

**Rural Georgia:
To Be or Not to Be...Zoned...**
An Economic Development Perspective

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INTRODUCTION

A variety of public policies in Georgia can influence a community's economic development potential. Zoning is one of these policies.

In 1983, the Georgia State Constitution gave individual counties home rule power to conduct zoning and planning activities. The Georgia Planning Act of 1989 mandated that all communities in Georgia adopt a comprehensive plan, but did not require adoption of a zoning ordinance to enforce, or implement, the plan. As of 2001, 63 counties in Georgia, all rural, have not adopted a zoning ordinance.

Community leaders of non-zoned counties often find it challenging to convince their citizens of real benefits to zoning. Opponents of zoning often consider such regulation an unnecessary governmental intrusion on their property rights. Zoning advocates often cite quality-of-life advantages, such as protecting homeowners from unwanted uses next door, but such advantages vary in the eye of the beholder and sometimes do not provide enough incentive to sway the opposition.

The purpose of this investigation was to evaluate whether there are economic development benefits related to zoning. Given that an unlimited number of factors affect a community's economic development potential, it is not possible to state with certainty that just one factor is responsible for a community's economic development progress. In other words, one factor, such as a specific public policy, cannot be the sole explanation for a community's development. However, economic development patterns may be observed when comparing communities with one of these factors to communities without. This investigation sought to compare counties with a zoning policy to counties without one.

There were several phases of this investigation. This report is divided into the following sections that detail the findings discovered through each of these phases:

- ✓ Part One of this report profiles rural Georgia communities with and without zoning, providing information on their locale, length of experience with zoning, and economic situation. This section also includes findings, ascertained through a

- survey of 143 local planning officials [representing cities or counties], regarding the experiences communities have had with zoning.
- ✓ Part Two describes certain central tendencies among communities with and without zoning.
 - ✓ Part Three provides the results of extensive statistical analyses to determine whether any *significant* changes occur as a result of adopting a zoning policy. These analyses were conducted by reviewing the relationship between years of zoning and selected economic indicators. For example, an increase in property values is one such indicator often cited by proponents of zoning legislation as a key benefit of zoning. Is there a significant change in property values among communities that have adopted a zoning ordinance? Other indicators analyzed include changes in per capita income and changes in employment. Similar data was analyzed for over two dozen matched pairs, comparing counties with zoning to similar counties without zoning to determine if there are any *significant* differences in their economic performance.
 - ✓ Part Four describes findings, ascertained through individual interviews with 74 local economic developers in rural counties with and without zoning in Georgia, concerning whether communities have experienced any economic development benefits or challenges relating to the presence or absence of zoning.
 - ✓ Part Five offers overall conclusions based on the findings from the various components of this investigation – data analyses, surveys, statistical analyses, and interviews.

This investigation was conducted to help community leaders make informed decisions regarding adoption of a zoning policy. It does not attempt to explain why some counties zone and some don't. Rather, it reviews the economic development experiences of counties with and without zoning to develop insight as to whether having a zoning policy, in general, makes a difference. However, it does not measure the effectiveness or efficiency of specific types of zoning policies or processes. Therefore, further investigation beyond this study is advised for communities considering adoption of a zoning policy.

ACKNOWLEDGEMENTS

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We thank the more than 200 economic development and planning professionals, representing communities across Georgia, who shared their experiences and opinions with us from July through November of 2001. We could not have adequately addressed the question of whether there are economic development benefits relating to the presence or absence of zoning without their candid insights.

We also thank several individuals with the Georgia Department of Community Affairs who provided valuable information. They include: Mr. Hezekiah Aikens, Mr. Jim Crowdis, Ms. Chrissy Marlowe, Ms. Deborah Miness, Mr. Winfred Owens, Ms. Kathy Papa, and Mr. Leamon Scott.

EXECUTIVE SUMMARY

Over half (60.4 percent) of Georgia's 159 counties have adopted a zoning ordinance. Sixty-three counties do not presently have a county-level ordinance. This section highlights key findings of this investigation concerning these communities.

Georgia's Zoned and Non-zoned Communities

- ✓ Every metropolitan county in Georgia has a zoning ordinance. Each of the state's sixty-three counties without zoning are located beyond metropolitan borders.
- ✓ Region 9, also known as the Heart of Georgia - Altamaha River Area, is the state's only region that does not have any county-level zoning policy.
- ✓ More than three-quarters (76.1 percent) of the state's counties without zoning are located in middle and southern Georgia regions. However, one of the southern-most regions of the state – Region 11 – has county zoning policies present in most of its counties.
- ✓ Thirty-five Georgia counties have had more than 20 years of experience with zoning. Fourteen of these are rural counties.
- ✓ As the level of economic prosperity increases, as observed from Tier 1 to Tier 4, the percentage of rural counties with a zoning policy increases.
- ✓ More than two-thirds of Georgia's rural counties without zoning (68.3 percent) are Tier 1 communities, that is, the least developed counties in the state.
- ✓ Approximately nine out of ten county (90.6 percent) and city (89.9 percent) officials report that they have had positive experiences with their zoning.
- ✓ The average rating of the effectiveness of a community's planning process provided by county planning officials was 7.0 on a scale of 1 to 10, and, by city planning officials, 7.4.
- ✓ The ability to guide development, manage growth, and protect property values was most frequently mentioned by local planning officials as zoning's benefits.

- ✓ Problems identified by local planning officials related to the current zoning policy, the zoning process, and issues involving the general public.

Central Tendencies

- ✓ Generally, rural counties with zoning tend to be larger in terms of population and land area and have greater population densities than counties without zoning.
- ✓ Rural counties with zoning tend to have a higher per capita income, higher average manufacturing wage rate, and lower food stamp participation rate than counties without zoning.
- ✓ Zoned counties tend to post lower unemployment rates, higher labor force participation rates, and larger employment bases than counties without zoning.
- ✓ Rural counties with zoning tend to have higher assessed property values than counties without zoning.
- ✓ Which came first, the chicken (e.g., economic performance) or the egg (e.g., a zoning policy)? Further investigation techniques provided some elaboration.

Does Zoning Really Matter in Rural Georgia?

- ✓ Two approaches were employed for identifying statistical differences between zoned and non-zoned counties - regressions analysis and paired samples analysis. These approaches provided consistent and robust evidence to support the idea that having zoning improves a community's ability to create employment.
- ✓ Regressions analysis showed that counties with zoning should perform better over time in attracting new jobs than counties without. Also, the longer that zoning is in place, the larger the increase in per capita assessed land value and overall county employment. However, it also appears from the regression analysis that other factors besides zoning are more important in determining the value of property in a community.
- ✓ Evidence from paired samples analysis also indicated that zoning benefits a community in terms of employment growth. This analysis supports the

contention that zoning increases the growth, both in percentage and per capita terms, of the property value in a county.

What Economic Developers Say

Executive Summary Table - Interview Results

Economic Developers of Rural Counties WITHOUT Zoning (37 interviewed)	Economic Developers of Rural Counties WITH Zoning (37 interviewed)
1) The majority of economic developers (62.2 percent) interviewed do not consider the lack of countywide zoning a benefit.	1) When asked if their community has experienced any benefits from zoning, the vast majority of the economic developers interviewed (83.8 percent) responded “yes.”
2) When asked if their community has experienced any problems due to the lack of zoning, almost three-quarters (72.9 percent) of those interviewed replied “yes.”	2) The majority of those interviewed (62.2 percent) reported that their communities have not experienced problems as a result of their zoning processes.
3) The majority of the economic developers interviewed (54.1 percent) do not consider the lack of zoning to be an asset from an economic development perspective.	3) More than three-quarters of the economic developers interviewed (78.4 percent) view zoning as an economic development asset.
4) Twenty-one economic developers view the lack of zoning to be an economic development liability, constituting the majority of those interviewed (56.8 percent).	4) The vast majority of economic developers interviewed (81.6 percent) do not consider zoning to be an economic development liability.
5) Over two-thirds of the economic developers (67.6 percent) reported that their community’s prospects have asked about zoning.	5) Over three-quarters of the economic developers interviewed (75.7 percent) reported that prospects do ask about zoning.
6) Approximately one-third of the 25 economic developers (who have been asked by prospects about zoning) reported that their prospects would have preferred that their community have zoning; one-fourth (24 percent) reported that their prospects don’t like zoning. [The remaining developers either reported that they don’t know whether prospects like zoning or it depends on the prospect, or they didn’t provide an answer.]	6) Of the 28 economic developers who reported that zoning is a fairly typical question asked by prospects, 13 (46.4 percent) reported that their prospects have viewed zoning as an asset; just over 10 percent report that their prospects seem wary of zoning. [The remaining developers either reported that there has been no feedback from prospects or it depends on the prospect, or they did not provide an answer.]
7) The average score provided on the effectiveness of the community’s planning process was 4.4, on a scale of 1 to 10.	7) The average score provided on the effectiveness of the community’s planning process was 6.4, on a scale of 1 to 10.

Overall Conclusions

- ✓ Is there a need for zoning in rural areas? Fifty-seven rural communities across Georgia, including 14 with more than 20 years experience with zoning, appear to think so.
- ✓ A comparison of all rural counties with a zoning policy to all counties without one reveals that zoned counties have the tendency to have greater economic positioning than non-zoned counties.
- ✓ Zoning has a significant and positive impact on changes in employment and assessed property values.
- ✓ Economic development benefits are numerous, including, but not limited to, (1) business and citizen preference for land use predictability; (2) assurance for prospects that their investment will be protected, (3) the ability to guide future development and prevent haphazard, (e.g., patchwork), harmful or unwanted development, and (4) the minimization of potential conflict between industry and residents.
- ✓ Findings from this investigation suggest that zoning does make a difference, and, specifically, that the presence of zoning generally helps a rural community's economy grow and that zoning appears to improve a rural community's competitive advantage for economic development.
- ✓ The extent that zoning can make a difference is affected by several considerations including, but not limited to, (1) leadership and citizen support and understanding, (2) quality of the zoning code, (3) integration with a well-conceived comprehensive plan, (4) applicability and enforcement, (5) the zoning process itself, and (6) the merits of the existing economic development program.
- ✓ Zoning is just one of a myriad of factors influencing a community's economic development, and the decision to zone should be weighed carefully in context with a community's overall economic development strategy.

PART ONE

Georgia's Zoned and Non-zoned Communities

This section profiles rural Georgia counties with and without zoning, providing information on their locale, length of experience with zoning, and economic situation.¹ This section also includes findings, ascertained through a survey of 143 local planning officials administered during July and August 2001, regarding the experiences their cities and counties have had with zoning.

Locale

Over half (60.4 percent) of Georgia's 159 counties have adopted a zoning ordinance. Sixty-three counties do not presently have a county-level ordinance. See Table 1.

Table 1 - Where Are Georgia's Zoned and Non-zoned Counties Located?

State Development Region	Total Counties	Counties With Zoning	Percent	Counties Without Zoning*	Percent
Region 1	15	9	60.0%	6	40.0%
Region 2	13	6	46.2%	7	53.8%
Region 3 (includes Atlanta)	11	11	100.0%	0	0.0%
Region 4	10	10	100.0%	0	0.0%
Region 5 (includes Athens)	12	10	83.3%	2	16.7%
Region 6 (includes Macon)	11	8	72.7%	3	27.3%
Region 7 (includes Augusta)	13	6	46.2%	7	53.8%
Region 8 (includes Columbus)	16	10	62.5%	6	37.5%
Region 9	17	0	0.0%	17	100.0%
Region 10 (includes Albany)	14	7	50.0%	7	50.0%
Region 11	18	11	61.1%	7	38.9%
Region 12 (includes Savannah)	9	8	88.9%	1	11.1%
Total	159	96	60.4%	63	39.6%

Source: Georgia Department of Community Affairs, 2001

Every metropolitan county in Georgia has a zoning ordinance. Each of the state's sixty-three counties without zoning has rural attributes. While 39.6 percent of Georgia's counties have not adopted a zoning ordinance, the vast majority have some amount of zoned land as cities may also adopt zoning ordinances. As of February 2001, only seven

¹ Counties with zoning are counties with a county zoning policy. Counties without zoning are counties without a county zoning policy, though one or more of their cities may have a municipal zoning policy.

rural counties (Brantley, Echols, Glascock, Treutlen, Union, Webster, and Wheeler) within the state do not have zoning at either the county or city level.²

Georgia's zoned counties are located across the state, although nearly half (47.9 percent) are located in northern Georgia regions (e.g., 1, 2, 3, 4, 5), correlating with the high growth trends experienced by these regions as a whole. Only Regions 3 and 4 have county zoning policies in each county. Region 2, which includes several counties with mountainous terrain, is the only northern county where most of its counties do not have zoning.

The majority of counties within regions housing the metropolitan areas of Atlanta, Athens, Columbus, Macon, and Savannah have adopted a zoning ordinance, not unexpected given the incentive to guide development patterns associated with the urban growth dynamics present in each area. Conversely, regions housing the metro areas of Augusta and Albany have a smaller share of zoned counties.

Region 9, also known as the Heart of Georgia - Altamaha River Area, is the state's only region that does not have any county level zoning policy. More than three-quarters (76.1 percent) of the state's counties without zoning are located in middle and southern Georgia regions. These regions have experienced significantly slower growth than northern regions during Georgia's recent growth cycle, and, they house the greatest concentration of counties in most need of economic development assistance. However, one of the southern most regions of the state – Region 11 – has county zoning policies present in most of its counties.

In Georgia, roughly three out of four counties (75.4 percent) in the northern regions, and, one out of two counties (51 percent) in the middle and southern regions have adopted a county zoning ordinance.

Experience with Zoning

More than half (53.1 percent) of Georgia's counties with zoning had implemented their first ordinance prior to 1990. (See Table 2, Figure 1.) The 1990s account for the largest share of new zoning activity, following passage of the Georgia Planning Act in

² Source: Georgia Department of Community Affairs

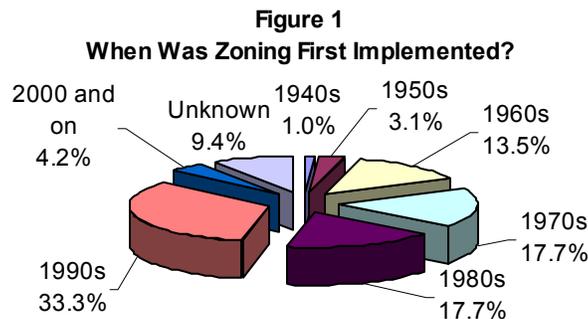
1989 which essentially mandated that all communities in Georgia should adopt a comprehensive plan to receive state funding for infrastructure and other development improvements. The state also saw a fair amount of county zoning activity during the 1970s and 1980s, corresponding with the passage of the 1976 and 1983 state constitutions that strengthened local zoning powers, reducing the ability of the state to interfere.³

Table 2 – When Was Zoning First Implemented Within Counties?

Time Period	Number of Counties
1940s	1
1950s	3
1960s	13
1970s	17
1980s	17
1990s	32
2000 and on	4
Unknown	9

Source: Georgia Tech Economic Development Institute, Zoning Research Project Survey, Summer 2001

Data was collected from regional development centers or local planning offices representing each zoned county in Georgia.



Metro counties such as Fulton, Bibb, Gwinnett, Cobb, Chatham, and Richmond were zoning pioneers during the 1940s, 1950s, and early 1960s. Survey data suggests that Coffee County and Glynn County may have been Georgia’s first rural counties to adopt a zoning ordinance when they did so in 1966. Thirty-five Georgia counties have had more than 20 years of experience with zoning. (See Table 3.)

³ Source: Georgia Department of Community Affairs

Table 3 – What Georgia Counties Have the Longest Experience with Zoning?

County	Year Zoning First Passed	Years of Zoning Experience
Fulton County	1946	55
Bibb County	1955	46
Gwinnett County	1956	45
Cobb County	1956	45
Chatham County	1962	39
Richmond County	1963	38
Columbia County	1965	36
Douglas County	1965	36
Coffee County	1966	35
Glynn County	1966	35
Oconee County	1968	33
Spalding County	1968	33
Cherokee County	1969	32
Coweta County	1969	32
Paulding County	1969	32
Troup County	1969	32
Dougherty County	1969	32
Heard County	1970	31
Jones County	1970	31
Butts County	1971	30
Forsyth County	1973	28
Morgan County	1973	28
Walton County	1973	28
Peach County	1973	28
Stewart County	1973	28
Jackson County	1974	27
Bryan County	1975	26
Jasper County	1975	26
Lamar County	1975	26
Muscogee County	1975	26
Camden County	1977	24
Ware County	1977	24
Greene County	1978	23
Fayette County	1980	21
McIntosh County	1980	21
Bold = rural counties (not located in metropolitan areas) Source: Georgia Tech Economic Development Institute, Zoning Research Project Survey, Summer 2001		

Eleven of these counties are located within metro Atlanta. Fourteen of the state's counties with the longest experience in zoning are rural. However, experience does not signal effectiveness but, rather, the extent of practice communities have had with zoning.

Economic Need

The State of Georgia assigns economic tier designations to counties based upon their relative ranking within the state according to three measures – (1) unemployment rate, (2) per capita income rate, and (3) percentage of residents whose incomes are below the poverty level. Tier 1 counties have the highest unemployment rate, lowest per capita income, and highest percentage of residents living below the poverty level. These counties are the least developed counties in Georgia and, therefore, in greatest economic need. In contrast, Tier 4 counties are the most developed counties, in relation to other counties in the state, and have the least amount of economic need.

Approximately 94.4 percent of Georgia’s Tier 1 counties are located in non-metropolitan areas and have rural attributes. Of these counties, approximately 35.8 percent have a county zoning policy, although most (64.2 percent) do not have one. (See Table 4.) As the level of economic need diminishes, as observed from Tier 1 to Tier 4, the percentage of rural counties with a zoning policy increases. Put another way, as economic self-sufficiency increases, from Tier 1 to Tier 4, the percentage of rural counties without a zoning policy decreases. See Columns E and G in Table 4. The majority of rural counties designated as Tiers 2, 3, and 4 have zoning ordinances. This appears to reflect a fairly positive correlation – the higher the economic self-sufficiency, the higher the presence of a county zoning policy.

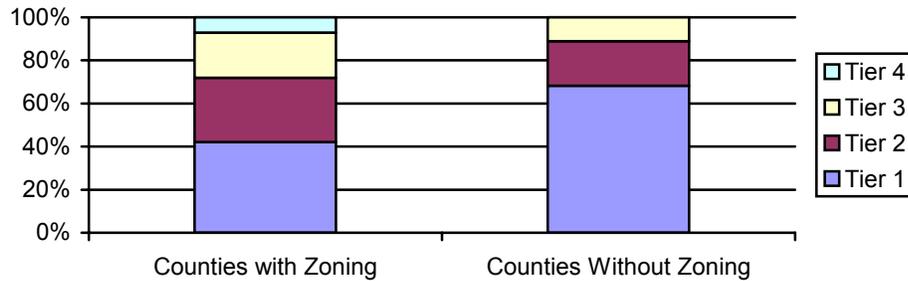
Table 4 – Zoned and Non-zoned Counties by Tier Level ⁴

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Tier	Counties in Georgia	Rural Counties in Georgia	Percent of Total Counties	Rural Counties With Zoning	Percent of Rural	Rural Counties Without Zoning*	Percent of Rural
1	71	67	94.4%	24	35.8%	43	64.2%
2	35	30	85.7%	17	56.7%	13	43.3%
3	35	19	54.3%	12	63.2%	7	36.8%
4	18	4	22.2%	4	100.0%	0	0.0%
Total	159	120	75.5%	57	47.5%	63	52.5%
*Counties without a county zoning policy to guide development in unincorporated areas. These counties may house one or more cities that have a municipal zoning policy.							
Source: Adapted from data provided by the Georgia Department of Community Affairs							

⁴ Zoned counties have a county zoning policy. Non-zoned counties do not have a county zoning policy though one or more of their cities may have a municipal zoning policy.

More than two-thirds of Georgia’s rural counties without zoning (68.3 percent) are Tier 1 communities, or the least developed counties in the state. See Figure 2.

Figure 2
Economic Tier Level of Zoned and Non-zoned Rural Counties

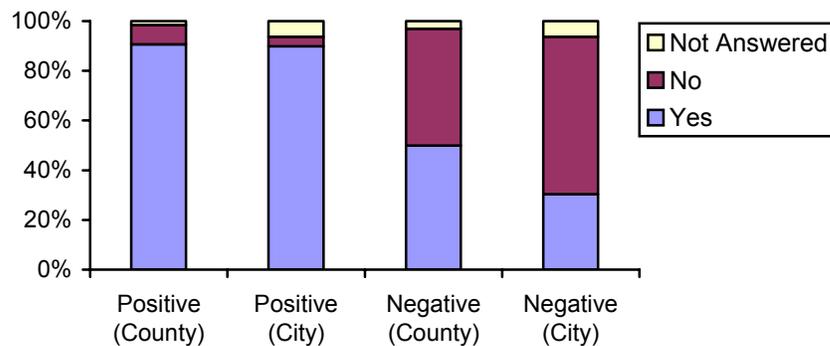


What Local Planning Officials Say

Efforts were made to survey local planning officials for all 96 counties and approximately one-half of the 383 cities in Georgia with a zoning policy. Sixty-four county planning officials, or 66.7 percent of those contacted, and 79 city planning officials, or 39.1 percent of those contacted, participated in the survey.

Officials were asked if they have had positive and negative experiences with zoning. (See Figure 3.) Approximately nine out of 10 county (90.6 percent) and city (89.9 percent) officials responded that they have had positive experiences.

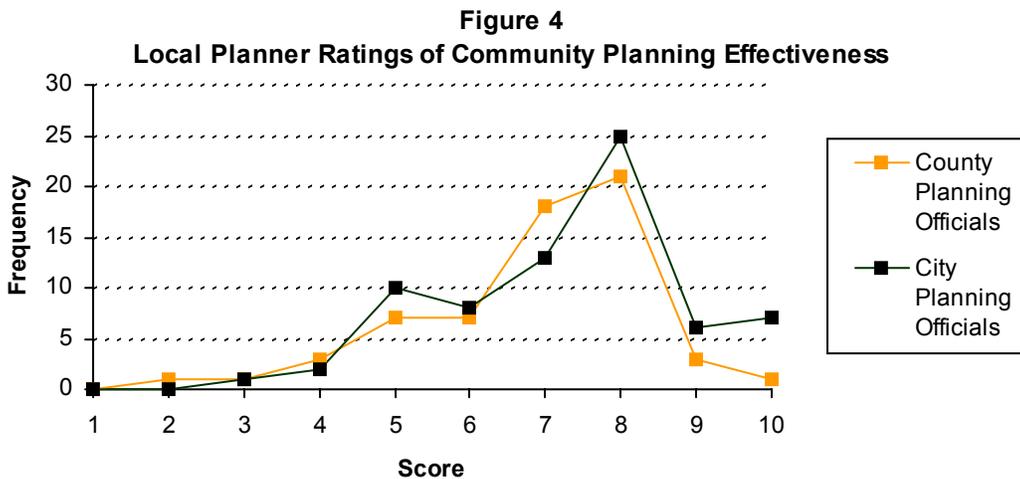
Figure 3
Experiences with Zoning



Local officials more readily identified positive than negative experiences with zoning. A greater share and number of county officials (46.9 percent) shared negative experiences than did city officials (30.4 percent). [Note: Several officials mentioned both positive and negative experiences.] These experiences may be impacted to some degree by the length of time that zoning has been in place. For example, survey data reveals that several Georgia’s cities have had more years of practice with zoning than counties, and, therefore, a greater opportunity to iron out some wrinkles.

County and city planning officials were asked to rate the effectiveness of their community’s planning process on a scale of 1 to 10 (with a score of 10 being the highest). City planning officials provided slightly higher ratings, on average, than did the county planning officials. With scores ranging from 3.5 to 10, the average rating provided by city planning officials was 7.4. The average rating provided by county planning officials was 7.0, with scores ranging from 2 to 10.

The majority of county and city planning officials rated the effectiveness of their community’s planning process relatively high. Eight was the most common score assigned. There was a greater frequency among city planning officials to assign higher scores overall. (See Figure 4.)



County and city planning officials identified specific aspects of their zoning process that led them to consider their experiences as positive or negative. (See Table 5.)

The ability to guide development, manage growth, and protect property values were the most frequently mentioned benefits to zoning. Problems identified by planning officials related to the current zoning policy, the zoning process, and issues involving the general public.

Table 5 – What Local Planning Officials Say About Zoning Process

PROS	CONS
<p>Growth Management</p> <ul style="list-style-type: none"> ✓ Management of where future development can go ✓ Ability to accomplish long-range planning goals ✓ Infrastructure planning ✓ Resource management (e.g., stormwater) <p>Guided Development</p> <ul style="list-style-type: none"> ✓ Land use designation, compatibility, and consistency (e.g., buffer zones, separation of industrial and residential) ✓ Prevention of harmful or unwanted development ✓ Protection against haphazard development ✓ Downtown development (e.g., infill, mixed use, redevelopment) <p>Quality of Life</p> <ul style="list-style-type: none"> ✓ Improvement of living conditions (e.g., “safer” dwellings) ✓ Neighborhood development ✓ Open space preservation <p>Community Appearance and Aesthetics</p> <ul style="list-style-type: none"> ✓ Design standards and quality of construction ✓ Ability to “clean up” areas 	<p>Zoning Policy</p> <ul style="list-style-type: none"> ✓ An unnecessary governmental interference with private property ✓ Too restrictive on what property owners can do ✓ Compliance burdens (e.g., cost, effort) ✓ Complexity of the code (e.g., difficult to understand) ✓ Outdated, inflexible, or inappropriate zoning that is incapable of addressing changing development needs (e.g., unsuitable for mixed-use development) ✓ “Loopholes” in zoning code ✓ Residential sprawl permitted ✓ Automobile dependence (e.g., designation of commercial zoning) ✓ Lot size requirements and impact on land prices ✓ Restrictions resulting in lack of affordable housing <p>Dealing with General Public</p> <ul style="list-style-type: none"> ✓ Citizens lack understanding about zoning and need education ✓ Citizen complaints (e.g., ‘not in my backyard’ residents) ✓ Conflicts with landowners

Table 5 – What Local Planning Officials Say About Zoning Process (cont'd)

PROS	CONS
<p>Protection of Property</p> <ul style="list-style-type: none"> ✓ Protection and enhancement of property values ✓ Individual comfort about property investment ✓ Protection of historic districts ✓ Protection of agricultural land <p>Economic Development</p> <ul style="list-style-type: none"> ✓ Higher tax base ✓ Business attraction <p>Other</p> <ul style="list-style-type: none"> ✓ Equity and standardization (rules apply to everyone) ✓ Ability for leadership to act in the public interest 	<p>Zoning Process</p> <ul style="list-style-type: none"> ✓ Red tape – bureaucratic, time-consuming process ✓ Politics ✓ Updating and modifying efforts ✓ Lack of enforcement ✓ Nonconforming uses permitted ✓ Leadership lacks understanding about zoning

The survey results indicate that planning officials have viewed zoning as a tool for accomplishing a variety of tasks ranging from guiding future development and ensuring compatible land use to protecting property values and enhancing the community’s quality of life. At the same time, the results indicate that, while some negative experiences are likely an unavoidable part of the zoning process, there remains a fair amount of room for improvement.

PART TWO

Central Tendencies

This section describes certain central tendencies among communities with and without zoning.

To assess central tendency, rural communities with zoning were compared to communities without zoning according to several economic indicators. To measure central tendency, the mean (average) and median (50th percentile) has been calculated for 57 rural counties with a zoning policy and 63 counties without one.⁵

Size

Population reflects the number of individuals who reside within a community. Square mile is a measurement of land area within a community. Density represents the number of individuals per square mile.

The average population for rural counties with a zoning policy is almost double that for counties without such a policy. However, given the wide range in population sizes among counties with zoning (5,252 to 139,277) and those without (2,077 to 61,610), a second measure of central tendency should be observed. Looking at the median, it appears that the tendency for counties with zoning to be larger than counties without remains, but to a lesser degree. Generally, rural counties with zoning tend to be larger in terms of population and land area and have greater population densities than counties without zoning. (See Table 6.)

Table 6 – Size Tendencies of Zoned and Non-zoned Counties

	Population	Square Miles	Density
Counties with Zoning Mean	29,513	400.5	80.0
Counties without Zoning Mean	15,349	364.9	44.2
Counties with Zoning Median	17,484	370.5	55.0
Counties without Zoning Median	11,666	333.4	34.2

⁵ Counties without a zoning policy do not have zoning in unincorporated areas. These counties may have one or more cities with a municipal zoning policy.

Earnings

Per capita income is the average income earned per resident in a community. It is calculated by dividing the community's total income by total population. It can be inferred that the higher the per capita income, the higher the buying power of the average resident.

Average manufacturing weekly wage rate reflects the earning potential available in what continues to be a significant industry sector for rural areas. It is calculated by dividing total annual wages in manufacturing by total employment in manufacturing, then dividing this total by 52.

In 1999, per capita income ranged from \$14,838 to \$26,129 among counties with zoning and from \$13,245 to \$22,197 among counties without zoning. Rural counties with zoning tend to have a higher per capita income and average manufacturing wage rate. (See Table 7.)

Table 7 – Self-sufficiency Tendencies Within Zoned and Non-Zoned Counties

	Per Capita Income, 1999	Average Weekly Manufacturing Wage, 1999	Food Stamp Participation Rate, 1999
Counties with Zoning Mean	19,431	475	107.3
Counties without Zoning Mean	18,364	414	126.9
Counties with Zoning Median	18,948	500	90.2
Counties without Zoning Median	18,101	456	124.8

Food stamp participation rate is the number of food stamp recipients per 1,000 residents. This rate is a measure of self-sufficiency within a community such that the higher the rate, the lower the ability to provide for basic food needs without outside assistance.

Corresponding with the findings regarding earning potential, the food stamp participation rate tends to be lower for counties with zoning, signaling a higher level of self-sufficiency among residents living within such communities.

Employment

Employment represents the number of people working (not living) within a community. The unemployment rate reflects the percentage of the civilian labor force that is not employed. It is calculated by dividing the number of unemployed persons by the number of people comprising the civilian labor force (number of employed and unemployed persons 16 years and older) and multiplying by 100.

Labor force participation rate represents the percentage of the working-age residents (that is, population 16 years and older) who are either employed or are actively seeking employment. It can be inferred that the higher the labor force participation rate, the higher the willingness to work among those legally able.

The average employment for counties with a zoning policy was more than double than that for counties without such a policy, or approximately 123.3 percent greater in 1999. However, given the wide range in employment among counties with zoning (2,140 to 69,170) and those without (650 to 20,842), a second measure of central tendency should be observed. Looking at the median, it appears that the tendency for counties with zoning to have a larger employment base than counties without remains but to a lesser, though still significant, degree (81.6 percent). Counties with zoning tend to post lower unemployment rates and higher labor force participation rates. (See Table 8.)

Table 8 – Employment Tendencies of Zoned and Non-Zoned Counties

	Employment, 1999	Unemployment Rate, 1999	Labor Force Participation Rate, 1999
Counties with Zoning Average	13,717	5.4	64.0%
Counties without Zoning Average	6,144	6.3	60.0%
Counties with Zoning Median	8,442	4.9	63.4%
Counties without Zoning Median	4,649	5.7	59.8%

Communities with zoning tend to have larger employment bases than communities without such a policy.

Assessed Property Values

Assessed property values represent 40 percent of the fair market value as determined by the local tax appraiser.

The average property value for counties with a zoning policy is more than double than that for counties without such a policy. Given the wide range in assessed property values among counties with zoning (\$94.9 million to \$3.7 billion) and those without (\$43.1 million to \$1.6 billion), a second measure of central tendency should be observed. Looking at the median, it appears that the tendency for counties with zoning to have higher assessed property value than counties without remains to a lesser, but still significant, degree. (See Table 9.)

Table 9 – Assessed Property Value Tendencies of Zoned and Non-zoned Counties

	Assessed Property Value, 2000 (\$)
Counties with Zoning Average	684,986,865
Counties without Zoning Average	312,252,290
Counties with Zoning Median	442,702,720
Counties without Zoning Median	254,611,586

Overall

These data indicate there is a central tendency among counties with a zoning policy to be economically better off, in general, than communities without such a policy. Counties with zoning tend to have higher per capita incomes and average manufacturing wage rates and lower food stamp participation rates. These counties also tend to have a lower unemployment rate and higher labor force participation rate. However, it is difficult with these data alone to ascertain the cause-and-effect relationship that may or may not exist. In other words, which came first, the chicken (e.g., economic performance) or the egg (e.g., adoption of a zoning policy)? Parts Three and Four of this report describe some evidence of a causal relationship between zoning and economic development.

PART THREE

Does Zoning Matter in Rural Georgia?

This section provides the results of extensive statistical analyses to determine whether there are any *significant* changes that occur from adopting a zoning policy. These analyses were conducted by reviewing the relationship between years of zoning and selected economic indicators. For example, an increase in property values is one such indicator that is often cited by proponents of zoning legislation as a key benefit of zoning. Is there a significant change in property values among communities that have adopted a zoning ordinance? Other indicators analyzed include changes in per capita income and employment. Similar data was analyzed for over two-dozen matched pairs of counties, comparing counties with zoning to similar counties without zoning to determine if there are any *significant* differences in their economic performance.

Conceptual Basis

The statistical relationship between zoning and economic development is not well covered in the existing literature, and the results have been sometimes ambiguous. This lack of universal agreement on how zoning interacts with local economic development progress is, in part, attributable to measurement problems on significant explanatory factors and the complexity of this interaction. But some insights can be gained from a brief review of previous results.

Pogodzinski and Sass completed a comprehensive review of research relating to zoning in 1991. One of the first observations to be made about the existing literature is the relative lack of research that includes, much less focuses on, rural areas. Of the 28 papers reviewed by Pogodzinski and Sass, only two contained any rural components (1991, p. 599) at all. The other 26 studies dealt only with urban and/or suburban environments.

Another observation is that most studies focus almost exclusively on the relationship between the value of residential housing and zoning. This is an important relationship, but it does not consider other measures of economic development that most communities find significant. The value of the existing literature to this analysis is

therefore largely in providing likely candidates for other variables that can affect local economic performance other than zoning.

Nelson, et al. (1992) found that improved transportation access to major cities (especially via interstate highway systems) helps encourage the establishment of industry outside the immediate metropolitan area and thus increases employment. Higher levels of both education and agricultural population are also correlated with economic development in rural counties, the former may relate to the availability of a local labor market (either for the industry in question, or its supporting industries), while the latter tends to be correlated with the availability of inexpensive land.

The literature also suggests additional dependent variables, as well as related control variables. Erickson and Wasylenko (1980) analyzed the change in employment, and found that the distance to major highways was a significant factor. Carlino and Mills (1982) associated the change in county population with African-American population, education level (also a proxy for family income), and the density of interstate highways.

Identifying these other variables (often called control variables) is important because we do not want the measures of zoning to be influenced by other factors. This would lead to a bias in the results.

Because this statistical analysis breaks some new ground, two approaches were chosen and results compared. The first approach uses observations on all rural counties in a regression analysis. The second uses a comparison-of-means test on a subset of counties consisting of matched pairs.

In both approaches, each variable included can be assessed by three measures. The one generally considered primary is the level of statistical significance. This measure is based on the level of influence a variable has relative to the amount of variation around that value. The larger the level of influence and the smaller the variance, the greater the chance that the results are not the result of random processes. The level of significance is expressed as a probability (between one and zero) where the closer to zero you are, the less likely it is that your results are simply from the luck of the draw.

The second measure of a variable is the degree to which it explains either the variation or the level of a dependent variable. A common measure of this is called the standardized beta. This value, which can range from one to zero, is highest when the influence of a variable is larger.

There is also a measure called common sense. If, for example, the difference between zoned and non-zoned counties is quite small, then regardless of its statistical significance or standardized beta, it may not be important for policy purposes.

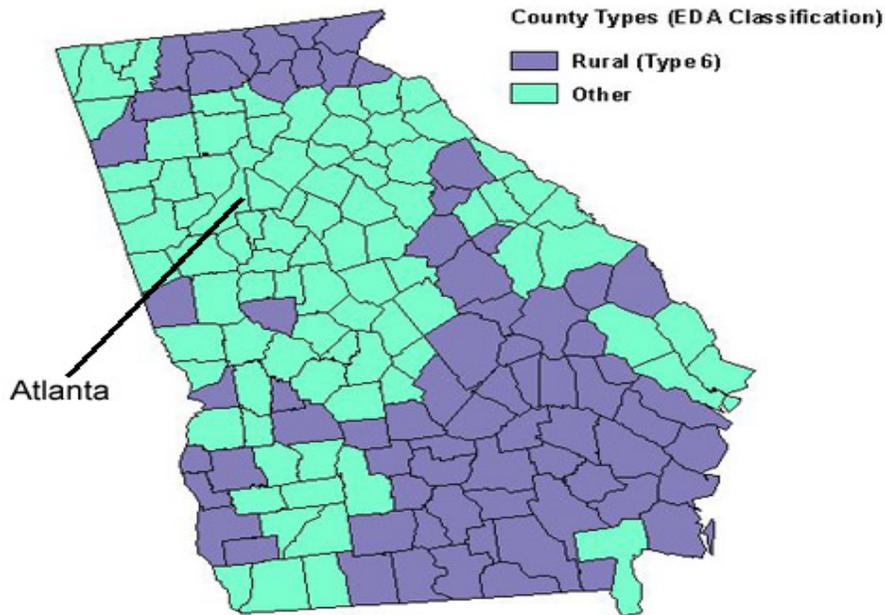
Variables are frequently classified either as explanatory, control, dependent, or independent. Explanatory and control variables together make up the independent variables, i.e., those that influence something – with that “something” being the dependent variable. Control variables are the factors that correct for some differences in the dependent variable so that further differences can be tested for influence by the explanatory variables. The explanatory variables in this analysis are related to the presence or duration of zoning; dependent variables are things such as income, employment, and property values. Examples of control variables would be the percentage of the population with a high school or higher level of education, or the distance from either a city or interstate highway.

Regression Analysis

This analysis examined the economic development performance of 70 rural counties, where “rural” counties are defined by Nelson, et al., for the Economic Development Administration (EDA). The EDA classification scheme includes six categories: large urban, suburban, small urban, inner exurban, outer exurban, and rural. The definition of rural depends largely on a county’s relationship to the boundaries of Metropolitan Statistical Areas (MSA). The U.S. Census Bureau considers those communities located outside an MSA to be rural. Nelson, et al. define rural counties as those that (1) fall entirely outside of any MSA and (2) are beyond reasonable commuting and trucking ranges. These counties have greater rural attributes and are less affected by the ripple effect of a metro area’s economic growth than counties in closer proximity to an MSA. This definition of “rural” was employed in this analysis to determine whether

there are economic benefits to zoning. The counties included in this analysis are shown in Figure 5.

Figure 5
Rural (Type 6) Counties



Analytic Strategy and Variable Definitions

Our dependent variables were (1) change in assessed value and (2) change in employment over the period 1994 to 2000 and 1999, respectively. This was a time when Georgia saw unprecedented growth. It is also the period of time during which Georgia's counties elevated the accuracy of their local assessment practices and when nearly all local governments had comprehensive land use plans prepared pursuant to the Georgia Planning Act of 1989.

Consistent with independent variables found to be important predictors of economic development in the literature, we considered (1) the percentage of the population living in poverty, (2) the percentage of population with a high school education or higher, (3) the size of the local economy measured as the number of non-resource workers (those not in mining or agriculture) in the base year 1994, and (5) accessibility to major transportation principally being the nearest interstate freeway.

Of course, the experimental variable was the presence of zoning. Because we have data on the year in which county zoning was implemented, we specified the experimental variable as the number of years in which zoning was in place to the year 2000.

The way the variables were used allowed us to estimate the percentage change in the dependent variable associated with a one-unit change in an independent variable, such as each year in which zoning is in effect. The one independent variable exception is log of non-resource employment in a base year (1994) as it accounts for difference in sheer size of the subject county.

Table 10 lists the dependent, experimental, and control variables. Specification and sources of data for the variables follows.

Table 10 - List of Variables Used in Model

Dependent Variables	Independent Variables	Control Variables
Change in Per Capita Assessed Land Value	Presence of zoning	Population in Poverty
Change in county employment	Number of years of zoning	Population with High School or Higher Level of Education
Change in county population		Non-Farm, Non-Mining Employment
		Distance to Atlanta
		Distance to Other Major City
		Distance to Nearest Interstate

Dependent Variables

The dependent variables were (1) change in countywide assessed value and (2) change in countywide employment.

Change in Countywide Assessed Value

This variable is a measure of the assessed value of all privately owned property (including personal property) in a given county. It is a reasonable estimate of aggregate county wealth. Data for this variable were obtained from the Georgia Department of Revenue, which tracked the total countywide assessed value from 1994 through 2000.

This variable was logged so researchers could estimate the percentage change in assessed value with relation to years of zoning.

Change in Countywide Employment

Logic follows that economic development will necessarily bring with it increased employment from the new industries, as well as complementary jobs that arise to serve those new employees. Countywide employment data was retrieved from the Bureau of Economic Analysis' Regional Economic Information System (REIS). This variable was also logged for an estimate of the percentage change in employment with relation to years of zoning.

Experimental Variable

Characterizing the presence of zoning is not as straightforward as it would seem. At its most basic level, it could be characterized as simply whether it exists or not – but this ignores the practice followed by some counties of having zoning, but not enforcing it. Also, it takes time for zoning effects to be felt, and those effects are not likely to be evenly distributed over time or geography. All of these factors made this statistical analysis a difficult one. Its results suggested that the most appropriate experimental variable to use would be years of zoning.

This variable calculates the number of years that comprehensive zoning was in place in the county, from its inception through 2001. Data came from the Georgia Department of Community Affairs and staff of the Economic Development Institute. A positive association between this variable and the dependent variables was hypothesized.

Control Variables

The control variables in this equation isolated the effects of zoning, eliminating potential biases from factors related to the county's existing population and geography.

Percent Population in Poverty 1990

A number of socioeconomic variables were considered, such as minority population, population of specific races and ethnicities, income levels, and so forth. As poverty levels are an economic development concern and a reasonably reliable proxy for minority populations, we used the percentage of county population living in poverty in

1990. These data came from the U.S. Census for 1990. We expected this variable would have a negative relationship to economic development measures used as dependent variables.

Percent Population with High School or Better Education in 1990

Economic development is attracted in part to skilled labor. Nelson, et al. found a reasonable proxy for this is percentage of the population that has a high school education or higher. Data came from the 1990 Census. A positive association between this variable and the dependent variables was expected.

Non-Farm, Non-Mining Employment

This variable addresses the presence of existing industry in rural counties, and the possibility that such existing basic industries help make further industrialization more feasible. Data were obtained through REIS. A positive association between this variable and the dependent variables was expected.

Perpendicular Distance to Nearest Interstate

Accessibility appears to be another important determinant of industrial location. Therefore, consistent with Nelson, et al. and other researchers the location control variable was defined as the perpendicular distance from the county centroid to the nearest interstate-quality highway (including Georgia 400, for example). This definition included all multi-lane, controlled-access, divided highways. Distance was measured using ARC-VIEW Geographic Information Systems (GIS) software. A negative association between this variable and the dependent variables was expected.

Findings and Assessment

Table 11 reports results of the regression analysis. In both equations, the amount of variation explained by our variables is modest as indicated by an “R²” that is much less than one. Another test (called an F-test) did show, however, that both equations are statistically significant.

Table 11 - Regression Equations

Statistic		Assessed Value Change	Employment Change
Model Significance		0.000	0.000
Adjusted R²		0.554	0.286
Year of zoning	Significance	0.083	0.018
	Standardized Coefficient	0.090	0.215
Percent Population in Poverty	Significance	0.020	0.012
	Standardized Coefficient	-0.174	-0.253
Percent Population with HS or better.	Significance	0.016	0.220
	Standardized Coefficient	0.186	0.019
Log of Non-Agricultural, Non-Mining Employment	Significance	0.000	0.013
	Standardized Coefficient	0.471	0.429
Distance to Nearest Interstate	Significance	0.023	0.073
	Standardized Coefficient	-0.071	-0.055

All variables have the expected sign of direction and are mostly significant using a one-tailed test. A county with relatively high levels of poverty has a more difficult time attracting new jobs relative to a county with less, but a county with relatively high levels of high school graduates or better has an easier time attracting new jobs than those that do not. The base of employment is also important - the higher the base of employment, the greater the likelihood that new jobs will follow. In contrast, the farther a county is from the nearest interstate highway, the less likely it will see job growth relative to counties that are closer.

Of interest here is the performance of zoning. In terms of its association with change in assessed value, the length of years in place has an estimated statistically significant value of 0.083, which suggests that the relationship is not likely to be random but instead systematic. Analysis covering longer periods of time may help determine whether there is indeed a statistically significant association.

The analysis is stronger in terms of the association between zoning and job growth, being positive well within conventionally accepted levels ($p = 0.018$).

The standardized betas generally show how important a variable is to the overall explanation of change in the dependent variable. For explaining the variation in property values, years of zoning have a relatively small explanatory power, although it is comparable to the distance to an interstate's explanatory power. Years of zoning have a stronger explanatory power when applied to changes in employment where the zoning variable has explanatory power comparable to the other variables and significantly greater than distance from the interstate.

Paired-Samples Analysis

The paired-sample analysis methodology is based on a simple concept. It is a test of whether differences exist between counties with zoning and counties without when counties are matched to reduce the differences that might come from some other sources besides zoning. In practice, this matching is never perfect, and the "other sources" of difference are never completely identified. We cannot, therefore, rely on simply whether differences exist, but must, instead, use statistical analysis tools that can help determine whether the difference between zoned and non-zoned counties reflects reality or just the luck of the draw.

Table 12 provides the list of pairs chosen for this analysis. The selection process started with the list of non-zoned, rural counties and their characteristics according to the four selection criteria discussed previously. A similar list of rural counties with zoning was then compared with the non-zoned counties and matches were made as closely as possible.

When the list of rural counties with zoning was exhausted, there remained a large number of rural counties without zoning that were not matched. Additional matches were then sought from the list of non-rural counties. The counties that resulted from this match fall primarily into the categories of rural and outer exurban, according to the EDA-accepted typology, with two classified as inner exurban in 1992. By most definitions, all of the matched counties would be considered rural. If the EDA classification types are

considered on a spectrum from more to less urban, they would be large urban, suburban, small urban, inner exurban, outer exurban, and rural.

Table 12 – Matched Pairs of Counties

Not Zoned	Zoned	EDA Category
Atkinson	Coffee	Outer Exurban
Brantley	Habersham	Rural
Brooks	Crisp	Rural
Chattooga	Barrow	Inner Exurban
Cook	Tift	Rural
Evans	Morgan	Outer Exurban
Glascocock	Pierce	Rural
Laurens	Camden	Rural
Lowndes	Glynn	Rural
Miller	Terrell	Outer Exurban
Montgomery	Worth	Outer Exurban
Murray	Gordon	Rural
Sumter	Lincoln	Outer Exurban
Taliaferro	Troup	Rural
Upson	Ware	Rural
Wayne	Pike	Outer Exurban
Wilcox	Ben Hill	Rural
Wilkes	Hancock	Rural
Turner	Greene	Outer Exurban
Treutlen	Lamar	Outer Exurban
Liberty	Peach	Inner Exurban
Candler	Meriwether	Outer Exurban
Emanuel	Bulloch	Outer Exurban
Berrien	Carroll	Outer Exurban
Johnson	Crawford	Rural
Tattnall	Jasper	Outer Exurban
Long	Heard	Outer Exurban
Wheeler	McIntosh	Rural

After the initial pairings were completed, researchers conducted an analysis to determine whether significant differences existed between the elements of each pair. Where differences were found to exist, the pairs that showed the most differences were systematically eliminated until the remaining differences in the selection criteria were

insignificant. The remaining pairs represent about one-half of the rural counties without zoning.

The four measures used to match the counties are (1) the distance to a major city, (2) the distance to an interstate, (3) the percentage of the population that is minority, and (4) the percentage of the population with a high-school or greater education. These measures reflect the results of other research, indicating they may be important to explaining differences in various measures of economic performance. If counties without zoning can be matched to counties with zoning along each of these measures, any remaining differences can be attributed to the presence or absence of zoning.

The four criteria used for matching are presented in Table 13. The columns in the table can be interpreted very straightforwardly. The mean difference is simply the average of the differences between the county in the pair without zoning and the county in the pair with zoning. The mean difference in the “Distance to Major City” row, for example, says that, on average, the counties without zoning were 2.83 miles closer to a major city than the counties with zoning. Similarly, the non-zoned counties have 1.54 percent higher minority populations, are .45 miles closer to an interstate, and .01 percent more of their populations are high-school graduates. These data tell us that the matchings are not perfect.

The next question is whether these differences are statistically significant. This is not the same as “important”, for example, something can be statistically significant, but still not be important. Statistical significance is an expression of probability, not importance. What the Statistical Significance column in Table 13 shows is the probability that the mean difference is not zero. Generally, a value of between .1 and 0 is considered statistically significant. The closer you get to zero, the smaller the probability that the mean difference is not zero. The values in Table 13 for statistical significance vary between .429 and .775, well above the .1 value threshold for statistical significance. With mean differences as low as Table 13 depicts, and the absence of statistical significance, it can be concluded that the differences between the pairs of counties with zoning and those without are neither important nor statistically significant.

Table 13 - Statistical Comparison of Chosen Pairs

	Mean Difference	Statistical Significance Two-Tailed
Distance to Major City (miles)	2.83	0.446
Percent Population Minority (%)	-1.54	0.554
Distance to Interstate (miles)	0.45	0.775
Percent Population with HS or Greater (%)	-0.01	0.429

Table 14 provides the mean differences and tests of statistical significance of various measures of economic development performance. These include per capita income for 1984, 1994, and 2000; the percentage change in employment between 1984 and 1999, and between 1994 and 1999; and the change in the squared per capita income between 1984 and 2000, and the change between 1994 and 2000. And, lastly, two property value variables were also reviewed - the percentage change in property values and the change in per capita property values between the years 1994 and 1999.

The mean differences in this table represent the counties with zoning minus the counties without. For each of the matched pairs of counties, the difference was calculated and the average taken of the sum of these differences for all matched pairs. In 1984, for example, counties with zoning had per capita incomes \$630 higher than counties without zoning. That difference grew to \$866 and \$1,415 in 1994 and 2000, respectively. On average, employment increased 19.5 percent more in zoned counties than non-zoned counties between 1984 and 2000, and increased 4.2 percent more between 1994 and 2000.

The change in squared per capita income cannot be interpreted meaningfully. These values were squared to examine the possibility that the relationship between per capita income over time is non-linear and has no literal interpretation. We could, however, examine how per capita income has changed over time for zoned versus non-zoned counties. Between 1994 and 2000, per capita incomes increased in zoned counties by about 1.6 percent more than in non-zoned counties. Within the matched pairs of this analysis, therefore, although the difference in changes in per capita incomes are statistically significant when squared, they do not appear to be particularly important.

However, as shown in Table 14, the change in property values, expressed as percentage changes and as percentage changes in per capita values, appear both

statistically significant and important. On average, counties with zoning demonstrated an 11.4 percent higher increase in property values between 1994 and 1999. When expressed in per capita terms, the increases are similar. For both property value variables, the difference is statistically significant.

Table 14 – Statistical Comparison of Selected Performance Measures for Chosen Pairs

	Mean Difference	Statistical Significance One-Tailed
Per Capita Income: 1984	630	0.016
Per Capita Income: 1994	866	0.044
Per Capita Income: 2000	1,415	0.026
Percent Change in Employment: 1984-1999	19.5%	0.002
Percent Change in Employment: 1994-1999	4.2%	0.065
Change in Squared Per Capita Income: 1984-2000	47,735,748	0.032
Change in Squared Per Capita Income: 1994-2000	31,173,186	0.022
Percent Change in Property Values: 1994-1999	11.4%	0.005
Percent Change in Per Capita Property Values: 1994-1999	10.4%	0.003

Conclusions

The two approaches to identifying statistical differences between zoned and non-zoned counties provided consistent and robust evidence to support the idea that having zoning improves a community's ability to create employment.

It appears from the regression analysis that other factors are more important than zoning in determining the value of property in a community with the exception of distance to the interstate. Years of zoning appear to be relatively more important in explaining the changes in employment, and, the category is comparable to the other factors in terms of explanatory power, with exception of distance to the interstate where years of zoning is a significantly more powerful explanatory variable. However, the regression analysis showed that the variables identified do not explain a great deal of the variation seen among zoned counties with different years of zoning. Still, it would appear from this analysis that counties with zoning should perform better over time in

attracting new jobs than counties without. Also, the longer that zoning has been in place, the larger the increase in per capita assessed land value and overall county employment.

Evidence from paired-samples analysis also indicated that zoning is beneficial to a community in terms of employment growth. This analysis supports the contention that zoning increases the growth, both in percentage and per capita terms, of the value of property in a county. The evidence for the relationship between zoning and income, however, is cloudy, as the differences between the zoned and non-zoned, while (possibly) statistically significant, do not seem to be important.

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PART FOUR

What Economic Developers Say

This section describes findings, gathered through individual interviews with 74 local economic developers of rural zoned and non-zoned counties in Georgia, concerning whether communities have experienced any economic development benefits or challenges relating to the presence or absence of zoning. Interviews were conducted during October and November 2001.

Interview Population

Efforts were made to reach economic developers representing all 120 non-metropolitan counties in Georgia. Interviews were conducted with 61.7 percent, or 74, of these economic developers. These economic developers represent 37 rural communities with a county zoning policy and 37 without one. Most interviews were conducted by telephone; six were conducted in person.

Economic Developers of Non-zoned Counties

Table 15 provides a list of counties represented by the interviewed economic developers.

Table 15 – Interviewed Economic Developers of Non-Zoned Counties

<u>County</u>	<u>Tier</u>	<u>Region</u>	<u>County</u>	<u>Tier</u>	<u>Region</u>
Appling	One	Nine	Hart	Two	Two
Baldwin	Two	Six	Jeff Davis	One	Nine
Berrien	One	Eleven	Jenkins	One	Seven
Bleckley	Two	Nine	Johnson	One	Nine
Burke	One	Seven	Laurens	One	Nine
Candler	One	Nine	Lumpkin	Three	Two
Charlton	One	Eleven	Miller	Two	Ten
Chattooga	Two	One	Montgomery	One	Nine
Clay	One	Eight	Murray	Three	One
Dade	Two	One	Stephens	Two	Two
Decatur	One	Ten	Tattnall	One	Nine
Dodge	One	Nine	Warren	One	Seven
Early	One	Ten	Washington	One	Seven
Elbert	One	Five	Wayne	One	Nine
Emanuel	One	Nine	Wheeler	One	Nine
Fannin	Two	One	White	Three	Two
Franklin	Three	Two	Wilkes	Two	Seven
Gilmer	Two	One	Wilkinson	One	Six
Grady	One	Ten			

Economic developers interviewed represent communities in northern, middle, and southern regions of the state that do not have a county zoning policy governing unincorporated areas, although one or more of their cities may have a municipal zoning policy.

The State of Georgia has designated the majority of these counties (62.3 percent) as Tier 1 communities, or those that are in greatest economic need among counties in the state, in 2001.

Economic Developers of Zoned Counties

Economic developers interviewed represent communities in northern, middle, and southern regions of the state that have a countywide zoning policy. As opposed to the communities lacking a countywide zoning policy, these counties have zoning policies to guide development on every parcel of unincorporated land. In each of these counties, some or all of the cities have a municipal zoning policy. (See Table 16.)

Table 16 – Interviewed Economic Developers of Zoned Counties

County	Tier	Region	County	Tier	Region
Banks	Three	Two	Lamar	Two	Four
Ben Hill	One	Eleven	Liberty	One	Twelve
Brooks	One	Eleven	Lowndes	Two	Eleven
Bulloch	Two	Twelve	McIntosh	One	Twelve
Butts	Two	Four	Mitchell	One	Ten
Catoosa	Three	One	Monroe	Two	Six
Clinch	Two	Eleven	Morgan	Three	Five
Coffee	Two	Eleven	Pike	Three	Four
Crawford	Two	Six	Putnam	Three	Six
Crisp	One	Eight	Rabun	Four	Two
Dawson	Four	Two	Sumter	One	Eight
Dooly	One	Eight	Talbot	One	Eight
Floyd	Three	One	Thomas	Two	Ten
Greene	One	Five	Troup	Two	Four
Hall	Four	Two	Turner	One	Eleven
Haralson	Two	One	Upson	Two	Four
Irwin	Two	Eleven	Ware	One	Eleven
Jackson	Three	Five	Worth	One	Ten
Jasper	Three	Five			

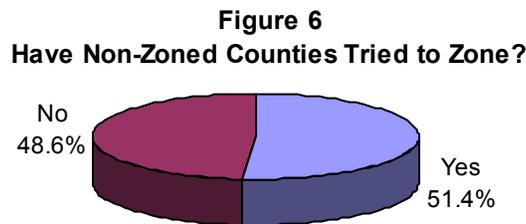
The counties without zoning represented in these interviews vary in their level of economic need. Approximately 35.1 percent are Tier 1 communities; 35.1 percent are Tier 2 communities; and 29.7 percent are Tier 3 or 4 communities.

Economic Developers of Non-Zoned Counties

Sixty-three counties in Georgia do not have a countywide zoning policy, indicating that property within the unincorporated areas of their communities is not protected by development guidelines. Interviews were conducted with 37 economic developers representing approximately 58.7 percent of these counties.

Has Zoning Ever Been Proposed?

Approximately half (48.6 percent) of the economic developers interviewed reported that zoning has never been seriously pursued within their community. (See Figure 6.) While zoning has been discussed within some non-zoned counties, it has been done on an informal level.



Some counties have tried alternative approaches to zoning to guide their community's development. For example, one county, located in middle Georgia, recently passed housing guidelines to direct where mobile homes and subdivisions can be developed. Another county, located in south Georgia, has been successful in passing building codes for subdivisions, and an economic developer of a southeast Georgia county reported that the community has passed some limited property ordinances in lieu of zoning. A Georgia mountains economic developer explained that his county has made a conscious effort to invest in infrastructure, such as water and sewer, in only those areas where the leadership would like to see development occur. Some communities have relied on covenants to protect their industrial park developments, although such policies

do not govern land uses on adjacent properties. Other communities have most or all of their industrial property located within city limits and subject to municipal zoning.

In counties where zoning attempts have failed, economic developers reported strong opposition from the citizens, particularly large landholders and farmers. While citizens have been strongly opposed to any controls over their land in some cases, the citizens and county commissioners have lacked sufficient understanding about zoning's role and associated benefits in many situations. Efforts to educate the public on zoning within the communities without zoning appear to be generally insufficient and ineffective. In some communities, efforts have been made to misrepresent zoning to gain public opposition. For example, in one county located in the Central Savannah River Area, it was reported that a hog farmer had successfully convinced women in the community that the size of the headstones for their mothers would be limited to two feet should zoning be passed.

Sometimes the zoning proposed has been considered inappropriate or too restrictive. For example, in a West Georgia county, the proposal to zone reportedly failed because it had outlawed backyard gardens and home-based businesses. In another county, located in the Heart of Georgia - Altamaha River Area, the economic developer explained that the zoning proposed was considered by citizens to be too large (in terms of what it regulated) and too rigid (in terms of what it permitted).

One north Georgia economic developer reported how death threats were issued to public officials advocating zoning. Another developer representing a Georgia mountains community explained how the zoning process was abandoned in order to avoid a riot. In some counties, there has been a recall of elected officials who have tried to implement zoning. Generally, zoning has been an emotionally charged, volatile topic of discussion within rural communities that have experienced failed attempts to zone.

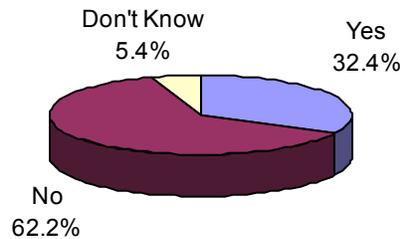
The Heart of Georgia - Altamaha River Area, or Region 9, is of interest because it does not have any county-level zoning. According to a Georgia Department of Community Affairs (DCA) representative for the region, there have been some attempts to zone. One county revoked its zoning to avoid clashes with citizens who opposed zoning. The DCA representative related the experiences of another county that had

attempted to zone: “[The county] had a special committee working for many months to prepare a zoning resolution. They held public meetings to get input, but received very little. Finally, before the committee could make their final recommendation, a crowd of more than 300 angry people showed up at the courthouse to intimidate the commissioners into killing any further discussion of zoning for the county. Two commissioners that ran for re-election that November were defeated.”

Is Not Having Zoning Good or Bad for the Community?

Most economic developers (62.2 percent) reported that there are not any community benefits associated with “no zoning.” (See Figure 7.)

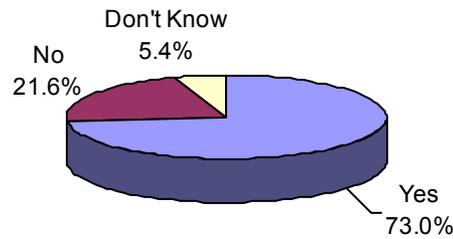
Figure 7
Community Benefits to No Zoning?



On the other hand, approximately a dozen economic developers view the absence of zoning to be a benefit. Each considered no zoning to be an advantage for recruiting certain types of new industry. One developer representing a community in the Central Savannah River Area explained, “A lot of businesses don’t want to go through the hoops of zoning.” Another developer in southwest Georgia reported, “Industries are able to come in that normally wouldn’t want to deal with strict zoning requirements.” Examples of recruited industries mentioned by developers who prefer the no zoning climate include small businesses, salvage yards, poultry operations, and coal-fired or natural gas power plants.

When asked if their community has experienced any problems due to “no zoning,” almost three-quarters (73 percent) of those interviewed replied “yes.” (See Figure 8.)

Figure 8
Community Problems to No Zoning?



The leading problem identified with no zoning is the frequent occurrence of unwanted development. In counties where some or all of their cities have zoning, the unincorporated areas lack guidelines on the type or character of development. As one economic developer representing a community in the Central Savannah River Area explained, “If an adverse industry wants in and doesn’t require money from the government, the county is up the creek.” One south Georgia developer reported, “All the surrounding counties have strict zoning, so we have become the dumping ground for everything that is restricted in the surrounding counties.” The developer shared concerns regarding how individuals are able to park their mobile home anywhere in the county and, sometimes, locate near potentially hazardous operations.

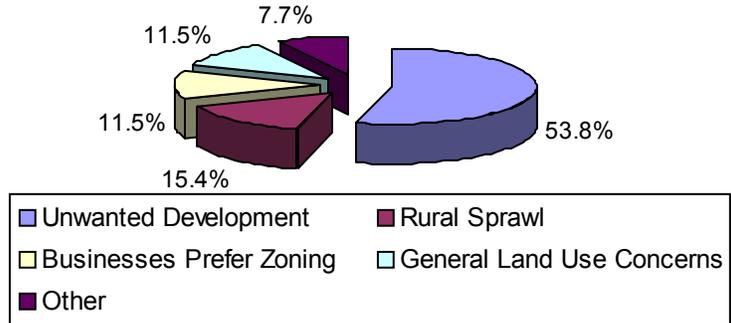
In one county located in the Heart of Georgia - Altamaha River Area, a recycling company had located in the southern end of the county, and the economic developer reported how citizens have spent large sums of money in lawsuits to prevent the company from operating. Without any zoning policy in place, there is little chance that the lawsuits will be successful in blocking the development. In a community located two counties away, a chicken manure operator had tried to locate on 60 acres of green space. No public hearing to inform citizens was required because the green space was located in an unincorporated, non-zoned area. Once the citizens learned of the pending development, they began a six-month protest effort that eventually led to the company backing down. Had the company not done so, there was no legal instrument to prevent such development from taking place. A zoning policy could have spared the need for citizen protest. A Georgia mountains county recently had a similar experience regarding the location of a human-waste disposal operation on property located within its non-

zoned unincorporated area but also close to municipally zoned areas. Citizens of that community tried to seek relief from a federal agency, which later determined that it lacked jurisdiction over what is a local matter. These events have led the community to begin reconsidering the adoption of a zoning ordinance.

Some economic developers identified issues relating to housing as a concern, such as, the inability to guide mobile home development. Another involves the inability to control the quality of residential development in general. For example, in two counties where on-site interviews were conducted, housing in non-zoned areas was observed to have a generally poor appearance and, more important from a safety perspective, be substandard in construction and structure (e.g., broken windows; dilapidated walls, doors, and rooftops). It appeared common for such housing to have assorted debris on the front and side lots in plain sight to anyone passing by. In contrast, the housing in the zoned areas of both counties (e.g., within the cities) generally appeared to be of higher quality and structure grade.

Rural sprawl concerns - relating to both residential and industrial development - were the second leading type of concern mentioned. These concerns related to the inability to ensure that the community's infrastructure can support and meet the needs of such development. Another type of concern mentioned by economic developers related to industrial recruitment and the overall preference of industry for zoning. According to one Georgia mountains economic developer, "Blue chip companies such as Michelin and Caterpillar first ask about zoning." General land use concerns such as inability to predict adjacent land uses or ensure quality of life through compatible land uses were also mentioned. For example, another Georgia mountains developer reported, "Zoning protects adjacent land use. Businesses don't want to invest \$15 million and [then] have a junkyard pop up next to them." (See Figure 9.)

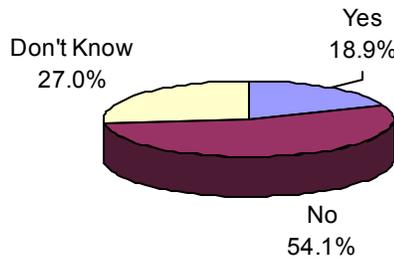
Figure 9
Type of Community Problems with No Zoning



Is Zoning an Economic Development Asset or Liability?

The majority of the economic developers interviewed (54.1 percent) do not consider no zoning to be an asset from an economic development perspective. See Figure 10.

Figure 10
No Zoning an Economic Development Asset?



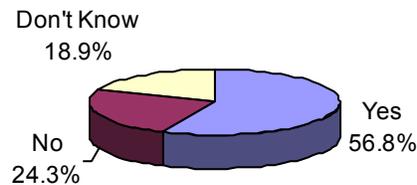
Many of the economic developers who responded “don’t know” to the question of whether zoning was an asset or liability reported that their counties have not experienced enough development to determine whether zoning would or would not be an asset. Two developers explained that their industrial product was located in zoned areas (e.g., their cities) and they have not yet experienced whether the lack of zoning in unincorporated areas would affect their industrial recruitment efforts. One of these developers, located in Heart of Georgia - Altamaha River Area, also mentioned that the next site the community is considering to “ready” for industrial development is in a non-zoned area but that such investment will not take place until the industrial properties in the zoned areas are filled.

Seven economic developers viewed the absence of zoning to be an economic

development asset. According to one Heart of Georgia - Altamaha River Area developer, “It [no zoning] speeds up the process of bringing industry in.” Another developer representing a Georgia mountains community reported, “It’s 60 percent an asset. Businesses have the freedom to locate where they will in a faster time frame.”

Twenty-one economic developers view the lack of zoning to be an economic development liability, constituting the majority of those interviewed (56.8 percent). (See Figure 11.)

Figure 11
No Zoning An Economic Development Liability?

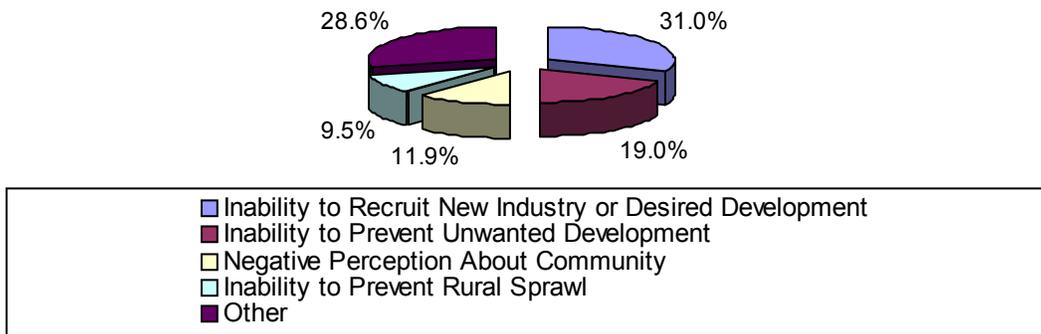


Almost one-fourth of the economic developers interviewed (24.3 percent) did not consider the lack of zoning to be a liability. According to one Heart of Georgia - Altamaha River Area developer, “The biggest issue affecting our economic development potential is not zoning but that our community is 15 miles away from the interstate. Recent prospects have asked about our zoning, but discussions never went far enough to know whether the lack of zoning in the county would be a deal breaker.”

Industrial recruitment concerns are a leading reason why some economic developers view no zoning to be a liability. Said one Central Savannah River Area economic developer, “Industry would like to see zoned areas. No industry with an odor wants to be near residential areas. Without zoning, there's nothing to prevent residential from going nearby, but they [industry] want the buffer, to be protected and viewed as a good corporate citizen.” A developer of a Georgia mountains community echoed these sentiments and explained, “Industries won't consider a community that won't protect their investment.” In addition to new industry, some developers would like to see better-quality housing available in their community to meet the needs of their workforce. For example, another Georgia mountains economic developer reported, “We have no middle-

or upper-scale subdivision housing where management professionals would live. No sensible developer would build first class when [a noxious development] can locate anywhere.” (See Figure 12.)

Figure 12
Economic Development Liabilities to No Zoning



Unwanted development or rural sprawl, identified as community problems related to no zoning by several economic developers, were also considered by some developers to be an economic development liability. Economic developers also mentioned that the lack of zoning presents a negative perception about their community to prospects. Said one developer, “Not having zoning gives the impression that a county is Bumpkinville and doesn't have its act together.”

Another liability associated with not having zoning is the inability to predict adjacent land uses. For example, one Central Savannah River Area county is in the beginning stages of developing a new industrial park. The industrial park will be located in a non-zoned, unincorporated area of the county but will be protected by covenants. However, located near the park are several acres of green space. The economic developer shared concerns regarding a local builder of mobile home properties who has traditionally invested in areas that make sense from a pocketbook perspective regardless of whether it makes sense to do so does from a community development perspective. The county does not currently have any ordinance to prevent this builder from developing a new property near the site where the industrial park will be. Should this builder decide to do so, such development would be a significant deterrent to many large industries that might otherwise be attracted to the park. A north Georgia county recently dealt with a

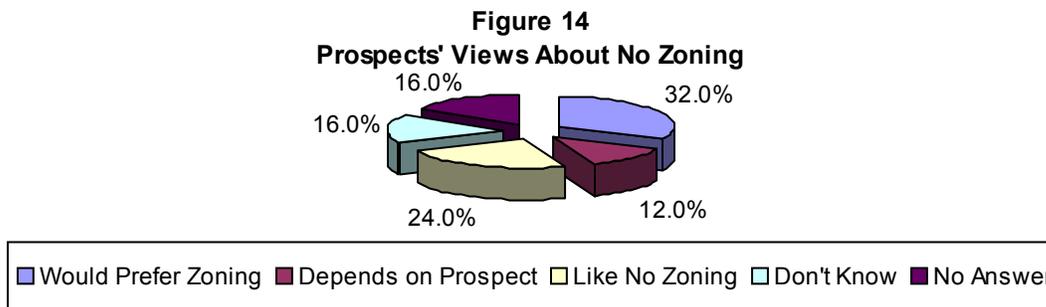
similar issue. The economic developer for that county explained that a farmer placed chicken houses on property adjacent to an existing high-end, golf course / residential development. While this decision angered the citizens of that development, it was legal given the lack of zoning. “Any community that develops,” said a Georgia mountains developer, “needs both a master land use plan and zoning. These tools are part of the growing process.”

Do Economic Development Prospects Ask Non-Zoned Counties About Zoning?

Over two-thirds of the economic developers (67.6 percent) reported that their community’s prospects have asked about zoning. (See Figure 13.) Several economic developers explained that the question is not “Do you have zoning?” but “What is your zoning policy?” or “What is this property zoned at?” implying an assumption among several prospects about zoning. Some of those who responded with “can’t answer” explained that they have not had any prospects during their tenure as economic developer.



Approximately one-third of the 25 economic developers asked about zoning reported that their prospects would have preferred their community have zoning. (See Figure 14.)



Said one Georgia mountains developer, “Industries ask about zoning. When they hear we don't have any, they politely get the rest of their information and are never heard from again.” On the other hand, in one county located in the Heart of Georgia - Altamaha River Area, the economic developer explained that not having zoning “has never stopped a project” because zoning is available within city limits and industries have relocated in or out of city limits depending on their preference. A developer representing a Central Savannah River Area county explained that not having zoning does not appear to be a “show stopper” but that “you get the raised eyebrow look” when they find out you don't have it. Said another developer located in north Georgia, “When you say no [to the question of whether you have zoning], you get a moment of silence.”

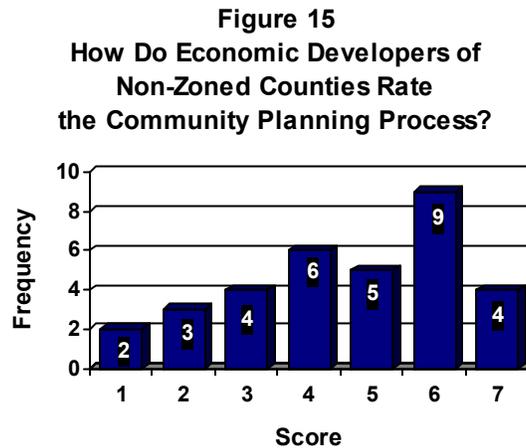
Whether companies prefer zoning appears to differ according to who they are. For example, one north Georgia economic developer reported, “Most start-ups have wanted no zoning while established or national firms want zoning.” One economic developer representing a community in the Central Savannah River Area explained, “The large companies expect you to have zoning.” A southwest Georgia developer offered a similar view: “Industries that use consultants always want to know [about zoning].” Several developers explained that the larger the investment the prospect is considering, the higher the likelihood that it will consider zoning to be of importance for protecting its investment.

Five of the 37 economic developers reported that their prospects viewed the absence of zoning to be a positive. Said one developer representing a county in middle Georgia, “[Our] industries are looking for a place that no one else wants because of [the lack of] zoning restrictions.” Another economic developer in the Georgia mountains reported, “Businesses are able to come in and don't have to have the time delays caused by red tape from zoning.”

How Effective Is the Community Planning Process?

Economic developers of non-zoned counties were asked to score the effectiveness of their community's planning process on a scale of 1 to 10 (with a score of 10 being the highest). Thirty-three economic developers, or 89.2 percent of those interviewed, provided a score. The distribution of these scores is provided in Figure 15. Scores

provided ranged from 1 to 7. The largest share of economic developers (27.3 percent) provided a rating of 6, a slightly positive score. The average score provided was 4.4, below the halfway mark on the scale.



Seven economic developers cited a lack of political willpower among local leadership to address planning issues as their reasoning for providing low scores. Said one developer in the Heart of Georgia - Altamaha River Area, “Planning is so in-depth that the political turnover hinders it somewhat.” Another economic developer in north Georgia reported, “The textbook plans are there, but since the issue is such a charged one, nobody's willing to pick them [the plans] up.” As a result of the political climate, some developers explained that their community approach to planning has been reactive and that they lack the encouragement to be proactive.

Four developers mentioned the lack of citizen participation in or understanding of the planning process as a problem. A south Georgia economic developer explained, “The ordinary citizen doesn't understand or see the need for a land use plan.” Another developer serving a Georgia mountains community reported, “There is very little knowledge [among citizens] about what they'd like the community to be 10 years from now.”

The generally low scores are not surprising considering these economic developers represent counties without zoning. As one economic developer, representing a county in the Heart of Georgia - Altamaha River Area, explained, “Our community plan has some good ideas, but implementation is our weak spot.” Some economic developers

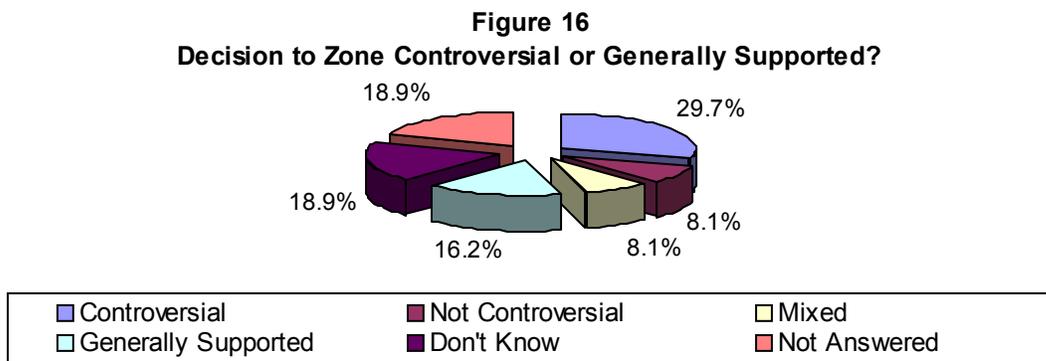
provided fairly favorable ratings (e.g. 7), given the lack of zoning, to their community’s planning process. In such cases, it appears there were some unusual circumstances present. For example, one southwest Georgia developer reported, “The county has done a good job to maintain covenants in the industrial districts.” Another developer, located in a Lower Chattahoochee River Area community explained, “There is active participation of some citizen groups and [as a result] a lot of neat [planning-related] things going on in the county.”

Economic Developers of Zoned Counties

Fifty-seven counties in Georgia have a zoning policy, indicating that development guidelines govern every parcel of unincorporated land within their communities. In each of these counties, some or all of the cities also have municipal zoning ordinances. Interviews were conducted with 37 economic developers representing approximately 64.9 percent of these counties.

Was the Decision to Zone a Controversial Issue or Generally Supported?

More than one-fourth of the economic developers surveyed (29.7 percent) reported that the decision to pass zoning was a controversial one. Another 8.1 percent reported some controversy as well as some support regarding the decision to zone. In nearly one-fourth (24.3 percent) of the counties, the economic developers reported that the decision to zone was either generally supported or “not controversial.” (See Figure 16.)



Specifically, six economic developers reported that zoning passed with broad-based support, and three reported that the decision to zone was “not controversial.” In

one south Georgia county, the leadership had decided to pursue new manufacturing industries and zoning was viewed as a necessary step. In another county, located in west Georgia, zoning failed a straw vote the first time it was attempted but passed with overwhelming support the second time because an unwanted industry had located within the community between the two attempts.

Reasons offered by the 10 economic developers who reported the decision to zone as being controversial centered around two basic beliefs: (1) zoning was viewed as an unnecessary restriction upon the “bundlestick” of property rights, and (2) there was not a need for zoning in a rural area. Said one south Georgia developer, “There was controversy because there was a misunderstanding of what zoning does.” Farmers were most frequently identified as leading opponents to zoning. In one coastal Georgia county, however, the economic developer reported, “Public sentiment [among farmers] shifted in favor of zoning because developers were taking agricultural land and dividing it into five-acre lots to create mobile-home parks.” On the other hand, another economic developer in southeast Georgia explained how his county, with a fairly large existing mobile-home community, experienced challenges in passing zoning because it had proposed to place restrictions on such development. Some economic developers reported a mixture of controversy and support. As articulated by one developer in the Lower Chattahoochee River Area reported, “Some saw zoning as an infringement on their property rights while others saw the need for protection.”

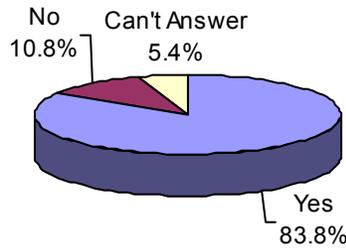
Generally, zoning decisions continue to be hotly debated for communities that zone. Said one economic developer of a coastal Georgia community, “It is controversial whenever you tell somebody there will be restrictions on their land.” The feedback provided by developers indicates that the controversy in zoned counties continues over numerous situations, such as minimum lot size allotments, rezonings, mobile home development, and development of agricultural land, to name a few.

Seven economic developers did not know the history of their community’s decision to zone, mostly due to the fact that the decision took place years before they began to serve the community, and another seven refrained from commenting.

Is Having a Zoning Ordinance Good or Bad for the Community?

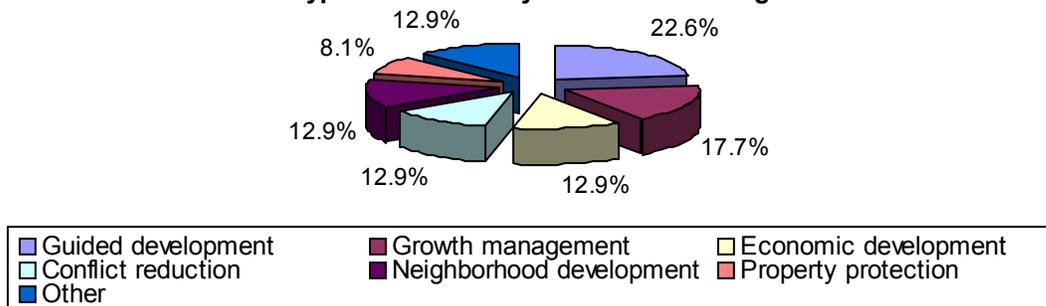
When asked if their community has experienced any benefits from zoning, the vast majority of the economic developers interviewed (83.8 percent) responded “yes.” (See Figure 17.)

Figure 17
Community Benefits to Zoning?



The ability to guide development was the leading benefit cited by economic developers. Said one middle Georgia economic developer, “[Zoning has] protected the agricultural land, which has helped retain agricultural businesses.” Another developer of a coastal Georgia community reported that zoning “disallows incompatible adjacent uses, provides buffers, and doesn't allow haphazard growth to occur.” (See Figure 18.)

Figure 18
Type of Community Benefits to Zoning

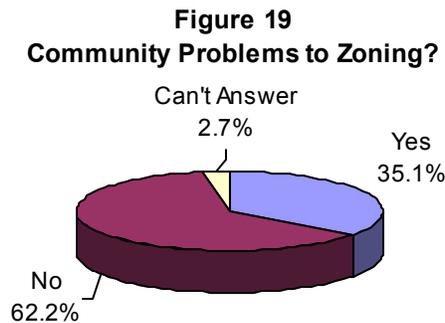


The second most frequently mentioned benefit was the ability to manage growth. One northeast Georgia economic developer explained, “Significant growth pressures are forcing the urban / rural conflict [in our county] and zoning ordinances help [us] deal with this.” Another developer of a Georgia mountains community, who noted that her county has experienced significant growth pressures due to proximity to the Georgia 400

highway, said, “We’ve been able to guide and control commercial growth with what our county wants.”

Other common benefits identified related to economic development, neighborhood development, protection of property values, and the reduction of potential conflict between industry and citizens. One middle Georgia economic developer reported zoning to have a positive impact on the community’s tax base. Another developer in northwest Georgia considers zoning to be advantageous for encouraging further commercial development. In terms of neighborhood development, zoning has been used as a tool to restrict new development that doesn’t meet certain housing standards. Several economic developers reported that citizens like the predictability of zoning. Said one developer of a community sandwiched between middle Georgia and the Atlanta area, “Zoning reduces the long process of trying to determine where an industry can go when a prospect is knocking at your door. Citizens have already decided what is acceptable.”

The majority of those interviewed (62.2 percent) reported that their communities have not experienced problems as a result of their zoning processes, although over one-third (35.1 percent) identified various problems. (See Figure 19.)



Most of the identified problems relate to the effectiveness of the zoning process. For example, one Georgia mountains economic developer reported, “A project [may be] in line with the comprehensive plan but can't make it through the rezoning process.” Another developer of a neighboring county contended, “[The zoning process is] too bureaucratic. It takes too long to get things through and lacks consistency throughout the process.” Explained an economic developer of a coastal Georgia county, “Zoning is designed to not be political but there are instances when a decision is made by the

planning commission and, dependent upon the number of citizens who show up at the county commission meeting, it can be overturned. Bad decisions are sometimes made because of politics.” A southeast Georgia economic developer considers her community’s existing zoning to be so ineffective that she equated it to not having zoning at all. She reported that the community is experiencing similar problems to the non-zoned communities – e.g., mobile homes stacked upon each other and unplanned capacity issues regarding utilities and infrastructure.

Some of the problems identified involve the appropriateness of the zoning ordinance in place to dealing with new development trends, including those that are associated with “smart growth” efforts. For example, an economic developer of a northwest Georgia community explained, “Existing zoning does not allow a live-work-play environment.” Challenges in dealing with the placement of cell towers or incorporating new green space initiatives were also mentioned.

Other problems identified by economic developers include spot zoning-related issues such as those due to isolated judgment calls, the grandfathering in of previously allowed uses, granting of rezonings under political pressure, and lack of enforcement of the existing zoning code. Such problems are fairly common among rural and urban communities alike. Even so, most economic developers did not report any problems relating to their community’s zoning process.

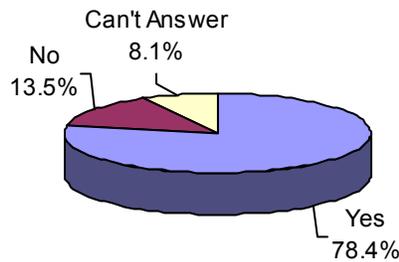
Is Zoning an Economic Development Asset or Liability?

More than three-quarters of the economic developers interviewed (78.4 percent) viewed zoning as an economic development asset. Just over one-fifth (21.6 percent) reported that zoning has not been an asset, or they refrained from answering the question. (See Figure 20.)

Some of the community benefits to zoning offered by economic developers were also cited as reasons why zoning is viewed as an asset for economic development. The leading reason cited as to why zoning is an economic development asset was the predictability it offers. Said one coastal Georgia economic developer, “When a prospect comes in, [he or she] knows what can be done, and citizens aren’t surprised or protesting because its already been determined and agreed upon.” Explained another developer

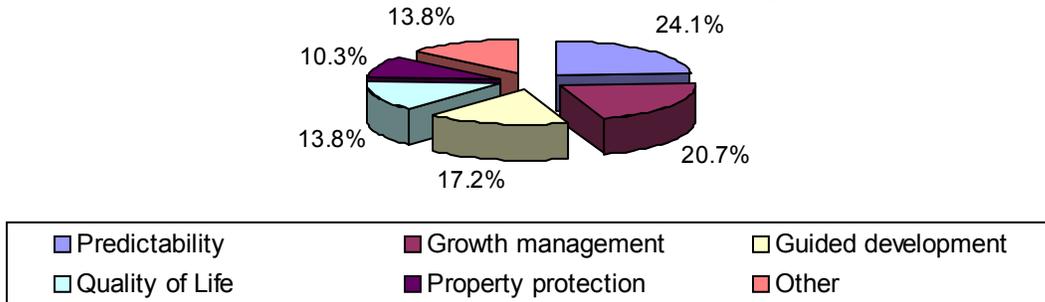
representing a Georgia mountains county, “If you're going to spend a whole bunch of money in the community, then you're going to want to know what's going up next to you and zoning pretty much helps you know.” A northeast Georgia developer reported, “We would not receive any high-quality or high-investment prospects without [zoning]. Companies don't like uncertainty and they don't want to start their relationship with a new community that would make their investment decision potentially controversial or expensive. It seems that the higher the value of investment, the more important are the local zoning ordinances.”

Figure 20
Zoning an Economic Development Asset?



The abilities to manage growth and guide development tied for the second leading reason as to why zoning is an economic development asset. Said one south Georgia economic developer, “[Zoning] provides a roadmap for growth. [We] can go to one source and find out if capital improvements are planned there that will support the industry and growth.” (See Figure 21.)

Figure 21
Economic Development Assets to Zoning



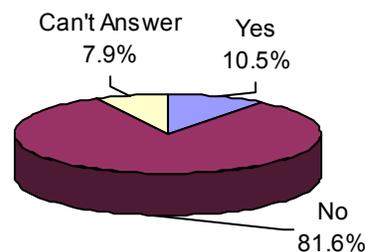
Another developer of a community located in the Middle Flint River Area explained, “[Zoning] shows [economic development prospects] that you're managing

growth, [guiding] the type of growth, and not letting neighborhoods deteriorate.” Zoning was also referred to as a tool for separating residential from industrial land uses, offering realistic guidelines for potential development, and helping communities to think through development decisions before they happen.

Quality of life was another identified benefit. One southwest Georgia economic developer reported, “Managers want to know where their workers are going to live and if they're going to have decent housing possibilities.” Other benefits mentioned related to historic preservation and community aesthetics.

The vast majority of economic developers interviewed (81.6 percent) do not consider zoning an economic development liability. Only four economic developers feel differently. For example, a developer of a community in northwest Georgia considers zoning to be a liability to the extent that it is not enforced effectively. A northeast Georgia economic developer considers local zoning to be so rigid that it is “hurting more than helping.” Another developer in northeast Georgia explained that his community doesn’t have enough industrial-zoned property and the current zoning ordinance lacks foresight for industrial growth. Two economic developers refrained from sharing their opinions. (See Figure 22.)

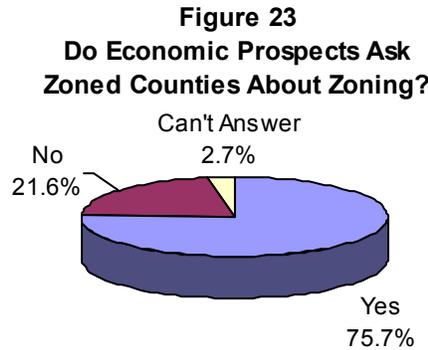
Figure 22
Zoning an Economic Development Liability?



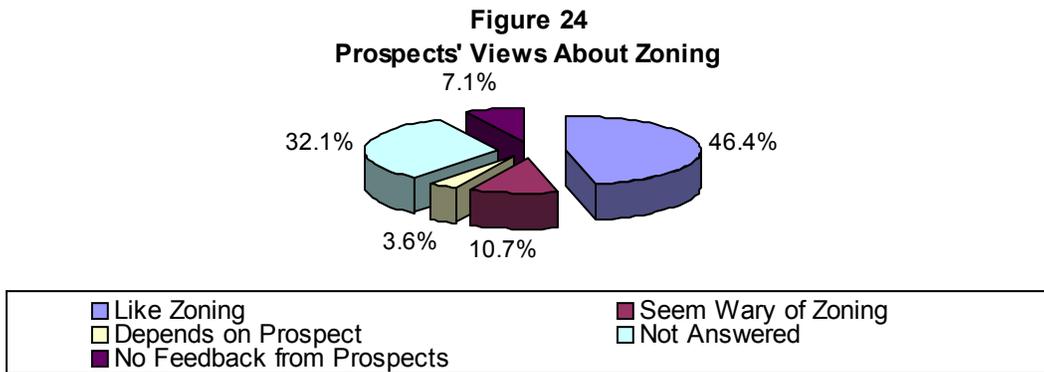
Do Economic Development Prospects Ask Zoned Counties About Zoning?

Over three-quarters of the economic developers interviewed (75.7 percent) reported that prospects do ask about zoning. Said one northeast Georgia developer, “Anywhere from 95 to 99 percent ask about zoning and anyone asking requires it. You probably don’t want to do business with those who don’t [require it].” Another economic

developer of a coastal Georgia community reported, “They [prospects] don’t ask if you have zoning, they assume it.” (See Figure 23.)



Of the 28 economic developers who reported that zoning is a fairly typical question asked by prospects, 13 (46.4 percent) indicated that their prospects have viewed zoning as an asset. (See Figure 24.)



Said one developer of a community located between the Atlanta area and middle Georgia, “Most view [zoning] as an asset. Without zoning, they have more difficulty getting a project done because you appear before a board of commissioners and it is a political rather than business decision. Zoning provides [prospects] with a degree of confidence and comfort level with the community.” Another economic developer of a coastal Georgia community reported, “Most view [zoning] as a positive. [Zoning] indicates that a community is progressive. Most prospects are small and medium-sized enterprises that prefer to be near other manufacturers. [With zoning], there are no conflicts with [non-manufacturing] neighbors because there are buffers.” A northwest

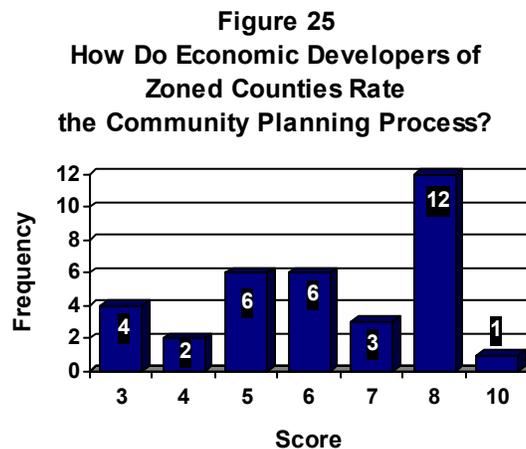
Georgia developer noted that his community’s prospects from European and Asian countries value zoning because “They want the room to grow.”

Three economic developers shared feedback that indicated some of their prospects have been wary of zoning. For example, a south Georgia developer explained that several of his community’s prospects are small businesses from Florida who had considered zoning to be a liability there but have found the process to be smoother in his community. The manner in which prospects have asked about zoning also suggests their wariness. Said one northwest Georgia economic developer, “The question is usually asked in the context of ‘Do you have prohibitive zoning?’” Another developer of a Middle Flint River Area community reported, “Question [asked by prospects] is usually ‘Will there be a problem with zoning?’”

Several economic developers reported that prospects ask about zoning laws in general or, in reference to a particular property, how the area is zoned, but, they did not share feedback as to whether they like or dislike zoning. Two developers reported that prospects haven’t appeared to have any noticeable reaction to their zoning.

How Effective Is the Community Planning Process?

Economic developers of zoned counties were asked to score the effectiveness of their community’s planning process on a scale of 1 to 10 (with 10 being the highest). Thirty-four economic developers, or 91.9 percent of those interviewed, provided a score. The distribution of these scores is provided in Figure 25.



Scores ranged from 3 to 10. The largest share of economic developers (35.3 percent) provided a rating of 8, a fairly positive score. The average score provided was 6.4, above the halfway mark on the scale.

Six developers provided rather low ratings of 3 or 4. Said one south Georgia economic developer, “There is no evidence of either strategic or long-range planning in our community.” According to a developer of a community near middle Georgia and the Atlanta area, “There is a lack of long-range planning, and, if you lack planning, then zoning just becomes a hodge-podge of rules.”

Over a dozen developers rated the planning process favorably. A northwest Georgia developer praised the local planning professionals and would like to see greater availability of technology tools to aid their efforts. In explaining his relatively high rating, a coastal Georgia developer qualified, “Our planner does a good job given the level of training, but our community needs a professionally trained planner who can offer new ideas or adequately explain why some ideas wouldn’t be beneficial for the community.” A county located between the Atlanta area and middle Georgia recently hired its first professional planner approximately four years ago. Since then, reported the economic developer, the county has passed a new zoning ordinance, developed a new land use plan, and has involved citizens and leaders in a community-wide visioning process.

Table 17 summarizes some positive and negative attributes that economic developers shared about their community planning processes. These observations do not relate to planning and zoning overall, but rather to experiences with a specific planning and zoning process.

Table 17 – Economic Developer Observations of Community Planning in Zoned Counties

PROS	CONS
✓ Community-wide visioning	✓ Lack of long-range planning
✓ Leadership takes planning and zoning seriously	✓ Leadership not proactive
✓ Zoning adheres to land use plan	✓ Zoning not enforced (special exceptions, rezonings, or ignored)
✓ Designating specific land uses	✓ Zoning process bureaucratic and lacks consistency
✓ Flexible planning process	✓ Zoning inconsistent with land use plan
✓ Citizen and business participation	✓ Inflexible planning process
✓ Infrastructure planning for residential and industrial areas	✓ Lack of citizen participation
✓ Dealing with growth issues	✓ Lag on infrastructure development; dealing with growth issues
✓ County and city work together on planning issues	✓ Too focused (not addressing all issues)
✓ County able to learn from city’s past experiences with zoning	✓ Politics
✓ Professional planning staff	✓ Lack of technology (e.g., paper maps)
	✓ Need professional planning staff

Overall

Most economic developers of counties with a zoning policy who were interviewed reported that the presence of zoning has yielded community benefits and is an economic development asset. Alternatively, the majority of developers of counties without a zoning policy reported that the absence of zoning has resulted in community problems and is an economic development liability. In short, zoning is generally viewed as a positive measure by economic developers of zoned and non-zoned communities alike.

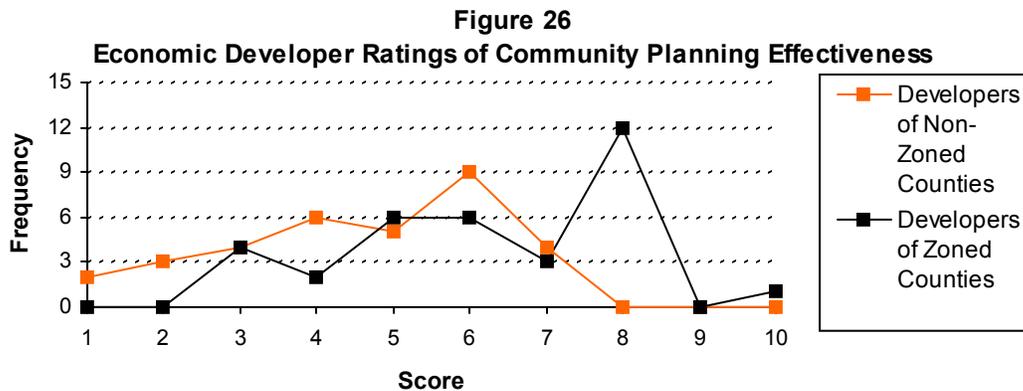
Opinions shared by some economic developers reflect a notion that the presence of zoning is synonymous with preventing development from entering the community. Although several developers of communities with zoning considered the ability to manage and guide where future development can go as a key benefit to zoning, few

shared views that zoning should be used as a tool to exclude certain types of development in their entirety. The majority shared views that zoning can be a tool for both community and economic development.

Several economic developers explained that those who once argued against zoning because they viewed it as an infringement on their property rights are often also those who argued “not in my backyard” and eventually became strong proponents of zoning. In other words, they were willing to accept some restrictions regarding how they could develop their property in exchange for some assurance that they would be protected from a nuisance development.

As of January 2001, the vast majority of counties in Georgia (97.5 percent) have developed a comprehensive plan, according to the Georgia Department of Community Affairs, indicating that some level of planning is taking place. However, such efforts alone do not necessarily translate into having any real ability to guide a community’s future development. Without zoning, communities face significant challenges in implementing their plan.

It’s not surprising that economic developers of counties with a zoning policy provided higher ratings regarding the effectiveness of their community’s planning process than did developers of counties without such a policy. The average scores provided were 6.4 for zoned communities and 4.4 for non-zoned communities. The most frequent score provided was 8 by economic developers of counties with zoning and 6 by economic developers of counties without zoning. (See Figure 26.)



PART FIVE

Overall Conclusions

Is there a need for zoning in rural areas? Fifty-seven rural communities across Georgia, including 14 with more than 20 years experience with zoning, appear to think so. However, the decision to zone has been a source of controversy for many communities. Experiences shared by economic developers regarding failed attempts to zone underscore the political volatility surrounding such efforts.

Looking at the experiences of Rural Georgia, it seems likely that some level of development may occur regardless of how rural a community may be. However, as many counties have learned and will continue to learn, zoning helps the community guide what that development will be and where it will go. Furthermore, communities with zoning may be better positioned for future economic development.

A comparison of all rural counties with a zoning policy to all rural counties without one reveals that zoned counties have larger economic bases than non-zoned counties. When reviewing the statistical relationship between years of zoning and economic performance, regressions analysis confirms that zoning does help to create new jobs, although other factors (e.g., accessibility to highways, education, poverty levels, and employment base) may likely play a greater role than zoning does. An analysis of matched pairs – that is, pairing counties with zoning to counties without according to similar economic positioning (e.g., distance to major city and interstate, education level, percentage of minority population) – also illustrates that zoning has a significant and positive impact on changes in employment as well as assessed property values.

Findings from interviews with economic developers also provide evidence that there are economic benefits related to zoning. More than three-quarters of the economic developers representing counties with zoning (78.4 percent) consider zoning an economic development asset. Benefits are numerous, including, but not limited to, (1) business and citizen preference for land use predictability; (2) assurance for business prospects and residents that their investment will be protected; (3) the ability to guide future development and prevent haphazard, (e.g., patchwork); harmful, or unwanted development; and (4) the minimization of potential conflict between industry and

residents. Lack of zoning reportedly deters those industries that want to be viewed as a good corporate citizen and avoid conflicts with neighbors.

More than half of the economic developers representing communities without zoning (56.8 percent) consider the absence of zoning to be an economic development liability. Reasons offered mostly relate to (1) an inability to recruit new industry or desired development, (2) an inability to prevent unwanted development, (3) the negative perception about a non-zoned community (which is a key issue from an economic development marketing perspective), and (4) an inability to prevent rural sprawl.

In sum, many findings from this investigation suggest that zoning does make a difference, and, specifically, that the presence of zoning generally helps a rural community's economy grow and that zoning appears to improve a rural community's competitive advantage for economic development. However, the extent to which zoning can make a difference is affected by several considerations including, but not limited to, (1) leadership and citizen support and understanding, (2) quality of the zoning code, (3) integration with a well-conceived comprehensive plan, (4) applicability and enforcement, (5) the zoning process itself, and (6) the merits of the existing economic development program.

Zoning is just one of a myriad of factors influencing a community's economic development, and the decision to zone should be weighed carefully in context of a community's overall economic development strategy.