

Small Urban Area Boundary Determination Before and After the 2000 U.S. Census
Michigan Department of Transportation
Statewide Planning Section

As of the 2000 U.S. Census, there are 55 small urban areas in Michigan. A small urban area is defined as having a **Census Urban Cluster** population of 5,000 to 49,999. For the purposes of transportation planning and federal-aid funding of improvements, the eligible boundary for each small urban area is the **federal-aid urban boundary** developed in cooperation between MDOT and the appropriate local officials, subject to review and approval by the Federal Highway Administration (FHWA).

FEDERAL DEFINITIONS AND POLICY

From FHWA online document, "Frequently Asked Questions Applying 2000 Census Data to Urbanized and Urban Areas, January 5, 2006 Version":

What is an Urban Area?

The term Urban Area has been ascribed two slightly different definitions by two different federal agencies. The Department of Commerce's Census Bureau uses the term Urban Area (UA) to refer collectively to the Urbanized Areas (UZA) and Urban Clusters (UC) designated by the Census Bureau for the 2000 decennial Census.

On the other hand, Federal transportation legislation (23 USC 101(a)(36) - (37) and 49 USC 5302(a)(16) - (17)) allows responsible state and local officials in cooperation with each other, and subject to approval by the Secretary of Transportation, to adjust the Census boundaries outward, as long as they encompass, at a minimum, the entire Census designated area.

The FHWA uses the term Federal-Aid Urban Area (FAUA) to distinguish the adjusted urban area boundaries allowed for transportation purposes from those designated by the Census Bureau.

What is an Urban Cluster (UC)?

An Urban Cluster is a new statistical geographic entity designated by the Census Bureau for the 2000 Census, consisting of a central core and adjacent densely settled territory that together contains between 2,500 and 49,999 people. Typically, the overall population density is at least 1,000 people per square mile. Urban Clusters are based on Census block and block group density and do not coincide with official municipal boundaries."

What is a Place?

A Place is a term used by the Census Bureau that includes both Incorporated Places (concentrations of populations having legally defined boundaries) and Census Designated Places (concentrations of population that are locally identifiable by name but not legally incorporated). A place can be of any size population or population density, because it is based on an administrative boundary, not statistical criteria.

Prior to the 2000 Census, the Census Bureau used the term Urban Place to identify any Place having a population of more than 2500. This term was incorporated into Federal legislation (23 USC 101 (a)(36) to define urban areas, outside the boundaries of urbanized areas, having a population between 5,000 and 50,000. Beginning with the 2000 Census, the Census Bureau no longer uses Urban Place to identify smaller urban areas, and has replaced it with the Urban Cluster. However, the Census Bureau still disseminates geographic boundaries and reports population statistics for Places.

Do I need to adjust the Census designated urban area boundaries?

No. While Federal transportation legislation allows adjustments to the Census designated urban area boundaries, there is no Federal requirement to do so. States and MPOs may choose to use the Census designated urban area boundaries without adjustment.

Adjustments to urban area boundaries had significant funding implications when Federal-Aid Highway funding included separate apportionments for Federal-Aid Urban and Federal-Aid Rural

Systems. These funding classifications were eliminated in 1992 under the Intermodal Surface Transportation Efficiency Act (ISTEA).

Today, the Federal requirements for urban versus rural classifications are limited mostly to highway statistical reporting, highway functional classification, and regulation of outdoor advertising. These requirements are described below. However, a number of States have included urban versus rural classifications in their intra-State apportionment formulae. These State requirements should be reviewed before deciding whether or not to adjust urban boundaries.

Can I adjust urban area boundaries to include less area than the Census designed boundaries?

No. Federal Transportation legislation specifically requires that any adjustments to urban or urbanized area boundaries must include, at a minimum the entire urban area designated by the Census Bureau. For urbanized areas (above 50,000 population) this means that the entire Census designated urbanized area boundary must be included in the FAUA.

For smaller urban areas with a population between 5,000 and 49,999, FHWA will allow a State to use either the newly defined (with the 2000 Census) Urban Cluster or the Place as defined by the Census Bureau as its minimum area for inclusion for planning, highway functional classification, and statistical reporting. Whichever area type (Urban Cluster or Place) is selected, however, must be used consistently throughout the State. However, Federal regulations on outdoor advertising control will continue to allow use of only the Census defined Place as the minimum area for inclusion.

From Title 23 U.S.C.:

Section 101 (a) (36) Urban area.--The term "urban area" means an urbanized area or, in the case of an urbanized area encompassing more than one State, that part of the urbanized area in each such State, or urban place as designated by the Bureau of the Census having a population of 5,000 or more and not within any urbanized area, within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall encompass, at a minimum, the entire urban place designated by the Bureau of the Census, except in the case of cities in the State of Maine and in the State of New Hampshire.

FEDERAL DEFINITIONS AND POLICY – APPLIED BY MDOT

As noted above, it is at the option of the state department of transportation, or MDOT, to decide whether to adjust the urban area as determined by the census. After consultation with local officials, MDOT has concluded that it is in the best interests of the greatest number to continue the policy of adjusting the census urban area boundaries. In Michigan, the adjusted census boundary or the Federal-aid Urban Area (FAUA) is called the **federal-aid urban boundary**. Federal-aid urban boundaries include the census urban cluster area at a minimum. No area identified as urban by the census is subtracted from the area enclosed by the federal-aid urban boundary, nor is the census urban cluster area split into two or more separate areas. However, area is added to the census urban cluster area, following criteria developed by MDOT and based on federal guidelines. The main reasons for adding to the census urban cluster area in determining the federal-aid urban boundary area are as follows:

1. To include entire incorporated city or village limits. It is MDOT's goal that no city or village be partially rural and partially urban. Thus, if the census urban area boundary includes part of an incorporated city or village, the remaining city or village limits are added to be within the federal-aid urban boundary.
2. To add area which has low population density (and is thus excluded by the census methodology) but which is urban in character. Examples include airports, industrial parks, and recreational areas.

3. To “smooth” the federal-aid urban boundary as compared to the census area boundary. Because the census methodology selects or excludes area by census block, the resulting boundary can be very “jagged” or “irregular.” Adding area to smooth out the jagged census boundary results in a cohesive set of roads to be identified as part of a given urban area.

IMPACTS OF USING CENSUS URBAN CLUSTER AREAS

As noted above, MDOT has an option of either using urban cluster area boundaries or the more traditional incorporated city and village limits (place boundaries), when developing federal-aid urban boundaries for small urban areas. FHWA guidance is clear that the method chosen must be used consistently throughout the state.

Prior to the 2000 census, the census boundaries for small urban areas were determined using place boundaries alone. If an incorporated city or village (or Census Designated Place) was located outside any census urbanized boundaries, and if that city or village had a census population in the range, 5,000 – 49,999, then that that city was in the small urban category. The city limits themselves formed the census urban area boundaries.

To compare the two methods of setting boundaries – census urban cluster area versus place boundaries – MDOT compared the 2000 census results using each method. The starting point for each method was: 49 small urban areas (as of the 1990 U.S. Census).

Using Census Urban Cluster Areas Boundaries:

- 55 total small urban areas, of which 18 were newly determined
- Of the 18 newly determined small urban areas, 17 would not be eligible for the small urban program unless the urban cluster method was used
- Agencies within these 17 new small urban areas that would otherwise be ineligible for the small urban program:
 - 25 incorporated cities and villages
 - 10 county road commissions
 - 10 county-wide or urban area transit agencies

Using Place boundaries:

- 40 total small urban areas, of which 2 would be newly determined
- Of the 2 newly determined small urban areas, 1 would not be eligible for the small urban program unless the urban place method was used
- Agencies within this 1 new small urban area that would otherwise be ineligible for the small urban program:
 - 1 incorporated city
 - 1 county road commission
 - 1 county-wide or urban area transit agency

RESULTS OF BOUNDARY METHODOLOGY COMPARISON

The small urban program is generally considered to be a significant benefit to eligible cities and villages, county road commissions and county-wide or urban area transit agencies. Therefore, in comparing the two methods of determining small urban areas, where only method may be chosen, the method which benefits the most agencies should be chosen. It is clear from the analysis above that the urban cluster method benefits the most agencies. Thus, MDOT has chosen the urban cluster method of determining which areas in Michigan are small urban.