

Land Use and Sustainability

GLOSSARY

Purchase of development rights (PDR) program

A program through which farmers may sell the development rights on their property to a local government unit. Except in certain circumstances, the rights must be held in perpetuity, ensuring that the land will be protected for agricultural use.

Smart growth

Principles to guide community growth; incorporates factors concerning quality of life, design, economics, environment, health, housing, and transportation.

Sustainability

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

BACKGROUND

In many ways, the history of land development is a lesson in transportation history. Many of the first urban settlements were located near water bodies so that goods could be shipped. Then, in the early 1800s railroads opened the west to the transport of people and goods, and fast-growing urban centers began to develop around these transportation hubs. Although roads did connect the early urban centers, until the mid-to-late 1900s and the development of the automobile and the modern highway system, most people lived where they worked—inside the urban core, typically less than three miles in radius.

In the 1960s in Michigan and elsewhere, a number of dynamics came into play that further encouraged residential and business growth in the rural areas that surrounded cities: increasing income; low gasoline prices; racial tension; improved suburban infrastructure and amenities; state and federal subsidies for sewers, roads, and commercial development; and a general desire of many people to leave the older, crowded, urban cores to live and work in the relatively open space and privacy offered in “suburbia.” This trend continues—the rate at which open land in Michigan is being converted to residential and commercial use outstrips the rate at which the state’s population is increasing by about eight to one.

In 1992 the state conducted the Michigan Relative Risk Analysis Project, asking state scientists, policymakers, and business and environmental leaders to identify and rank the risk of environmental problems in the state. The absence of land use planning and the degradation of urban environments were cited as among the state’s top six most pressing environmental issues. In addition, such studies as the “Fiscal Impact of Alternative Land Development Patterns in Michigan” (Southeast Michigan Council of Governments, 1997), show that the costs of public services and infrastructure in low-density development (single homes on large land parcels) areas outstrip the tax revenue that such development generates.

In 2001 the Michigan Land Resource Project explored the future of Michigan’s land-based industries if present development trends continue. The report states that by 2040 the amount of developed land in Michigan will have increased by 178 percent, nearly three times that which currently is developed. This has far-reaching implications for such land-based industries as agriculture, mining, forestry, and natural-resource-based recreation and tourism, which collectively account for approximately 30 percent of Michigan’s total economy.

- In the next 40 years, if the current development rate continues, Michigan will lose 25 percent of its orchard land, 1.9 million acres of farmland, and 8 percent of its forest land.
- The state’s destination resorts, particularly those in northern lower Michigan, are threatened by encroaching development along the travel corridors that lead to them (tourism experts find that part of the attraction of a destination resort is enjoying the aesthetics of “getting there”).

LAND USE AND SUSTAINABILITY

- Mining, agriculture, and forestry cannot compete with the land's value for other uses, and the large contiguous parcels that these industries need for their operations are being fragmented into smaller blocks, which are less economically viable for these industries.
- To keep forest-harvesting costs down, access to large parcels is necessary, and as land becomes more fragmented, the price of harvesting Michigan's timber will increase.
- Transportation costs arising from having to go farther to obtain gravel, sand, and other construction materials will raise the price of these materials.

Also critical is the effect that land use has on cities. When investment shifts from cities to the suburbs and beyond, (1) city property values decline; (2) city population dwindles, leaving behind a concentration of older and/or low-income populations who cannot afford to move out; (3) the city's tax base shrinks; (4) and the city's roads, sewers, buildings, and public institutions deteriorate.

Land Use Decision-Making

Land use decision-making in Michigan is fragmented. Although there is some state involvement, local jurisdictions have very wide latitude.

Local Planning and Zoning

A body of state statutes known commonly as the planning and zoning enabling laws sets the rules for local land-development decisions in Michigan. These statutes, which date to 1921 in the case of cities and villages and 1945 for townships and counties, have changed little over the years. They enable—but do not require—local governments to plan and zone. They allow local units of government to (1) plan when, where, and how development of land should occur and (2) set standards in such matters as how buildings shall be designed and how specific areas (zones) shall be used (commercial, residential, and so on). The state provides little guidance.

More than 1,800 units of local government have legal authority to engage in land use planning and/or zoning in Michigan; in most states, only 300–500 locals have such authority. Moreover, there is little coordination within units of government (for example, only 24 of the 83 counties have county-wide zoning ordinances) or among them (conflicts often arise between neighboring jurisdictions). In addition, certain public buildings—e.g., corrections, foster-care, and education facilities—do not necessarily need to fully comply with local zoning regulations.

State Action

In the 1970s a number of state laws were passed to protect Michigan's particularly sensitive lands—i.e., shore lands, rivers, lakes, streams, sand dunes, and wetlands; they later were consolidated as part of the Natural Resources and Environmental Protection Act (Public Act 451 of 1994). In addition, the Natural Resources Trust Fund was created to purchase land to be used for recreation purposes (funding comes from royalties the state earns from oil and gas drilling on state lands).¹ The Farmland Preservation Act also was adopted, giving a tax break to farmers who pledge to continue to keep their land in agricultural use.

The most recent important state land-use legislation is contained in Public Acts 177–179 of 2001 and requires local governments to permit “cluster” zoning, allowing residential developers to group housing on a portion of the land being developed and leave the remainder undeveloped.

Helping Cities

Disinvested urban cores frequently have numerous properties on which there are dilapidated and/or abandoned structures and/or environmental contamination from past uses—these are referred to as *brownfields* (abandoned, idle, or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination). Such properties cannot be reused until they are cleaned up, which may be very costly. In the 1990s Michigan became a national model in brownfield redevelopment, and by June 2000, 33 municipalities attributed \$1.8 billion in private investment and more than 8,000 new jobs to brownfield redevelopment. As of May 2001, 4,000 Michigan properties have been reused.

Urban cores also frequently contain many properties that the owners simply have abandoned, but they cannot be cleaned up, sold, or reused until the city can obtain clear title to them. Until the last few years, *tax reversion*—the process by which such property reverts to public ownership—was lengthy and cumbersome, which stymied local redevelopment because of long delays in giving new investors clear title to abandoned properties. Public Act 134 of 1999 streamlined tax reversion, making it easier for local units of government to claim abandoned properties and encourage private investors to redevelop them.

¹On the August 2002 primary ballot there will be a proposal to amend the state constitution to raise the cap on the state's Natural Resources Trust Fund and to allow more aggressive investment of that fund as well as the Parks Endowment, Nongame Fish and Wildlife, Game and Fish Protection, and Civilian Conservation Corps Endowment trust funds.

Preserving Farmland

In recent years, there has been increased interest in giving local governments tools to help them preserve farmland in their jurisdictions. Public Act 262 of 2000 incorporated a program first begun in 1995 that permits local units of government to establish *purchase of development rights* (PDR) programs; the act also created the Agricultural Preservation Fund and Board to provide state cost-sharing for such programs. Under a PDR program, farmers may sell the development rights on their property to a local government unit, which must, except under specific circumstances, hold the rights in perpetuity, permanently protecting the land for agricultural use. The value of a development right is the difference between a parcel's agricultural and development value. The counties that have been most aggressive in developing PDR programs are Antrim, Berry, Calhoun, Clinton, Grand Traverse, Kent, Lapeer, Leelanau, and Shiawassee.

Although the law provides for state cost-sharing with local units, applications for cost-sharing currently are not being accepted because there is little state funding available. Since 1995 the state has received 1,200 applications but has been able to fund only 55 PDRs.

DISCUSSION

Land use decisions can have a profound effect on virtually every aspect of our future, from schools to roads to economic development to housing to the environment. The concept of *sustainable* land use—that is, managing land use in such a way that the needs of the present are met without compromising the ability of future generations to meet their own needs—is gaining favor.

Many people who support sustainability believe that so-called smart growth can positively affect policy change. Smart growth is a set of principles for community growth that considers quality of life, design, economics, environment, health, housing, and transportation. Maryland and Oregon often are cited as leaders in applying smart-growth principles. Some tenets of smart growth include

- giving people a range of housing opportunities and choices;
- having walkable neighborhoods;
- achieving cooperation among all interested parties;
- having attractive places with a discernible identity;
- making development decisions that are predictable and consistent, fair, and cost effective;
- mixing land uses;

- preserving open space, farmland, and critical lands;
- providing varied transportation opportunities;
- directing development to existing areas in which there already is building; and
- taking advantage of compact building design.

Smart-growth proponents believe that communities could do a better job of planning for growth if they had better tools. Business groups tend to focus on the fiscal impact and costs associated with sprawling development. The construction industry prefers as little government interference as possible, believing that people should be permitted to build where they please. Environment and conservation groups look at the effects on our physical environment. Local governments are concerned about the cost of services. Free-market advocates believe, as do many in the smart-growth camp, that government policies are largely to blame for sprawl, and rather than having more government policies, the market should be allowed to sort it out on its own.

Research on this policy topic was made possible by a grant from the Frey Foundation.

FOR ADDITIONAL INFORMATION

Central Great Lakes Office
 American Farmland Trust
 1501 North Shore Drive, Suite B
 East Lansing, MI 48823
 (517) 324-9276
 (517) 324-3722 FAX
www.farmland.org

Mackinac Center for Public Policy
 140 West Main Street
 P.O. Box 568
 Midland, MI 48640
 (800) 22-IDEAS
 (989) 631-0900
 (989) 631-0964 FAX
www.mackinac.org

Michigan Association of Homebuilders
 1627 South Creyts Road
 Lansing, MI 48917
 (800) 748-0432
 (517) 322-0224
 (517) 322-0504 FAX
www.mahb.com

LAND USE AND SUSTAINABILITY

Michigan Association of Realtors
720 North Washington Avenue
P.O. Box 407285
Lansing, MI 48901
(800) 454-7842
(517) 372-8890
(517) 334-5568 FAX
www.mirealtors.com

Michigan Environmental Council
119 Pere Marquette Drive, Suite 2A
Lansing, MI 48912
(517) 487-9539
(517) 487-9541 FAX
www.mecprotects.org

Michigan Farm Bureau
7373 West Saginaw Highway
Lansing, MI 48917
(517) 323-7000
(517) 323-6793 FAX
www.michiganfarmbureau.com

Michigan Municipal League
1675 Green Road
P.O. Box 1487
Ann Arbor, MI 48106
(800) 653-2483
(734) 662-8083 FAX
www.mml.org

Michigan Society of Planning
27300 Haggerty Road, Suite F-30
Farmington Hills, MI 48331
(248) 553-7526
(248) 553-7536 FAX
www.planningmi.org

Michigan Townships Association
512 Westshire Drive
P.O. Box 80078
Lansing, MI 48908
(517) 321-6467
(517) 321-8908 FAX
www.mta-townships.org

Michigan United Conservation Clubs
2101 Wood Street
P.O. Box 30235
Lansing, MI 48909
(517) 371-1041
(517) 371-1505 FAX
www.mucc.org