

that \$1 billion and the \$400 million for new starts in such a way that we give a little bit to each city just to satisfy political desires -- either in Congress or in cities and states across the country. By doing so, we are making down payments on major systems, which we cannot complete.

The third measure, at which we are looking very closely, is cost-effectiveness. How many riders will we get for the federal dollar that is invested?

Fourth, we are looking very hard at a city's ability to support the operating expenses of their system, once it is built. There is a great fear in this Administration and, I think, in Congress as well, that if we begin funding a series of major new systems, we will be breeding a whole group that can not meet their operating expenses -- maybe not next year, but three years from now, five years from now. So the ability of cities to pay for their operating expenses is the fourth very important criterion.

Our decisions are being made, not on the basis of politics, but on the basis of arithmetic. \$400 million for new rail starts is a limited resource. We project a nationwide demand by cities interested in building new systems to exceed \$12 billion.

Finally, I applaud you, who represent the best new ideas in transit. The Federal government is firm in its commitment to support the growth of this vital industry, but we must rely on you to provide the key elements needed to maintain the progress of this essential service.

I urge you to continue the development of transit-related activities, innovative methods of financing, marketing, and building to enhance the functioning of our transportation systems.

Because I believe those activities are transit's future.

A DEVELOPER LOOKS AT PUBLIC-PRIVATE  
COOPERATION IN TRANSPORTATION AND  
REAL ESTATE DEVELOPMENT  
Raymond D. Nasher, Nasher Company

I am going to take you on an odyssey that relates to the past fifty years or so and then get to the projects that we are involved in today and how we are trying in the private sector to improve our mobility systems.

I think back to the twenties as George Gershwin sat down at the piano and Paul Whiteman took his baton, and it was 1925, and Rhapsody in Blue was played for the first time. That changed American music a great deal because it brought in new tones and new forms and new chords and new messages to the whole question of musicology and the nature of the times. Gershwin made a change in 1925, at that stage of the game, and then that was followed by Picasso and Brancusi and Giacometti and Matisse and all of those other greats, Henry Moore, etc., who were futurists and were telling us something about the future of our times through the arts. It was during that period of time in the twenties and thirties that I lived in Boston and New York. I recall the transit system going from Dorchester, which was a community where the Jewish immigrants lived when they came to Boston from abroad, into the city. I went to Boston Latin School, which is having its 350th anniversary next year and we are very proud of it. It is really an important kind of activity to be with an institution that began just fifteen years after the Pilgrims came across.

In order to get to Boston Latin School then we had one of those vouchers that some of you were talking about today. I had a voucher, and I got on a streetcar, and then I went to an elevated railway, a light rail system, and then from that elevated railway I went to a subway. From the subway I transferred to a bus which took me about one mile from Boston Latin School, and I walked to the school and back. Now, that was in the thirties, and in essence that was a great transportation system. It cost us one penny. It cost the normal passenger a nickle to go through this whole system, but there was great mobility at that time. We could not afford an automobile, and there were not many of them around anyway, so public transportation in Boston was very important.

During the Depression in New York, we had the option when we lived in Kew Gardens, of going into New York City by either taking the trolley down Queen's Boulevard to Macy's for a nickle or going across the 59th Street Bridge and taking the Long Island Railroad, which was a heavy rail system and cost 39 cents. But the mobility of the people was very substantial. There were major transit systems moving and functioning, and when you got off of the trolley, you got onto the subway. New York moved. Boston moved. Those were cities that made great impressions upon me as I was growing up, and it became a part of my thought process as I went into development. Then, of course, in the forties we all went through the period of being involved in the Army, Navy or Marines or whatever it might be, and we say things starting to happen with highway systems, buses, planes, and the other means of transportation which were making their mark on communities. There is a quotation that I am very interested in that I think relates to change. It relates to transportation. It relates to almost anything that we do. The quote is that it should be borne in mind that " . . . There is nothing more difficult to arrange, more doubtful to success, or more dangerous to carry through than the initiation of change. . . . The innovator makes enemies of all those who prospered under the old order, and only lukewarm support is forthcoming from those who would prosper under the new. Their support is lukewarm partly from fear of their adversaries who have the existing laws on their side, and partly because men are generally incredulous, never really trusting new things unless they have tested them by experience. In consequence, whenever those who oppose the changes can do so, they attack vigorously, and the defense made by others is only lukewarm." So keep in mind both the innovator and his friends are in danger together.

Now, those of us who deal in transportation really feel that change is something we are deeply involved in, and that statement is one that is so current today. I enjoy it tremendously because it was during the Renaissance in 1513 that Machiavelli actually made that statement. It is the same today as we talk about transportation and we talk about all the other things -- the whole question of fear, the question of concern, of really not being involved in change because it might not work. But I think it mandatory, being in the private sector, being a developer that risk-taking and innovation and new ideas and new thoughts have to be a part of what it is we think about when we talk about urban mobility.

Carrying this odyssey forward into the fifties, I moved from Boston to Dallas and got involved in the housing business, and we then used the highways, and we used the cheap land, and the cheap energy, etc., and we built thousands of houses, and we used the FHA and the VA mortgages. It was not basically a question then of marketing these things. It was

a question of production. It was selling 100, 200, 300 houses a month and just trying to figure out how to get the land, at 500 or 1000 dollars an acre, near the highway systems and use the automobile. It was the car, the highway system, the federal policy that set up this system and its new form of urban mobility and housing.

We then involved ourselves in industrial parks and warehousing. Once again, the low cost of funds from the institutions, the highways, and the land that were available at very low cost, gave us the ability to build these industrial parks, bring industry, and improve the job supply within the city. And so we had housing and jobs and warehousing going forward. All of this is predicated on the philosophy and the system.

When we got into the sixties, suddenly I was thinking about different things such as regional shopping centers, and once again, the highway system was a major factor involved in marketing to the particular area involved. So, we decided that we would plan regional shopping centers, and that we would attempt to bring mobility within them to the people. We tried to design them so that from the point of view of ingress and egress in relationship to other areas that the mobility systems would work. We were the first ones, I guess, that used internal buses within these systems themselves, so that the employees could be separated from the regional shopping area, and we would bus the employees into the centers so that the consumer and services could be utilized better and try to make the system more meaningful for the customer himself.

We also started working with agencies in Washington about what one could do from the federal level as our cities were going through the desperate times in the late sixties. In 1965, in a major conference, I recommended that we have an urban laboratory in the United States and that this laboratory be one in which we actually test these systems, the transportation systems, the financing systems, road patterns, new forms of innovation, new approaches to the whole urban system, urban mobility itself, etc.

Unfortunately, we had other things in mind at that time, Vietnam came in that period. There were other factors involved, and we determined that urban mobility, transportation, people were not our highest priorities at that time, so that opportunity passed by.

At that time, we were thinking about new towns. We were thinking about how one solved the question of human settlements, both in the United Nations and the Federal government, and we created the idea that there should be new towns that would be developed, and we would make this a part of a national growth policy. We have really never had a major growth policy in this country similar to those of many foreign countries. However, we determined that we would try to do certain things through our growth policy program; I suggested in Washington that the new towns be those laboratories that could be used to assist in thinking through the question of mobility itself. I have a personal view that if one makes a suggestion, that lip service is not enough. One must be involved with all of the human resources, financial resources, and physical resources, if one is going to be really a part of the nature of affairs of our times.

So, we went through a period of failure, and we have to talk about those periods, too. I felt strongly that the new town program was important and that we should be deeply involved in it. So, we won the competition to build Fort Lincoln in Washington, that 342 acre piece of land which is probably the greatest piece of remaining land in Washington. It

would be the exhibition for our Bicentennial Program where we would show the world how people would live and move and this would be that urban laboratory. In that program -- as I was looking at our work on it in relationship to this conference -- what we attempted to do was to increase and improve the Metro system, which would come out into the project itself. We would go from the Metro system and in order to avoid huge amounts of parking within the development itself and all the road infrastructure that we would have to have to provide needed service in this new town, we would have to have to provide needed service in this new town, we would substitute for that people movers and major stations that would connect the infrastructure, the schools, the town center, and the job sites, and, going across to Federal City College across New York Avenue, make this internal people mover connection one which would then relate to all of the points of activity and magnets within Fort Lincoln. We would build that in concert with the Federal government, and we would then have a new form within a town which should be able to make some progress in our whole planning process in regard to the movement of people within inner cities.

As you can imagine this was a dream, an idea, and one of financial loss from our point of view because in essence the government really did not have the commitment to a new town program, as they do in the Soviet Union or as they did in Poland or in Germany or in Scandinavia or in Finland or in England or in France, etc. We never did commit ourselves to really being a part of this program. It was supposed to be a public-private partnership, but it ended up really as a one-sided private partnership without the support systems that are necessary to make urban laboratories work. So, Fort Lincoln did not work, and the planning that was done in trying to improve urban mobility unfortunately was laid to rest.

The second endeavor of this type, in 1971, related to our planning for our new town which is in the Golden Triangle between Dallas, Fort Worth, and Denton, 6,000 acres of land, once again a part of a new town program, but the idea of that program was that it is vitally important to have job centers and urban mobility that relates to jobcenters. The airport was being built at that time and Flower Mound was some four miles from the airport, one segment of that 6,000 acres. Our idea was to take those movement systems that were being put into the airport and connect them to the new town so it would be the first time in the history of this country where the job center of the airport could be connected through a mobile system directly into the community itself. Once in the community, there would be flexible movement systems where one would take shuttle buses. One would be able to take flexible car systems that would move directly on the guideways into the middle of the airport with all of the tens of thousands of people who were part of that job center and then once they hit the new town, have the flexibility of going on to a road pattern so they could move within the community and be a part of the infrastructure, the social fabric of that new town community.

As you all know, the new town program once again was not thought kindly of by our government and others, and so an area which is a superb area of land and the whole question of open space grants, job centers and systems, and development financing approaches that would be a part of it were not forthcoming. So, once again the new town was put back into a private sector type of development so that it is just an ordinary part of suburbia.

What has happened at Fort Lincoln and Flower Mound where we tried to experiment and innovate and create urban mobility systems connecting to job centers was that, in essence, these were noble efforts -- efforts, I think, that were very important for someone to do. I felt strongly that we had to do it, because we had been involved in thinking about it, and you have to put your money where your thoughts are. We learned a great deal from those lessons -- that it is vitally important that public-private partnerships be true partnerships. One of the things that we want to think about in relation to transportation and mobility is that it can only be done through public-private partnerships. There has to be total commitment on each side so that the private sector performs; the public sector performs; and the institutions perform. It really goes beyond just a two-party system. There are so many other elements that should be partners in this whole marketing effort of creating mobility that I think the partnership aspect of it is mandatory. That should be sealed and understood and agreed upon so that the economics and the legalities and all of the other things that are a part of it will be forthcoming, because it is a question of economics, a question of money. It is a question of ideas. It is a question of the social fabric of the community. It relates to the political system of the community. It relates to long range planning as opposed to our instant hula hoop approach that is normally a part of the American scene, and it relates to a fundamental understanding that we are really here to try to bring services to the people of our community. Our only mission basically is to create a better human and physical environment so that people can function better and that this nation really can continue the democratic system, the private enterprise system, the profit-motivated system, one where the partnerships assist each other. I think we learned in our personal involvements in the urban laboratories of Fort Lincoln and Flower Mound that there is a long way to go in creating the proper partnerships between the institutions themselves.

We then decided that we would really look at things as closely as we could in other areas and in the developments that we are involved with in the private sector. Let me just tell you about a few of those now, so that we can save some time. I want to give you a few thoughts that I have in relationship to the history of mobility as I see it and some of the things we are trying to do today in Houston, Dallas, and Miami where we happen to have major investments at this time. All of those investments are dependent upon and related to urban mobility. We have put money into these projects - sizable amounts in each of these projects, and they have to function and work. We, as the private sector, as the developers, have a responsibility to be a catalyst in assisting the city, in assisting DART, in assisting here in Dallas, in assisting John Turner in Houston, in assisting in Miami in making all these function because it is to our personal self-interest to do that, but it also relates to a mandate and a challenge that we have in making the system work and bringing a quality of life to our community that is important.

In Miami, we are building a downtown office complex that Jim Reid knows a little bit about, and our next section, Jim, is the 750,000 square foot building that adjoins the Flagship -- the Sun Bank Building. We are creating a connection directly to the transit system which Jim was able to get moving while he was heading planning in Miami. What we are doing is during a period of time, we are running a

bus system connection, a private system or our own. We are relating car pools, van pools, and other things for our major tenants, making the connection prior to the time the people mover comes into Miami itself so that we can tie our project into the transit system which is some blocks away, and we can treat that transit stop as if it is a part of our downtown operation.

We are looking forward to the time, and we are working to get the people mover connection within the inner city linking with the transit system, but until the time that that occurs, we are using our funds and our money, our thoughts, etc., to make this thing work because it just makes sense from the point of view of parking in relationship to the number of cars and the number of people we have to support. There are certain things that have to be done until the system comes on line, and this is a partnership that we hope will work well with the City of Miami.

John and I are working together in Houston in an area which he has developed so brilliantly in the Green's Point, Green's Crossing area. Our development is a mixed use project of some million and one-half to two million square feet of retail facilities, office buildings, hotel facilities, etc., surrounded by superb planning that Friendswood and John has done in relationship to that whole North Belt, I-45 area.

We are directly across the street there from the largest retail market in Houston, the Green's Point market, and we are taking that market of a million and a half square feet, and we are adding a million and a half square feet on the other side, but we have Nieman-Marcus, Macy's, Sak's Fifth Avenue, Sakowitz, Marshall Fields, Frost Brothers, etc., as part of our units, and across the street are Lord and Taylor, Joske's, Foley's, Montgomery Ward, Sears, etc. We are going to make an urban node out of this, and the big question we have is how does one really connect these things? We are not in competition with Green's Point, even though it is different ownership, and we cannot be in competition with Prudential who owns it in anyway. I mean they have more money than we do at this stage. So, there is no competition. It is purely a partnership from our point of view because it is our funds, and Prudential funds. What we are attempting to do is think through the process of linkage across I-45 and the North Belt so that this whole area can become an urban node, integrated into a central city system through the points of development of ingress and egress, our relationship to our bus systems, our shuttle systems, our pool systems, and the whole Houston program that you talked about this morning.

In Dallas, we are working today on a 200-acre project which is six miles from this point at the intersection of the North Central Expressway. You may have heard this morning about the problems of the North Central and Northwest Highways. We have development in place on two segments of the 200 acres that we own there. We have in place one major regional shopping center, banking facilities, and institutions; and in the other segment of it we have theaters, office buildings, recreational facilities, all of the mixed use things that are important; and then there is a third segment, a 55 acre piece which is in the planning process now. This is at the intersection of one of the major areas within the Southwest, in essence, and it is on three different segments of the highway. We are planning on Dallas Area Rapid Transit (DART) coming down the Southern Pacific tracks which go right through one segment of this property. So, we

have the DART Potential with the station that would be involved in it.

We have in place millions of square feet, both retail, office facilities, and others, and we have new development area. So, the point we are trying to make in the research that we are doing is how does one connect all of this? How does one make the DART station, whenever it comes to pass, that meaningful in relationship to a connection system for the whole community? What does that mean to the amount of parking that we have? What incentives can be used in making this thing work? What do we do before DART is in place? We currently have our own bus system which connects two segments of the system. We have created a van pool system, bus system, and car pool system which is serving about 60 percent of the office space of that development.

We are thinking about such things as ground traffic control. It seems to me, both in Houston and Dallas, where we have these major developments that we should think of the mobility of traffic on the ground as one does with air traffic control as one goes through the air. There is really no reason why we cannot through helicopters and other devices that relate to our computers and other systems, develop a means of routing our transportation in ways so that the congestion and the other things that relate to the needs of our people and their mobility movement systems can be changed. We are trying to in some way figure out the way one can make a flexible mobility system work through different means. One has to use all the things that you know about, including those which are in place, and we have to think about innovative approaches which have to be tried, and there have to be true partnerships with the city and the state, which is deeply involved in these exercises. The Federal government should be. Whether they will be or not is another question. And, of course DART must be part of the partnership. There should be total cooperation and an attempt to innovate. We are willing to put our bucks and our resources and our minds together with those of the community to try what is necessary to make these things work.

What I am saying is, from a private sector point of view, we have learned a great deal during this experience of being involved in failures and problems that relate to trying to create a growth pattern for our country. We have been involved in conventional developments. We have created a part of suburbia. We have been involved in profiting from the totality of the system that has been developed within the country. We feel we have to work now toward improving the quality of life, improving urban mobility by innovation, by cooperative funding, by attempting and researching and actually using our developments as laboratories in order to try to improve our systems and to make them more meaningful. If we can be a catalyst in regard to this type of thing, then others will be involved in it.

A very good friend of mine is Norman Cousins. He, of course, for years edited the Saturday Review of Literature, and is one of the great men. He has had a severe attack, and has written a new book on the medical system, as you know. He is the guy that said if you have hope, and if you smile, and if you can care for yourself in a very optimistic way, you can overcome most things. When Norman was 65 a couple of years ago, someone said, "What have you learned in the 65 years that you have been involved in this country and this world?" He said, "What have I learned? The most important thing I have learned is human capacity is infinite, that no challenge is beyond comprehension and useful

response. I have learned that the uniqueness of human beings is represented by the absence of any ceiling over intellectual or moral development." I really think that is the hope that all of us should relate to because there is no challenge too great, it seems to me, for the experts who are in this room and who are dedicated and mandated toward bringing urban mobility to our people.

#### CORPORATE RESPONSIBILITY AND PUBLIC TRANSPORTATION

Rodney W. Rood, Atlantic Richfield Company

It is a real pleasure for me to be with you today in Dallas, one of ARCO's headquarters cities. I could say the same about Houston, Denver, Philadelphia and Anchorage -- all of which are major centers for our company, and all of which have transportation problems.

I listened with great interest to the reports from Dallas, Houston, Hartford, and Charlotte, and wish to congratulate these cities on their partnership approach to public transportation. As a representative of Atlantic Richfield, I hope you all achieve your goals.

Today, I will be speaking about another city, our corporate headquarters, Los Angeles. We have been trying to cope in Los Angeles with problems and challenges similar to those we have heard described today. Now, you may be mentally asking yourselves just what is it that a person from Los Angeles could know about public transportation. Does Los Angeles have a public transportation system? Isn't the supreme cultural achievement of Los Angeles, as Woody Allen put it, the ability to turn right on red? If that is your impression of Los Angeles, I welcome this chance to set the record straight on a few points.

The first is that we do not live life exclusively in the fast lane, or the slow lane, or the one in the middle. In fact, a lot of Angelenos never get into cars at all -- at least not to commute to and from work or school or even to shop. Quite a few people, about one and a half million in fact, take public transportation in Los Angeles every day. Only one or two cities in the country -- New York and Chicago probably -- carry more passengers on public conveyances, and we are closing the gap fast. To get really outrageous, I will go further and make point number two, that Los Angeles not only has a major public transportation system but that trends in our city could well offer a pattern to be emulated by other urban centers, particularly in the area of public/private partnership.

Now I will stop being defensive for a minute and admit that Los Angeles is hardly a transportation mecca. Indeed, we have miles to go before we can even lay a claim to controlling our present transportation problems let alone moving smartly into the future. Much of what America reads about Los Angeles is absolutely correct. The traffic is bad and getting worse. The fumes from all those cars are noxious. Commuting by car is exasperating now and could get worse as the downtown influx grows. In fact we could be headed for a bad case of gridlock, a kind of civic lockjaw, unless we do something about it now.

Fortunately, we are doing something about it, for both short- and longer-range. Despite what Bob Hope says, the Olympic sprints this summer will not be run on the roofs of cars. We are expecting a lot of traffic during the games, but we have got