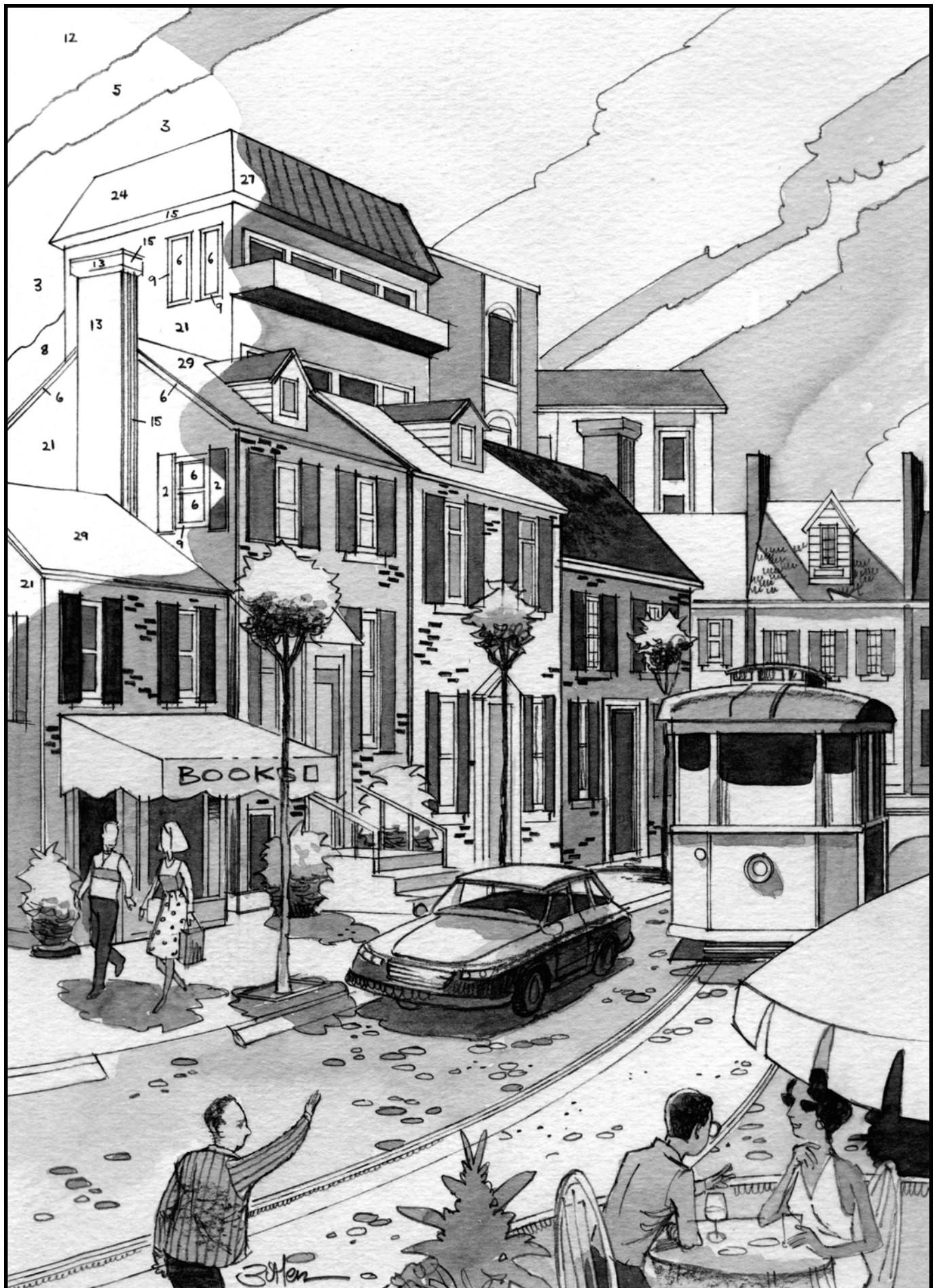




Smart Politics

As communities around the United States have discovered, Smart Growth is an attractive idea that can be hard to put into practice. State-of-the-art zoning concepts look good on paper but stakeholders are wedded to the status quo. In this article, Maryland's former governor describes how he decided not to promote hard-edged tools like urban growth boundaries, turning instead to incentive-based policies. He then used the powers of his office and old-fashioned politics to move his agenda forward in Annapolis, and county by county around the state

By Parris N. Glendening

For decades in Maryland, before there was a term for better planned growth, hundreds of thousands of acres of open space were vanishing at an alarming rate because of increasing population, smaller household size, and sprawling development. At the same time, vacant and abandoned buildings were left to further deteriorate in many of our older communities. The health of the Chesapeake Bay — the state's crown jewel — was declining quickly.

By the time I became governor in 1995, the state had lost as many acres to growth in the previous 50 years as in the entire four centuries since Lord Baltimore acquired what he called Mary's Land. Obviously, the philosophy that moving out is the same as moving up the social-economic ladder was destroying our state. At the same time, however, the residents of Maryland had little understanding of the cumulative and long-term impact of this land use pattern. It was only when there was proof of the accelerating decline of the Chesapeake Bay that the people of Maryland demanded action from state and local governments. They quickly realized that the key factor affecting their lives and the beautiful land and water around them was land use. It affects our air quality, our water quality, our health, our quality of life — and our taxes.

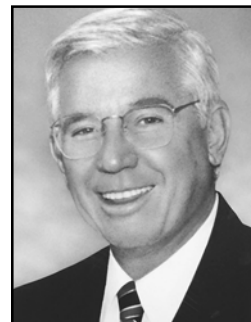
To prevent the continued loss of farmland and forestland, and to improve the quality of life of all citizens of the state, we established the Maryland Smart Growth Program two years later. This anti-sprawl initiative has three simple goals: To support and enhance existing communities; to preserve natural resources and agricultural areas; and to save taxpayers the cost of providing new infrastructure.

Smart Growth suddenly became big news, not only in Maryland, but nationally, thrusting me into the spotlight as a leading opponent of sprawl but also as a proponent of a new kind of environmental protection. Land use reform is something importantly different from the regulation of industry that the public had come to expect of government, since it directly affects their lives. People are not born environmentalists. Certainly I was not. Inevitably, there is a transformation. Before discussing how we were able to pass the Smart Growth legislation in Maryland, and the specifics of our program, it may be useful to share my earliest environmental thoughts and the origin of my land use ideals.

While working my way through college at Florida State University in Tallahassee, I had a good job in a machine shop near Miami. On long weekends, I would drive that long route, going through a small portion of the Everglades. The scenery was magnificent and the view of the wildlife amazing. In 1967, my last year making this drive, what I saw disturbed me greatly. Subdivision after subdivision replaced a gracious landscape of wetlands and grasslands. I knew intuitively that development of the Everglades would destroy the water supply for millions of future South Florida residents and that the habitat of hundreds of species would soon be gone forever. It was then that my framework for better land use began to evolve. These experiences remained vivid years later as I entered elected office.

A few years after receiving my Ph.D. in government and politics, I was elected to the City Council of Hyattsville, Maryland, a wonderful community with several mass transit stations, 1880s Victorian homes, and

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ANOTHER VIEW

A Developer Argues That “Dumb Growth” Is Bad For Business

Properly marketed, Smart Growth is the ultimate win-win-win, reaching across political boundaries to create a broad constituency in support of a common sense approach to building a better life for us all. Republican and Democrat, city, suburb, and farm, business and environmental activist *should* join together in a collaborative campaign. We all can celebrate the three pillars of Smart Growth: reinvesting in our older communities, fighting sprawl and congestion, and protecting farmland and environmentally sensitive areas.

Unfortunately, Smart Growth is too often misunderstood. Business, in particular, sees Smart Growth as No Growth. Properly implemented, however, it is aggressively pro-business and pro-investment, with a long-term focus on creating a sustainable economy, with the greatest prosperity for all the peoples across America.

In the short term, Smart Growth does discourage Dumb Growth, what to many was the easiest type of development — sprawl. Due to misguided public policies in the past, the playing field tilted toward developing farmland into subdivisions and shopping centers and discouraged renovation of blighted historic buildings and reuse of contaminated industrial land. Vague and scary environmental liability and handicapped accessibility requirements that came with the Americans with Disabilities Act were just two of a host of well intended public policies that became huge encumbrances on our most fragile communities. Most pernicious was our focus as a society on funding roads and abandoning transit. Building expensive new public infrastructure — schools, water and sewer systems, and roads — while neglecting existing infrastructure became the easy thing to do.

From a business perspective, Smart Growth is really about leveling the economic playing field by eliminating the disincentives for reinvestment in older communities and reducing the incentives for sprawl. If Dumb Growth con-

tinues, business will be stuck paying the ever escalating costs — through higher taxes and an inferior work force — of failing cities and aging, dysfunctional suburbs.

Rather than being anti-growth, Smart Growth is all about promoting growth in targeted areas — Governor Parris Glendening's Priority Funding Areas. Smart Growth provides essen-



Bill Struever

tial incentives for reinvestment in older communities. From a long term view, Smart Growth will deliver the greatest business growth opportunity with truly sustainable economic development.

Even Smart Growth's most likely allies, those that desperately want to preserve our decaying urban neighborhoods, will, at times, misunderstand. They worry about the effects of reinvestment — gentrification, increasing density, less diversity. Yet, as Governor Glendening will often point out, big buildings, density, and mixing of uses are the essential ingredients of prosperous urban communities. Lots of jobs, people, activities packed into one area are what cities and urban neighborhoods are all about. Ironically, even some congestion and traffic are a natural by-product of healthy and prosperous cities.

With years of effort, Parris Glendening and his allies spread the gospel of Smart Growth. A better understanding awakened the self interest of a broad coalition into an effective constituency at the state and local levels. Every one of the 24 local subdivisions in Maryland found that they could benefit, creating unlikely allies.

Even traditionally anti-regulation business groups in Maryland became advocates. As a member of the Homebuilders Association of Maryland, the Maryland Chamber of Commerce, the Urban Land Institute, and the Greater Baltimore Committee, I was delighted over recent years to see a plethora of business-sponsored Smart Growth conferences aimed at better informing businesses of the benefits of reinvestment.

In Governor Glendening's Smart Growth evangelism, he utilized the two instruments of public policy — the carrot and the stick — in a coordinated campaign. The carrot is the array of incentives aimed at promoting reinvestment. Historic and brownfields tax credits, Live Near Your Work home ownership subsidies, and priority ranking measures that direct state school construction funds to renovating schools in older neighborhoods are just a few carrots in the Smart Growth tool chest.

The stick — those policies and regulations that discourage sprawl — are the toughest to sell. Local governments distrusts the state telling them what to do. Business hates anyone telling them what they can and can't do. When Glendening used the stick — denying state funding for the InterCounty Connector highway or fighting an expansion of water and sewer systems in rural Carroll County, he got heat.

In the end, the most important proof of the compelling nature of Smart Growth is the test of the marketplace. The market has spoken. We as a society do love our historic buildings, farms, and woodlands. In cities across America, the evidence is clear that people do want to live in downtowns, walk to work, play in lively urban neighborhoods, and delight in the arts and culture of our cities.

In Baltimore, witness the Smart Growth, pro-growth, pro-business renaissance on its industrial waterfront, with billions of dollars of private investment, thousands of new jobs, and millions of dollars of increased tax revenues. Smart Growth developers and builders like me are booming, with more and more business investment converging on cities across America. Even those hugely successful national subdivision developers like Pulte and Beazer are discovering the underserved urban markets. Older, once decaying suburbs like Dundalk and Essex in Baltimore County are hot.

In the economic dynamic of urban neighborhoods, more is more. Properly planned and implemented, the

more density and diversity of people and activities, the more exciting the neighborhood environment. Take downtown living for example. Downtowns like Baltimore's that had virtually no residents a decade ago now have thousands of units with thousands more on the way. The more people living and working downtown, the safer the streets and the greater the critical mass to support the all important retail shops, restaurants, cafes, and other amenities that create the social fabric of urban neighborhoods. More is more — more jobs, more housing, and more retail generate faster absorption of new product and greater upward velocity on rents and values.

While the marketplace vindicates the values of Smart Growth, much work remains to overcome the bias for sprawl in our public policies. Smart Growth will not win the war against sprawl in the traditional American attention span of the four-year electoral cycle. Nor has Parris Glendening's eight years as governor of Maryland changed all minds. The true test of Smart Growth will be in the political sustainability of its policies and programs.

So far, in the first year of the administration of Robert L. Ehrlich Jr., the signs of a sustained Smart Growth effort are encouraging. Initial statements coming out of the Governor's Office celebrate the basic values of Smart Growth, albeit with different words. Governor Ehrlich is a champion of historic preservation tax credits, one of the most important incentives for private reinvestment in older communities.

However, the challenge for Smart Growth, the true commitment to its values, will be measured through spending priorities. The InterCounty Connector is back, at a cost of \$2 billion, and the Baltimore Regional Rail Plan is off the governor's "A" list. Effective regional train systems are arguably the most critical elements of prosperous urban areas in the 21st century and Baltimore only has rail fragments. Of most concern is the aggressive anti-tax position taken by the new Republican governor, potentially denying the Smart Growth funding necessary for reinvestment in older communities.

To succeed in the long haul, we must continue to celebrate the win-win-win nature of Smart Growth principles to sustain the political willpower essential to its long-term success. Harnessing the power of the marketplace with sound public policy will be a victory for us all.

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a very ugly corridor of U.S. Route 1 with used car lots, abandoned fast food buildings, and other declining structures. It was clear that the former beauty and economic health of the city had to be restored. I worked hard for the reuse of several attractive old buildings, but was told repeatedly that it was easier to build even further out in the suburbs, nearly 25 miles away, than to reuse a wonderful building only six miles from the U.S. Capitol. They said it was easier and faster to buy a farm, rezone it, and build an office park and the profits were greater.

In 1974, I was elected to the Prince George's County Council and then I was elected to three terms as county executive. In 1994, I decided to run for governor. I campaigned to change the land use system that was producing sprawl congestion and environmental degradation. After my inauguration in 1995, I had a vague idea of what needed to change. I knew that we needed a policy that promoted reinvestment in existing communities and our smallest jurisdictions, but was not sure of what path to take. My thought was, "What do I do now?" While the path was not clear, it was clear that I needed to fulfill the promises I made during my campaign. I was aware that it would not be easy. And I was right. There was major opposition from the very beginning.

There was instantaneous resistance to even talking about the fundamentals of reforming land use policy. The Maryland Association of Counties, MACO, was one of the most vocal opponents. County officials, who play an important role in Maryland governance, saw land use reform as an erosion of their local autonomy. Interestingly, many of the executives from the largest home-rule counties were the biggest opponents even though they had some of the most destructive sprawl patterns in their jurisdictions, and presumably the most to gain, but obviously they did not see it that way.

Much of the business community, and the state chamber of commerce in particular, were opposed to Smart Growth. Those involved in land use issues, such as the home builders and realtors and even some of the farm associations, were formidable opponents. Most people involved in development viewed any type of land use policy changes with great suspicion. They feared that any growth management program would be anti-growth. Our

We knew the critical importance of building broad public support. We held hundreds of meetings before the legislation was introduced and while it was being proposed and debated. The meetings provided us with the opportunity to listen to the citizens and share with them what was happening in the Legislature.

biggest challenge was to prove that this was not the case. That, in fact, our program would be good for the economy, bring new jobs, and allow growth — but we would just do it differently. Even today, all across the country, the development community's first response to Smart Growth or any similar program is that it will be no growth. The Maryland experience to date has demonstrated in the strongest terms that this is not the case. (The farm associations, on the other hand, feared that they would not be able to convert their land into a retirement fund by selling and rezoning their land for subdivisions.)

In the spring of 1996, I directed my secretaries of the departments of the Environment and Natural Resources and the deputy director of the Office of Planning to work with my executive staff — in consultation with a representative of the environmental community — to discuss how we could implement a change in the state's land use policy. In particular, I wanted a plan for creating the support we would need to put it into effect. My legislative director then took the lead.

We immediately realized that, while gaining the support of the county governments was going to be very difficult, the municipalities were ready to aggressively address land-use issues. The first opportunity to work with the municipalities was at the Maryland Municipal League's Annual Conference. We focused on showing the destructiveness of sprawl instead of discussing a specific statewide solution. We knew that the mayors were well aware of the social, economic, and environmental costs of sprawl and we hoped to garner their support by floating the idea that any solution would bring more state and private money to their jurisdictions. This turned out to be an effective strategic move since we were able to solidify a strong base of support, and separate them from the counties.

Starting from this base, we began to build a coalition. The environmental community was immediately supportive and enthusiastic. We also sought community leaders from areas that were most affected by sprawl. They too were very supportive and, in turn, were able to bring many of the legislators from their jurisdictions on board. But these were the groups that were obviously not hard to persuade.

How to bring aboard those stakeholders who were invested in business as usual? How to balance enough competing interests to make a package that would pass the Maryland legislature?

First, we knew the critical importance of building broad public support. We held hundreds of meetings before the legislation was introduced and while it was being proposed and debated. The meetings provided us with the opportunity to listen to the citizens and share with them what was happening in the Legislature. In addition, we spread our message through the annual State of the State speech in January 1997, through visits to the editorial boards of newspapers, and through major policy statements, conferences, and meetings of various statewide groups. Smart Growth rapidly became one of the widely discussed issues in the state.

Second, we knew that we needed to divide and conquer the groups of opposition. To a point, we succeeded by convincing some of the groups' leaders of the merits of Smart Growth. For example, out of five Maryland homebuilders associations, two were supportive, two opposed the legislation, and one took no position. We realized that some of the groups, such as the Maryland Association of Realtors, we could not change and we would have to fight them to get the legislation approved.

In addition to these business organizations, we still had the counties to battle. At a minimum we wanted to ensure that MACO did not voice unalterable opposition and at best we vied for their support. We used the same approach of taking what support we could and then overcoming those who opposed the legislation. We were fortunate that the president of MACO, Baltimore County Executive Dutch Ruppersberger, supported our policy. In fact, he was aggressive about better land use and deemed a large part of upper Baltimore County as permanently preserved green space. He helped lessen much of MACO's opposition, essential to our success.

Third, we had a major factor in our favor. Maryland is unique. We are a state with interesting governmental budget powers. Constitutionally, Maryland has the strongest governor in the nation on the budget. The Legislature may not add or transfer anything in the budget. They can only cut expenditures. Reductions go back to the governor for reappropriation. It is the give and take of politics. The reappropriation amount, which reappears in the form of supplemental budgets, is often substantial — from tens to hundreds of millions of dollars. In addition, the supplemental budgets do not get submitted until the end of the session.

Legislators would come to the governor's

office and ask for support for their favorite projects. Not surprisingly, as the Maryland Smart Growth Program was before the Legislature in early 1997 — a package of five bills — I would find out what their position was on Smart Growth. In fact, I decided that I would not send the supplemental budget forward until after the vote on the package. The budget was held up even though we were nearing the end-of-session deadline in April until the final vote on Smart Growth. The pressure mounted on the Environmental Matters Committee chair, Ron Guns, a conservative delegate from the Eastern Shore, who was resisting the policy change and had the legislation bottled up. In addition, there were political issues, because the speaker of the House of Delegates was thinking of running for governor in 1998, and some perceived that he did not want my legislation to go through. In the end, however, we won. The entire Smart Growth package was enacted into law at the end of the session, and I released the supplemental budget.

There were numerous tools used, but the powers of personal and political persuasion through the use of the budget was the most successful. Once the legislation passed, we strengthened it every year during the next five sessions. Each time, the passage of legislation that added to the Smart Growth Program became easier because of increasing public support.

When I ran for re-election in 1998, I won by the largest margin in modern Maryland politics. The message was clear. Smart Growth had become a politically powerful issue. So, in the fourth and fifth year, legislators were clamoring to be co-sponsors of new Smart Growth legislation. In fact, in the 2002 elections, many local elected officials, Democratic and Republican, were turned out of office if they were perceived to oppose Smart Growth. From the conservative counties on the Eastern Shore to Carroll County, the most Republican county in the state, the people stated clearly that they believed in fighting sprawl.

Starting with five bills in 1997, it can easily be seen that Maryland's Smart Growth Program is not a single piece of legislation. Nor is it only legislation. One cannot go to the Maryland code and find a section called Smart Growth. Our program is a collection of laws, executive orders, budget mandates, administrative regulations, and policy directives.



Initially the program focused on existing communities through the Priority Funding Areas policy, the first and most important of the bills in the 1997 package. Priority Funding Areas capitalize on the influence of state expenditures on economic growth and development by directing state spending to existing communities and places where local governments want state investment to support future growth. Growth-related projects covered by the legislation include most state programs that encourage or support growth and development such as highways, sewer and water construction, economic development assistance, and state leases or construction of new office facilities. Developers are free to build outside Priority Funding Areas, but they cannot expect the government to provide these services. This simple but profound shift in state budget priorities was the foundation upon which we made all of our subsequent policy, programmatic, and budgetary decisions.

When we first proposed it, the Priority Funding Areas policy was primarily perceived as an urban policy. Legislators and local leaders from rural communities resisted, so the program was broadened to include rural village initiatives as well as significant open space and agricultural land preservation programs — the Rural Legacy Program.

The two programs complemented each other, producing an even stronger land preservation program, and also a better program politically — described by David Rusk in his book *Inside Game/Outside Game: Winning Strategies for Saving Urban America*. For the inside game, we invested in existing communities

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and made it easier for others to invest in those areas. These areas included all municipalities, the areas inside the Washington and Baltimore beltways, and areas that met certain criteria, listed later in this article. For the outside game, we implemented an aggressive program of incentives to preserve rural land. With Priority Funding Areas directing Smart Growth in the suburban areas and Rural Legacies protecting Maryland's villages, farms, and open space, we had a balanced package, and a very powerful one in the Legislature.

Importantly, the package also included brownfields legislation, which immediately gave Maryland one of the strongest brownfields programs in the nation. It provides for the evaluation of the extent of contamination in former industrial sites and the rules to receive a letter of no further liability from the state. By rehabilitating derelict buildings, it is a critical Smart Growth Program component, revitalizing inner cities and spurring infill development. There had been an attempt to pass brownfields legislation in 1996, but the environmental and business communities could not agree on terms. Because of this difficulty, the brownfields legislation was broken out and passed as an emergency measure in 1997. All sides now agreed on terms, and no one wanted to take the chance that one of the groups would change its mind.

Finally, two bills were aimed at employment, since state jobs programs have too often been an unintended driver of sprawl development. The Job Creation Tax Credit program gives credits to employers who create 25 or more new jobs in targeted growth areas. Most states have this type of credit; however, they give the credit no matter where the job location. And Live Near Your Work teams employers and local jurisdictions to offer closing costs to employees who buy homes in targeted neighborhoods near their place of employment.

The legislation that we introduced over the next five years strengthened these original programs. Responding to communities' requests for flexible Smart Growth funding, the Community Legacy Program provides financial support to revitalize communities — in ways the community identifies. Understanding that some people move to the suburbs for superior parks and playgrounds, the Community Parks and Playgrounds initiative provides funding to build new parks or improve older parks in Smart Growth communities. And, instead of just protecting lands that become available, the GreenPrint program iden-

tifies a statewide network of large ecologically significant hubs bound together by greenway corridors.

Later in this article, I will discuss some other measures in Maryland's Smart Growth Program.

As a footnote, the county commissioners who opposed Smart Growth in Carroll County were defeated in the 2002 election by pro-Smart Growth candidates. Dutch Ruppertsberger, the county executive in Baltimore County who had been pivotally supportive, went on to win election to the U.S. Congress representing Baltimore County, the city of Baltimore, and several rural counties.

Incentives matter, as environmental policymakers have become increasingly aware over the last dozen years. When we were drafting the legislation, consideration was given to adopting a Smart Growth program that was more regulatory in nature, similar to Oregon's model of the Urban Growth Boundary. We knew instinctively, however, that it would be politically impossible to get the votes together for that approach. That model was thirty years old and from the West Coast. It would not work for a small state on the East Coast with a strong tradition of local zoning authority. In addition, we were blessed with just 24 counties with large general-purpose government structures that could easily implement an incentive-based approach. We took the approach that the state would exercise its rightful authority by setting parameters for land use, but decisions would remain with the local governments.

We created an incentive-based program that would be more effective and more likely to be adopted by the Legislature. Under Priority Funding Areas, local governments would be asked to develop a local Priority Funding Areas map. Priority Funding Areas had to meet certain minimum state criteria. They had to be served by — or plan to be served by — public water and sewer service. For new residential development, the Priority Funding Area had to meet an average minimum residential density of 3.5 units per acre. In addition, each county's Priority Funding Area plan had to be consistent with that county's 20-year growth projections. We made it clear that projects in those areas were the only projects that would be funded by the state. While 3.5 units per acre does not seem like high density to some, we knew that this was the best number that would get through the Legislature. And it was better

than the 2.5-acre to 5-acre lot subdivisions that were being built in Maryland's suburbs.

In addition to legislation, executive orders and budget mandates were issued to ensure Smart Growth policy was followed by all state agencies. The 1998 Smart Growth Executive Order established the Smart Growth Sub-Cabinet and declared Smart Growth to be the policy of the state government. An important aspect of the Smart Growth Program was placing these "toolbox" initiatives under existing departments. The Smart Growth Sub-cabinet comprised the heads of the primary infrastructure agencies in the state — Environment, Transportation, Housing and Community Development, Natural Resources, etc. Regular meetings of the Sub-cabinet allowed the agency heads to discuss and coordinate their initiatives. This ensured that each agency was committed to implementing Smart Growth and made sure the state budget was being used to fully enforce the program.

In addition, in 2001, I created the Governor's Office of Smart Growth. Under the leadership of the former director of U.S. EPA's Urban and Economic Development Office, Harriet Tregoning, it served as the coordinating agency to ensure that colleagues in other state agencies are using the Smart Growth policy to guide their decisions. Her staff reviewed departmental budget proposals. If a proposal is not consistent with Smart Growth, that department was asked to revise it. If the department was uncooperative, the matter was brought to the attention of the budget director or, if necessary, the governor for enforcement.

All of these laws, directives, and offices do not matter if policies are not carried out correctly. It did not make sense for the state to be buying open space or development rights in a county while, at the same time, that same jurisdiction continued to zone for more subdivisions and sprawl development. And we wanted to make sure that local governments were using their policies, zoning, and building permits to reinforce Smart Growth. Those that did, like Baltimore County, received additional Rural Legacy funds. Those that did not, like Carroll County, received less funds — or none.

In 1997, I sat down with the executive director of the state Public School Construction Program, Yale Stenzler, and my chief of staff, Major Riddick, to discuss how money was invested in school construction projects around the state.



Maryland provides significant money to local governments for school construction each year, usually between \$250-300 million. It is distributed to local jurisdictions on a sliding scale based on income, averaging around 50 percent of the cost of each project. Before that meeting, most of the money went to new schools to accommodate overcrowding as a result of sprawl. The Interagency Committee on School Construction is an independent state agency that administers the Public School Construction Program. It is composed of the superintendent of schools, the secretary of the Department of General Services, and the secretary of the Department of Planning. At our request, the program had been moving investment in school construction toward renovation, rebuilding, and additions to existing schools rather than new schools in the outer suburbs. We sped up and formalized the implementation of that policy. The committee finally adopted guidelines for selection of construction projects making investment in existing schools in existing communities the number one priority.

Prior to this shift, 84 percent of school construction money went to build new schools in new, sprawl-driven suburbs. By the time I left office, 82 percent of school construction money went to existing schools. The state invested \$1.57 billion in public school construction projects during that time. I remember a sense of excitement in the older communities of Takoma Park and Silver Spring when five schools in the area were completely renovated and a major high school got a brand new science wing.

As we all know, when young parents are

I decided not to send the supplemental budget forward until after the vote on Smart Growth, even though the end of the session was near. The pressure mounted, but in the end, we won. The entire package was approved, and I released the supplemental budget.

looking to buy a home, the first thing they ask about is, "Where is the newest, best school?" Before our policy was implemented, it was this question that encouraged sprawl. After the policy took effect, parents did not have to leave existing neighborhoods for modern schools because they were right there in their communities.

Maryland's transportation planning capital budget allowed another major shift in policy. Specifically, we looked at whether new roads would produce sprawl and whether there was the right balance between mass transit and road construction. One way we redirected state funds to projects in Smart Growth areas was to ask: Does this project support sprawl or does it lead to reinvestment in existing communities? Following this approach, we eliminated five bypasses that had been planned for years because they would become a new main street encircling small communities, pulling investment from downtown.

We also revised our policy for using the transportation trust fund — the gas tax — and title fees. We used this money not just for the asphalt or concrete of road construction, but also to upgrade main streets. Through the Neighborhood Conservation program, the Maryland Department of Transportation helped communities revitalize downtowns by improving vehicular flow and safety, building connections to transit, and improving pedestrian and bicycle access. There was strong opposition to this restructuring of the transportation policy from the traditional road construction associations. With strong support from the municipal associations, the change was incorporated into law.

Earlier this year, the U.S. General Accounting Office released a study showing that Maryland was 48th in the country on new road construction spending even though our roads are rated excellent. At the same time, Maryland is 13th in the nation in spending on mass transit.

We changed transportation policy on road construction by refusing to fund any project that was environmentally unsound, and in general, if it would lead to more sprawl. The most controversial of the environmentally unsound projects was the Intercounty Connector, an east-west highway proposed in suburban Washington. The cancellation of this road was harshly debated, and, in fact, supporters are still trying to get it built. The idea for this road emerged 60 years ago and the projected construction costs are \$1.5 billion.

Mass transit funding was an essential part of the mix. The double tracking of the light rail in Baltimore cost \$180 million in order to reduce travel time and make the transit system more user friendly. We also extended the rails further out to accommodate some of the city's surrounding Smart Growth neighborhoods. Likewise, in the Washington suburbs, we extended the Metro lines further out. In addition, we completed a major expansion of bus services.

One of the major challenges we faced in enforcing budget mandates and policies was with independent organizations and agencies funded by the state. For example, a new courthouse was to be built in Hagerstown, in Western Maryland. The Judiciary's site-selection committee recommended a site outside of town on the main highway before the Smart Growth policy was in place. The primary criterion for the selection committee was parking. After Smart Growth was adopted and after a personal conversation with the new chief administrative judge for the District Court, the site was reconsidered, and moved to downtown Hagerstown. That courthouse is now built, open, and providing added economic activity to that Smart Growth area.

Also near Hagerstown, the University of Maryland sought to build a new campus. It found a beautiful site on a dairy farm, but it would require a new exit on the Interstate. Meanwhile in Hagerstown, a beautiful city with too many abandoned, deteriorating buildings as well as a fading economy, Mayor Robert Bruchey was pleading for the university to locate in the town. We were respectful of the fact that as a semi-independent agency it was the university's decision, but at the same time, we told them that we would not fund the project unless it was built consistent with Smart Growth policy — that is, downtown. The campus is now under construction in a beautifully renovated turn of the century department store in downtown Hagerstown. As a result, other activity is already beginning in this otherwise distressed neighborhood.

Sometimes, the strongest resistance to the new funding policies came from state departments mired in the status quo. For example, the Department of Social Services building in downtown Easton, on the Eastern Shore of the Chesapeake Bay, was overcrowded and a new building was clearly needed. A departmental site selection committee was formed to find a location for a larger building. The committee originally proposed a site

in a beautiful setting but five miles out of town. None of its customers could easily make use of a facility in that location. Downtown Easton had several abandoned buildings in the center of the review area. We decided to locate the building in an abandoned natural gas plant right next to the police station and the library. By doing so we solved two problems, we made the office easily accessible to its clientele, and we reused a brownfield.

The term Smart Growth does not accurately capture all of the initiatives and principles that were enacted under the different pieces of legislation, executive orders, and budget mandates in Maryland. Nor does it encompass the universal Smart Growth principles that we adopted during my chairmanship of the National Governors Association, from 2000 to 2001. Smart Growth encompasses better health, air quality, water quality, downtown revitalization, land preservation, economic vitality, increasing housing choices, walkable neighborhoods, compact building areas, expansion of transportation choices, and fostering a sense of community.

That sense of community was being lost in our established areas because of deterioration and disinvestment. It was difficult to completely renovate our older cities because of restrictions in the building code. That is why, in January of 2000, I introduced Smart Codes legislation to establish a new statewide rehabilitation building code and create model infill and mixed-use development codes. The purpose of the legislation is to encourage and facilitate the rehabilitation of existing buildings by reducing the costs and constraints of rehabilitation resulting from existing procedures and standards.

Another tool that we used to rehabilitate and renovate our downtown areas was the Historic Preservation Tax Credit. We broadened the existing credit to include liability on income taxes. Before that change, the credit was only for liability on property taxes. It did not have a significant impact on builders. They often sold the buildings after the renovations were complete and therefore they were not able to use a multi-year real estate tax credit. We shifted the credit to liability on future income tax. In addition, upon the recommendation of several builders, we changed the program to permit cash reimbursement of up to 25 percent of the costs of rehabilitating existing buildings. (This credit has since been reduced to 20 per-



cent by the Legislature because of pressure from the current economic slowdown.)

Community-action groups across the country are advocating for a change in land-use patterns in their states. They are making a difference. In fact, when I was in California recently, I learned that San Diego recently voted to further restrict growth outside of its Urban Growth Boundary area. Other states will use Maryland's incentive-based approach to reduce sprawl instead of the regulatory approach.

There is a great debate on how to recognize state interests in reducing sprawl and preserving open space and the environment while at the same time recognizing the tradition of land use decision making at the local level. Recently, I have had conversations with governors from the East Coast, the West Coast, and the Midwest as well as numerous advocacy groups in California, the Northeast, and in New England, about how to balance state and local interests. This part of the debate becomes crucial as they think through what parts of the program work best in their states.

Leaders from all across the country are excited about Smart Growth. There are two different models of leadership for the movement, coming out of these different approaches.

The first is top-down. This is leadership by governors or other statewide officials who are putting their energy into and behind Smart Growth successes in their states.



Prominent examples include Governor Jennifer Granholm of Michigan, Governor Mike Leavitt of Utah (now, of course, administrator of U.S. EPA), Governor Mitt Romney of Massachusetts, Governor Jim McGreevey of New Jersey, and the state treasurer of California, Phil Angelides.

The second model is community-up leadership. All across the country Smart Growth advocacy groups are accomplishing exciting things in the smart growth arena. Some notable examples include: The Vermont Forum on Sprawl, The Greenbelt Alliance in California, The California Futures Network, the Gamaliel Foundation, and 1000 Friends of Washington, with more 1000 Friends groups starting all around the country. All of these groups are doing an extraordinary job. There are also organizations not traditionally associated with Smart Growth that are now active, such as the League of Women Voters in Cleveland and Good Jobs First, a national organized labor-related organization.

While top-down leadership may lead to quicker action, my observation, not withstanding eight years as governor, is that the strongest long-term impact comes from the community-up leadership, with citizens leading the charge and creating change. Candidly, governors come and go, but a strong coalition of activists who know what their challenges are and have a strong commitment to Smart Growth will have the most impact in the long term.

At the beginning of the 20th century, Theodore Roosevelt and John Muir launched the movement to conserve our beautiful open spaces through wilderness and parks. Rachel Carson inspired the modern pollution control movement with her book *Silent Spring* in 1962. Many consider these to be the first two waves of modern environmentalism.

Smart Growth is the next significant step in environmental protection. "Unless fresh ideas are introduced, the continued growth of loose suburban areas will undermine our historic cities and deface the natural landscape," wrote the great philosopher of civilization Lewis Mumford in *Landscape and Townscape* in 1960. Unfortunately, the environmental movement that began with the publication of Carson's book two years later and which took off with the first Earth Day in 1970 paid little heed to Mumford's warn-

ing. But today, we are realizing the interconnectivity of our environment, our quality of life, and our land. Across the nation, we must come together to create an understanding of land use's broader impact. In many ways, the Smart Growth Program in Maryland, the growth management program in Oregon, and other efforts are significant next steps in the creation of the third wave of modern environmentalism based on land use — Mumford's "fresh ideas."

We must now take that next step in the modern environmental movement — a third wave of environmentalism. The third wave is based on the recognition that thriving, walkable communities are a prerequisite necessary to preserving our open space and agricultural land. The third wave understands that states must be aggressive in stopping sprawl and redirecting population growth and economic activity into existing communities or into new mixed-use new developments.

There is a sense of excitement all around the country and in many other nations about planning for better growth. We, as a nation, are at a turning point. What will be the vision for our future?

Consider the possible consequences if we fail to change our land use patterns: More and more farms plowed under and forests paved over, with nature ever distant from where we live. Growing and destructive traffic congestion that consumes our lives. The progress we have seen in the health of our environment reversed. Our cities all but abandoned, impoverished citizens trapped. Our sense of community lost.

This is a future we cannot accept. We must understand that it is within our power to prevent it.

Imagine a different future, a better vision that is within our power to create. A future based not just on economic prosperity, but on community prosperity — vibrant, viable, walkable communities. Where people spend evenings eating dinner with the family or at a daughter's soccer game, not sitting in traffic. Where people can work, visit a museum, or attend the theater in safety and comfort. Where our natural resources are not just protected — but restored.

Maryland's Smart Growth Program and its predecessors are the first ripples of the third wave of environmentalism. They are the first steps toward a better quality of life for future generations and the start of a better vision for America. •