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# Governmental Problems on the Urban Fringe

By Frederick D. Stocker

*Beset with many complex problems of its own, agriculture is perhaps entitled to the view that one which does not concern rural areas is metropolitan development and government. But the theme of this article is that metropolitan problems do concern agriculture. Urbanization, and in particular the massive movement of population into suburban communities and the open country beyond, do force many adjustments on rural communities. How rural people respond will not only govern the survival of agriculture in large areas of the Nation, but also will shape the urban landscape for generations to come. Nearly every large metropolis in recent years has undertaken studies of its growth trends and future prospects. They have tried to anticipate requirements for streets, schools, parks, water, sewers, and other public facilities. Economists, sociologists, and students of government have contributed studies, but with very few exceptions they take the viewpoint of the central city or the urban portions of the metropolitan area, and focus on policy issues in the city and the suburb. Students have largely ignored the effect of urban expansion on surrounding rural areas and policy questions that face these communities. This article considers some of the ways in which urbanization bears on agriculture and rural communities, and attempts to identify policy choices open to local government in or near metropolitan areas. By implication, the author raises some questions on which research is needed to enable rural communities to make decisions that will serve their own interest and that of the growing urban centers.*

**T**HE IMPACT of urbanization on agriculture is most obvious at the point where farmland actually goes under the bulldozer. In recent years, requirements for building lots, shopping centers, and new industrial locations, plus the roads, parks, and other public land uses that go along with urbanization, have been taking annually some 1½ million acres of rural land, about a third of which is cropland. This rate may be expected to increase rather than diminish in the next 15 to 20 years.

Urbanization frequently takes the best land out of production because the same qualities of topography, drainage, and location that make land suitable to agricultural production are attractive to urban real estate developers. Some farmland lost to urban uses probably is literally irreplaceable, as in the case of fruit- and nut-producing areas around San Francisco.

Perhaps even more significant than the physical changes in land is the economic impact of urbanization on agriculture. This includes the disruptive effects that spread out far beyond the urban area into what may be called a zone of economic influence. This zone may cover hundreds, even thousands, of square miles of open country around a large city. For every acre of farmland that actually goes under the bulldozer, many more are affected by the change in economic circumstances. Especially is this true when development occurs in leapfrog fashion, passing over much land not physically changed but harmfully affected for agricultural operations by economic change.

Urban expansion sets in motion several kinds of economic change. For one, it leads to a bidding up of land values. Sometimes the rise is associated with the immediate prospect of conversion

of the land to nonfarm uses. More often, prospective change in land use is remote, and the motive for buying farmland is speculative, arising from the prospect of selling it later at a higher price. Land market studies in metropolitan areas reveal that upward price pressures often extend far beyond the reach of any foreseeable urban expansion. These pressures have been one element in the strong uptrend in land values evident during most of the last decade.<sup>1</sup>

Urbanization also creates new problems for local government in the surrounding rural areas. The spread of population generates a demand for new and improved public services—schools, police and fire protection, water, and sewers. Increased traffic necessitates new roads and improvement in existing highways. Population growth underscores the need for building and sanitation codes, land use regulations, and long-range planning. In short, the rural portions of growing metropolitan areas are obliged to abandon the simple forms of rural government and, often almost overnight, to take on many of the attributes of modern city government.

To do this, of course, is not easy—and it is costly. Strain is placed on local community leadership and on local tax resources. Demands for a variety of public services that are costlier and of higher quality than those of the past join with rising farmland values to put a steadily growing tax burden on agriculture. Farms in counties in standard metropolitan statistical areas in recent years have borne a taxload almost double the assessments on farms in adjacent counties outside the zone of metropolitan influence, and taxes on farms in metropolitan areas are growing almost twice as fast as those outside.<sup>2</sup>

### Policy Alternatives

Rising farmland prices, enlarged demands on local government, and higher taxes are only a few of the repercussions of urban expansion. Only a sketchy understanding of their true nature and

<sup>1</sup> Forces that bear on the values of farmland in metropolitan areas are discussed in *Current Developments in the Farm Real Estate Market*, U.S. Econ. Res. Serv. CD 52, May 1959, p. 15, and CD 58, May 1961, pp. 13–15.

<sup>2</sup> *Farm Real Estate Taxes: Recent Trends and Developments*, U.S. Agr. Res. Serv. RET-1, June 1961.

causes is possible, to say nothing of their consequences for agriculture and rural people. Yet enough can be seen to recognize certain dangers in many present policies, and to indicate policy alternatives that hold promise.

One type of reaction of rural people to impending urban growth seems to be a futile attempt to turn it back. This motive often seems to lie behind such measures as incorporation of agricultural "cities," restrictive covenants among landowners who agree not to sell land to developers, and excessive reliance on exclusive agricultural zoning.

Urban expansion is in fact one of the technological imperatives of our time. The phenomenal growth in agricultural productivity has itself had much to do with urbanization in our society. Our past economic and industrial development made large cities necessary. Continued economic growth will unquestionably require still larger urban areas. When rural areas adopt policies toward urban growth, too often they try, unilaterally, to keep development out. The fallacy in such measures lies in the apparent assumption that more and more millions of people have clustered together in urban areas without good reason.

More common, though equally unrealistic, is the view that regards urban expansion exclusively in terms of opportunities for capital gains in the land market. Owners of land for miles around any growing city can, with little difficulty, visualize their tracts of farmland as sites for residential subdivisions or industrial plants. Local governmental action to plan or control the use of land, they feel, can only harm their prospects for profit. To the extent that they are able to influence local policy, therefore, they block efforts at regional planning or zoning.

Seldom fully appreciated is the fact that almost every city has within easy reach more land than it can utilize for a long time to come.<sup>3</sup> Unplanned growth may bring large gains to a few fortunate landowners, but it leaves many others disappointed. Worse, it tends to destroy the opportunity for continued economic use of land in agriculture, as well as the desirability of the area as

<sup>3</sup> Solberg, Erling D., *The Why and How of Rural Zoning*, U.S. Dept. Agr., Agr. Inform. Bul. 196, Dec. 1958, pp. 31–33.

a residential suburb. Large areas, to quote one student of the problem, are "effectively sterilized by premature sprinklings of miscellaneous suburban false starts and separate speculative landholdings."<sup>4</sup>

Urban expansion in some places has been met with a policy of trying to stop it and in others with a policy of unfettered exploitation; but it appears that too often, the response of rural people to problems arising from urbanization has been to ignore them. Perhaps this attitude is adopted deliberately, on the principle that if you pay no attention to a problem it may go away. It may result from failure or unwillingness to recognize problems, even those that are most imminent. Or rural people may recognize problems but feel that they are powerless to do anything about them.

Fragmentary evidence available on the failure of rural people to perceive emerging problems of urbanization and to deal realistically with them is not encouraging. Preliminary findings of one study indicated that of all groups in the selected community surveyed, full-time farmers were least aware of the advancing urban fringe and of the kinds of changes urbanization would bring. This lack of awareness was the more surprising in view of the fact that the particular community studied lies close to a large and growing metropolitan center, and, as was widely known, locally contained within its boundaries two interchanges for an arterial highway soon to be built.

The same study indicated that these full-time farmers exert influence over local policy out of proportion to their numbers. Under the circumstances, it is hard to be optimistic over the ability of such a rural community to deal wisely and successfully with the problems that will soon be upon it.

Whatever the reason for apathy, whether lack of recognition of well-marked trends and their probable consequences, or a deliberate decision not to become involved in what are regarded as other people's problems, it seems clear that agriculture and rural people in general can ill afford to ignore the process of urbanization. The problems are not other people's; they are everybody's.

<sup>4</sup>Mason Gaffney, "Comments on Clawson's Suburban Development Districts," *Jour. Amer. Inst. Planners*, Vol. 27(1): 79, Feb. 1961.

It is often said that there are no longer any urban problems in our metropolitan areas, but only metropolitan problems. Past experience shows that, economically and socially, metropolitan centers and the surrounding areas are becoming more and more closely integrated. A milkshed from which a metropolitan area draws its milk supply may extend over hundreds of square miles, and water may be obtained from distant sources. Adjuncts to urban living such as water reservoirs, airports, golf courses, regional parks, and industrial parks typically lie in rural areas.

In modern society, decisions taken by cities necessarily have an impact on the outlying rural communities. The reverse is equally true. If rural areas ignore problems created by metropolitan expansion, or if in effect they adopt a policy of no policy, the results are likely to be unsatisfactory to all concerned.

### Toward More Effective Local Government

If this appraisal is valid, it follows that prevailing attitudes and policies of rural communities toward urban expansion often may not serve the long-range welfare either of the inhabitants of growing urban areas or of rural people themselves. The alternative, if metropolitan problems are to be dealt with successfully, is for rural people to involve themselves positively and constructively in governmental policy questions of regionwide significance.

Perhaps one way in which agriculture can contribute to the solution of problems of urbanization, at the same time protecting legitimate rural interests, is to join in working toward more viable government in metropolitan areas. The complex and inefficient structure of local government is common knowledge. What is not recognized is the degree to which rural people share responsibility for the situation. Observation suggests that the inhabitants of rural areas around growing urban centers have generally acquiesced in, even actually encouraged, the incorporation of new residential communities. Rural people frequently have been unwilling or, under limitations of State law, unable through county government to provide urban-type services to these new developments. Under such conditions, communities that wanted urban-type services have in effect been told to work them out for themselves.

This policy of disengagement may cause rural people to lose any voice in decisions of areawide significance, and may result in urban areas pushing off their problems on relatively defenseless rural people. Disposal of sewage wastes and relocation of displaced persons owing to slum clearance and urban renewal are examples of city problems often exported into the country, where weak rural governments are ill-equipped to deal with them.<sup>5</sup> Worst of all, an unwillingness of rural people to become involved in metropolitan problems creates a legacy for the future in terms of poorly planned (or unplanned) development, inefficient and uneven levels of governmental services, and a fragmented and unproductive local tax base.

Instead of following a policy of disengagement from problems of areawide significance, farmers and other rural members of the community would do well to face involvement as inevitable and take steps to make the most of it. This means working toward governmental arrangements that recognize the interrelated nature of all parts of the metropolitan region and deal with common problems—public transportation, water and sewage, planning, and others—on a regionwide base.

Such an approach is in line with recent recommendations of the Committee for Economic Development in its report entitled "Guiding Metropolitan Growth." In a major recommendation, CED calls for the "modernizing of governmental structures in metropolitan areas so as to enable them to carry out more efficiently and effectively those public responsibilities which are clearly metropolitan in scope."

Noting specifically the need for a metropolitan approach to the provision of open space for future development and recreational needs, as well as to problems of transportation, air pollution and the like, the CED report continues: "These matters cannot be tackled by small local jurisdictions. A metropolitan level of government could cope with these matters without sacrificing local control."<sup>6</sup>

<sup>5</sup> This point is developed by C. J. Hein in "Metropolitan Government—Residents Outside the Central Urban Areas," *Western Political Quarterly*, September 1961.

<sup>6</sup> *Guiding Metropolitan Growth, a Statement on National Policy* by the Research and Policy Committee of the Committee for Economic Development, August 1960, p. 9.

Among governmental activities that have area-wide significance, none has greater import to agriculture than land-use controls. The specifics of these controls need not be set forth in detail here. It is worth noting, however, that success in planning and zoning depends on wholehearted support from the community. When support is not given or is not strong enough to block the concentrated efforts of those who seek special exceptions, the program fails. Farm groups may be listed among those who have often failed to appreciate the advantages to agriculture in controls to head off speculation in undeveloped lands. Thus the ruinous effects that such speculation has on farming throughout a wide zone around an urban center are not foreseen.

The preservation of agriculture around our growing cities depends on effective control of the pace and direction of residential, commercial, and industrial expansion. Regional planning bodies are the means to such controls. Zoning is one of the chief tools. Rural groups would do well to support the principle of land-use planning both to their own advantage and to that of the community at large.

### Tax Problems for Farmers

Urban expansion gives rise to fiscal problems for local governments in surrounding rural and semirural areas, and tax problems for farmers and their neighbors. The problem is how to finance the new and expanded public services that a growing population requires. Many a small rural school district, operating a one-room grade school, has come face to face with this problem when a builder comes in and puts up several hundred low-price homes on what hitherto has been farmland. How are the new schools to be paid for? State aid doubtless has a role. Nevertheless, most of the load rests still on the property tax.

The property tax problem has in fact become acute in areas where urban influences spread into the surrounding countryside, raising governmental costs and pushing the price of farmland far above values that can be supported in farming. The resulting tax pressures often force farmers either to sell their land to a speculator or developer or else in effect to become speculators themselves. A farmer in this position needs to keep

an eye on his farming operations and at the same time to be always alert for a chance of selling his farm advantageously. Effective planning helps to minimize speculation in fringe-area farmland and thus enable a farmer to keep his mind on his farm business.

Several States deal with the problem of excessively burdensome taxation through laws designed to hold down assessments of farmland in rural-urban fringes. Maryland and a few other States now require land used for agriculture to be assessed for taxation on the basis of its agricultural value alone, without regard to other factors that may influence its selling price. Research on the effects of such a law indicates that substantial benefits result for individual property owners. But when these laws are conceived exclusively as a form of tax relief to owners of farmland, without regard to the interest of the community at large, their rationale is weak and their effectiveness questionable.<sup>7</sup>

There may well be a place in a well-ordered property tax system for preferential taxation of farmland, but its workability, like that of any system of regional planning, depends upon its enforcement on an areawide basis to serve the needs of the entire community. This is possible only if farmers and other rural people involve themselves in an active way in governmental decisions that affect metropolitan areas.

Rural areas can exercise a voice in metropolitan area problems through various arrangements.

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<sup>7</sup> House, P. W., *Preferential Assessment of Farmland in the Rural-Urban Fringe of Maryland*, U.S. Econ. Res. Serv., ERS-8, 20 pp., illus. June 1961; and *State Action Relating to Taxation of Farmland on the Rural-Urban Fringe*, ERS-13, 23 pp., August 1961.

Some involve formal reorganization of existing governments. Among these are the urban county plan, city-county consolidation, organization of multipurpose metropolitan districts, and metropolitan federation. A new proposal calls for establishment of suburban development districts having wide powers in new development areas.<sup>8</sup> Less thoroughgoing reorganizations, involving formal or informal cooperation of representatives of existing local jurisdictions, also are possible.<sup>9</sup> We need to examine the experimentation that is taking place in various forms of metropolitan government. Close study of the growing body of experience would reveal the merits and weaknesses of each from the standpoint of the rural areas involved.

Some form of areawide governmental machinery will certainly produce better results for agriculture and for urban people than does the present system, with its powers of decision making scattered and its tax base fragmented. A policy of disengagement cannot serve the long-run advantages of inhabitants of either the rural or the urban portions of metropolitan areas. Governmental decisions of areawide significance are being made and will continue to be made in every growing metropolitan area. Establishment of some system whereby rural areas can participate in these decisions is vital to the welfare of the entire community, especially to its agricultural segments.

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<sup>8</sup> Clawson, M. W., "Suburban Development Districts," *Jour. Amer. Inst. Planners*, 26(2) : 69-83. May 1960.

<sup>9</sup> The major alternatives are summarized and compared by C. J. Hein, in "The Stake of Rural Residents in Metropolitan Government," U.S. Econ. Res. Serv. Misc. Pub. 869, July 1961.