

# The Dollars and Sense of Smart Growth

*In communities across Michigan, land use decisions are making a permanent impact on rare ecosystems, fragile economies and struggling families. The “Dollars and Sense of Smart Growth” is a series exploring some of the real-world consequences—and the financial impacts—of the commonplace land use decisions being made in communities across the state.*

*Each issue offers two contrasting case studies facing land use decision makers in Michigan today. Taken together, these two examples show the common-sense kinds of cost saving measures that communities are realizing through Smart Growth planning and infrastructure decisions.*

## **Part 4: Competition and Cooperation: Looking Across Jurisdictions**

### **Undermining Smart Growth with New High School, Ann Arbor**

*Ann Arbor has taken great strides towards creating a sustainable Smart Growth community by recently completing a \$200,000 community visioning process that produced the Recommended Policy Framework for Downtown Ann Arbor. In 2003 the city passed Proposal B to create a joint “greenbelt” land preservation framework with surrounding townships. However, these advances are threatened by the siting of the new Ann Arbor Public School building (300,000 sq.ft., 1,600 students, 800 parking spots, a football stadium, three ball fields, four tennis courts, and a practice field with a track) just outside the western limits of the city and along the M-14 highway. While much of the new growth in the City of Ann Arbor has been effectively directed inward or south towards Ypsilanti, the new school will push development into a forest and wetlands area, requiring the extension of roads, sewer and water mains out to the new school which will encourage new residential development in the area.*

The Ann Arbor Public School District is building a new high school (300,000 sq.ft.) for 1,600 students. Although the need for a new school is understandable, the location of the school goes against some very basic principles of smart land use and environmental considerations. The planned location is just beyond the western city limits of Ann Arbor, in what was formerly a wetland and forest area. With the 2003 passage of Proposal B and the myriad efforts made by state and local officials, residents, and environmental advocacy groups to create a “greenbelt” around the city, it would seem this 111 acre site, currently zoned as public land, could have been a critical addition to the City’s green infrastructure.

There are several major issues with the construction of an expansive school on the outskirts of a city. It can cause major rifts in a municipality’s planning because, in Michigan, school districts and local governments often do their planning in isolation from one another. The new growth often takes local officials by surprise, causing them to scramble to build the roads, water mains, sewer lines, and other infrastructure to support it. This extension of services facilitates large scale residential development around the school and away from the core of the city, which should be ideally hosting the majority of a municipality’s population.

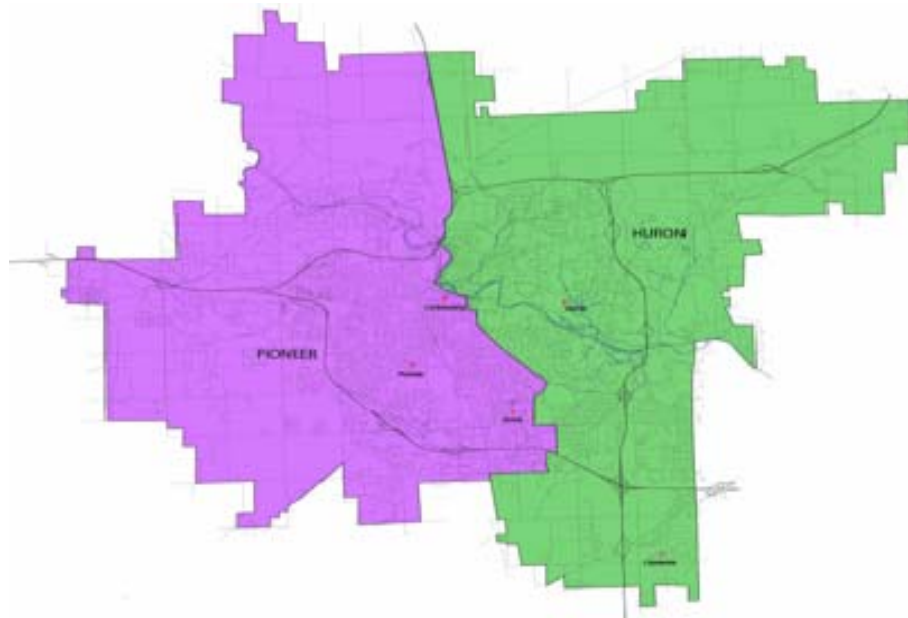




With this overwhelming amount of evidence against building a school in this area, there seem to be few logical reasons for the Ann Arbor School Board to do it. There is a need for a new school because of perceived issues of overcrowding. Additionally, the school district already owned the land, thereby eliminating an expensive purchase for the district. Finally, the voters of Ann Arbor passed a bond to finance construction at the proposed site, though some now claim they were not aware of the implications of the chosen location.

The main problem this case study elucidates is the fact that a community can go through an extensive planning process and if the zoning does not match the planned use, there is little the municipality can do to alter proposed developments antithetical to the Master Plan. Even the Ann Arbor Planning Commission has stated "The Master Plan doesn't recommend that a school be put on this site. The Master Plan recognizes that a school could be built there, but doesn't necessarily agree with or condone just any plan for use; it's merely that the current use plan calls for a certain use. The use plan should still meet the criteria and the spirit of the Master Plan. Other uses of the site could be a park, or single-family housing or *other* school use."<sup>4</sup>

With the concrete poured and the steel structure erected, this new Ann Arbor school is already a reality. It is a demonstration of the kind of power a school district has to make land use decisions that effect the future of the entire community. This discussion should serve as an example of the importance of cooperative land use planning among municipal entities and the need for zoning and Master Plans to align with each other and with a community's expressed vision.



### **Collaborating for Farmland and Open Space Protection, Peninsula Township**

*Citizens residing in Peninsula Township have been taking exciting steps to preserve their diverse agricultural heritage. Over half of the township is farmland in active cultivation, and a quarter of the township's agricultural land has been preserved by the institution of a PDR program. Not only have the residents of the township promoted positive planning and zoning which work to maintain these parcels, they have also agreed to be taxed through a millage which provides the township funds used to purchase the development rights of these properties.*

Peninsula Township is located on Old Mission Peninsula, a 17 mile strip of land that bisects Grand Traverse Bay in northern Lower Michigan. The land has long been known for its cherry orchards, but it also produces world class peaches, plums, apples and wines. This fertile farmland and beautiful location looks like prime real estate to most developers and, in fact, the township witnessed over 100 percent growth from 1960 to 1990 (from 2,000 to 4,600).<sup>5</sup> In such a small area, that extensive growth starts to tighten its grip on farmland fairly quickly.

The citizens in the township twice agreed to tax themselves to “Preserve Our Heritage”, which was the theme of two purchase of development rights (PDR) campaigns, one in 1994 and another in 2002. Overall, the township has preserved close to 5,000 acres of prime agricultural land. Peninsula Township Supervisor Rob Managold estimates that out of the 10,000 acres zoned for agriculture in the township, 9,200 will eventually come under easement through the PDR program. In this way, they are not only retaining their heritage but allowing their biggest industry to flourish.

In a PDR program, the state or the local unit of government (Peninsula Township) purchases the development rights of a farm at fair market value. In exchange for cash payment, landowners enter into a permanent development restriction on the land. Land in a PDR program stays in private ownership, remains on the township tax rolls, and may be bought and sold by anyone--but the preservation conditions remain with the land forever. As a bonus, the state has recently updated their PDR program to ensure that municipalities and counties applying for funding from the Agricultural Preservation Fund would have to comply with some very important criteria, most importantly updating their Master Plans with clear farmland preservation goals, county and/or municipal PDR ordinances, providing a 25% local match funding grant.

This unique effort towards preservation alters a regional trend that has favored development over land preservation. Between 1982 and 1992, Antrim, Benzie, Grand Traverse and Leelanau lost more than 14 percent of their farmland.<sup>6</sup> Additionally, the populations of those counties rapidly increased, with growth rates of 23.5, 22.6 and 16.7 percent, respectively.<sup>7</sup>

Most of Michigan's farmland loss is due to the large demand for second homes and retirement homes and fragmentation of land caused by new low density development. According to American Farmland Trust, Michigan has the largest number of second homes in the nation.

Growth has reached into Peninsula Township in recent years as well. From 1990 to 2000, the Township's population increased 20 percent (from 4,340 to 5,265). Both bay shorelines have been residentially developed and the remaining water views are being sought for development.



However, their PDR program has been able to help them direct growth to proper areas while retaining active agricultural land and rural heritage. In fact, approximately 10,000 acres or 58 percent of the land area of the township is currently being used for active agricultural production.<sup>8</sup> This can be directly attributed to an open master planning process that included the goals of public committees and a zoning ordinance that regulates agricultural prioritization.

In November 2002, Peninsula Township passed a 20 year, .75 mill property tax increase (to 2 mill) for farmland development rights and open space, which would yield \$15,360,000 in conservation funds over two decades. This effort was an increase of the only highly successful, pre-existing land preservation millage in the state. That measure, which was authorized in 1994, authorized a 1.25 mill property tax increase over 15 years to fund a PDR program. By the end of 2001, the PDR program and other programs had preserved 4,000 acres of farm land.<sup>9</sup>

The 2002 measure was a testament to the success of a previous program. The 1994 effort was built on a process that used heavy citizen engagement to update the township's master plan and create a farmland preservation ordinance. That effort was then rolled over into a millage campaign to fund the program.

One of the keys to the initial campaign was to bring non-farming township residents into the effort by showing the strong support of the farmers in the area. To that end, the group running the campaign, "Protect the Peninsula," got 57 farmers to sign a letter of support for the effort and they then turned the farmers into the main spokespeople. The additional funds enabled the Township to increase coverage of the program to purchase the development rights on an additional 3,000 to 4,000 acres.<sup>10</sup>

"In addition to the PDR program, the township is also relying on planning tools to help protect its farming heritage." According to their Master Plan, "it is the policy of Peninsula Township to protect, preserve and enhance agricultural and open space lands as evidenced by the Peninsula Township Master Plan, including open space policies, the Farmland and Open Space Preservation Act of 1974 (P. A. 116), the Historic and Conservation Easement Act and the Township Ordinances regulating land use by zoning and subdivision control."<sup>11</sup>

One of the keys to success in implementing a farmland and open space preservation program is public participation, especially when the public is expected to pay for some of the purchase. In Peninsula Township they built the public process into their Master Plan development and then turned it into education for their millage campaign.

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With the help of citizen committees, focus groups, and township-wide questionnaires, Comprehensive Plan Policies were prepared and adopted in 1993. These amendments provided added direction for preserving agriculture, scenic views, and Peninsula's natural resources for the future. Prior to establishing goals for the Township, the citizens were asked to provide extensive input into the process. Focus groups, public opinion surveys, and various policy committees had an impact on formulating the policies for the township. After a lengthy process, the Planning Commission formally adopted nine specific Master Plan Policies, including an Agricultural Policy, Residential Policy and a Natural Resources Policy.

The zoning ordinance separates the total acreage on the Peninsula (17,755 acres) into three categories. In all, 12,320 acres is zoned agricultural, 5,400 acres is zoned residential and 35 acres zoned commercial. This means that development is constrained to certain areas and a zoning variance would have to be granted to subvert this regulation. With population projections hovering near 14,000 people by 2050, Peninsula Township will have to again update their Master Plan to accommodate growth, preserve their agricultural heritage and allow their biggest industry to flourish.



<sup>1</sup> Kowalski, Matthew. City Planner I: City of Ann Arbor. 734-994-2800.

<sup>2</sup> For the purposes of brevity we are leaving out the social implications of the new school. Check online for more details: <http://proposedhighschool.org/sub/issues/demographics.html>

<sup>3</sup> *Traffic at the New High School: An Evaluation*, Donald Meyer, October 11, 2004, Available online: <http://proposedhighschool.org/supporting/demographics/DMTrafficEssay.html>

<sup>4</sup> Jesse, David. "Law firm review raises questions." *The Ann Arbor News*. 9 March 2006.

<sup>5</sup> *Community Organizing for Farmland Protection in Michigan: A Handbook for Concerned Citizens*, Produced by Michigan Integrated Food and Farming Systems and the Michigan Environmental Council, 1996

<sup>6</sup> Peninsula Township Website, Available Online: <http://www.peninsulatownship.com/developmentrights/index.php>

<sup>7</sup> *Ibid*, Peninsula Township Website

<sup>8</sup> *Managing Growth and Addressing Urban Sprawl: An Overview*, Michigan Agricultural Experiment Station, Michigan State University, Research Report 562, August 1999

<sup>9</sup> *Ibid*, *Managing Growth...*

<sup>10</sup> Peninsula Township Master Plan 2004, Adopted by the Peninsula Township Planning Commission February 23, 2004

<sup>11</sup> *Ibid*, Peninsula Township Master Plan 2004

