New housing developed on the fringe results in public costs that are shifted to people who live within the built-up urban areas and to the environment.

A. More costly public and private facilities and services will be needed to serve new fringe area development at a time when there is excess capacity or inefficient use made of existing capital investments within the built-up area.

The cost of developing new public and private services on the fringe will be borne in part by the total population of the region. These new facilities are also likely to be more expensive because the linear footage of many, such as sewers, gas lines, telephone lines, etc., increases as lot sizes grow larger and the distance between new housing sites increases.

Extensive additions of new roads or the widening of existing ones will be needed to serve the type of development now occurring. Short of this, many arterial roads now used for extensive weekend travel and for daily commercial contact with outstate communities will slowly be unable to continue their function of handling through traffic. In addition, particularly on township and county roads, dangerous conditions may well develop with frequent access from home driveways - most notably in areas divided into small lots. A considerable portion of the cost of providing additional road capacity will fall partially on the state - at the same time that efforts are being made to improve the road network between cities and rural areas in outstate Minnesota.

Additional classrooms will be required to handle the growing school population on the urban fringe . . . at the same time that empty classrooms go unused in adjoining communities which are extensively developed but where land is still open for development.

Facilities such as sewer and water are likely to require not only new investment but also more costly ones as they pass through substantial areas with large lots or through areas of vacant land on their way to serve communities with more intensive development. Evidence of this problem is already demonstrated in the extension of interceptor sewer lines to Forest Lake which pass through nearly undeveloped Hugo; through undeveloped portions of Savage on its way to Prior Lake; through the northern half of Brooklyn Park on its way to Champlin, and through Inver Grove Heights to Rosemount.

Major private investments in shopping centers, commercial and office space where excess capacity already exists are likely to be adversely affected. Locations such as the two downtowns in Minneapolis and St. Paul and even some closer-in suburban shopping centers such as Southdale and Brookdale may experience competition from new commercial development

built to serve this fringe area population. As a consequence, the existing capacity of some of these locations may not be used and additional investment in existing centers may not occur as the market for this space moves farther out into the fringe.

- B. Many of the public facilities and services on the fringe are paid for, not only by the new residents but also by people who live in the built-up areas. Yet these existing residents have practically no voice in how development occurs.

One of the basic assumptions permitting and even encouraging development on the fringe is that public and private services will be provided to development wherever it occurs. In part, this results because of the way in which public and private services are financed. For example, the increased cost of school transportation on the fringe due to increased numbers of miles to transport a given number of children is not recognized in the current state aid formulas. As a consequence, state taxpayers - the majority of whom are residents of the built-up urban area - are called upon to assist the underwriting of higher transportation costs by means of state aid formula distributions to the less densely developing fringe area. They are also required to subsidize indirectly the construction of new schools in these areas by means of the state reimbursement of property taxes even though new million-dollar school buildings in the built-up urban areas have vacant classrooms.

The capital costs of extending metropolitan-type telephone service to the growing fringe area are also picked up and homogenized as part of the basic monthly rate cost to people within the built-up area.

- C. Fringe area development which will result in the loss of valuable open space and eventual surface and ground water pollution in many areas will exact a high cost to the environment of the region.

The environmental costs can be expected to escalate as development spreads out farther on the fringe. This cost need not be recognized by the initial land developer or by those that follow. Some of these environmental costs include the following:

1. *Loss of valuable open space including lake shore, stream banks, steep slopes, marshes, and forested areas.*

Urban development since World War II has migrated to and encompassed the shores of a significant number of lakes within 50 miles of the Twin Cities. During this time, a significant proportion of this land has been divided and sold. Many of these homesites were initially for summer cottages, but increasingly new year-round homes are constructed and cabins are converted into year-round homes. As a consequence, the general public enjoyment of many lakes is increasingly limited to a few points of access and in some cases denied altogether. Development, for example, has closed off access to Sweeney Lake in Golden Valley, Pleasant Lake in North Oaks, and threatens to severely limit access on Lake Minnetonka, Fish and Eagle Lakes in Maple Grove, Long Lake in New Brighton, and Twin Lakes in Brooklyn Center.

The typical large housing subdivision involves considerable grading and filling to develop a number of uniform lots. This activity frequently eliminates or alters the more intimate, close-by natural resources such as steep slopes, groves of trees, and marshes. The only open space in these larger subdivisions frequently consists of the individual back and front yards and neighborhood parks with their newly planted sod and trees. Increased water run-off from this new development and the drainage of marshlands which formerly handled ground water run-off further requires the digging of ditches or the construction of storm sewers.

2. *Eventual surface and ground water pollution will occur in many parts of the 12-county fringe from subdivision of land into small parcels which can accommodate on-site sewage disposal for only a limited amount of time.*

Small lot subdivisions of less than 2½-5 acres still continue in many townships and municipalities which do not have a public sewer system in much the same way it occurred in East Bloomington, Mounds View and Brooklyn Park in the late 1950s. Such small lot subdivision is found in Champlin, Ramsey Township, Lino Lakes, Marshan Township, along the Mississippi River in Wright County and at scattered locations along township and county roads.

As ground water pollution problems occur, householders will demand an extension of metropolitan sewer lines, such as recent ones to clean up Lino Lakes, Forest Lake, Prior Lake and Lake Minnetonka.

3. *Extensive large lot (2-1/2 - 5 acre) development will ultimately require public sewer as further subdivision occurs.*

Large lot development, which is becoming increasingly popular, might possibly provide a way of accommodating on-site sewage disposal if soil conditions permit good drainage and private wells are sufficiently deep to alleviate possible pollution of water supplies. This problem is partially recognized in the lending policies of FHA for development of larger projects of over 10 acres. They require public water and sewer be available before approval is granted. However, extensive division of land into lots of this size, given the current level of planning and the policies of many townships and counties, will result in many of the same problems as with the small lot development also found on the fringe. This is because:

- a. Currently, there is no technique to insure that areas divided into large lots will not subsequently be subdivided and incrementally over time result in ground water pollution, requiring extension of water and sewer service.

The owner of a large lot may decide to sell off a piece of his property. In the process, he must receive permission from any local unit of government that controls land use. However, there is currently no technique to insure that the consequences of these decisions are recognized or that such permission would not be granted, even to the point of a hardship.

- b. Any extensive development of an area with 2½-5 acre lots will ultimately require more intensive urban services and create a demand for commercial services close to the homeowners.

Urban services likely to be in demand include: Road building, snow plowing, and road maintenance; and police and fire protection at levels above those previously acceptable in a rural area. Response by the local unit of government to these requests for service will ultimately lead to increased property taxes. Such tax increases will be one incentive for the break-up of large lots into smaller ones. This break-up is also likely to occur in places with concentrations of large lots when commercial services follow - services which will require sewers. Local assessments for sewers will create added pressure to break up the large lots.

The early division of land into large lots may pose additional barriers to the subsequent intensive development of commercial housing. Large lots - particularly those of 2½ acres or less - may be difficult to subdivide when sewers approach. A planning commission member in a community with a number of these large lots noted it is difficult to get owners together to put in roads, or for the municipality to assist in the process of subdivision of these lots before sewers are installed. In some instances, assessments become so prohibitive that the owners abandon property for subsequent public resale. Communities now experiencing more intensive third acre commercial development in locations where they had previously authorized large lots have found the cost of public utility construction to be very high because some sewers must be run under existing homes.

Finally, early division of land into large lots destroys the land assembly potential for larger planned developments because of the fractionalized ownership of land.

- IV. The process of development is out of control. In addition to deficiencies in the process, people who now pay the cost - people in the first and second tier suburbs and in the central cities - have no voice in the process and no ability to restrain it.

- A. Some land moves into the development cycle without the public ever becoming aware of it.

Land moves into development on the fringe on the initiative of the owner and typically on a lot-by-lot basis. The only public view of this transfer is seen by local public officials within individual municipalities, townships or a few counties that have adopted land-use regulations that require public approval of subdivisions consisting of 5 acres or less. In large portions of the urban fringe - particularly in the areas outside municipalities in Anoka and Dakota Counties, where land-use regulations

are not adopted - land may be subdivided into any size parcel by "metes and bounds" without any public awareness or review.*

- B. The metropolitan area currently lacks but is preparing a physical development framework which could influence and provide some direction to local units of government and private developers on fringe area development.

The Metropolitan Council and its predecessor--the Metropolitan Planning Commission--were established by the Legislature to be concerned about and to coordinate planning within the region. Since its creation in 1967 the Council has focused on major regional facilities - sewers, open space, highways, transit, airports, and major private commercial office centers - and adopted a few policies relating to them. The region, however, still lacks a total physical Development Guide that coordinates development of these regional facilities and policies on the location and timing of access to them. The lack of this physical development framework and many necessary policies largely explains why efforts at the regional level have had only minimal influence on fringe area development or the local land-use policies of communities on the fringe.

The incompleteness of policies in the Development Guide relating to major regional facilities - highways, sewers, transit and airports - has also left a void in guidance to the major regional facility building agencies - the Metropolitan Sewer Board, Minnesota Highway Department, county highway departments, Metropolitan Airports Commission, and Metropolitan Transit Commission. A number of guidelines pertaining to the future location of these facilities have been adopted, and do provide some positive direction. However, the lack of policies on access to these facilities and the timing of their construction has resulted in limiting the ability of these facilities in any manner to influence development.

- C. Only a few counties and the most populous municipalities effectively exercise the significant powers given them to plan for future development and to regulate and/or influence it.

1. *The state has long delegated primary responsibility and enabling authority to municipalities and counties in unincorporated areas to plan for, influence and regulate land development.*

The state does not require (apart from lake shore) that planning or regulation of land use be done. Instead, this decision is left to the discretion of local governing bodies who may decide to take any one or a number of steps affecting development.

* Metes and bounds is a largely private-informal way of dividing and conveying lots by legal description, as distinguished from the formal lot division and public requirements of platting. Land divided by platting must first meet these requirements and the plat approved before land can be legally conveyed.

One of the historic powers granted municipalities and counties is to plan for development and to regulate land uses. The most recent state action to expand these powers came in the 1965 Municipal Planning Act and the 1959 County Planning, Development and Zoning Act. These laws gave enabling authority to municipalities and counties - other than Hennepin and Ramsey - to influence development by adopting comprehensive plans, by reserving land for future public facilities with an official map, by adopting local capital improvement programs; and to regulate development by adoption of a number of land-use rules and requirements in zoning codes and subdivision ordinances. These local land-use and subdivision codes regulate lot sizes, house sizes, local utility system layouts, and the review of all subdivisions by means of platting.

Specific powers granted municipalities and counties (for the areas outside of the corporate limits of municipalities) include the following:

- a. Preparation and adoption of a comprehensive plan. This plan consists of a compilation of policy statements, goals, standards and maps for guiding the physical, social and economic development - both public and private - in areas within their jurisdiction. All subsequent controls over development such as zoning and subdivision are seen as ways of implementing this plan. In municipalities, after the planning commission has adopted a plan, all acquisitions and dispositions of public property, and all capital improvements by any political subdivision having jurisdiction in the municipality, must be referred to it for their review.

In counties, the comprehensive plan must be approved by the county board to be effective. In municipalities, it may exist either as recommendations of the planning commission or be adopted by the city council to then become the "official plan".

- b. Adoption of a zoning ordinance. This consists of local regulations controlling the lot size, density of population, uses of land and buildings, size of yards, size, location and height of buildings, and the parking requirements within portions of the community or county identified as zoning districts. Municipalities may also extend their zoning regulations to unincorporated territory within 2 miles of their limits except where the county or township has adopted zoning regulations.
- c. Adoption of a subdivision ordinance. This consists of standards and regulations over the alignment, width, grading and surfacing of streets; requirements for installation of water supply, sewerage, drainage, electric and gas distribution lines; and setbacks from roads in newly developing areas. Procedures for subdivision of land by platting are also contained in this ordinance. Municipalities may also extend these regulations up to 2 miles from their corporate limits and to unincorporated areas where the township or county has not adopted such regulations.

Municipalities have the additional powers to require developers to post a bond or cash for necessary improvements and utilities, and, in the residential areas, to dedicate land or its cash equivalent for parks and playgrounds.

- d. Approval of all legal subdivisions of land of less than 5 acres. After subdivision regulations are adopted, land in parcels of less than 5 acres may no longer be legally conveyed by the less accurate metes and bounds approach, which does not require local approval. Instead, land must be platted with detailed land descriptions that show the boundaries of the lot, easements, rights-of-way, etc. Such plats must also be reviewed for their conformity with subdivision regulations and approved by the municipality or the county and township after a public hearing.
- e. Adoption of an official map by municipalities. This consists of a map showing the precise location of future streets or public facilities (parks, schools, and public buildings) and strict controls prohibiting issuance of building permits on this land. Whenever a municipality acquires this land, it is not required to pay for buildings placed on the land without a permit or in violation of the conditions of a permit.

Townships also have powers to plan and zone. These are limited, however. After a county has adopted official controls (zoning, subdivision and platting) the township controls must be consistent with those of the county. A township may, however, zone more restrictively.

2. *The state has pulled back to itself the regulation of lake shore and river shore land uses and directed counties and municipalities to implement state standards.*

A major departure from the general delegation of land-use powers and enabling authority to local units of government was taken by the state in the 1969 (county) and the 1973 (municipality) Shoreland Zoning Acts. These resulted in part because of the lack of performance by many counties and municipalities in adopting regulations to protect lakes and rivers.

All counties and municipalities are directed to adopt zoning regulations on lot sizes and setbacks from lakes, and sanitary controls over sewage disposal in conformance with specific state standards issued by the State Department of Natural Resources for various categories of lakes and rivers.

By July, 1972, counties had to adopt regulations which were then reviewed and certified by the state to insure that they conformed with the state standards. The county was then charged with administering and enforcing these approved ordinances, with the state reviewing and approving any exceptions (variances) requested and granted by the counties. A similar procedure is required of municipalities before July, 1975.

An optional, but significant step to encourage local action was also taken by the state in the 1969 Floodplain Protection Act. It requires counties and municipalities to adopt zoning and subdivision regulations for areas within identified floodplains if they want to be covered by the national flood insurance program.

3. *Minimum steps to plan for development before it occurs or to influence and guide it have not been taken by many municipalities and counties experiencing intensive growth.*

We have not reviewed the quality of various land-use controls enacted by counties or municipalities. A 1970 survey by the Metropolitan Council noted, however, that:

"Of 191 municipalities surveyed, only:

65 had comprehensive plans completed or in preparation.
140 had adopted separate zoning ordinances.
101 had separate subdivision ordinances.
12 had 3-year capital improvement programs."

The planning and land-use activity of counties also varies considerably. Both Hennepin and Ramsey Counties are precluded by state law from planning and adopting land-use regulations in their unincorporated areas. Of the remaining counties, however, in 1973:

2 counties--Anoka and Dakota--had not taken any steps to prepare a plan or adopt any land-use regulations.

5 counties--Carver, Scott, Sherburne, Wright, and St. Croix County in Wisconsin--have adopted zoning and subdivision controls over land in unincorporated areas.

Only 1 county--Washington--has adopted a comprehensive plan and a series of land-use regulations.

4. *Many local units of government on the urban fringe simply are not capable, by themselves, of planning for and handling development.*

The assessed valuations and local resources of most rural townships and newly incorporated municipalities are very low. With very limited revenue, it is difficult to undertake the necessary studies and work needed to develop effective plans and land-use regulations. This condition is compounded by the competition for these limited resources to provide urban services such as fire, police and road maintenance.

Newly incorporated municipalities, or older ones just beginning to experience development, are comparable to townships in terms of the resources they can spend on developing plans.

Frequently there is a political time lag from the policy of "no controls" to some policies limiting the use of land in townships just beginning to experience new development. Planning and land-use regulations or major changes in existing ones may come only after significant development has already occurred.

Counties, if they have a planning capability, are enabled by state law to prepare plans at the request of the municipalities. Such plans and any recommended land-use regulations must be adopted by the municipality. But this approach has never been used.

Counties also have the power to prepare plans and to adopt regulations in the unincorporated areas. This has been done in varying degrees by Washington, Sherburne, Scott, Carver and St. Croix County, Wisconsin. However, it has been strongly resisted in Anoka and Dakota Counties, with the result that any planning and land-use regulation undertaken is left to the local townships. Dakota County, which has a planning department, is making assistance available to townships to develop their own plans and land-use regulations. In Anoka County, which does not have a planning program, however, it is up to each township to do whatever it desires.

- D. Local plans and regulations are developed and reviewed by the people in a given community at a given time. There is no provision for input or review by others representing the public interest of the adjoining communities or of the region.

Each municipality, from the date of its birth, and even the township preceding it, may determine what type of development to encourage or permit and its location. Typically, only the existing local residents and land owners are consulted about their interests in the preparation of any comprehensive plans. These interests relate to the type of development - residential, commercial and industrial; the mixture of these desired for the tax base; and their interests in maintaining a certain residential character. These plans must then be submitted to others outside the community for their comment. *The most important decisions - land-use and subdivision regulations and capital improvements - however, are made by each local unit without any review, apart from local sewer plans, by anyone.*

The comprehensive plans of a community - *but not its regulations* - must be submitted to adjoining communities and the Metropolitan Council for their review before adoption by the governing bodies or planning commissions. Similarly, townships in counties that have adopted comprehensive plans and subdivision controls (presently only Washington County) are required to submit their plans and any regulations to the county to determine whether they conform to those adopted by the county.

The effectiveness of plan review by the Metropolitan Council on development is questionable. This review occurs only at the last step before adoption of plans by communities. More important, however, the review is a device which appears to have a minimal influence on development as plans are seldom officially adopted by city councils and infrequently prepared or revised by planning agencies. Although lots of planning was done under the federally sponsored 701 program, many of the reports and recommendations lie on the shelves. No official action has ever been taken on them. Without the status of an "official plan" adopted by the city council, the recommendations of the planning agency usually have little influence on

the road and sewer programs, because they are seldom referred to the planning commission, or on the zoning regulations adopted by city councils and frequently administered by a separate zoning department.

One plan review which could have some influence on development is review and approval of the local comprehensive sewer plans by the Metropolitan Sewer Board and the Metropolitan Council. This review (required to receive interceptor sewer service) is deficient, however, since it does not contain an element indicating the timing of development of these sewers. Only the overall capacity and general location of local trunk sewers is included in the plan.

V. Public 'tools' are available - but have been little or inadequately used - to shape and guide metropolitan development.

A. Property tax relief granted to farmers on the fringe operates as a fiscal incentive to hold land out of development. However, it is narrowly limited to apply in only portions of the fringe. It is not tied to any regional or local development guides and may be in conflict with them.

One of the costs to raw-land owners in holding land is the yearly taxes he must pay on it. This land, if it is no longer used for agricultural purposes, is valued by assessors at two-three times this amount or even higher for urban development. Consequently, the land owner is encouraged by the tax system to move his land into development as quickly as possible.

Some land in rapidly urbanizing areas is withheld from development by owners who have received lower taxes and deferral of assessments granted under the "Green Acres" act. This law was passed to grant relief to farm owners from rising valuations and taxes on farm land in urbanizing areas.

The "Green Acres" law provides simply that land devoted to agricultural use be assessed on the basis of its value in that use, and that market values reflecting potential uses such as housing subdivision, commercial development or industrial development be ignored by the assessor. Any real estate consisting of 10 acres or more is entitled to this valuation and tax deferment if it has been held in the possession of the applicant for 7 years or more prior to his application and if at least one third of the total family income of the owner is derived from agricultural production or a total production income including rental from the property is \$600 plus \$10 per total acre.

Any person who so qualifies may apply for "green acres" and is automatically granted it, regardless of where the land is located - even in the middle of a rapidly developing community. The owner of land receiving this preferential treatment may then sell his land at any time. However, when the land is sold, back taxes - but not interest on them - for 3 years equivalent to the difference between taxes paid for agricultural use and the taxes that would have been paid if the land had been valued for development must be paid.

1. *The local municipality or county which has adopted a land-use plan has no choice about whether a piece of land should be granted this preferred tax treatment.*

If a municipality or a county has designated an area for urban use and for intensive development, it has no ability to determine whether a land owner should receive this preferential tax treatment. As a consequence, the land owner may, if he chooses, apply for "green acres" and thereby prevent development of an area which could even have sewer and water. The land owner not only receives the lower agricultural assessment but also may avoid paying any assessments for local public improvements until the land is sold for development. A pattern of land holdings covered by "green acres" already exists within northern Dakota County in municipalities such as Lakeville, Burnsville, Rosemount and Farmington.

2. *The relationship between "green acres" and development objectives is very limited. There is no period of time specified during which the land will be withheld from development.*

The land owner, at his initiative, may apply for the "green acres" tax treatment. The only thing which discourages the land owner from placing his land into development is the 3 years of back taxes which will be due when the land is sold for development. This provision has a nominal effect on discouraging the holdings of such property for speculative purposes, since the charge against the property of 3 years' taxes is quite nominal in view of the amount of appreciation that could occur in such property over several years. In many locations, for example, it is possible, with the escalation in land values, that the land owner would sell this land in 3-6 years. Does this justify the granting of this preferential tax treatment?

3. *The limitation of "green acres" to agricultural use of 10 acres or more greatly limits the contribution this approach could make to holding large parcels of land out of premature development.*

The definition of agricultural use in the "Green Acres" act does not, in fact, mean that only large farm owners are entitled to apply. Anyone holding 10 acres of land which, to a very limited degree, produces some kind of agricultural income is similarly qualified. This limitation to agricultural use, which under the law can clearly be a secondary one, greatly limits the use of "green acres" in achieving development objectives of the region. Much land is now held in tracts well in excess of 20-40 acres but is not used at all to produce any income. This land may be located on very buildable soils which are not agriculturally productive, but it cannot qualify for "green acres". Consequently, land owners in these areas do not have the same incentives to keep their land out of development as do land owners in areas with more agriculturally productive soils. This condition, in part, explains why the "Green Acres" act has been used mostly in the southern counties.

B. Adoption and coordination of local capital budgets which can influence the timing of development is done by only 12 municipalities and none of the counties or townships.

1. *Local capital improvements influence development in two ways: (a) by providing what often are essential services to new development such as access, sewer and water; and (b) by indicating willingness to provide public services to new development where and when it occurs.*

The investments in development of local public improvements - roads, local sewers, water systems, parks, etc. - are frequently essential for new commercial housing developments. Some lending institutions such as FHA require them before funds on properties with more than 10 units will be released to finance initial preparation of the site and construction.

Public improvements such as the upgrading of county or township roads also can act as a stimulus to development by improving access to land which might otherwise be less accessible. Such improvements, also, if they precede or shortly follow new development are clear indicators to land owners of the willingness by local units of government to provide public services in the future as development occurs.

2. *Only a handful of local units of government have attempted to use the technique of long-range capital improvement budgets to influence where and when development occurs.*

Only 12 municipalities, according to a survey of the Metropolitan Council, have adopted capital improvement budgets extending beyond one year. All municipalities and counties typically adopt a year-to-year capital budget. This approach, however, does not relate these capital improvements to any longer-range plan for development of the community, nor does it provide direction to land owners and builders about where and when investment in these facilities will be made.

C. Planned Unit Development is a technique in the law and planning practice that has considerable potential as an alternative to sprawl for improving the quality and process of new housing development inside the fringe. It is little used, however, due either to lack of familiarity with it or to lack of commitment to it by municipalities and some difficulties experienced by both municipalities and builders.

Planned Unit Development is a concept of land utilization. It may refer to a project (PUD), which arranges structures in clusters to minimize the cost of utility installation and to preserve continuous common open space. It also refers to a process, a plan for development which is mutually negotiated and agreed upon by the developer and the local community. It is distinguished from the traditional zoning-subdivision process for housing development in that zoning standards such as density, setbacks, height limits, minimum lot sizes, etc., may be suspended and subject to those standards agreed upon by the parties.

1. *Planned Unit Development has a number of advantages which make it appear to be a valuable approach to handling new housing.*

Some of the positive features of PUD for the public and future residents include:

- * Natural resource areas can be preserved. Clustering of buildings permits the reservation of more meaningful common open space adjoining new sites for housing.
- * The cost of housing may be somewhat reduced. Utility costs - sewers, water, storm drains, gas, etc. - are lower where housing units are grouped closer together. Fewer miles of streets and less land for them also is required to serve these units.
- * The packaging of many public and private facilities to serve residents and overall design coordination is possible as part of the negotiated plan for a particular site. These facilities could include local commercial stores to serve the nearby residents, public parks and trails, and, in the larger projects, libraries, fire stations, police stations, and local public offices.
- * A greater variety of types of residential buildings such as town-houses, patio homes, single family and apartments can all be made available within a wide price range in a single new housing development.
- * The maintenance of common open space and other parts of this new neighborhood can be assured by homeowners who belong to an on-going association.

For the builder, this process offers:

- * A cooperative approach with the municipality in which the local unit of government and the builder can work together to achieve a satisfying development.
- * A high degree of flexibility may permit a mixing of types of housing or of land uses in developing a tract of land than is possible by standards imposed in many zoning codes. This can be very important as changes occur in tastes and resources of the housing market.
- * The possibility of developing a site which will make better use of the land by respecting its natural resources and topography. Greater creativity in the design of the overall development - the land, housing units and access to major roads - is also possible.
- * The opportunity for community participation early in the building plans for a particular development.

2. *The lack of commitment, the lack of familiarity with the PUD technique, and the existence of a number of procedural and financial problems account for the limited use of this approach to new housing development.*

A number of municipalities, by amendments to their zoning ordinances, permit a developer to proceed under this technique. To date, however, only a small proportion of the total amount of housing constructed is proceeding under this approach.

Projects developed by the PUD process with mutual negotiation between the municipality and the developer can be categorized into two types: Larger ones which exceed 200 acres each, and smaller ones from 2-200 acres. In the Twin Cities area, there are five large PUD projects: Jonathan in Chaska (a series of PUDs as part of a total new community), the Preserve, Edenvale and Redrock in Eden Prairie, and Colby Lake in Woodbury. All of these larger projects are relatively new and some are still only on the drawing boards. In addition, there are approximately 97 smaller PUDs located in 27 municipalities.

The Planned Unit Development technique - a concept which has been around for 20 years - has found only limited use in the Twin Cities area for a number of reasons. These include:

- a. Municipalities and builders lack familiarity with the PUD technique. PUD has come into limited use only in the past six years in Minnesota. This resulted from the necessity of finding another technique for developing new types of housing such as townhouses either by themselves or as part of a total project including single-family homes. Both the builders and many municipalities found the PUD technique was one which could be effectively used to handle the development of this new form of housing - something that could not readily be accommodated on the lot-by-lot subdivision.
- b. Only a few municipalities have the resources to adequately review projects proposed for development by the PUD technique and to engage in the necessary negotiations with competence equal to the developer. Usually, only already well-established communities, or those that have made a commitment to moving into development by this approach, have either hired the planners or made available the resources for planning assistance necessary to use this technique. Without such competence, municipalities are not likely to encourage the use of this technique. If they authorize the use of PUD without such assistance, they are likely to be overpowered in the subsequent negotiations.
- c. The front-end land assembly and holding costs, plus the necessary pre-planning costs, require large amounts of capital which may be beyond the capability of many developers. Those who would like to use this technique must commit resources to plan for a site - something which is not essential in conventional subdivision

development. In addition, the planning required for an initial concept plan, preliminary design, and final plan, plus the negotiations leading toward approval of each of these, usually takes considerably more time than required for a typical subdivision. Consequently, the holding costs of land may be more. These additional costs related to PUD development explain why only the larger builders are able to undertake this type of development.

- d. Procedures used to engage in the PUD development process vary considerably from one community to another, thereby posing a problem for developers who have projects located in many communities. The variety of procedures, such as whether there are one, two or as many as five to ten steps, require the developer to become very familiar with each community's requirements and procedures. What can be a relatively simple process in one community can be very complex in another. The specific requirements for housing projects also vary considerably from one community to another. This further compounds the difficulties builders experience.
- e. Many municipalities do not clearly define who is responsible for processing the PUDs. Instead, they leave it up to the developer to receive approval from each of many offices. Since the PUD technique essentially consists of negotiations between two parties, it is necessary that the public party be represented by someone who has the responsibility and the authority for articulating the requirements and desires of the community, as well as assisting the project through various departments within the municipality or county. In cases where a single agency is not given this responsibility (most often it is the planning agency) the builder must proceed to obtain approvals of many offices including the building inspector, fire department, and the city engineer.
- f. The imposition of rigid requirements such as those contained in the zoning code to the proposed PUD by individual departments in the municipalities or counties greatly reduces the flexibility of the PUD technique and further discourages its use. Departments of local governments such as the building department, public works, zoning administrator, and the fire marshal, who may review a proposed project, sometimes attempt to impose the same requirements which they developed for the zoning code to apply to the PUD. Similarly, if there is a single department with the responsibility and authority to negotiate a PUD with the developer, this department may lack the guidance necessary from the public officials of a community relative to what requirements are negotiable. Without this direction, the latitude available to the community in negotiating with the developer will further discourage the developer from proceeding under this approach due to a limited number of trade-offs.

- D. Adoption of an "official map" which permits municipalities to reserve land for necessary future public facilities - streets, parks and schools - is seldom done.

The "official map" is one tool which could have significant influence on development within a community. Developers would then have to plan their projects around areas designated for specified public uses. The future cost of land for these facilities would also be lower since the community would only be buying raw land - not land with new buildings on it.

1. *Substantial advanced planning is essential to anticipate where major local facilities will need to be located. This is often missing in younger-growing communities.*

Many younger municipalities are unable to anticipate what facilities will be needed and where they should be located, since they do not have extensive planning programs. Without this, the official map can not be used.

2. *Funds sufficient to acquire land designated in the "official map" frequently are not available when a land owner proposes to develop land in the designated area.*

The reservation of land for future public uses in an official map is accomplished by designating it and then controlling the issuance of building permits. There is some legal question, however, whether a building permit can be refused if such an action does not allow the owner a reasonable return on the land. In such cases, the governmental unit may then be required to purchase the land or issue the permit. Funds for such acquisition, however, frequently are not reserved or available.

- VI. This metropolitan community is approaching a point of decisions on the pattern of its growth and development . . . in the work of the Metropolitan Council during 1973-74 and in the legislative session of 1974.

- A. The coordination of planning and the guiding of growth have been the central charges to regional planning agencies created in many forms since 1957.

1. *The issue of the pattern of development, what problems resulted from the way in which it was occurring, and how these might be handled, has been a long-standing concern within this region.*

This issue, as early as 1957, led to the formation of the Metropolitan Planning Commission (MPC). This body subsequently engaged in extensive studies collecting data and information on the population, land use and resource base of the area, its transportation network, sewage and water systems, and on where and how development was occurring.

The Metropolitan Council, the successor agency to the MPC, was created in 1967. One of the charges to this body was:

"The Metropolitan Council shall prepare and adopt a comprehensive development guide for the metropolitan area. This shall consist of a compilation of policy statements, goals, standards, programs and maps prescribing guides for an orderly and economic development, public and private, of the metropolitan area. (emphasis added) The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings."

2. *Special-purpose regional agencies for airports, sewers, highways and transit have frequently expressed the desire to know what would be the shape of this region in planning for their programs.*

On many occasions, many of the building agencies such as the Minnesota Highway Department, Metropolitan Transit Commission, Metropolitan Airports Commission, and Metropolitan Sewer Board, have called upon the Metropolitan Council to indicate where and how development would occur within the Twin Cities area. These policies and information are essential for the future planning of extensions and enlargements of these facilities and their coordination.

3. *The Metropolitan Council has undertaken numerous studies and has scheduled the topic of metropolitan growth in its 1973-74 work program for action.*

The Council has proposed in the work program for the coming year to settle upon an overall framework for its Development Guide. This would focus on providing direction to growth in the metropolitan area and the coordination of individual functional elements such as transportation, sewers, parks, etc. within the Guide. This work is now going on in the physical development committee of the Council.

The issue of guiding development rose out of a number of earlier studies begun by the Metropolitan Planning Commission. This body engaged in an extensive number of studies collecting data and information on the area, its population, land, transportation, sewage and water systems, and on where and how development was occurring. The first major effort to address the question of fringe area development came in studies conducted jointly by the MPC and the Highway Department in the Joint Program. This activity - which ran from 1962 to 1967 - produced the first Development Guide for the region, one which called for future development to take the shape of a "constellation city". The emphasis in this Guide focused on the location of major retail-office-commercial centers and looked toward

decisions about regional facilities as a way of influencing the pattern and shape of development in the region. The MRC Development Guide, however, was not accepted by the Metropolitan Council after its creation in 1967, since the Council felt it should produce its own Development Guide and differed with some of the recommendations in this earlier proposal.

The Metropolitan Council, in its early years, was concerned about major regional facilities - sewers, open space and transportation facilities. In recent years, the Council has moved into other areas such as health care planning, housing, and criminal justice, and has continued to review an increasing number of applications for many federal grants-in-aid and local comprehensive plans. In the coming year, the Council has expressed its intentions to take up the question of overall development and policies guiding growth within the region.

B. The concept of shaping growth and the tools to achieve this have not yet crystallized.

1. To some, shaping means a map or picture. This approach has focused on the following:
 - a. Green Belt -- Circling the built-up urban area with a large amount of land kept in agriculture, open space, or parks, with new development occurring beyond the fringe, is proposed as a desirable picture by some for the regional area.
 - b. Green Wedges -- Another variation on the "green belt" picture is that of green wedges which radiate outward in land between major transportation arteries along which development is located.
 - c. Designs -- Some have suggested the region be planned to resemble various gross geometric shapes. These include: Radial corridors (lines resembling a starfish and moving outward from the built-up core along highway and transit lines); octagon (multiple-suburban commercial-office centers around the two central cities); and a nondescript form called spread city.
 - d. Perimeter Line -- Proposals have been made for a regional agency to draw a circle around some portion of the Twin Cities area and to limit development inside of this circle. The shape, as a result, is one of a circle instead of a star, hexagon, or octagon.
2. To others, shaping means a process. This approach tends to focus on the tools and techniques for influencing regional development in contrast to what the picture may look like. Some processes proposed include:
 - a. Using regional facilities to shape development -- This technique looks to decisions about location and timing of major regional facilities (highways, transit, airports and sewer interceptor

lines) as having significant influence on the shape of development. Discussion in this region has tended to emphasize sewers and transit. The approach assumes that if certain specific facilities, such as sewers, are not built, development will not occur. Similarly, if other facilities such as transit are constructed, development will follow.

- b. Land banking -- Public acquisition of large quantities of land on the fringe with its future lease-back to developers in accordance with approved plans is advocated by some as a way of controlling growth.
- c. Regional timing of local development -- Some have suggested development could be controlled by the use of a combination of techniques on a regional scale by a regional agency comparable to those employed by Ramapo. This experiment, now under way in a suburban community of New York, provides for the timing of local public improvements over an 18-year period and for limitations on urban development only to the area served each year by expansion of these improvements outward. Owners of land outside of the "public service area" are assessed at a lower value until facilities reach them.

C O N C L U S I O N S

- I. It is not surprising that the Twin Cities area has been unable to take control of its growth, to date. No metropolitan area has effectively done this.
 - A. Intellectually and politically, the issue of controlling metropolitan growth is the most complex urban problem. The number of factors which must be dealt with, the forces of the market place, and the large number of actors--both public and private--contribute to the difficulty of finding answers to this problem. The issue of overall development is far more complex, for example, than defining the problem and providing answers to a single element in the urban system, such as transportation, since it requires coordination of all of these elements with recognition of what can effectively be done to influence forces operating in the market place.
 - B. The search for answers to this urban problem has focused on simple, once-only actions. This, however, is not possible due to the number of actors, which include all units of local government and numerous private interests, and the fact that no simple-single act by itself can be decisive.
 - C. We are not criticizing the work of the past to suggest that changes are needed in the future. A considerable amount of effort has been put into gathering data and proposing alternative ways of handling urban growth. This work was necessary and has greatly contributed to making it possible at this time to more clearly understand the issues and to suggest changes for the future.
- II. Beyond this, and on the merits, the dispersed pattern of development provides many real benefits to significant numbers of families.

"Sprawl" is not bad simply because it's untidy. The positive aspects of it include:

- A. Increases in the quality of life for many. Large numbers of families have found the amenities they were looking for in a home in the country, along the shore of a lake, or in the woods. Others have found, at least for a period of time, the privacy they were seeking.
- B. A choice of housing many can afford. Some families who desire a new homes frequently find the lower-cost lots, and the homes they could afford, not in the closer-in suburbs but in new developments on the fringe. Others discovered the lower-cost mobile homes only in these fringe areas and still others a series of local land-use regulations which permitted them to build homes at lower cost in the outlying areas.
- C. Postponement of some public service and private costs. Many of the fringe area local units of government either do not require some public services

be installed immediately - sewers, curb and gutter, water - or for a long time into the future. Similarly, the minimal requirements for housing made it possible for many to build essentially a basic structure and to subsequently expand or modify it. The postponement of these costs, as a result, makes it possible to build a home and then to either pick up these costs later when incomes have generally risen or move on when they appear.

- D. Changes in the financing of many public and private services have equalized burdens and improved communications and mobility which contributed to tying this region together. Indirectly, these changes have also reduced the cost of many services to people who live on the fringe. The trend in financing of public and private services to shift costs to larger units such as the state or rate payers within the region, and by changes in the distribution of state aids to municipalities and school districts, has greatly contributed to equalizing burdens between residents of the region. They have also permitted extension of services outward to the existing residents of this ever-expanding metropolitan region. Newer residents moving into the fringe have also benefited from a reduction in the direct cost of these services.

We concluded that we will not and should not go back to fiscal controls which would deny services or make their costs prohibitive to existing residents of the fringe area. The trends in financing public and private services are all in the opposite direction - trends which have helped to equalize burdens and improve services for residents throughout the area.

III. There are, however, many bad features to the present development pattern.

The negative features to the present pattern of sprawl include:

- A. Many people are hurt financially. The subsidy of fringe area development by the greater number in the built-up area means these people contribute to something they do not directly benefit from and must therefore forego improved services where they live or additional income for themselves.
- B. The use of land, roads, equipment and time required by the present land development arrangement is wasteful of resources. The current pattern of development provides little incentive to use the excess capacity of sewers, roads, schools or parks within the built-up area and those immediately adjoining them. Comparable new facilities on the fringe are also more costly due to the distance between development sites - a cost people in the built-up area share in and subsidize.
- C. Advantages for those who initially settle on the fringe are temporary and do not last. Gradually, open space and privacy are eroded, and ground and water pollution develop as lots fill in and neighbors grow up around the first wave of settlers on the fringe.

- D. Opportunities for grouping work trips together, thereby reducing dependence on the single-occupant car, are diminished by the lot-by-lot subdivision of land for new housing. The scattered locations of housing on the fringe and the lot-by-lot subdivision of commercially developed housing have greatly contributed to dependence on the automobile in this metropolitan area. If this continues, the possibility of either carpooling or the use of transit to collect persons for work trips will be difficult and probably minimal. As a consequence, there will be increased demand for additional new highways, and the construction of multi-lane highways and bridges, simply to accommodate the growing volume of single-occupant cars for work trips.
 - E. Large amounts of land must be acquired quickly if major natural resource areas are to be reserved for the public in the future, given the advance of new development on the fringe. Lake shore, major wooded areas, and other locations with natural resources currently in rural areas will be increasingly threatened if sprawl continues. Significant, growing public expenditures will be needed in the near future to acquire this land and keep it out of development for future public enjoyment.
 - F. Higher cost and inconvenience to new residents are imposed by the postponement of some public service costs. Although the initial cost to home owners in communities which do not require some public services such as sewer and water may be lower, in the long run these costs are higher. Not only will the actual cost of them increase due to inflation and the cost of replacing streets which must be torn up as each utility is installed, but there are additional costs to the environment from not adequately disposing of sewage. Finally, the gradual development of public utilities imposes a cost related to inconvenience on residents who must use streets in various stages of repair as utilities are installed.
 - G. The aging areas of a growing number of suburbs and the central cities will only slowly, and may never, be rebuilt. If land is constantly made available in unlimited quantities on the fringe for new housing, the investment necessary to rebuild older, obsolete areas in the core of the region may never be made but instead will be drained to the fringe. Open-ended land development on the fringe makes it extremely difficult to maintain a market for land in the built-up areas competitive with land available on the edge. This condition will only further aggravate already serious social problems, increase transportation costs, and waste significant public resources.
- IV. On balance, and over the longer run, the trend to sprawl on the fringe is a damaging one. It ought not continue by default, but must be resisted.
- A. There are more people hurt than helped by the present pattern of dispersed housing. Although some people benefit from the current

sprawl, including many involved in the housing business, a considerably larger number of people who live within the built-up portions of the area will be hurt as sprawl continues. These existing residents, and those who live within the built-up areas in the future, are called upon - under the present pattern - to subsidize much of this development.

- B. The advantages to a few are temporary, while most of the disadvantages - in terms of cost to the many and to the environment - are permanent. While the initial settlers on the fringe may enjoy increased amenity, privacy, and possible lower housing costs, this lasts for only a relatively short period of time. As subsequent development takes place on lots adjoining theirs, increased services largely funded by people within the built-up area are required. Natural resource areas are also subsequently lost and ground and surface water pollution result as development proceeds outward with the filling in of vacant lots and the subdivision of larger ones. These costs to the greater number of people in built-up areas and to the environment are permanent and cannot be reversed.
 - C. Sprawl is not the only way to accommodate new development. If the present pattern of dispersed housing were the only feasible way of accommodating growth within the region, it would be a reasonable way to proceed. However, alternatives are available which can provide comparable advantages without the bad features of fringe area development.
- V. Sound public policy suggests that priority for development should go to those areas where investment in public and private services has already been made, and where capacity for future growth is available.
- A. It makes economic sense to use any existing capacity before we build new - particularly as resources become tighter for the maintenance of our existing capital plant and the improvements still needed to serve the built-up area. Capacity does exist in many already built public facilities. These include newer classrooms which are now becoming vacant in a number of closer-in suburbs and central cities; in much of the existing road network; and in the empty space in interceptor sewer lines.
 - B. This policy does not mean every vacant lot or piece of ground should be built upon. Obviously, areas with important natural resource characteristics such as marshes, steep slopes and bodies of water need to remain untouched. However, a significant amount of buildable land does exist in communities which already have public services. Priority should be given to development on land in these communities.

VI. We concluded a new concept of guiding development is imperative. . .one that treats urban growth mainly as a matter of residential development, not commercial, industrial or of major public facilities.

- A. We considered but rejected several approaches to controlling metropolitan development which view it as a picture. The problem of guiding development, we think, is not an exercise in picking your favorite design - from green belt, to green wedges, or to various snowflake patterns such as the starfish-radial corridor, hexagon or octagon-multiple centers, or the nondescript-shaped spread city. Instead, it is a market place problem concerned with where people go to live, those forces which encourage or contribute to their outward movement, how they are served, and how to deal with problems resulting from this activity.

Guiding development also is not an issue of overall densities on the land - apart from the outer fringe area where public sewers will not be installed and where ground water pollution can become a problem. Densities of new development may be fairly high on a limited portion of a parcel of land used for housing but overall remain relatively low.

- B. On the process side, we were aware of but rejected the European experience of public land acquisition and assembly and the shaping of development by locating and timing major regional facilities. The public acquisition of land on the fringe and its assembly, with subsequent leasing or sale in accordance with a plan, is very costly and unlikely, at best, to be accomplished at an early date.

We were impressed with the way regional facilities have been built where people go out to live and therefore concluded that where housing is built it would inevitably stimulate serving them with regional facilities. Sewer lines, for example, have been extended outward to clean up a number of lakes on the fringe which were polluted by housing development surrounding them. Other regional facilities, such as transit lines, on the other hand, are not proposed to penetrate the fringe - the area where most new development is occurring. *A few opportunities for influencing the direction of development remain in areas not currently served.* These are very limited, however, given the extensive network already planned or in place.

VII. Adoption of a new strategy. . .one which focuses on residential development and works first and primarily on the small-scale decisions influencing its location and timing. . .is needed.

Elements of this new strategy should include the following:

- * Emphasis on residential location. Improved information about the division of land, its ownership and the intentions of owners, is critical, as this step frequently initiates the development cycle.

- * Adoption of a policy of contiguous development with extension outward from existing facilities as development occurs. This policy would encourage utilization of the existing capacity in regional and local public facilities and the use of nearby buildable land for development.
- * A system for getting much of the land physically available for new housing out of the market and the holding of it. This land currently exists in large quantities on the outer edge of the fringe. Incentives, however, must be developed to encourage the land owners to keep it out of development until services are extended into it.
- * Bring necessary quantities of land into development at an appropriate time and place. This means a capital improvement program at the *local* level. This includes sewers, water, streets, and schools. A few opportunities for influencing housing development may exist in decisions remaining to be made about the location and timing of regional facilities, particularly in areas which lack them. Overall, however, these regional facilities appear to make more land available than is needed at any point in time.
- * Provide an alternative form of housing on land inside the fringe with the amenities, privacy, and lower cost many are seeking outside of it. Changes in the approach to housing development through greater use of Planned Unit Development by builders and communities with extensive public services can provide housing which substitutes design for space and the opportunity for initially lower-cost basic housing to those who are seeking these on the fringe.

Significant natural resource areas can be reserved and adjoin homes that are designed for privacy by clustering them on a PUD site. Lower initial utility and street costs, and construction of a variety of homes in a wide price range in accordance with modified community standards, will make it possible to provide lower-cost housing in a PUD.

VIII. For this new strategy to succeed, a new process of development will have to be mandated, by the Legislature, in which the key actors will be strong, competent local government units, working under the guidance of the Metropolitan Council and other regional planning organizations or the State Planning Agency in the area outside the 7 counties.

- A. We recognize and affirm that key development decisions on housing are and will remain those of strong, competent local governments. These local units of government - municipalities and counties working with townships in the area outside of municipalities - have long made the most important decisions affecting housing development in their capital budgets and land-use controls. The strength and competence of some of these local units needs to be improved, but, we believe, they should continue as the primary public actors in development of housing.

- B. The system of housing decisions must be changed so that people in the built-up area who pay the initial bill have a voice in development decisions as they occur. The interest of local units in housing development within their boundaries must be balanced against the interests of people in the built-up area. The only agency representing interests both in the developed areas and on the undeveloped urban fringe - the Metropolitan Council - must move aggressively to assist local units in the planning and work necessary to determine where and when housing should develop and be given the ability to influence these decisions within the 7-county area. In the 4 counties experiencing metropolitan-related growth outside of the 7-county area, an appropriate Regional Development Commission or the State Planning Agency should similarly have this ability.

R E C O M M E N D A T I O N S

I. We recommend the Metropolitan Council prepare and advance to the 1974 Legislature an "Urban Sprawl Control Act" containing the following elements:

A. Designation of all land within the area into two categories:
(a) urbanizing, and (b) rural.

We recommend the Legislature apply this act to the 7 metropolitan counties -- Hennepin, Ramsey, Anoka, Dakota, Scott, Carver and Washington -- and to at least 4 others -- Chisago, Isanti, Sherburne and Wright -- that are experiencing growth related to the Twin Cities area. We also suggest Wisconsin consider applying it to St. Croix County, just across the river from Washington County.

We recommend the Legislature require:

1. Designation of land into two categories -- (a) urbanizing, and (b) rural -- shall be made annually for a 5-year period in the future beginning in 1976. County governments shall have this responsibility, with participation by local units of government, for land in townships and in those municipalities that have not adopted long-range plans and 5-year capital improvement programs. In municipalities that have done this, however, the local city council will have the job. All such designations shall be made following a public hearing and then reviewed and commented upon by the Metropolitan Council in the 7-county area and by the State Planning Agency or an appropriate regional commission in counties outside of this area for their consistency with regional or state guidelines.
2. The vast majority of land will naturally be designated rural. Land may not be designated urbanizing unless, at the same time, it is consistent with a specific program prepared and adopted by the city council or county board for the location, installation and timing of capital facilities (sewer, water and other utilities) during the next 5 years and following consultation with affected school districts.
3. Urban development would not be permitted in a rural area. To guard against premature preparation of land in the rural category for urban development, any public capital improvements in the designated rural area, such as sewers, roads and storm drains, will be subject to approval by the Metropolitan Council in the 7 counties or by the State Planning Agency/regional commission in counties outside this area.
4. Only the following uses will be permitted in the rural area:
Agriculture, open space, and housing on lots sufficiently large

in size (we suggest 5 acres) to lessen the chances of future ground and surface water pollution. The size of these large lots should be increased if percolation tests suggest more land is necessary to properly disperse sewage effluents. Any subsequent request to subdivide these lots should be subject to approval by the Metropolitan Council or the State Planning Agency. A rural large-lot Planned Unit Development would also be possible if the common open land can permanently handle sewage effluents. This would allow a cluster of 5 acre large lot units (e.g. 10) on a part (e.g. 5 acres) of a large parcel (50 acres) if the remaining commonly owned land (45 acres) can handle the sewage.

Commercial services to residents of this rural area and any industries providing jobs to them should be located on urban designated land - preferably located within an existing municipality or annexed to one.

5. Land in the designated rural area which remains undeveloped shall, upon application of the land owner, be valued for tax purposes as agricultural consistent with suggested changes in the "Green Acres" act that follow.

B. Coordinated capital improvement programs, to influence the location and timing of development, should be required.

We recommend the Legislature require a capital improvements program be prepared and adopted each year for a 5-year period into the future. These programs would include all regional and local public facilities which could have an influence on new development. Such programs should be specific as to the general location of facilities, the timing of their construction, the timing of any access to them, and their financing.

1. Regional capital improvement programs should be prepared by agencies developing these facilities (Metropolitan Sewer Board, Metropolitan Transit Commission, Metropolitan Airports Commission, State Highway Department, and county engineers). Regional projects proposed within the 7-county area should be submitted for approval to the Metropolitan Council as a pre-condition to the issuance of any bonds.
2. A program for local public improvements by municipalities covering the entire city and by counties (with the participation of townships) in unincorporated areas should be prepared by them and adopted by the city council or county board. The bulk of these improvements will be in urbanizing areas. Any projects proposed for construction in areas designated as rural should further be subject to approval by the Metropolitan Council in the 7-county area or the State Planning Agency/regional development commission outside of this area.
3. Long-range plans should be prepared and adopted by municipalities and counties to identify the natural resource areas which should be preserved and the general location and timing of major local public facilities. These facilities include: Sanitary sewers, surface water drains, streets, parks and schools. Review of these improvements by

local planning agencies should be made a pre-condition to the issuance of bonds.

The timing of local sewer construction should be added as a specific item to the present comprehensive sewer plans prepared by the municipality for approval by the Metropolitan Sewer Board and the Metropolitan Council.

C. Fiscal incentives to keep rural land open and undeveloped should be expanded, and redirected.

We recommend the Legislature make the following changes to the present "Green Acres" act and land recording laws to provide for deferment of taxes based on values higher than agricultural in areas designated as rural for owners of large tracts of land.

1. The full sales price paid in all land sales by whatever legal device within the county should be reported and made available to land planning and taxing authorities to enable assessors to readily determine the value of land attributable to agriculture and potential urban use. This means that every contract for deed and all sales contracts must be recorded with the county.
2. Assessors would notify all land owners in areas designated as rural of the two values on their land: Agricultural and future urban use. The higher urban use value would continue to be based on the most recent sale prices for comparable land.
3. The higher valuation for land in areas designated rural would be used for tax purposes, without regard to the 5% limit placed on homesteaded land, unless the owner qualified for and applied to the county for the lower agricultural valuation of a deferred development contract.
4. Individual owners of 40 acres or more of land or agreeing owners of adjoining parcels which total 40 acres may qualify for the lower agricultural valuation if they agree with and abide by the deferred development contract not to develop this land for a period of 5 years.

The deferred development contract, which is renewable each year, would require full payment of back taxes and interest on them for the preceding 5 years whenever any portion of the land is sold for development. Back taxes would amount to difference between taxes actually paid based on the lower agricultural valuation and the higher amount that would have been paid if the land was valued for urban use. If the contract cannot be renewed due to public actions placing land in the urbanized category, back taxes and interest due would be reduced by one-half of what would otherwise be collectible. Land now in "green acres" would be grandfathered in for the first 5-year period but would not be eligible for a deferred development contract if located in an area designated urbanizing.

5. As dollars from back taxes due to land coming out of "green acres" become available, the auditor shall use this money to pay part of the local levy and reduce taxes accordingly.

D. New rules should be established for the division and subdivision of land.

We recommend the Legislature not permit the legal conveyance of land divided from an original parcel within the 11-county area without a recording of this with the county and local unit of government within which it is located.

1. Division of more than one lot in a parcel of over 20 acres within a 7-year period should be accompanied by a statement from the owner about his development intentions relative to his entire plot.
2. Divisions of land of less than 10 acres should be platted. Currently, in counties and municipalities that have adopted subdivision regulations, land must be platted if it is divided into lots of less than 5 acres to be legally conveyed. This requirement would increase the minimum to 10 acres and effectively require the land owner to undertake a certified survey of the land and legally describe it on maps showing all rights-of-way, easements, siting of structures, and topographic characteristics. Such plats must then be approved by the units of government that have adopted regulations affecting land development.

II. We recommend municipalities and counties prepare for new housing development in the areas designed as urbanizing by positively assisting it in the following manner:

- A. Adopt a uniform Planned Unit Development ordinance setting forth a simplified 3-stage procedure for submission of required plans and points of approval by governing bodies and planning advisory commissions. This procedure should call for submission of plans by developers at three points: The overall concept, preliminary design, and final design.
- B. Contact land owners and developers relative to their intentions about land designated for urban use, its possible uses, and the timing of their development.
- C. Provide developers with topographic surveys, aerial surveys, soil maps and other technical assistance on a scale which can be used for development.
- D. Designate a single specified office with development responsibilities and provide substantial direction on local requirements to negotiate with the developers proposing housing projects. This office should be responsible for coordinating review of projects by any city departments, for presenting an evaluation of the proposal, and for negotiations with the developer.

- E. Provide incentives to builders to cluster housing, preserve natural resources, produce housing at the lowest possible cost, and incorporate local commercial and public facilities under the Planned Unit Development arrangement. These incentives could include any one or a combination of the following: Increases in allowable densities, reduction in land or dollars dedicated for public park improvements, decreased minimum lot sizes, decreased minimum house sizes, and changes in other standards required for conventional lot-by-lot development.
- F. Submit all development proposals to the affected school districts for their review and comment about the impact of this development on the school systems and their ability to accommodate projected increased enrollments.

III. We recommend the Metropolitan Council add a number of policies to its Development Guide and undertake to monitor and report to the Legislature on the operation and side effects of the urban sprawl control act.

- A. Adoption of policies in the Development Guide. We recommend the Council add to its Guide policies stating that:
 - 1. Owners of large tracts should be encouraged to hold their land from premature development. This agricultural or vacant land - now largely located in the outer suburban ring and beyond - should be maintained as open space or used for agriculture . . . particularly in areas where intensive commercial housing development is not contemplated in regional and local plans and capital improvement programs.
 - 2. From this private 'bank', land should move into development in a staged process, keyed to coordinated regional and local capital improvement programs - public and private. The process for bringing land into development should be a staged one in accordance with the public decisions about which land will be served with public facilities and keyed to the timing of them.
 - 3. Land on the fringe beyond the areas open for intensive new development should be used for agriculture or be left in open space. If any residential development occurs, it should only be on large lots sufficient in size to lessen the chances of future ground and surface water pollution. A clustering of these units on a large parcel equal to the total of individual large lots could further improve the compatibility of this housing with agricultural activity and permit agricultural use of part of the large common area.
 - 4. Within the areas scheduled for development in communities providing public utilities - sewer and/or water - large-lot residential development should be permitted only where a number of safeguards for the future can be met. Large-lot housing development in these communities should be possible only in areas where public utilities are not anticipated for a long period of time, where new houses are sited

so that land can be readily subdivided when utilities are installed, and where there are written guarantees that the large lots will not be subdivided until after utilities are installed.

5. *A preference is established for development through the Planned Unit Development technique, in which the objectives of privacy and amenity can be achieved through design. This can be accomplished by the clustering of homes on a site in such a way as to preserve a large piece of open space adjoining homes, and by arranging the structures in such a way as to achieve maximum privacy for the residents.*
6. *Housing standards should be eased by local units of government and by builders in the interests of minimizing costs. Communities and home builders should move, by negotiation, using the Planned Unit Development technique, to modify or postpone a number of their present requirements so that homes can be completed or added on to by their owners over a period of years. These requirements might be suspended or simply postponed as part of the original home owner contract. The overall environment of these new units and their surrounding open space would be protected, however, through a home association.*

B. Report to the Legislature on the operation and effects of the "urban sprawl control act". We recommend the Metropolitan Council and the State Planning Agency monitor and report on the following:

1. The impact on land and housing costs as areas are designated urbanizing and the extent to which local zoning and subdivision codes are designed to assist in keeping housing costs reasonable.
2. The extent local governments are promoting environmentally sound developments - specifically Planned Unit Developments. The operation of home owner associations within PUDs should also be reviewed in a few years to determine their overall effectiveness in handling their responsibilities.

DISCUSSION OF RECOMMENDATIONS

I. Who will draw the line?

We recommend individual municipal city councils and county boards in the area outside of municipalities draw the line designating land as urbanizing or rural. The county board would also do this in those municipalities that have not taken the steps necessary to commit themselves to providing certain urban services.

We considered but rejected having the Metropolitan Council draw the line. On the merits, these decisions should be decentralized and made by local units of government operating under central policy direction. The local public improvements - sewer, water, streets, storm drains - which influence housing development are local ones. Local authorities must-practically make these public improvement decisions with the detailed knowledge about existing capacity, land uses, and financial resources available only at this level.

Our proposal for local units to draw this line is not a radically new one. Many competent local units of government, such as Bloomington, Brooklyn Park, and Eden Prairie, have effectively done this. They have understood at their level that a policy of sprawl doesn't work. This perception and the efforts made by these communities is an asset that should not be taken away.

II. How would designation of land into urbanizing and rural practically work?

City councils, consistent with the plans for their communities, would annually adopt a 5-year capital improvement program setting forth the timing, location and financing of local facilities. These include: sanitary sewers, streets, water, storm drains, and parks. Local school districts would also be consulted about the capacity of the existing schools and their plans for new ones. Following a public hearing, the city council would place in the urbanizing category only that land already served by these facilities or those areas that will receive them in the coming 5 years.

County boards would similarly proceed, with the advice of municipalities not designating land and all townships, to designate land already served by these facilities as urbanizing and the remainder as rural. Land situated in municipalities that provide these services but have not adopted a capital improvement program would be designated by the county. In the event the county board adopted a 5-year capital improvement program encompassing these improvements, it may also designate land served by them as urbanizing.

III. Won't communities have a tendency to designate the maximum amount of land as urbanizing?

Possibly . . . but this is offset by (1) the interest of land owners who want lower assessments on their land, (2) recognition that only land to be served by urban services may be so designated, and (3) the fact that some communities may want to remain rural. Communities must explain and support this urbanizing designation to their neighbors and to the region.

Land owners who are not interested either in selling their land for development or in holding it for a long period of time would be interested in availing themselves of the lower property tax available on land designated rural. Consequently, these owners are likely to appear at the public hearing required before designations are made to encourage the municipality to more tightly draw the line.

Some communities may be inclined to over-estimate the amount of land in their urbanizing category if they believe a substantial amount of development in the region is going to occur within their communities. They can do this, however, only if they are prepared to serve this land with urban-type public improvements. Finally, they must be prepared to explain how they arrived at placing a given amount of land in the urbanizing category and how they will serve it with public improvements to neighboring communities and to the region through the Metropolitan Council, the State Planning Agency and appropriate regional development commissions.

IV. What impact will this proposal have on growth in the non-metropolitan counties of Minnesota?

All growth in the state will not be confined to the core of the metropolitan area. On the contrary, many existing small towns in outlying areas - especially those with a full range of urban services - will continue to grow. Some of these communities within the 11-county area include: Buffalo, Cambridge, Red Wing, Monticello, Elk River, Jordan, Stillwater, Hastings and Waconia. Many others even farther from the core of the Twin Cities area can also expect new growth in the future.

The policies outlined in our recommendations simply encourage housing on less than 5 acres plus all commercial services and industry - particularly in the 7-county area - to locate within the areas designated urbanizing or on land immediately adjoining a municipality that provides extensive urban services wherever that municipality happens to be located. Such adjoining land could easily be served by extension of urban services from existing communities and be annexed by them. Also, we believe, our proposals will help the non-metropolitan counties avoid the mistakes we made in the past.

V. If this program were to work, is there any need for creating new municipalities?

This is a good question. We did not explore it in depth, but it needs to be answered. We noted in the findings that a significant number of new municipalities were created in the last 20 years - local units of government

with the power and authority to permit and even encourage new development. This transfer from rural (townships) to urban (municipalities) is important not only in the significant powers granted municipalities from the date of their birth but also in a psychological sense for its residents. Too frequently, however, these new governmental units lack the capacity and resources to prepare for development. We recognize that development is rapidly occurring in some townships and that a change in the form of local government will be needed. At the same time, the land area already organized under municipalities in the 7-county area is well beyond what will be needed far into the future. Whether land in rapidly developing townships should be incorporated into new municipalities, added to existing ones, and what process should be used, remain as significant unanswered questions. In the future, however, as land is designated urbanizing or rural this problem should diminish. It will still come up, however, in areas with significant large-lot development.

VI. What if municipalities do not have the capability and competence to prepare for development before it occurs and to designate land provided with urban services?

Considerable assistance, we believe, can and must be made available to these communities, who frequently lack the financial resources and personnel to prepare for development. It can, however, come from various sources including: municipalities or counties with established planning departments, the Metropolitan Council, or the State Planning Agency.

A recently announced program of the Metropolitan Council is directed to providing precisely the type of assistance many of these local units of government will need.

The state, we suggest, should also explore the use of some of the federal dollars likely to be available from a federal land-use planning act now progressing through Congress.

VII. Who will be responsible for metropolitan-related growth occurring outside of the 7 counties?

Urban sprawl from the Twin Cities area is becoming increasingly apparent well beyond the boundaries of the 7 "metropolitan" counties. New houses are going up for people who commute to jobs in the Twin Cities area along the lakeshore, in the woods, and on the recent farmland of these adjoining counties.

Within the 7-county area, we recommend that strong-competent local units of government, counties and the Metropolitan Council operate the programs which will influence the location of new housing development.

The State Planning Agency, by itself, or any regional development commission designated by the Planning Agency, together with competent local units of government, should handle responsibilities in the non-metropolitan counties. In some cases, the regional development commission might be appropriate -

particularly where most of the counties within the boundaries of this development commission are experiencing new growth related to the Twin Cities. One newly formed regional development commission, for example, includes Wright, Stearns, Sherburne and Becker Counties. In other instances, the development commission may have only one or two counties so affected. In these cases, it would seem preferable for the State Planning Agency to directly work with the individual counties.

VIII. Will the designation of land for urbanization affect its value?

This will depend largely on how much land is designated as urbanizing. Presently, this is unknown. In the event, however, that the lines designating land as urbanizing are tightly drawn by municipalities, land values within this area may well increase.

We suggest the Metropolitan Council and the State Planning Agency be required to monitor all side effects of our recommendations . . . with particular emphasis on their impact on the cost of land and on the cost of housing.

The influence of our recommendations on land values is only part of a larger picture of escalating land values. Increases in the value of land are one of the most important factors contributing to the increased cost of housing and the reduction in land for agricultural use or open space on the fringe. We were aware of some alternatives suggested to get at this problem. These included: 1) public acquisition of land and the banking of it for future development; 2) public acquisition of development rights; and 3) higher rates of taxation on capital gains from land sales. Unfortunately, however, we were unable to fully explore the implications of these alternatives, their workability, or their effectiveness in reducing land costs and keeping land in agricultural or open space use. These alternatives and others remain to be explored.

IX. How can the PUD approach reduce the cost of housing in urbanizing areas?

The clustering of housing within a PUD project reduces the cost of utility installation, as homes are grouped closer together than in a traditional lot-by-lot subdivision.

The PUD technique also permits municipalities and builders to modify their present requirements, which frequently contribute to increased housing costs. They would do this, however, with the assurance that the housing and common areas within a PUD would be maintained and that some postponed improvements would be subsequently made.

One of the factors that accounts for more costly new housing is the changing definition of "basic housing". The basic house of 1950 is no longer viewed as the basic house of 1973. Partly, this has occurred as increases and additions to minimum requirements of a basic house have continually been made by the public in zoning and subdivision codes over the past 20 years. Some of these requirements include: Minimum lot size, minimum floor area, offstreet parking and garages. They also include an upgrading in the engineering standards and minimum required public facilities such as curb and gutter, paved streets of a minimum width, dedication of land or its cash equivalent for parks, plus the installation of public utilities - sewer, water, and storm drains.

The motivation of these communities, which typically proceeded by raising individual standards, was fairly laudable. They did this partly as a way of preserving quality after seeing that some people did not maintain their homes. Other communities imposed these requirements in their effort to improve the quality of the living environment. Individually, each of these changes in minimum requirements may well be justified. However, the cumulative result of all of them was to increase the cost of the basic housing unit.

Any steps by a community to suspend, modify or postpone some of the now-required improvements would contribute. . . as builders respond. . . to immediate reductions in the cost of basic housing. Even slight reductions in the minimum lot size, for example, would directly lead to reductions in the land cost for each unit. Such changes by a community could be undertaken within the PUD framework without abandoning these requirements in existing city codes. This would be done, however, only in return for some comparable assurances within the PUD agreement that the objectives of these requirements would be met.

- X. Can minimum requirements for new housing be eased by communities with the assurance that new units will be maintained and postponed public improvements subsequently made?

We believe it can - to the extent communities used Planned Unit Development techniques in approving new housing projects. A covenant is attached to all titles requiring the organization of a home owners association where land is held in common in a PUD. This organization has the responsibility for maintenance of the common open space, common recreational facilities and equipment, and for any other items added to the contract. These may include the exteriors of some or all types of housing units, and the maintenance of landscaping and private roads. Any postponed public improvements such as curb and gutter or high-quality street pavement, it would appear, could be added to the home owners contract for completion at a later date. At a minimum, such a step would lower the initial cost of the housing unit and give the buyer sufficient notice that these improvements will need to be made in the future. The method of payment would vary from direct assessment to individual owners, to possibly the entire home owners association.

- XI. Will these proposals assist in maintaining land close to the Twin Cities for agricultural use and open space?

Our recommendations will aid in achieving this in two ways: 1) Some communities will choose to designate some of their land as rural and only slowly - if at all - move the urbanizing line outward into an agricultural area. 2) The limited uses permitted in rurally designated areas together with the deferred tax contract should greatly reduce the current pressures to move land out of agricultural use on the fringe - thereby tending to keep much of the present agricultural land in this use for the future.

XII. Will these recommendations foreclose or limit the opportunity for low and moderate income people to live in the developing suburbs?

We are recommending land be designated urbanizing or rural based on whether or not it is served by local sewer, water, roads etc. Within the area designated urbanizing, we suggest municipalities and builders proceed, using the Planned Unit Development technique, to develop housing within a wide price range. We further recommend municipalities provide incentives to builders to do this by changing some of their requirements for new housing, such as minimum lot and house sizes, streets, etc., that will enable development of some lower-cost housing.

In the area designated rural we recommend only that minimum lot sizes be required. This could increase the cost of a lot because it would be a larger one than now required in many areas to insure pollution problems do not develop in the future. However, this does not require building any higher-cost homes on these lots than those required by county, municipal or township codes. We further recommend the Metropolitan Council and the State Planning Agency/regional development commission monitor and report to the Legislature on the impact of these land designations and the extent local zoning and subdivision codes are designed to keep housing costs reasonable and to determine the extent housing opportunities are available to low and moderate income people.

XIII. Can the municipality or county adopt a minimum lot size beyond 5 acres on the rural designated land?

Yes - this is possible - it is only a minimum. Scott County has already zoned agricultural areas for minimum 10 acre development to maintain agricultural activity and discourage urban development. Other counties and communities are similarly concerned about the maintenance of agricultural areas and are proceeding in a similar direction.

There are some unsettled legal questions about the use of zoning for this purpose. Our recommendations, however, are only for adoption of a minimum lot size in these areas as a floor - simply to guarantee ground and water pollution will not occur in the future. We do not intend by this device to preclude either even larger lot sizes or the use of other techniques that might further the continuation of agriculture or the preservation of open space.

WORK OF THE COMMITTEE

Background

The Citizens League has been deeply involved in basic questions about planning, financing and governmental organization for the Twin Cities area since about 1961. Numerous research committees have studied and reported on many of the area's problems with sewage disposal, parks and open space, transit, airports, highways, area revenue needs and fiscal disparities, regional governmental organization and major capital improvements. Throughout many of these reports there was a recognition and concern about new development on the fringe of the area and its implications for the future. The more significant reports touching on this issue included:

- * "Metropolitan Policy and Metropolitan Development", October 14, 1968, which recommended as a first step the creation of a governmental organization to handle the major policy issues of the Twin Cities region.
- * "Metropolitan Public Improvements: Tying Them All Together", August 1, 1972. This report recommended a number of steps to gather together all regional improvements and their funding to coordinate, time and balance their development within the region but particularly in planning for future development on the fringe.

Research on regional issues led the League in 1969 to look at aspects of the housing problem. Our first study - "Adequate Housing Is Now Everyone's Problem" - served to bring out the magnitude of the problem, especially for moderate and lower income families. It noted that some of them were moving to the outer fringe in search of lower cost housing. The second housing report - "Better Use of Land and Housing", April 30, 1971 - focused on ways of making parcels of land available and greater use of the Planned Unit Development technique as an alternative to traditional zoning-subdivision approach for new housing development in the older, in-city neighborhoods. It noted, however, that developers and builders in the metropolitan area had not extensively used the PUD zoning alternative where it was available in many suburbs.

In the fall of 1972, the Citizens League Board of Directors sensed the need to explore some of the unanswered questions about Planned Unit Development and fringe area development. It was particularly concerned about 1) the techniques used to coordinate land development on the suburban fringe, 2) the desirability of PUDs, 3) the way PUD proposals are handled, and 4) the extent to which they should be used as a development technique on the fringe.

As a result of this concern, the Board authorized formation of the Planned Unit Development Committee.

Membership

A total of 26 members actively participated in the work of the committee. The chairman was Vici Oshiro. Other members were Robert L. Benson, Robert S. Berkwitz, Roger E. Conhaim, Ann S. Duff, N. W. Graff, Donald W. Hassenstab, Paul H. Hauge, Edward Heime, John G. Hoeschler, Rudolph K. Hogberg, Jim Ingemunson, Jacquelyn Ingersoll, Gunnar Isberg, J. M. Leadholm, Oscar M. Lund, Jr., Allan E. Mulligan, J. Dudley Moylan, Mark W. Olson, Philip M. Raup, Victor S. Rotering, Peter H. Seed, C. M. Slocum, Clarence Smith, James Swadburg, and Matthew Thayer.

The committee was assisted by Clarence Shallbetter, Citizens League research associate; Jon Schroeder, research assistant; and Jean Bosch of the clerical staff.

Committee Activity

The committee held its first meeting on January 9, 1973. A total of 26 meetings were held, most of them 2-3 hour sessions, until September 5. Detailed minutes of the meetings were prepared of both presentations made to the committee and its deliberations.

The committee, throughout its meetings, focused on the dual question of Planned Unit Development (PUD) and fringe area development. PUD, we discovered, is both a concept for using land and a technique for development of new housing used by a number of municipalities and builders. This technique, we concluded in our deliberations, has many attractive features such as clustering of units to conserve large amounts of open space and to reduce public utility costs. The approach, which requires negotiation of the requirements between the municipality and the builder over use of a particular piece of land for housing, permits greater flexibility than permitted with the traditional land-use, subdivision technique. PUD, for example, has been heavily used in the development of new types of housing, such as townhouses and quadra-homes, that cannot easily fit into the traditional lot-by-lot mold.

There are a number of problems or difficulties in the use of PUD. Some of them focus on the procedures used by municipalities, the additional cost of pre-planning to builders who desire to use this technique, the tendency of municipalities to impose the same requirements on PUDs as on traditional subdivision development, and the probable limited use of it by small developers due to their lack of capital. Unless these problems are overcome, PUD may be used for only a limited portion of the housing developed in the Twin Cities area. The committee prepared a number of recommendations to municipalities and builders which we believe will overcome many of these problems.

The desire to see the PUD alternative kept open for future housing development led the committee to a discussion of urban sprawl. How, for example, do we keep large tracts of land intact for future large housing development using the PUD approach? We concluded it would be desirable for such property to be close to previously urbanized areas - not out on the edge of the fringe - since we concluded a fairly contiguous urban population makes better use of utilities, especially those that are linear in character such as transit, sewage and gas.

The committee, from the outset, received information about what was happening to new housing development in the Twin Cities area. Our findings about dispersal and sprawl suggest this is the dominant pattern of development today, and further outline why this has occurred. We concluded this pattern was not desirable but that it exists and that any strategy to control it must recognize that housing is the primary initiator of it.

Within the context of our findings and conclusions about sprawl, the committee further perceived of planned unit development as a technique which not only would provide an alternate way of using land but one which was also suitable for providing much of the amenity, privacy, and the possibility of lower-cost housing many are seeking in moving outward on the fringe. PUD, in this context, holds forth an exciting promise as part of a set of regional development policies we recommend be adopted to guide future urban growth.

Among the resource persons who met with the committee were:

Willard O. Ackerman, zoning administrator, Village of Lakeville.
Richard Babcock, attorney, Chicago, Illinois.
Ian T. Ball, comprehensive planner, Metropolitan Council.
David Callies, attorney, Chicago, Illinois.
Howard Dahlgren, president, Midwest Planning & Research, Inc.
Robert Engstrom, Engstrom & Associates.
Hans Hagen, Ban-Con, Inc.
George C. Hite, Dayton Hudson Corp.
Fred Hoisington, Brauer & Associates.
Gunnar Isberg, planning director, Dakota County.
Peter Jarvis, Bather-Ringrose-Wolsfeld, Inc.
Ray Jones, mayor, Village of St. Francis.
Frank Lamm, director, environmental planning, Metropolitan Council.
Larry Laukka, then president, Shelter Homes Corp.
Frank Liptak, Vern Donnay Realty.
Landol Locher, attorney, Anoka, Minnesota.
William Lundquist, chairman, Washington County Planning Commission.
Trudy McFall, director, housing program, Metropolitan Council.
D. G. Minder, clerk, Burns Township.
Glen Northrup, planner, Village of Burnsville.
Martin Overhiser, planning director, Village of Plymouth.
Richard A. Putnam, planner, Village of Eden Prairie.
James Quinlan, chairman, planning commission, Village of Champlin.
Philip Raup, professor of agricultural & applied Economics, University of Minnesota.
Don Reis, planning director, City of Coon Rapids.
Robert Schaefer, administrator, Village of Inver Grove Heights.
William A. Schwab, planning coordinator, Washington County.
Warren Sifferath, extension agent, Dakota County.
Bernard Steffen, administrator, Anoka County.
William Thibault, planning director, City of St. Louis Park.
Robert Webster, planner, City of Bloomington.
Ron West, planning director, City of Brooklyn Park.

The committee received excellent cooperation from the staff and personnel of many municipalities, counties and the Metropolitan Council. The committee is deeply grateful for this assistance.

ABOUT THE CITIZENS LEAGUE . . .

The Citizens League, founded in 1952, is an independent, non-partisan educational organization in the Twin Cities area, with some 3,600 members, specializing in questions of government planning, finance and organization.

Citizens League reports, which provide assistance to public officials and others in finding solutions to complex problems of local government, are developed by volunteer research committees, supported by a fulltime professional staff.

Membership is open to the public. The League's annual budget is financed by annual dues of \$15 (\$25 for family memberships) and contributions from more than 500 businesses, foundations, and other organizations.

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