

# Economic and Social Considerations

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TO BE simplistic, but I think still accurate, we must recognize two major sets of forces that are impacted on us, and they are not in any sense diminishing in their total strength and continuity. One, of course, is the overwhelming force of growth in our urban areas, and this force is making itself felt in the outlying parts of our country. In the next ten or eleven years the suburbs are going to have to absorb 35 million more people, and by the end of the century somewhere between 80 and 90 million more people. And if we think we have seen chaos in the suburbs of America, all we have to do is wait for the next several decades.

The other force is the overwhelming force of decay attacking the central cities of our country. The main effect of these forces of decay is to divert our resources away from central areas into outlying areas, leaving large vacuums and areas that are unserved. These areas are economically unviable and require a greater number of services with dwindling resources. These forces are continuing apace, and I might say they are continuing on the broad strips of transportation arteries that, in fact, make them possible.

I have a real sense of urgency about how we deal with these particular forces. So many of our programs, Federal, state, and local, are dealing almost entirely with symptoms. We are talking now about some basic things happening to our physical form that can be directly affected by the kinds of actions we are discussing today.

It is perfectly clear that every kind of land use has been found in every part of a metropolitan area, but the functions are different in different parts of the area. We are finding today that these close-in

land uses are losing their viability. They are losing their recreative powers, they are not attracting new investment, they are being left by the wayside. The plight of the central city is indeed a sorry one, one you are most familiar with. We are simply not getting proper resource allocation.

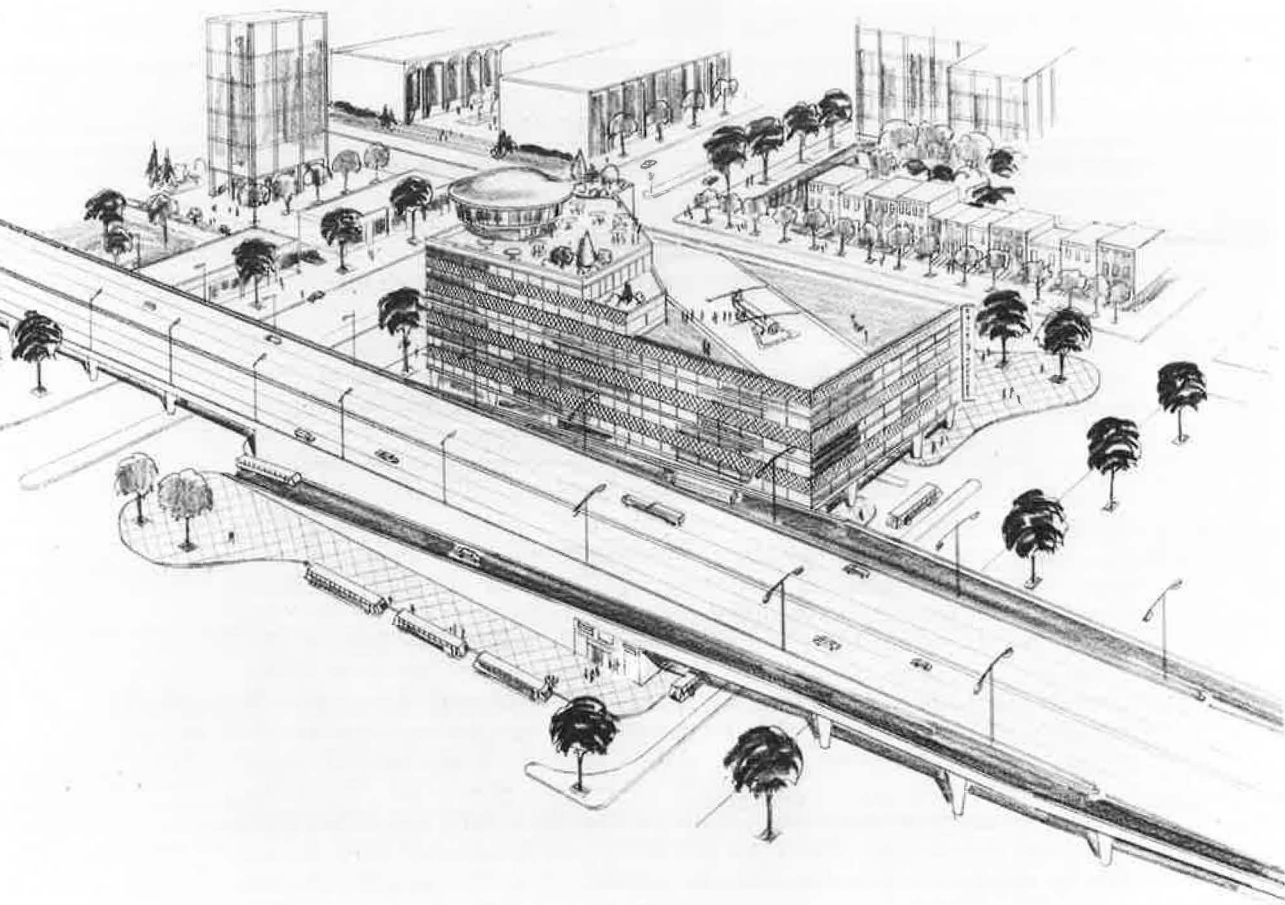
In our urban area there is an impending breakdown in the economic efficiency of the area. The disarrangement of land uses itself has been a major cause of inefficiency in our production process. And as time goes on the transportation cost is going to become the increasingly important one in the American productive apparatus. I think we are reaching the point of developing a new economics, for local development in a very real sense runs parallel to and is comparable with the new economics that we have devised for national development.

Thirty years ago, the disequilibrium between investment and savings necessitated injecting monetary and financial activities to bring about an equilibrium and keep our economy on an even keel. I think we are facing the same kind of situation locally where we have a disequilibrium in investments and the returns that we get from them. Investments in our local areas are being made primarily where growth is taking place because these are the areas where returns can be obtained. As a result of this we are not reinvesting in our central cities. It is going to take something drastic to reverse this trend. Urban renewal has made a tremendous start in this direction, but it has only scratched the surface. The tools of joint development and multiple use can be important in redirecting investment toward the central city.

In emphasizing the great importance of a new thrust in private investment back into our central areas, I would also put major emphasis on providing for the suburbs. I think we should be thinking now about new devices for utilizing transportation systems to influence new kinds of patterns of development in the suburban areas.

We are looking at both aspects of the growth problem and the decay problem which, as I said, are simply different sides of the same basic technological forces that are moving our country ahead. I do not believe that joint development and multiple use is the only tool. But it certainly offers an opportunity to make a major thrust at the basic problems of redirecting funds back into central areas. We can use this tool, with a great deal more leverage than the actual direct expenditure involved in any specific development project, because by the attraction of public and private investments in strategic spots in our built-up areas there will be a spin-off into the adjacent areas, which then, in turn, creates new investment opportunity.

There are numerous examples of how we can attract new private investment back into areas where vacancies and deterioration exist if we create the appropriate conditions. Indeed, with the exception of urban renewal and some public buildings that have been judiciously brought into central areas, there have been no real thrusts in most



*Multi-modal public transportation terminals integrated with office space are receiving increased attention as applications of multiple use and joint development. (Source: U.S. Bureau of Public Roads.)*

cities, and the conditions have simply not been favorable to any major new investments close-in. And this is what we are talking about here — the creation of these new kinds of activities.

Of course, we are concerned with the potential negative impact of highways going through central city areas. A great deal of thinking has been done on this, and a great deal of progress has been made in the minimization of this impact. We have a number of instances where freeways have not been well planned and where we have minimized the aesthetic and physical impact and cut markets in half. In some instances we have removed populations that support the private facilities and public facilities in the affected area. We have added to the problems of the central city by increasing the demand for public services while decreasing the tax base and the economic generators to meet these needs.

One of the great justifications for joint development and multiple use is simply to minimize these economic impacts and to redress at least some of the difficulties and negative forces that result from breaking markets or removing potential support and patronage of activities that already exist.

I am much persuaded that the private investments will be forthcoming in the kinds of projects that might be made available either in a corridor or in some linear development, or around the interchange. I think we can pretty well be assured that we will get economic reuses of urban land if we can create the accessibility factor that is so important, and make absolutely certain that this particular use ties in with neighborhoods in the proper way. This calls for broader planning of a neighborhood than we have been visualizing up to now. In high-cost areas it is more difficult to develop economically feasible land uses. The uses themselves must be capable through their production of revenue to pay for the kind of land values we are talking about.

This means that such redevelopment is feasible everywhere, but it will take relatively few of this type of developments in most cities to effect a major change in the direction of economic development, because of the heavy leverage factor.

The implementation of joint development and multiple-use projects raises economic questions as to how the land cost may be allocated; how the total cost of projects may be allocated and financed. I think it is quite difficult at this stage to state policies firmly with respect to the allocation of cost among the Federal highway program, the local people, and in some cases the state. At the moment we are playing this by ear on each project. Because of the importance of urban renewal in central areas, it is quite possible that most of the joint development taking place in central cities will be within the context of an urban renewal approach. In the suburban areas where the impact of new growth is going to be so tremendous it is likely that we will utilize some types of quasi-public or public development corporations established under state law, operated under public aegis of one kind or another, that might take these lands from the highway department at appropriate prices and hold and develop them.

The leverage of interchange controls and substantial land purchases around major highway nodes could constitute the beginnings of a new town pattern in many suburban parts of our country. This may be a good substitute for new towns that are in effect created from scratch at some distance from the large metropolitan areas. Here potential exists by the proper control of land around interchanges where the major facilities of a public and private commercial nature might be developed.

Giving this kind of assignment to highway engineers is giving them the problem of urban America in the future, and it is not exactly intended that this should be a highway engineer's prime responsibility.

But as part of a total team approach to the problem of accommodating another 80 to 90 million people in the suburbs it seems to me we have some promising prospects.

There are the other implications of highways, such as "the white highway running through the black man's community," and other familiar problems. They involve citizen participation and attitude, and they must be taken into account.

But when we talk specifically about joint development and multiple use we are talking about trying to weave into these projects a new emerging economic life on the part of the community, which for many years has been denied participation.

In summary, the concepts of joint development and multiple use offer a way of getting transportation systems through urban areas and at the same time getting some new flow of economic investment back into the central areas.

## Panel Discussion

MR. RAVICH: You articulated among other things the very strong case for looking at the problem of planning for our cities as only a part of total planning for regions. You talked about the need for completely understanding the economic impact, what the impact is of the suburban growth on the central city and vice versa, and the whole conference is obviously dealing with the question of how we can make the planning tool more useful and to provide multi-uses of sites.

I wonder if you could comment on this. It seems to me that there is a diametrically opposed trend of thinking going on in this country at the very same time, and that is that every community within a city, any community anywhere, however it may be defined, is to be the final arbiter of its own fate, the real meaningful participant in the decision making. The model cities program is perhaps the most institutionalized example of this trend.

It seems to me that these are absolutely inconsistent. Just at the point in time when we are aware of the implications of transportation systems, the juxtaposition of the cities and suburbs, and the need for overall planning and control and institutions that can effectuate that kind of planning, it seems that we are fractionalizing, decentralizing the process at the same time in other areas — obviously not yet in the highway area, otherwise we would have as few highways as new housing in our cities.

MR. HAMMER: It seems to me that in the last few years we have come a long way toward working out a very practical and pragmatic rapport between the different levels of government at the local level. We have made a big noise about creative federalism which, in effect, is a series of guidelines and controls attached to funds with hopefully the appropriate responses and actions at the local level. And though we have succeeded in some areas more than others, by and large we have begun to hammer out an accommodation at the different levels of government, which I believe is beginning to work.

I think you are quite right. On one hand we are trying to insist on standards and objectives from a national point of view. We are talking about national policies in effect. We really are talking about the elements of a national development policy or a national land policy at the same time that we are talking about local control.

But despite the fact that these seem incompatible, it seems to me the essence of our Federal system is that they always have been incompatible in theory, but in practice we make them work. I see it as a constant state of tension, but it seems to me that is what democracy is all about anyway.

One area that we have not fully explored, is the accommodation of these extra tens of millions of people in the suburbs, the impact of which is going to be incredible, and that is the role the state is going to have to play. We are reaching the point where the state government is going to have to get involved in these regional approaches, not perhaps directly by having programs, but through the establishment of state guidelines and controls and devices through law such as the creation of development corporations having state charters that might fill in the gap somewhere between the ineffective and fragmented local government in the areas that are involved, and the Federal government that sets the national procedures.

MR. McGRATH: You have used a figure several times of about 100 million people as the reflection of the population explosion impinging on the urban areas. What could be the unknown consequences of not reckoning with the "pill" or with the suburban orientation of these 100 million people? Won't these factors have some effect on how heavily we bank on the in-town use of the traffic corridor?

MR. HAMMER: One thing I did not think you would ask me about was the pill. We have lots of unknowns as to what people want at this particular time and what they will want in the future. At the present time the suburban life is still basically a good life, and I think it is the life to which perhaps most central city people aspire.

At the same time, the conditions that have been created in many of our suburbs have shattered what has been a dream for many people. Ten years ago, thousands of people felt that in the suburbs they were going to escape taxation and have lots of good breathing open space,



with quiet and privacy, and their area was going to be free of crime. I think they are waking up today to find that costs are escalating, the crime rate in the suburbs is growing faster actually than in the city, it is no longer quiet in most cases, congestion has mounted, and it is difficult to get to work.

So I am not saying that the suburban life may not still be the main aspiration of people, but I would say there is increasing recognition that just because you are in the suburbs you are not assured that you are going to have safeguards against the same kinds of impacts that have happened in the city. All of which is to say, that what we do by way of amenities, by creating environments, employment opportunities, interest and pride in communities and an identity with the community might have a tremendous effect in creating some new attitude in the future with respect to central city living.

For us to assume that past trends and the impact of factors such as the duration and out-migration of wealth and jobs are going to continue, and consequently everyone is going to run away from the central area to the suburbs, I think is a very invalid assumption.

I think the most realistic assumption is one that is based on the unmistakable recognition that the creation of appropriate conditions and environment can change people's attitudes, and indeed that is exactly what I think the name of this game is. We are talking about the linear concept, or even on a much more modest basis, the beginnings of a turnaround, and interchange in a neighborhood that is in the throes of decline. I think these things can have tremendous effects in changing people's attitudes.

Now with respect to the racial composition — the fact that the suburbs are getting whiter and the central areas are getting blacker — I think this is an imponderable that is very difficult for anybody to put his finger on at the present time. If it were not for that I think we could well assume as time goes on that by reintroducing amenity and employment factors in the central city, we will be able to develop a kind of life that will have a tremendous impactive power upon the whole population.

Whether or not this is going to happen rapidly — particularly now with the tensions created by the dichotomy of the races — is a fact of life that nobody knows.

I think our hope is really this: that we will create these amenities, we will indeed make the city viable and attractive, and we will try to open up options and keep them open for all the population. I have a suspicion that over a period of time we will create conditions in which we will find a substantial amount of people coming back to cities, or those who intended to go to the suburbs staying in the central city.