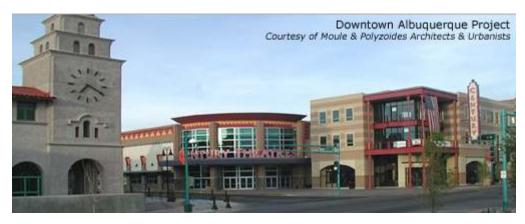
Christopher B. Leinberger Land Use Strategist, Teacher, Researcher, Consultant, Developer, Author, and Creator of the Next American Dream



**Jared Lang CPLN 540** Dr. Eugenie Birch December 20<sup>th</sup>, 2006 "One of my earliest and most influential childhood memories was about urban land use."

- Christopher B. Leinberger



Christopher Leinberger has focused much of his redevelopment work on revitalizing Downtown Albuquerque.

### A Finger on the Pulse of the Development Community

As industries in the period leading up to and prior to World War II began mechanizing their production processes, so did the real estate industry. Christopher Leinberger characterizes the product created from this mechanization process as "conventional development"—modular, formula-driven, and almost exclusively automobile dependent. Levittown, NY, completed in 1951, is a classic example of this development model.

Modern-day versions of Levittown can be found in every major metropolitan area across the US. Derivatives of this model vary by region, ranging from one single family home per two acres to one home per eighth acre. Conventional development is unquestionably the dominant real estate product today. Recent work by Arthur Nelson at Virginia Tech suggests that its dominance is slowing, but that conventional development will still make up almost half of new development in the next three decades.<sup>2</sup>

Many Americans enjoy the benefits of conventional development, but this model has several unintended consequences—including increasing infrastructure costs and pollution, reducing housing and transportation choices, and limiting opportunities for social interaction.. Conventional development also has a reputation for exacerbating traffic issues, limiting diversity, and overburdening local tax bases.<sup>3</sup>

In the past decade local governments, citizens, and the private sector are beginning to recognize the drawbacks to conventional development. In particular, the real estate

<sup>1</sup> Christopher Leinberger's Official Website, October 12, 2006 <a href="http://www.cleinberger.com/">http://www.cleinberger.com/</a>

<sup>&</sup>lt;sup>2</sup> Nelson, Arthur. *Toward a New Metropolis: The Opportunity to Rebuild America*. Washington, DC: Brookings Press, December 2004.

<sup>&</sup>lt;sup>3</sup> Robert Burshell, et al. *Sprawl Costs: Economic Impacts of Unchecked Development*. Washington, DC: Island Press, 2005.

industry is noticing a shift in consumer preferences away from conventional development.<sup>4</sup> Seizing the opportunity presented by this shifting demand, industry leaders are developing different product types. One of the best-known industry leaders, establishing the grounds for the shifting consumer demand and developing alternative products, is Christopher Leinberger.

### Student of the Built Environment

Raised in the Philadelphia area, Christopher Leinberger has long been a student of the built environment. In a brief autography he writes, "One of my earliest and most influential childhood memories was about urban land use." On a busy day in downtown Philadelphia, a young Leinberger wondered what attracted so many people to that place and how it functioned in the way that it did. Ironically, these are the questions he is spending a lifetime attempting to answer.

In 1968, Leinberger enrolled in Swarthmore College. During college, while volunteering as a teenage gang social worker, he had his first experience with the turmoil that can arise from complex land use decisions. An all too familiar story, a predominantly African-American community in Southwest Philadelphia was being displaced by Caucasian newcomers, and Leinberger was attempting to quell the unrest caused by this shift. In 1972, Leinberger graduated with a Bachelor of Arts in Political Science and Sociology.

After college, Leinberger took time off from school to become a Coro Foundation Fellow (1972-1973). Then, in the following year, he began a Masters in Business Administration at Harvard Business School (1974-1976). Working through 2,000 case studies refined



Leinberger's ability to inductively draw conclusions and impressions on potential business opportunities. It also gave him the feeling that he had several years of business experience. But in his autobiography, he follows that comment up by saying, "However, that 'experience' must be balanced by the swelled head that I grew, since Harvard informally taught one that a graduate is ready to run any organization upon graduation, which took a few years to deflate."

The experiences above make up the foundation of a prolific career to come.

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<sup>&</sup>lt;sup>4</sup> Nelson, Arthur. *Toward a New Metropolis: The Opportunity to Rebuild America*. Washington, DC: Brookings Press, December 2004.

<sup>&</sup>lt;sup>5</sup> Leinberger, Christopher. *Brief Autobiography*, March 2005. Mr. Leinberger emailed this document to me on October 5<sup>th</sup>, 2006. Much of the detailed chronology of his work was gleaned from this document.

<sup>&</sup>lt;sup>6</sup> Coro Foundation, October 14, 2006 < <a href="http://www.coro.org/">http://www.coro.org/</a>>

<sup>&</sup>lt;sup>7</sup> Leinberger, Christopher. *Brief Autobiography*, March 2005.

## Experience in the Field

Equipped with a Harvard MBA, Christopher Leinberger has had a considerable impact on the real estate industry over the past 30 years. He has been shaping the built environment through three key roles—as a consultant, developer, and teacher.

### **Consulting Experience**

In 1979, Christopher Leinberger joined Robert Charles Lesser & Co. (RCLCo), the largest independent real estate consulting firm in the country; in 1982 he became co-owner of the company. Under his leadership the company achieved an annual 15% growth rate and expanded from a residential market



research firm with one office to a comprehensive commercial, industrial and residential consulting firm, providing market research, financial analysis and strategic planning.<sup>8</sup> As owner of the company until 2000, the majority of Leinberger's work has been done under the umbrella of RCLCo.

Between 1979 and 2000, Leinberger worked on more than 1,500 individual consulting projects. During this time, RCLCo became a major proponent of smart growth, acting as the bridge between the mainstream development community and the progressive wing of the real estate industry, particularly proponents of new urbanism.

### Real Estate Industry Strategic Planning

The Savings and Loan crisis in the 1980s offered RCLCo opportunities to assist in restructuring the real estate industry. Here, Leinberger provided corporate strategic planning to assist the restructuring process, including developing a proprietary methodology. In the 1990s, both the Del Webb Company and the Trammell Crow Company retained him as a consultant for strategies to increase market share and go

public, respectively. As a result of his work, Trammell Crow is now the largest developer and corporate real estate services provider in the country.

# **TrammellCrowCompany**

Later, Leinberger consulted the Weyerhaeuser Real Estate Company regarding the different accounting practices used by homebuilders versus publicly traded companies.<sup>10</sup> In addition, he helped them address other operational issues typical of entrepreneurial firms attempting to reorganize and operate in a corporate environment. During his tenure at RCLCo, Leinberger assisted several real estate companies in their transitions from more entrepreneurial to publicly traded companies. His strategic planning work has had a significant impact on the real estate industry's current corporate organization. This work

<sup>&</sup>lt;sup>8</sup> Robert Charles Lesser & Co. Website. November 19<sup>th</sup>, 2006 < <u>www.rclco.com</u>>

<sup>&</sup>lt;sup>9</sup> FDIC. November 18<sup>th</sup>, 2006 < <a href="http://www.fdic.gov/bank/historical/s&l/">http://www.fdic.gov/bank/historical/s&l/</a>>
<sup>10</sup> Weyerhaeuser Real Estate Company. Nov. 18<sup>th</sup>, 2006 < a href="http://www.weyerhaeuser.com/ourbusinesses/">http://www.weyerhaeuser.com/ourbusinesses/</a>>

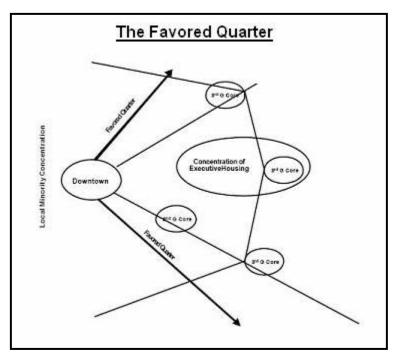
in particular has shaped Leinberger's thinking about the funding challenges facing specific real estate products—a theme that becomes central in his later work.

#### Metropolitan Development Trends

By the early 1980s, Leinberger began to recognize an evolving pattern of metropolitan growth in industrialized nations. He defined such concepts as: "urban villages," office, industrial, retail, and housing focal points amid the low density cityscape; 11 "favored quarter," the quarter of a region that experiences a majority of job and population growth and infrastructure investment; and the five generations of metropolitan growth since

World War II.<sup>12</sup> This work publicized in many places—including a series of articles in several major newspapers and chapters in a variety of books regarding metropolitan development trends. 13

In Leinberger 1989. Rockefeller consulted Associates specific on metropolitan areas to invest \$2 billion in Class A office space. He also assisted Trammell Crow Company (1992-1993) once more in development and implementation of a company-wide methodology direct to investment decisions.



Christopher Leinberger's concept of the "favored quarter."

Leinberger's insight into the future of metropolitan growth has implications far beyond the real estate industry. Governments, politicians, community planners, and academics desire this information to best prepare our country for the future. This information allows leaders to focus on priority areas, manage resources more efficiently, and understand demand for necessary services. As a result, many academics consider this Leinberger's most influential work.

<sup>13</sup> Leinberger, Christopher. "Urban Villages: The Locational Advantages," Wall Street Journal, 1985. Leinberger, Christopher, "How Business is Changing America." The Atlantic Monthly, 1986. Leinberger, Christopher. "Where Jobs Go: Business Flees to the Urban Fringe," Nation, 1992. The books Leinberger contributed to include Land Use in America (Island Press, 1996), America's Cities— Opposing Viewpoints (Greenhaven Press, 1993) and Maturing Suburban Business Districts (Urban Land Institute, 2001).

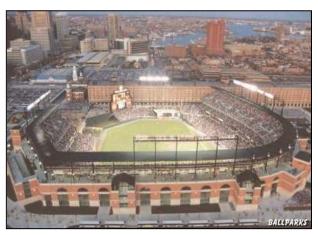
Leinberger, Christopher. "Urban Villages: The Locational Lessons." Wall Street Journal; May, 1984.
 Leinberger, Christopher. *Brief Autobiography*, March 2005.

#### Downtown and Metro Core Strategic Planning

During his tenure at Robert Charles Lesser & Co., Leinberger created a proprietary methodology for developing strategic plans for downtowns and suburban cores, combining the metropolitan development trend analysis and real estate strategic planning methodology developed in his early career. 14 This work is highlighted in articles he wrote for the Los Angeles Times, 15 the University of Southern California Lusk Review, 16 a chapter in a ULI book<sup>17</sup> and a Brookings Institution paper. <sup>18</sup>

His consulting experiences in downtown development are varied. From 1980 to 2000 Leinberger assisted the City of Chattanooga, TN in developing a strategy for revitalizing their downtown. The strategy identified key efforts necessary to create a turnaround, including outlet retailing, urban entertainment, festivals, a fresh water aquarium, a trail along the Tennessee River connecting downtown to the region, a catalytic housing project, new structured parking and a free circulator system. With Leinberger's assistance, Downtown Chattanooga has become what Penn Professor of Regional Planning Dr. Tom Daniels calls a model for downtown revitalization.<sup>19</sup>

Leinberger also consulted developers of the first baseball stadium project to be located downtown since the early 20<sup>th</sup> Century—Camden Yards (1991). RCLCo's job was to inventory historic buildings and land immediately surrounding the proposed stadium and consider impact. The project created an economic spillover effect for retailers, hotels and other entertainment venues downtown.<sup>20</sup> Its overwhelming success has led to about 90% of the new stadiums and arenas built in the past decade to be located in downtowns.<sup>2</sup>



Caption: Camden Yards is part of new generation of sports stadiums being located downtown.

#### Progressive Real Estate

Perhaps Chris Leinberger's most significant consulting work is on what he calls "Progressive Real Estate." This term describes the various alternative development

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<sup>&</sup>lt;sup>14</sup> Leinberger, Christopher. *Brief Autobiography*, March 2005.

<sup>&</sup>lt;sup>15</sup> Leinberger, Christopher. "Top 10 Ways to Make City's Great," Los Angeles Times, 1996.

<sup>&</sup>lt;sup>16</sup> Leinberger, Christopher. "The Coming Revival of American Downtowns," *Lusk Review*, 1997.

<sup>&</sup>lt;sup>17</sup> Maturing Suburban Business Districts. ULI

<sup>&</sup>lt;sup>18</sup> Leinberger, Christopher. "Turning Around Downtown: Twelve Steps to Revitalization." Brookings Institution Press, 2005.

<sup>19</sup> Downtown Chattanooga Partnership November 19<sup>th</sup>, 2006 < <a href="http://www.downtownchattanooga.org/">http://www.downtownchattanooga.org/</a>> Chattanooga, TN is well-known by many planners for its incredible turnaround.

Hamilton, Bruce and Kahn, Pater. "Baltimore's Camden Yards Ballparks." Sports, Jobs, and Taxes: The Economic Impact of Sports Teams and Stadiums. Brookings Institution Press, 1997. Leinberger, Christopher. Brief Autobiography, March 2005.

models that hope to replace conventional "sprawl" development. It includes New Urbanism, Smart Growth, regionalism, conservation development, and downtown and suburban downtown revitalization.

This work has received a significant amount of press throughout the years. Two of Leinberger's most well-known articles, "The Beginning of the End of Sprawl" 22 and "Building for the Long-Term," 23 address the prospects of progressive real estate products to replace conventional development. The latter article won Leinberger his second Apgar Award for the best article of the year in *Urban Land Magazine*. He has also written articles on the subject for the MIT journal *Thresholds*, <sup>24</sup> the Brookings Institution's *Capital Ideas*, <sup>25</sup> and contributed chapters to several books. <sup>26</sup> In addition, he has presented on progressive development at Congress of the New Urbanism events, Bank of America's Smart Growth Task Force, the National Building Museum, National Academy of Sciences, and many more organizations.



Reston Town Center is the vibrant core of Reston, VA.

Praised as the first true town center developed since the 1920s, Reston Town Center (1989-1993) is one of Leinberger's most successful consulting projects. He assisted the conceptualization of the project, which serves as the pedestrianoriented focal point for Reston, VA. Here Leinberger performed a retrospective market analysis that proved mixed-use development performed far better than its competition.<sup>27</sup> This is the first where Leinberger had opportunity to compare the financials of progressive and traditional development products side-by-side.

Leinberger also worked on one of the first lifestyle center developed in the US, a project attached to a regional mall in Valencia, CA. Here, the Newhall Land Company was planning the development of a 1.2 million square foot regional mall to accompany a 40,000 acre masterplanned community.<sup>28</sup> RCLCO

<sup>&</sup>lt;sup>22</sup> Leinberger, Christopher. "The Beginning of the End of Sprawl," *Urban Land Magazine*, 2000. <sup>23</sup> Leinberger, Christopher. "Building for the Long-Term," *Urban Land Magazine*, 2003.

<sup>&</sup>lt;sup>24</sup> Leinberger, Christopher. "Financing New Urbanism," *Thresholds*, 1999.

<sup>&</sup>lt;sup>25</sup> Leinberger, Christopher. "Financing Progressive Development," *Capital Ideas*, 2001.

<sup>&</sup>lt;sup>26</sup> Books contributed to include *Urban Parks and Open Space* (Urban Land Institute and The Trust for Public Lands, 1998) and The Practice of Sustainable Development (Urban Land Institute, 2000).

<sup>&</sup>lt;sup>27</sup> Leinberger, Christopher. *Brief Autobiography*, March 2005.

<sup>&</sup>lt;sup>28</sup> Valencia, CA Community Homepage. November 20<sup>th</sup>, 2006. < <a href="http://valencia.com">http://valencia.com</a>>



Celebration, FL is a model New Urbanist Community.

recommended that Newhall allow for the development of a pedestrian-oriented, mixed-use outdoor "Main Street" that started immediately outside an entrance to the community's major mall. It was an immediate success.<sup>29</sup>

In 1990, Leinberger assisted the Disney Development Company with the initial conceptualization of Celebration, Florida. Today the community is viewed as a model for New Urbanism. The shear scale of pedestrian-orientation and mixed-use employed here brought New Urbanism to another level of public acceptance and understanding.<sup>30</sup>

Leinberger's consulting experience gave him expertise to develop his own projects. This is the way in which he made the foray into the next phase of his life.

### **Development Experience**

Leinberger's major motivation for getting involved in development work has been to implement progressive development concepts in a financially self-sustaining manner. He believes that good ideas



without economic returns are unsustainable. Thus, his development work attempts to merge business realities with long-term social and environmental concerns.

In order to make his development plans a reality, Leinberger formed Arcadia Land Company with two old friends, Robert Davis, the developer of Seaside and a founder of

<sup>&</sup>lt;sup>29</sup> Booth, Geoffrey. *Transforming Suburban Business Districts*. Urban Land Institute, November 2001.

<sup>&</sup>lt;sup>30</sup> Several books have been written about the positive and negative qualities of Celebration—including Andrew Ross's *Celebration Chronicles* and Michael Lassell's *Celebration: The Story of a Town*.

the Congress of the New Urbanism, and Joseph Duckworth, the former President of Realen Homes and Executive Vice President of Toll Brothers. The three became equal partners in Arcadia Land Company, with a tag line of "town founders and land stewards."

The Mayor of Albuquerque, Jim Baca, learned about Leinberger's work on a tour Chattanooga, Tennesee's downtown redevelopment efforts. Subsequently, he asked Leinberger to work with Albuquerque to redevelop their downtown.

To spearhead the effort, Arcadia Land Company formed a unique private/non-profit joint venture with the McCune Foundation titled the Historic District Improvement Company (HDIC). HDIC serves as a model for national and local foundations interested in lining up an investment portfolio with a foundation mission—doing good while making sound investments.

As of today, the HDIC has raised \$25 million for new parking garages being built by the City; built a north/south commuter rail line and an east/west bus rapid transit line; established a business improvement district with an \$800,000 annual budget; and implemented a national award-winning form-based development code. HDIC has plans for \$85 million in various real estate development projects. The first revitalization project, also the first private building permit in downtown in 15 years, includes a 14-screen movie theater, retail, office, residential and structured parking.

Learning from the unintended consequence of the Seaside, Florida's success, Leinberger realized the need for affordable housing and commercial space when building walkable urbanity. Consequently, the HDIC established the Albuquerque Civic Trust to develop affordable housing and plow profits back into additional affordable housing.

For a period of time, people believed downtown Albuquerque would be the fastest revitalization effort in history. <sup>33</sup> Unfortunately, a change in local government leadership, to a mayor that is much less focused on downtown redevelopment, has stalled the effort. In a conversation with Leinberger he noted the project was not progressing as he hoped, and that he was looking forward to a change in leadership and an opportunity to focus on the City once again.

### **Teaching Experience**

In 2005, Christopher Leinberger decided to share his knowledge with a younger generation. He became director of the new Real Estate Development Certificate Program offered through University of Michigan's School of Architecture. The program offers a unique certificate in progressive real estate development. Leinberger



<sup>&</sup>lt;sup>31</sup> Leinberger, Christopher. *Brief Autobiography*, March 2005.

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<sup>&</sup>lt;sup>32</sup> HDIC Homepage. November 21<sup>st</sup>, 2006 < <u>www.nmdowntown.com</u>>

<sup>&</sup>lt;sup>33</sup> Comment from as National Public Radio.

also serves as a professor of practice, teaching, coordinating and researching progressive real estate 34

Leinberger is providing unique leadership to the University's emerging real estate initiative, which also involves UM's Stephen M. Ross School of Business, Schools of Law, Public Policy, Public Health and Natural Resources & Environment. When he began teaching at UM, Robert Dolan, Dean of the Ross School, said, "Chris will be a great director of our multidisciplinary Real Estate Development Program. He possesses a unique combination of development expertise, business acumen and a scholarly viewpoint. Under his leadership, we expect to have a truly distinctive educational experience for students from around the University." In fact, the program's appeal is beginning to draw faculty from around the country, including Dr. Arthur Nelson, Professor of Planning at Virginia Tech.

## Ideas on Planning

Christopher Leinberger would not consider himself an urban planner, but he is very clear about his relationship to planning. Every description of Leinberger lists several different titles, but in every instance "Land Use Strategist" is placed first, emphasizing the importance of land use and the role of planning in his work.

Many people tend to confuse Leinberger as an opponent of conventional development. To the contrary, he believes there are better ways to develop the built environment that provide more amenity, and that governments should not subsidize one form of development over another. For Leinberger, the primary drivers of the changing development patterns are consumers that have become board with homogenous communities and the alienation brought on by car culture.<sup>35</sup>

Leinberger is also not a proponent of regulating solutions to problems.<sup>36</sup> Market analysis forms the basis of his perspective. The cornerstone of his argument for alternatives to conventional development stems from the idea that consumers have demonstrated pent-up demand for alternative products, and that the market will overcome regulatory barriers and find ways to satisfy that demand.<sup>37</sup>



Leinberger is working hard to build places people care about.

<sup>&</sup>lt;sup>34</sup> University of Michigan News Service. November 19<sup>th</sup>, 2006

<sup>&</sup>lt;a href="http://www.umich.edu/news/index.html?Releases/2005/Aug05/r080805">http://www.umich.edu/news/index.html?Releases/2005/Aug05/r080805</a>

<sup>&</sup>lt;sup>35</sup> Leinberger, Christopher. *Walk This Way*, Toronto, Canada: National Post, April 28, 2005.

<sup>&</sup>lt;sup>36</sup> Lockwood, Charles. O&A with Christopher B. Leinberger, Washington, DC: Urban Land Magazine, September 2006.

The Shape of Downtown, Washington, DC: Urban Land Magazine, Nov. 2004.



Caption: This image appears at the top of the University's Real Estate Website Homepage.

As a leader in the field, Leinberger is developing alternatives to conventional development. Regardless of form or style, all *progressive real estate* includes what Leinberger refers to as *walkable urbanity*. In November 2004 *Urban Land Magazine* published Leinberger's landmark piece on *walkable urbanity*. In it, he writes, "Since the rise of cities some 8,000 years ago, humans have tended to be willing to walk about 1,500 feet before pursuing an alternative means of transportation—a horse, a trolley, a bicycle, or a car." This concept establishes the foundation for the 'walkable' portion of *walkable urbanity*.

The 'urbanity' portion of *walkable urbanity* is defined by the components necessary to create the desire to walk. It requires the development of communities with a complex mix of land uses, "including retail boutiques, hotels, grocery stores, housing, offices, and artists' studios, all brought close to the sidewalk, with different styles of well-crafted architecture to experience along the way—architecture that is meant to be experienced up close." <sup>40</sup>

Recently, Leinberger has been collaborating with ULI to convene an annual conference on "The Next American Dream: Creating Walkable Urbanity." The speaker list for this year's conference includes some of the most respected leaders in the real estate industry—including Albert B. Ratner, Co-Chairman of the Board, Forest City Enterprises, Inc., Dr. Peter Linneman, Principal, Linneman Associates and Professor of Real Estate in Penn's Wharton School of Business, Samuel Zell, President and Chairman, Equity Group Investments, and Christopher Leinberger. The attention industry leaders are focusing on this conference is a testament to a growing movement toward walkable urbanity.

<sup>39</sup> Ibid

<sup>38</sup> Ibid

<sup>&</sup>lt;sup>40</sup> Ibid

### Critiquing Christopher Leinberger's Work

Christopher Leinberger's professional experience has evolved from consulting on the commoditization of the real estate market in his early career; to consulting on the creation of unique real estate products; then to the actual development of progressive products; and ultimately to the training of future leaders on how to develop progressive products. His background has positioned him as one of the few people leading the charge to change today's development patterns that truly understands the economic engine driving the shape of the built environment.

The irony is that Leinberger's success in his early career, consulting on the commoditization of real estate products, may have actually created greater challenges for him in his later career. In an interview he admits that in his early career he was not

critical of conventional development. He says, "It was probably when I gave a talk at a National Trust for Historic Preservation national meeting in 1987 that I realized that I needed to change my approach. After I spoke about the drivable sub-urban development patterns of the country, the next speaker was Daniel Boornstein, one of the most important American historians of the 20th century and then the Librarian of Congress. Boornstein said, 'if the trends Leinberger just discussed are where my country is going, I am going outside and slit my wrists.' It was in the late 1980s that I became an advocate for fundamental change." But in the 1980s, a time when almost no one was developing alternatives conventional development, to Leinberger's background conventional in development gave him the credibility to promote progressive real estate.



This picture was taken for a Time Magazine article describing how Leinberger is bucking conventional development trends.

So far, Leinberger's progressive real estate projects have had much financial success. He and many of his colleagues believe there is still a significant pent-up market demand for progressive products, but it is really impossible to know for sure. Several cutting edge urban researchers have identified a shift in development patterns, but there is potential that this shift is overstated. The real estate market has been so strong in recent years that it is possible that consumers are demanding every kind of product available, but when the market settles down, the viability of progressive products may fade as well.

Christopher Leinberger's ideas are very much a part of the current discourse shaping the built environment. Only time will tell what the final result will be. Fortunately, the future looks bright, and Leinberger still has many years left in his career to make his ideas become reality.

### Time Line

- 1950 1968 Born and raised in Suburban Philadelphia.
- 1968 1972 Swarthmore College, Swarthmore, Pa.: Bachelors of Arts in Political Science and Sociology.
- 1972 1973 Coro Foundation Fellow, Los Angeles, Ca.: Internship in public affairs
- 1972 1977 ARA Services, Inc., Houston, Los Angeles, New York, Philadelphia: Food service company.
- 1974 1976 Harvard Business School, Boston, Mass.: MBA with a focus on corporate strategic planning.
- 1977 1979 <u>Saga Corporation</u>, Menlo Park, Ca.: Director of Strategic Planning, restaurant and contract food service company.
- 1979 1982 <u>Robert Charles Lesser & Co.</u>: Executive Vice President of the largest independent real estate consulting firm in the country.
- 1982 2000 Robert Charles Lesser & Co.: Owner
- 1997 Present <u>Arcadia Land Company</u>, Albuquerque, NM. Founding Partner, Progressive Real Estate Development Company
- 2004 Present The Brookings Institution, Washington, DC: Visiting Fellow
- 2005 Present <u>The University of Michigan</u>, Ann Arbor, MI: Professor of Practice and Director of the graduate Real Estate Program.

### Interview with Chris Leinberger

November 30<sup>th</sup>, 2006

Dr. Birch: I thought you might be interested to read Chris' opinions on some of the questions I asked, especially the questions where I asked him about what planners can do to assist in developing walkable communities and if there was any comments he had for me to share with my colleagues.

1. I see all the great work you did improving the efficiency of the real estate industry in your early career, taking the industry from more entrepreneurial to publicly trade. Do you think this work contributed to current development patterns, the rapid suburbanization, by helping the real estate industry commoditize their products? I'm curious how you think this affects your current work. I know you talk about the 19 real estate products bought and sold on wall-street, and how that makes it difficult to finance anything unique. Do you think the commoditization you worked on helps or hinders your promotion of progressive real estate today?

#### Chris:

It is important to differentiate between "reporting" and "advocating". I was mainly reporting during the first 15 years of my career; not necessarily happy about it but took the approach I had to know the system and have credibility to change it. Pointing out the 19 standard product types and the changing patterns of development in this country, such as The Atlantic Monthly piece on "How Business is Changing the Country", was not an endorsement but mere reporting. However, I was not a critical reporter during my first 15 years either. It was probably when I gave a talk at a National Trust for Historic Preservation national meeting in 1987 that I realized that I needed to change my approach. After I spoke about the drivable sub-urban development patterns of the country, the next speaker was Daniel Boornstein, one of the most important American historians of the 20th century and then the Librarian of Congress. Boornstein said, "If the trends Leinberger just discussed is where my country is going, I am going outside and slit my wrists". It was in the late 1980s that I became an advocate for fundamental change. But I felt I had to have the credibility as a real estate expert to take the positions I took.

2. We all know that what makes sense financially is not always what's good for the community. I know one of your goals is to find the common ground where financial gain is possible in conjunction with positive outcomes for the community. When did you start to be able to show how this was possible—to nail down the case for progressive development? How did that unfold? (I know it's still unfolding today.)

#### Chris:

The ability to make a buck while developing sustainable places is one of the most important things I have stumbled upon. It comes from the recognition that walkable urbanity is entirely different than drivable suburbanism. The underlying financial and market principle of drivable development, aka sprawl, is that "more is less"; more development reduces the quality of life and financial returns, leading developers and their customers to perpetually go further and further to the fringe in a fruitless search for very things (open space, drivable convenience, perceived safety, etc.) this development promises. It is a downward spiral. Walkable urbanity works under financial and market principles that "more is better"; as more dense development takes place with mixed-uses within walking distance and multiple transportation options to get there, the place gets better. Hence the environmental, fiscal (government tax base), community building AND project financial elements all become better. It is an upward spiral.

3. Your bio lists a lot of your work experience and how that influenced your career, but I'm curious which individuals truly influenced, professionally and personally. Did you have any mentors along the way? (I hope you don't mind me asking who the influential people were in your life.)

#### Chris:

They start with my mother and father having a lifelong connection with Center City Philadelphia and the early influence of my Quaker upbringing, which put a premium on the social and environmental consequences of one's actions. My oldest friend is Brother Tom Caldwell, a now-85 year old Christian Brother, who I met when I was doing social work in a tense section of Philadelphia and he was the principal of West Catholic High School. He has been a standard for social justice for me and now he plays the same role for my son (MIT international urban planning program at the moment), who is his godson. Everyone in my generation was influenced by Jane Jacobs, though I never had the chance to meet her. Growing up in Drexel Hill, outside of Philadelphia, was a major influence; it is a grand 1920s "new urbanist" community where I walked every where in a mixed-use suburban community.

4. What specifically can planners, working for local governments, do to help developers create progressive real estate products?

#### Chris:

Planners need to change their attitude about what there jobs are. They are the first developers or redevelopers of their geographic area of responsibility. They should start the development process in a manner that all of the stake holders (community, government, land owners, developers, etc.) agree on and then put in place a simple approval process, reducing development risks in the process that "makes the right thing easy and the wrong thing hard". All planners should view themselves as developers; they do the up front work and pass the baton off to the private sector.

5. I'm in school right now with 120 some-odd planners. We talk all the time about what it really takes to effect the built environment in a positive way. It's clear that your work over the past 30 years has and is still doing just that. Is there anything you think we're not hearing from our faculty that I can share with my colleagues?

#### Chris:

The answer to #4 is the most important. Make the right thing easy and the wrong thing hard. That involves determining what the right thing is and putting in place an approval system that encourages it. It is also crucial to make the walkable urbanity and drivable sub-urban development options clear. These are two different animals and need two different set of regulations and incentives/disincentives. Obviously I am a proponent of walkable urbanity so I would love it if your fellow students would put all of their effort into making walkable urbanity the preferred option...which starts by making it legal, something planners are ideally situated to do. A final issue is to understand the difficulty being created by NIMBYs...they have learned the right lesson from drivable sub-urbanism (more is less) and then they are applying that lesson to walkable urbanity. Right battle, wrong war. Planners and environmentalists (e.g., 10,000 Friends of Pennsylvania) need to confront NIMBYism; developers are not the ones to fight their many time corrosive influence.

6. What are the next steps for making walkable communities a reality? What projects do you envision for the future?

#### Chris:

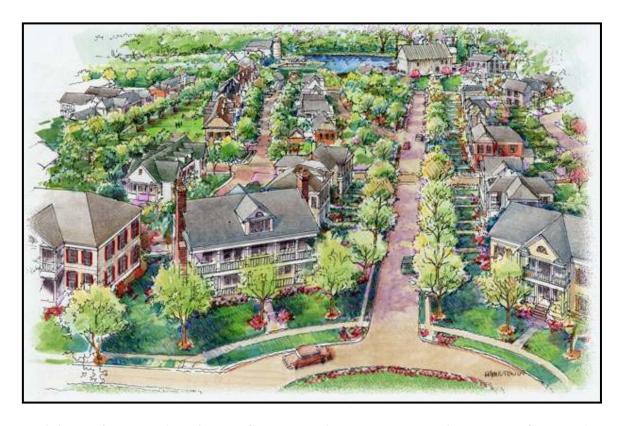
I feel better about the prospects for our metropolitan areas today than anytime in my 30 years in the industry. The market wants walkable urbanity, the environment demands it if we are to deal with climate change and our foreign policy of actually or threatening to invade countries for oil to fuel drivable suburbanism is at its end. In DC, there were two regional serving walkable urbane projects 20 years ago; today there are 18 and there will probably be 25-30 shortly. Every metropolitan area is following DC's

lead so there will be many opportunities for hundreds of walkable urbane places to be created at the regional scale and thousands of local-serving walkable urbane places.

7. We discuss this all the time in class. I'm curious what your opinion is about what's going to happen to walkable real estate products as the market is cooling down?

#### Chris:

Real estate recessions (really depressions if you use the metric that a depression is a decline of 20% or more in economic activity) are natural and actually good for the economy. They force actors to rationalize their behavior, investments and organizations, which is a healthy though painful process. They also demonstrate what is really working from a market perspective and what is not. IF, a big if, walkable urbane product and places come out of this depression better than drivable sub-urban product, it will show Wall Street that power it has in the market place. Chris Nelson's recent JAPA paper shows overwhelming demand for walkable urbanity and weakness in drivable sub-urban product for the next 20 years. If that proves out following the depression, the current overbuilding in walkable product (which is also happening to drivable product) will be quickly righted once consumer confidence in housebuilding returns. But we will just have to wait and see. It involves placing a bet for all of us; my development projects, my reputation and your career. That's how life works, however.



This is one of the latest Arcadia Land Company Projects; Manor Township, Lancaster County, PA.