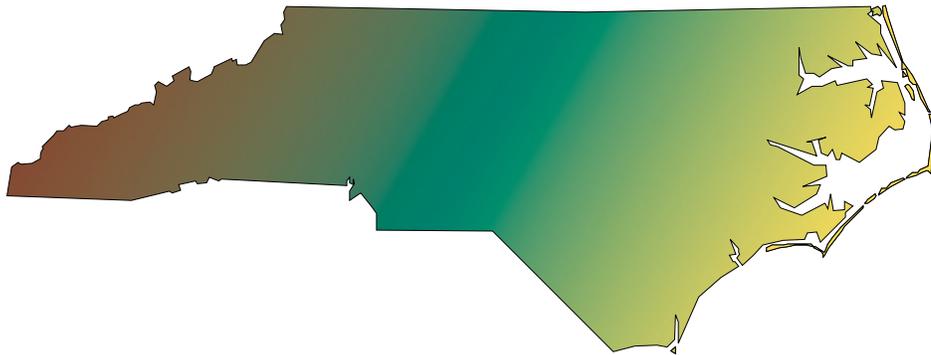


# **Commission on Smart Growth, Growth Management and Development:**

**Findings and Recommendations**



**Fall 2001**

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## A Message from the Co-Chairs

North Carolina is blessed with scenic treasures, a rich cultural heritage and a strong economy. Within a generation, we've transformed from an economy based on agriculture and traditional manufacturing to a leader in high tech and banking. We are well positioned to prosper in the emerging New Economy.

Yet this change brings problems that we ignore at our own peril. More than a million people have moved to North Carolina since 1990. Precious farmland and open spaces are vanishing. Sprawling communities mean more driving to complete life's basic chores and less time with families. Schools are overcrowded. And too often, our children are forced to play inside because the air is not safe to breathe. We must do better.

The key question for North Carolina is not whether to grow, but how. We can grow by chance or by choice. If we grow by chance, we have to accept the results. If we grow by choice, we can keep our communities livable, affordable and vibrant.

On January 31, 2000, a Commission assembled to address smart growth, growth management and development issues in the state. The Commission's charge was to study ways in which the state could help communities grow in a way that promotes economic vitality, protects natural resources, and enhances our quality of life. In other words, to grow by choice.

Commission members came from all walks of life - farmers, builders, doctors, bankers, lawyers, local elected officials, environmentalists, and others - and from all over the state. Each came with ideas and notions about what the state should do, if anything, to manage growth and development. And each left with a new found appreciation for the complexity of issues facing the state and for the commitment and dedication of those working to address those issues.

This report details the Commission's findings. It represents months of study, debate, and consensus building. We would like to thank each and every commission member for the hard work, wisdom and patience they brought to charting a new course for the state.

It has been our distinct pleasure to serve as Co-Chairs of the Commission.

Sincerely,

  
Senator Howard Lee

  
Representative Joe Hackney



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Written by Barry Jacobs with Meg Ryan O'Donnell and David Salvesen

For copies of this report or further information regarding the Commission on Smart Growth, Growth Management and Development, write to North Carolina General Assembly, Legislative Building, 16 West Jones Street, Raleigh, NC 27603 or call (919) 733-4111.



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## I. EXECUTIVE SUMMARY

North Carolina is sustained through good times and bad by a rich and varied environment, a hard-working and independent-minded populace, and a longstanding commitment to education. Those virtues helped the state become a leader of the New South, and more recently a national leader in the high-tech economy.

North Carolina's strengths spurred a 21.4 percent increase in population during the 1990s, the country's ninth-fastest growth rate. Nearly three-quarters of the growth occurred in the state's seven largest metropolitan areas, as for the first time urban residents came to outnumber their rural and small-town neighbors. Tourism and retirement settlement brought an influx of people to coastal and mountain counties, while banking and technology-related industries fueled a boom in jobs and development in the urban Piedmont.

For most of the past decade North Carolina enjoyed one of the country's lowest unemployment rates and many citizens saw a handsome rise in personal income. Attractions of setting and circumstance led numerous surveys to praise parts of the state for a winning quality of life. Forward-looking programs were initiated at the state and local levels for such purposes as protecting open space and water quality and promoting restoration of tainted and abandoned industrial sites. In 2000, North Carolinians approved the largest bond issue in state history, \$3.1 billion to improve the university and community college systems.

Yet explosive growth proved a mixed blessing in North Carolina.

"Have we gotten the growth we asked for," inquired Lucy Allen, mayor of Louisburg and past president of the N.C. League of Municipalities, "only to find that we have married a stranger with a less pleasant side?"

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*"Nearly three-quarters of the growth occurred in the state's seven largest metropolitan areas, as for the first time urban residents came to outnumber their rural and small-town neighbors."*  
=====

Conventional forms of development, spawned by government policies, produced clogged roads, degraded air and water quality, overcrowded schools, and a landscape stripped of much of the farmland and undisturbed open space that lends North Carolina its distinctive character.

Urban-style traffic jams grew common. Ozone alerts and air quality warnings became part of everyday life. Mobile classrooms proliferated. Housing prices and rents soared. Polls showed

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*“The key question for North Carolina is not whether to grow, but how.*

*We can grow by chance or by choice. If we grow by chance, we have to accept the results.*

*If we grow by choice, we can keep our communities livable, affordable and vibrant.”*

- Sen. Howard Lee and  
Rep. Joe Hackney



*“I remember when quality of life didn’t come up. Now the best businesses ask you about it.”*

- Gov. Jim Hunt



*“Our economy and commerce require - and our compassion demands - that we improve the human condition of all citizens.”*

- Gov. Mike Easley



*“We rise and fall, not as rural and urban, but as one state.”*

- Speaker Jim Black

increasing citizen dissatisfaction with traffic and degradation of the environment, concerns shared by executives contemplating business relocations to North Carolina.

“I remember when quality of life didn’t come up,” then – Gov. Jim Hunt said. “Now, the best businesses ask you about it. They want to know how you’re handling things like congestion.”

Growth also brought uneven benefits. While jobs and resources flowed to new urban and suburban communities, prosperity tended to skip low-income residents, inner cities and rural areas. Natural disasters, plunges in farm commodity markets, and record numbers of manufacturing plant closures exacerbated inequalities in prosperity.

“Our economy and commerce require — and our compassion demands — that we improve the human condition of all citizens,” Gov. Mike Easley stated in his January 2001 Inaugural Address. “That is the most basic and, at the same time, the most significant value North Carolinians share.”

Studies from broad-based groups as diverse as the Rural Prosperity Task Force, the North Carolina Progress Board, the 21st Century Communities Task Force and the Commission for a Competitive North Carolina called for changes in the way the state handles development.

“We rise and fall, not as rural and urban, but as one state,” said Jim Black, Speaker of the N.C. House.

Recognizing these concerns, in 1999 the North Carolina General Assembly created the Commission to Address Smart Growth, Growth Management and Development Issues. The commission was charged with recommending “initiatives to promote comprehensive and coordinated local, regional, and State planning” as well as studying ways to modify the benefits of growth in such a manner as to “enhance the quality of life for the citizens of North Carolina.”



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The 37-member Smart Growth Commission, representing a wide cross-section of public and private interests, convened on 14 different occasions beginning on January 31, 2000. Four work groups were established to augment the efforts of the entire body, with additional members solicited to broaden the views represented: “Community and Downtown Vitality,” “Farm and Open Space Preservation,” “Regional Partnerships” and “Transportation.”

Called “some of North Carolina’s most creative thinkers” by co-chairs Senator Howard Lee and Representative Joe Hackney, commission members met around the state, studied growth management strategies and ideas from other states and from within North Carolina, and solicited public comment.

Nearly a year’s work, marked by spirited debate and protracted consensus-building, produced a comprehensive report which offers an unprecedented, statewide approach to managing growth in North Carolina.

Through its findings and recommendations, the Smart Growth Commission has articulated an approach to allocating resources to guide and support development that is flexible, proactive, frugal, and incentive-based. The Commission recognizes some local and state government programs in North Carolina already employ smart growth principles, but in a disjointed manner that requires coordination and a unifying vision. The report therefore outlines a leadership role for state government in providing direction, tools, and support for growth management, while promoting cooperative solutions and respecting local prerogatives and private property rights.

#### **Core Principles Advocated by the Smart Growth Commission:**

- North Carolina citizens and government should articulate the sort of growth they want rather than leave choices to chance;
- Growth can be managed while being encouraged;
- Smart growth is preferable because it makes efficient use of public resources such as infrastructure, taxes and the environment;
- Local governments are the best venues for addressing growth issues, but require increased flexibility and options to do so effectively;
- Public participation and private property rights are key elements of growth management;
- State efforts should be directed toward establishing a smart-growth framework, and toward providing tools and resources to local governments to plan for growth;



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- Incentives should take precedence over directives as state policy promotes smart growth;
  - Regional solutions are essential in areas like transportation and open-space planning;
  - State decisions should, whenever possible, be coordinated with local and regional plans; and,
  - The benefits and burdens of growth should be shared.

Smart Growth Commission members repeatedly heard of nearby states forced to attempt corrective action after enduring more change and development than their infrastructure, institutions, environment, and residents could handle. Recognizing our state is on a similar course, the Smart Growth Commission offers a different, better vision for North Carolina.



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## II. WHERE WE ARE

Admiration for North Carolina's considerable charms is no recent phenomenon. John Lawson wrote in 1714 in the first extensive natural history of the state:

"When we consider the Latitude and convenient Situation of Carolina, had we no farther Confirmation thereof, our Reason would inform us that such a Place lay fairly to be a delicious Country...(with) a sweet Air, moderate Climate and fertile Soil; these are the Blessings, (under Heaven's Protection) that spin out the Thread of Life to its utmost Extent, which, when joined with Content, renders the Possessors the Happiest Race of Men upon Earth."

Nearly three centuries later the state of North Carolina has more than 8,000,000 inhabitants and is known internationally for everything from higher education to high tech, tobacco to college basketball, banking to the Outer Banks.

But dramatic change arrived during the last decades of the 20th century. North Carolina experienced unprecedented population growth, outpacing the national average. A booming economy largely spurred the influx. Unemployment plummeted as the state added more than 800,000 jobs during the 1990s alone. Good infrastructure, improving public education, and aggressive recruitment of industry were key attractions. So too was the state's widely lauded quality of life which also made North Carolina a prime retirement destination.

*Photo: NC Division of Tourism,  
Film and Sports Development*

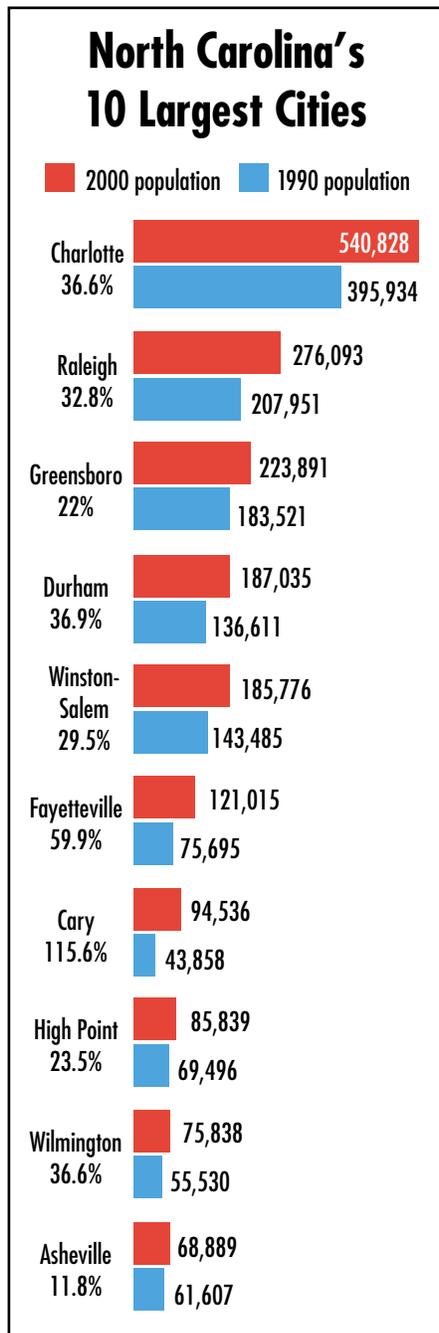


*NC became a prime retirement destination during the 90's.*

During the nineties North Carolina added 1,400,000 residents, the sixth-largest increase by any state. Continuing earlier trends, 54 percent of the influx occurred in three metropolitan areas: Charlotte-Mecklenburg, The Triad (Greensboro/Winston-Salem/High Point) and the Triangle (Raleigh/Durham/Cary/Chapel Hill). Charlotte solidified its position as a national financial center. The Research Triangle Park (RTP) between Raleigh and Durham burnished its already impressive standing in the research community.

Charlotte and the Triangle area accounted for 44 percent of the state's population growth during the nineties. The Triangle was the nation's sixth-fastest growing metropolitan area of 500,000 or more, Charlotte the 11th-fastest. The town of Cary, at the epicenter of the Triangle region, grew from 7,430 residents in 1970 to more than 100,000 in 2001. Population gains, including annexations, made Charlotte the country's 25th most-populous city, surpassing Denver, Fort Worth, New Orleans and Kansas City.

Nearly three-quarters of North Carolina's 1990s population surge occurred in its seven largest metropolitan areas as, for the first time in history, the majority of state residents were found in urban settings. The trend spurred downtown revivals as tourists, retirees and others flocked to smaller cities like Asheville in the mountains and Wilmington on the coast. Wilmington, at the eastern terminus of a completed transcontinental Interstate 40, experienced a 36 percent rise in population during the nineties, and nearby Brunswick County grew by almost 40 percent.



Source: U.S. Census Bureau

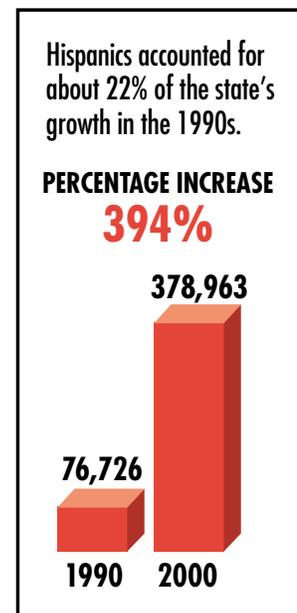
The state's growth was reflected in burgeoning development within and beyond metropolitan areas. Suburbs seemingly sprang up everywhere. Housing stock increased 25 percent, with more than 800,000 homes constructed in North Carolina during the nineties. (Mobile homes accounted for 18 percent of all North Carolina dwellings in 2000.)

The average North Carolina median household income rose approximately \$2,000 during the decade, from \$36,000 to about \$38,000, using inflation-adjusted dollars.

Growth also brought more commercial variety and cultural diversity. Minorities accounted for more than half of the state's population increase in the nineties; more than one in five people added to North Carolina's population during the decade were Hispanic.

But rapid prosperity, and the shape it took, brought difficulties as well.

"We're loving North Carolina to death," Stan Riggs, emeritus geology professor at East Carolina University and an expert on coastal issues, told the Smart Growth Commission.



Source: U.S. Census Bureau



North Carolina lost farmland — and with it vital open space, commerce, and rural character — at the nation's fifth-fastest rate from 1992-97. An estimated 11.6 acres per hour were converted to developed uses across the state during that period, a rate extended in subsequent years. In Mecklenburg County, by 2000, only 46 of 528 square miles remained beyond the jurisdiction of Charlotte or one of its suburbs.

*Photo: NC Farm Bureau Association*

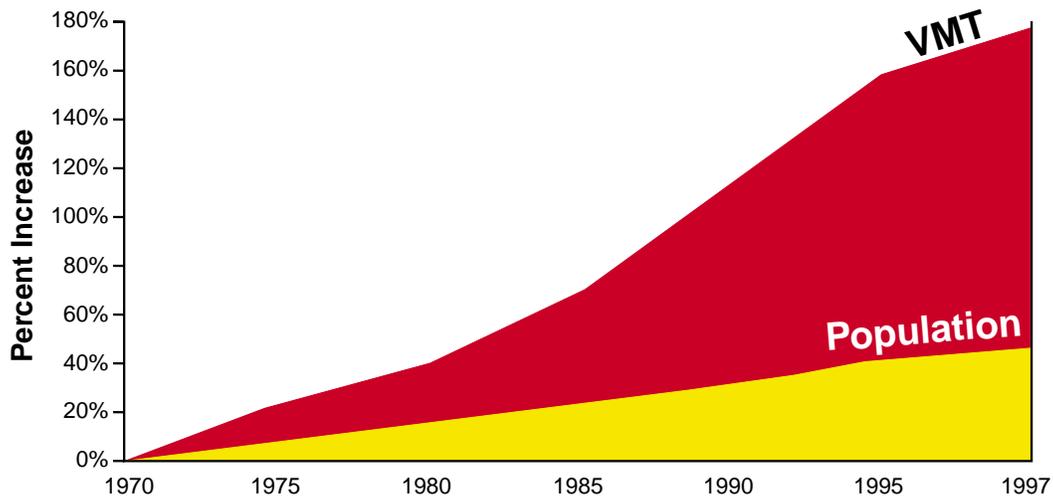


*NC lost farmland faster than all but 4 other states in the 90's.*

“This isn't like the kind of city-suburban split you see in the rest of the country,” Robert Lang, an urban expert at the Fannie Mae Foundation, said of North Carolina's 1990s growth. “The state's cities are so suburban in nature that they grew at nearly the same rate as the suburban counties that they're in.”

Traffic jams increased in duration and extent, becoming an unavoidable part of life even in many small towns. Meanwhile, commutes grew in miles as well as minutes as development spread farther from employment centers. From 1989 to 1998, while the state's population rose 16.1 percent, vehicle miles traveled, a measure of highway usage, grew about twice as fast. Large existing and prospective employers began expressing concerns about commuting difficulties.

### N.C. Population Growth versus Vehicle Miles Traveled (VMT)



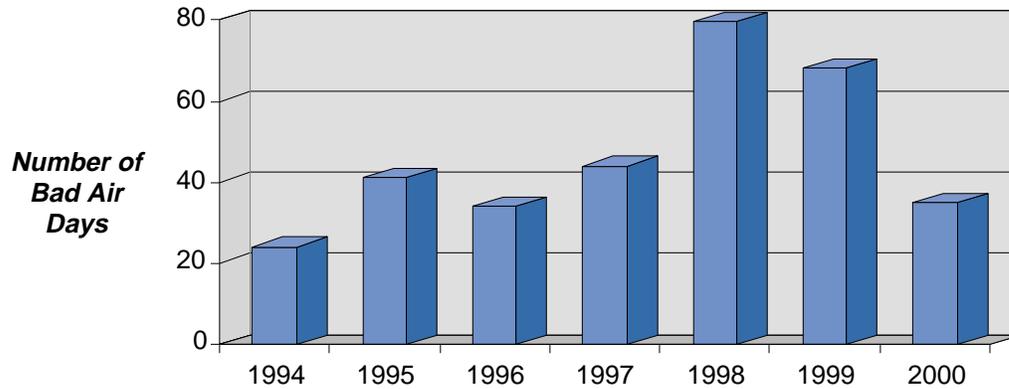
*Source: NC Department of Transportation*

With clogged and extended transportation arteries came a corresponding deterioration of air quality. North Carolina was third nationally in the number of air quality violations in 1999. Ozone alerts and Codes Orange and Red entered the lexicon of common discourse. Incidence of asthma and other



respiratory ailments rose dramatically; death rates from asthma have tripled nationally in 20 years, with children disproportionately affected. Visibility in North Carolina's mountains dropped 80 percent in 50 years.

### Ozone Trends in North Carolina



Source: NC Department of Environment and Natural Resources, Division of Air Quality

Students flooded public schools at unprecedented rates in many communities, exceeding existing capacity to serve them. Mobile classrooms proliferated, and county governments charged with providing school facilities found they could not do so without incurring substantial debt.

Brisk demand for housing drove up costs of land and construction, which in turn meant more expensive purchase and rental prices. Housing costs in Charlotte, Chapel Hill and Raleigh far outstripped rises in area median income. Residential re-segregation, by price as well as race, accelerated. Rents as a proportion of income were higher than the national average in Wilmington, Charlotte and the Triangle. Increasingly, those providing essential public services — teachers, police, firefighters, sanitation workers — found themselves priced out of markets where they were employed. Solid waste reduction ground to a halt statewide, with construction and demolition debris a mounting problem.

***“We’re loving North Carolina to death.”***

***– Stan Riggs***

Increases in impervious surfaces (pavement and roofs) and other land disturbance from construction compromised water quality and led to downstream flooding, exacerbating difficulties already posed by development in floodways and floodplains.

Natural habitats diminished in size and in their effectiveness supporting wildlife. Landscapes integral to a sense of place were altered or vanished entirely.

“Our tree canopy is a great asset,” Martin Cramton, planning director for the Charlotte-Mecklenburg Planning Commission, said in a presentation to the Smart Growth Commission.



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Yet urbanizing areas saw a profound and accelerated loss of forest cover — between 1987 and 1997 the Triangle, for example, saw development consume 148,600 acres, about half carved from woods.

“Growth can mean new opportunities, new choices and better jobs for our people,” former governor Jim Hunt said. “But growth can come with consequences: Congestion, pollution and loss of greenspace all can seriously affect our quality of life.”

**“...we can't continue to advance with our larger cities rushing ahead and many of our smaller towns and rural counties stagnating...”**  
— **Erskine Bowles**

Nor were the benefits of growth evenly distributed.

Reporting in July 2000, the Brookings Institution noted that in North Carolina “rural areas and areas with high concentrations of minorities are being left behind.”

Despite North Carolina’s overall prosperity, the proportion of those living in poverty as defined by the federal government remained steady at 13 percent over the course of the decade, surpassing one million residents. The poverty rate was 14.5 percent in the state’s 85 predominantly rural counties in 1997, compared to 10.7 percent in the 15 urbanized counties. Twenty-six counties, most in the eastern part of the state, had at least 25 percent of their children living in poverty.

During the nineties, 37 percent of the state’s manufacturing jobs were eliminated, with traditional industries — textiles, tobacco, and furniture — especially hard-hit. Smaller communities also suffered as agricultural commodity prices fell while costs, residential growth pressures, and the average age of farmers rose. These damaging trends were amplified, particularly in the eastern part of the state, by the devastating impact of several hurricanes, most prominently Fran in 1996 and Floyd in 1999.

“We’re a state with a proud history, but we can’t continue to advance with our larger cities rushing ahead and many of our smaller towns and rural counties stagnating or even declining,” said Erskine Bowles, chairman of the N.C. Rural Prosperity Task Force.

*Photos: Ben Hitchings, Triangle J Council of Governments*



*Hurricane Floyd devastated thousands of homes in eastern NC.*

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By February 2000, when the Rural Prosperity Task Force released its report, the North Carolina General Assembly had set in motion a “Commission to Address Smart Growth, Growth Management and Development Issues.” The group was charged with examining growth trends and strategies throughout North Carolina and other states, and with producing findings and recommendations that would support quality development and future prosperity.

The 37-member commission, co-chaired by Senator Howard Lee and Representative Joe Hackney, convened on January 31, 2000 and met on 14 separate occasions over the next year. Commission members filled specified slots and were appointed by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. Members included state legislators; mayors and county commissioners; state department secretaries; and representatives of medical, financial, development, agriculture, real estate, environmental, university, planning, and tourism interests.

***“The group was charged with examining growth trends and strategies throughout North Carolina and other states”***

There were additional, smaller meetings as the membership was broken into four work groups — Community and Downtown Vitality, Farm and Open Space Preservation, Regional Partnerships and Transportation. Additional interested parties participated, some by invitation based on their expertise.

*Photo: NC Coastal Federation*



*Emerald Isle, North Carolina*

All meetings were public.

The Smart Growth Commission met primarily in Raleigh, though the full membership also convened in Charlotte and Wilmington. The commission was addressed by Mayor Pat McCrory in Charlotte and by Mayor David Jones in Wilmington. In both cities commission members toured rehabilitation projects, new developments, and disadvantaged areas where smart growth efforts were underway. Work groups ventured out on their own as well; Farm and Open Space, for instance, met in six different counties.

In keeping with its charge, the commission and its work groups heard presentations on growth management programs and strategies from Florida, Georgia, Maryland, New Jersey, Oregon, Pennsylvania, Tennessee, Vermont and Washington. National experts were called in to discuss farm preservation, open space protection, development trends, and transportation alternatives.

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Presenters from government, the private sector, and public interest groups throughout the state addressed a gamut of issues — the benefits of regional planning; the scope and limitations of existing state programs; gaps between state mandates and local capabilities and will; the importance of coordinating transportation spending and land-use; and the need for aggressive action to protect fast-disappearing open space.

Ongoing smart growth projects and thinking within North Carolina were highlighted: Kinston's relocation of floodplain development, including a major wastewater treatment plant, following Hurricane Floyd; redevelopment of tainted industrial sites called "brownfields" in Wilmington and Charlotte; "New Urbanist" design in Huntersville and Wilmington; efforts to eliminate "straight-piping" of human wastes into mountain streams; creative redesign of a commercial district in Raleigh; a park project undertaken as a partnership by two nonprofits and Durham and Orange counties to protect water quality and provide low-impact recreation along the Little River; ongoing refinements of the Coastal Area Management Act (CAMA).

*Photos: Kimley Horn*



General discussion by the full commission, and more elaborate study by the appropriate work groups, followed these presentations. The work groups presented their final reports on January 18 and 19, 2001. Following review and debate, the full commission adopted the findings and recommendations of the individual work groups. (The findings and recommendations of the Regional Partnerships workgroup were incorporated earlier by the other three work groups and thus they did not present a final report.)

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- Regional solutions are essential in areas like transportation and open-space planning;
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- The benefits and burdens of growth should be shared.



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### III. HOW WE GOT HERE

The genesis of much traditional land-use planning in the United States traces to the 1920s, when the U.S. Department of Commerce under Secretary Herbert Hoover promulgated a series of model codes that advocated strictly separated uses. Zoning by function, combined with a series of policy decisions following World War II, defined the shape of growth for the next half-century.

“Governmental policies inadvertently fostered sprawl,” said Parris Glendening, governor of Maryland and a leading advocate of smart growth planning.

In part, the free market simply produced suburban-style development in response to demand. Yet this didn’t occur in a vacuum. For more than 50 years the federal government gave preferential treatment to home ownership and low-density development through construction and design of interstate highways and other roads meant in part to disperse industry and traffic in the event of nuclear attack; tax deductions for mortgage interest that constituted the nation’s sixth-largest expenditure in fiscal 1999; liberal extensions of infrastructure like water and sewer; and readily available flood plain insurance.

“One unintended consequence of the tax code’s favoritism toward home ownership was the growth of suburbs and urban flight,” wrote Michael Lowery in “Carolina Journal,” a publication of Raleigh’s John Locke Foundation.

Exacerbating the problem, the trend “institutionalized as national policy the wholesale clearance of the built environment rather than its repair,” wrote Richard Moe, president of the National Trust for Historic Preservation.

Low-density development is particularly prevalent in the South, where growth rates were highest during recent decades. The pattern is certainly evident in North Carolina, where the state and many local governments have taken a laissez-faire attitude toward managing growth: of the nation’s 50 largest metro areas in 2000, three of the five least densely populated were Charlotte, Greensboro, and the Triangle.

*Photo: NC Division of Tourism, Film and Sports Development*



*Greensboro, NC's third largest city, grew by 22% during the 90's*

Most zoning and subdivision codes, as well as tax and lending policies, serve to severely limit the

Photo: Ben Hitchings  
Triangle J Council of Government



Vermillion Court, Charlotte, NC

range of development options. Yet changing demographics and shifting markets require increased flexibility — studies show that houses in developments incorporating access to shared open space are more valuable than those in standard subdivisions, and older residents often prefer to forgo maintenance of individual yards.

“Government is part of the problem,” said Angus King Jr., governor of Maine. “We believe people would prefer an environmentally sensitive alternative if it was put before them.”

Prevalent forms of development require getting in a car to do everything from buy a loaf of bread to go to work to walk in a field. Sidewalks are uncommon in most non-urban subdivisions, and often developments are not connected. One-quarter of all automobile trips are under a mile in length.

Nationally, fewer than one student in eight walks or bikes to school. Instead, ever-longer “kiss and go” lanes proliferate to accommodate dropoffs by parents. Amidst this auto culture, over the past 30 years the Center for Disease Control found the percentage of overweight children aged 6 to 11 has more than doubled.

Similarly unintended consequences of growth continue to exact great public costs both in allocation of limited resources and in preserving our quality of life, a value associated with healthy, safe and satisfying surroundings and a sense of community.

A 1999 survey by the National Association of Home Builders found that 75 percent of respondents nationwide said local governments should “plan and manage growth.” That compared to 12 percent who advocated “Pass laws to restrict growth” and 11 percent who said “Let people use property as they see fit.”

North Carolinians specifically recognize our current approach to growth needs improvement. A 2000 poll found nearly 77 percent of respondents believed “strongly” or “somewhat strongly” that the state “should impose much stricter environmental controls on developers and construction businesses.” Nearly twice as many North Carolinians (59 percent) wanted the state to spend more money to “protect the environment” than to “build more roads” (33 percent).

“A 1999 survey by the National Association of Home Builders found that 75% of respondents nationwide said local government should plan and manage growth.”

This is where smart growth and the Smart Growth Commission come in.



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## IV. WHAT SMART GROWTH MEANS

“Smart growth is pro-growth,” said Hugh McColl, then CEO of Charlotte-based Bank of America. “The goal is not to limit growth, but to channel it to areas where infrastructure allows growth to be sustained over the long-term.”

A standard comment from those unfamiliar with smart growth is that no one supports ‘dumb growth.’ Yet evidence indicates otherwise. There’s nothing else to call a shopping center or junkyard located in a floodplain; a major thoroughfare so beset with driveway cuts it’s virtually impassable; a school unsafe to approach on foot because there are no sidewalks or designated crossings; housing touted as affordable that dooms residents to lower long-term values and higher long-term heating and cooling costs by leveling mature trees.

Smart growth is neither a new phenomenon nor a disguised form of unwarranted government intervention. Many of its tenets already have been embraced at a local and state level in North Carolina. Often mischaracterized or misunderstood, for the most part smart growth is an old-fashioned approach that stresses local control, responsiveness to public input, cooperation across jurisdictional lines, and the conservative use of natural and public resources.

Think of it as the opposite of sprawl.

Adopting smart growth strategies requires no additional expenditures in many cases.

“Sprawl is, in fact, fiscally irresponsible,” said Maryland Gov. Glendening, whose state has adopted a sophisticated series of smart growth laws.

Nor is smart growth a partisan matter.

As governor, Tom Ridge of Pennsylvania championed both “Grow Smarter” and “Grow Greener” campaigns in his state.

“We want to support communities that grow smart,” Ridge, now the nation’s director of Homeland Defense, said of programs that stress local control and state funding and policy guidance.

While governor of New Jersey, Christine Todd Whitman, currently Administrator of the U.S. Environmental Protection Agency, led the state to institute a development plan called “Livable Communities and Natural Landscapes” and to establish a \$1 billion land protection plan.

*Photo: NC Coastal Federation*



*Currituck Co. experienced a 32% rise in population during the 90's.*

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“Saving land will help,” she said. “But it’s just as important to recognize that where we put sewers, roads, and new buildings can affect an entire watershed.”

Grassroots recognition in North Carolina that growth pressures demand public guidance to preserve a preferred quality of life predates the Smart Growth Commission. In recent years smart growth principles were examined and embraced in communities across the state, from Buncombe County with its “Consensus Principles on Smart Growth” to Charlotte-Mecklenburg’s “Smart Growth Audit” to the Triangle J Council of Government’s “Regional Development Principles.” All called for approaches later espoused by the Smart Growth Commission.

Photo: NC Division of Parks and Recreation



The Parks and Recreation Trust Fund played a key role in the acquisition of the Gorges State Park.

“Smart growth is an idea whose time has come in North Carolina,” then - Gov. Jim Hunt told the commission at its initial meeting. “I’ll tell you what smart growth means to me: It means preserving and protecting what we’ve been given. And it means taking care of our state’s resources in a responsible way as we grow.”

Among groups recognizing the importance of the issues was the N.C. Farm Bureau, which in 2000 instituted a land-use committee to address increasing conflicts spawned by growth between urban and rural interests.

“This is not just a Raleigh, Charlotte, big city issue,” said Julian Philpott, the organization’s general counsel and a member of the Smart Growth Commission. “We are impacted by this over the entire state.”

The Smart Growth Commission was generally guided by a definition of smart growth as an approach that seeks to direct development in ways to preserve an area’s livability and natural resources, while providing for economic opportunity and making maximal use of existing infrastructure. Like a building code, such a framework protects the public welfare while assuring individuals the freedom to decide vital characteristics that give a project its intention, size, cost, design and ownership.

Challenges posed by rapid growth continue to vex North Carolina, but a wealth of innovative strategies and tools are available to allow informed adaptation to our changing circumstances. Patterns of thought and action that took decades to unfold will not be altered overnight. The longer we wait to begin, however, the tougher the challenges become.

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***“The Smart Growth Commission was generally guided by a definition of smart growth as an approach that seeks to direct development in ways to preserve an area’s livability and natural resources, while providing for economic opportunity and making maximal use of existing infrastructure.”***

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## V. WHERE WE GO FROM HERE

Every journey, including the road to smarter growth, requires transportation.

North Carolina's transportation systems are heavily reliant on automobiles and increasingly overburdened. Traffic jams are as common in small towns like Hillsborough (population 5,500) as in the state's largest cities. Commutes are lengthening. The average person in Mecklenburg County drove 31.5 miles daily in 1995, a figure expected to rise to 37.8 miles by 2015. While the state scrambles to build new roads to meet demand, maintenance of existing facilities suffers.

"When a mother or father is sitting in congestion for 30 minutes a day, they're losing out on family time they deserve," said Roy Barnes, governor of Georgia, in a speech at N.C. State's 2000 Emerging Issues forum. "Time spent in traffic is not like going to work — it's wasted."

Other approaches are possible, if not imperative, as many areas of the country already discovered.

"Widening roads to solve traffic congestion is like loosening your belt to solve a weight problem," said John Norquist, mayor of Milwaukee, Wisconsin. "If road widening and super-highways don't work, what does? What works is consumer choice. Instead of putting all eggs in the Department of Transportation's basket with bigger highways, give people more choices, such as commuter trains, clean buses, and safe walking and biking trails."

That means more spending on mass transit, more attention to providing multimodal transportation systems, and more efforts to facilitate the development of both regional plans and walkable communities.

Given current technology, longer commutes, and larger vehicles, dependence on autos also yields compromised air quality. Internal combustion engines account for a third to a half of emissions that form ozone smog in the U.S. The Charlotte metro area has the nation's eighth-worst ground level ozone pollution, the Triangle the 11th worst, according to a 2001 report by the American Lung Association.

Ozone and acid particles are associated with approximately 50 percent of hospital admissions for respiratory problems on high pollution days.



*Charlotte and Mecklenburg County residents voted to fund \$1 billion over 25 years to improve transit, including light rail and rapid bus service.*

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*In its “2001 Air Quality Report,” the American Lung Association gave 24 North Carolina counties an “F” for air quality: Alexander, Caldwell, Caswell, Chatham, Cumberland, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Granville, Guilford, Haywood, Johnston, Lincoln, Mecklenburg, Northampton, Person, Pitt, Rockingham, Rowan, Wake and Yancey. Three other counties — Buncombe, Camden and New Hanover — received a “D.”*

“I don’t need to listen to the news to know it’s a ‘Code Orange’ air day,” said Dr. Wes Wallace, assistant professor of Emergency Medicine at the University of North Carolina at Chapel Hill and a Smart Growth Commission member. “I know by the number of folks arriving in the emergency department desperate for their next breath.”

Atlanta and Birmingham, regional neighbors built along sprawling lines similar to North Carolina’s, have lost industrial prospects promising millions of dollars and thousands of jobs due to traffic congestion and federal restrictions imposed to limit degradation of air quality. The threatened withholding of federal highway funds in Atlanta’s metropolitan area led Gov. Barnes to champion the formation of the Georgia Regional Transportation Authority, which supercedes local authority and mandates regional planning “for purposes of managing or causing to be managed land transportation and air quality.”

To avoid following a similar path, and to make the most of existing resources, North Carolina must immediately improve the linkage between transportation and land-use, the Smart Growth Commission’s Transportation workgroup concluded. That means more compact forms of development with a greater mix of uses (residential, commercial, office/institutional), as well as promoting development in areas like

*Photo: NC Division of Tourism, Film and Sports Development*



*Brightleaf Square, Durham NC*

inner cities where transportation systems and other infrastructure are already in place. To bolster those transit options, Charlotte and the Triangle are in the process of establishing commuter rail systems.

These strategies have the additional advantage of making it easier for the elderly, the young, and those who can’t readily afford cars to travel to share the benefits of growth.

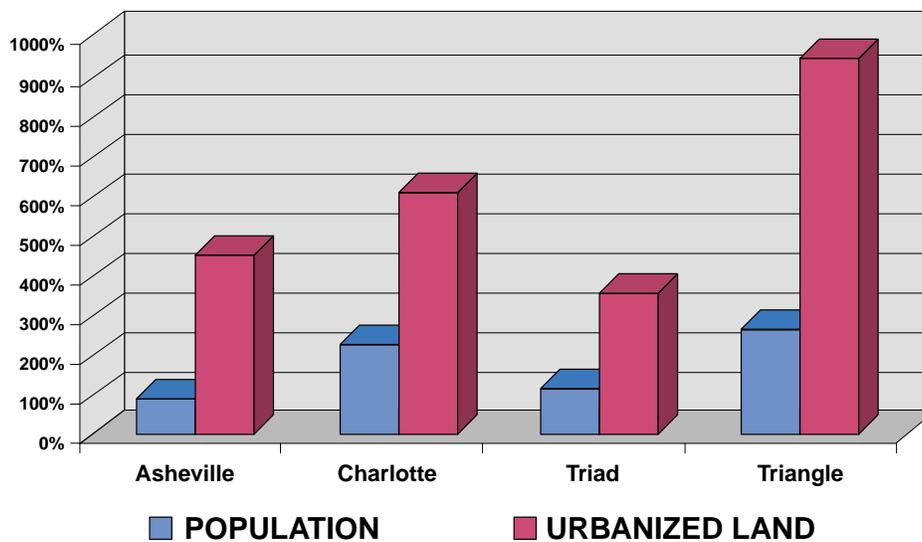
“Fixing transportation problems, cleaning up air pollution, controlling sprawl is a pro-growth policy — otherwise businesses won’t keep coming to your state,” Barnes said.

Changes in land use would also help to preserve open space and agriculture.

“Can we have rural lifestyles and smart growth too?” Dan Burden of Walkable Communities asked the Smart Growth Commission. “Yes, with cluster development.”

Sprawl consumes land at a rapid rate. From 1950 to 1990, the Asheville urbanized area grew 4.8 times faster than its population. Charlotte’s land area grew 2.9 times faster than its population during the same period, the Triad 3.0, the Triangle 3.9. Those rates did not decline during the nineties, when North Carolina lost farmland faster than all but four other states. Worse, since the majority of U.S. agricultural production comes from counties in, or adjacent to, metropolitan areas, sprawl tends to take the most fertile cropland.

**GROWTH IN URBAN POPULATION VS.  
GROWTH IN URBAN LAND AREA IN N.C., 1950-1990**



The Smart Growth Commission studied farmland preservation programs in other states, notably Maryland and Vermont. Paul Hannan, a member of Vermont’s Housing and Conservation Board, told the commission his state’s program, which started during the late eighties, funds housing and land conservation to an equal degree. Vermont protected 260 farms and 83,000 acres by 2000, with farmers reinvesting the money in equipment or land, or using it to establish retirement funds. “Evidence suggests that the program has instilled such communities with a renewed sense of vitality and optimism about the future of farming in Vermont,” found an American Farmland Trust report.

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North Carolina has a program to purchase easements that keeps agricultural land in production while limiting development potential. But the Farmland Preservation Trust Fund, established around the same time as Vermont's program, has been funded sporadically and minimally. Among the nation's 10 most populous states, North Carolina ranks last in preserving farm acreage.

Keeping farmers on the land is less a matter of intervention than support. Even in rapidly developing counties, agriculture is a key industry.

"Profitability is the best form of preservation," Philip Gottwals, a Maryland-based expert on agricultural economic development, told the Smart Growth Commission.

Stimulating local agricultural economies, promoting diversification, providing value-added processing capabilities, and employing preferential purchase of North Carolina food and fiber by state institutions can improve farmers' economic viability.

*Photo: NC Division of Tourism, Film and Sports Development*



*Among the nation's 10 most populous states, North Carolina ranks last in preserving farm acreage.*

Farmland is open space, though we normally don't think of it that way. So too are parks, greenways, wildlife corridors, forests, wetlands, historic sites and recreation areas. This "green infrastructure" provides environmental, economic and aesthetic benefits that are integral to the character of a region or state.

"We must not pave over our prosperity by ignoring our common need for fresh air, open space, and thriving farms," Christine Todd Whitman said while governor of New Jersey.

A 1999 national survey by Luntz Research Companies found that 88 percent of voters agreed "we must act now or we will lose many special places, and if we wait, what is destroyed or lost cannot be replaced." Sharing that view, in 2000 the North Carolina General Assembly formally endorsed a "Million Acres Initiative" to preserve one million acres within a decade.

Currently, the major state programs to achieve this goal are the Clean Water Management Trust Fund, the Farmland Preservation Trust Fund, the Natural Heritage Trust Fund and the Parks and Recreation Trust Fund. Only the latter two funds have dedicated revenue streams; the Smart Growth Commission's Farm and Open Space Preservation workgroup recommends reliable, dedicated funding for all four trusts.

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Two dozen private land trusts throughout the state also work to protect significant natural areas and farms through outright purchase and easement agreements. Local governments have recently begun passing bond issues to fund comparable efforts.

Leading the way is the Clean Water Management Trust Fund, supported by annual appropriations from the North Carolina legislature. From 1997 through 2000, the fund approved 234 grants totaling \$211 million to help state and local governments and nonprofit organizations protect water quality. The Clean Water Management Trust Fund estimates more than \$10.5 billion is needed to protect and restore surface water quality in North Carolina.

A major focus of the Clean Water Management Trust Fund is protecting undisturbed open space, which plays a vital role in securing a healthy environment, preserving water quality, and limiting the deleterious impacts of storms and floods. But growth continues to demand more drinking water. Slaking that thirst requires either draining aquifers or creating new reservoirs that displace natural areas.

Development also means more impervious surfaces, which hasten the flow of stormwater carrying sediment and pollutants such as motor oil. Parking lots generate 16 times as much runoff as comparably sized fields or meadows. The Environmental Protection Agency in 1996 called such “non-point source pollution” the country’s “number one water pollution problem.”

Runoff flows into streams, lakes and rivers, threatening the safety of the water we drink and damaging natural habitats, including wetlands that filter pollutants and spawn many marine species. Approximately half of the fish caught on the east coast of the U.S. depend on the state’s estuarine system at some point in their lives. Pollution and other factors forced the closing of 17 percent of all shellfish waters in North Carolina in 2000, and the federal government ranks the Neuse River estuary among the eight most polluted of the nation’s 138 bay areas.

Building in floodplains and floodways compounds problems by increasing the speed and spread of runoff. The results were graphically demonstrated by Hurricane Fran and by Hurricane Floyd.

“All land is not created equal,” geologist Stan Riggs reminded the Smart Growth Commission following Floyd’s devastation.

*Photo: Rick Dove*



*The NC Coastal Federation estimates that about 56,000 acres of coastal sounds and creeks are permanently closed to shellfishing as a result of pollution.*

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State and federal rebuilding efforts in eastern North Carolina therefore attempted to create sustainable redevelopment, with buyouts of intensive livestock operations and relocation to higher ground of houses, subdivisions, municipal facilities, and commercial operations.

*Photo: Michael Halminski, Waves, NC*



*The NC Coastal Federation estimates nearly 6,600 square miles of eastern NC flooded when Floyd made landfall, causing more than \$6 million in damages.*

Areas hardest-hit by Floyd already lagged in sharing growth's benefits. Other sections of the state, including older urban cores and inner suburbs skirted by superhighways and abandoned by commercial and industrial tenants, likewise have been bypassed by growth.

Making more efficient use of infrastructure, a basic smart growth premise embraced by the commission's Community and Downtown Vitality work-

group, helps reverse those trends. Public funds are limited. Governments nationwide find that prevention of redundant spending on roads, water and sewer, schools and other facilities can free resources "to target state investments to preserve open space and steer growth to developed areas with existing infrastructure and services," according to the Center for Best Practices of the National Governors' Association.

A 1999 study in southeast Florida found \$6.15 billion could be saved over the next 20 years merely by revitalizing aging city centers instead of allowing leapfrog development into the cheapest open land. The importance of this principle was grasped a quarter-century ago by N.C. Gov. James Holshouser, who issued an executive order that state government offices be located downtown when possible. The Smart Growth Commission found this standard to be largely ignored.

A related smart growth strategy gaining momentum is containment of growth within a defined service area. Regarded as a West Coast idea, in fact the first urban service area was adopted in 1958 by Lexington, Ky. Maryland infrastructure spending currently supports development only in defined "priority funding areas." Charlotte has begun planning based on "spheres of influence." For more than a decade Orange County has used a "rural buffer" where water and sewer is prohibited as a tool to contain growth within urban areas.

Promotion of greater population density or "infill" is problematic where it disrupts neighborhoods, but properly planned can spread prosperity by making housing more affordable and public transit more effective. The alternative — farflung development such as a recent Brookings Institution study found in

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Atlanta — produces a “‘spatial mismatch’ between jobs and people — workers living in one place, jobs in another place, and no feasible transportation options in between — (that) affects an increasing portion of the workforce (primarily low-income workers) who may not have access to a car.”

The ability to adopt strategies and tools best suited to a community’s needs, values and aspirations is crucial to addressing growth. But that task is made difficult by North Carolina’s status as a “modified Dillon rule” state, where counties and municipalities are granted authority only sparingly and after specific approval by the state legislature.

Some cities and towns are allowed to enact tree protection ordinances; others are not. A few counties have the ability to raise revenues through transfer taxes or impact fees geared to make growth pay for itself; most do not.

“I just think it’s terrible for us here in Raleigh to impose our will on local governments,” said N.C. Senator David Hoyle.

Complicating matters, growth-related concerns don’t respect jurisdictional boundaries. A large mall sited in one locality may have adverse fiscal and traffic consequences for a neighboring jurisdiction. Development in a watershed may likewise compromise water quality and flood safety for communities downstream. Venues for jointly addressing such issues are integral to growing smarter.

“Critical problems like transportation, public safety, economic development and sprawl affect an entire region, not just a single community, making a collaborative approach to problem-solving vital,” found the Joint Center for Sustainable Communities, a cooperative venture of the U.S. Conference of Mayors and the National Association of Counties.

The need to forge collaborative approaches has caused business leaders to band together in growth-stressed areas from Chicago to Atlanta to California’s Silicon Valley to Austin, Texas.

“We’re seeing a rise of alliances sparked by entrepreneurs of the new economy,” wrote syndicated columnist Neil Peirce, “leaders concerned their regions may falter in global competition if they fail to act quickly, intelligently, to assure reliable transportation, a trained workforce and high quality of life.”

*Photo: Kevin Seifert/Durham Herald Sun*



*Orange and Durham county purchased the Little River Regional Park and Natural Area with funding assistance from the Clean Water Management Trust Fund and the Parks and Recreation Trust Fund.*

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Similar awakenings are occurring in North Carolina, which to its credit has a wealth of multi-jurisdictional arrangements. Frequently, though, there is inadequate coordination between towns and counties, and between local governments and regional councils of government, transportation-related highway districts and metropolitan planning organizations, and economically-oriented regional partnerships. Untangling this skein was an ongoing source of debate and consternation within the Smart Growth Commission's workgroup on Regional Partnerships.

State practices themselves can undermine smart growth, as when the state pursues projects in disregard of carefully balanced local plans derived with considerable public involvement, or when a poor example is set by building in a floodplain or locating an office on the outskirts of town.

What's clear is that addressing smart growth requires reappraisal of how government does business in North Carolina. Equity requires that respect for independent action be balanced against the need to preserve North Carolina's essential character. To meet our economic, social, environmental and fiscal goals, state government must provide greater leadership, coordination and support for smart growth initiatives.

There is ample precedent for such a role for North Carolina government, often with minimal expense to taxpayers.

The process of awarding state monies for water and sewer projects includes incentives for land-use planning. State matching funds for open space and farmland protection are provided on a competitive basis to local governments, nonprofits and individuals. The Coastal Area Management Act, passed in 1974, mandates land-use planning in 20 coastal counties in order to protect a fragile ecosystem upon which health and commerce depend. An increased share of state dollars is being

*Photo: Ben Hitchings, Triangle J Council of Governments*



*Moore Street, Sanford NC. The state's Main Street program helped to rekindle its economic and community vitality.*

applied to alternative transportation solutions from high occupancy vehicle lanes to mass transit.

The General Assembly in recent years passed legislation that endorsed consolidation of metropolitan planning organizations; created rural planning organizations for transportation; supported protection of one million acres of open space; implemented a program to rehabilitate brownfields; and established the Smart Growth Commission.



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North Carolina already has embarked on the road to smart growth in large ways and small at the state and local levels, usually in a manner that is flexible, responsive to the public, and incentive-based. The Smart Growth Commission believes the time has come to carry that work forward, to present a clear vision of how North Carolina chooses to manage growth, and to establish a basic framework for bringing our aspirations to fruition.



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## **VI. FINDINGS AND RECOMMENDATIONS OF THE SMART GROWTH COMMISSION**

### **1. Promote Smart Growth Planning in all Counties and Municipalities**

About half of all local governments in North Carolina lack land-use plans, resulting in haphazard allocation of public resources and growth that occurs without community guidance or coordination with neighboring jurisdictions. There is no state requirement for such planning other than those communities governed by the Coastal Area Management Act.

The state can best ensure smart growth by requiring that all local governments conduct a minimal level of planning. Incentives should be provided to reach beyond the baseline requirements. Access to certain state grants and funds – water and sewer, transportation, farmland preservation – should be conditioned upon meeting the minimum standards for planning.

Requirements for planning should avoid uniformity and dictates, with standards tiered to suit the size of the locality, its rate of growth, and the presence of environmentally sensitive areas. Standards met by a large, prosperous, growth-stressed urban area would be significantly more extensive than those for a small, struggling rural jurisdiction.

All local governments would at least designate “Planned Growth Areas” and “Critical, Important and Sensitive” resource areas.

Planned Growth Areas are sections of a jurisdiction where growth and development is encouraged and can best be accommodated and supported over a 20-year period. Planned Growth Areas would include existing and proposed infrastructure and public facilities needed to support growth, and would be targeted for most local, state and federal monies to support development.

Critical, Important and Sensitive areas include water supply watersheds, floodplains, wetlands, gamelands, parks, historic sites, significant habitats and farmlands, and similar resource or high hazard features within a jurisdiction. Placement of infrastructure and public facilities within Critical, Important and Sensitive areas would be limited to avoid or mitigate negative effects on natural, agricultural, and forest resources.

Localities should conduct periodic audits to evaluate their progress in implementing these plans.

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## **2. Provide Resources to Support Smart Growth Planning in all Counties and Municipalities.**

Many local governments lack the financial resources and technical expertise to develop and implement basic smart growth plans, let alone to exceed minimums and thereby qualify for incentive funding and support. Rather than impose an unreasonable, unfunded mandate or create an uneven playing field, the state should dedicate funding and expand outreach to support smart growth planning.

Funding would be based on unique local conditions such as high growth or richness of fiscal and fragile resources. Money would be provided on a matching basis, with consideration given to a local government's ability to pay. Assistance would be provided by the state for jurisdictions least able to pay.

Competitive funding would be available to support innovation and pilot smart growth programs anywhere in the state. The state should evaluate a locality's progress in plan implementation when considering requests for such funding.

## **3. Enhance the Smart Growth Tool Box at the Local Level.**

All counties and municipalities within North Carolina have a limited range of tools at their disposal to manage growth, such as the authority to site facilities, implement zoning and subdivision regulations, and to direct local spending. The state should promote public awareness of these tools and strategies.

The state should also provide a support system that compiles research on growth and development trends within North Carolina and shares information about best practices and innovative approaches to smart growth at the federal, state, regional and local levels.

But to convert knowledge to effective action, North Carolina should remove barriers to implementing smart growth goals and programs erected through existing statutes, policies, guidelines and practices. A patchwork quilt of legislative authorizations has evolved that provides some jurisdictions with tools unavailable to others. This arrangement circumscribes the ability of all local governments to respond flexibly to emerging situations.

North Carolina should make the necessary legislative changes to authorize all municipalities and counties to make equal use of tools and revenue sources (transfer taxes, inclusionary zoning, etc.) currently authorized for a handful of jurisdictions, if any.

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#### **4. Ensure Coordination of Local Plans and Decisions with Neighboring Localities and with Regional Strategies.**

Growth management strategies are best tailored to reflect the peculiar circumstances of local jurisdictions, where citizens have the greatest access to the process and officials are intimately acquainted with the issues. However, municipalities and counties do not exist in a vacuum, and may have plans that conflict with or fail to take into account those of neighboring governments. Disjointed planning or annexations can prove needlessly expensive, confusing and divisive.

The state should recognize and fund regional planning entities to facilitate and coordinate the implementation of smart growth strategies and principles across multiple jurisdictions on issues such as transportation, water and air quality protection, and linkage of open space. Regional plans would be formulated with participation by public and private stakeholders representing a broad range of interests.

A regional planning entity would not be empowered to approve or deny local plans and decisions. The organization instead would review and comment on local plans for consistency with regional strategies and smart growth principles, and for conflicts with the plans of neighboring governments. These comments could be shared with the jurisdictions involved, and with the state as appropriate.

#### **5. Strengthen Coordination and Cooperation among Planning Entities Operating on a Regional Basis.**

Since councils of government were established in the early 1970s, North Carolina has supported a number of entities devoted to cooperative consideration of issues within and across regions. A mechanism is needed to formally coordinate and, where appropriate, consolidate this multitude of overlapping organizations.

The streamlining of these agencies should be accomplished without creating additional entities. Consolidation would especially be promoted within single metropolitan areas. Transportation planning organizations within an air quality non-attainment area would be required to consult and coordinate with each other on plans, policies and programs.

#### **6. Develop a State Smart Growth Framework.**

Leadership on smart growth will not be accomplished simply by discussing strategies or issuing reports. Nor can local or regional entities sustain smart growth plans without support from the state government, as experience has shown in many other states.

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North Carolina should continue the work of the Smart Growth Commission by developing a statewide policy regarding growth and by creating a smart growth framework that includes a vision statement, goals and principles. Such formulations would provide needed guidance to state agencies in budgeting and program administration, as well as to local governments newly attuned to growth management.

Once a smart growth framework is established, adherence should be required in all state funding and facility decisions. The framework could be used to gauge and guide local and regional plans as well. Most important, the state government would be in a position to lead by example.

## **7. Ensure Consistent Oversight of State Decisions Related to Smart Growth.**

Smart growth by nature promotes flexibility and adaptation to changing circumstances. To remain viable, a state smart growth framework would require constant monitoring to assure fairness, incorporate new thinking, and monitor and promote planning at the state and local levels.

North Carolina should establish a smart growth policy commission with broad representation to provide timely advice on state growth policies. Such a commission should review periodically North Carolina's overall smart growth framework.

Perhaps through such a smart growth policy commission, the state should release annually a "Smart Growth" report card to the people of North Carolina assessing progress on growth-related issues. The state also should issue annual "Smart Growth Awards" to businesses, nonprofits, local governments and individuals. The awards could be similar to North Carolina's existing "communities of excellence" program.

Agency heads within the executive branch should meet on a regular basis to ensure coordination and consistency of state government actions related to smart growth. A lead entity should be designated to monitor federal growth-related programs and initiatives with regard to their impact on North Carolina.

## **8. Ensure State Decisions Respect Local and Regional Planning Decisions.**

State government affects growth with its programs, policies, initiatives and investments. Where the state promotes economic activity or places a road can have a major impact on local plans.

To effectively support smart growth and enhance relations with local governments, the state should consult with counties, municipalities and regional organizations on development issues and on state planning, programming and construction of facilities. State investments should be consistent with adopted local and regional plans unless state officials can demonstrate a compelling, over-riding reason to diverge.



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## **Community and Downtown Vitality Work Group: Findings and Recommendations**

### **Work Group Co-Chairs**

Mayor Lucy Allen

Commissioner Darrel Williams

### **Commission Members:**

Jim Abbott

Vicki Bowman

Jeff Davis

Representative Marian McLawhorn

Mayor Fred Niehoff

Senator Beverly Perdue

Ed Scott

### **Work Group Participants:**

Eric Braun

Josh Gurlitz

Mayor David Jones

### **Advisors:**

Bill McNeil, Director, Division of Community Assistance, NC DOC

Meg Ryan O'Donnell, Senior Advisor, Commission to Address Smart Growth

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## Vision

North Carolina communities and downtowns will grow in a way that enhances economic well-being and quality of life for existing and future generations through a partnership of private and public efforts at local, regional and State levels.

Such growth will result in stronger communities with robust downtowns, vibrant older neighborhoods, and new development in centers of concentrated economic activity, which makes efficient use of public resources and preserves the natural, physical and social environment while promoting sound economic development.

The state should develop and implement a comprehensive system to accomplish the following goals:

1. Establish a Statewide Planning framework that guides local, regional and state development decisions
2. Strengthen local government planning for growth and development.
3. Expand the use of growth management tools that enhance existing community character.
4. Increase reuse of existing buildings and sites.
5. Encourage more investment in downtown areas and other activity centers through partnerships, public investments and private investment.
6. Stimulate a full range of housing opportunities in downtown areas and nearby neighborhoods.

**GOAL 1: ESTABLISH A STATEWIDE PLANNING FRAMEWORK THAT GUIDES LOCAL, REGIONAL AND STATE DEVELOPMENT DECISIONS.**

**GOAL 1.1: ESTABLISH A STATE-LEVEL MANAGEMENT STRUCTURE TO PROVIDE POLICY AND PROGRAM DIRECTION, RESEARCH AND PROGRAM ADMINISTRATION.**

**STRATEGY:** Establish a commission to develop and oversee the statewide planning programs.

**STRATEGY:** Promote State level growth principles and goals. Develop policies and set standards for minimum levels of local and regional planning. Among other responsibilities, the state commission would promote models and demonstrations; administer planning grant program; provide technical assistance; monitor and evaluate State, regional and local performance.

**STRATEGY:** Determine how State programs should require local growth plans as a prerequisite for eligibility, and develop legislation and rules to modify programs as needed.

**STRATEGY:** Develop procedures to ensure consistency between State investment decisions and local growth plans.

**GOAL 1.2: ESTABLISH A REGIONAL STRUCTURE TO PLAN AND COORDINATE INTER-LOCAL GROWTH ISSUES.**

**STRATEGY:** Designate and staff regional planning agencies and technical committees.

**STRATEGY:** Prepare regional plans using statewide policy framework and integrating local government plans.

**STRATEGY:** Identify and review projects of regional scale, major transportation projects and areas of environmental concern.

**STRATEGY:** Promote interlocal coordination, mediate land use plan inconsistencies and coordinate with State management organization.

**GOAL 2: STRENGTHEN LOCAL GOVERNMENT PLANNING FOR GROWTH AND DEVELOPMENT.**



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**GOAL 2.1: ENSURE THAT ALL LOCAL GOVERNMENTS IN NORTH CAROLINA HAVE COMPREHENSIVE LOCAL GROWTH PLANS THAT MEET MINIMUM STATE STANDARDS, WITH INCENTIVES TO REACH BEYOND MINIMUM STANDARDS TO PRODUCE EXCELLENT PLANS.**

**STRATEGY:** Establish a minimum level of planning for all communities. The level of required planning will vary based on growth rate and population density or other suitable criteria that reflect differences in the growth pressures, needs and capabilities of communities.

**STRATEGY:** Provide for flexibility for communities to vary from the minimum planning requirements through a negotiated 'scoping' process tailored to the specific needs of the community. This would apply to local governments in planning tiers 2 and 3.

**STRATEGY:** Provide State funding on a matching basis for all counties and municipalities with local match based on ability to pay and other criteria, such as size of the community, and rate of growth, and need for protection of environmentally sensitive areas, to be determined.

**STRATEGY:** Require that all plans analyze the need for affordable housing, based on available data and established criteria, and how needs will be addressed.

**STRATEGY:** Require all units of local government to convene a planning task force to participate in developing plans, with representation from community based organizations who represent residents in affected communities; and provide for meaningful public participation in the development of plans, with continued public input through the development process.

**STRATEGY:** Require that local growth management policies be consistent with the community's plan and that implementing land use ordinances be adopted.

**STRATEGY:** Offer technical assistance to municipalities and counties from State agencies and regional organizations.

**GOAL 3: EXPAND THE USE OF GROWTH MANAGEMENT TOOLS THAT ENHANCE EXISTING COMMUNITY CHARACTER.**

**GOAL 3.1: DEVELOP SMART GROWTH MANAGEMENT TOOLS THAT ENCOURAGE MIXED USE DEVELOPMENTS AND PROMOTE COMMUNITY CHARACTER, COMPACT NEIGHBORHOODS AND MORE INTENSIVE USE OF LAND.**

**STRATEGY:** Expand the availability of growth management tools for all communities by enacting legislation enabling tools such as transfer of development rights and the use of impact fees.

**STRATEGY:** Prepare model ordinances that promote traditional neighborhood design, mixed use and transit-oriented zoning districts, and other smart growth principles.

**STRATEGY:** Conduct workshops and provide other forms of education for various audiences, including local officials, developers, citizens and other interested parties, to explain "smart" development principles, practices, and tools.

**GOAL 4: INCREASE REUSE OF EXISTING BUILDINGS AND SITES.**

**GOAL 4.1: INCREASE THE NUMBER OF BROWNFIELD SITES THAT ARE REDEVELOPED FOR OTHER USES.**

**STRATEGY:** Provide permanent funding for DENR's brownfield program, including positions needed to process a backlog of applications for Brownfields Property Reuse Act projects, and provide outreach and technical assistance to communities and prospective developers.

**STRATEGY:** Eliminate the disincentive of variable fees to fund the State brownfields program, and instead use a reasonable flat fee for applicants.

**STRATEGY:** Encourage and facilitate local inventories of vacant sites and buildings that can subsequently be marketed by the Department of Commerce, regional, and local economic development organizations.

**STRATEGY:** Develop an "up-front" application process to pre-qualify brownfield properties for prospective developer liability protection. Include appropriate pre-qualified sites in State Certified Industrial Site inventory.

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**STRATEGY:** Implement State financial incentives where needed and appropriate to stimulate more brownfield projects, especially for sites or in communities that are less attractive to private developers. Options could include income tax credits for environmental studies or remediation costs that exceed a certain amount, partial state subsidy of environmental insurance, and state grants to local governments for environmental studies or remediation of sites proposed for reuse as a public facility. Examine the feasibility of using local revenue bonds to finance brownfield projects.

**STRATEGY:** Examine potential use of land banks or land trusts to acquire and dispose of brownfield property. Local land trusts in other states are involved in acquisition of brownfield sites, but this has not yet happened in North Carolina. The National Trust for Public Land is also involved in such projects in other states, and it could expand this activity to North Carolina.

**STRATEGY:** Expand outreach and public education on brownfield and brown building reuse issues, principles, and techniques. Develop education material specifically for target audiences including local governments, developers, consultants, planners, lending institutions, attorneys, and the general public.

**GOAL 4.2: FACILITATE THE REUSE OF OLDER BUILDINGS.**

**STRATEGY:** Provide State financial incentives to stimulate reuse of buildings with asbestos or lead-based paint contamination. These incentives could include developer tax credits for environmental studies or remediation costs that exceed a certain amount.

**STRATEGY:** Provide additional State resources for the Main Street Program to add a staff design professional to work with owners of buildings considering renovations, and an incentive fund to upgrade downtown infrastructure and stimulate renovations.

**STRATEGY:** Establish a tax credit to offset some of the cost of making upper floors accessible. One of the biggest costs in renovating older, multi-story buildings to make them accessible is either upgrading the elevator or adding one. Credits would be designed as an incentive to bring upper floor spaces into the residential market.

**STRATEGY:** Establish property tax relief for the reuse of older buildings by allowing local jurisdictions to phase in the new assessment rate of the renovated building over a three-year period, thereby allowing investors time to lease the building prior to experiencing a significant property tax increase.

**GOAL 4.3: INCREASE THE RATE OF REHABILITATION OF HISTORIC PROPERTIES.**

**STRATEGY:** Provide funding to increase the number of Cultural Resources staff who review applications for historic tax credits in order to decrease the backlog of requests.

**STRATEGY:** Establish a 10% State tax credit to equal the Federal 10% credit for rehabilitation of non-historic, non-residential income-producing property put into service prior to 1936. This would support projects in downtowns involving non-historic properties.

**GOAL 4.4: MAKE BUILDING CODES MORE USER-FRIENDLY FOR REHABILITATION AND REUSE PROJECTS.**

**STRATEGY:** Direct the State Building Codes Council to study and revise, as needed, North Carolina's code for building rehabilitation to make it easier to rehabilitate older buildings consistent with protection of public health and safety. Integrate the revised rehabilitation code into the International Building Code (IBC) when it is adopted.

**STRATEGY:** Provide technical training for local building inspectors to interpret and apply the updated building rehabilitation code.

**STRATEGY:** Establish new state building code official positions in the Department of Insurance to function as "circuit riders" to advise and assist local inspectors who are dealing with rehabilitation projects.

**GOAL 5: ENCOURAGE INVESTMENT IN DOWNTOWN AREAS AND OTHER ACTIVITY CENTERS THROUGH PARTNERSHIPS, PUBLIC INVESTMENTS AND PRIVATE INVESTMENT.**



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**GOAL 5.1: INCREASE THE PROPORTION OF NORTH CAROLINA PUBLIC SCHOOL CLASSROOMS THAT ARE LOCATED IN BUILT-UP AREAS.**

**STRATEGY:** Direct the Superintendent of Public Instruction to develop and promote smart growth guidelines for new school construction and for maintenance and rehabilitation of existing schools. Among other features, these guidelines would minimize the acreage required for school construction, promote use of multistory structures and the joint use of school facilities between local governments and local school systems.

**STRATEGY:** Direct the Superintendent of Public Instruction to review current legislation regarding school reuse feasibility studies and update to provide more realistic parameters and examples and revise school building and maintenance standards.

**STRATEGY:** Provide resources to local governments to install sidewalks, bikeways and pedestrian systems within a one-mile radius of every school being built, and to those currently in use, so that walking to school will again be a safe option for neighborhood children. Schools should be sited and constructed in such a way as to minimize the use of automobile transportation.

**GOAL 5.2: LOCATE MORE STATE OFFICES IN DOWNTOWNS.**

**STRATEGY:** Re-issue the Governor's Executive Order to require that State offices be located in downtowns or other major centers of concentrated economic activity. Where feasible, such offices should be located in areas of the state where economic development is most needed.

**STRATEGY:** Direct the State Property Office to notify downtown development organizations, city managers, local governments and economic development organizations when the State is looking for office space.

**GOAL 5.3: REDIRECT MORE STATE INFRASTRUCTURE INVESTMENTS TO DOWNTOWNS AND SURROUNDING NEIGHBORHOODS.**

**STRATEGY:** Develop and implement funding programs for communities to maintain and upgrade infrastructure in downtowns and older neighborhoods. State programs often fund new roads or water and sewer expansions that will serve new residential or commercial real estate projects, but few programs are designed to improve decaying infrastructure or stimulate infill. To address this discrepancy, the State should develop and implement new programs to help communities improve existing public infrastructure, including sidewalks, water and sewer lines, parking lots, fiber optic installations and other needs.

**STRATEGY:** Direct state agencies to evaluate the impact of proposed grants, incentives and state-assisted projects on sprawl. Evaluations would include impacts of State programs on older neighborhoods and downtowns. In general, the state would not subsidize projects that increase or accelerate suburban sprawl. Similarly "green fields" development would not be eligible for state grant funds or tax credits unless part of locally-planned growth areas.

**GOAL 6: STIMULATE A FULL RANGE OF HOUSING OPPORTUNITIES IN DOWNTOWN AREAS, NEARBY NEIGHBORHOODS, AND OTHER CONCENTRATED CENTERS OF ECONOMIC ACTIVITY.**

**GOAL 6.1: INCREASE RESIDENTIAL RESOURCES IN AND AROUND DOWNTOWNS AND GROWTH CENTERS.**

**STRATEGY:** Enact legislation that specifically enables all localities to implement inclusionary housing programs. Such programs would require all large new housing developments, both single-family and multi-family, to include a minimum portion of housing that is affordable and would include density bonuses for developers.

**STRATEGY:** Require that all local growth plans address the issue of affordable housing, including both single-family homeownership and multi-family needs.

**GOAL 6.2: INCREASE THE AVAILABILITY OF MARKET RATE HOUSING IN DOWNTOWNS.**

**STRATEGY:** Provide state tax credits for new market rate residential projects in high poverty areas of State Development Zones. This would allow homebuyers, developers and investors to claim credits for building new, market rate residential projects in high poverty center city areas. The revision could apply to both building rehabilitation and infill construction projects in State Development Zones.

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**STRATEGY:** Enact a 10% State tax credit for the rehabilitation of non-historic, residential property put into service prior to 1936 in high poverty areas of State Development Zones. There are many homes built prior to 1936 that are not designated as historic but are worthy of renovation. Having a modest 10% tax credit would encourage more property owners to repair and renovate this important segment of the housing stock.

*Note: This credit would mirror a federal tax credit for non-historic, income producing commercial property put into service prior to 1936.*

**GOAL 6.3: EXPAND FUNDING TO INCREASE THE SUPPLY OF HOUSING THAT IS AFFORDABLE TO LOW-INCOME PEOPLE, AND LOCATED NEAR JOBS, TRANSPORTATION, AND SERVICES, BUT NOT OVER-CONCENTRATED.**

**STRATEGY:** Provide \$50 million in recurring appropriations for the NC Housing Trust Fund, to help address the full range of housing needs in keeping with Smart Growth principles.

**STRATEGY:** Expand the state low income housing tax credit in Tier 3,4, and 5 areas from 25% to 75% of the federal credit, with mandated income targeting for these relatively high-growth, high cost areas.

**STRATEGY:** Expand funding to increase the capacity of non-profit affordable housing developers.

**STRATEGY:** Direct state agencies that fund housing to develop and employ funding criteria that favor housing proposals that provide for a mix of affordable housing, both rental and homeownership, avoid over-concentrating affordable housing developments, and create new opportunities near employment centers, transportation and services, and in neighborhoods where few opportunities exist.

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## **Farm and Open Space Preservation Work Group: Findings and Recommendations**

### **Work Group Co-Chairs**

Senator Allen Wellons

Commissioner Barry Jacobs

### **Commission Members:**

Representative Andy Dedmon  
Commissioner Mary Ann Enloe  
Pricey Harrison

Todd Mansfield  
Julian Philpott

### **Work Group Participants:**

Professor Lee Johnson  
Sarah Robertson

Charles Roe

### **Advisors:**

Meg Ryan O'Donnell, Senior Advisor, Commission to Address Smart Growth  
Anita Watkins, Senior Policy Analyst, NC DENR

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## Vision

North Carolina must promote a flexible, incentive-oriented, community-based, state-supported approach to preserving and protecting open space. The state's open space resources include parks, water supply watersheds, active farming and forestry operations, wetlands and floodplains, historic sites, gamelands, and many other significant natural, recreational, and cultural features. A priority should be placed on protecting those natural areas that play a vital role in protecting the environment and our economy. Measures to preserve the benefits of open space for present and future generations should support private stewardship and respect private property rights.

## Purpose

The goal of the work group was to understand existing state, local and private-sector policies, programs, and organizations that affect farms, forestry and other aspects of open space preservation in North Carolina. The work group heard from those responsible for program implementation and from individuals who utilized and/or benefited from a program. Other states' approaches and programs were also reviewed. The work group examined the relationship of open space to water and air quality, sedimentation and erosion, economic viability of agriculture, hazard mitigation, preservation of cultural values, and quality of life.

## Principles

- North Carolina has an obligation to protect its natural resources. Article XIV, Section 5 of the North Carolina Constitution states: "It shall be the policy of this State to conserve and protect its lands and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions to acquire and preserve park, recreational, and scenic areas, to control and limit the pollution of our air and water, to control excessive noise, and in every other appropriate way to preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, openlands, and places of beauty."
- North Carolina has a commitment to protect its natural resources. GS 113A-240, enacted in 2000 to support the initiative to preserve one million acres, states: "It is the intent of the General Assembly to continue to support and accelerate the state's programs of land conservation and protection, to find means to assure and increase funding for these programs, and to improve the coordination, efficiency, and implementation of the various state and local and protection programs operating in North Carolina."
- Open space is integral to the lives and culture of North Carolinians.
- Open space takes many forms apart from parks, greenways and natural areas, including farms, forests and working landscapes.
- Protection of water supplies and waterways is essential to the public's health and safety.
- The State of North Carolina must take a leadership role in providing a greenspace safety net by providing planning, funding, oversight, and other support.
- The Million Acres Initiative is a key component of the state's efforts to protect open space.
- Preservation of farmland and open space requires mutually supportive partnership between citizens and state and local governments.
- Dedicated funding sources are crucial to the success of all significant state programs that protect open space.
- State policies should promote private land stewardship and respect private property rights.
- Open space and farmland preservation policies should be consistent with rural prosperity and affordable housing goals.
- The cost of open space preservation should be shared broadly among the beneficiaries.



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## **1. THE STATE ROLE**

### **A. STATE POLICY**

#### **OBJECTIVE 1A.1: PROTECT FLOODWAYS, 100-YEAR FLOODPLAINS AND WATERWAYS.**

- Limit contributing state assistance to state or local government construction located in floodways or 100-year floodplains, except for transportation projects, trails, and water access and wastewater collection and treatment facilities.
- Strictly limit impervious surface generated by state-funded transportation facilities in floodways or floodplains.
- Locate state-funded projects in a manner that minimizes destruction of existing wetlands.
- Adopt stormwater management plans for state-funded projects consistent with state and federal stormwater regulations.
- Ban the selling of, leasing of, and granting of easements to state lands to private industrial development projects that are located in floodways or floodplains.
- Ban the use of state funds, state tax credits, and state bond proceeds to private or public industrial development projects located in floodways or floodplains.
- Make public acquisition for protection of land in high-hazard floodplain areas a priority.

#### **OBJECTIVE 1A.2: DEVELOP CONSISTENCY WITH LOCAL PLANS.**

- Promote coherence between state government funding and permit decisions and adopted local land-use, agricultural preservation, open space, urban growth, watershed protection, environmental, transportation, and other plans.

#### **OBJECTIVE 1A.3: PROMOTE REGIONAL CONNECTIVITY OF DEDICATED OPEN SPACE.**

- Make additional matching state funds available for planning for those jurisdictions with adopted Park and Open Space (POS) plans.
- Provide state financial support for regional open space planning that assists the linkage of local government plans across jurisdictional boundaries.

#### **OBJECTIVE 1A.4: ESTABLISH AS A PRIME PRINCIPLE IN LOCATING STATE OR STATE-FUNDED FACILITIES, INCLUDING THOSE FUNDED WITH TAX CREDITS, RESPECT FOR OPEN SPACE PROTECTED BY STATE, LOCAL, OR PRIVATE ENTITIES.**

- Assess and minimize environmental impacts on open space protected by state, local, or private entities when siting state facilities following the guidelines set in the North Carolina Environmental Policy Act of 1971.

#### **OBJECTIVE 1A.5: PROMOTE PRIVATE LAND STEWARDSHIP AND RESPECT PRIVATE PROPERTY RIGHTS.**

- Programs should be voluntary, incentive-based, and to the greatest extent possible achieve permanent protection of resources.

#### **OBJECTIVE 1A.6: MAKE MATCHING FUNDS AVAILABLE FOR LOCAL GOVERNMENTS, WITH PREFERENCE GIVEN TO THOSE WITH ADOPTED PLANS TO PROTECT FARMLAND, WATERSHEDS, FLOODPLAINS, AND/OR OPEN SPACE.**

- Preference should be given to projects initiated by local governments or private entities that offer matching funds and have adopted appropriate long-range plans.
- Funds should be available to all local governments to execute the planning necessary to gain preference in acquiring matching funds.
- Matching funds should be available to all counties, with low or no matches required of those least able to pay, based on the economic tiers established by the NC Division of Community Assistance.

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**OBJECTIVE 1A.7: COORDINATE STATE PROGRAMS AND AGENCIES DEDICATED TO PRESERVING, ACQUIRING OR OTHERWISE PROTECTING OPEN SPACE.**

- Review state programs devoted to protecting open space to assure they are effectively coordinated and efficiently administered.
- Create an entity to coordinate all state programs associated with protecting or preserving open space, including farmland.
- Require long-range strategic plans for state entities that acquire and protect open space.
- Coordinate the dissemination of information about activities of state programs and agencies that acquire or protect open space, including the issuance of a comprehensive annual report.

**OBJECTIVE 1A.8: SUPPORT THE MILLION ACRE INITIATIVE.**

- Fund a coordinator and support staff for the Million Acre Initiative.
- Incorporate the Million Acre Initiative into existing state programs to acquire and protect open space.
- Create a Million Acre Advisory Panel, with representatives appointed by the governor and General Assembly to include private interests and local government.

**B. STATE LAND (UNIVERSITIES, COLLEGES, PRISONS, GOVERNMENT FACILITIES, PARKS, HISTORIC SITES, GAMELANDS, ETC.)**

**OBJECTIVE 1B.1: LEAD BY EXAMPLE.**

- Survey existing resources and significant natural features (unusual botanical communities, buffers along perennial streams, etc.).
- Develop protection plans for significant natural features.
- Prohibit construction of buildings, except wastewater treatment facilities, in identified floodways or in floodplains.
- Minimize impervious surfaces, including transportation-related facilities, located within floodplains.
- Respect floodplain, watershed, ridge, coastal, and other environmental regulations in siting state facilities and executing state policies.

**OBJECTIVE 1B.2: SUPPORT PARKS, NATURAL AREAS, RECREATION AREAS, TRAILS, HISTORIC SITES, AND OTHER STATE-OWNED LANDS AND STATE-PROTECTED WATERWAYS WITH ADEQUATE FUNDING.**

- Strengthen and expand the state park system to preserve sites of statewide significance.
- Update a long-range plan for acquisition and operations within the state park system.
- Develop and protect park properties as components of larger landscapes.
- Maintain the practice of free access to state parks for all North Carolinians.
- Charge a park entrance fee to non-North Carolina visitors.
- Station collection personnel only at single-entry, high-volume park facilities.
- Employ honor system collections at all facilities not staffed to collect fees.
- Incorporate protection of historic properties and vistas into state parks and recreation projects to the greatest extent possible.

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## C. EDUCATION

### OBJECTIVE 1C.1: PUBLICIZE EXISTING PARKS AND RECREATIONS FACILITIES.

- Improve signage indicating proximity of state parks, forests, and other natural areas along major interstate and U.S. highways and on public transportation routes.
- Create a map highlighting the existence of state, local and national parks, forests, wildlife refuges, historic sites, and other protected areas in North Carolina.

### OBJECTIVE 1C.2: PUBLICIZE EXISTING PROGRAMS THAT ASSIST PRIVATE PROPERTY OWNERS, INCLUDING BUSINESSES, SUCH AS THE CONSERVATION TAX CREDIT PROGRAM, CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP), FARMLAND PRESERVATION TRUST FUND, AND THE FOREST STEWARDSHIP PROGRAM.

### OBJECTIVE 1C.3: UNDERSTAND AND PROMOTE THE ECONOMIC IMPACT OF GREENSPACE.

- Work with the N.C. Department of Commerce to develop economic impact data that quantify the positive effect of protected open space at a local and state level in terms of park visits, enviro-tourism, agri-tourism, active recreation, public and environmental health benefits, increase in property values in urban areas, etc.
- Planning money should be available to local governments for cost of community service studies to demonstrate the fiscal impact of specific land uses.
- Develop market data to compare the sales value and tax value of conventional versus open space subdivisions.

### OBJECTIVE 1C.4: DEVELOP A PROGRAM FOR SMART GROWTH AWARDS.

- Establish Governor's Smart Growth Awards to be given annually for significant achievements by government, non-profit, business, and private entities in different categories, with a specific category of recognition for protection of open space.

### OBJECTIVE 1C.5: DEVELOP DATABASE OF LAND-USE DESIGN TECHNIQUES FOR CONSERVATION.

- Enlist an appropriate public entity (such as the Institute of Government, Division of Community Assistance, Council of Governments or agency designated to address smart growth) to compile model strategies that incorporate protected open space into developments through land-use plans, subdivision designs, and local ordinances.
- Develop a defensible model for protecting open space in new developments and through the subdivision process in North Carolina.
- Encourage compact urban service areas by asking the Institute of Government or other appropriate entity to investigate a model land use classification of public water/wastewater line that will restrict the capacity of tap-ons according to local land-use or watershed protection plans.

### OBJECTIVE 1C.6: PROMOTE UNDERSTANDING OF FARMLAND AND FORESTLAND AS OPEN SPACE.

- Educate urban and suburban residents on the contribution of farmland and forestland to preservation of open space, protection of the environment, and promotion of economic vitality and cultural values.
- Enlist the Institute of Government or other appropriate institution to educate local and state elected officials on what statutory and programmatic resources are available to promote preservation of open space by individuals and government.

### OBJECTIVE 1C.7: CONSIDER DEVELOPING AN ENVIRONMENTAL EDUCATIONAL/TRAINING PROGRAM AT THE INSTITUTE OF GOVERNMENT OR OTHER SIMILAR ENTITY FOR ELECTED AND APPOINTED OFFICIALS.



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**OBJECTIVE 1C.8: PROVIDE BENCHMARK REPORTS.**

- Track annual progress toward state objectives in open space protection programs, and report to the General Assembly and the people of North Carolina.

**D. PLANNING AND MAPPING**

**OBJECTIVE 1D.1: ASSIST LOCAL GOVERNMENTS IN PROVIDING BASELINE DATA, WITH MATCHING FUNDS AVAILABLE BASED ON ABILITY TO PAY AND ON THE EXISTENCE OF AN APPROPRIATE PLAN.**

- The state should undertake studies on behalf of the poorest counties.
- An adopted farmland preservation plan should continue to qualify for preference in gaining matching funds.
- An adopted Park and Open Space plan should qualify for preference in gaining matching funds, as in agriculture, based on ability to pay.

**OBJECTIVE 1D.2: ENCOURAGE REGIONAL OPEN SPACE PLANNING.**

- Supply matching funds for regional open space planning.
- Encourage inter-connectivity of regional open space plans.

**OBJECTIVE 1D.3: IDENTIFY PRIME, THREATENED, AND CULTURALLY OR ENVIRONMENTALLY SIGNIFICANT FARMLANDS IN EVERY COUNTY FOR PROTECTION THROUGH VOLUNTARY, INCENTIVE-BASED PROGRAMS.**

**OBJECTIVE 1D.4: DEVELOP A STATE PRIORITY PROTECTION PLAN FOR FARMLANDS.**

- Once mapping is completed, reserve funds to preserve farmlands that merit high priority from a statewide perspective, consistent with providing an open space safety net.

**OBJECTIVE 1D.5: FINISH UPDATE OF MAPPING OF FLOODPLAINS IN NORTH CAROLINA.**

**OBJECTIVE 1D.6: DEVELOP ACCURATE MAPPING OF WETLANDS AND A WETLANDS INVENTORY TRACKING SYSTEM.**

**OBJECTIVE 1D.7: PURSUE COMPLETION OF NATURAL AREAS INVENTORIES IN ALL 100 COUNTIES FOR PROTECTION THROUGH VOLUNTARY, INCENTIVE-BASED PROGRAMS.**

**OBJECTIVE 1D.8: NOTIFY OWNERS OF RELEVANT MAPPING DESIGNATIONS THAT MIGHT AFFECT THEIR PROPERTY.**

**OBJECTIVE 1D.9: MAKE NATURAL HERITAGE TRUST FUND MONIES AVAILABLE TO COUNTIES AND QUALIFYING LAND TRUSTS ON A MATCHING BASIS TO PROTECT IDENTIFIED SIGNIFICANT NATURAL AREAS.**

**OBJECTIVE 1D.10: ASSIST LOCAL GOVERNMENTS TO DEVELOP LAND-USE INVENTORIES AND LAND SUITABILITY ANALYSIS WHICH PORTRAY THE AREAS OF DEVELOPMENT MOST AT-RISK TO NATURAL AND ENVIRONMENTAL HAZARDS.**

**2. PARTNERSHIPS**

**A. LOCAL GOVERNMENTS**

**OBJECTIVE 2A.1: ENCOURAGE LOCAL GOVERNMENTS TO PROTECT OPEN SPACE.**

- Provide incentives to secure state funding for planning and acquisition programs. All local governments should be eligible for matching funds in acquisition.

**OBJECTIVE 2A.2: EMPOWER LOCAL GOVERNMENTS TO MORE EASILY PROTECT OPEN SPACE.**

- Provide legislative authority to allow broader avenues for raising revenue and devising innovative regulatory and land-use strategies.

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## **B. LAND TRUSTS**

### **OBJECTIVE 2B.1: SUPPORT EFFORTS BY NON-PROFIT LAND TRUSTS TO PRESERVE OPEN SPACE.**

- Allow supplemental grant funding for building capacity to protect more land and to educate landowners about conservation options and tax incentives through the existing Conservation Grant Fund.
- Allow some part of matching grant funds to be applied for operations.
- Authorize the NC Attorney General to enter into agreements to defend and enforce conservation lands and easements held by land trusts.
- Amend statutes to allow direct grants to qualified land trusts from the NC Natural Heritage Trust Fund and Parks and Recreation Trust Fund, as is already the case with the Clean Water Management Trust Fund and the Farmland Preservation Trust Fund.
- Make low-interest loans available to qualifying land trusts to acquire, protect and manage open space.

## **C. PRIVATE LAND OWNERS**

### **OBJECTIVE 2C.1: ENCOURAGE PRIVATE PROPERTY OWNERS TO PROTECT OPEN SPACE.**

- Provide incentives to secure state funding for easements and other protection measures.
- Improve publicity for, and dissemination of, information for landowners on open space protection strategies.

### **OBJECTIVE 2C.2: INCLUDE PRIVATE PROPERTY OWNERS IN PLANNING.**

- Farmland and open space plans should be crafted through a public process that specifically includes participation by affected property owners.

## **D. BUSINESS COMMUNITY**

### **OBJECTIVE 2D.1: ENCOURAGE PRIVATE-PUBLIC PARTNERSHIPS.**

- Develop an Adopt-A-Greenspace program, similar to the existing Adopt-A-Highway program.
- Encourage the banking industry to provide revolving/low-interest loan funds to qualified land conservation organizations to acquire and protect important open space lands.

## **E. FEDERAL GOVERNMENT**

### **OBJECTIVE 2E.1: COORDINATE PROTECTION EFFORTS WITH EXISTING FEDERAL FACILITIES.**

- Encourage the federal government to develop plans to protect significant natural areas on its properties within North Carolina.
- Extend state open space protection planning to complement federal parks, forests, historic sites, wildlife refuges, military bases, and other resources.
- Seek partnerships where appropriate to combine resources with the federal government.

## **F. OTHER JURISDICTIONS**

### **OBJECTIVE 2F.1: COORDINATE PROTECTION EFFORTS WITH TRIBAL NATIONS AND TRIBES RECOGNIZED BY THE STATE OF NORTH CAROLINA**

- Encourage development of plans to protect significant natural areas on tribal properties.
- Offer planning support and funding incentives to develop protection strategies.
- Seek the same protection standards upheld elsewhere in North Carolina.

**OBJECTIVE 2F.2: COORDINATE PROTECTION EFFORTS WITH NEIGHBORING STATES.**

- Stress the interconnectivity of open space, and pursue joint planning efforts.
- Promote joint efforts based on protection of water quality.

**3. FORMS OF OPEN SPACE**

**A. IMPROVE FARM PRESERVATION**

**OBJECTIVE 3A.1: RETAIN AND IMPROVE EXISTING PROGRAMS THAT STRENGTHEN THE ABILITY OF FARMERS TO SUSTAIN ECONOMICALLY VIABLE AGRICULTURAL OPERATIONS AND TO SERVE AS PRIME STEWARDS OF THE LAND.**  
(For example: present use-value, Farmland Preservation Trust, CREP, wetland restoration).

**OBJECTIVE 3A.2: ADOPT A STATEWIDE GOAL TO MINIMIZE LOSS OF PRIME, THREATENED, CULTURALLY OR ENVIRONMENTALLY SIGNIFICANT FARMLAND AFTER SURVEYING THE STATE'S FARMLAND.**

**OBJECTIVE 3A.3: SUPPORT N.C. BASED AGRICULTURAL ECONOMIES.**

- Encourage universities, colleges, prisons, and other state institutions to give first buying preference to NC food and fiber.
- Develop the capability, either within the NC Dept. of Agriculture or in coordination with local governments, to provide small operators with financial planning assistance and brokerage of products to local institutions.
- Create regional value-added agricultural processing centers where producers can lease or purchase services or facilities.
- Devote research funds to develop alternative crops to replace tobacco, and to finding alternative uses for the tobacco plant.
- Support environmentally sensitive aquaculture.

**OBJECTIVE 3A.4: STREAMLINE STATE REGULATIONS TO SIMPLIFY AGRICULTURAL DIVERSIFICATION BY SMALL OPERATORS.**

**OBJECTIVE 3A.5: INCREASE PARTICIPATION IN, AND USE OF, VOLUNTARY FARMLAND PRESERVATION DISTRICTS.**

- Institute speed limit reduction within designated Voluntary Farmland Preservation Districts so farmers may safely move equipment on secondary public roads.
- Waive the rollback tax on farmer-to-farmer transfer for non-linear descendants.
- Allow easement leasing, as for 10-year periods. (The state's priority funding should continue to go to property owners granting permanent easements.)
- Permit a local government option to forgo some taxes in exchange for short-term easement leasing, such as property tax on buildings and equipment or deferring property tax.
- Increase protection from condemnation, such as requiring a hearing before the local agriculture board.

**OBJECTIVE 3A.6: IMPROVE THE EXISTING PRESENT USE-VALUE TAXATION PROGRAM.**

- Establish uniform interpretation for calculating value.



- Allow a low-impact conservation option for forestry (county option).
- Allow reduced size, but not income, to qualify under agricultural operation.
- Waive rollback tax for all [farmer-to-farmer] transfers, and provide that a purchasing farmer is immediately eligible for the use-value tax benefit.
- Allow land protected by conservation easement to qualify for present-use value.

**OBJECTIVE 3A.7: PROVIDE FUNDS TO LOCAL GOVERNMENTS AND LAND TRUSTS ENGAGED IN FARMLAND PRESERVATION.**

- Continue to allow counties with adopted agricultural preservation plans to qualify for matching state funds for farmland protection.

**OBJECTIVE 3A.8: STATE RESPONSIBILITY.**

- Reserve part of any funding pool for projects directly sponsored by the state. (For instance, protection of farmland that meets numerous preservation criteria such as containing prime soils, located in water supply watershed, culturally significant, and/or includes significant natural area. See 1D.4).

**OBJECTIVE 3A.9: INCREASE ANNUAL STATE FUNDING FOR THE FARMLAND PRESERVATION TRUST FUND, WITH ESTABLISHMENT OF DEDICATED FUNDING SOURCES TO SUPPLEMENT GENERAL APPROPRIATIONS.**

- Increase funding for trust fund from the present \$1.5 million to at least \$15 million.
- Establish a surcharge on public water supply users, to be set aside for protection of critical water-quality protection lands in the watershed where the water resource is to be protected.
- Establish a mitigation fee for every acre of farmland taken out of agricultural production for development purposes, either a flat amount or a percentage of the sale price.
- Dedicate rollback taxes obtained within a county to fund farmland preservation.

**OBJECTIVE 3A.10: ENABLE COUNTIES AND MUNICIPALITIES TO DEFER OR ELIMINATE PROPERTY TAXES ON PRIVATE LAND SUBJECT TO CONSERVATION EASEMENTS OR OTHER LONG-TERM CONSERVATION MANAGEMENT AGREEMENTS.**

**B. ENHANCE PROTECTION OF FORESTS**

**OBJECTIVE 3B.1: SUPPORT INCREASED COORDINATION WITH LOCAL GOVERNMENT.**

- Improve coordination of state forestry management staff and practices with local government land-use, open space, watershed, and natural area protection plans.
- Enable counties to enact ordinances for tree protection that are equivalent in statutory authority to those powers already afforded to some municipalities.

**OBJECTIVE 3B.2: SUPPORT NOTICE PRIOR TO CUTTING.**

- Support legislation to give the NC Forest Service and local government pre-harvest notification of thirty (30) days.

**OBJECTIVE 3B.3: DEVELOP STRATEGY TO PROTECT SIGNIFICANT NATURAL AREAS.**

- Encourage purchase of timber rights for significant natural areas identified and adopted by a county following a natural areas inventory. Require Forest Service to notify property owners of areas that are so designated, and to coordinate cooperation between the local government and private landowners.
- Add low-impact conservation forestland as another category of private property eligible for present use property tax assessment, in addition to lands used for active forest management, agriculture, and horticulture. Currently only forest plans that include cutting qualify for property tax reductions. (See 3A.6).

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**OBJECTIVE 3B.4: ENCOURAGE FORESTRY PROTECTION PROGRAMS.**

- Increase the assessment per ton on processed wood and use to fund Forest Legacy Program, more water quality monitoring personnel, and possible purchase of timber rights program.
- Encourage forest cover in protected watersheds and wetlands, and to buffer waterways.
- Require the Forest Service to promote selective harvesting techniques and consultations with registered foresters.
- Examine environmental impacts of forestry practices to achieve improved methods for protecting forestland, especially in urbanizing counties where forested cover is crucial to watershed protection and to reduction of runoff and erosion, air quality, wildlife habitat, and connectivity of natural and wildlife resources.

**OBJECTIVE 3B.5: UPDATE STATE FOREST INVENTORY ANALYSIS AND DEVELOP A COMPREHENSIVE STATE PLAN FOR FOREST SUSTAINABILITY.**

**C. IMPROVE WATER QUALITY PROTECTION**

**OBJECTIVE 3C.1: ENHANCE CLEAN WATER MANAGEMENT TRUST FUND.**

- Provide greater flexibility for the use of funds within watersheds to allow, among other things, installment purchases and application of grant monies not tied strictly to a 300-foot distance from a waterway.
- Support reclaimed water programs.
- Refine standards for funding by convening a conference with the CWMTF board and previous award winners, those denied funds, land trusts, representatives of local government and of the development and agriculture communities.
- Give added weight in granting funds to jurisdictions that have an adopted land-use, watershed protection, or other plan that bans development in floodways, floodplains, and wetlands.
- Give added weight in granting funds to jurisdictions that have AN adopted Park and Open Space plan, watershed protection, or comparable plan that are linked to water quality protection and restoration.
- Consider some geographical, as well as strictly merit-based, criteria for allotting funds, with special attention to river basins.

**OBJECTIVE 3C.2: ENHANCE PROGRAMS TO ASSURE OPTIMAL OPERATION OF ON-SITE WASTEWATER TREATMENT SYSTEMS.**

- Develop a pilot septic tank monitoring program through the N.C. Division of Environmental Health to be possibly replicated by local governments.
- Enhance educational programs to inform homeowners on the function and maintenance of septic tanks and non-conventional wastewater treatments systems.
- Develop a repair fund to assist low-income individuals to pay for repair of failing systems in water supply watersheds and sensitive coastal areas.

**OBJECTIVE 3C.3: DEVELOP MEASURES TO IMPROVE STORMWATER MANAGEMENT.**

- Require vegetative buffers along all waterways in North Carolina, and mitigate to an equivalent degree any exceptions to the preservation of the buffers.
- Ensure low tax value, as in present use value taxation, for required buffers.
- Develop policies that eliminate loss of streams to piping and other development.



- Adopt stormwater management plans for state-funded projects consistent with state and federal stormwater regulations.
- Develop and implement a coordinated and comprehensive statewide stormwater management education and awareness program.
- Encourage local governments to require stormwater management plans consistent with state and federal stormwater regulations.
- Allow local governments to include stormwater management fees in annual tax billings, including applying unpaid fees as a lien against property.
- Link funding for infrastructure to implemented stormwater management plans that are sufficient to meet water quality standards.

**OBJECTIVE 3C.4: WETLANDS PROTECTION SHOULD BE STRENGTHENED.**

- Articulate statewide goal of no net loss of pristine and coastal wetlands, as defined in Section 404 of the Clean Water Act.
- Develop accurate mapping of wetlands and a wetlands inventory tracking system.
- Locate state-funded projects in a manner that avoid wetlands where possible or practical and requires mitigation where impacts are unavoidable.
- Support and adequately fund the Wetlands Restoration Program, already in existence.
- Develop the long-term capability within state government to check and monitor all lands set aside for protection. Maintenance, enforcement, monitoring should be a general requirement for all land conserved. There should be special provisions for maintenance, monitoring, and enforcement for wetlands due to their unique nature.
- Link funding for infrastructure to adopted and implemented plans that protect wetlands.

**OBJECTIVE 3C.5: REQUIRE URBAN WATER USERS TO PARTICIPATE IN PROTECTION OF THE WATERSHED FROM WHICH THEIR WATER SUPPLY IS DERIVED.**

- Establish a surcharge on public water supply users, to be set aside for protection of critical water-quality protection lands in the watershed where the water resource is to be protected.

**D. PROMOTE ESTABLISHMENT AND PROTECTION OF LOCAL PARKS, GREENWAYS, RECREATION AREAS, AND HISTORIC SITES.**

**OBJECTIVE 3D.1: ENCOURAGE COMPREHENSIVE OPEN SPACE PLANNING AT A STATE AND LOCAL LEVEL.**

- Promote creation of local Park and Open Space plans that address both low-impact and active recreation.
- Achieve a general statewide balance, geographically and along urban/rural lines, in securing protected open space.
- Give preference in granting state funds or other support to facilities that are shared by multiple local governments or by schools and local governments.
- Promote connectivity of greenways and recreation areas across jurisdictional boundaries.
- Support coordination of open space planning and watershed protection.
- Support increased funding and planning for protection of historic landscapes and scenic viewsheds.

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**OBJECTIVE 3D.2: RECOGNIZE THE PUBLIC BENEFIT OF OPEN SPACE IN URBAN AREAS.**

- Pursue acquisition and protection of open space for active recreational purposes as well as low-impact purposes.
- Respect privately held open space.
- Preserve open space as a key component in urban settings, and provide low-impact recreation in urban areas.

**E. PROMOTE ESTABLISHMENT AND PROTECTION OF NATURAL AREAS AND WILDLIFE HABITATS**

**OBJECTIVE 3E.1: ENCOURAGE LINKAGE OF WATER QUALITY AND OPEN SPACE PLANNING.**

- Provide incentives for local governments that include floodplain protection in Park and Open Space plans.
- Provide incentives for local governments that exceed required buffers on all waterways, including greenways and wildlife corridors, within their jurisdiction.
- Provide state matching funds to compile regional and statewide inventories and mapping of high priority environmentally sensitive areas.
- Encourage local governments to incorporate information about locations of threatened species, habitats, or natural areas into local land-use and open space protection plans.
- Increase funds available to Natural Heritage Trust Fund.

**OBJECTIVE 3E.2: REFINE STATE POLICIES TO INCREASE PROTECTION OF NATURAL AREAS.**

- Improve coordination of economic development with open space protection.
- Prevent state-funded projects, including those funded by tax-credits and other assistance, from creating adverse impacts on protected open space as well as wetlands, floodplains, and other sensitive natural areas.

**OBJECTIVE 3E.3: KEEP BEACHES PUBLIC AND UNSPOILED.**

- Continue to aggressively defend the public right to the sandy oceanfront beach by maintaining the state's ban on hardened structures and the public right to use the beach.
- Identify which barrier islands, or parts of barrier islands, are appropriate candidates for renourishment and which are not, based upon a beach plan that is scientifically and technically defensible, and includes realistic cost estimates.
- Develop density restrictions as well as specific public access requirements for beach communities that receive public funding for beach renourishment.
- Develop and implement exit strategies for those beach communities where beach renourishment is not appropriate or feasible.
- Existing trust funds dedicated for natural heritage, recreation, and water quality protection should not be used or allocated to fund beach renourishment projects.

**4. TOOLS**

**A. EXPAND LOCAL GOVERNMENT FLEXIBILITY**

**OBJECTIVE 4A.1: GIVE LOCAL GOVERNMENTS GREATER ACCESS TO LAND-USE TOOLS.**

- Support the transfer of density within a jurisdiction as the simplest and potentially most equitable method for shifting development toward and away from certain areas.

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- Support legislative authority for pilot programs at the local level for use of transfer of development rights program with a review of the program after a certain period of time.

**OBJECTIVE 4A.2: EXPAND APPLICATION OF THE PRESENT USE VALUE SYSTEM.**

- Allow local governments, at their option, to establish additional categories of land use to qualify for present use value taxation.

**OBJECTIVE 4A.3: GRANT LOCAL GOVERNMENTS EQUIVALENT TAXING AUTHORITY.**

- Grant to all local governments the taxing powers already allocated to some local governments.
- Allow local governments to expand their taxing options subject to voter approval for purposes of protecting open space through application of impact fees and taxes, increased real estate transfer and local option sales taxes, prepared meal and other levies.

**OBJECTIVE 4A.4: PROMOTE PLANNING.**

- Give preference in providing state matching and grant funds to jurisdictions with adopted Park and Open Space plans, farmland preservation plans, watershed protection plans, stormwater management and other natural resource protection plans.

**B. PROMOTE CONSERVATION EASEMENTS**

**OBJECTIVE 4B.1: BROADEN MEANS OF EXTENDING TAX BENEFITS TO CONSERVED LAND.**

- Automatically qualify land subject to conservation easements at present use value rate.
- Allow counties and municipalities to defer or eliminate property taxes on private properties that are subject to conservation easements.
- Grant counties the ability to qualify low-impact forest conservation plans for present use value taxation.

**OBJECTIVE 4B.2: IMPROVE CONSERVATION TAX CREDIT PROGRAM.**

- Increase to 10 years the period to recover allowable state income tax credits for land conservation.
- Expand categories of land qualifying for the conservation tax credit to include all types of environmentally significant land resources.
- Assure adequate dissemination of information and other technical assistance to promote conservation tax credit system among all property owners.

**OBJECTIVE 4B.3: PROTECT LAND COVERED BY A CONSERVATION OR OTHER OPEN SPACE PRESERVATION EASEMENT.**

- Discourage the siting of state- or locally-funded projects, or utility projects, in a manner that adversely impacts land previously protected by easement.
- Require a public hearing at which reasonable alternatives are considered prior to permitting state, local or utility projects to cross or destroy land subject to a conservation easement.

**5. FUNDING OPTIONS**

**A. SUPPORT EXISTING OPEN SPACE PROTECTION PROGRAMS**

**OBJECTIVE 5A.1: SUPPORT THE BROAD RANGE OF EXISTING NORTH CAROLINA OPEN SPACE PROTECTION AND OTHER LAND CONSERVATION PROGRAMS.**

- Ensure adequate funding for the Clean Water Management Trust Fund, Farmland Preservation Trust Fund,



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Natural Heritage Trust Fund, and Parks and Recreation Trust Fund.

- Long-range plans to sustain open space efforts require a reliable and predictable source of funding.
- Dedicated sources are key to providing stable funding.

**B. IDENTIFY AND AUTHORIZE ADDITIONAL FUNDING SOURCES FOR OPEN SPACE PRESERVATION**

**OBJECTIVE 5B.1: IDENTIFY POTENTIAL FUNDING SOURCES TO BOLSTER EXISTING RESOURCES DEDICATED TO OPEN SPACE PROTECTION. SOME POTENTIAL SOURCES ARE:**

- Allow North Carolina income tax payers to specifically designate a portion of their taxes for open space protection programs.
- Increase the fee for a North Carolina driver's license by one dollar (\$1.00) per year, dedicating the additional revenue to open space protection programs.
- Remove the tax ceiling on luxury vehicles, dedicating the additional revenue to open space protection programs.
- Consider a seven hundred fifty million dollar (\$750,000,000) bond issue to support open space protection and the Million Acre Initiative.
- Establish a surcharge on public water supply users, to be set aside for protection of critical water-quality protection lands in the watershed where the water resource is to be protected.
- Establish a mitigation fee for every acre of farmland taken out of agricultural production for development purposes, either a flat amount or a capped percentage of the sale price, to be shared between state and local farmland protection programs.
- Charge a two-dollar park entrance fee to non-North Carolina visitors, to be dedicated to the Natural Heritage and the Parks and Recreation trust funds.
- Increase the real estate transfer tax (deed stamp tax) statewide by one dollar per one thousand dollars (one-tenth of one percent), including an exemption from the increase for farmer-to-farmer transfers and lower income housing, to be shared equally between the state and the originating local unit of government, the additional revenue to be dedicated to appropriate state and local open space protection programs.
- Increase assessment per ton on processed wood and use to fund Forest Legacy Program and possible purchase of timber rights program.

**OBJECTIVE 5B.2: AUTHORIZE ALL LOCAL GOVERNMENTS THAT MEET SMART GROWTH PLANNING CRITERIA TO MAKE USE OF REVENUE SOURCES CURRENTLY AUTHORIZED FOR A LIMITED NUMBER OF JURISDICTIONS.**

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## **Transportation Work Group: Findings and Recommendations**

### **Work Group Co-Chairs**

Representative Drew Saunders

Mayor Pat McCrory

### **Commission Members:**

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Dr. David Godschalk

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**GOAL 1 IMPROVE LAND USE AND TRANSPORTATION LINKAGES**

**GOAL 1.1 ENSURE CONNECTIONS AND CONSISTENCY BETWEEN LAND USE, ECONOMIC DEVELOPMENT, TRANSPORTATION AN INFRASTRUCTURE PLANS AT THE LOCAL, REGIONAL AND STATE LEVELS.**

**LEGISLATION SHOULD BE CREATED** so that local governments have smart growth planning programs. Planning standards would be determined by the locality's size and growth rate, with smaller localities being encouraged to incorporate their efforts into the county's planning program.

Local transportation elements and regional transportation plans would be evaluated for approval and certification based on two categories:

Basic transportation planning criteria required by local governments:

- Planned Growth Areas (PGAs) include planned transportation facilities, including local street networks, sufficient to accommodate the mobility needs of the projected 20-year population of the jurisdiction.
- Critical, Important and Sensitive (CIS) areas include measures for avoiding or minimizing negative environmental impacts and induced development pressures from future transportation facilities within or adjacent to these designated areas.

Standard transportation planning criteria for local governments required to have Tier 2 and 3 plans, and all regional plans. The transportation elements of these plans would be evaluated on the degree to which they:

- Coordinate transportation systems and future land-use patterns.
- Expand mobility choices by promoting multi-modal transportation systems.
- Reduce congestion and promote safe and efficient system operation.
- Enhance connectivity and accessibility of the transportation system.
- Design collector road systems to guide growth in developing areas.
- Support economic development, productivity, and competitiveness.
- Protect critical resources and environmentally sensitive areas
- Maintain safe levels of air quality, noise, and other transportation impacts.
- Promote energy conservation.
- Are consistent with other local, regional, and state transportation and land-use plans.

Jurisdictions whose plans receive higher evaluations would be eligible for increased access to smart growth tools and funding.

**GOAL 1.2 ENCOURAGE COOPERATION AND COORDINATION OF LAND USE AND TRANSPORTATION PLANNING BETWEEN LOCAL, REGIONAL AND STATE GOVERNMENTS.**

**LEGISLATION SHOULD BE CREATED** to develop and fund a multi-agency state smart growth resource center to collect and provide information to local governments and regional entities and to the public.

**LEGISLATION SHOULD BE CREATED** to develop a network of North Carolina based researchers and organizations to compile and initiate research on growth and development patterns, and act as a clearinghouse on growth-related research for the state. Its work would be coordinated with that of the state planning body and the lead state-planning agency.



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**LEGISLATION SHOULD BE CREATED** or amended to fund programs which encourage local, regional and state planning for collector networks, multi-modal transportation systems, congestion management and traffic reduction, walkable communities, and similar smart growth initiatives.

**GOAL 1.3 LOCAL GOVERNMENTS AND REGIONAL ENTITIES THAT PREPARE SMART GROWTH PLANS SHOULD BE PERMITTED TO SELECT TECHNIQUES APPROPRIATE TO ITS JURISDICTION'S OR REGION'S PARTICULAR CIRCUMSTANCES AND GOALS.**

**LEGISLATION SHOULD BE CREATED** to establish a "toolbox" so that local governments with smart growth plans that meet the minimum requirements can select from a range of incentives, funding mechanisms and growth management tools.

**GOAL 1.4 ASSESS PROJECTED IMPACTS OF LAND USE AND DEVELOPMENT DECISIONS ON THE HIGHWAY SYSTEM DURING THE PLANNING PROCESS AND PRIOR TO APPROVING AND INITIATING DEVELOPMENT.**

**LEGISLATION SHOULD BE CREATED** to mandate that transportation impact studies be completed and evaluated whenever a rezoning or major development proposal may have a substantial impact on a NC, Interstate or US highway.

**THROUGH EDUCATION AND OUTREACH** by state agencies and regional entities, local governments should be encouraged to consider and evaluate the effects of land use and other plans, including thoroughfare plans done in concert by counties and municipalities, on the NC, US and Interstate highway system prior to plan adoption or amendment.

**GOAL 1.5 UPDATE ACCESS-MANAGEMENT AND RIGHT-OF-WAY POLICIES AND PRACTICES IN COORDINATION WITH NEW AND EXISTING LAND USE CONCERNS AND SMART GROWTH PRINCIPLES.**

**LEGISLATION SHOULD BE CREATED** to emphasize and encourage appropriate access controls within designated PGAs while limiting or fully controlling access outside of growth areas and within CIS areas. The legislation should also mandate that, prior to a project being programmed, NCDOT and local governments develop an agreement for management of access, land uses and infrastructure investments through corridor plans and similar efforts.

**NCDOT SHOULD CREATE POLICIES AND PRACTICES** so that efficient median, turn lane and other access management tools are integrated with adjacent land uses, zoning and development as part of this partnership with local governments.

**GOAL 1.6 CREATE A PROGRAM FOR CONCURRENT AND COORDINATED LAND USE, TRANSPORTATION AND AIR QUALITY MODELING AND PLANNING.**

**NCDOT SHOULD BE ENCOURAGED AND SUPPORTED** in its efforts to create a unit to develop and implement an integrated modeling program.

**NCDOT AND STATE ENVIRONMENTAL AGENCIES SHOULD BE ENCOURAGED** to coordinate efforts to integrate transportation-related environmental programs for improved efficiency and effectiveness.

**GOAL 1.7 PREVENT ENCRoACHMENT INTO PROPOSED RIGHTS-OF-WAY FOR RAIL AND ROAD CORRIDORS IN COLLABORATION WITH LOCAL GOVERNMENTS.**

**NCDOT SHOULD CONTINUE TO PROVIDE AND IMPROVE** its outreach, education and assistance programs to local governments for corridor protection planning and tools.

**GOAL 2 FOCUS TRANSPORTATION INVESTMENTS**

**GOAL 2.1 EMPLOY 'BALANCED MAINTENANCE'.**

A minimum percentage of transportation monies should be established for system maintenance and operations, to be phased in over time, to place maintenance on a balanced footing with funding priorities for construction of new roads and added capacity.



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**LEGISLATION SHOULD BE CREATED OR AMENDED** to mandate that NCDOT create and adopt maintenance standards in consultation with local governments for all transportation system assets. This legislation must fully fund maintenance of these assets according to adopted standards.

**NCDOT SHOULD ADOPT A POLICY** so that the agency projects the cumulative maintenance costs for the existing and planned transportation system prior to project selection and programming, and budget accordingly.

**GOAL 2.2 TARGET TRANSPORTATION MONIES.**

**LEGISLATION SHOULD BE CREATED** to require NCDOT to direct most transportation funding to serve existing communities with infrastructure investments in place and to 'priority funding areas' within PGAs.

**LEGISLATION SHOULD BE CREATED** to establish that local government collector network planning be eligible for state funds. This legislation should also provide additional funding to support these efforts.

**GOAL 2.3 DISTRIBUTE TRANSPORTATION FUNDS CONTINGENT ON ACCEPTABLE AND APPROPRIATE SMART GROWTH PLANNING.**

**LEGISLATION SHOULD BE CREATED** to mandate that a Tier 2 or 3 planning program is required to be eligible for most transportation capital funds. This legislation should also establish that state investments must be consistent with local and regional plans to the greatest extent possible, and that NCDOT will actively consult with and cooperatively plan with localities, using mediation when needed.

**GOAL 2.4 DEVELOP CLEAR PROJECT SELECTION CRITERIA AND AN OPEN, TRANSPARENT PROCESS TO ENSURE CONSISTENT AND COMPREHENSIBLE PROGRAMMING.**

**LEGISLATION SHOULD BE CREATED OR AMENDED** to establish and fund incentives to reward enhanced smart growth planning.

**LEGISLATION SHOULD BE CREATED OR AMENDED** so that local governments with smart growth plans have the opportunity to contribute funds to expedite the completion of transportation projects.

**LEGISLATION SHOULD BE CREATED** to require that NCDOT create, publish and utilize project selection criteria and incentives to achieve smart growth goals to provide clear direction to local and regional partners.

Recommended smart growth goals:

- Improve land use and transportation planning linkages.
- Focus transportation investments.
- Develop multi-modal transportation systems.
- Ensure transportation system interconnectivity.
- Encourage regionalism and regional transportation planning and solutions.
- Emphasize public involvement in transportation decision-making.

Transportation projects should be selected for funding and implementation based on:

Threshold planning criteria. All projects must be:

- Included in a Metropolitan Planning Organization (MPO) or Rural Planning Organization (RPO) Long-Range Transportation Plan. Jurisdictions not required to prepare such plans must include the project in its Transportation Plan or the project must be included in the Statewide Transportation Plan.
- Located within a designated Planned Growth Area.

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Project design criteria. These criteria shall be used to rank proposed projects. Projects with higher scores shall receive priority for all discretionary transportation funding. Proposed transportation projects shall be scored on the degree to which they:

- Facilitate compact growth, and livable and walkable communities.
- Encourage brownfield redevelopment.
- Expand mobility choices by promoting multi-modal transportation systems.
- Reduce congestion and promote safe and efficient system operation.
- Enhance connectivity and accessibility of the transportation system.
- Manage access in order to maintain desired traffic flow.
- Support economic development, productivity, and competitiveness.
- Protect critical resources and environmentally sensitive areas.
- Maintain safe levels of air quality, noise, and other transportation impacts.
- Promote energy conservation.

**GOAL 2.5 STATE TRANSPORTATION MONIES SHOULD BE FLEXIBLE AND AVAILABLE FOR MULTI-MODAL PROJECTS, OPERATIONS AND PROGRAMS.**

**LEGISLATION SHOULD BE CREATED OR AMENDED** to ensure that state transportation monies are flexible and made available for implementing local, regional and state priorities to improve accessibility, including highways, transit, pedestrian, bicycle, telecommuting, transportation demand management and/or transportation system management facilities, operations and programs.

**GOAL 2.6 MAKE REGIONAL ALLOCATIONS OF FUNDS PREDICTABLE SO THAT PLANNING CAN BE COORDINATED, PRIORITIZED AND BUDGETED.**

**LEGISLATION SHOULD BE CREATED OR AMENDED** to coordinate transportation planning regions and Equity Formula distribution lines to promote coordinated, prioritized and budgeted planning.

**GOAL 2.7 CREATE A 'MULTI-MODAL TRANSPORTATION FUND.'**

**LEGISLATION SHOULD BE CREATED OR AMENDED** to establish a new, dedicated funding source — separate from existing programs and not subject to the Equity Formula — to fund transit, rail, pedestrian and bicycle systems, air quality programs, congestion management and similar efforts, and which will include both new projects and retrofits of existing areas.

**GOAL 2.8 SAFETY, COMMUNITY AND ENVIRONMENTAL CONCERNS, AIR QUALITY, AND TRAFFIC CONGESTION MUST BE PART OF THE EQUITY FORMULA.**

**GOAL 3 DEVELOP MULTI-MODAL TRANSPORTATION SYSTEMS**

**GOAL 3.1 NEEDS ASSESSMENT FOR MULTI-MODAL FACILITIES AND PROGRAMS SHOULD BE REQUIRED FOR NEW OR EXPANDED HIGHWAYS AND BRIDGES, AND IMPLEMENTED WHEN APPROPRIATE.**

**LEGISLATION SHOULD BE CREATED** to require that needs assessments for HOV lanes, busways, park and ride facilities, pedestrian and bicycle accommodations, etc. be included in the planning, budgeting, design and right-of-way acquisition for new or expanded highways and bridges. This legislation should establish criteria for assessing when implementation is reasonable and feasible and should provide sufficient funding.

**GOAL 3.2 DEVELOP MULTI-MODAL CENTERS OR FACILITIES TO MEET THE NEEDS OF EVERY COUNTY.**

**LEGISLATION SHOULD BE CREATED** to provide funding and direction for needs assessment studies of, planning for, and development of multi-modal transportation centers and facilities.

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**GOAL 3.3 IMPROVE, INTEGRATE AND EXPAND INTER- AND INTRA-REGIONAL TRANSPORTATION MODES, INCLUDING BUS AND RAIL AS APPROPRIATE.**

**GOAL 3.4 PROMOTE CREATION OF MULTI-MODAL SYSTEMS.**

**NCDOT IS TO BE ENCOURAGED AND SUPPORTED** in efforts to create and implement flexible and innovative subdivision road design standards.

**GOAL 3.5 ENCOURAGE SHARED ACCESS TO FREIGHT RAIL RIGHT-OF-WAY FOR PASSENGER AND COMMUTER RAIL.**

**GOAL 4 ENSURE TRANSPORTATION SYSTEM INTERCONNECTIVITY.**

**GOAL 4.1 REVISIT INTRASTATE HIGHWAY SYSTEM GOALS TO ENSURE THE GOALS ARE SUFFICIENTLY FLEXIBLE TO MEET THE DIVERSE NEEDS OF NORTH CAROLINA'S REGIONS, BOTH URBAN AND RURAL.**

**LEGISLATION SHOULD BE AMENDED** as needed to better integrate intrastate highway system goals with community values and local and regional plans, and to expand component highways in the manner needed to best accommodate regional and rural area mobility.

**GOAL 4.2 INCORPORATE DENSE NETWORKS OF COLLECTOR STREETS INTO THE TRANSPORTATION PLANNING PROCESS TO ACCOMMODATE PLANNED GROWTH AREAS FOR URBAN AND SUBURBAN TRANSPORTATION.**

**NCDOT SHOULD ADOPT A POLICY** to ensure that state technical assistance will be provided to local governments to assist with collector network planning, and that these local network plans will be incorporated into transportation plans.

**GOAL 5 ENCOURAGE REGIONALISM, REGIONAL TRANSPORTATION PLANNING AND SOLUTIONS.**

**GOAL 5.1 ENCOURAGE CONSOLIDATION OF EXISTING REGIONAL AGENCIES INTO ONE AGENCY PER METROPOLITAN AREA TO CREATE A SINGLE LAND USE, INFRASTRUCTURE AND TRANSPORTATION PLANNING ENTITY.**

**GOAL 5.2 COORDINATE BOUNDARIES SO THAT TRANSPORTATION PLANNING REGIONS AND AIR QUALITY ATTAINMENT AREAS ARE THE SAME.**

**LEGISLATION SHOULD BE CREATED OR AMENDED** to require that Metropolitan Planning Organizations, Rural Planning Organizations and non-MPO counties within an air quality non-attainment area consult and coordinate with each other on plans, policies and programs.

**GOAL 6 EMPHASIZE PUBLIC INVOLVEMENT IN TRANSPORTATION DECISION-MAKING.**

**GOAL 6.1 IMPROVE COMMUNICATION THROUGH EARLY AND CONTINUOUS INVOLVEMENT TO HELP DEVELOP A CLEAR COMMUNITY VISION AND TO LEAD TO FASTER IMPLEMENTATION OF BETTER PROJECTS.**

**NCDOT SHOULD ADOPT A POLICY** to encourage collaborative planning, design and decision-making throughout all transportation processes. Further, NCDOT processes should incorporate a broadly based public involvement process, including facilitation as needed.

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## Enabling Legislation - Session Law 1999-237, Section 16.7

Create a Commission to Address Smart Growth, Growth Management, and Development Issues

(a) Of the funds appropriated in this act to the Department of Commerce, the sum of two hundred thousand dollars (\$200,000) shall be transferred to the General Assembly to be used for the Operating expenses of the Commission to Address Smart Growth, Growth Management, and Development Issues, as established in this section.

(b) Commission Established. - There is established a Commission to Address Smart Growth, Growth Management, and Development Issues.

(c) Membership. - The Commission shall consist of 37 members who shall represent, insofar as practicable, the diverse interests and geographic regions of the State. It shall include representatives from government, business, environmental interests, the professions, and citizens.

The following members or their designees shall serve as ex officio members:

- The Lieutenant Governor;
- The Secretary of the Department of Transportation;
- The Secretary of the Department of Commerce; and
- The Secretary of the Department of Environment and Natural Resources.

The remaining members shall be appointed as follows:

- 1) Four representatives from the North Carolina League of Municipalities who have knowledge about issues of urban growth management and development, two of whom shall be appointed by the President Pro Tempore of the Senate and two of whom shall be appointed by the Speaker of the House of Representatives;
- 2) Four representatives from the North Carolina Association of County Commissioners, two of whom shall be appointed by the President Pro Tempore of the Senate and two of whom shall be appointed by the Speaker of the House of Representatives;
- 3) Three representatives from environmental advocacy groups appointed by the Governor, one of whom has expertise in statewide issues of water quality, air quality, and urban development and two of whom have expertise in regional environmental issues;
- 4) One representative from the North Carolina Chapter of the American Planning Association, appointed by the Governor;
- 5) One representative from the North Carolina Home Builders Association, appointed by the Governor;
- 6) One representative from the Mortgage Bankers Association, appointed by the Speaker of the House of Representatives;
- 7) One representative, who is a residential or commercial developer, appointed by the President Pro Tempore of the Senate;



- 9) One representative from the North Carolina Farm Bureau Federation, Inc., appointed by the Governor;
- 10) One representative from the American Lung Association, who is a resident of this State, appointed by the President Pro Tempore of the Senate;
- 11) A physician from a medical school in this State knowledgeable in the diagnosis and treatment of respiratory illness, appointed by the Speaker of the House of Representatives;
- 12) One representative from the North Carolina Chapter of the American Institute of Architects with expertise in traditional neighborhood development, appointed by the Governor;
- 13) One representative from the North Carolina Chapter of the American Society of Landscape Architects, appointed by the Governor;
- 14) One representative from the North Carolina Association of Realtors, appointed by the Governor;
- 15) Three representatives from lead regional organizations who have experience with regional planning, one of whom is appointed by the President Pro Tempore of the Senate, one of whom is appointed by the Speaker of the House of Representatives, and one of whom is appointed by the Governor;
- 16) One representative from the North Carolina Travel and Tourism Board who has expertise in rural, nature-based tourism, appointed by the Speaker of the House of Representatives;
- 17) One representative from the Rural Economic Development Center, appointed by the President Pro Tempore of the Senate;
- 18) One public member, appointed by the President Pro Tempore of the Senate;
- 19) One public member, appointed by the Speaker of the House of Representatives; and
- 20) Four members of the Senate appointed by the President Pro Tempore of the Senate and four members of the House of Representatives appointed by the Speaker of the House of Representatives.

Appointments to the Commission shall be made not later than September 1, 1999. A vacancy in the Commission or as chair of the Commission resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made.

Section 16.7.(d) Duties of Commission. - The Commission shall study growth, growth management, and development issues and recommend initiatives to promote comprehensive and coordinated local, regional, and State planning, and growth management to:

- 1) Preserve natural and cultural resources.
- 2) Promote smarter infrastructure and transportation planning.
- 3) Foster more balanced economic development in rural and urban areas.
- 4) Foster compatible land-use patterns.
- 5) Preserve and improve air quality in this State.
- 6) Protect housing affordability and assure consumer choice.
- 7) Enhance the quality of life for the citizens of North Carolina.

Section 16.7.(e) Further Study Issues. The Commission may address all issues deemed nec-

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essary to implement coordinated planning and growth but shall study and evaluate in particular:

- 1) The legislation proposed by House Bill 1468, 1999 Regular Session, and legislation in other states regarding smart growth and growth management, including Maryland's Smart Growth and Neighborhood Conservation Act of 1997, Tennessee's Public Law 1101 of 1998, and further including similar legislation enacted in New Jersey and Washington.
- 2) The present and projected effects of population growth and urban development on the capacity of the State's infrastructure, environment, and economy, particularly those resulting from land use and transportation in the high growth and urbanized metropolitan regions.
- 3) Options and/or guidelines for long-term, strategic planning for the efficient growth of urban, rural, retirement, and resort areas of the State, including land-use management and the transfer of development rights.
- 4) Incentives to encourage local governments to develop and implement sound land-use management practices.
- 5) Planning and growth management goals and processes, including urban growth planning directed toward existing infrastructure and regionally significant infrastructure, and with appropriate attention to regionally significant environmentally sensitive lands.
- 6) The relationship and consistency between local and regional land use, infrastructure, preservation of high-quality farmland, and natural resource/open space plans ensured by a cross-acceptance process in which local, State, and regional representatives reach consensus about areas designated for urbanization, provision of regionally significant infrastructure, and protection of regionally significant environmentally sensitive lands.
- 7) Funding requirements for implementation of comprehensive planning and alternative means for meeting those requirements, including consideration of appropriate State, regional, and local responsibilities, to include procedures for directing State expenditures within the metropolitan regions for infrastructure to the region's locally designated and regionally conformed urban growth areas and targeting the expenditure of environmental protection funds to designated environmentally sensitive lands and significant rural lands.
- 8) Development of recommendations for funding sources for regional infrastructure, land acquisition needs, and assistance to local government for implementing plans.
- 9) Incentives to promote the continued use of farmlands for agriculture and the maintenance of the agricultural economy.

Section 16.7.(f) Consultation. – The Commission shall consult with appropriate State departments, agencies, and board representatives on issues related to transportation, economic development, education infrastructure, technology, natural resource conservation and management, affordable housing, and neighborhood awareness issues.

Section 16.7.(g) Report. – The Commission shall submit an interim report to the 2000 Regular Session of the 1999 General Assembly and shall submit a final report of its findings and recommendations by January 15, 2001, to the General Assembly, the Governor, and the citizens of the State. The report may include recommendations to (i) enact and implement a program of comprehensive planning, supportive infrastructure development, and growth management; and (ii) address the issue of continued oversight of growth and development in the State, including whether a permanent commission should be established.





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For copies of this report or further information regarding the Commission on Smart Growth, Growth Management and Development, write to North Carolina General Assembly, Legislative Building, 16 West Jones Street, Raleigh, NC 27603 or call (919) 733-4111.