Smart Growth on the Edge:
Suburban Planning and Development for the Next 20 Years.
The Mission Inn, Riverside, California, Jan. 21, 2005

Panel 2:
THE BOOMING, BUSTING EDGE: SUBURBS AT BUILD OUT
Moderator: David Warren, Edward J. Blakely Center for Sustainable
          Suburban Development
     Speaker: Robert Lang, Metropolitan Institute at Virginia Tech
     Panelists: Mark Pisano, Executive Director of the Southern
               California Association of Governments
               Christopher Leinberger, Arcadia Land
               Manuel Pastor, University of California, Santa Cruz
               Linda Fernandez, University of California, Riverside

JAMES LENTS: I would like to invite you back to your seats now and our
panelists back to the front. Please take your seats. We would like to
have our panelists come forward. Thank you for coming in. Please -- as
I mentioned this morning, we had so many distinguished people, we would
miss some. And we did miss a couple that I would like to recognize.
From the City Council of Diamond Bar, we have Daryl Guerrero. Daryl?
Right here. That's my city. So glad to have you here. We also have Don
Betro from the Riverside City Council. Don is back in from break. We
talked to him just a few minutes ago, so I know he's here. But anyway,
I still appreciate his being here. And we have Al Lopez from the
Western Municipal Water District. Al, thank you. Now I'd like to turn
over the second panel to Dave Warren.

DAVID WARREN: Thank you, Jim. I am David Warren, and I'm emeritus
professor of psychology at UCR, and I'm very pleased to be working this
year with the good folks at the Blakely Center. I'm just delighted to
see so many people here. The oversubscription has caused us problems,
obviously, but the level of interest that -- the involvement that it
signals -- is very welcome. I am privileged to be able to introduce our
speaker for this session, Robert Lang, and our panel of commentators.
Let me begin with the latter. I'll be very brief, since you have the
biographical information in the program. Mark Pisano will be joining
us, I hope, momentarily. Mark is executive director of the Southern
California Association of Governments. A daunting task, since this is
such a large and complex area. Manuel Pastor from UCR's sister campus,
the University of California at Santa Cruz, is professor of Latin
American and Latino studies. Linda Fernandez, professor of economics
and environmental sciences at UCR and a research colleague in the
Blakely Center. And Christopher Leinberger, a well-known and respected
planner, developer, and author, who is, I think, a model of success and
responsibility in the profession.
     Welcome to the panelists. We will hear the comments of these
colleagues a bit later on, but now for the main course. Robert Lang is
professor in the School of Planning and International Affairs at
Virginia Tech. He has created Virginia Tech's -- sit down. He told me
to limit it to 15 words and he's counted to 15, but you have to bear
with me -- created Virginia Tech's program near Washington, D.C., which
he describes as being closer to New York City than it is to the parent
campus in Blacksburg. But most importantly, it's close to Washington.
I've gotten to know Rob a bit over the past couple of weeks, and I
promise you that his energy matches his reputation, and his reputation
is considerable and well deserved. He is the author of many influential

publications and a thinker who is a leader in defining the key issues related to suburbs and other kinds of urbs. We are honored to have him as our speaker for this session. Please welcome Robert Lang.

ROBERT LANG: Thanks for those kind words and the introduction. The good news here is that I can speed through. I speak fast as well, by the way, so look out. I can speed through parts of what I'm going to cover, because it's conveniently a paper inside your material. So if I get past something and you're stumped, don't worry. Go in.

A little bit of background on the project, Boomburbs. I am writing a book for the Brookings Institution Press, and it's on that topic. And the reason I'm interested in it is, in an analysis in the 2000 census, it turns out that the fastest-growing cities within the United States are not traditional places, but are essentially overgrown suburbs, which I dubbed "Boomburbs." And it's considerable in terms of cities, let's say, between 100,000 and 500,000. Over half the growth is in places like Riverside, places like you find throughout the Inland Empire -- Moreno Valley, Corona, and so on. I had to account for these places, explain these places. Also, most of these places are the edge. And what I want to do is do kind of a little reality check on them.

Altogether, there are 54 Boomburbs and 84 what I call Baby Boomburbs (suburbs between 50,000 and 100,000). Just to let you know, in the Inland Empire, to give you examples of these places -- Moreno Valley, Rancho Cucamonga, Fontana, Corona. You get the picture. Big cities. The West is dominated by larger municipalities like this. One of the chapters of the book is about their buildout -- about how they're growing, how they're not growing, where they're growing, why they're growing. Part of this effort is to survey them, to get on the phone. I've interviewed about 24 mayors. I say, "What are your plans?"

The question really is, in a larger sense, "Are you doing smart growth on the edge?" The answers? Some are. Some aren't. When they're not, they're really not doing smart growth on the edge, if you catch my drift. When they are, it's surprising the degree of creativity. I concur with the first panel. The mayors and the elected officials and the planners very much, for the most part, buy into the idea of doing smart growth. But there are these forces out there that prevent them from totally realizing that aspiration. And there's a lot of frustration on their part in terms of doing it. There are also places that don't want to do it, flat out. And I'll mention a few by name, actually, because we're in Southern California and luckily none of them are here. Phoenix, you watch out up there. And Las Vegas, you watch out over there. Mayors there would offer comments occasionally, "Well, California, you know, it's seen its day. It's our turn to grow like that. We're not going to hold back."

So there are, as I mentioned, the Big Boomburbs. There's also the Baby Boomburbs. Big Boomburbs, to give you the technical definition, are over 100,000 people, and had double-digit growth rates in the last five decades. The Baby Boomburbs are 50,000 to 100,000 persons. As you see, California is very well represented among the Baby Boomburns, just as it is in the Boomburbs. There are contrasts distributed everywhere throughout the country. For instance, Minneapolis has six places that have shown double-digit growth rates in the last 50 years, that have 50,000 to 100,000 people. So Minneapolis has a little version, a prairie version, of what you see in California. What I'm trying to do is put your region, the Inland Empire, as a subregion, with Southern California as a bigger region, into the context of the national picture. These are some more Boomburbs. There's even two of these

places outside of St. Louis. St. Louis has declined in the central city for years. Yet its suburbs can grow like the Sunbelt. And, of course, Texas and Utah, Washington State, so on. This is just a quick map to show you the distribution of these places. Notice the stars are the Boomburbs. And notice the concentration of these places in Southern California. The Boomburbs are kind of sunbelty whereas the Baby Boomburbs are really around the country. Interestingly enough, there are none in the Northeast. And there are very few in the South, because the South does not have large incorporated cities. It has counties. And they have fast growth in those counties, but they don't capture it at the municipal level and they don't plan at the municipal level. They are essentially a bunch of villages. You complain around here, "We're a bunch of cities that have grown into each other." Hey, they're a bunch of villages that have grown into one another. I would almost rather have the city than the village. Those villages are not anything like a village. They have a founding date in 1850, you see a sign, you drive through. There's the next town. Founding date in 1830 or something like that. That's about all that distinguishes the Mission Drive through the Atlanta region. Just a quick note where they are by region. There's 140 total. The West dominates with 84. And the Northeast/Midwest, very few. The South has some, but, as I said, not as many.

This is just a chart. This shows Mesa, Arizona, which, by the way, is the largest of these kinds of cities. A Boomburb can't be the biggest city in its region. It can't be the Los Angeles, the Las Vegas, the Phoenix. But it can be the next-tier city. And Mesa's downtown, by the way, if you looked at it, you wouldn't think it is. But it is a city that has now zoomed up and passed St. Louis, Missouri in size. It's also ahead of Miami, Atlanta, Minneapolis. Mesa. Go figure. And there are a lot of places like that. Anaheim is bigger than Pittsburgh, Santa Ana is bigger than Cincinnati, and so on and so forth. Smaller cities in the East that are notable, like, you know, Syracuse have been left in the dust by Gilbert, Arizona. Peoria, Illinois is smaller than Peoria, Arizona. So when somebody says they're playing Peoria, which is the old vaudeville act, you know, they are not referring to the Illinois version anymore. I mean, spiritually, the center of the country has shifted out of the rustbelt there into the suburbs of a place like Phoenix. Incidentally, talking to people in Peoria, it turns out they were named for the original Peoria. They are the namesake. And they've obviously gotten out ahead of it.

Now, buildout is what I really want to get to, is what I really want to talk about. When you pick up a phone and you call somebody about a term like "buildout," you have to be very careful about using the word. I got responses like, "Well, you know, we are never really going to be built out. Is any place ever built out?" So I had to use proxy language. For example, "Could you estimate for us the amount of time that you'd have big greenfield projects left, and the amount of space that that would constitute?" and sort of soften it and hedge around it. That term, "buildout," has become loaded. It's already visible in these calls, because what it implies is, "Oh, there's a terminal date on the greenfield development opportunity in a city." That would raise the interesting question, "Well, you know, we are near completion. Is this what we're going to look like? Is this what we want to look like?" And there are places where I don't think that would be an affirmative answer, and then you would have to address that concern. So, we surveyed the places. We got 87 results complete. We got 41 Boomburbs and 46 Baby Boomburbs. I also interviewed two dozen-plus-now mayors of these places, especially the Boomburbs, and including the

mayor of Riverside -- thank you for taking the interview, by the way. Some of the questions we asked: "What do you have left? When's it going to occur? What do you think will be your population at that point?" Key question. "Are you getting denser or less dense? Do you have plans for passenger rail? Do you have plans for transit-oriented development?" Mixed use, we were very specific. We don't mean mixed use the way it was referred to previously, like we got some splash of this over here, some splash over there. But, we talk about the walkability. And plans for annexation, which are always an interesting question to ask any town, because they will tell you, "We plan to annex the land in the next town or near the next town," and then the next town will tell you -- Gilbert will tell you -- they are going to annex parts of Chandler. Chandler will tell you they're going to annex parts of Gilbert, which is always fun to get, and you don't want to ever, you know, rat the other neighbor out. "Well, the other guy just said he was going to take your land."

Buildout analysis findings. More than half the Boomburbs said that their buildout point will come by 2020. So for these 87 places that have been fast growing historically, their greenfield space, as we defined it, is up in about 15 years, which, depending on what age you are, seems like a pretty long time. But in reality, in building terms, it's not a long time. Most Boomburbs expect to grow denser, but when they say "grow denser," they are not talking about density where it would have significant changes in either the look or the feel. They're talking about, "Well, as we run out of land, what we are trying to do is kind of just shoehorn a few more houses in than we used to do. And in the past, people got away with these half-acre lots, but we're going to kind of crank in a few more houses like that. But as far as changing the plans, the look, the pedestrian orientation, all the rest of that, no. In fact, it may even mean more walls are going to go up because you need more privacy around the houses."

Over a third of the Boomburbs have stopped annexing land, which means they are really facing their buildout date. They have admitted they're landlocked. Places like Tempe, Arizona have nowhere to go. It's incorporated all around it, so they have pretty much finished off where they're going. And I will mention that later when I go into the case analysis, which is the most interesting part of this. A lot of them have just less than 10 percent of their land remaining. A significant share of places also have 30, 40, 50 percent, and, again, through annexation, the sky's the limit. Somebody in Aurora, Colorado told me, "We could annex all the way to Kansas." I'm sure that Kansas would probably not like a city bumping up against it, but they technically can. Almost half already have or are planning passenger rail connections, and a significant share expect to do some form of transit-oriented development. Now, will it be the kind that Peter Calthorpe, the kind that others in the planning/consulting world, have been advocating for so long? Will they be happy with it? Well, some they will and some they won't.

Some of these places have already consulted those folks, as a matter of fact. And I will cover a couple. These are places that are built out, meaning these are places that have such a small fraction of land left. You can see a few of them are in California, such as Oceanside and Santa Ana. Santa Ana gains population through a high rate of birth, and were it not for that would probably already be slowing down significantly and will shortly. Anaheim has a similar kind of demographic. I also want to mention that this was a good year for transit, which was on the ballot around the country. There were 55

transportation initiatives. It affected 17 of the Boomburbs, and 16 included provisions for transit, not just roads. Fourteen passed. Interestingly, it's amazing how many stops are planned in places like Tempe, in places like Garland, Texas, Mesa, Arizona, places that even maybe never had rail or, if they did, had it in the early, early streetcar era. These are new streetcar cities. Then there are a lot of places like Riverside that have this kind of large-scale commuter rail, which obviously has a whole different meaning as far as development. But those bond issues did well.

Now I would like to go through some of the case studies starting with the holdouts. "Holdouts" are the places where, when I talk to them, they say to me, "Not only are we not planning on doing smart growth, we are not going to change, and" -- in some cases -- "we are going to rush to develop in lower density than what already exists and certainly more upscale."

I'll talk about Town and Country, which are places that are going to combine light rail and development intensity. Arlington, Virginia is an example of a successful corridor of development that has been based on rail.

And then, finally, I want to talk about the politics of buildout, because I found this about the most interesting of all. Why you annex, when you annex, what does it mean when you stop annexing.

Let's start with Gilbert, Arizona. I spent a nice day there this summer. Can you imagine that? It was like 110 degrees. Just giving you insight, too. I have this little test I call the coffee test. That test means can I get a cup of coffee -- park, get a cup of coffee, and then walk to city hall. In this city, you can do it. I can park down by the Mission Inn, get a cup of coffee at the Mission Inn coffee shop or whatever, and walk over to city hall.

There are a majority of these places where the city hall is oddly bunkered, ready for the next Apocalyptic moment. The mayor of Gilbert was interesting, because I had this back and forth with him. I said, you know, "I ran the little coffee test." He said, "Son, it's hot out there. Why do you want to do that, anyway?" And I said, "Well, you're right across from brand-new, really deluxe, upscale development." There are lovely looking rooms in this high-end, high-gloss, pretty looking place that you can't get to without a car, under no circumstances, including if you live next to it because you have to hop over a wall. So I said, "Look. I am talking about could I walk over to that place?" And he says, "Well, you don't want to do that. But I can tell you this. There's plenty of parking there." I said, "that's not the point," but he said, "There's plenty of parking there." So problem solved; right? And it's hot anyway.

The other thing he brought up to me is that Gilbert is actually the fastest-growing city in the United States, about 100,000 residents since 1990. But my grad students who do my data analysis keep coming back to me, and everything that comes back says "Gilbert Town," T-o-w-n. So I go and I talk to the mayor. "It says, 'Gilbert Town.' That's a mistake; right? The grad students are misreading it?" "No, son," he says, that's not a mistake. Here's why. When we passed 5,000 residents, we could have been a city. We chose not to. Because we are going to have 300,000 people some day and it will be the biggest town in America. You see, it's going to stay a town." This was also one of the rare mayors who did not like light rail and kind of joked about it, about how slow it moved and how it kind of like was a toy, and so on. He didn't buy into it at all, and was building a kind of town center that was so not-mixed-use that anybody who could have walked to it

previously -- and they were there -- was cordoned off from it so that you could keep the integrity of the parking lot. So, Gilbert is my high-end place for not doing smart growth.

Next town, Chandler. Right next door. Good mayor. Nice guy. Progressive. Understood the value. This is, by the way, their little downtown City Hall. That's rental office space. City hall has a little medallion, and they move it around. It's not fixed anywhere. It's not in a permanent place. It just kind of travels to whatever rental space they can get hold of for awhile. That's the civic center of Gilbert. I don't want to show more shots, but around this is an area of desolation. It's like Chandler lost the war. This is what remains except this one building which is hardened. They have plans to build a downtown. But, outside of the downtown, he said to me that they are going to zone for large lot development only. And the reason is that if you do starter homes, people have to move from them eventually. It's better to do one big house and sell it to somebody so they can stay for the lifecycle and then they don't have to trade up and move away. He went on and on like this. And I said, "That's sort of an interesting theory of real estate, one of which -- in all my years of university and real estate work -- I worked with Fannie Mae for a long time -- I've never come across this." It was a kind of wink, wink, "Yeah, well, we have enough -- we've taken our share of poverty in this town and, you know, we're going to finish this with a bang. And, in fact, we even lowered the final population that we are going to have in this town by 50,000 residents because we're going to go out with a bang. We are going to go out high end, because we got to pay for all this little cute downtown." So that's another place that's sort of not doing smart growth on the edge.

North Las Vegas, Nevada. This is, again, the kind of municipal complex you can see. This is a sort of forlorn place. I don't even think you can drive to get coffee from this one. It would be quite an adventure. I just gave up on the thought. North Las Vegas has a section that is heavily Hispanic and quite distressed east of Interstate 15. North of Interstate 15, a lot of the land was previously held by the Bureau of Land Management. All of the Las Vegas region is essentially hemmed in by federal landholders. People think it's the land of big skies, but it's really the land of big skies and small lots. What that means is, as the properties come up to bid, developers bid on them, and they drive the prices up. The money, however, is recycled into the community because it started out thatthe BLM would give cities a few acres to build a park. Now, those transfers amount to billions of dollars. Other states are starting to look at it, saying, "What about our share of that?" "What about Utah's?" "What about Arizona's share of the federal land?" -- that they transfer out. This has had the effect of producing a kind of gross boundary, a hard one on North Las Vegas, which is rushing up to fill into its growth boundary. And in that process, the mayor told me, "It is nothing but master-planned homeowner associations. Nothing else." I said, "Can you actually require that somebody does a homeowners' association?" He said, "No. We have done better than that. We require that they do a setback on the property, and then that's communal on any development, and then you have to start a homeowners' association in order to adjust for the setback."

All these places which are homeowner-association-heavy, say, "We couldn't run as light a government" without them. Gilbert's mayor said, "We have one-third the amount of people in our government as Tempe, Arizona, and we have the same population and we are going past it. And the reason we can do that is that we've got homeowners' associations

that basically take over code enforcement, because we govern that lightly." And that's why all of these kinds of non-smart growth on the edge, if you will, places have that attitude. "We are going to fill in high-end master-planned, and they are going to take care of themselves, and they are going to be something where we gain out of the process, not lose out of the process," and, "It's our turn," basically. North Las Vegas said, "Well, look at Henderson. They're rich. What? We're not entitled to have this kind of wealth present if there's a market for it?" And kind of push back, if you will, in the back and forth.

Moving on to the places that are sort of cooperating. Plano, Texas, is an interesting case where they already have the Dallas Area Rapid Transit. They have a very interesting mayor who sees the development of downtown as doing mixed-use development. It's walkable. He wants to take a lot of the office development that was built of the '80s generation -- part sprawl, low-density -- and redo all of that as the town center. He wants to make it a new node, and wants to start a kind of galaxy of places amid this larger area of Plano, Texas.

I'm going to jump on to Lakewood, Colorado, because the mayor of Lakewood -- and, again, I think people in the audience may know him, is a very progressive guy. Specifically this mayor came up with the concept of emulating Arlington, Virginia. Arlington, Virginia, for those who are not familiar with it, has a branch of the Washington Metro System. In the 1970s, Arlington was a kind of declining inner suburb of Washington. It wasn't as sexy as Bethesda, Maryland. It wasn't as affluent as Fairfax County, Virginia. It was going downhill. It had older Fifties tract-style subdivisions. What happened here is that the city decided to put all the heavier development along the corridor it calls the Wilson Corridor, along the Metro line. The interesting thing about this is that the homeowners were very willing participants in this process because their fear was that -- if you didn't deflect this into a channel of growth – it would create a generalized intensity of development that pressed into single-family-home neighborhoods. By doing this, the city said, "This is where it will grow. This is where it will be preserved. This is a free fire zone. We are going to denser here. We are going to use transit here. We are going to use the Washington Metro, not waste it like they do in Fairfax County. We are going to build around this." At the same time, the homeowners are on board because your neighborhoods may be proximate to this. As long as they are not pressed immediately up against it, they will feel none of this impact. To return to Lakewood, what it got is several stops along the Fast Track system. The mayor said to me, "It's already kind of de facto transit-oriented development that needs more." There's a large federal center that is going to give part of its land to the city to be used for a town center development. The West Corridor Line out of Denver is going to run through there. And, the mayor said, "This will take 20, 30 years, but 20, 30 years from now, the northern part of Lakewood will be a kind of quasi-urban environment, even better than urban, It can compete and have singles and have night life and all the rest of it." So this is smart growth on the edge in that sense.

Now, I want to wrap up by talking about the politics of this. A few years back, David Russ wrote a book called "Cities Without Suburbs." He advocated that if you are a city, you should annex the areas that are growing. A city like Houston, it never stopped annexing, so much so that Houston almost ate the entire Houston Metropolitan area. Houston has the majority, upwards to 90 percent, of the office space in its region within its city limits. All these famous edge

cities around it, they are all within the city limits, because they bought that idea. There are places in the Northeast where everything around you since 1810 has been spoken for, and you filled up whatever space you got, and if you declined after the cycle of growth passed on from you, you declined. Tough luck. Well, I am re-labeling the section that I am writing about Boomburbs and their annexation plans as "Suburbs Without Exurbs" because what they've decided is, "We're suburbs now. The real strategy is to go ahead and grab exurbs that are going to become suburbs, and then we won't decline." It is the kind of further out, more edge strategy. What's interesting, is that I had a long conversation with the mayor of Tempe, and he told me that Tempe had the opportunity in 1970 to annex much of what is now Chandler, Arizona, and they chose not to. The mayor said, "No. I don't want to do it because I don't want to divide the politics of this town. I want to keep this town as it is, focused on these areas within these bounds." And it cost them heavily. Gilbert has opened an auto mall in a place where retail taxes are everything. And it's draining the tax base out of Tempe. Tempe planned for the day it was built out, the mayor said, but not as much as they could have, and they are going to face a tough bottom line. But he also said to me, "It's better than" -- what he called "the Ponzi scheme of growth." He doesn't want to just go up and grab another place and annex unto the end of time. Scottsdale does want to do that. And Scottsdale is really three cities. Scottsdale is a declining area already. Post World War II subdivisions. The middle section is very vibrant, still successful, but the real heart and the hope and the future of Scottsdale is that they have annexed all the way up to Carefree, Arizona, along the McDowell Mountains. They ironically annexed the land around where Frank Lloyd Wright built Taliesin West in a place where he thought he was hiding from the city. Apparently, he didn't think that many generations ahead, so he tucked it way in this most remote, dust-blown, wind-blown part of Phoenix. Sure enough, they came out, reached around him. Now there's a Frank Lloyd Wright Boulevard full of master-planned community development and houses that look very un-Frank Lloyd Wright-like.

Then there are places that are trying to do both strategies, which is both annex and redevelopment. And I think Riverside does that. It went from 78 to 90 square miles. It's doing both high-end housing at the periphery, but it's also got a simultaneous expansion and densification at the core occurring. So its growth is bifurcated by income, but the town contains within its borders these two worlds. Fontana also is such a place. You know, the people in Fontana actually reached out to me, picked up the phone and called me, because an article appeared where I was quoted called, "It's a Tale of Three Cities." It said there are three places in Fontana equivalent to the three places I just mentioned in Scottsdale.

These governments typically don't have mayors that are elected. The city council members rotate as mayor and they have a professional city manager. The politics in these cities are usually not ward-based. Council members usually are elected at-large, because these are all reform governments. They don't have a ward system. You have occasions in some of these places where everybody on the city council lives on the same street because they are in an upscale part of the town and there's very little involvement and representation in other parts of the town. It's worrisome to the folks in Fontana, to the point where they are wondering if there is a builder solution by better integrating the pieces of Fontana. This would mean doing an edge differently now,

doing an edge that has a kind of diversity that isn't just at the core, but a diversity that reaches to the edge of the built-up area. A lot of these places understand -- they're smart people, most of them, and they're talented people, and they understand the stakes, and they understand what they're facing. And I would say by and large most of the places that I'm referring to, which are these fast-growing cities grasp the larger stakes. The leadership is committed to mostly changing direction. I found the thing that came up more than traffic engineering was the NIMBY resistance and the fact that the leadership feels like, "Why do I need to get burned by homeowners? Why do I need to be on the business end of conversations that are massively unpleasant?" That in a sense is the final sort of big picture here. I think this will be clarified, and I think this will improve in the next 10 years. The public is increasingly getting comfortable with doing density at edges of regions, smart growth at the edge, if you will. It isn't quite all the way there, but is much further there -- and I say it optimistically -- than 10 years ago when that Newsweek article appeared. So I will end on an optimistic note and say also if you want more of the "Boomburbs" go to the Website at www.mi.vt.edu. Thanks very much.

DAVID WARREN: Before we proceed to the comments by our panel, I would like to recognize one other person who has joined us, standing on the wall over there, Gary Dymski, who is a professor of economics at UCR, and was really in on the ground floor of originating the Blakely Center. Welcome. Mark, would you like to start off?

MARK PISANO: Thank you, David. It's always a pleasure to follow Rob. And Rob is a person who probably defines more of our planning worlds than we know. His influence on Census Department definition of statistics is profound. He's given you an example of the kind of survey and analytical work that he uses. Let me just note that Rob did a survey and he did case studies, and he presented those results today. Over the last several years, the people in this region, many of whom are in this room today, self-defined the response to the issue that we're discussing today. And they did it through the effort that Peter Calthorpe and his assistant or partner, John Fregonese, used to help the region figure out where it's going and what direction it's going; namely, our COMPASS program.

    Peter presented the basic results. And I won't repeat them. I will just thank Peter for the excellent help in the way he presented them. What I would like to do is give a definition or a summary of your self-definition on the issue of, Are we willing to change our growth patterns? And I am not going to use the words "smart growth," because I don't think that that's necessarily the words that really describe the redesign that's going on within our region and I think that's going on -- I would agree with Rob's conclusion -- I think it's happening across the country, as I talk to my colleagues.

    What was the basic conclusion and what was the basic summary of what we learned in COMPASS? We had 5,000 individuals within our region -- as I said, many in this room -- who spent a day or more helping to be the architects and the designers of where we're going in this region and what we'd like our communities to look like. They were elected officials, builders, financiers, researchers, environmentalists and neighborhood associations. We wanted to make sure all of the interests were at the table. The basic conclusion that we arrived at in COMPASS is explained in two words: Two percent. We looked at what the community was saying and all of the scenarios and all of the self-definition and

we put that into an analytical framework. Then we looked at what geography and what parts of the region were impacted by it, it's 2 percent of the urban area. And it's across the entire region. The areas that it self-defined were as much in Riverside and Fontana, to use Rob's case study, as they were in Orange County, in L.A. County, in Imperial County, Ventura County. It was across the region. And it was the conclusion that if we're able to change that piece of geography, we transform this region. I'm not going to recite Peter's statistics, but we substantially reduce congestion, we substantially improve air quality, and, furthermore, we get more housing units at a cost that people can afford.

Now, a couple of other basic conclusions. First of all, the work and the visioning process was built on the analysis of pro formas, the builders' and developers' pro forma, and what cities are looking at: How do we make our communities financially viable? It was felt that these kinds of development patterns were going to make our communities financially viable. And, Rob, I think that reinforced the conclusion that you arrived at. The last issue is the politics. The politics of the issue is both the internal divides that we have within our communities and the divides that we have across the region. It was felt that a self-definition, a use of language that allows us to bring all the different component parts of our community together, was important. That's why "2 percent," as opposed to "smart growth," became the nomenclature.

It allows the community to say, "Yes, if we select the framework and we are strategic and we are targeted and we go about this in a business-like fashion, then we build livable, viable, sustainable communities that are mobile and, furthermore, communities that have a fiscal, sound basis and a growing economy." That's what we learned. I don't think it's inconsistent. I will say that, in conclusion, I have been in my position 28 years. The hardest thing for me to bear has been wherever I go anywhere, they say, "Oh, you're from that region. You are from that area that really, unfortunately, put us into a sprawl pattern and screwed up the development of our cities." And I say, "No. That's not our region. We are the most dense region in the United States." And, secondly, with the conclusion of our work and your self-definition, bringing that work into our growth and transportation plan, I believe that we are going to lead the rest of the world in figuring out how we grow in today's world.

To prove that, the chief planner for the Paris region called me up and said, "Hey, I hear you did this. Can I come over and learn from you?" He came over and spent a week. What we found out is that Paris, quote/unquote, the planner's paradigm, is facing the same issues that we're facing and it's the principles that we are defining here that he brought back and said, "This is what the next plan of Paris is going to be based upon." So let me just say yes, our Boomburbs, they are developing. And it's not just in the inner area. It's across the region. I have nothing to really argue about, Rob.

LINDA FERNANDEZ: Thank you. The case studies were actually quite useful in that they cover a couple from this region. And I agree with Mark in that there's actually a larger scope to look at than the municipal level when you consider this region. A lot of the unincorporated areas that cities actually provide amenities for fit into this larger context of the integrated plan Mark referred to. It's trying to consider balancing transportation-corridor amenities as well as housing and open space. Financially, the comparisons that Rob made through the case

studies, I think, speak loudly to the strategy of financing this integrated plan. Luckily, the City of Riverside has some wherewithal to prepare better development-impact-fee schemes to accommodate some of the amenities that we'd like. Some of the work that the Center is trying to accomplish, the Blakely Center, will use these case studies as a starting point. We are doing some more detailed analysis of particular policies that cities might engage in to factor open space into a proper accounting of who's paying for all the amenities in the city center and at the edge. Thank you.

MANUEL PASTOR: I always learn many things when I listen or read Rob's work. Today I learned that Santa Cruz where I live now is a Baby Boomburb. I will bring that home, Rob. I am not sure whether people there will be most offended by the fact that it's a burb, since they tend to think that we are the center of the world there, or that it's a boom, because we are really kind of a no-growth community, or a baby, which means that we're not quite as mature as we should be. But I will be sure to mention your name when I tell them that.

One, I'm struck by how far we've come in terms of an agreement and what some of the challenges are that are ahead. When I think about the themes of this conference, and whether we call it "smart growth" or the "new regionalism" or just "better design," it's about how do we better connect space in the kinds of ways that Peter Calthorpe was talking about. Is Peter still here or is he off on the Envision Baghdad project? He seems to go all over the world. We talk about connected space. We talk about connected economy and the fact that we need a networked economy and one that has the kinds of connections to the world that will allow a region to survive. It is also connected communities when we talk about the issue of social equity and how we pull that into the business for the future. And in addressing all three of these components, I think it's important to first realize that the Boomburbs have a lot of original sin. That is -- I can use that. I'm a lapsed Catholic. They were really set up to have separate spaces. They were really set up to remove housing from economic development and economic tensions, and they were often set up as a way of social separation as well.

So what we're really asking communities to do in the Center for Sustainable Suburban Development is to talk about a whole new paradigm of the work that they do. Now, again, as a lapsed Catholic, I know that there is an antidote to sin. You can visit your priest or pastor. You can make a heartfelt confession of your errors, say 200 Hail Marys, and then make a commitment to new urban planning. And that's what's being talked about here. As we move forward, though, I think that two things I would raise that need more attention, particularly in this region. One is something we will hear a lot more about this afternoon -- the changing demographics. In the Inland Empire, between 1990 and 2000, the number of Anglos declined. The number of Latinos rose by about 80 percent. And this happened in both the cities and the suburbs. And this rapid demographic change is both a challenge and an opportunity. It's a challenge because when you think about who's involved in this debate about the future, Latinos are often not as involved as they ought to be. I just finished writing a paper called, "Quienes Mas Urbanista?" -- "Who is More Urbanist?" -- talking about how to get Latinos engaged in this debate. And I think that kind of outreach is very important, because this is really the future of this region. It's also an opportunity, as many people have spoken about, including Michael Mendez and Kathy Perez, who will be speaking later, because Latinos tend to

have the kinds of dense living patterns that are often celebrated by new urbanists. They tend to be transit dependent, living in highly dense housing, et cetera. The tend to live near retail, with the retail tending to be not so much cappucino bars as taquerias, but it still is urbanism. So I think one really important issue as this region moves forward is to take full account of those changing demographics in the redesign and to take full advantage of the fact that Latinos, particularly as they're beginning to move into the second generation of homeownership, are setting a series of patterns about how they will live that really represent an opportunity for the new kind of developments that Rob was pointing to, Peter was pointing to, Mark was mentioning as well.

Finally, I think it really is about political will. I have been laboring in this kind of field for a long time. I remember when Peter's projects were small and when I was raising what I thought was a lonely voice about connecting equity and economy and the environment. And this has now become common sense. But I think we need to move a little bit past common sense to implementation. I think, for example, about the word "diversity." And I don't know how many of you have been to Disneyland. You know that ride, "It's a Small World After All," and all the people are singing and happy. And we know that dealing with race is a little more complicated than that; right? We are now celebrating how much we all agree on these principles. And dealing with it is going to be a lot more complicated than the celebration. So having the kind of conversations about implementation, the political issues of NIMBYism, et cetera, are going to be very, very important as we move forward. Thank you.

CHRISTOPHER LEINBERGER: Well, thanks a lot for putting that bloody song back in my head. I'm a developer, so I'm looking at how these town centers, these what I refer to as walkable communities -- the 2 percent, Mark, that you are talking about -- can be done, can be built, and you can make a buck doing it. My company is a development company active in Mexico, Kansas, Philadelphia, and at Seaside, Florida. And we are constantly looking for these walkable communities because they create such great value. And they're all around us as far as possible locations.

Old small towns. We are doing a project on the western fringe of Philadelphia, in the favorite corridor, in the growth pattern. It's a 250-year-old little village that we are dropping 450 homes into, a new urbanist project, walkable, high density, about five times the density of what's going on all around it. We have found some federal funds to rebuild this little downtown.

There are, of course, new towns that can be done. Much more difficult, I must say. I'd much rather start with an old town and build upon those great old bones than building and putting the new bones in, but we're working with Forest City and with Peter Calthorpe on a 1,400-acre new town outside of Kansas City.

University-anchored places. And this, Ed -- I would challenge you all, that UC, Riverside needs a downtown, needs a focal point. There's no reason why the center right in your backyard shouldn't be doing a mixed-use project right there. Penn has done a phenomenal job over the last 20 years. Penn used to be one of the lowest-ranked universities in the Ivy League. They were surrounded by slums, and they turned their backs, just like Yale continues to do today, stupidly. But Penn has embraced their neighborhood over the last 20 years. They have risen in

the ranks of the Ivy Leagues to the very top, and they have truly contributed to their community. They've made a buck doing it as well.

And then, of course, transit-oriented development. The transit station acts as the fireplace to your living room or, in modern parlance, the TV to the living room. It's a place that you can build around, focus around building these walkable communities. And that 2 percent land mass -- which is a great number, Mark -- that 2 percent land mass is where anywhere from a third to a half of the new demand wants to go and can go and can, in fact, physically fit. The market wants it. We developers now know how to do it more and more.

So what are some of the obstacles? There are a lot of them, but I will just point out two. One is -- and this is going to sound strange coming from a developer -- that we've got to get our impact fee system put in place correctly. Right now, we're subsidizing low-density sprawl. It's paying for no more than half these costs. And what that means is, in essence, de facto public policy, because where the money goes public policy follows. If the sprawl is only paying for half of its costs -- and that includes not just water and sewer and roads; it includes schools, police. The most understudied is privately provided infrastructure. Power companies which are state-regulated are massively subsidizing sprawl. They don't care, because their regulated rates include a virtually guaranteed profit. They don't really care. And so what that does as public policy is that it penalizes walkable communities. It costs you more money to do walkable communities than it actually costs as far as the basic infrastructure. So we as developers should embrace fair impact fees that actually allocate the cost based upon marginal costs.

The other thing which we've all heard about and that is the bane of any developer's existence is, of course, the NIMBY opposition. We had a project outside of Philadelphia that took us seven years to get entitled, 110 units, a new urbanist community, plunked right into a high-income infill site. And the only way we got it through was that my partner got three front page stories, Sunday, Monday, and Tuesday, in the Philadelphia Enquirer asking, "Why can't we build walkable communities?" and shaming this township into allowing it to happen. But it took seven years and extraordinary effort for 110 units. My challenge -- or the challenge I would like to give to the environmental community in particular is you've got to man the barricades, because for some reason the NIMBY movement doesn't exactly take kindly to us developers. They, for some reason, don't believe us. I can't figure out why. The environmental community must take the lead in helping make this happen. That's been a big change over the last ten years. I first tried to reach out to the environmental community about 15 years ago, to the Conservation Fund, and met with one of their No. 2 or No. 3 people for lunch. He said, "If my board knew I was having lunch with you, I'd be fired." But things have changed a lot over the last 15 years, and the environmental community recognizes that sprawl is the No. 1 environmental issue on the planet, but we need to more actively get you engaged in helping make these walkable communities work. Thanks.

DAVID WARREN: This is when I would like to invite the panelists to make any additional comments that you would like.

MARK PISANO: I would just like to note to Chris that the important point is that we make it possible for all the builders and developers within this region to be profitable and, secondly, for our cities to be

financially viable, and it's really in the finances and the financial structures that these planning principles or concepts are really going to come home and find their niche because they make dollars and cents. I don't care whether you are developing in the 2 percent area or in the non-2 percent area. We have to find a way to reduce the costs that we're spending on our public amenities and facilities -- in fact, even our private amenities -- so that we can make housing and development more affordable. And design, I am going to suggest is the key to doing that. The tool that we developed and that we are using is a tipping point analysis where we, in fact, put together not just a project pro forma but a community pro forma. We can see what the tipping point is on pro formas, measure the costs of housing and tax revenues by changes in policy. By putting it in financial terms and pocketbook terms, then you start to level the playing field, so that the debate within the city council or within the community becomes more manageable. We can all understand dollars and cents and, furthermore, we all can relate to good design. So this notion of getting down into -- getting the developers' cost structure to be a community cost structure and to recognize policy interaction in that, I think is at the heart of us moving forward and was key to us deriving the kind of consensus we have in COMPASS.

Now our challenge really is -- as Manuel laid out -- our challenge is, "Can we work with each of our communities as they change their general plans, as they change their community plans?" And I will tell you. We've asked for volunteers, and they are just standing right up. Ontario was the first city that sent us a letter. I won't list all the cities, but there is a real interest now to say, "Let's get on with this and get into the implementation phase and deal with those hard issues."

LINDA FERNANDEZ: I was briefly going to say that I really appreciated hearing from Chris that he believed in fees that are priced at the margin, because that's, in fact, how space is going to fully be paid for as a vital amenity and make the density really reflect a walkable community and still preserve our, I think, green space. So thank you.

CHRISTOPHER LEINBERGER: I think that if we don't have impact fees that reflect the costs, we are going to just continue to subsidize sprawl and eventually, well, (a) these towns will go bankrupt or the service level will have to drop; and, (b), if we don't do it now, given the tremendous environmental consequences of a continuation of what we're doing, we are going to have to get much more Draconian and have impact fees that penalize low-density development, because we just can't afford this. I mean, can you imagine China going through this kind of process? I mean, that's what they're doing.

ROBERT LANG: I just want to make one last comment here specific to the Inland Empire by comparison to the rest of the country. You know, this is an edge, obviously, to a very big region. It's such a big edge, it's really the country's biggest edge, which is why we wanted to hold the conference here. It's an edge the size of all of Phoenix. That's how big of an edge it is. But, you've got walls up against the San Gabriels. You've got deserts, you've got federal land holdings, Indian reservations, and the like. You have a hard edge that will inhibit sprawl. In some ways, that's an asset. I mentioned Plano, Texas. Now there's a place trying to do the right thing. But, just drive north of Plano, Texas. There's places like McKinney and Frisco. What are they

doing to Plano? They're doing this kind of stuff to Plano. First of
all, Plano puts a penny of its sales tax into subsidizing their transit
system, and they asked to extend this to McKinney and Frisco. And those
two cities said, "Unh-unh. We'll just park at your place and take a
train in from there."

The other thing they did is that Plano is trying to redevelop
older office parks into livable places. It is going to cost money. It's
going to cost infrastructure and all this. And as they're doing it,
Frisco is looking at these businesses and saying, "Well, you know, why
don't you come to Frisco?" What they've done is they took that penny
that they would have put into transit and put it into a giant slush
fund. The mayor of Frisco told me this directly. There was a company
looking to stay in Plano and asked what kind of tax breaks they could
get. The mayor described it as a small spin-off from a very good firm,
something that has good prospects for the future. Plano said, "We can
get you $7,000 and we can make this happen and make that happen for
you. If you want to build to suit, you got to follow these
regulations." Frisco said, "We'll give you $700,000. And anything you
feel like building, that's fine by us." There are exurbs in a lot of
places like Dallas, like Denver, that can stick it to the town that's
behaving itself.

In the Inland Empire, once Moreno Valley comes around, maybe
there's Desert Hot Springs and Banning, but that's pushing it a bit.
It's happened. You can push development over the San Gabriels into
Lancaster or Palmdale, but it's not the same kind of threat that it
represents here. And the Baby Boomburbs that I talked about, those are
all these places that are wanting to be the Planos of the world, and
they're saying, when I've talked to them, "Hey, what about about our
time in the sun?"

Here's what's important: The edge that's the edge now wants to be
the last edge. And they want transit. Not for mobility; they want to
nail down assets. They want a place. Right now, Plano is neither fish
nor fowl. It can be out-citied by Dallas, and it can be out-countried
by Frisco. So, it's saying, "This is where the edge stops. Frisco never
gets to be Plano. McKinney never gets to be Plano. We are sort of the
better part of the suburbs now."

DAVID WARREN: We have actually successfully left a couple of minutes
for questions from the audience. A minor miracle, may I say? Please,
would you identify yourself?

CHARLES RANGEL: I'm with Young Homes. I have a question for the panel
that I would like to pose in the form of a request. A few years ago, I
proposed -- or started talking with a city about a middle-density
project, eight to ten units per acre. Soon thereafter, the police chief
found out. He says, "Hey, Charles." He spotted me in the hall – says,
"Listen. I understand you want to build 'affordable housing.' let me
take you on a ride-along." He proceeded to take me to the worst parts
of the city where all of the crime was. So my question to the panel is
-- respectfully in the form of a request is, if you could please come
up with another term to replace "affordable housing" so that I do not
make law enforcement paranoid or afraid, or a neighbor when we propose
something, I promise you I will nominate you for a Nobel Prize.

MANUEL PASTOR: I'm an economist. I'm sort of hungry for a Nobel. One
term that is actually being used, and it's probably being used down
here, too, is "work force housing." And the reason it's being used is

because in a place like where I live now, which is Santa Cruz, the median house price is about $600,000. That makes it very difficult to attract the full range of workers who we need to be part of our economy. One of the reasons why I think that makes a difference is because of the positive associations we have with work in this society. I think we have spent a lot of time spinning our wheels dealing with issues of poverty. Once we began to realize how much of it was working poverty, then we started having an earned income tax credit, child care, because people are working and, through their work, they need to have a place to live in our communities to contribute to the fabric. If that won me a prize, please let me know.

MARK PISANO: Let me just make a suggestion, and it's one, I think, almost all of us live with, and that is housing for your children so you can get them off the payroll and out of the house. When you think about it, and you look at the demographics in our region, the majority, almost 70 percent, of all the people who are going to live in this region in the future are either here today or they're going to be children of people who live here today. So housing for our children, in my estimation, is really what we have to say and do, and get them out of the homes and get them off the payroll.

MANUEL PASTOR: Just a quick footnote, which is in that Santa Cruz County, there's a faith-based group that has been organizing around exactly the issues you are talking about, and what they managed to do is connect older white residents who are fearful that their children will never be able to buy in Santa Cruz with emerging Latino communities who also want a toehold in the market, and that's been able to bridge some of the usual racial gaps and form a coalition.

DAVID WARREN: One more question? I don't know if it will get a Nobel or not.

DAWN DYER: I am from Ventura County where we're kind of an epicenter of growth issues. We have done a good job for a long time of sort of controlling sprawl. There's something called "Guidelines for Orderly Development" that have been in place since the 1970s that say that all growth has to occur within the cities as opposed to the unincorporated areas. They call that "god," by the way, in Ventura County. And we have initiatives which are saving open space and agricultural resources. Again, these are growth initiatives that are supposed to direct growth to our centers. You would think it would be a great place to do the higher-density, smart growth projects. The problem that we are running up against in many of the communities that say they want to do this, is that the regulatory structure doesn't support smart growth. One of the key obstacles again and again is parking. We're talking about transit-oriented, and yet we have communities that still require a suburban level of parking standards, like two and a half spaces per unit even if you're building a one-bedroom loft condo. I haven't heard anything today about parking and how that relates with transit where the requirements to park often decides how much density you can put on a certain site. Any comments from the panel on how we'll address that disconnect between theory and actual practice?

CHRISTOPHER LEINBERGER: Yes. Parking drives development. Just as Peter said, the transportation system we put in determines our urban fates and always has for the last 8,000 years. Parking drives what you can

build. I'm redeveloping in downtown Albuquerque, and the city understood, when we put together our strategy for the downtown back in the late nineties, that they need to view parking as part of the infrastructure of the city. The best example locally here is Pasadena, where they put in the parking decks paid for by the city upfront at suburban ratios and accepted the financial and fiscal lump that they're going to have to carry that stuff in the early years. And they put it in at about four and a half parking spaces per 1,000 square feet. They then didn't have to put in any more over the years, and it's now down to about two and a half parking spaces per 1,000 square feet. There's obviously been tremendous growth in the Old Town area as far as new commercial and residential development. The issue comes down to managing that parking like the Europeans do -- there's a lot we can learn from the Europeans -- shared use of that parking. In downtown Albuquerque, we are going to be putting in a 10,000-seat arena, privately financed. It's a private-public partnership. And we don't have to build one parking space. We've got commuter rail and bus rapid transit coming there as well, and a lot of housing going in so people can walk -- but we don't have to build one parking space for a 10,000-seat, 190,000-square-foot arena because of the shared use of the parking. A project like that would normally require 4,500 parking spaces. The parking needs to be part of the infrastructure. That's the long and the short of it.

MARK PISANO: Let me just add to Chris's case studies. What we learned from our tipping point analysis is that parking is the most sensitive part of all policies. We need to look at the relationship between parking and transit, and not be locked into the state standards for either. Often, state standards and planning guidelines as well as our own general plans have ratios that have no bearing whatsoever on behavior. We need to get to an understanding of what's the transit, what's the alternatives, what's the walking, what's the et cetera. We need to put that into our evaluation, and then look at the parking, the reduced parking, and what it does to the pro forma on building and development. Then, we can use the collective kind of strategies that Chris just mentioned. We are going to get to a far better solution on parking -- "better parking" meaning we are going to have the right kind of parking where we need it. You cited, I think, a real dilemma in Ventura, and that is how can we deal with the responsibility of growth within the areas that do have growth? And within our region, that was one of the real tension points within our COMPASS program.

DAVID WARREN: I need to make a couple of comments of logistics here. You'll notice that we have a population explosion in this room. And we are up against solid walls as effective as mountains and oceans to contain our growth. Therefore, we are going to have to accommodate this by making sure that we exploit all of the infill opportunities that exist at the various tables to accommodate everyone for lunch, which will be in 15 minutes. If I could just make one comment, and that is we will break for 15 minutes. The staff, the serving staff, has a daunting task ahead of it and, please, in your conversations or your travel patterns, please give them as much consideration as you possibly can so that they can get to the tables, and we'll get going with lunch as quickly as we can at 12 o'clock. If you could move your materials. Thank you very much.