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Sprawl Without Growth: The Upstate Paradox

Abstract

People throughout the world place a strong value on the landscape, natural environment, and compact settlement pattern of Upstate New York. The Adirondack and Catskill mountains, the Finger Lakes, the Lake Ontario shoreline, Lake Champlain, and the Thousand Islands attract hundreds of thousands of visitors annually. At the scale of the entire landscape, farms and forests define the edges of Upstate's cities, villages, and hamlets and form a distinctive matrix of land uses. These cities, villages, and hamlets have a distinctive character that includes a mix of land uses, pedestrian-friendly streets and neighborhoods, and a rich endowment of historic buildings.

Keywords

Buffalo, Environment, Land Use, Report, Other, PDF



CENTER ON URBAN AND METROPOLITAN POLICY

Sprawl Without Growth: The Upstate Paradox

Rolf Pendall¹

“Despite two decades of anemic population growth, Upstate has urbanized hundreds of thousands of acres of farm and forest land since 1980.”

Findings

An analysis of growth and development trends and population in Upstate New York finds that:

- **Despite slow population growth, 425,000 acres of Upstate New York were urbanized between 1982 and 1997, resulting in urban sprawl in the form of declining density.** The total amount of urbanized land in Upstate grew by 30 percent between 1982 and 1997, while its population grew by only 2.6 percent, reducing the density of the built environment by 21 percent.
- **Compared with other Upstate regions, Western New York sprawled less between 1982 and 1997, and Central New York sprawled more.** All Upstate regions have falling population density, but Western New York’s density dropped only 16 percent between 1982 and 1997. Meanwhile, Central New York—which includes Syracuse, Utica/Rome, and surrounding counties—urbanized over 100,000 acres even though it lost 6,500 residents, resulting in a 32 percent decline in its density.
- **People, jobs, and businesses are leaving cities and villages and moving to towns.** Upstate cities lost over 40,000 households in the 1990s alone, while unincorporated town areas gained over 160,000 households; businesses have also disappeared from cities while growing in towns.
- **Sprawl hits Upstate cities hard.** City tax bases fell in the 1990s, vacant housing increased, and home ownership slipped. Towns remained comparatively prosperous.

Continued decentralization of people and jobs away from Upstate New York’s cities and villages is undermining the economic health and quality of life of the region. State and local leaders need to understand that these trends are not inevitable. Explicit state reforms in fiscal policy, annexation laws, and planning can go a long way toward fostering a better future for Upstate New York.

Introduction: Why Sprawl Matters for Upstate New York

People throughout the world place a strong value on the landscape, natural environment, and compact settlement pattern of Upstate New York. The Adirondack and Catskill mountains,

the Finger Lakes, the Lake Ontario shoreline, Lake Champlain, and the Thousand Islands attract hundreds of thousands of visitors annually. At the scale of the entire landscape, farms and forests define the edges of Upstate’s cities, villages, and hamlets and form a distinctive matrix of land uses. These cities, villages, and hamlets have a distinctive



character that includes a mix of land uses, pedestrian-friendly streets and neighborhoods, and a rich endowment of historic buildings.

New Yorkers have long recognized the value of their natural environment, creating an outstanding system of parks and preserves with the Adirondacks as the “crown jewel.” New York also protects agricultural land in 341 agricultural districts encompassing 8.6 million acres of land, 30 percent of the state’s land area, and between 1996 and 2001, the state devoted nearly \$56 million to purchasing development rights on 22,000 acres as a mechanism to protect farming operations.

But land protection has never occurred without conflict and contention in Upstate. The creation of the Adirondack Park Agency, in particular, led to a backlash by local residents and elected officials who resisted the reduction of local control. In the Catskills, New York City has faced strong suspicions and opposition by local governments as it has worked to correct and prevent nonpoint water pollution in the watersheds that contribute to its reservoirs.

Perhaps because of contention over land protection, New York’s state government provides a weak and inconsistent framework for local planning and zoning. State law enables towns, villages, and cities in New York to enact comprehensive plans and land development regulations and to pursue a wide variety of measures to protect open space. None of these activities is mandatory, however. Moreover, when Upstate municipalities do plan or regulate land use, they enjoy little guidance or support from state agencies; state agencies themselves often conduct their operations without much regard for their effect upon local land use.

Considering that Upstate’s population is scarcely growing, and that much scenic, economically productive, and ecologically important land is already protected, it may seem unimportant to measure the extent and

gauge the impact of urban sprawl. Sprawl has, however, become a concern in Upstate. In 2000, Governor Pataki created the Quality Communities Interagency Task Force, which recommended in 2001 that the state “adopt a set of uniform Quality Communities Principles” and that the Governor direct state agencies to use them as they carry out their responsibilities. Some of these recommendations were incorporated into a bill in the 2001–2002 legislative session. Although the bill failed to pass, other bills continue to be introduced and debated.

Sprawl has many harmful effects. By many definitions, sprawl has been shown fairly consistently to degrade wildlife habitat, threaten agricultural productivity, and raise the cost of public services at all levels of government. Measuring sprawl, identifying where it is worsening, and moving ahead with measures that will reduce it are thus all important public policy issues for Upstate. This report—the second in a series of five reports on the State of Upstate—discusses these issues, and in doing so hopes to encourage the gradual development of better state and local policies to reduce unnecessary land consumption and sustain Upstate’s cities, villages, hamlets, and suburban towns.

Methodology

This report uses data from a variety of sources to capture the extent and nature of sprawl in Upstate New York, and ultimately shows that Upstate sprawls significantly by at least two dimensions: its population is becoming more thinly spread across the landscape, and its incorporated population centers—villages and cities—are losing residents and businesses while unincorporated portions of towns are growing.

The paper uses two primary sources to measure trends in Upstate’s urban-

ized land area and population density. In 1982, 1987, 1992, and 1997 the U.S. Department of Agriculture conducted its National Resources Inventory (NRI), a survey of land cover, agricultural practices, and many other aspects of non-federally owned land in the lower 48 states, Hawaii, and Puerto Rico; data are available at the county level on broad land-cover characteristics, including the amount of land in agricultural, forest, and “urban” uses, among other categories. I used the NRI’s urban land data to identify the extent of urbanization in Upstate and other parts of the United States between 1982 and 1997. I combined the NRI data with U.S. Census intercensal population estimates from 1982, 1987, 1992, and 1997 to yield county-level estimates of population density. NRI data have not yet been released for 2002, and the U.S.D.A. has no estimates on when they will be available.

The paper also uses several sources to measure the tendency for incorporated units—cities and villages—to lose people, households, jobs, and businesses as towns outside village boundaries grow. These three units (cities, villages, and towns) constitute the local-government building blocks of New York’s metropolitan regions, with cities and villages representing historic population centers and towns representing (for the most part) rural and suburban areas. For the population and housing data, I combined data from two or three summary levels of STF1 / SF1 (100% count data) and STF3 / SF3 (survey data) to construct a composite summary level that includes cities, villages, and towns outside villages for each county. When I gauged this aspect of sprawl at the metropolitan or regional level, I assigned cities or villages straddling county lines to the county in which the majority of their population lived in 2000.

Place-based business data are more difficult to find from government sources; I used data from the 1994 and 1999 ZIP Code Business Patterns CD-

ROMs, matching the data first to five-digit ZIP Code tabulation areas (ZCTAs) provided by the U.S. Census Bureau. I then used GIS to classify all ZCTAs into three categories according to their relationship with city boundaries: Non-city ZCTAs fell entirely outside city limits; fringe ZCTAs intersected city limits but were not centered within city limits; city ZCTAs were centered in or completely contained by city limits. Only 79 ZCTAs were classified as city ZCTAs; there were 131 fringe ZCTAs and 977 non-city ZCTAs. ZCTAs were also assigned to counties and Primary Metropolitan Statistical Areas based on the location of the ZCTA centroid. I assigned just under 400 upstate ZIP codes without Census Bureau ZCTAs to latitude-longitude coordinates based on place names from the U.S. Geological Survey's State Gazetteer files and identified these ZIPs as city or non-city ZIPs. I then estimated employment for all undisclosed employment totals at the mid-point of specified ranges, except where the totals exceeded 50,000 employees. For these, I reviewed other years and tailored our estimates to be close to those other years. Estimated population accounts for 6.0 percent of the 1994 total and for 3.1 percent of the 1999 total. Estimated populations were higher inside cities than elsewhere because of a small number of city ZIP codes that were dominated by one firm (e.g., in Kodak-dominated Rochester).

Findings

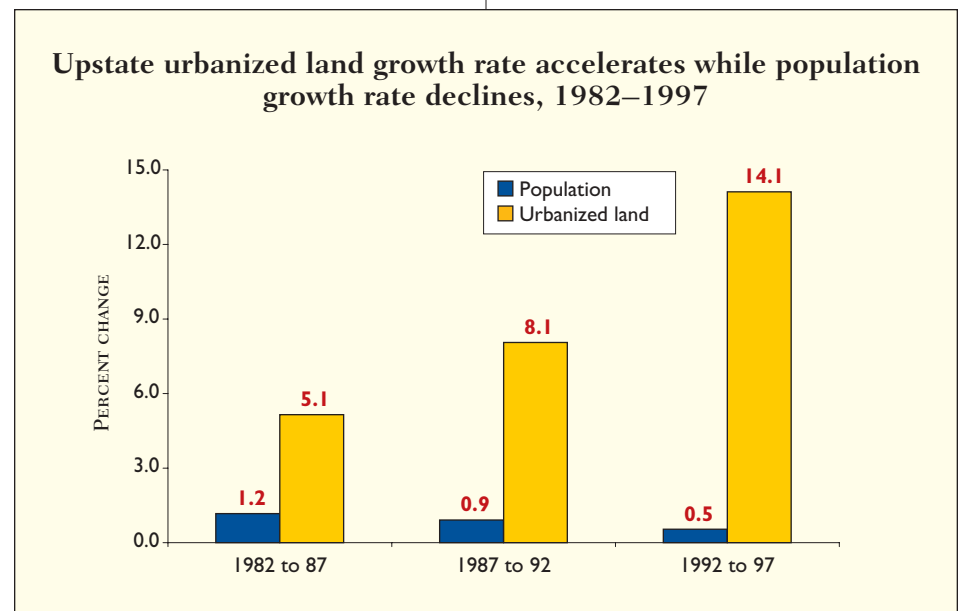
A. Despite slow population growth, 425,000 acres of Upstate New York were urbanized between 1982 and 1997, resulting in urban sprawl in the form of declining density. Between 1982 and 1997, Upstate New York converted over 425,000 acres of land from rural uses (mostly agricultural and forest land) to urban development, a 30 percent increase in urban acreage. Over this same 15-year

period, the Upstate population grew by only 2.6 percent. As population growth has slowed, moreover, land consumption has accelerated (Figure 1). Between 1982 and 1987, urban acreage grew 5.1 percent and population 1.2 percent; between 1987 and 1992, urban land grew 8.1 percent while population grew by 0.9 percent; and between 1992 and 1997, urban land grew by a remarkable 14.1 percent while population growth declined to only 0.5 percent. As a consequence of Upstate's increasingly rapid land conversion, over 20 percent of the total 1.9 million acres of the urbanized land in Upstate as of 1997 had been urbanized in the previous 15 years.

As urbanization in Upstate increased and farm economies suffered, the number of acres in cultivated cropland declined by 20 percent—about 675,000 acres—between 1982 and 1997. Over half of the net decline in cultivated cropland occurred in metropolitan areas. On a more positive note, Upstate lost only 3 percent of its prime agricultural land to urban uses. During this period, in fact, the number of forested acres in Upstate New York grew by over one million acres, over twice as much land

as was urbanized (Figure 2). Forest land grew less rapidly than urban land, however: forest acreage gained 6.4 percent, while urban land grew 30 percent, bringing their total respective shares of Upstate's non-Federal land area to 60 percent and 10 percent.

Because urbanization has outpaced population growth, the density of developed land dropped 21 percent between 1982 and 1997, meaning that by at least one measure, Upstate's land use pattern became more sprawling in the 1980s and 1990s. Overall, Upstate had about 3.7 persons per acre of urbanized land in 1997 compared to about 4.7 in 1982. Long Island, by contrast, had about 6 persons per urbanized acre in 1997, and the three counties between New York City and Upstate (Westchester, Putnam, and Rockland) had 4.8 persons per urbanized acre. New York City's population density by this measure is 43.8 persons per urbanized acre. Urbanized land in Upstate New York remains denser than 35 other U.S. states despite this rapid sprawl, however; on average, the U.S. had between 3.5 and 3.6 residents for every acre of urbanized land in 1997.



B. Compared with other Upstate regions, Western New York sprawled less between 1982 and 1997, and Central New York sprawled more.

Sprawl varies across Upstate's regions, shown in Map 1. Generally speaking, the regions that began the 1980s with high density lost less density than the already low-density regions between 1982 and 1997. In 1997, Western New York—anchored by Buffalo—led the six major Upstate regions in density, with 5.3 persons per urbanized acre. Western New York also lost less density (16 percent) than most other Upstate regions between 1982 and 1997 (Figure 3); although its population declined by about 64,500 people between 1982 and 1997, it urbanized only about 33,000 acres, the smallest gain in urbanized acres of any Upstate region. The Rochester/Finger Lakes region lagged Western New York's density slightly in 1997, with 4.2 persons per acre; its population grew by about 56,750 between 1982 and 1997, and it urbanized just over 50,000 acres, resulting in a decline in density comparable to that of Western New York (14.2 percent for Rochester/Finger Lakes, 15.9 percent for Western New York).

Central New York—which includes Syracuse, Utica/Rome, and surrounding counties—lost about 6,500 residents between 1982 and 1997, a 0.6 percent decline. But it urbanized just over 100,000 acres, a 45 percent increase, and its density fell from 5.17 to 3.54 persons per urbanized acre. This 32 percent decrease in density was the highest of any Upstate region's. The Southern Tier region, with a population of about 735,000 in 1997, posted density declines that rivaled Central New York's; its population grew by a scant 500 people between 1982 and 1997, but urbanization claimed 60,000 new acres of land, driving density from 4.58 to 3.33 persons per urbanized acre.

Population grew faster in the Hudson Valley and North Country

Figure 2. Agriculture declines, urban and forest land increase in Upstate, 1982–97

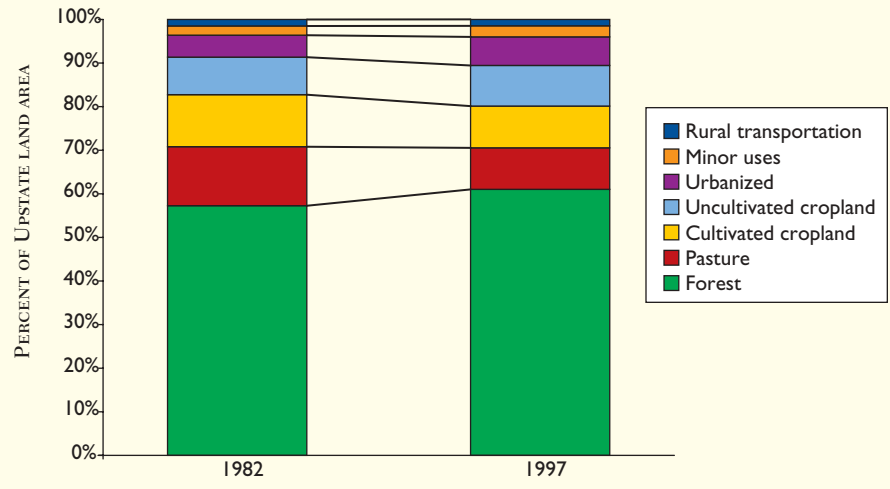
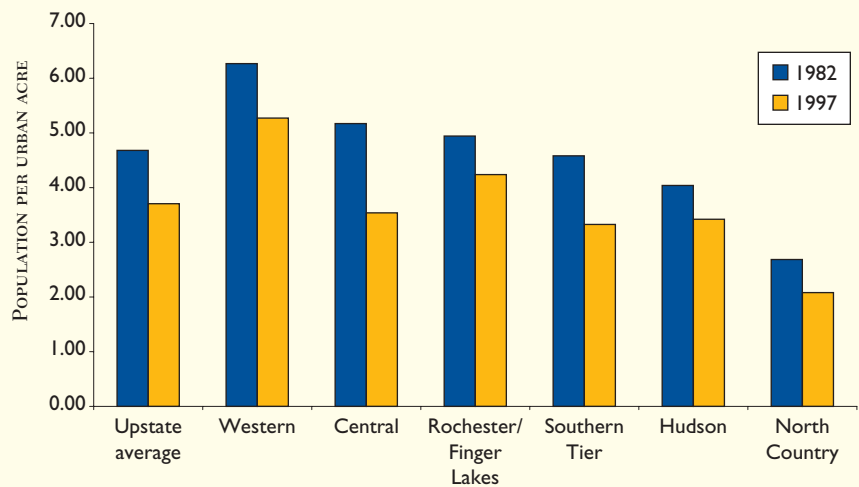


Figure 3. Density slips across Upstate, 1982–1997

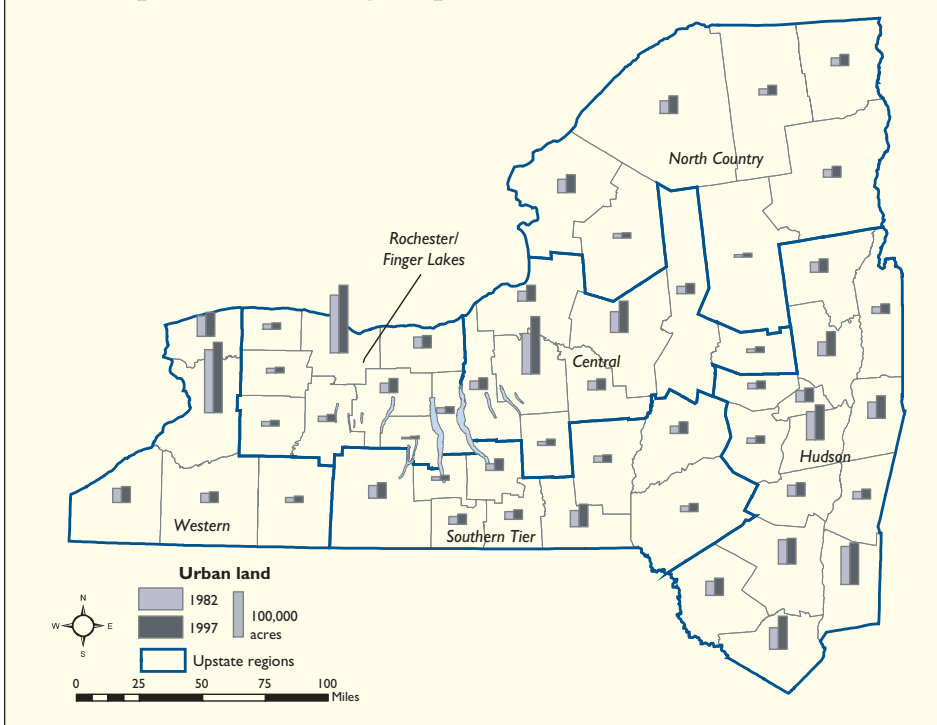


regions—between 8 and 9 percent—than elsewhere in Upstate between 1982 and 1997, but urbanization in the North Country outpaced that in the Hudson Valley by 11 percentage points (40 percent increase in urban land, compared to 29 percent in the Hudson Valley). Consequently, the North Country's density—already the lowest in the state, consistent with its rural character—declined by 22 percent, while that in the Hudson Valley dropped about 15 percent. Consider-

ing that many of the North Country's new residents were incarcerated in very high density prisons, this decline in average density probably understates the perceived impact of new development at both ends of the density spectrum.

Other studies of sprawl also suggest that Western New York has less sprawl than other Upstate regions—and even less than the national average. In 2002, Smart Growth America (SGA) released a multi-dimensional analysis of sprawl

Map 1. Urban acreage, Upstate counties, 1982 and 1997



in 83 metro areas nationwide, including Buffalo, Rochester, Syracuse, and Albany. Buffalo stands out in the SGA study for having not only higher density than most other metro areas nationwide but also high levels of “centeredness” and neighborhood mixed uses. Rochester and Syracuse also exceed national levels of centeredness, but both have low amounts of mixed use. In all three metro areas, the central business districts still account for a substantial share of metropolitan employment; furthermore, all three metropolitan areas have a historic settlement pattern in which many residents live in cities and villages that are substantially denser than surrounding towns. Albany is about as centered as the national average; it ranks lower than the other Upstate metros because of the importance of Schenectady and Troy as subsidiary second cities in the Capital District and because of rapid development of jobs in suburban areas (e.g., Saratoga County and the town of Colonie).

How has Western New York—and in particular, Buffalo—kept its density even while losing over 50,000 residents? At least two explanations come to mind. First, Buffalo’s economic decline began before those of the other metro areas; consequently, the economic and demographic forces that began the serious momentum of sprawl in the 1980s in other healthier regions were much weaker in Buffalo. Second, Erie County has 44 jurisdictions, but nearly 60 percent of the housing built in the 1990s was built in only five of these jurisdictions. Further research is needed to help clarify other reasons for the relative compactness of new development in Buffalo compared to other Upstate regions, especially local land-use regulation, infrastructure investment, and economic development policy.

C. People, jobs, and businesses are leaving cities and villages and moving to towns.

A critical aspect of Upstate sprawl is the depopulation and transformation

of incorporated cities and villages and the simultaneous low-density development of the portions of rural and suburban towns that lie outside the boundary of any village. Upstate’s 53 cities lost 7.3 percent of their population in the 1990s, while its 414 villages lost 1.7 percent. On net, upstate cities lost over 140,000 residents and 40,000 households in the 1990s; villages lost over 16,000 residents, but they gained 6,800 households. Meanwhile, households and population surged in the towns outside village boundaries, with population growth of over 230,000 (5.8 percent) and household growth of nearly 160,000 (11.3 percent). In 2000, about 1.8 million Upstate residents lived in cities, just over 900,000 in villages, and nearly 4.2 million in towns outside villages.

The loss of residents was most severe in Upstate’s largest cities (Figure 4). The four cities that had more than 100,000 residents in 1990—Buffalo, Rochester, Syracuse, and Albany—lost 8.4 percent of their cumulative population and 7.5 percent of their households in the 1990s. The five cities with between 50,000 and 100,000 residents in 1990 (Utica, Schenectady, Niagara Falls, Troy, and Binghamton) lost an even greater share of their population—9.5 percent—and 7.1 percent of their households. Even the 34 cities with fewer than 25,000 residents lost 5.1 percent of their residents and 1.8 percent of their households. Upstate’s 400-plus villages lost residents as well, regardless of their size category, but the 46 villages with over 5,000 residents lost only 0.3 percent of their population, and their household base grew by 2.4 percent. On average, smaller villages appear to have more difficulty retaining their population. There were few regional differences in the pattern of city and village population loss, except that the North Country villages lost not only population but also households in the 1990s.

Towns' growth, like cities' decline, was widespread across size categories. The 78 towns with more than 10,000 residents accounted for over 2 million residents in 2000, more than the combined population of Upstate's 53 cities and nearly half the total population of Upstate's towns. These towns grew by over 103,000 residents in the 1990s, up 5.4 percent from 1990. The 521 towns with fewer than 2,500 residents in 1990 grew faster: in total, a gain of 52,000 residents (about 7.5 percent) in the 1990s. Despite the widespread growth, however, there were 202 towns that lost population, especially those hit hard by military base realignments and deindustrialization. A few towns lost residents on paper because of annexations to villages, but annexation is relatively rare and modest in Upstate New York.

Jobs and business establishments also decentralized substantially in Upstate (Figure 5). Overall, according to ZIP business patterns, upstate gained 698 business establishments and about 78,000 jobs between 1994 and 1999, increases of 0.5 percent and 3.3 percent, respectively. But the city ZIP codes lost 1,911 establishments between 1994 and 1999, a 5.0 percent decline. Employment losses were also severe in these city ZIPs; businesses in these locations shed over 50,000 workers, over 6.0 percent of their workforce. Fringe ZIP codes also lost businesses—a net decline of 190, or 0.4 percent—but they gained over 58,000 employees between 1994 and 1999. Non-city ZIPs, meanwhile, gained nearly 2,800 new businesses and over 71,000 employees.

Every Upstate region experienced this decentralization to some extent. City ZIP codes lost establishments in all six major Upstate regions and in every Upstate metropolitan area. City ZIPs in Western New York lost 5.4 percent of their business establishments; Central New York and the Southern Tier both lost between 3 and 4 percent of their city-based establishments. The

Figure 4. Cities lost population, households regardless of size, 1990–2000

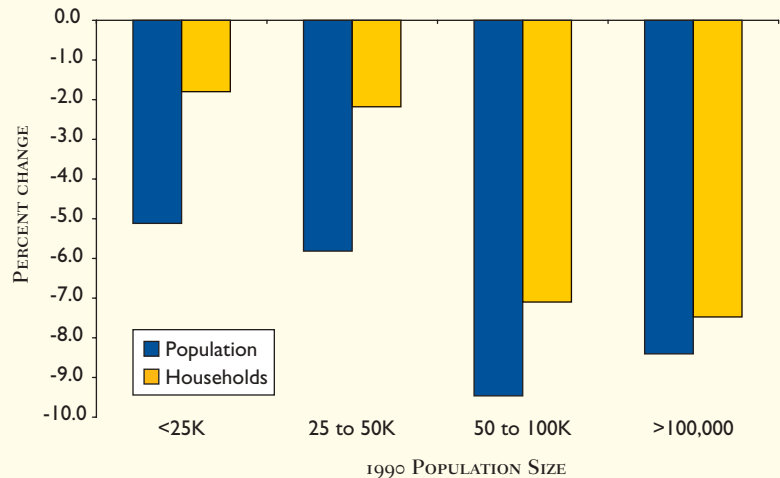
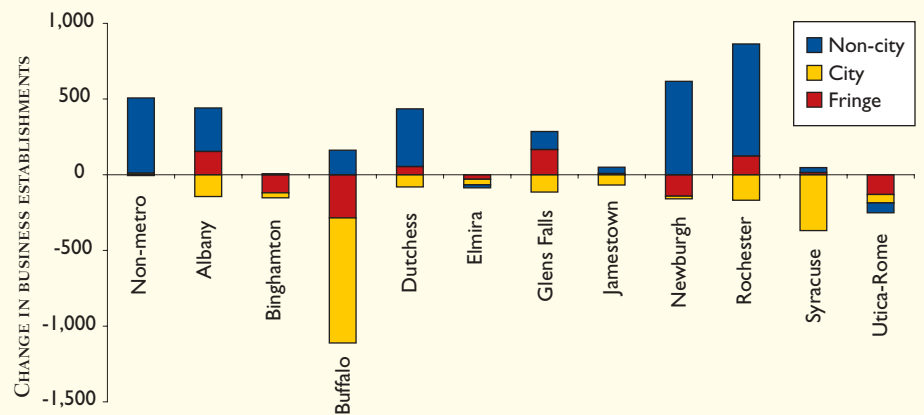


Figure 5. Cities lost businesses, suburbs gained, 1994 to 1999



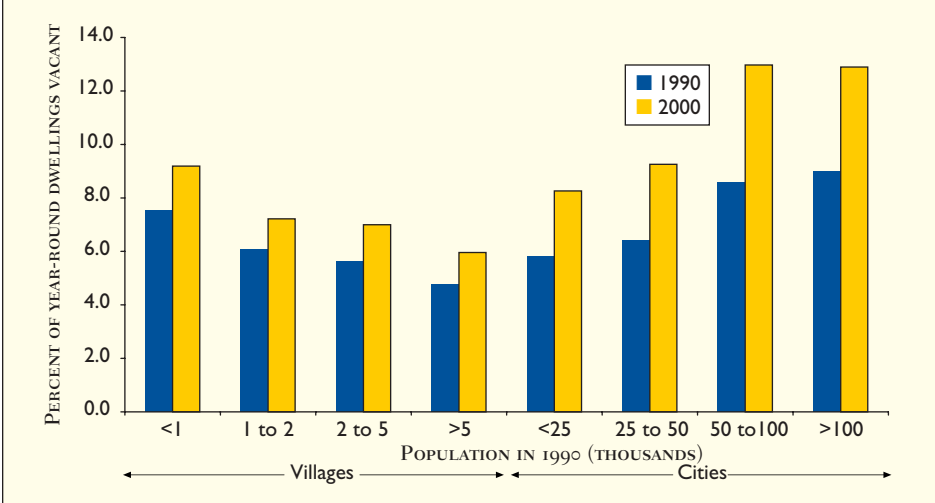
number of non-city establishments grew in four of the six Upstate regions. Business growth was strongest in the Hudson Valley and Rochester/Finger Lakes regions, where establishments grew by more than 7 percent. Central New York and the Southern Tier lost businesses based entirely outside city centers, but in neither region did the loss exceed 1.0 percent of businesses.

D. Sprawl hits Upstate cities hard.

The decline in population, households, and businesses has hit Upstate cities

hard in many ways. Uppermost in the minds of most mayors and city administrators has been the decline in cities' tax bases. According to data from the New York State Comptroller's Office, the assessed value of Upstate's cities declined 7.1 percent in the 1990s, from \$45.1 trillion in 1990 to \$41.9 trillion in 2000 (constant 2000 dollars). Cities in the Binghamton, Rochester, and Syracuse Metropolitan Statistical Areas had even more dramatic declines in their assessed values: 33 percent, 20 percent, and 18 percent, respectively

Figure 6. Upstate village, city vacancy rates up across the board, 1990 to 2000



(constant dollars). The total debt outstanding in cities increased by 23 percent, from \$2.3 trillion to \$2.9 trillion, between 1997 and 2001 alone (constant 2000 dollars). Indebtedness increased in only 23 of the 53 Upstate cities between 1997 and 2001, but Buffalo, Binghamton, Jamestown, and Albany each added at least \$10 million to their indebtedness between 1997 and 2001, tipping the balance. (Buffalo added over \$40 million.) It may make sense for cities to borrow when interest rates are low, but this borrowing obviously carries risks. If activities funded by the bonds fail to increase cities' tax base, future taxpayers will face rate increases unless New York State increases its aid subventions to cities.

A second sign of Upstate cities' distress is the growth in vacant housing. In 1980, 7.9 percent of city housing units were vacant. In 1990, that rate still stood at 8.0 percent, but by 2000, the drain of people and households had caused the vacancy rate to rise to 11.5 percent. The problem is especially acute in the nine Upstate cities whose population exceeded 50,000 in 1990, where the cumulative vacancy rate is now approximately 13 percent (Figure 6). Vacancy rates rose in 45 of Upstate's 53 cities, and only in the

Hudson Valley region did more than one city not experience rising vacancy rates. Vacancy rates also rose in 292 of 412 villages that existed in both 1990 and 2000, but except in villages with fewer than 1,000 residents, vacancy rates are generally lower than those in cities; villages with populations exceeding 5,000 have comparatively healthy cumulative vacancy rates of 6.0 percent.

Cities also have much lower home ownership rates than do towns or villages, and these rates have been falling despite national trends toward higher home ownership. For all of Upstate New York, the home ownership rate grew from 67.0 to 67.7 percent in the 1990s. In Upstate cities, however, home ownership fell from 46.8 percent to 45.9 percent. And as a consequence of weak housing demand, cities' housing stock is also old. Over half of the housing units in Upstate cities in 2000 had been built before 1940, compared to only 20 percent of that in towns outside villages. Village housing is also aging, with 46 percent built before 1940. Many older housing units have deteriorated and no longer suit modern tastes, nor are they large enough to accommodate the household possessions of today's wealthier households.

Behind the Trends: Upstate Sprawl is Not Inevitable

A certain amount of Upstate's sprawl is the largely unavoidable result of economic and demographic forces. First, and somewhat ironically, slow growth may actually cause density to drop and sprawl to increase. Slow growth depresses competition among bidders for rural land, reducing prices. As a consequence, businesses and families who move to towns can buy large amounts of land at low prices. Upstate farmers also face stagnant or collapsing commodity markets, meaning that their land often has less value for productive use than it did a generation ago.

Additionally, the size of Upstate households is shrinking as the population ages, the divorce rate rises, and the number of people who do not marry increases. Consequently, while Upstate's population stagnated, its total number households grew by nearly 5 percent in the 1990s after increasing 8.5 percent in the 1980s.

Finally, the Upstate economy has restructured dramatically, away from goods-producing and towards information-intensive industries. The workplaces of the past are probably even more ill-suited than the housing stock of the past to accommodate 21st century uses, especially in regions dominated by heavy industry; it is often economically unfeasible to retrofit old workplaces for new activities, and reconstruction on abandoned sites is hindered by the presence of hazardous materials.

The explanation of sprawl extends beyond demography and economic restructuring, however—policy has also played a significant role. Six policy areas, particularly, have contributed to increased sprawl, including: fiscal disparities between cities and towns; fragmented local governance; infrastructure subsidies that favor outlying locations and encourage the construction of surplus

housing and business space; disincentives against reinvestment in cities; exclusionary zoning in many towns; and limitations on the ability of incorporated jurisdictions to annex.

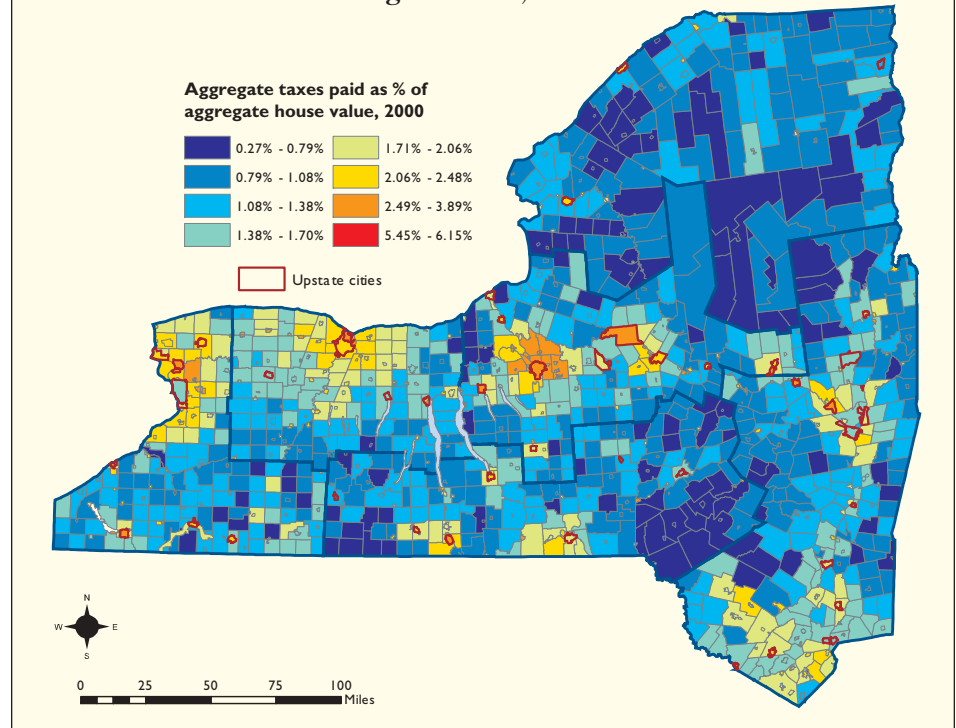
Disparities in Property Tax Rates

The disparity among the property tax rates of Upstate's cities, villages, and towns may be the most important policy-related contributor to sprawl. In 2000, according to the U.S. Census, home owners in Upstate's towns outside villages paid \$17.47 in taxes in 1999 for every \$1,000 in self-assessed home value. Home owners in villages paid \$20.79, and those in cities paid \$22.15. (Map 2). In other words, for Upstate as a whole, town home owners face effective property tax rates that are only 79 percent of city rates and 84 percent of village rates. As higher property tax rates are capitalized into housing values, city and village houses have lower values on average than houses in towns outside villages, all else being equal. Although this might appear to advantage cities and villages, it actually disadvantages them, because buyers get less house for their money in cities and villages—where taxes eat up more of their housing budget—than in towns outside villages. This initial advantage for towns is compounded by their newer housing, larger lots, abundant open space, and often better schools.

Fragmented Local Governance

With hundreds of towns, villages, and cities and a mostly non-overlapping set of school districts, Upstate New York is a highly fragmented governmental environment. Fiscal disparities are, of course, partly a consequence of this fragmentation. New York State also has county governments, which have large budgets and substantial authority for a wide range of services; they usually have planning institutions, including environmental management councils and county planning staff. But counties have very little authority over land

Map 2. City and village inner suburban residents pay higher taxes, 2000



use decisions. Counties do make and influence infrastructure and economic development decisions that affect growth. Electoral logic often militates against strong anti-sprawl, pro-city action from the county level, however. Most Upstate residents live in suburban towns. Some of these residents may be concerned about sprawl, but more are concerned about rising tax rates, disappearing jobs, stagnant home values, and threatened school quality. Fighting sprawl might help solve these problems, but it is not an obvious remedy. Rather, aggressive economic development—including subsidies to businesses and infrastructure investment—is the order of the day. As a consequence, cooperative planning at the county level that unites city, suburban, and rural interests is practically non-existent in Upstate, and probably much more unusual than outright hostility between central city and county-level decision-makers. This urban-rural hostility often plays out

even at the village versus town level, even though village voters pay town taxes and elect town officials.

Subsidization of Suburban and Rural Infrastructure

The cost of suburban and rural development has also been underwritten by substantial public investments in infrastructure, some of it subsidized by state and federal taxpayers. Federal and state subsidies paid over 80 percent of the cost of extending sewer lines throughout Monroe County (Rochester), for example, and to upgrade its sewage treatment plants. The Monroe County Water Authority—without such federal and state subsidy but with growing economies of scale—has also provided a reliable water source for many suburban municipalities in metropolitan Rochester, including a recent expansion into neighboring Genesee County. Federally subsidized highway investments also accommodate suburban

expansion. And the New York State Empire Zone program provides tax subsidies for many developments in rural and suburban locations, often encouraging jobs simply to move from one Upstate location to another.

Partly as a consequence of these investments in infrastructure, housing growth outpaced household growth in every major Upstate region in the 1990s. As a whole, Upstate added over 168,000 housing units in the 1990s, but only added about 125,000 households. In the Western region, builders added 2.6 times more housing units than the net new households in the 1990s; in the Central region, net housing additions were almost double the net new households. At the same time, “dead” malls and vacant housing and office space proliferated in cities and inner suburbs in every Upstate region in the 1990s.

Disincentives against Reinvestment in Cities

Cities have disadvantages beyond fiscal disparities with towns. Until this year, for example, New York State’s building code often made adaptive reuse and higher-density development in cities prohibitively expensive; the new International Building Code, adopted in the past year, may reduce costs and make reinvestment more viable. Many city schools and housing units, furthermore, are contaminated with lead paint, which is expensive to remediate as required by federal law. Upstate cities also have higher rates of crime and less desirable schools than do suburbs.

Exclusionary Zoning

In some suburban areas, the low-density land use pattern is exacerbated by large-lot zoning, minimum house size requirements (which elevate prospective households’ incomes and with it the demand of the average new family for land), prohibitions on sewer and water extensions, and other exclusionary policies. Faced with these restrictions,

builders often simply move on to the next town where they can meet market demand, further increasing citizens’ demands for road improvements that facilitate decentralization.

Obstacles to Annexation

A final contributor to sprawl is that Upstate’s incorporated jurisdictions face serious obstacles when they wish to annex land. Cities are practically prohibited from annexing, but even villages—which are constituent units of towns—often face hostile reactions from towns when they wish to expand their boundaries. This hostility is especially puzzling, considering that economic development in villages benefits both the village budget and the town budget. Compact development near or within villages is arguably less expensive than sprawling development in towns outside village boundaries. Moreover, the pattern of clearly defined villages is a feature of the Upstate landscape that many residents and visitors find special and worthy of preservation.

Conclusions and Policy Implications

Despite two decades of anemic population growth, Upstate New York has urbanized hundreds of thousands of acres of farm and forest land since 1980. This sprawl without growth has “thinned” every Upstate region. As noted above, many forces have caused Upstate’s sprawl, including government policies that influence land use and public finance. And if policies helped fuel sprawl, they can also help tame it. Upstate’s leaders should examine at least three areas of policy reform: fiscal reform, annexation reform, and planning reform.

A. Leveling the playing field for cities and villages: fiscal reform

Property tax differences between cities,

villages, and towns clearly influence the location choices of businesses and home buyers. If the state eases property tax burdens for city residents and businesses, it will reduce sprawl. In the past, however, the state has offered property tax assistance regardless of location; neither the New York State School Tax Relief Program (STAR) (which reduces home owners’ school taxes) nor the Empire Zone program (which designates specific areas where businesses receive tax abatements) has a clear geographic focus. The state could also increase local governments’ fiscal options; Ohio and Pennsylvania, for example, both allow municipalities to levy income taxes. New York State’s cities and villages would benefit from such an option, especially those that accommodate large numbers of institutions that are exempt from local property taxes.

B. Allowing villages and cities to expand: annexation reform

Upstate residents and businesses can only take advantage of property tax differences, of course, because Upstate has so many government units. With 1,366 local governments (cities, villages, towns, and reservations), 511 school districts, 862 other special districts, and 52 counties, Upstate New York has fewer than 2,500 persons per unit of local government. Massachusetts, New Jersey, and Connecticut—all of which adhere at least as fiercely to “home rule” as does New York—have more than twice as many people per government unit as Upstate has. Even Ohio, whose system of townships, municipalities, and counties resembles New York’s, has over 3,000 persons per local government unit.

In this fragmented landscape, businesses and residents can and often do opt to live in towns immediately outside incorporated boundaries and take advantage of many of the services provided by cities and villages. But incorporated jurisdictions, especially

cities, face immense difficulties when they wish to annex beyond their boundaries. Although some villages have strong enough relationships with their towns (of which they constitute a portion), most villages and towns have tense relationships. If annexation were facilitated for cities and villages, they could capture more tax base and thereby avoid raising their tax rates as quickly or as much; stable tax rates would in turn reduce the incentive for other established residents and businesses within cities and villages to relocate to other jurisdictions.

C. Stemming sprawl through local land-use planning

Planning reform would also help stem sprawl. New York has not kept pace with its neighboring states in updating its framework for local planning. Vermont, Massachusetts, New Jersey, and Pennsylvania have all transformed their planning laws so that state government provides more technical assistance and “best-practice” guidance—and sometimes formal planning goals—that local governments are encouraged or even required to follow when they plan. They also commonly provide stronger incentives for local planning, although none of these states formally requires municipalities to plan or zone. And New Jersey, in particular, has attempted to link its state agencies’ actions to the goals and objectives that local governments incorporate into their plans and regulations.

Upstate may not need more planning, and it probably does not need an elaborate “veto” system to prevent development in inefficient, environmentally sensitive, and agriculturally productive areas. Rather, it needs better planning, guided by better state rules and wiser state investments in infrastructure, to encourage growth in the right places. The thousand-plus Upstate municipalities with zoning ordinances often employ their

regulations in ways that reduce homebuilders’ ability to provide housing that low-income people can afford. Multi-family housing is excluded from or made economically unfeasible in many Upstate jurisdictions; manufactured housing faces extreme hurdles; and even small single family homes are sometimes barred by minimum house size requirements. Even jurisdictions that do not intend to exclude development can hinder it because their plans are out of date, their planning boards lack experience in reviewing and approving development, they lack infrastructure capacity to accommodate new growth, and their residents resist raising taxes to pay for new roads, sewers, water systems, and schools. Consequently, all new development is more scattered, and built at lower density, than it would be if growth were accommodated in appropriate places.

Even a combination of fiscal, annexation, and planning reforms would not eliminate Upstate sprawl. But it would reduce sprawl by improving the competitiveness of cities and villages with respect to rural towns, and by fostering development in the right places. The outcome would be positive for cities, villages, and towns, with less concentrated poverty in cities, lower costs for local public services, less pressure on rural lands, and less degradation of the historic settlement pattern that gives Upstate its attractive character.

Endnotes

1. Rolf Pendall is an associate professor of city and regional planning at Cornell University.
2. New York State Department of Agriculture and Markets, *Farmland Protection Programs*; available at www.agmkt.state.ny.us/AP/agsservices/farmprotect.html#purchase (May 2003).
3. The principles are: Revitalize our Downtowns and City Centers, Promote Agriculture and Farmland Protection, Conserve Open Space and Other Critical Environmental Resources, Enhance Transportation Choices and Encourage More Liveable Neighborhoods, Encourage Sustainable Development, Strengthen Intergovernmental Partnerships, and Help Create, Implement and Sustain the Vision of a Quality Community. See Quality Communities Interagency Task Force, “State and Local Governments: Partnering for a Better New York,” (Albany: 2001).
4. The latest, as of mid-2003, is Assembly Bill 802, sponsored by perennial planning advocate Sam Hoyt, a Buffalo assemblyman. It has no corresponding bill in the Senate, however.
5. Marina Alberti, “Urban Patterns and Environmental Performance: What Do We Know?,” *Journal of Planning Education and Research* 19, no. 2 (1999); Reid Ewing, “Is Los Angeles-Style Sprawl Desirable?” *Journal of the American Planning Association* 63, no. 1 (1997).
6. Definition: “a land cover/use category consisting of residential, industrial, commercial, and institutional land; construction sites; public administrative sites; railroad yards; cemeteries; airports; golf courses; sanitary landfills; sewage treatment plants; water control structures and spillways; other land used for such purposes; small parks (less than ten acres) within urban and built-up areas; and highways, railroads, and other transportation facilities if they are surrounded by urban areas. Also included are tracts of less than ten acres that do not meet the above definition but are completely surrounded by urban and built-up land” U.S. Department of Agriculture, *Summary Report, 1997 National Resources Inventory* available at www.nhq.nrcs.usda.gov/NRI/1997/summary_report/original/glossary.html (June 2001).
7. U.S. Census Bureau, *1980 to 1989 Population Estimates of the U.S., States, and Counties* ([cited May 19 2003]); available from <http://eire.census.gov/popest/archives/county/e8089co.zip>, U.S. Census Bureau, *Intercensal Estimates of County Population, 1990–2000*, available from <http://eire.census.gov/popest/data/counties/tables/CO-EST2001-12/CO-EST2001-12-36.php> (May 2003).
8. Villages are constituent units of towns; their residents pay town taxes and vote in town elections. The reported populations of towns therefore include village residents. For this report, we have subtracted village totals from town totals to derive a “town outside village” remainder that represents only the population of unincorporated portions of Upstate towns.
9. ZCTA boundaries do not match with municipal boundaries.
10. Some fringe ZCTAs contained smaller cities without being centered in those cities, resulting in low numbers for city establishments and employment (e.g., Newburgh and Middletown). The varying size of ZCTAs and their varying relationship to cities suggests that the analysis of

change between 1994 and 1999 is probably more useful than results on the share of employment and establishments in cities, at the fringe, and outside cities.

11. To the extent that city-based ZIP codes are being used by businesses in areas beyond city limits (especially those that have post office boxes), this process may result in overestimates of city employment and establishments. If non-city based ZIP codes are being used by businesses within city limits, of course, this process may result in overestimates of non-city employment and establishments.
12. Data for this report are from the U.S. Department of Agriculture's 1997 National Resources Inventory (NRI), revised release of March 2001; U.S. Census Bureau's decennial censuses with interpolated population estimates by the author; and U.S. Department of Commerce's County Business Patterns report on the number of business establishments.
13. Reid Ewing, Rolf Pendall, and Don Chen, "Measuring Sprawl and Its Impact: The Character and Consequences of Metropolitan Expansion, Technical Report," (Washington: Smart Growth America, 2002). The report is available on-line at www.smartgrowthamerica.org/.
14. Upstate had 419 villages in 1990 and 414 in 2000. Seven villages were disincorporated in the 1990s while two were created, both as mergers of formerly separate neighboring villages.
15. City ZIP codes are mostly or entirely within city limits.
16. Fringe ZIP codes are partly inside, but mostly outside, city limits.
17. Census data on the year of housing construction are inexact, especially for renters, who often do not know when the structures in which their housing units are located were first constructed.
18. Information on taxes paid is subject to sampling and respondent error, like everything else from the long form of the U.S. Census. Census reporting of housing value is unreliable, but we use it here for indicative purposes because it is consistent in area, respondents, and timing with the Census's property tax data.
19. See Rolf Pendall, William W. Goldsmith, and Ann-Margaret Esnard, "Thinning Rochester: Yesterday's Solutions, Today's Urban Sprawl," (Cambridge, MA: Lincoln Institute of Land Policy, 2002).

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About the Series

Using data from the U.S. Census of Population and Housing, the Regional Economic Information System, County Business Patterns, and the U.S. Department of Agriculture's National Resources Inventory, this series of five publications examines the economic and social health of Upstate New York over the past two decades. The series will focus on trends in Upstate as a whole, in the 11 major metropolitan areas that make up Upstate, and the six broad regions (such as Hudson Valley and Rochester/Finger Lakes) that are home to these metro areas and their surrounding rural counties. The first report in the series focused on patterns of population change across Upstate. This survey, the second, looks at urban sprawl in the region, examining land use trends in Upstate's metropolitan areas. A third report provides an analysis of the Upstate economy, focusing on the impacts of 30 years of industrial restructuring on the region. The fourth survey in the series reports on poverty and inequality in Upstate, which is increasingly concentrated in cities. The final report examines the accomplishments of the state's K-12 educational system, and its efforts to prepare Upstate's future workforce.



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