

Philip Langdon, Keynote Speaker

Introduction of Philip Langdon by Reuben L. Hedlund, of Hedlund, Hanley and Trafelet, Program Chairman of Ely Chapter.

I can't commend to you enough Philip Langdon's most prominent book, *A Better Place to Live*. Philip starts one chapter as follows – and it is very appropriate to our discussion today.

“In August, 1992, the retail giant, Sears Roebuck, began emptying nearly all of its offices in the world's tallest building, the 110-story Sears Tower in downtown Chicago. On 17 consecutive weekends, a schedule chosen so as not to disrupt the company's daily business operations, movers loaded the records of the Sears Merchandise Group into a convoy of trucks and transported them 30 miles to the northwest. By Thanksgiving, the relocation was complete. The five buildings, none of them more than six stories high, yet enclosing an enormous 1,973,000 square feet of office space – about the same amount that Sears vacated downtown, reverberated with the sounds of Sears employees. 5000 office jobs had bid farewell to Chicago's Loop and settled in a suburb called Hoffman Estates.”

I need not tell anyone in this room if they were in Chicago in 1992 or in the years before how ill-timed and devastating to the office market and indeed to the entire city of Chicago that move appeared at the time. However, if one is an optimist and is not terribly distressed when bad things happen to good people, we also learned this morning from Tracy Cross that our Renaissance began one year later, admittedly in a different way, and perhaps not in a way that was predictable, but certainly the Renaissance came right after the darkness preceding the dawn.

In addition to writing *A Better Place to Live: Reshaping the American Suburb*, Philip Langdon has written five other books and published numerous articles in the *Atlantic Monthly*, *American Enterprise*, the *New York Times*, *Architectural Record*, *Landscape Architecture*, *Planning*, *Governing* and *Preservation*. Philip was born in Erie, Pennsylvania and presently lives in New Haven, Connecticut. If any of you have been to either town, you might wonder why they haven't given birth to the kind of vision that Philip has. In any event, he is going to speak to us on his observations on the downtowns and the cities—of places he has visited and written about and perhaps might even comment on our own.

Philip Langdon

I am here for two reasons. One is that I passed the Larry Lund test. Larry Lund (a real estate retail consultant) is very active in Lambda Alpha. When I was here this summer, at the end of the evening, Larry took me on a midnight, Friday night tour of Lincoln Park and I was very enthusiastic to see real estate development at midnight I learned that Lincoln Park actually is a place you do want to be out at that hour because it's just jammed with people – really one of the examples of the kinds of things going on in cities. And, of course, the other reason is that I have been working on researching a book on urban redevelopment.

I got a call from an architect in San Francisco, Herb McLaughlin, who had started working on a book, and he asked me to work with him on it. Herb is an architect who grew up in the Chicago area. He was involved in the re-doing of the Dearborn railroad station a number of years ago and has worked in cities around the world. He had the idea that, on the one hand it seemed that this was a time when there is a lot of opportunity for cities in terms of getting middle and upper income to move back into the cities and make the cities healthier. On the other hand, he thought that cities really aren't acting on this by making land available in the right places for housing, where there is, in fact, a lot of demand for housing in cities. We decided for this book that I would go out and visit a number of cities across the country. Some of these would be cities where a lot of good things are happening and some of them would be cities that are still pretty sluggish but where is some movement forward.

Since May, I have been to the three major cities of the Bay area, as well as Portland, Chicago, Cleveland, Providence, Atlanta and Memphis. With the exception of Chicago – I think for me to talk about Chicago here would be like bringing coals to Newcastle—I am going to show slides and talk about some of the most important things going on in those cities and make some observations on what I think is fueling this revival of downtowns in various parts of the country.

At a series on cities in New Haven just a couple of months ago, Alex Krieger from the Harvard Graduate School of Design said that what we are living in now, in this first decade of the 21st Century, is a decade of cities, that cities are really making a turnaround. I guess that's really part of the question that's before us – just how big a turnaround is that? And is it a lasting one?

One of the tentative conclusions I've come to is that it's a turnaround especially for the biggest and the most prosperous of the cities. It's really the cities that have the biggest transportation difficulties and the largest downtown that are feeling the biggest benefits of this return to cities and of people wanting to live in and spend a lot of their time in cities.

Why are the cities doing better? One of the factors is lower crime rates. This is one of the fundamental factors that has made cities appealing places compared to what they were 10 years ago. I live in a part of New Haven that is pretty safe, but 10 years ago the city itself was full of drug war shootings. A couple of blocks from my house near the city line, the city put up a “Welcome to New Haven” sign. Someone drew on the sign a picture of someone shooting a gun and someone being killed. That was really the feeling about New Haven about 1991 – that the future was really looking very bleak. The crime rate was at astronomical levels in terms of murders. Now, in the year 2000, New Haven has probably one-quarter of the murder rate it had at the beginning of the decade.

This has happened in cities of all sizes, although it hasn’t happened in all cities. I think that this is one of those basic things that you have to get right before the rest of this kind of redevelopment will follow and people who have choices will make the choice to live in cities.

Along with the change in the crime rate, what is not talked about much is the change from the kind of racial polarization that existed in cities 30 years ago. When I started as a newspaper reporter in Harrisburg, Pa., I’d go out to cover fires, and the Black Panthers would be out at the fires yelling at the firefighters that they were protecting property that was owned by rich white people. Thirty years later, we have managed to build a substantial black middle class in this country and this has made a large difference in the way that cities are looked at and in the expectations that both majority and minority populations have towards cities. Now that we have a substantial black middle class, it’s much easier to agree on the idea that we can make the cities places where middle class people of any race feel comfortable living. And I don’t think that was the case 25 to 30 years ago when the movement in politics was, what do you do for poor people, what do you do in terms of building affordable housing.

... the biggest cities around the country have the greatest prospects. For the smaller cities, it’s a struggle. ...they don’t necessarily have the great concentrations of people in the creative fields who have to be together for their businesses.

Philip Langdon

We have moved to a point where we realize that, even for the benefit of poor people, you have to have jobs in cities, you have to have the city in a good physical condition, and you do that in part by having a large middle class population in the city and partly inhabiting the center of the city. This has become the thing that political leaders and urban populations can agree on, and this is one of those things that has made it possible for cities to actually do the things that get middle and upper income people as well as lower income people living in city centers.

Along with this, another factor has made a huge difference: the demographics are really with us at the moment. By the year 2010, something like 19% of American families will

have young children at home, which means that something like 81% of the population is less in need of a school system and therefore won't be kept out of cities by school systems, which remain our biggest single problem in terms of getting middle class people to live in cities. A lot of young people coming up, a lot of people who are marrying later and want to live in cities. So we have the potential for a large population because cities are in fact interesting places to live.

At the same time, the bloom is off the rose in terms of suburbs. The suburbs have become less attractive to a lot of people. Suburbs have become places that are awash in traffic, where retailing has gone to the big box format and you have to pass these really unattractive commercial districts in the course of going practically anywhere in the suburbs. While the suburbs have become less compelling, the city at the same time has improved, and the demographic factors help in that direction.

Another factor that has made a big difference is that there has been a breakdown in the transportation system in the biggest metro areas. In 1950 we thought the breakdown of

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transportation systems was terrible for cities – we had to build freeways so that people can move between downtown and the suburbs. Today, because the system is getting so bogged down, some people are deciding that they may as well live close

to downtown because that's where there still are a large number of jobs. So, in the biggest metro areas like Dallas, Atlanta, Chicago – places where it is very difficult to get around on the highways – the movement back into the city is at its strongest right now.

Still another element is that the economy has speeded up and evolves much more rapidly than it used to. We now are very much aware that what seems to matter to the economy is not so much the routine functions like manufacturing as it is the creation of new ideas and products. Those things really happen pretty much in urban locations, where people get together and sort of feed off of each other's energy – where a lot of people in the same industry or in industries that depend on each other are able to get together and form short-term collaborations. There is a lot of outsourcing and a lot of use of people for short-term projects. Those kinds of things really work best in an urban location, as opposed to going out to the suburbs to vast corporate campuses where each company is pretty much off by itself.

Finally, the question of how we conceptualize what the center of the city really is. As I traveled, I went to see Henry Turley, a very interesting developer in Memphis who has done a lot of downtown housing over the last 20–30 years. He thinks that the CBD is a kind of historical form that rose in the late 19th century and flourished up to about the

1960s. Now we are not as interested in a CBD as we are in downtown because there are a lot of economic functions, routine things that we can splinter off and send out of the city itself. But the creative things are what has to happen downtown. And the people who do those creative things actually want more than a business location. What they really want is a place with a feeling of excitement and stimulation, where you can get together with other people and make deals and come up with ideas and take ideas of other people and bring them to a higher level.

All of this is leading to changes in cities, many of which work to the advantage of the center. Here are my examples of revitalized cities.

San Jose

San Jose, California in 1950 was a pretty sleepy place with 95,000 people. The economy was dependent mainly on packing houses, canneries and agricultural-related things. Today, it's a city of over 900,000 people. It's gone through a whole series of economic transformations, from agriculture to electronics to computers and making chips, and then the chip manufacturing moved away to cheaper locations and so-called brain trusts stayed there. Now there's a lot of talk about things like the internet and the latest generation of telecommunications really being a key to San Jose.

The question is, why does San Jose want or need a downtown? I think there are two reasons. One is that San Jose had a downtown that was very vibrant – where everyone shopped. It was full of activity back in the 1950s. Then, everybody left. Department stores closed and people no longer went there. So, they had a boarded up downtown, like many cities. By about the mid-1970s, the city decided to try to begin to focus development away from some of the rural sections. First they adopted an urban services district and then, many years later, they adopted an urban growth boundary, which tends to focus development and begins to create pressure to develop in the built-up sections of the metro area.

Second, I think San Jose felt that you may have the world's best or latest industries, but if you don't have a downtown you're still looked upon as a pretty hick place by people in San Francisco, Chicago and New York. So, for your own self respect, you've got to do something to have a downtown.

Over a long period of time, San Jose has been trying to subsidize and pay for a downtown. They recognized the need for arts, culture, attractions and civic spaces. They poured a ton of money into doing things such as the Tech Museum of Innovation. The city has a repertory theater, a ballet, a symphony, a hockey team – many things to bring people into the downtown.

They have really paid a lot of attention to trying to create a place that will be very pleasant for people to come to. They have created new public parks, with a lot of attention paid to landscaping and the kinds of materials they use. They also decided there was a need for a light rail transit system.



The light rail runs through the downtown, even though initially there hasn't been a tremendous demand for it. They have also subsidized things like a small gourmet supermarket in downtown San Jose, located right on the transit line. And they have created a beautiful landscape to get people to sit outside in cafes. They have been working very hard on trying to get more people into the downtown.

In terms of getting offices into the downtown, San Jose has really not done that well. As of two years ago, they had only three million square feet of office space downtown. Currently, they have about two millions more square feet in the works. One of the real culture clashes San Jose is running into is that some of the high tech companies

are very much accustomed to working in corporate campuses where all the buildings are low and people walk from one building to another. This is thought to be a very informal work style. And some of these companies are very reluctant to go into a downtown. As of now, Adobe Software is one of only two large companies that occupy tall downtown buildings. Officials working on the downtown revitalization are trying to figure out whether in fact going downtown will be palatable, which harkens back to the point made about London, about whether in fact tall buildings are really where companies want to be. Certainly, that's where the future lies for cities, in terms of getting more office space into the downtown, but the question is whether a large proportion or just a small proportion of employers wants to be in the kind of environment.

San Jose has also been working on getting housing into the downtown. They've had about 800 units built in the last couple of years. Dan Solomon, an architect in San Francisco known for his work as a new urbanist, has designed an area called Communications Hill, which is about a mile away from downtown. It will have about 4000 units of housing. Eventually, I think what is going to happen is that San Jose is going to have people in the downtown in part because there are things that are close

together. They do in fact have a growing number of attractions downtown. They have a large selection of restaurants that are known as the best restaurants in the immediate area. Second, the highway system is tremendously overloaded, so there is going to be more and more of an incentive for people to live in a place that meets all their needs without spending a lot of time on roads. Since they've built a light rail system, that's going to be very much to San Jose's advantage.

The question is whether there is really going to be an employment center there – and that remains to be seen. It is still very expensive land to build on. But at any event, we are getting the kind of downtown that is so far not a CBD, but rather is a downtown that has a lot of uses mixed together.

Oakland

Oakland is about 50 miles north of San Jose, right across the bay from San Francisco. Oakland has this terrible national reputation of having a lot of crime, as a place where poor people who have been shut out of other areas have been relegated to live. In the 19th century, Oakland was almost on a par with San Francisco. This was really where the railroad tracts went to at the end of the transcontinental railroad. But, in fact, Oakland has this wonderful architecture. Oakland had great visions for itself in the early decades of this century

Now, things have changed because San Francisco has essentially filled in. Its downtown is pretty much full. The city itself is entirely full. It's as full as the political structure is willing to let it be full at the moment because they have a lot of restrictions on what can be built where and how high things can be built. San Francisco has also gotten outrageously expensive. Only 11% of the people who live there can afford today to go out and purchase a median priced San Francisco house. With everything filled up or unaffordable in San Francisco—here's Oakland across the bay.

If you look at a map of the bay you realize that Oakland is the center of the bay area; Oakland is at the center of the BART system, for instance, and Oakland has this beautiful architectural heritage.

This is a view of the skyline of downtown Oakland across Lake Merritt, a beautiful lake.



Oakland has, what I have been told, is the largest downtown in the United States – 350 blocks. Part of downtown Oakland was built during the city’s period of rapid development in the late 19th and early 20th century, and then there would be a lot of leap-frogging. So you had this kind of downtown that didn’t all come together. Now it’s turning out to be an advantage because there is a lot of room for growth. The City Hall was vacated after the earthquake of 1989. It’s since been restored. This is where Jerry Brown now presides over the great ideas for what happens to Oakland next.

A period of 25 to 30 years went by when Oakland really didn’t do very well, and yet they kept planning. It’s really a triumph of city and regional planning. One of the great things they did was build the BART system. The BART system was first voted in in the Bay area around 1962. By the 1970s, it got to Oakland. I don’t know what the political battles might have been at the time, but they built the BART system underneath Broadway, right through the center of downtown Oakland. It was a great decision because from downtown Oakland you can ride to downtown San Francisco in 12–15 minutes. It’s easier to get from downtown Oakland to downtown San Francisco than it is to get from the outlying neighborhoods of San Francisco to downtown San Francisco. So Oakland now can be this kind of paradoxical suburb of San Francisco even though it’s a city. People can come out here to live at half the price and yet get a lot of urban characteristics.

Many efforts were made to get all sorts of institutional uses into the downtown. If businesses didn’t want to be in Oakland, then they figured we’ll get government and things like the headquarters of the University of California system (which is downtown). Another thing they did was to build Jack London Square on the waterfront. This has become a phenomenal draw in the area. The Barnes and Noble store at Jack London Square is the highest grossing Barnes and Noble store in the Bay Area.

A long time ago Oakland began to make efforts to connect this area to the waterfront. They did things like putting up a 1500 car parking structure at a time when people asked, where is the demand for all those parking spaces? And lo and behold, now the reason is there. Now there are six or eight year-old buildings that are going to be torn down because the demand is here now. Housing is being built all around Jack London Square. This is one of the great gathering places of the East Bay. Another thing that was done – the city put out an RFP to fix up Old Oakland, which is basically a two-block area of cast iron front architecture from the late 19th century. This happened in the early to mid-1980s.

At the same time, there's a lot of business located along Lake Merritt, and a lot of older people living in that area. And more in the center of downtown, they have brought in a federal building and a county building. Now they have brought 4000 brown-bagging civil servants does not make a real exciting place. They sit at their desks, don't go out much; they're not big spenders. Nevertheless, they did provide a base for some retail and restaurant development downtown and kept population on the street at a time when the downtown was not doing that well.

Oakland's Tribune Tower is symbolic of what's happened. The Tower was vacated after the earthquake, as were many buildings. Now it's been rehabbed and back in use. Actually, the *Tribune* has moved some of its operations back into that tower. Oakland, by the way, has these wonderful, slender towers from the early 20th century, which make for an artistic cityscape that creates quite a beautiful area. Oakland also has one of the largest Chinatowns on the west coast. It's one of those places that if you're 28 years old and single, it's a real amenity to you. So the city was bright enough to surround the new Chinatown with housing. I think around 2000 units are being built in the vicinity of Chinatown.

An enormous amount of housing is going up in Oakland. When Jerry Brown came into office as Mayor a couple of years ago, he said, almost off-handedly, that he wanted to get 10,000 more people living in the downtown by the end of his four-year term. Then, of course, it was up to the planners to figure out what exactly to do with this grandiose vision. The thing was, before that, there were 11,000 people living in the downtown. A lot of those were lower income people who obviously had limits in terms of supporting the amenities a downtown needs. Now, it's going to be a much more mixed downtown, with people from poor to wealthy. Forrest City Ratner is doing a development that will have a couple of thousand housing units. They may very well meet this goal of getting 10,000 more people into downtown Oakland in a four-year period. Wherever you go, you see new housing developments going up, and you see a lot of businesses moving in. On top of the Sears building, there's a dot.com business. Oakland has about 250 dot.com companies. They are small companies; they can't afford the high rents of San Francisco,

but they don't need big corporate campuses. They actually want to be able to be out among others they depend upon, that they collaborate with.

My guess is that Oakland over the next 10 years is going to see a dramatic turnaround. Oakland is really going to thrive. I've laid out a number of reasons for this, but I think it comes down to the fact that this is the center of the region, so it's accessible. It's a place where the real estate costs are lower, so you can get both companies and people who want to live there coming in. It has architecture, restaurants, amenities, and they've done all this good planning over a long period of time. Oakland is one of those places that is going to have a thriving downtown, and the rest of the country is no longer going to use that old line about, "there's no 'there' there." They are in fact going to go to Oakland and say, this is really a wonderful place and there really is something here.

Portland

Portland has been written about and talked about so much that I don't want to say too much. I've been going there since 1992 and writing about it for the *Atlantic Monthly* and other magazines. Back in 1992, the nation's cities really looked pretty sad, and I'd go to Portland and you would see continuous retailing lining the streets and people walking along the streets. You would see things like the Park Blocks that run block after block in Portland (right). They are very well kept, really knitting together the institutional part of the city with other parts. Fountains are functioning and all the parking garages are above average.



In Portland, they pay a lot of attention to things like having retail – active uses – on the first floors of garages. Where there are garages, they try to make them look better and they try to make things look attractive for pedestrians. There's a lot of attention to detail in Portland – to textures and sculpture and doing things like having the light rail transit system, which was put in after already establishing a very effective bus transit system which really delivers a lot of Portland's workers.

I hadn't been to Portland in about five years, and when I came back this year, I was really amazed. The area called the River District, at the northern edge of the downtown, had had a lot of people who weren't doing too well. It had a brewery, warehouses, and some industrial operations, but not usually with very many employees. Now you go back there and it's a massive construction site. The River District, which covers about 400 acres, has buildings being put up everywhere and old buildings being converted to new uses. The

company that produces advertising for Nike Shoes brought in about 500 people to work where only 10 or 15 people worked before. It's the kind of place where creative people like to be. Some of the old brewery site is being demolished and some is being converted into a huge amount of office space, housing and retail, which, according to figures of the Portland Development Commission, is going to have 4000 workers when it is finished.

Portland is now in the process of building a streetcar system. They already had a good bus system and then they built the light rail, which runs from the eastern suburbs to the western suburbs. Portland really had its act together in terms of how to develop. And now they are building a streetcar system line, which loops the downtown, goes through these perimeter areas, creating immediate accessibility for these redeveloping properties so they can begin to pull in people both to live and to work. It will be easy to get around; this project is a great boon to development.

Portland decided not to turn Union Station into a shopping mall or anything like that. They felt that other cities were having problems with that, and once you turn it into a shopping mall, if it fails, how do you ever get it back and get Amtrak to run trains there? So they decided to keep it a station; there's Class C office space in the upper stories. But all around it is an immense amount of new housing, some of which is affordable housing.

Currently, Portland has about 19,000 people living in the downtown area. They are planning to create about 5000 housing units in the 400-acre River District; the amount of housing being created is quite large. The developers are sweating. Publicly they say, this is wonderful, everybody wants to live here, but they are creating so much housing that they wonder just how many people will really come in. Originally the thought was that a lot of people coming into the River District were young people without kids. But once they started building it, they discovered that they are getting all these empty nesters who are coming down from their big houses in the west hills and deciding to live in the city because this is where it's interesting to be. They are actually building quite a range of housing because the city has insisted that they have some affordable, small units, large units, etc. It remains to be seen how long this demand will go. But Portland is thriving and the downtown is growing to the north and south and to the east side of the river.

The Lloyd Center district is on the opposite side of the river, sort of in the shadow of the downtown. This includes a new mixed use project produced by Sienna Architecture. Here you have four stories of housing built on top of shops and there are townhouses behind these. This will be built in an area that was not so great before, on one of Portland's wide streets that could handle more traffic than it has now.

In Portland, the future looks very good. It really is emerging as a place where there is healthy business and a healthy residential area. The city of Portland is accommodating about 20% of the new housing starts in the region, which is a very high percentage.

Cleveland

Cleveland is certainly a lot different from Portland. It's a city of old areas, a rust belt town. The population of the metropolitan area has actually declined slightly in the last 20 years. The population of the city has fallen a great deal; it is around 480,000 now. Cleveland is 47% black, 49% white and about 4% other. Cleveland really reached its low point around the 1980s and since then has been doing some very important things in turning around.

In the late 1960s there were significant racial riots in Cleveland. Although there still is racial polarization, I think that it's much diminished from what it once was. One of the things that's happened is that there was a period during the 1960s and 1970s and, in some cities, the 1980s, of racial identity politics where black mayors came into office and represented the accession of blacks to political power. It's very important for any group to have the sense that they have arrived. Unfortunately, though, during that period, there was less emphasis on making the city a habitable place for middle class people. I think cities now have gone beyond that, and now we have a new breed of mayor. Whether the mayor is white or is black is less important than whether that mayor is a good mayor, able to deliver services, able to get the trash cleaned up, able to make the city look good and have things operating at a relatively high level.

In Cleveland, Mayor Mike White, who is African-American, took office around 1990. I think he did something that in fact may have been more difficult for a Caucasian mayor to do and that is to say that he was going to focus a lot of attention to improving the downtown. He agreed with various housing experts that what Cleveland really needed to do was to create a lot of move-up housing. Cleveland is a workers' city. The average median house price is a little over \$60,000. Many people in the Cleveland area who make decent wages can afford a lot more; the median house price in the suburbs is about \$120,000. So, if a person is making a decent salary, they look around and say they want all the amenities of a modern house. Mayor White decided to help create move-up housing to make Cleveland a place where people will choose to live.

Getting back to the downtown, the Rock and Roll Hall of Fame has been disappointing. One of the reasons is that they built it in the wrong spot. You come out of the Hall of Fame and you have to walk down a long distance along very broad streets – sometimes when it is very windy or in very bad weather – to get anywhere in the downtown, to restaurants and other things. You really have to put things in the right place.

But Cleveland does have a beautiful downtown and they have done a lot of things that have gone in the right locations. Jacobs Field is one of the great ball parks done in the last decade. They designed it so it fits into the street system of the downtown. You can walk to it from downtown. It's in kind of an industrial aesthetic, which fits with Cleveland. There are a lot of restaurants and bars that have cropped up between the ballpark and the center of downtown. Next door is Gund Arena where the basketball team plays. The Terminal Tower complex downtown has one of the nicest urban shopping malls in the United States, and down along the river, Cleveland has 'the flats.' This is where you can watch these ships making very tight curves coming down the Cuyahoga River. It's a very heavy, industrial atmosphere.

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Another thing I see happening in the cities, just as in the 1970s—people are rediscovering old buildings and appreciate them as wonderful things. That's one of the reasons people live in the city – to be among things that say history, authenticity. Now, the latest rediscovery is gritty industry. Today,

people don't work in heavy industry for the most part and the industrial areas have become great backdrops. In Cleveland, you go down to see these big metal bridges and piles of salt across the Cuyahoga River. Massive crowds come down to the Flats.

East siders come down to the east side of the river and they look across the Cuyahoga at the people on the west side and they all feel good because the Cuyahoga will not ignite anymore. It no longer catches fire. They have this wonderful thing that Disney could never afford to create – this great industrial park. That, I think, is one of the things that the "gritty cities" are going to rediscover.

Actually, one of the places where people are moving in San Francisco is the south of Market area. You go there and you see a jumble of things – auto repair shops, offices, loft apartments and all these things are kind of strewn together. And people ask, why would someone want to live here? In fact, some people respond by saying they are tired of the way America usually develops, which is kind of bland and predictable, and we kind of like these quirky things. We like these things that have an edge to them. These areas are now urban resources rather than simply places with have obsolete industry.

Throughout the city of Cleveland you now see housing being built. The city basically is getting about 1000 units a year. When Mayor White came into office he said he wanted to stop knocking down so many houses; he wanted to rehabilitate houses and get more people living there.



This is Tillman Park, on the near west side of Cleveland, not very far from The Flats and downtown Cleveland. All these neighborhoods that are close to downtown are really benefiting from the fact that the downtown now is a place people feel very proud of. They increasingly go to events there, so the downtown is having

good spin-off effects on the neighborhood. Such townhouses, I believe, start around \$160,000 and go up from there, and they have views of Lake Erie.

This is the Warehouse District, which was a kind of crummy area just across Public Square between The Flats and the center of the downtown. In the past 10 years a lot of these buildings have been converted to loft apartments. There are about 500 apartments here. Basically, the low grade restaurants with guys who drink too much beer are down in the flats, and people who are a little bit older and a little bit more sedate are going to better restaurants up here in the Warehouse District.



Not far from the Warehouse District is what's called the Gateway District where office buildings are now being converted to hotels and apartments. They've put up something like six hotels in Cleveland in the last decade. One of the reasons they have been able to do this kind of work is that they have an Ohio building code adopted in the early 1980s, an alternative building code that makes it easier to use these old buildings and not have to do all the things that are in the modern building code. You can prove that in fact the old buildings have some things that actually make

them safer than new buildings. It's not as if those massive beams are going to be eaten away by fire in half an hour. So, they've made these changes in the building code, and a lot of these old buildings that are no longer usable as warehouses or offices are being converted into hotels and apartments.

What do you do about things like ornate, grand bank lobbies from 1920? Well, in Cleveland, you turn them into lobbies for a Holiday Inn Express. So you have the best Holiday Inn Express in the U.S. Cleveland is really capitalizing on its old architecture in the downtown area.



The other thing that's happened to move housing along and to restore confidence in the city is a place called Lexington Village, at 79th and Chester Avenue which was the center of riots in the Hough district around 1967. In the mid-1980s, the city decided it had to do to show that the area that was blighted by the riots is coming back. So they built this very nice looking development. It's very well maintained. It was built in the style of the period, coming out, in some respects, to the street, but a lot of it is inward, focused onto inner courtyards. In any event, that really helped to say that the Hough area is improving.

And then, in the last 10 or so years, some African-American families in Cleveland, as well as some who lived in the suburbs, indicated they would like to live in the city again if they could find the latest houses. The city will provide a vacant lot for \$100 and will knock

down abandon houses and put two or three lots together to make enough land to do a large, suburban style house. These kinds of houses have started to crop up in the Hough district. Some are right on Chester Ave., which is one of the larger commuter arteries. It's a great piece of marketing because all of these people are going past everyday and think, well, this is not what I thought was true in the Hough district. These houses are sprinkled around the district now. The top price supposedly was \$700,000, but many of the houses are about \$250,000. A lot of people said, who would pay that kind of money for a house in Cleveland? But in fact some black families got together and bought several lots and did a one or two block area with new houses.

To my way of thinking, these houses are not very urban; I'd rather see something else. Cities gradually find their way back to doing things that seem to have a more urban character, and Cleveland is now moving in the direction of doing things that are sort of tighter together. Townhouses are something that Cleveland traditionally didn't have very

much of, and now there's quite a few of developments like Beacon Place right off Euclid Ave., which is gradually coming back in spots. They create attractive street scenes. These developments are beginning to be competitive with the suburbs, which is no mean feat because Cleveland has some of the most beautiful pre-war suburbs in the U.S. – Cleveland Heights, University Heights, Shaker Heights – miles and miles of these wonderful old houses and boulevards and practically a forest along those boulevards.

They are planning to build about 1000 housing units a year in Cleveland, not very much by Chicago standards. Their downtown is slow coming back; the retail downtown is pretty minimal. There are a lot of empty spaces. But Cleveland seems to be able to use these various means to rebuild some confidence. I think it will be a place that's going to have more people in it, but it's going to be a very slow process of coming back. The big difference between Cleveland and a really big city like Chicago is that Cleveland is still not a place with the traffic and transit that Chicago has; it doesn't have that critical mass. They are going to continue to inch along, making improvements, but it's not going to turn around in the big kind of way that Chicago has.

Providence

In New England, Providence is the city that is most talked about these days. In Boston, they talk about Providence. They used to mock Providence and say that it's such a parochial city. Now everyone talks about how Providence looks so much better. And it has its own TV show. It has its own TV show in part because Providence looks better than it did 10 years ago. I've been going to Providence on and off for about 20 years. It was always an historic toy town. The downtown is very compact and has these wonderful buildings on narrow streets, but they empty out at 5 p.m., and it's pretty downscale. But they kept the beautiful buildings.

Providence has this preservation ethic; it has had a preservation society since 1956. When Providence started doing urban renewal, they decided to save old buildings rather than knock them down. They have most recently uncovered the river from a massive amount of surface parking and roads. They've put in a shopping mall downtown, which opens to the street. They have Waterfire, where they have these fires burning in the river for certain events. A lot of people come out for such events. Now they are beginning to talk about doing some things in terms of getting people to live downtown.

Unfortunately, Providence is a small enough city – just 150,000 people. I think it's a real up-hill battle to get much housing in the downtown. The economy there is not booming. So there are real questions as to how far this kind of public works project mentality is going to go. But in the meantime, they have done things like subsidizing the arts. They have an arts district downtown. They exempt artworks from sales tax if sold downtown. And, they are trying to provide artist housing and a lot of things to kind of jump start that

downtown. They do have the architectural character and a good restaurant scene. Whether it's going to really take off remains to be seen.

Atlanta

Before the Atlanta Olympics, housing developers in the city could not get financing. But just from the three weeks of having all these people come in from all around the world. Atlanta was able to attract a lot of money that was otherwise not available from conventional lenders. They were able to do hundreds of loft apartments. After the Olympics, everyone wanted to live in those and so they immediately established a loft district. They got Georgia State University to come into the downtown; the president lives in a penthouse apartment in the loft area. Georgia State turned an old theater into a performing arts center. Universities are a key element—as they are in the southern part of Chicago's Loop—for improving a downtown.

Post Properties, which started out doing things like Post Riverside, away from the downtown, has come into midtown, just outside the downtown, and now doing buildings that come up to the street (right), that have inner courtyards and provide a secluded place away from the streets, but yet with mixed use on the ground floor. There will be restaurants on the base of some of these buildings.



Housing is going up all around the city, such as Studioplex near the Martin Luther King Historic District, which was in very bad shape 10 years ago. An old cotton compress building has been turned into artists' lofts. These are new houses built to fit in with old ones. They are managing to get a mix of people in houses that go for \$150,000 to \$300,000.

What's happening in Atlanta is that the traffic system has broken down. Atlanta is like some big metro areas in that everybody talks about the commute being awful. So, people are increasingly moving in and businesses are beginning to move in. Bell South, for example, is planning to consolidate several suburban sites into about three locations near MARTA rapid transit stations in Atlanta. They are going to build huge new complexes

and parking lots near the transit stations on the outskirts; thousands of people will come into Bell South and go between the Bell South locations on the MARTA system.

With this massive amount of housing being built and a movement of a good deal of offices into the city, Atlanta is really going to develop into a very vibrant downtown and midtown area in the next several years.

Memphis

Memphis is another real struggler; it has had real trouble. After Martin Luther King was assassinated in Memphis in 1968, whites fled downtown Memphis. Businesses moved out much further to the east. Many of the buildings sat vacant for years, such as the Exchange Building, which was ultimately turned into housing. Bit by bit, such downtown buildings are being converted into housing.



They put old fashioned trolleys on Main Street, turned it into a mall, which didn't work. The trolleys still run, which is nice for visitors, but it's very slow. There's not much retailing downtown; they tried the Pyramid for things like athletics, on the edge of downtown. That hasn't really done it.

But Memphis has begun building a lot of housing and attracting middle income into the city. Memphis now has about 7500 people living in the downtown, which is a very long and large downtown. According to local people I've talked with, the way they built up confidence in Memphis was in part to get people to come back to the center. One was Memphis in May, a month-long event in which there are events on the Mississippi River, to get people back to this river which Memphis had basically turned its back on. Now, they have all these people coming back and seeing that this is a real amenity. And, of course, they give them music and they give them food.

Beale Street, the historic center of Memphis music, really was kind of out of business at one time, and then they restored it. It took a long time. Now they have to close it off to vehicles on the weekends, which in Memphis begins on Thursday night. They've also lit up the bridges and opened a new, wonderful ball part right next to downtown. In fact,

they're building apartments in an old YMCA building that looks out on the games, and new housing right next door.

So, Memphis is gradually becoming a place where people are living. I think Memphis is still going to take a long time. It is another place that doesn't have that critical mass; it doesn't have that traffic breakdown. It still has a problem with schools, although they are now building a new elementary school downtown, to begin to make it a place where middle class people will want to come.



At least Memphis has begun to figure out where to put these projects and to begin to unite them into a pedestrian oriented place that has a lot of elements to get them all feeding off one another. Memphis has come a long way in 10 years, but in the end, it seems to me that it's the biggest cities around the country have the greatest prospects. For the smaller cities, it's a struggle. They have fewer resources to call upon; they don't necessarily have the great concentrations of people in the creative fields who have to be together for their businesses. But we are moving into a period of an urban rebirth and we really need to do things as matters of public policy that will keep it going. Thank you.

Question and Answer Discussion

Question: How can we bring affordable housing downtown and what is the role of the public sector in encouraging or providing that?

Langdon: In places where you have redevelopment sites, such as Portland, the city has offered a lot of things such as TIF financing and various forms of subsidy. In return, the city requires that developers have some diversity of people in those developments. You can require a developer to have some affordable housing as part of the mix, and I think you have to do that as a permanent policy. It's probably very important that some of that be rental because it's much easier to keep rental affordable as opposed to for sale housing. There have been various efforts to limit the ability of people to profit from what they own and that causes a lot of resentment. Even poor people want to be able to profit from real estate appreciation.

Bedford: It's a good question because in Canada, and especially in Ontario, it's illegal for us to give any bonuses, incentives, TIFs. We don't have any of that, at all. In Canada, we set the table; we don't cook the dinner. And quite frankly, it's very hard. When I talked about the St. Lawrence neighborhood in Toronto that did have that mix, that was all a product of the housing programs that existed at the time. We don't have anything right now. I'd love to hear suggestions from you because we're experimenting with the limited tools we have. We are experimenting with the concept of bonusing, the concept of requiring levies. Our city council wants to use these tools, but quite frankly, they don't want to have the rules, they don't want to have the framework. I told the council that the trouble is they want to use these tools like they're going down the aisle of a grocery store. If you love chocolate, you load up with chocolate. They'll invent priorities – goodies they want to achieve for their neighborhoods. For us, it's a massive problem and one that we must solve. We have to change the environment – both tax and planning policies, a whole menu of things – to make it worthwhile for the private sector to do it. Then you've got to require the mix. I don't have the magic answer yet.

Question: How do you evaluate the Cabrini-Green model – tear down the old and require the developer to provide a percentage of below market rate housing along with market rate and some commercial development?

Cross: North Town Village was the first development in the heart of Cabrini-Green; during the first two quarters of 2000, it sold 157 units. We know, from that one case as an example, that in the right location, a mixed income development extending all the way from Chicago Housing Authority (CHA) housing through moderate income through

market rate housing can work. In and around the periphery of Cabrini-Green, you have a number of other developments that preceded North Town by about two years. Each and every one of them was successful and experienced rates of appreciation beyond the 5.6% rate we talked about earlier, and some ranged as high as double digits. So we know that mixed income works.

In answer to the question about affordable housing, anything that carries with it a TIF or some other element can and should be mandated to require some level of affordable housing. However, it probably should not touch the market rate system. The other solution to affordable housing is to overbuild the market rate system and let supply side filter out.

Question: From the perspective of London, what would you say you have done better than North America and what do you learn from North America?

Rees: America has confidence – an attitude we can learn from. The worst thing about London is that London tells the world that we are not very good and the world tends to believe that. I think that if we had a more confident attitude about what we do ourselves, we would probably do even better. If you asked the average person in London what they thought of London, they wouldn't give you a very good response. New York, I suppose, was one of the first places to discover this when they brought in the "I Love New York" campaign, because until they convinced New Yorkers, they weren't going to convince the rest of the world. Well, they convinced New Yorkers, and about four weeks ago, they convinced me, when I was there. Much the same has happened in some British cities. In London the process has just begun. People tend to moan about the place, and of course, there's something wrong with any big city. So, don't lose your confidence. North America does have many great cities.

On the other side, the great American cities tend not to have the global perspective that some great European cities have. They tend to be more inward looking, or at least look to other cities in the states to compare themselves against. London compares itself to cities around the world. Europe is even too inward looking for London. We need to look to the Far East, to North America, South America, to Austral-Asia, because that's where trade links have been based. London is a world city.

An interesting survey was done recently, in which it was discovered that there are 326 languages being spoken regularly in schools in London. That's a hell of a statistic and it's a hell of a strength in London. Air France moved its international call center from Paris to London. Now, Air France doesn't do something like that lightly. The reason is that they

get better linguistic skills in London, not because the English can speak a lot of languages – they're the world's worst. But London is such a cosmopolitan city. It brings together people from all over the world; it has links with all over the world.

I had a one-hour lecture from a cab driver on the way in from O'Hare the other day, on the differences among the communities in Chicago. He said the cultural differences are a problem in the city. I said that in London the differences are an asset. All those different cultural strengths in London are what make it a world city. Anybody can be a Londoner; it doesn't matter where you were born or bred. What you have to ask yourself is that equally true in your city? Because if it isn't, that's where you need to do the work.

Question: Please comment on the concept of keeping residential development separated from office and nightlife districts.

Rees: Don't misunderstand me; I believe there should be more residential downtown, but it depends what we mean by downtown. In a central business district, there are a very limited number of sites for development by major companies. In the City of London, it is very difficult to find sites large enough to house the companies we want for the very center of the city. That's a very limited resource, so if you limit those sites by carving them up for mixed use development or putting housing right next door to a large office development where the residents will be upset by the noise and disruption, then these are negative things.

Similarly, nightlife areas don't mix well with residential. In London, the Soho area has attracted a great deal of extra residential. And now the residents are trying to ensure that the nightlife closes down early. Well, that's a disaster. What does go well together is offices and nightlife. After all, it's the visiting businesspeople with their expense accounts in their pockets that want both. So, why not have those things together – combine your office areas with your night time areas. Since one operates at night and the other operates during the day, they really don't disturb each other, but there is a great synergy. And, after all, if they've had a few drinks, they might even gossip some more and create a bit more wealth. The thing is to create the housing areas, or villages, within walking distance of the CBD.

Bedford: In Toronto, again, it goes to what do you define the downtown as? In Toronto's financial district, which is about 15 blocks, I think there are one or two condos. That's it; it's basically all office. But to the north, east and west of that, that's where the housing is. It's also simple economics. In the financial district, where you can afford to pay the most, this rules out a lot of housing, and that's why we tend to have only one or two condos in

those immediate blocks. But I am a big, big booster of housing downtown. I almost think you can never have enough housing downtown in the broader sense of downtown because of the ‘eyes on the street,’ the 24-hour cycle, more people to support shops, etc.

Langdon: It seems to me that we have the residential resurgence in the areas that have restaurants and nightlife because these things are what brings people back to areas and makes those areas seem like exciting places to live. This really creates the desirability, especially the perception – I’m going back to a place that’s really a stimulating place to be, and I can walk to the bar or the restaurant. That’s the way people like it, and we’re just going to have to put up with complaints in those areas. I would rather go to a bar or restaurant in a residential neighborhood rather than one in an office district, which, to me, seems pretty dull. I don’t know whether you can separate them out that way.

Canon: Quoting Phil Enquist, we need to have a “no bitch” sign. If you in fact decide that you want to live in one of these mixed areas, you’re not allowed to complain.

Question: Why are streetcars (fixed rail) so appealing – why are they better than buses? What is it about streetcars?

Bedford: In Toronto, it’s part of the history that we never lost, so that’s an important difference. People from all generations have stories to tell about streetcars. It’s familiar, it’s friendly, it’s clean, it’s a wonderful ride. The other thing, from a pure economic perspective, we’re in a mess in terms of transit funding in Toronto. We are the only city that gets its transit funding from the fare box and municipal property taxes – nothing else. And that’s a total disaster. It’s a result of the provincial government download. Notwithstanding that, 82% of the revenue comes from the fare box – the highest percentage outside of New York. That’s pretty phenomenal. So, we have a limited amount of money for the foreseeable future, until we correct this gross error on the part of the provincial government. You have to get the bang for the buck. How much subway does \$2 billion buys you? Not a lot, maybe two or three miles. In the Toronto context, for \$2 billion we can build 60 miles of streetcar lines. Remember what I said earlier. Two streetcar lines in Toronto carry the same volume – 100,000 passengers per day – as the entire regional commuter rail system.

So, bang for the buck, romance, pleasant.

Comment: The practical reason for people moving to cities is to maximize options. It takes two people to earn a living for a family

Rees: I suppose it's correct to say that for over 2000 years, the clever people, the cultured people, the rich people and the poor people have all been drawn to cities because those are the places of opportunity. They must have it right.