

## THE PROGRESS REPORT

# How to Curb Urban Sprawl

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If you sprawl on the floor, you spread your legs and arms out in an uneven way. Urban sprawl is the excessive and scattered spreading out of cities. Cities in the United States and elsewhere don't grow gradually out in compact circles but extend helter skelter here there and everywhere. This not only wastes good farmland and wilderness, but increases the cost of city life and lead to urban blight and congestion.

Think of a city doubling in population within the same area. The density doubles, but the cost of providing services less than doubles. The volume of piped water doubles, but the radius of a pipe less than doubles because its area increases with the square of the radius.

But if you keep the density the same and double the area, the cost more than doubles. They have to put pipes in the new area, and also increase the capacity of pipes in the center where the water is pumped from.

Economist Mason Gaffney has divided urban policy into three types with respect to sprawl.

- Negative containment tries to stop sprawl by zoning it out. But if one area is closed to development, the builders leapfrog over it to further out areas, making sprawl even worse. Greenbelts and low-density zoning don't keep sprawl out, but extend it further.
- Neutral containment eliminates the subsidies to urban sprawl. People living in the fringes of a city usually pay the same for busses, water, sewers, gas, electricity, and streets as folks in the city center. But, like the water example, utilities and services don't just have to be extended to the new areas, but also increased from the source of the service. Think of a one-inch pipe of water from a house all the way to the pumps at the city center.

We use postage-stamp pricing for utilities, charging all users the same no matter where they live or how much it costs. So the residents and enterprises at the city center pay more than the cost of serving them, and the folks in the edges of the city pay much less than the cost of bringing them all those services. The landowners at the fringes benefit because the subsidies pump up their rents and land values.

Some cities have made developers pay an impact fee on new developments, a cost which is passed on to the residents, which reduces the subsidies. This is, however, quite an imperfect way of paying for costs that continue indefinitely. Water, for example, can be charged for in proportion to the distance the water has to travel. If the price of living in the fringe gets too high, then the city center will be more intensely developed instead.

- We can go further than neutral containment to positive containment, which makes the city a more attractive place to live and work. This includes not just better transit, security, and

other services, but paying for public works from the land rent it generates and eliminating all taxes on sales, buildings, and income from wages and capital. The community collection of the rent would eliminate the speculative profits from holding land out of its best use, making city centers much more productive. The elimination of taxes on improvements, profits, and wages would stop punishing people from investing and working in the city.

People are not pushing the metropolitan border out just because they like to live out in the fringes. Government is giving away free money to those who want to sprawl out, and punishing those who prefer to be in the city center. If we stop the sprawl subsidy and have everyone pay his own way, then choices will reflect true costs, and cities will become ever greater centers of civilization.