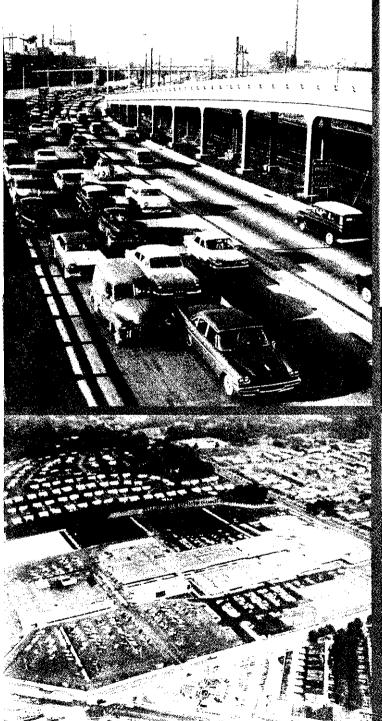


Consumers, as well as public policy, are demanding a new vision of how metropolitan areas should be built.



he nation's first regional malis and freeways were greeted with unabashed enthusiasm and virtually no criticism, although—and perhaps because—they were a radical break from metropolitan development patterns of the past. The construction of the King of Prassia Mall and the Schuylkill Expressway in the late 1950s and early 1960s, for instance, suggested the possibility that someday Philadelphia would become a modern city, following the lead of Los Angeles. Americans accepted what is now referred to as conventional development without challenge because it was new and exciting and different from the industrial city of the early 1900s—and for that matter, from every city that had been built in the previous 5,000 years. Industrial cities were, for the most part, dirty, crowded, and noisy. People lived so close to their neighbors that, as Mark Twain once said, "You could hear them change their minds."

The new vision of how to build cities was proclaimed by many futurists but none so well as Norman Bel Geddes, the leading visionary of the 1930s, who designed General Motors' (GMs²) Futurama exhibit at the 1939 New York World's Fair, Bel Geddes and GM proposed that in the "distant year of 1960" Americans would own houses with broad lawns, drive private cars on wide superexpressways, and enjoy personal privacy at home and in their cars. It also was to be a future of clean air, unimpeded automobile travel due to electronic controls in the roadway, and 120-mile-per-hour speeds. Obviously, they did not get everything right.

America accepted conventional development because it was so different from the crowded industrial cities of the early 1900s [facing page], as were the nation's first regional malls, such as Pennsylvania's King of Prussia Mall (bottom left); freeways, like the Schuykill Expressway [left); and neighborhood developments, such as Levittown (below).



After World War II, the Futurama vision was implemented with a passion. Federal mortgage insurance was enacted for new developments in the "right" neighborhoods—or those that conformed to the Futurama vision—such as the Levittowns in New York and Philadelphia, as well as the San Fernando Valley outside Los Angeles and other first ring suburbs across the country. The output of cars was increased to make up for the scarcity of the early 1940s— and then some. Most important, however, the largest construction program in world history was be-

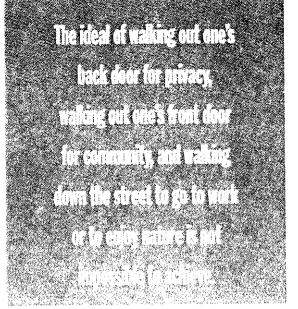
gun; the building of the interstate highway system. The system was supposed to link the major cities together but also played a major role in remolding previous conceptions of how to build cities.

The 1990s have seen an increase in the pace of Futurama inspired conventional development. As a result, land in metropolitan areas is being consumed ten to 20 times faster than the population is growing. Metropolitan Atlanta, for example, was 65 miles north to south in 1990; it is 110 miles north to south today. It is altogether probable that in terms of land area Atlanta is the fastest-growing human settlement in history.

These huge expanses of land are being consumed by development in a numbingly sterile, could-be-anywhere style of architecture on an ever-more-inhuman scale, which is appropriately named "strip commercial." Even public schools do not escape this fate. Woodland Elementary, a new school in the northern suburbs of Chicago, has 5,000 students, including 19 kindergarten classes, and two acres of buses parked bumper to bumper.

The Futurama vision has now been standardized and commoditized. For real estate developers, this has taken the form of 19 product types that can be easily and cheaply financed, built, traded, and managed in today's financing market. For instance, a "neighborhood center," one of many misnomers in real estate today, always comprises a 12- to 15-acre site with 20 percent building coverage and 80 percent parking lot coverage. The center is anchored by a 50,000- to 70,000-square-foot grocery superstore, a 20,000- to 30,000-square-foot drugstore, and in-line shops occupied by the usual suspects. It draws from the "neighborhood" within a three- to five-mile radius, or approximately 20,000 households. Builders must construct this standard product if they want financing, creditworthy tenants, and the ability to sell or trade it once it is complete.

The Futurama vision certainly has delivered a number of benefits: increased privacy, a higher standard of living for the average family, and the least-costly food distribution system and housing in the world. But this has come about with the hidden costs of increased pollution; homogeneous, isolated environments; environmental destruction; decreased productivity and quality of life due to longer



commutes; infrastructure decay resulting from the inability to maintain old systems while compulsively expanding to the fringer and massive social problems as the poor become more isolated than ever before. As a result, the market, as well as public policy, is demanding a new vision of how metropolitan areas should be built.

Conventional development is highly modular. Different prod

uct types are separate; housing in housing areas, retail in retail areas. Projects are dropped onto sites with little thought to the previous or existing natural or built environment. For retail, office, industrial, hotel, and apartment projects, the most critical locational criteria are visibility from high-speed highways and access by car. This kind of development is best suited to "greenfields" since obtaining the amount of land needed for inexpensive surface parking in already developed areas is very difficult. The touchstone of the conventional development vision is simplicity; master plans—the actual plats—that call for the complete segregation of different real estate products. The result is highly efficient but sterile, with unintended hidden costs that diminish the common good and quality of life.

The suburbs built in the 1940s, 1950s, and 1960s are beginning to show the same signs of decay that central cities have been experiencing over the past generation, yet neighborhoods still are being built on the fringe that probably will be thrown away in 20 years. The new vision is not a complete rejection of conventional development. The human desire for privacy, for example, is undeniable, but conventional development took that desire too far. The equally human needs for community, a sense of place, and for convenient and meaningful connection to nature have been sacrificed. The ideal of walking out one's back door for privacy, walking out one's front door for community, and walking down the street to go to work or to enjoy nature is not impossible to achieve.

The touchstone of the new vision is complexity. A six-dimensional understanding of development is required to build fulfilling and economically vital environments. This not only includes the two horizontal dimensions of conventional development but also the third through the sixth dimensions.

The third dimension—the vertical built environment—nearly always is composed of single-purpose structures. The new vision calls for more mixed uses within walking distance of one another. Walking distance, which has not changed in thousands of years, is within a 1,500-foot radius from the center of town. Having more varied types of uses, such as housing over retail or a combination of office, retail, and hotel within connected structures, creates a mix of uses



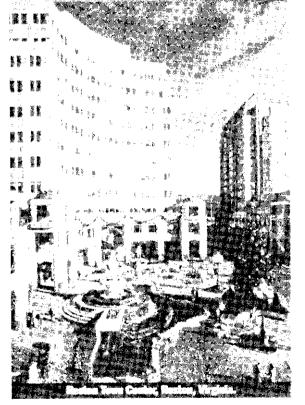
that both enriches the common experience and, not unimportant, enriches the developer. The key is shared parking, as well as transit and walking options for commuting.

The fourth dimension—time—is ignored by conventional development because business is assumed to be open only during a set number of hours each day. For example, since many conventional retail developments are enclosed so that the interior climate can be controlled, seasons also can be ignored.

The new vision recognizes that a place is many things, depending on the time of day, day of the week, or season of the year. There is the pulse of activity during the workday. The elegance of the early-evening dinner hour. The romantic late evening. The lone-liness of late night. The awakening of early morning. Being open to the elements makes a place different with each season, and all of the differences can be experienced in the same place. The recent success of places like Reston Town Center in Reston, Virginia; Mizner Park in Boca Raton, Florida; and Horton Plaza in San Diego, California, all attest to this.

The fifth dimension—human history—either is bulldozed by conventional development or acknowledged with a token, almost laughable gesture. By updating historic structures for current use, one can endlessly explore the mystery of those who came before, both consciously and subconsciously, and the virtues of sustainability and responsibility to future generations can be reinforced. Because of the legitimacy of age, historic buildings also add character that cannot be created new.

The sixth dimension—ease of access to nature—is destroyed by most conventional development, or nature is tamed to the point of being unnatural. Only recently has the need to preserve and enhance natural features been well understood by Americans, but it does not need to cost the developer a great deal. For example, residential lots that front the marshland at Hilton Head Island in South Carolina sell for more than lots that front the golf course, yet golf courses cost from \$6 million to \$15 million to build; marshes require only that the developer has the intelligence not to destroy what nature already put there. Most recent downtown success stories include cleaning up and physically incorporating the promi-



nent natural attributes of an area, generally water features like rivers, lakes, and oceans, into the downtown, as in downtown Chattanooga, Portland, and San Diego.

The new vision ultimately is about place making: creating towns and cities that have memorable qualities. And they can be extremely successful financially, as countless special places that still exist after 50 years of conventional development in the United States demonstrate. Consider Palo Alto, California; New Cannan, Connecticut; Midtown, New York; Princeton, New Jersey; Seaside, Florida, and many other such places that have high financial value. Even as such, places that follow this new six-dimensional vision need not be the exclusive domain of the rich. All Americans should be able to enjoy the pleasures of a special place to call home that preserves and enhances nature. It should be only a matter of demanding better.

Immediately after World War II, most jobs in American metropolitan areas were located in or near downtown. Downtown was characterized as the firstgeneration "metropolitan core," a concentration of retail, commercial, and high-density residential space. Mass transit and surface streets all focused on

downtown, creating great vitality but also dirt, noise, and congestion.

The increased automobile production, building of the first urban freeways, growth of personal wealth, and desire to implement the Futurama vision of the post–World War II era set the stage for second-generation metropolitan cores to emerge in the 1960s. Typically located three to seven miles from the original metropolitan core, they were the first alternatives to downtown for jobs and commercial development and included White Plains, New York; Bala Cynwyd, outside Philadelphia; and Mid-Wilshire in Los Angeles. Some of the second-generation cores have prospered, but most have not, as subsequent growth has occurred farther out.



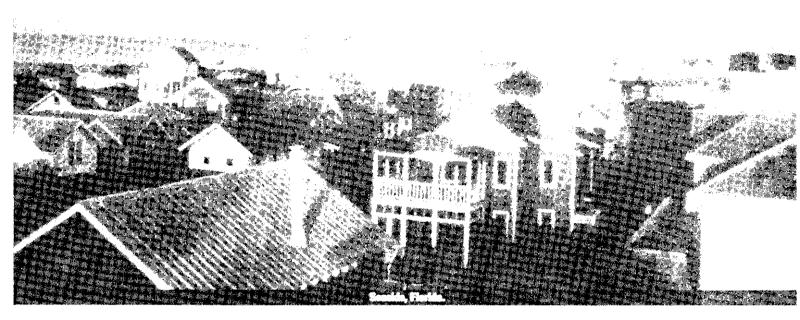
The third-generation metropolitan cores emerged in the 1970s and exploded in size in the 1980s. Places like Perimeter Center in Atlanta; Tysons Corner, outside Washington, D.C.; Bellevue, near Seattle; and Newport Beach, near Los Angeles, became the location of over 70 percent to even 110 percent of all net job growth. Downtowns and second generation cores, however, may have gained jobs but still recorded net losses or may have lost jobs outright. Third-generation office-oriented metropolitan cores were in or near the major concentration of upper-end housing, with predominantly white households, which was where the executives lived—they had simply moved their businesses close to their homes. The direction of growth has come to be called the "favored quarter" of the metropolitan area—the 90-degree arc starting in the downtown and growing out, where most jobs are locating or relocating.

The third-generation cores are seven to 12 miles from downtown. Since every mile from the center means a geometric increase in land available for urbanization, development trends of the 1970s and 1980s meant that every 1 percent increase in population generated a 6 percent to 12 percent increase in land consumption. Between 1970 and 1990, the population of metropolitan Chicago increased by 4 percent, but its land mass increased by nearly 50 percent. Similarly, the population of the Los Angeles area increased by 45 percent, but its land mass increased by 285 percent.

The 1980s also saw the beginning of fourth-generation metropolitan cores, another five to nine miles out from the third-generation cores but still in the favored quarter. The 1990s real estate boom is taking place primarily in the fourth generation; the third-generation cores have become nearly built out due to the overwhelming need for land to construct highways and parking lots. Places like Reston; Route 202 in Philadelphia; Valencia, near Los Angeles; and Redmond, near Seattle, are the location of most job growth in the 1990s in ever-lower density, sprawling, campuslike settings.

With jobs 15 to 25 miles from downtown in the fourth-generation cores, housing moves another 15 to 20 miles farther out into areas that were either farmland or second-home communities. The mountains of north Georgia, which had been the location of second homes for generations, now are being converted into primary residences for people working in the nearby fourth-generation cores. New second-home communities are emerging in North Carolina to serve Atlantans looking to get away for a weekend.

The 1990s also are witnessing the emergence of fifth-generation metropolitan cores 40 to 60 miles from downtown in certain fast-growth areas, such as Dallas, Houston, and Atlanta. While so far the impact has not been great, recent history indicates that these new cores will drain jobs from the first-second-, and third-generation cores while putting greater distance between the location of new jobs and affordable housing. For all practical purposes, workers cannot commute from lower- and lower-middle-income housing concentrations to fourth- and fifth-generation cores, and these cores are difficult to reach from many middle-income housing areas.



In the last few years, there has been a growing market reaction to conventional development patterns. Many downtowns are experiencing a revival of in-town housing, fueled by empty-nester baby boomers and single households. Relatively quickly, former nine-to-five downtowns like Chattanooga, Denver, and San Diego have become models of the 24-hour downtown. Even unlikely places like downtown Dallas, Houston, and Atlanta, in the sprawl-oriented Sunbelt, are beginning to see Class C office buildings being converted to loft living units and grocery stores being built in town, something no one would have forecast even five years ago.

Some third-generation cores are urbanizing by infilling with high-density office and housing projects. Places like Buckhead and Perimeter Center, both in the Atlanta metropolitan area; Reston and Tysons Corner, both near Washington, D.C.; and West Los Angeles are becoming extremely urban—and urbane. In a few instances, second-generation cores are reviving because of their close-in locations, such as Bethesda, Maryland, and Ballston, Virginia, both outside Washington, D.C., which were aided by the location of subway stops in their area. Within a decade, all of these examples will be among the most urban, mixed-use metropolitan cores in the country.

There has been a recent revival in pre–World War II single-family neighborhoods in the favored quarter but close to first-, second-, and third-generation cores. Over the past two years, close-in housing prices have increased up to 20 percent annually in Washington,

D.C., Atlanta, and Dallas. In contrast, new house prices on the fringe are appreciating only 3 to 4 percent per year, hardly enough to cover cost increases and putting homebuilders in a profit squeeze in spite of the brisk housing market. With much of the new housing being built on the edge of the favored quarter, many of the quarter's new and existing residents are not feeling particularly favored, as traffic congestion and commutes continue to increase.

It seems possible that the market is beginning to signal a desire for less sprawl and more concentrated developments, which would be a fundamental shift in development patterns for the country and the real estate industry as a whole. Such a shift would require considerable change in planning and zoning codes; in financing formulas for banks, Wall Street, and the secondary debt market; and in the strategy of development companies. Because it is likely that these changes eventually will be legislated for environmental, fiscal, and social reasons anyway, it is a good thing the market is beginning to demand them now. The "carrot" of the market is always better than the "stick" of government intervention.

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