

# Planning Matters

Volume 3, Issue 2

Spring 2006

## The Three Myths of Growth by Eben V. Fodor

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Do we need more growth, or less? Most people agree that growth has negative effects on public safety, sense of community, environmental quality, and on traffic congestion and mobility. A significant tradeoff, however, seems to be the improved employment opportunities that most feel are created by growth.

Growth proponents say growth produces jobs and economic prosperity. They say growth builds the tax base, providing needed public revenues. And, given these benefits, proponents advocate that we should actively pursue growth using economic development programs, tax subsidies for business, and other means.

Each year, the State of Oregon spends hundreds of millions of dollars in economic development funds and

hundreds of millions more for public infrastructure to support and encourage growth. As a rough estimate, these growth subsidies amount to an annual cost in excess of \$400 per year for every taxpayer in the state. With so much at stake, it is important to take a more critical look at the claims in support of growth.

### Does growth reduce unemployment?

We all know intuitively that growth generally creates new jobs. But the real question is whether it reduces unemployment. Presumably, if growth reduced unemployment, a fast-growing city would typically have a lower unemployment rate than a slow growing city. To test this, Professor Harvey Molotch of the University of California,

Santa Barbara, examined two decades of census data on city growth rates and unemployment. He compared the 25 fastest growing cities in the United States with the 25 slowest growing cities in terms of unemployment.

Surprisingly, he found no statistical correlation between growth rate and unemployment rate. Faster-growing cities are undoubtedly creating new jobs, but seems that they are also attracting new residents who don't find jobs. Thus the fastgrowing city ends up being a bigger city—but with a similar unemployment rate, and a larger number of unemployed people.<sup>1</sup> Molotch's study shows that we can't grow our way out of local unemployment problems. Economic booms may provide temporary relief from

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## The 21st Century Comprehensive Plan by Michael Chandler

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Although many factors will undoubtedly shape planning, there are five ways in which local plans are already starting to change as we near the new century.

**1. Vision Driven.** Comprehensive planning experienced a boom following World War II. In fact, most communities developed their initial land use plans during the 1950s. A look back at those plans reveals, in general, a problem driven approach. Problems and issues were identified, and solutions proposed.

The problem driven model continues to the present day, but with a new twist. Instead of beginning the planning process with a listing of issues and concerns, communities, through the use of a visioning exercise, craft a picture or image of what the locality intends to make of itself, what it wishes to achieve or become. Once developed and adopted, the preferred vision becomes the rallying point

or goal to be achieved. The resulting planning process outlines the sequence of events and actions the community will need to take if the preferred vision is to be realized.

**2. Thematic Based.** Traditions in planning change slowly. For example, consider your comprehensive plan and its content. I would venture a guess that your plan features chapters or elements devoted to housing, transportation, community facilities, and the like. As a result of this style of organization, the reader, as well as the community, sometimes assumes each chapter or element is independent of the other.

To overcome this mindset, plans are beginning to reflect a thematic style. Instead of having discrete chapters addressing single topics, plans focus on broader themes such as balanced growth, the preservation of rural charac-

ter, enhanced economic vitality, and so on. This style of **integrated** planning helps the reader better understand the interdependencies that are present in the community.

**3. Collaborative Effort.** For planning to be meaningful, citizens must be involved in the process. Planners, regardless of their personal talents and capabilities, working in isolation and apart from the clients of planning, will not be able to craft plans communities will embrace. A collaborative planning process provides a more open, inclusive, and interactive way of involving citizens and other "stakeholders."

**4. Regional Focus.** For much of this century, community land use plans were developed with little consideration shown for surrounding localities. Over the past

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## Three Myths (continued from page 1)

unemployment woes, but the statistics clearly indicate that growth is not the long-term solution to unemployment.

### Does growth build up the tax base, providing needed revenues?

We hear that the more people and businesses we attract to our communities, the more tax revenue we will have. Supposedly this will enable us to get more public services, or pay for a new library or concert hall we couldn't have afforded otherwise, without increasing our individual tax burden.

The facts don't support these arguments. While growth does increase the tax base, it does so at a substantial cost to taxpayers.

The first piece of evidence is that larger cities consistently have higher per capita taxes.<sup>2</sup> If we are to believe the empirical data, becoming a larger city is thus unlikely to reduce tax burdens.

Could growth provide a temporary tax windfall? — a brief infusion of tax money that helps the community? Again, the evidence suggest otherwise. Take the case of Springfield, Oregon, in the 1970s. A study done by Springfield's Planning Department shows that a decade of rapid growth (1971-1981) left Springfield's municipal funding decimated. Total municipal spending quadrupled (in constant dollars) over this period. Total indebtedness also quadrupled to pay for new bond issues. But perhaps most telling, per capita spending tripled.<sup>3</sup>

The lesson is that growth creates costs. New development requires public infrastructure in the form of roads, sewers, water, electricity, schools, parks, police, fire protection, and other services. If new development does not pay the full cost of its impact on the community, then the public ends up subsidizing growth. Public funds are depleted and taxes go up.

Many of Oregon's communities collect "system development charges," but these fees are considerably less than the actual cost of the public infrastructure required to serve the development. For example, the City of Eugene collects about \$2,000 in impact fees for a new single family home. However, conservative estimates of the actual cost of public infrastructure to support new development is in excess

of \$20,000 per new home.<sup>4</sup>

### Does a good business climate help?

A "good business climate" roughly translates to one with less government regulation, lower taxes, and a higher level of business subsidies.

A study by Dr. William R. Freudenburg, of the University of Wisconsin, evaluates how well business-climate ratings predict the prosperity of the people living in those areas.<sup>5</sup> Using the three best known business climate ratings (*Inc. Magazine*, the U.S. Chamber of Commerce, and the Fantus Co.), Freudenburg compared the performance of each state five and ten years after its rating.

The results are shocking. States with "good" business climate ratings actually had worse economic outcomes than the states with "bad" business climates. People in the states with the worst business climate ratings experienced \$585 to \$1100 more growth in per capita income after five years than did top-ranked states. The disparity was even greater after ten years. While all the impacts of growth are not negative, it is

clear that growth can have a predominantly negative fiscal impact on a community. A greater understanding of the real costs and benefits of growth is essential to resolving the growth controversy. □

#### References:

1. Harvey Molotch, "The City as a Growth Machine: Toward a Political Economy of Place," *American Journal of Sociology*, 82.2 (1976).
2. Thomas Black and Rita Curtis, "The Local Fiscal Effects of Growth & Commercial Development Over Time," *Urban Land* (January 1993): 19.
3. Springfield Planning Department, *The Cost of Growth: 1971-1981*. (225 5th St., Springfield, OR 97477; 503-726-3778).
4. James C. Nicholas, *A Practitioner's Guide to Development Impact Fees* (Chicago: American Planning Association Press, 1991) 1. [Note: Nicholas' infrastructure cost estimate is not based on Oregon communities, though it is unlikely that there would be major differences].
5. William R. Freudenburg, "A Good Business Climate as Bad Economic News?" *Society and Natural Resources* 3 (1990): 313-331.

Planning Commission Activity January—March 2006	
Application Type	# Applications
Cell Tower Review	1
Commercial Design Review	
New Projects—DRB Review	13
Revised Projects—DRB Review	1
Conditional Use Permits	16
Enforcement	
Sign Violations	54
Zoning Violations	57
Historic Review	
Certificates of Appropriateness	20
Planned Unit Development Amendment	1
Public Facility Reviews	2
Sign Permits	
Permanent	34
Temporary	17
Subdivision Review	
Advisory Plats	5
Agricultural Divisions	5
Amended Plats	23
Minor Plats	13
Major—Preliminary Plats	4
Major—Final Plats	4
Variances	6
Zoning Map Amendments	6

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## 21st Century (continued from page 1)

decade, however, changes in technology, in business and economic systems, and in federal and state policies that bear on land use, have made clear that localities are interdependent. As such, localities are increasingly aware that they must work together to solve common problems. Inclusion of a regional assessment or impact strategy section in local plans — as well as broader efforts to ensure that neighboring communities' plans are

consistent with each other — will undoubtedly become a more common practice in coming years.

**5. Beyond Paper.** Twenty-first century plans will also reflect the information age. In recent years, many communities have made use of local access television to introduce community planning issues to the broader public. Similarly, a number of communities are starting to use the Inter-

net to post draft sections of their plans, as well as the final product. In the future, virtual reality images and computer simulations of land use changes will become commonplace, allowing people to actually “see” how the physical nature of their town or city might change in response to differing policies. The next century promises to be an exciting time. It will be our challenge to make sure our plans remain dynamic and relevant. □

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### Bringing the Plan to Life by Michael Chandler

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The excitement that accompanies the adoption of a comprehensive plan is very real. Indeed, it is not uncommon for a planning commission to celebrate once the plan has been officially adopted. After all, a quality comprehensive plan does not materialize overnight. A solid plan is the by-product of study, analysis, and reflection. Accordingly, the decision to adopt a comprehensive plan generates a feeling of closure on the part of the planning commission as well as the community.

The adoption of a comprehensive plan, however, should not be viewed as an act of closure. Instead, the decision to adopt should be viewed as the initial step in the plan implementation process. It is essential to remember that a comprehensive plan will not effectuate change if it is afforded trophy status and placed on the proverbial office shelf. If a plan is going to make a difference in the life of a community it must be used and followed. The balance of this column will highlight an eight step process a planning commission can use to bring the comprehensive plan to life.

**Step One: Involve the Public – and the Governing Body.** Management experts tell us that organizational change is less traumatic if the people affected by the change are involved in planning the change. Because planning involves change, it is crucial that the public be included not just in developing the plan's goals and objectives, but in focusing on how they will be implemented. Members of the public must be challenged to see the connection between the “dreaming” the planning process and the “doing” phase of plan implementation. As I've stressed in past columns, it is also critically important for the planning commis-

sion to keep the governing body informed and involved. A plan simply cannot be implemented without the governing body's continued strong support.

**Step Two: Convey a Message.** Our plans must convey a message the public will connect with. Products sell because people associate value with the purchase. This marketing truism also applies to community planning. To be successful, comprehensive plans must convey, in a clear and direct manner, how the future will be different if they are followed.

**Step Three: Commitment to Outcomes.** A shortcoming common to many plans is the lack of a focused commitment on producing the outcomes set out in the plan. Too often a planning commission will assume the good things chronicled in the plan will happen simply because they are good. This assumption must be avoided. The “preferred future” described in the plan will not happen without a commitment to plan implementation – including a commitment to provide the staff and financial resources needed to carry out the plan.

**Step Four: Develop an Implementation Schedule.** It has been said that a journey of 1,000 miles begins with the first step. A similar mindset needs to guide the plan implementation process. For example, if your plan features a twenty year planning horizon and several hundred operational objectives and strategies, the planning commission must prioritize them. A multi-faceted strategy, one that features short as well as long-term action plans, is preferable to a strategy that attempts to do everything at once.

**Step Five: Assign Implementation Responsibilities.** Knowing when a plan component or objective will come into

play implies knowing who will be responsible for implementing it. The best way to accomplish this is by assigning specific implementation responsibilities to particular departments of the town, city, or county government. Each department can then be held accountable for what it is charged with implementing. Assigning responsibilities has two other benefits. First, departments will be able to see how they fit into the “big picture” – and how their role contributes to the community's future. Second, when departments know that they will be called to account for their assigned responsibilities, they will be more inclined to carry them out in a timely manner.

**Step Six: Establish a Timeline.** This is a logical byproduct of the preceding two steps. A reasonable timeframe needs to be established for each phase of the plan implementation process. A plan featuring hundreds of strategies and policies cannot be implemented in a single year. Instead, a multi-year implementation cycle will be required. By assigning a timeline to each phase of the implementation schedule, the planning commission, governing body, and members of the public, will know when each component of the plan should be completed.

**Step Seven: Link the Plan with the Budget.** Linking the plan with the multi-year capital program and annual operating budget is another way to assure plan implementation. One way to achieve this outcome is to calculate the costs associated with the various objectives and strategies referenced in the plan. Where appropriate, these costs should be included in either the capital or the operating budget. As management expert Peter Drucker is fond of saying, the real value

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## Zoning Compliance Permits January— March 2006

	City of Bardstown		Nelson County		Total	
	Permits	Est. Cost (\$)	Permits	Est. Cost (\$)	Permits	Est. Cost (\$)
Agricultural Structure Addition	0	\$0	3	\$43,150	3	\$43,150
Agricultural Structures	0	\$0	15	\$383,415	15	\$383,415
<b><i>Agricultural Subtotal</i></b>	<b>0</b>	<b>\$0</b>	<b>18</b>	<b>\$426,565</b>	<b>18</b>	<b>\$426,565</b>
Accessory Additions	0	\$0	1	\$350	1	\$350
Accessory Structures	15	\$44,625	64	\$444,289	79	\$488,914
Demolitions	1	\$0	0	\$0	1	\$0
Duplexes (6 units)	0	\$0	3	\$342,000	3	\$342,000
Duplex Alteration	0	\$0	1	\$5,000	1	\$5,000
Manufactured Homes, Double-wide	0	\$0	6	\$330,615	6	\$330,615
Manufactured Homes, Single-wide	0	\$0	7	\$106,400	7	\$106,400
Modular Homes	0	\$0	3	\$195,000	3	\$195,000
Multi-Family Structures (3 units)	1	\$120,000	0	\$0	1	\$120,000
Multi-Family Alterations/Remodeling	0	\$0	0	\$0	0	\$0
Single-Family Additions	5	\$73,300	22	\$411,700	27	\$485,000
Single-Family Dwellings	14	\$1,563,625	74	\$9,480,649	88	\$11,044,274
Single-Family Alteration/Remodeling	1	\$40,000	0	\$0	1	\$40,000
Townhouses/Condominiums (18 units)	0	\$0	8	\$2,020,000	8	\$2,020,000
<b><i>Residential Subtotal</i></b>	<b>37</b>	<b>\$1,841,550</b>	<b>182</b>	<b>\$13,336,003</b>	<b>219</b>	<b>\$15,177,553</b>
Commercial Accessory Structures	0	\$0	1	\$0	1	\$0
Commercial Additions	0	\$0	1	\$37,301	1	\$37,301
Commercial Alteration/Remodeling	5	\$214,000	1	\$35,000	6	\$249,000
Commercial Demolitions	1	\$0	0	\$0	1	\$0
Commercial Relocations	0	\$0	0	\$0	0	\$0
Commercial Structures	7	\$4,528,576	1	\$300,000	8	\$4,828,576
Commercial Tenant Fit-Ups	11	\$884,500	0	\$0	11	\$884,500
<b><i>Commercial Subtotal</i></b>	<b>24</b>	<b>\$5,627,076</b>	<b>4</b>	<b>\$372,301</b>	<b>28</b>	<b>\$5,999,377</b>
Industrial Accessory Structures	0	\$0	0	\$0	0	\$0
Industrial Additions	1	\$14,000	1	\$407,872	1	\$421,872
Industrial Alterations/Remodeling	0	\$0	1	\$2,000	1	\$2,000
Industrial Structures	1	\$125,000	0	\$0	1	\$125,000
<b><i>Industrial Subtotal</i></b>	<b>2</b>	<b>\$139,000</b>	<b>2</b>	<b>\$409,872</b>	<b>4</b>	<b>\$548,872</b>
Cell Tower Accessory Structure	0	\$0	2	\$35,700	2	\$35,700
Public Accessory Structures	0	\$0	0	\$0	0	\$0
Public Structures	1	\$324,000	2	\$798,000	3	\$1,122,000
Public Addition	0	\$0	0	\$0	0	\$0
Public Alterations/Remodeling	0	\$0	0	\$0	0	\$0
<b><i>Public Subtotal</i></b>	<b>1</b>	<b>\$324,000</b>	<b>4</b>	<b>\$833,700</b>	<b>5</b>	<b>\$1,157,700</b>
<b><i>Total Permits Issued</i></b>	<b>64</b>	<b>\$7,931,626</b>	<b>210</b>	<b>\$15,378,441</b>	<b>274</b>	<b>\$23,310,067</b>

## 2005 Zoning Compliance Permit Analysis (continued from page 4)

Total Dwelling Units by Area January—March 2006					
Area	#	%	Area	#	%
Samuels Hamlet	1	0.8%	Cox's Creek Suburban	1	0.8%
Boston NSA	3	2.2%	KY 245 Suburban	3	2.2%
New Haven NSA	4	3.1%	Woodlawn Suburban	34	26.0%
Bloomfield Rural	9	6.9%	Bloomfield Town	10	7.6%
Boston Rural	1	0.8%	New Haven Town	1	0.8%
Cox's Creek Rural	6	4.6%	Urban Industrial Center	2	1.5%
New Haven Rural	8	6.1%	Outer Urban	11	8.3%
Woodlawn Rural	3	2.2%	Traditional Urban	15	11.5%
Bloomfield Suburban	9	6.9%	Deatsville Village	8	6.1%
Boston Suburban	1	0.8%	New Hope Village	1	0.8%

1st Quarter 2005 & 2006 (January—March) Zoning Compliance Permit Comparison				
Type	Jan-Mar 2005 # Permits	Jan-March 2005 Construction Cost	Jan-Mar 2006 # Permits	Jan-March 2006 Construction Cost
Single-family dwellings	147	\$17,151,209	88	\$11,044,274
Duplexes	2 (4 units)	\$275,000	3 (6 units)	\$342,000
Multi-family dwellings (3+ units)	0	\$0	3 (3 units)	\$195,000
Townhouses/condominiums	1 (4 units)	\$250,000	8 (18 units)	\$2,020,000
Commercial structures	8	\$6,351,043	8	\$4,828,576
Industrial structures	0	\$0	1	\$125,000
Public structures	1	\$17,600	3	\$1,122,000
<b>Total</b>	<b>284</b>	<b>\$28,317,035</b>	<b>274</b>	<b>\$23,203,667</b>

### Bringing the Plan (continued from page 3)

of a plan can be measured by an organization's willingness to back it with money. *The Capital Improvement Program Step Eight: Document the Difference.* A final step involves documenting the difference the plan is making on behalf of the community. Taking the time to inventory the various impacts the plan is generat-

ing, and then sharing this information with the community, puts accountability into the planning process. Most importantly, it also lets the public know that the plan is being used – and that all the time that went into developing the plan was well spent.

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## **News**

**Bloomfield Board of Adjustment.** *Mrs. Sandy Cobble and Mr. Ronnie Jackson* were appointed by the Bloomfield City Council to serve 4-year terms on the Bloomfield BOA. Mrs. Cobble and Mr. Jackson are both residents of the City of Bloomfield. Mrs. Cobble is employed by the Nelson County Board of Education, and Mr. Jackson owns and operates Jackson's Oil.

*Mrs. Edwardine Lockett* recently stepped down as the Planning Commission's Court Reporter. Edwardine has worked for the Planning Commission for the past 5 years and will continue to substitute as needed. In 2006, Mrs. Alicia Brown assumed the Court Reporter duties. Thanks Edwardine for all your hard work and support, and welcome Alicia!

**Nelson County Board of Adjustment.** *Ronald Griffith* was appointed by Nelson County Fiscal Court to serve a 4-year term on the Nelson County BOA. Mr. Griffith recently retired to Nelson County. He previously resided in Livonia, Michigan and was the Assistant Vice-President of Instruction for Schoolcraft College. Among many civic and volunteer activities, Mr. Griffith served as Trustee (commissioner) and was a member of the Zoning Board of Appeals for Plymouth Township in Plymouth, Michigan.