How much can your community save with smarter growth? (Hint: More than you think!)

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Photo courtesy of Nashville Gulch

Governments across the country are increasingly turning to "smart growth" as smart policy, and a new study reveals the dollars and cents behind these policy decisions. In Smart Growth America's latest report, *Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development*, SGA compiles the first national survey on the local government savings from smart growth measures.

Smart growth is encouraged in site-related credits in LEED, and encompasses more walkable, sustainable, inclusive communities that support businesses and jobs while preserving sensitive lands. The Sustainable Sites credit category in LEED (and the new Location and Transportation category in v4) incentivizes investments in smart growth, and nowhere is this connection stronger than in LEED for Neighborhood Development. This report illuminates the extent to which smart growth can reduce expenditures, and in many instances generate revenue for local governments.

Building Better Budgets collects 17 case studies that compare different development scenarios across the US, including a brand-new study of Nashville, TN. In each case, the costs and benefits of a smart growth scenario is compared to the more traditional suburban development model. Nearly every study included in the report found that a smart growth approach would benefit public finances.

The main findings are threefold:

1. Upfront costs: Smart growth infrastructure costs ~40% less. Across the studies, upfront costs for roads, sewers, water lines and other infrastructure cost an average of 38 percent less in the smart growth scenario. Some of the studies concluded that this number is as high as 50 percent.

2. Operational costs: Smart growth development saves taxpayers at least 10%. The ongoing cost of police, ambulance and fire services was an average of 10 percent less in the smart growth scenarios, thanks in large part to better street connections and in some cases the actual number of vehicles, facilities and personnel required to serve the neighborhood.

3. Tax revenue: Smart growth development generates 10 times more tax revenue per acre. On an average per-acre basis, smart growth development patterns produced 10 times more tax revenue than conventional suburban development.

The new study of Nashville, TN commissioned for this report highlights the key role that LEED for Neighborhood Development can play in supporting this type of development. The study compares three developments in Nashville and surrounding Davidson County representing three distinct types of development; ranging from single-family suburban development to a greenfield traditional neighborhood development to a mixed-use infill neighborhood. The development found to provide by far the greatest return to the municipality was The Gulch, the first neighborhood in the South to earn LEED for Neighborhood Development certification. SGA's analysis shows that The Gulch's infill development has lower service costs, generates the most revenue per unit and generates the largest surplus at over 1,150 times the net tax revenue per acre generated by the suburban development.

The report's compilation of local examples provides quantifiable support for the smart land-use decisions that LEED rewards and for which we advocate. USGBC's *Leadership with LEED* campaign organizes green building advocates behind a common cause of promoting public policy that facilitates and propels green building excellence – smart growth development included. How can your home town save (and make) money with greener development practices? Review the report and join our campaign today!

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