January 1980

Urban Land

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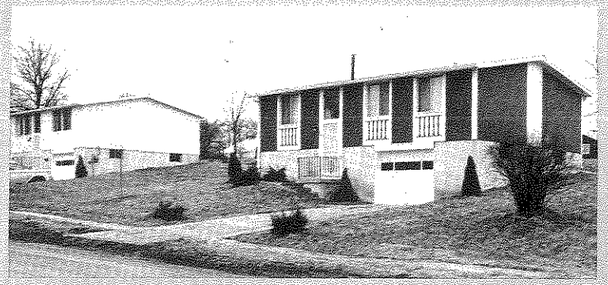

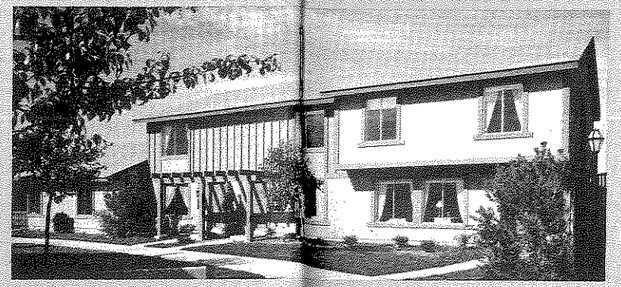

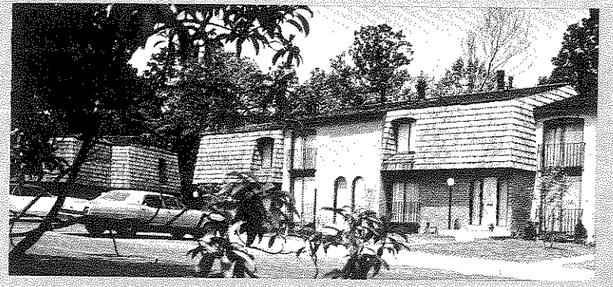

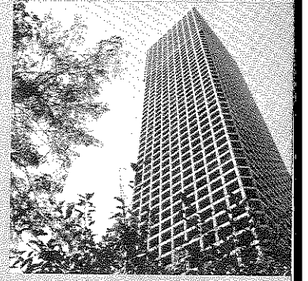

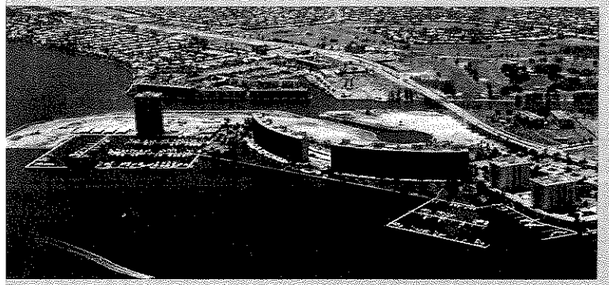

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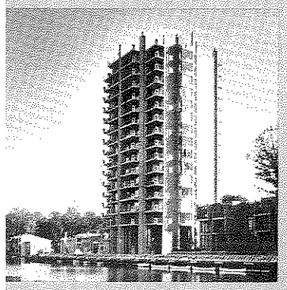

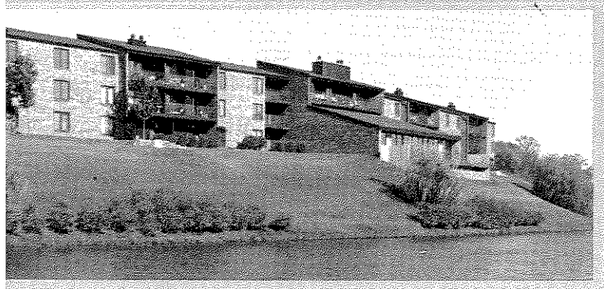

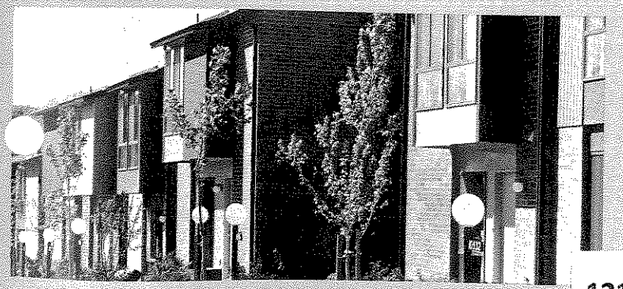

Urban Land

Issue at a Glance — **Volume 39 No. 1 January 1980**

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Letter *from* the Editor

Urban Land turns 39 this month and with it a new *Urban Land* editor takes over. Normally when there's a change announced it is usually the new editors who introduce themselves while it is left to the readers' imagination as to the fate of the old editors. But to avoid the mystery, I am stepping down as editor to continue work on a variety of publication-oriented projects within the ULI Publications Division.

The new editor is Eric Smart. Eric joined the Publications Division of ULI in September 1979, having previously worked as a regional planner in Virginia and with a real estate consultant firm in New York State. Eric studied at the University of Toronto for his bachelor of arts degree and at Virginia Polytechnic Institute and State University for his master's of urban and regional planning.

Urban Land has always been considered the flagship publication of ULI with information sharing as its goal; in the 4 years that I have been editor I have tried to make it more so.

In 1976 we instituted the "Commentary" feature which, in the words of then-ULI president Thomas Murray, initiated "another opportunity for sharing information and opinions." With the October 1977 issue we offered yet another opportunity for the sharing of information and opinions—the "President's Letter." Throughout 1977, 1978, and 1979 President Hal Jensen communicated with *Urban Land* readers on issues of importance to ULI and to the development industry.

Reports on ULI's semi-annual meetings began to appear in issues of *Urban Land* in 1978. ULI's meeting programs have always been first-rate, but meeting attendance has never matched our membership figures. Therefore, *Urban Land* was a logical vehicle in which to inform the rest of the membership of what had transpired.

The year 1978 brought another new feature—"Developments." In the past we had received manuscripts which were far too short for inclusion in the magazine as feature articles but which were suitable for publication nevertheless. The "Developments" section allowed us the opportunity to include these articles and helped expand the coverage of land use and development issues.

The January 1979 issue introduced a streamlined look to our graphics—clean, modern, and standardized. This was only the fourth major change in the design of the magazine, but it was a change we felt would carry *Urban Land* through the 1980s.

"Land Use Abstracts" has been a feature of the magazine since 1975 when it was discontinued as a separate publication. However, there was something missing from "Land Use Abstracts" which inhibited its effectiveness. We featured books and reports without informing readers whether they were worth acquiring. That changed in October 1978 with the addition of a book review format.

We think the quality of *Urban Land* articles has improved in the past 4 years. We have shortened the length of manuscripts so that we can bring you a potpourri of land use and development topics rather than one long article. And we expanded the "Legal Notes" column to bring you more in-depth articles on land use law rather than just reporting isolated cases. In the course of the last 4 years we have tried to be provocative and informative, and we have tried to do it in a pleasing format. I know Eric will continue that tradition.

W. Paul O'Mara
Associate Director of Publications

ULI Research and Education

Michael F. Kelly

I would like to discuss the programs that the Urban Land Institute is undertaking in the vital areas of research and education and the role of the Urban Land Research Foundation in assisting the Institute in this endeavor.

A year ago ULI embarked on some dramatic changes in the Institute. In our evaluation of the future direction of ULI, with recommendations from the Long Range Planning Committee and the Councils, two areas for expanded action were identified as critical to our future and to our intent to transmit the expertise, wisdom, and practice of the members to the people, institutions, and governmental bodies who influence the course of land use development. The two areas have been referred to as research and education.

The word research is not a term that galvanizes any one to action, however, it is one of the basic cornerstones of ULI.

When I first joined ULI, research was related directly to the publication of "state of the art" practices in land development. The members' experiences formed the basis of manuscripts on the best practices in land development. This function was always an integral feature of ULI and still is one of the most important services that we provide.

We have moved from state of the art to performing reasoned analyses on the cause and effect of land use practices, bringing light to areas which form the basis for development choices and regulation. Our goal is to provide practical applied research seeking a useful result by obtaining and examining underlying knowledge which may be currently inadequate. Our commitment to research has several major overlapping purposes:

1. It provides a vehicle for ULI leadership on public policy matters affecting land use.
2. It provides a means of establishing better communication between the private sector and public interests.
3. It provides a means for improving the credibility of private development interests, which is essential if those interests are to participate effectively in public policy decision making.

How have we gone about it to date? ULI has pushed aggressively to become involved with governmental agencies, institutions, and associations who have the interest in researching land use issues—but who most importantly have the funds to support such effort. We have done work in both direct and indirect areas of interest—with a primary goal of involvement. We have very limited funds, but by using the practical developers tool—leverage—we have managed to use outside contract funding to support the bulk of our research program. It has been a very successful effort.

Our involvement with HUD, UMTA, DOE, and The Council of Mayors has provided ULI with exposure, credibility, and associations which have been mutually beneficial. We intend to expand this program.

However, we are missing one important ingredient in a complete ULI research program if we are to be an effective organization. That ingredient is the ability to establish our own research agenda with the funding to support it. To date, our agenda has been opportunistic and essentially supported by others. It is apparent that the work of the new Council structure and increased member involvement will demand more. We must have the ability to identify and support applied research in areas that we believe to be important and that support a ULI position. We also need to be able to do such work on our own timetable.

Accordingly, we have used ULRF funds and ULI staff to begin our own research agenda beginning in 1979 and 1980.

- We have established a 2-year work program on establishing ULI growth policy and land regulation guides. The guides will seek to specify ULI policy on a variety of land use regulation and growth management practices.
- We have scheduled the preparation of ULI/ULRF Issue Papers. The first is on rural growth and land use which will be published this year. Other issue papers are proposed to be a critique of national urban policy as enumerated by federal authorities and a paper on land use regulations and the cost of housing.
- A symposium was held on September 25th discussing the current trends and the future of rental housing. Additional efforts to follow up this important subject are scheduled. (See *Urban Land,* December 1979.)
- Work on a brochure describing 10 successful UDAG projects is nearing completion.

It is our intention to make our research program known, bringing it closer to the identified issues of the membership of ULI, and seeking active member involvement as we progress. It will contain our three basic building blocks—state of the art practices in land development, continued research contracts with selected governmental agencies, and research related to our own agenda.

The second major area for expanded action involves ULI's necessary and vital commitment to education. Our objectives are twofold: To increase the depth of understanding of private real estate development by the nation's future generations of public officials and land use planners; and to improve the knowledge and effectiveness of practitioners in their private sector work.

ULI has had a long history of educational involvement but for the most part it has been through our publications. It is our intention to expand our audience to include universities and graduate schools as well as the professionals who have become our partners in the development process.

In 1978 and 1979, we began an intensive study with Professor Maury Seldin of American University to provide a suggested methodology for approaching the academic community. As a result of this study, we have embarked on a program of work for 1980 which will include the following:

- Creation of the "Development Component Series," a collection of looseleaf reference pieces, authored by selected professors at leading universities, with a ULI critique—written in nontechnical terms to provide academic institutions, state, and local governments, ULI members, and the general public with a better understanding of various elements of the development process. Work is currently in progress on this series at Harvard, Wisconsin, and Cornell. It is our expectation that such a series would be a natural adjunct to university and graduate school land use curriculums.
- A continuation of the development economics course conducted within the Harvard Graduate School of Design. It is our expectation that an extension of this course together with selected case studies can be shared with other schools through the development component series.
- The preparation of a seminar through the Harvard/MIT Continuing Education Courses for instructor training, involving course materials developed with ULRF funding and ULI prepared materials. This seminar is envisioned as a short-term method of providing course and case materials to other schools.

At the professional levels, discussions are in progress with California's Department of Economic and Business Development to conduct one or more training conferences for public sector professionals to review examples of successful efforts in innovative economic development programs. These statewide conferences would bring together public officials, developers, lenders, planners, and citizen and public interest groups to exchange ideas and information on issues such as adequate supply of developable land, standards for site development, distribution of public facility costs, and regulatory process management.

Under discussion with the Department of Energy is a series of publications and conferences which will disseminate the results of experience gained through DOE's Site and Neighborhood Design Demonstration Project, aimed at encouraging development of energy conservation design techniques.

The Urban Land Research Foundation was established in 1979 as a separate corporate entity, qualified as a nonprofit research and educational organization. It seeks and administers funds to finance practical research and educational activities in the planning and development of land. It was envisioned as a vehicle to receive gifts and bequests specifically for ULI agenda items in research and education. Since 1970, ULRF has received over $500,000 in gifts and pledges. The major portion of these funds have come from a relatively small number of ULI members on a repeat basis. Until recently, the Foundation has served largely to provide supplementary aid to the ULI programs, while grants from governmental agencies have funded over 75 percent of the research conducted by ULI.

All ULRF funds are used to support the ULI research program. No grants are made to persons or agencies outside ULI. ULI's Research Committee recommends projects for ULRF funding and those recommendations are then referred to the ULRF Board for action.

The evolution of our research programs and of our educational programs can be directly attributed to the funds generated through ULRF. These funds provided the means for our early involvement in environmental policy research. ULRF funds provided for studies of the future of the development industry. It started us in the field of costs of regulation and in growth management. It provided seed money for our first efforts in beginning a relationship with the academic community.

In essence, ULRF has provided ULI with funds for research in areas that could not be funded by other sources; it has made it possible for ULI to establish a reputation in fields where it had no previous record; and it has made it possible to establish communication links with public agencies and public interest groups. ULRF funds have also been used to leverage grants and contracts with other agencies, and it has enabled ULI to stabilize its professional research staff.

ULRF, then, is in partnership with ULI, providing essential supplementary funds in the key areas of research and education. As we expand these two areas, we will be addressing the funding necessary to support our programs on an ongoing basis. Undoubtedly, it will be a combination of establishing ULRF as a permanent funding resource with a meaningful corpus and in budgeting specific ULI operating funds. Our goal will be to achieve a minimum annual funding level of $300,000 for our research and education agenda. We intend to formulate our financing plan and to ask for your support within the next several months.

ADIRONDACK HIGH

Richard F. Galehouse

On April 21, 1977, with President Carter's son Chip operating the controls of a chrome yellow backhoe, ground was broken at Lake Placid, New York, for the XIII Winter Olympic Games, to be held in February 1980. The groundbreaking was testimony to the enthusiasm of small-town upstate New Yorkers who had taken on and beaten tough international competition to win the right to host the games. The ceremony, however, culminated in a classic confrontation between two often intractable opponents: environmentalists seeking preservation and local interests intent on economic development.

Given two Winter Olympics fiascos within easy memory—the 1960 games at Squaw Valley, California, which transformed a pristine piece of the Sierra Nevada into a high-altitude sprawl, and Denver's ill-planned bid for the 1976 games which ignited a statewide voter's revolt—the events leading to the groundbreaking at Lake Placid are instructive not only for students of planning but also for students of the democratic process. They demonstrate that there is an acceptable middle road between the extremes of preservation and development, and that this road is best charted by the frequently tedious, sometimes inefficient, process of giving people a chance to be heard. Of special interest to planners and other professionals was the use of the National Environmental Policy Act (NEPA) as a comprehensive planning process and as the legal basis for effecting a negotiated contract between the principal interest groups which allowed the games to be carried out.

The Winter Olympics, by their nature, take place in relatively undeveloped areas. The Lake Placid site lies within Adirondack Park, a 9,375 square mile area that forms the largest and most important recreational region in the Northeast. Although the park is accessible to 60 million people, it has continued to enjoy clear water, clean air, and unspoiled wilderness.

The Winter Sportsmen of Lake Placid, a local group, first began talks about the 1980 games in 1973. The organization, which includes some of the local "business establishment," are boomers, but in a very special sense: they are disciples of winter sports, true believers who tend to begin their calendars in 1932 when Lake Placid was host to the first Winter Olympics held in the United States. Now looking toward 1980, the Winter Sportsmen envisioned a "pure" Olympics dedicated to the glory of the sport rather than of nations, although they did make the case that the winter games would be important to national prestige because the games that following summer would be held in Moscow. But, however empyrean their view of the Olympics, the Winter Sportsmen were pragmatic enough to realize any successful bid for the games would have to be acceptable to the environmental interests. In one of their first public pronouncements, they publicly declared their intention to run environmentally sensitive Winter Olympics.

Despite this stated concern, environmentalists began worrying, and not without reason. If anything has characterized big-time sports in recent years, it has been the spectacle fanned by television with the attendant exploitation and hypes. The environmentalists feared that construction for the games, the crowds, and the support services required, such as access roads, would create, in the short term, an alpine Woodstock; for the longer term, they worried that the games would trigger an economic boom resulting in tracts of jerry-built second homes and commercial strips along the region's few and scenic roads.

To avert this—to the point of blocking use of the site if necessary—the protectionists formed a powerful coalition that included the New York Environmental Planning Lobby, the Adirondack Council, the Wilderness Society, the Sierra Club, and a roster of smaller organizations.

But if the environmentalists were wary, the region's year-round residents were not. A conservative and independent lot who look on themselves as the primary protectors of the park, the residents had a much more immediate concern: making a living in an area of New York State that has suffered high, long-term unemployment and chronic economic blahs. To the residents the games promised the probability of a desperately needed economic shot in the arm and the possibility of a lasting economic resurgence.

The resolution of this classic struggle lay in three interdependent factors: the conservative, sports-oriented approach of the Lake Placid Olympic Organizing Committee, the singular nature of the Adirondack Park with its mosaic of State Forest Preserve and private lands which permitted development to occur in designated areas throughout the park, and the utilization of the required federal environmental impact statement (EIS) as a comprehensive planning process and as a legal basis for reaching a negotiated settlement between the environmental community and the games' proponents.

The Lake Placid Olympic Organizing Committee

The conservative, sports-oriented approach of the Lake Placid Olympic Organizing Committee (LPOOC) came naturally to its members. Composed entirely of local residents of the Lake Placid area, local village and town officials, lawyers, doctors, businessmen, and "sportsmen," many members of the LPOOC are past Olympic medal winners, officials, or judges in the international sports federations.

In pursuit of the bid for the 1980 games, the dedicated sports interest and motivation of the LPOOC was coupled with the economic interests of the local and regional political leadership and eventually to that of the state and federal government. The coalition of sports and economic interests then set about to overcome the two glaring deficiencies of the aborted Denver bid for the 1976 Olympics: the lack of broad public and political support and the inability of the Denver Committee to recognize and respond to legitimate environmental concerns. After being selected by the International Olympic Committee (IOC) for the 1976 Olympics, Denver had been forced to withdraw by a statewide referendum brought about by environmental interests. In the eyes of the world sports community, the Denver debacle was considered so serious as to cast grave doubt on the ability of the United States to ever again host the Olympics Games. This embarrassment, coupled with the exorbitant capital expenditures of recent host countries, threatened the entire Olympic movement.

In this climate the first efforts of the organizing committee were to systematically build a base of public and political support for the Olympic Games in Lake Placid. The town of North Elba Park District, a special taxing district formed to fund the 1932 games, received approval of the voters of the town of North Elba and the village of Lake Placid in October 1973.

With the assurances of local support, the committee sought and received support at state and federal levels. The New York State legislature adopted a joint resolution in February 1974 which assured the International Olympic Committee of the cooperation of the

View of Olympic Arena, Main Street, Lake Placid constructed for the first U.S. Winter Olympics in 1932.

state of New York in making the 1980 Winter Olympic Games a success. Support was followed at the federal level by a letter from President Nixon to the IOC and resolutions by both houses of Congress.

On October 23, 1974, the International Olympic Committee selected Lake Placid, New York, as the site for the XIII Winter Olympic Games for 1980.

In one of its first actions the LPOOC made two critical policy decisions with respect to the concerns expressed by environmental concerns and adopted a policy of reuse and rehabilitation of existing sports sites and facilities used for the 1932 games. This policy was eventually shown to be the most environmentally conservative approach that could possibly have been taken.

Second, in order to implement its environmental policy, the LPOOC established an Environmental Advisory Committee to which it invited representatives of all interested environmental groups. The Environmental Advisory Committee met on a regular basis and provided a forum for groups such as the Sierra Club and Environmental Planning Lobby to express their environmental concerns and provided the LPOOC with the means to respond to these concerns. Time and time again the dialogue established through the Advisory Committee provided the safety valve which permitted the planning to move ahead when an apparent impasse had been reached. This process of communication also brought to the forefront wide-ranging suggestions for alternatives to the proposed actions, which were evaluated by Sasaki Associates, Inc. in their preparation of the federal environmental impact statement. This comprehensive evaluation of alternatives tended to preempt the most frequently used avenue for obstructing legal action employed by the environmental community on other controversial projects.

The conservative and environmentally conscious approach of the LPOOC, along with its established sports complex, was in sharp contrast to both the 1960 games at Squaw Valley and the 1976 Denver bid. In Squaw Valley, neither interstate access nor the winter sports complex and supporting infrastructure existed prior to the 1960 Olympics, and in Denver practically none of the required sports facilities existed.

Adirondack Park

The Adirondack Park is a unique exercise in land use planning, mixing private lands (more than 100 villages and towns including Lake Placid, North Elba, and Wilmington, where the Olympic events will take place) and the State Forest Preserves which separate the settled areas. At one of the many public meetings that preceded approval of the site, Ruth Hart, chairperson of the Zoning Board of Appeals for the town of North Elba, described the park's exceptional nature:

> Patterns of land use developed logically and naturally from forces reflecting the best and the most congenial uses of the natural resources of each community and the desires and the work of the local people who live there. . . . Lake Placid capitalized on its mountain setting and the winter snows that result from the altitude, and became a world-famous winter sports area, a use that has continued for more than 50 years.
>
> The Adirondack Park has thus always been a composite of a heterogenous group of communities and wild private and public forested lands and some farms . . . And if you look around, you will have to admit the wild areas have been magnificently protected.

Within the park, Lake Placid Village has historically been a summer tourism and a winter sports training and recreation center. The village has a small permanent population of approximately 6,800 persons. The summer seasonal population adds approximately another 10,000 to 12,000 persons to the permanent population.

Despite their reputation as summer havens for the wealthy, Lake Placid Village and the towns of North Elba and Wilmington, as well as other communities in the Adirondack region, are depressed with chronic and cyclical high unemployment. In Essex County unemployment reached 19 percent in the winter of 1975, and a high proportion of the population have incomes at or below the federally defined poverty level. In 1976 about 9 percent of all families and 63 percent of all unrelated individuals had incomes below poverty levels under extant federal standards in the Lake Placid area. A central question of the federal participation was whether the projected construction investment of $100 million for the Winter Olympic Games could provide an immediate economic boost, and would it have a lasting effect that would break the chronic high unemployment?

Approximately 40 percent of the land within the park is in the "Forest Preserve" and the remaining 60 percent is private land. Almost all of the state land in the park has been preserved as forest since enactment in 1894 of a New York Constitutional Amendment mandating that these lands be kept "forever wild," requiring the management of the State Forest Preserve. Unlike the "multiple use" management of the national forests, timbering, mining, physical improvements such as roads, and even the use of motorized vehicles in the Forest Preserve are constitutionally prohibited.

The extreme environmental sensitivity faced by the planners for the games lay in the fact that Lake Placid and the towns of North Elba and Wilmington are adjacent to one of the park's most sensitive areas, the High Peaks Wilderness area. Also, several of the proposed Olympic facilities lie adjacent to important rivers in the park. The Adirondack Forest Preserve itself is on the National Register of Historic Places as a National Landmark, and John Brown's farm and grave, adjoining the site of the ski jumps in North Elba, are also on the National Register of Historic Places. The presence of the High Peaks and the John Brown historic site gave birth to a complex and highly emotional environmental issue, namely that the visual impact of the proposed tower structure of the 90-meter ski jump would wreak irreparable harm to the wilderness qualities of the surrounding high peaks and the rural farm character of John Brown's homestead. It was the single issue which inflamed the environmentalists and ultimately led to a lengthy hearing conducted by the Adirondack Park Agency when the LPOOC sought a permit for construction of the jump.

The use of land within the Adirondack Park is governed by an overall two-part master plan: a state land master plan for the State Forest Preserve and a land use and development plan for private land. The master plan establishes various land use classifications for development on private lands and classifies all state lands in a variety of categories ranging from "Wilderness" to "Intensive Use" in designated areas. A major objective of the master plan was to concentrate intensive recreational and service facilities on private lands in the hamlet areas such as Lake Placid in order to reduce pressure on the wilderness character of the State Forest Preserve.

The unique character of the park with its intermingling of public forest preserve lands and private lands in the settlement areas has been recognized, accepted, and positively expressed in the master plan for the park, a plan which has been long sought by the Sierra Club, Adirondack Council, and other environmental interests. The acceptance and official recognition of this public/private combination, coupled with the fact that all proposed Olympic events were placed on sites where their use was a permitted land use, was a major factor in the final acceptance of the Olympic Games by environmental interests.

National Environmental Policy Act (NEPA)

While praised by environmentalists and maligned by the sports and development interests, NEPA forced a much needed comprehensive planning effort for the 1980 games, provided the essential forum for communication between the LPOOC, environmentalists, and the citizenry, and provided the means of negotiation and mitigation of any potentially adverse consequences.

The National Environmental Policy Act does not specify rules or standards for environmental protection like those found in pollution abatement or zoning laws, but rather specifies a procedure for the routine, systematic consideration of environmental factors when major decisions are made. In Lake Placid the requirement that an EIS be drafted at an early stage in a proposal's formulation, and that it be made available to other governmental agencies and the public, forced intergovernmental coordination and comprehensive planning which probably would not have otherwise occurred in time to carry out the games in February 1980. While NEPA officially invited public participation in all but two public hearings, Sasaki Associates made as a condition to their contract for the EIS the requirement of an environmental task force meeting in open public forum every 2 to 4 weeks, accompanied by full media coverage. Comprehensive planning was, therefore, coupled with continuous communication

with the general public as well as special interest groups.

The environmental impact statement prepared for the 1980 Winter Olympic Games was unusually complex. In contrast to significant federal projects such as the Alaskan Pipeline or the Cross Florida Barge Canal, which are single, large, site-specific construction activities, the 1980 Olympic Games are a complex combination of 12 skiing, skating, and sledding events on 10 geographically dispersed sites in two adjacent towns and one village. Only three of the proposed activities with their related facilities could, by themselves, be considered significant federal actions requiring the preparation of an environmental impact statement. Rather, it was the cumulative potential impact of these events and the facilities required to support them which were the primary reasons for development of the comprehensive environmental impact statement. Also, unlike the typical construction project, the specific planning for the 1980 games was in its very early formative stages when preparation of the EIS began. None of the preliminary designs of facilities for the XIII Winter Games were completed and in several instances the LPOOC had not even decided which sites they preferred for some of the proposed events and facilities.

The complexity of the problem in a sensitive natural environment, the lack of facts, and the lack of a clear planning statement from the Lake Placid Organizing Olympic Committee fed the worst fears of the environmental interest groups.

As planning and analysis progressed in the EIS process, it quickly became apparent that the principal issues and areas of concern lay not with exotic species of flora and fauna, but with basic planning, economic, and visual impact issues. Could the village of Lake Placid and adjoining small mountain villages handle the expected crowds? What was to prevent another Woodstock? Would the games trigger a long-lasting economic boom filling the roadsides with strip commercial development and the woods with second homes? Would the publicity attendant to the games draw thousands more seeking a wilderness experience on the already overloaded wilderness trails, and finally, would the visual impact of the 260-foot-high 90-meter jump forever mar the wilderness experience of the park?

The mystique of the Olympic Games, most of it fostered by the possibility of a television spectacle, gradually disappeared in the development of facts and their public debate at the task force meetings during the preparation of the environmental impact statement.

For example, spectator attendance at the 1980 games at Lake Placid was projected to be substantially scaled down from the levels of previous Winter Olympics at Sapporo, Japan, in 1972 and Innsbruck, Austria, in 1976. These projections recognized the remote location of Lake Placid in the Adirondack Mountains some 2½ hours of driving time north of Albany, New York, and the relatively unattractive nature of most Winter Olympic events for spectator viewing. Most events are races of individuals or teams of individuals against the clock. These include almost all of the Alpine and Nordic events. Spectator attendance at the most popular spectator event, skating, has a natural limitation imposed by the size of the area, in this case 10,000 seats. Ticket sales estimates for the games at Lake Placid are projected to be 437,000 tickets for the 12-day period of the games. This contrasts to attendance ticketing levels of 700,000 to 800,000 for Sapporro, Japan and Innsbruck, Austria.

Based upon assumptions as to the number of tickets per person, total ticket sales translate to approximately 193,000 people or an average of 16,000 persons per day, including residents of the locality. Peak day attendance is estimated at 23,000 persons, including local residents, and compares to a range of 10,000 to 20,000 daily visitors who presently visit Lake Placid on a peak summer day or weekend.

Economically, the EIS validated the proponents' view that the public investment in the games would produce the desired short-term and long-term economic benefits. In the short term, construction employment has significantly reduced unemployment. In September 1977, Representative Robert C. McEwen, author of the legislation which provided the funding, reported that in the first 15 months of Olympic construction the unemployment rate had dropped 10 percentage points from 17 percent in May 1977 to 7.1 percent in June 1978. Also, while stimulating long-term growth, the projected development appeared to lie well within the communities' capabilities to plan for this growth.

In the post-Olympic period, the continued operation of the Olympic facilities as a winter sports training center and for tourism is expected to continue to generate jobs. Long-term employment attributable directly or indirectly to the Olympic program on a permanent basis, aside from jobs created by construction activity, was projected at 400 to 500 jobs by 1990 with an annual personal income of 2.6 to 3.6 million dollars.

The climax of the clash between the Olympians and the environmentalists came in December 1976 and early January 1977 at the Adirondack Park Agency's public hearings on the building permit for the 70- and 90-meter jumps being requested by the LPOOC. The proposed 70- and 90-meter jumps at the Intervale site required the construction of two towers—144 and 266 feet in height, respectively. Although the jumps are located in the village of Lake Placid, a "hamlet" area, and are permitted land uses in the master plan for the Adirondack Park, they were subject to a permit by the Adirondack Park Agency because of their height. The essential question was the visual impact of the tower structures on the adjacent John Brown Farm and the surrounding Forest Preserve lands of the Adirondack Park.

The 70- and 90-meter ski jumps required the construction of two towers 170' and 266' high respectively.

The hearing on the 90-meter ski jump began with sharply divided emotions and a flurry of telegrams from the U.S. Olympic and International Olympic Committee threatening to pull out of the games if the jump was not approved.

The federal environmental impact statement prepared by Sasaki Associates had concluded that the high towers would not adversely affect wilderness areas since the "visual shed" of the towers fell almost entirely upon the private lands of the existing settlement pattern of Lake Placid Village and the town of North Elba where development was a permitted use. Further, the analysis in the EIS had concluded that a ski jump structure was compatible with the long history and established character of the village as a winter sports training and recreation center.

On January 10, 1977, the Adirondack Park Agency, upon the recommendation of the hearing officer, granted conceptual approval to the ski jump subject to further review concerning detailed design of the facility. In its findings the park agency confirmed the EIS conclusion that the proposed towers would not have a significant impact on the wilderness area of the High Peaks.

Despite their setback in the ski jump controversy, the dedicated concern and intuition bred from experience led the environmental communities to persist.

What, they asked, was to prevent the EIS from becoming just another fat (5-inch thick and 1,200 pages) report gathering dust on a shelf? Despite the projected ticket sales, what was to prevent many more tickets from being sold? Who was to ensure that the various mitigative measures, such as protection of the clear waters during construction, were to be carried out? Given the park agency's approval of the ski jump, who was to ensure that the detailed architectural design of the ski jump would produce the graceful sculpture promised by the LPOOC?

In response to these real concerns, Sasaki Associates and the U.S. Department of Commerce, using the mitigative requirements of NEPA as a legal basis, developed a unique set of requirements as a condition to the use of federal funds. The "Conditions to Funding" was a negotiated contract between all parties, dealing with specific problems such as ticket sales, and providing ground rules for decision making for the 3-year period between completion of the EIS in January 1977 and the games in February 1980. The New York State Department of Environmental Conservation (DEC) and Department of Transportation (NYS DOT) joined in by setting forth, in the instance of DEC, a statement of policy concerning use of the Adirondack Forest Preserve and a statement of policy by NYS DOT with respect to a program of public reporting and review of its highway improvement program in the Olympic region.

The condition to funding dealt with seven specific uses: (1) the procedures for maintaining environmental performance criteria, (2) the transportation plan, (3) performance guaranties for the removal of temporary facilities, (4) Olympic attendance limits and transportation performance levels, (5) the television center site, (6) the design of the 70- and 90-meter jump at Intervale and, (7) employment of local labor in construction. For example, the procedures for maintaining environmental performance established an environmental monitor whose task it was to interpret the mitigative measures specified in the EIS as they applied to specific construction techniques and to carry out any necessary inspections. The Environmental Advisory Task Force was established as a permanent advisory body until 1980.

As February 1980 approaches, the nature of the Adirondack Park, the conservative approach of a band of citizens and sportsmen from the north country, and the requirements of the National Environmental Policy Act have set the stage for the small town Horatio Alger story of 1980: the 1980 Olympics at Lake Placid. Whether the 1980 Winter Olympic Games will be the "games for the athletics" and will be conducted with sensitivity to a magnificent natural resource, the Adirondack Park, still awaits the ultimate test.

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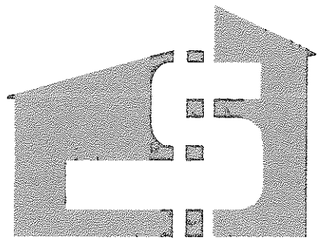
Allocating the Public Service Costs of New Housing



Bernard J. Frieden

Increasing regulation of home building since the mid-1960s has raised many of the costs that enter into the price of new homes. One important component of the total development cost is the expense of providing public facilities to serve new residents. By the mid-1970s, local streets, water and sewer lines, and storm drainage collectors installed by developers represented more than 15 percent of the cost of a typical new single-family home. For many years, subdivision regulations in most of the country's growth areas have required developers to put this infrastructure in place at their own expense, since these facilities do not serve the community-at-large but serve only the homebuyers who live in the new subdivisions. Recently, however, many local governments have also begun to require developers to provide or pay for public facilities that serve other residents as well as new homebuyers. These new requirements represent a shift from local government financing of public facilities to private financing of off-site facilities, paid for by developers and the families who buy their homes.

This shift of infrastructure costs raises several important issues. The new requirements obviously make home building more expensive, but little is known about how widespread they are or how much they cost. The rationale for charging off-site costs to new housing developments is also far from clear. When new public facilities benefit the commmunity-at-large as well as the residents of new homes, charging the entire cost to new homes is an unfair use of regulatory power. But when new home building requires major public investments, what principles can be used to arrive at a fair allocation of costs?

New Local Regulations

There is little doubt that local government regulations in communities across the country have been increasing the share of public facility costs charged to developers and homebuyers. The Department of Housing and Urban Development's Task Force on Housing Costs, whose members consisted of a mix of federal officials, housing experts, local officials, and representatives of the private sector and public interest organizations, concluded that "local governments are steadily transferring from the community-at-large to the developer, and thence to the new housing consumer, a greater share of the public capital costs of growth. This is being done through the imposition of fees and charges as well as through requirements for construction and dedication."

Similarly, the most complete recent study of the costs of housing regulation, prepared for the Rutgers Center for Urban Policy Research, reports:

> A central allocation problem is the distribution of costs between subdivision residents and the rest of the community. This is a particularly crucial choice which must be faced and, of late, fiscally burdened municipalities have chosen to charge developers for improvements previously considered to be the local government's responsibility.

The regulations that shift these costs take several different forms: mandatory dedication of sites for parks or schools, fees in lieu of land dedication, requirements for streets or utility lines that go beyond the needs of a new subdivision, development charges levied on each new home (such as bedroom taxes), tap-in fees for utility connections that exceed the actual cost of making hook-ups, and special requirements imposed in the course of local government reviews of individual developments. There is a great deal of variation in the rationales underlying the requirements of different communities and in the cost of meeting these requirements.

Many requirements originated in a political mood of increasing resistance to growth. After 20 years of record growth, San Jose, California, took a number of steps in the early 1970s to restrict and limit further home building. Citizens who were concerned about crowding in the schools succeeded in passing a voter initiative in 1973 that required developers to pay for extra classroom space in order to get residential rezoning in school districts where class sizes were above specified limits. By early 1975, six different school districts had negotiated a total of 79 agreements with developers. Their cash contributions were generally in the range of $120 to $320 per new home, yielding a total of $315,000.

At about the same time, San Jose decided that its established fees for permits and utility connections did not reflect the true cost of services, and increased them substantially in 1972 and again in 1974, while also adding new taxes on construction. An analysis of the changing cost of building similar single-family houses in San Jose in 1967-68 and in 1976 gives an idea of how the increases in taxes and fees affected sales prices. One builder sold houses for $24,950 in 1967, of which taxes and fees constituted only $148. By 1976, his sales price for a comparable house was $44,950, with taxes and fees at $688 responsible for 2.7 percent of the price increase. Another builder recorded more substantial increases resulting from school dedications, construction taxes, and permit and tap fees. His 1968 homes sold for $22,250, with taxes and fees at $314. By 1976, his comparable homes sold for $49,250, of which taxes and fees accounted for $1,880, or 5.8 percent of the price increase.

Livermore, California, enacted more expensive construction charges as part of its growth control policy. As the city grew, it began to have problems with classroom space, water supply, and sewage treatment capacity. A citizen committee organized a voter initiative in 1972 that imposed a moratorium on residential building permits until the community found solutions to its problems. When a home builder organization brought a successful challenge to the moratorium in court, Livermore moved to discourage growth in other ways. The new tactics included adoption of a residential construction tax, a school fee of $850 per new house, a park fee, and a set of fees for water and sewer connections and storm drains. For a modest single-family home, the fees added up to $4,400. Further, the city required developers of several new subdivisions to build a number of off-site facilities, such as wells, bridges, and roads, that were not specified in the established subdivision and zoning regulations.

As a national pattern, the evidence is that water and sewer connection fees are widespread, but the amount of these fees varies over a wide range. In a random national sample of 86 municipalities with populations of 10,000 or more surveyed in 1976, 61 percent charged sanitary sewer fees and 72 percent charged water tap-in fees for homes in new subdivisions. The sewer fees ranged from $3 to $1,750, and the water fees from $15 to $500. How many of the fees represented actual costs of making new connections and how many were revenue-raising devices is not known. However, in a national survey of 400 home builders undertaken at the same time, 64.5 percent considered the sewer fees they paid to be excessive, and 65 percent considered their water fees excessive.

Requirements for developers to dedicate land for recreation or schools are also widespread: the 1976 survey found that 63 percent of municipalities had such requirements in their subdivision ordinances. The extent to which land dedications, or fees in lieu of dedication, serve the new subdivisions exclusively and the extent to which they serve a larger part of the community is unknown. The cost of these requirements averaged $317 per house in a 1972 survey of California communities, and ranged from $136 to $255 in four Colorado localities surveyed in 1974 and 1975. According to the Rutgers national survey of 400 home builders in 1976, however, 57 percent of the developers considered the land dedication requirements they had to meet to be excessive.

So far these examples of local government action have taken the form of general requirements imposed on all new subdivisions. Many communities are also shifting public facility costs to private developers by negotiating special agreements for each development, and withholding building permits unless the developer agrees to provide some particular improvement that will benefit the residents-at-large. Local officials are able to negotiate these special arrangements in situations where their development reviews involve a large measure of discretion, such as zoning reviews for planned unit developments or procedures for assessing the environmental impacts of projects. With the great spread of discretionary forms of review, the opportunities for unreasonable shifting of capital costs have multiplied.

The well-known review system in Petaluma, California, illustrates a setting that is open to such abuse. Petaluma establishes an annual quota for residential building permits, invites applications from builders, and uses a point-rating system to award the permits for a given year. A residential development evaluation board rates the various proposals according to a series of established criteria, which include points for "the

provision of needed public facilities, such as critical linkages in the major street system, school rooms, or other vital public facilities" and for "contributions to and extensions of existing systems of foot or bicycle paths, equestrian trails, and the greenbelt provided for in the Environmental Design Plans." These criteria are a clear invitation to developers who must compete for permits to bid against each other by offering to provide community-wide facilities. According to a Petaluma home builder interviewed in 1976, city staff members press for extra contributions even if the developer has not proposed them. He reported being required to build a bicycle path on public land adjoining his subdivision at a cost of $27,000.

Similarly, environmental impact reviews mandated under Florida state law often lead local officials to require provision of extra public facilities as a condition of approving development proposals. An examination of 22 environmental impact reviews in Florida from 1973 to 1975 found that more than three out of four required specific changes in the plans as conditions of approval. The most frequent changes involving public facilities called for developers to construct extra roads, dedicate additional land for public purposes, build fire stations or other public facilities, and dedicate water and sewer facilities. According to a study by the Urban Institute, "The major effect of these stipulations was to shift the cost of some public services from the local jurisdiction to developers and/or future residents."

The evidence at hand suggests that communities are increasingly requiring developer contributions for public facilities out of a variety of motives. In some cases, local officials are apparently attempting only to assess charges that in their opinion represent legitimate costs of servicing new developments exclusively. Other local governments are trying to protect the fiscal interests of already established residents. And in still other cases, reallocation of public facility costs is part of a steady trend to discourage new growth by raising the cost of home building. Evidence, as well as casual observation, also suggests that the reallocation of public facility costs is not so much an attempt to protect low-income taxpayers as it is an attempt to maintain community exclusivity and protect the fiscal advantages of residents who are well-to-do. The Rutgers survey of subdivision requirements found that upper-income communities are much more likely than low-income ones to impose high street and utility standards and to require land dedication. This study reaches the following conclusion:

> While the absolute cost of land improvement has escalated dramatically in the last decade, municipalities have generally failed to take these increases into consideration when revising their subdivision ordinances. Rather than modify requirements to reduce the impact of increased costs, many municipalities have maintained or increased the extent and stringency of their requirements. Our survey findings reveal that to a significant degree, the income level of a municipality, more than any other factor, determines the exaction placed on developers.

The information available on development charges and public service fees is much too incomplete to allow an estimate of what proportion of communities impose moderate charges in keeping with the actual costs of servicing new developments, and what proportion use these charges to raise additional revenues benefiting the taxpayers-at-large.

In the examples cited here, the total cost of special development fees is almost always below $2,000 per house. Although development fees do not appear to be major contributors to the inflation of new home prices, they are one of the many factors that work to keep raising the cost of home building. In a situation in which no single factor is dominant, it is important to contain all cost increases. Further, it is very possible that if local fee increases are not challenged and held within reasonable limits, they could have a greater inflationary impact in the future.

Recent experience in California may be an indicator of what will emerge as a national trend. The passage of Proposition 13 in June 1978 set a limit of 1 percent on local property taxes. This tax cap made it impossible for local governments to collect much property tax revenue from new homes, even though they can be assessed at higher valuations than existing housing. Local governments throughout the state promptly began to institute or raise fees of various kinds to substitute for some of their lost tax collections. Many of the fees were directed at new construction. A survey of 53 localities shortly after Proposition 13 was enacted showed that 28 had added at least one public facility fee or increased an existing fee for new housing in the first half of 1978; the average new fee was $846 and the average increase in existing fees was $400. Within the first year after passage of Proposition 13, the median bill for construction-related fees increased by 26 percent, with new charges ranging up to $3,000 for an average three-bedroom house, according to the California Building Industry Association. Professor Fred Case of UCLA found 30 new requirements that raised housing construction costs in the Los Angeles area, and concluded, "There's no question that higher fees are pricing moderate-income Californians out of the new housing market."

As other states take steps to put ceilings on local property tax rates, and as local officials try to cope with mounting voter resistance to tax increases, raising construction fees may well become a widespread course of action. If so, the present moderate charges in many communities could become the prelude to a much more serious source of future housing price increases.

Further, the consequences are likely to be even more severe for homebuyers than for home builders. In today's situation of high demand for new homes, builders can successfully pass on to consumers the costs of complying with local regulations. In practice, they treat development charges just like any other cost of doing business and add a profit percentage to it when they set the sales price of the home. So the consumer usually pays the development fee plus the customary builder's profit on top of it. And when the developer is required to build an off-site facility rather than having the local government do it, he must finance it with money he borrows in the private market, at a rate considerably higher than communities pay for their tax-exempt borrowings. Thus the developer's higher cost of borrowing plus his profit margin on business expenses compound the cost effect of development charges and off-site construction requirements for the housing consumer.

Determining Fair Allocations

When local governments consider whether or not to approve a proposed housing development, they usually try to estimate whether the development will produce enough tax revenue to cover the cost of providing the schools, police, fire protection, and other public services they expect to supply to the families who live there. If the anticipated revenues are great enough to cover the anticipated public costs, the development is considered as "paying its own way." Whether new housing pays its own way is usually a major factor in community decisions on land use, although it is often not the only factor influencing the final decision.

The usual justification for imposing a development charge or requiring a developer to provide extra land or facilities beyond what would be customary in a new subdivision is to bring the local service costs and tax revenues of a development into balance. For example, where the construction of a group of new homes would require a local government to build additional school rooms for the use of new residents living there, and where the new homes are not expected to produce enough tax revenue to pay for the school construction and still cover other local service requirements, a locality may require the developer to provide a school site, build a school or, as in San Jose, to pay a special charge. When special development charges are levied on a home builder, the declared purpose is usually to prevent facilities and services needed exclusively or primarily by residents of his subdivision from imposing a tax burden on other citizens of the community.

Setting a price just high enough to cover these costs is not easy. First, it is necessary to forecast the fiscal consequences of a proposed housing development for the local governments that will have responsibility for servicing it. Future costs and revenues depend upon many characteristics that are special for each development, each governmental jurisdiction, and each time period. Fresno, California, has recognized the project-specific nature of fiscal impacts by organizing a service delivery review procedure that involves projecting tax revenues and public service costs 5 years into the future for each proposed housing development outside the urbanized areas of the city. If the development is expected to yield less revenue than the anticipated cost of public services plus capital requirements, the developer is normally required to pay a fee that will bring revenues into line with costs.

Fiscal impact studies have come into widespread use as local government tools for evaluating land development proposals. However, despite their general acceptance across the country, they often fail to provide a reliable assessment of future service costs and tax revenues. A basic starting point for judging the fairness of any development cost allocation between the builder and the local government must be a reasonable forecast of future tax revenues and service costs. This will mean conducting a competent fiscal impact analysis, using sound methods and reliable data.

Current levels of practice in fiscal impact analysis may be gauged from the results of a national survey of fiscal impact studies conducted by the Rutgers Center for Urban Policy Research. Of a representative sample of 140 studies completed between 1970 and 1976, the Rutgers analysts found that:

> Twenty percent were either incomplete, incomprehensible, or incorrect (with arithmetic or conceptual mistakes). In over half the locations where the study was undertaken, the presiding local official could not gauge the study's accuracy. Sixty percent of the cases contained no replicative capacity without the specific local consultants and staff planners who prepared the initial report.

Even those studies that are reasonably competent in terms of methods often produce inconsistent findings. That is, different analysts studying the same development may reach different conclusions about whether it will produce a revenue surplus or a deficit for local governments.

Because local government officials typically see their function as protecting existing residents of a community from tax increases or other problems that might result from new development, the studies they commission often make "worst-case" assumptions about future impacts in order to provide an extra margin of safety in their conclusions. Sometimes they have other motives that introduce additional anti-development biases into their analyses.

All this is not to say that government-sponsored fiscal impact analyses are usually untrustworthy, or that developer-sponsored studies should inspire greater confidence than government-sponsored ones. The important point is that fiscal impact analysis is not a form of scientific research. Results are easily shaded by assumptions about future conditions, when there is no objective way to know what these conditions will be.

Sometimes the shading is inadvertent, sometimes it results from assumptions about which reasonable people may well differ, and sometimes it is intentional.

Fiscal impact analyses ought to be investigated very carefully to discover possible biases and questionable procedures or assumptions. Where a fiscal impact analysis is used as the basis for levying special development fees, or requiring off-site facility construction, the developer would be well advised to hire his own consultant to review the official study or to prepare an independent one.

In one important respect, most fiscal impact analyses contain a built-in bias that tends to exaggerate projections of future service costs. Most analyses use population data from the past that fail to reflect recently declining birth rates, and therefore overstate the likely number of school-age children who will live in new housing. In addition, most fiscal impact studies fail to take into account impending changes in school district financing. The state supreme courts in California, Connecticut, New Jersey, New York, and Texas have all found present school financing arrangements based on local property taxes unconstitutional. Similar litigation is now working its way through the courts in at least 15 other states. Although the state legislatures have yet to devise plans consistent with these court findings, the required move toward school finance equalization will inevitably reduce the impact of new housing on local property taxes.

The problems of forecasting future costs and revenues resulting from new housing raises important questions about the factual basis for deciding whether a developer should be required to make special payments, or undertake extra construction, so that his development will "pay its own way" in terms of local finance. Yet a more basic question is whether every development *should* be expected to pay its own way. In any community, some residential areas contribute more in taxes than they require in services, while others cost the locality more than the revenues they supply. When established residents demand that every new development must pay its own way, they are claiming advantages for themselves that they deny to newcomers. Despite an extensive record of land use litigation, however, the courts have not yet clarified whether this double standard is permissible. In general, they have ruled that the fiscal impact of development is a valid consideration in making local decisions on land use, but that it cannot be the sole basis of land use policy.

Land uses are interrelated in both functional and fiscal ways. To make separate fiscal impact calculations for each residential area, each shopping center, and each industrial park overlooks the connections among them. Thus an individual subdivision may produce a deficit for the local treasury, but the people who live there shop and work in places that yield a surplus. To exclude developments of moderate-cost housing would therefore reduce the value of nonresidential developments nearby and lower their property tax yield. The full fiscal impact of new housing involves communitywide development and fiscal flows.

In addition, there are many circumstances in which nonresidential revenues pay for such a large share of local costs that it is clearly inappropriate to expect a new housing development to pay its own way. Palo Alto, California, recently based important land use decisions on the principle that new housing should pay its own way, when in fact nonresidential property constitutes so large a share of the tax base that practically no existing housing there pays its own way. Palo Alto has succeeded in attracting a large amount of high-value light industry employing 50,000 people, while there are only 20,000 resident households in the community. Business and industry pay two-thirds of all the property taxes collected, and the tax rate is exceptionally low. City officials objected to a development of expensive homes proposed in 1969 largely on the ground that the houses would not yield enough tax revenue to cover the cost of educating children who would live there. The developer commissioned his own fiscal impact study, which confirmed that his housing would generate an annual deficit of $475,000 for the local school district. He was, however, able to argue that the people who bought his homes would come much closer to paying for their school costs than people in the rest of Palo Alto. In the city-at-large, residential property taxes covered only 35 percent of the school district's budget, with business and industry making up the rest. In the proposed new development, his study showed that homeowners would pay three-fourths of their own school costs. Still, the city moved to protect its advantageous tax position by blocking the new housing.

In other communities with large nonresidential tax bases, the same conditions are likely to apply. Also, in situations where revenues from sources other than the property tax supply a large part of local government funds, very little housing is likely to pay its own way. In California after the passage of Proposition 13, local tax rates are held to 1 percent of assessed valuation and state aid supplies a large share of local government revenue. Instead of basing decisions on whether new developments pay their own way, it would be more equitable to ask whether they pay for as large a share of their public service expenses as the average existing developments. Although local officials are likely to resist suggestions of this kind, the courts may in time be more attentive.

Bernard Frieden is a professor of Urban Studies at MIT and a Research Fellow of ULI. His latest book, *The Environmental Protection Hustle*, was published by MIT Press in 1979. He recently served as director of the MIT-Harvard Joint Centre for Urban Studies. The research reported here was originally prepared for the National Association of Home Builders.

Meeting Report

The city of Orlando served as subject and host for the ULI-Urban Land Institute's fall meeting October 19-22 at the Walt Disney World Contemporary Resort Hotel.

More than 1,200 nationally and internationally prominent developers, financiers, planners, and government officials participated in on-site inspection tours of key metropolitan Orlando residential, recreational, commercial, and industrial projects.

The 40 sessions included an expert analysis of the energy crisis for consumers and developers; the controversial issue of urban/suburban shopping center development; a study on the future of rental housing; and the practical partnership of real estate and transportation.

Presentation of the first ULI Award for Excellence to theGalleria (see *Urban Land*, November 1979) was made at the opening session.

Disney organization committed to entertainment

The Disney organization opened its doors to welcome ULI to Walt Disney World (WDW) in Orlando, Florida. In a specially touted offering, the Disney vice presidents presented their story, with the expected polish and pizazz, reflecting Disney's sole dedication to entertainment.

Dissatisfied with the usual theme park for his children, Walt Disney expanded the idea of this ordinary park and created Disneyland. After Stanford Research Institute marketing studies (1952) and an initial $17 million investment, the 300-acre Disneyland in Anaheim, California, opened on July 17, 1955. Since then the investment has grown to over $200 million and has had approximately 180 million visitors.

Disney, however, was not totally satisfied with Disneyland and wanted to overcome some of the limitations of the project, particularly the lack of control he had on adjacent strip development with hotels and motels that sprung up around Disneyland. The answer was to do another Disneyland, or what is known now as Disney World, in Orlando.

Encouraged by their experience with four shows at the New York World's Fair in 1964 and 1965 as a market test, WED Enterprises assembled land near Orlando, Florida, because of the availability of land, good climate, and accessibility, particularly by highway. In all, 27,400 acres were purchased for an average of $200 per acre. Since announcement of the project, land adjacent to WED's holdings has sold for $30,000 to $100,000 per acre. With the 27,400 acres Disney was assured of control of the land around his theme park, and with the Reedy Creek Improvement District, he and his staff at WED could develop new design ideas and could test construction methods and materials that were not possible at Disneyland.

The Reedy Creek Improvement District (RCID) had its origins in 1964 as a drainage district. On May 12, 1967, RCID was established as a multipurpose improvement district with a small staff and budget. The district has been concerned with all aspects of land use and development. For example, it monitors the project's air and water quality and recently (1979) established a comprehensive plan which established conservation (8,737 acres) and primary open space (8,000 acres) for the site. The balance of the site in the comprehensive plan is designated for public recreation and support uses.

Walt Disney died before Disney World opened in October 1971. Included in the $500 million Phase I is the 100-acre Magic Kingdom theme park, two resort hotels, a 640-acre campground, and various transportation and support improvements, including a monorail transit system. With 14 million guests per year, Disney World is the number one destination resort in the world. The resort hotels, which are owned and operated by WED, have a 98 percent occupancy and the campsites a 78 percent occupancy. Approximately 80 percent of the people that visit Disney World return for another visit. Lake Buena Vista, a resort community is located on the 27,000-plus acres. It complements Disney World Phase I with a theme specialty shopping center, a country club, vacation villas, office building, and independently owned and operated hotels, among other activities. WED Enterprises is now developing a $250 million capital expansion program. Plans for a 200-acre Experimental Prototype Community of Tomorrow center are underway for an opening in 1982. The goal of the two major theme areas, Future World and Nations of the World, is not only to entertain but also to enlighten.

No matter what it has done, whether it is providing housing, transportation, or food services, WED considers itself in the entertainment business that treats support services as extensions of the theme park.

The Hawaiian Recreational Development Market—Maui

The Hawaiian recreational market has been growing very rapidly since the 1960s, with projections of visits doubling again in the next decade. The affluent islands market seems to have been relatively insulated from recessions. Recent development has spread from the mainland to the neighboring islands, such as Maui, where a less intensely developed environment is offered compared with the island of Oahu and the city of Honolulu. In seeking a natural, rural setting, visitors to Hawaii (Maui) are willing to pay a premium for quality development products. In discussing recreational development on Maui, three resort/recreational destinations are featured—Kapulua, Wailea, and Kaanapali.

Colin Cameron, president of the Maui Land and Pineapple Company, Inc., discussed Kapalua, the newest of the large, developer-controlled destination resorts on Maui. Kapulua comprises 750 acres of oceanfront, including a hotel, golf course, tennis courts, shops, and four condominium projects, with additional development on line. The recreation zone is surrounded by 22,000 acres of company land. Kapalua is intended as a high quality residential community. Condominiums are sold on a leasehold land arrangement, apparently with no resistance. Cameron outlined location, product standards, developer reputation, and strong quality-based marketing as the major reasons for Kapalua's success. In comparison to Wailea and Kaanapali, Kapalua projects perhaps the most low key profile while catering to the most exclusive market sector.

Wendell Brooks, general manager of the Wailea Development Company, provided a description of the luxury-oriented Wailea residential resort community. The slower pace of Maui is considered to be a major market appeal of Wailea. Like Kapalua, Wailea is a product of the 1970s and is at the state now of showing its first profits. Wailea is larger than Kapalua with 950 hotel rooms and a planned total of 3,500 condominiums and single-family lots. At target sales of 175 condominiums and 75 single-family lots per year, Brooks anticipates full absorption of the project in 12 years. The developer prefers fee simple sales, which is felt to minimize adverse impacts. The developer does not wish to own or operate hotels and residential construction activity is contracted out. An important growth area in Wailea is in shopping and dining.

Tenney Takahashi, president of AMFAC Communities-Maui, reported on Kaanapali, the most mature and intensely developed planned recreation destination of the three examples on Maui. Kaanapali is more a resort, with 2,200 hotel rooms and 700 condominiums. The first hotel was completed in 1963, followed by a period of slow growth in the middle sixties. Kaanapali pioneered on Maui, going through a number of phases in reaching greater maturity. The owner of Kaanapali has used sub-developers and sold certain interests along the way. Kaanapali underwent its master plan approval over 10 years ago, securing large amounts of land zoned for urban use. Themed shopping is popular, as is the nearby historic whaling town of Lahaina. Takahashi summarized that Kaanapali is at a crossroads. Like many resort destinations, increasing maturity has led to serious questions of market appeal and product quality as the stage of mass consumption has been reached. Competition for tourist markets and further development potential on site are major concerns.

Peter Sanborn of Hawaii identified four factors underlying recreational community success on Maui: government objectives, large land holdings, quality product, and strong marketing. The benefits of individual resort promotions are shared across Maui. As seen in the three Maui examples, the favor of the affluent market may shift, but in Hawaii older facilities remain very much in demand. Island regulations are comprehensive and restrictive, contributing added value to approved operations. Common problems are competitive construction consignments between projects and employee housing. When to take profit is always a question. To date, quick and high priced property sales have been the norm on Maui.

Energy and land use

A combined nine-council energy workshop was held October 21 with Anthony Downs, senior fellow at the Brookings Institution, presiding. The workshop was titled "A Gallery Approach to the Impact of the Energy Crisis on Land Use and Development." The first presentation was given by Downs.

After a brief workshop overview, Downs discussed the impact of the energy crisis on the land development process. He stated that, historically, land use patterns have influenced energy use instead of energy use dictating land use development. The reason for this relationship is that land, financing, and materials are the dominant development costs, and energy costs are secondary in value.

Based on this relationship between energy costs and other land development costs, Downs felt that future land use patterns would be more a function of housing demand than energy cost. He noted that of the 86 million housing units projected as the year 2000 housing demand, 68 million units, or 63 percent, already exist. Thus, in Down's opinion, managing existing housing stock should be our primary concern with new housing development of secondary importance.

Downs emphasized that social factors are the primary forces influencing land development patterns. Specifically, he said that studies indicate Americans presently prefer small town environments as places to live. Furthermore, his research reveals that the desire of well-off individuals to segregate themselves from poor people coupled with the desire of white individuals to segregate from the nonwhite population has a tremendous impact on land development patterns. Downs believes that since the pattern of land development is affected by so many various externalities, land use planning frequently results in social exclusions as well as poor resource allocation.

Downs also stated that higher energy costs will not result in increased urban densities. He supported this conclusion by remarking that housing prices are escalating faster than gasoline prices to the extent that gasoline prices could double and still not compete with escalating housing costs. Therefore, he predicted that people will continue to move away from urban centers in search of affordable housing despite rising energy costs.

Omi Walden, assistant secretary of Conservation and Solar Applications at the Department of Energy, discussed the need for Americans to change their attitudes regarding energy production, consumption, and conservation. She stressed the desire to enhance people's awareness and knowledge of energy alternatives.

Walden briefly traced energy development and use in the United States. She emphasized that oil and gas reserves were considered the best energy resources and were being developed at the expense of alternative energy sources. Walden felt that although this decision was correct at one time, it is now the Department of Energy's responsibility to help change this policy.

Furthermore, Walden felt that energy conservation programs have met public resistance because of their negative image. She pointed out that many people associate the word conservation with sacrifice and curtailment. This association is not based on fact. Walden cited several examples of conservation techniques and programs that have actually increased activity and development. She stated that although the U.S. Department of Energy should assume the responsibility of promoting conservation programs, industry and business leaders must take the initiative and implement energy conservation technology. The Department of Energy is presently attempting to change people's negative attitudes about energy conservation by demonstrating the beneficial results of conservation programs.

The Vantage Advantage

Formed in 1959, the Dallas based Vantage Companies provide an excellent example of successful development practices. On Monday, October 22 President John F. Eulich described his approach to industrial, office, and commercial development that has seen the company rise to current annual sales of over $450 million.

Vantage operates as a full service developer, thus allowing them to take a project from inception to completion through its 10 in-house operating companies. Eulich stressed that in order to obtain the best market price possible, the company constructs 85 percent of its buildings on a speculative basis. Vantage believes good risk management dictates the size of the project itself, as well as the type of buildings and services constructed within each geographical market. Based on the speculative type of development done by his company, Eulich feels that marketing is the single most important activity that can assure project success. He feels it is vital to keep the brokerage community, Chamber of Commerce, and the railroads and utilities informed of projects under construction. He further noted the importance of quality descriptive brochures, direct mail, and door-to-door canvassing of local tenants to obtain leasing of the project. Of significant value is attractive and informative signage on the property itself—60 percent of the requests for information coming into Vantage offices are the result of project signs.

In closing, Eulich summarized what he believes to be the keys to successful development: picking the correct location, providing distinctive and attractive architecture, insuring quality construction in a timely fashion, aggressive marketing, good management, and sound financing. He firmly believes in treating people fairly, and doing well what you know best.

Gerald S. Leighton, assistant director of DOE's Division of Building and Community Systems, addressed the subject of energy impacts in relation to residential site design and development. He began his presentation by noting two significant factors regarding energy resource management: first, conservation is an energy source that to date has been virtually untapped, and secondly, energy resource management is the most complex problem this country has ever been faced with.

Leighton explained that the Department of Energy is sponsoring a study of five residential development projects to analyze the energy conservation potential in residential development.

The preliminary study results show that energy consumption can be reduced substantially by employing innovative conservation techniques, and that site development costs did not increase substantially. The cost payback period was estimated to be about 4 years and lending institutions must be sensitive and receptive to this time commitment. In addition, the study indicated that no one solution could be applied in all cases. That is to say, the local site conditions dictate the best approach to design and development.

Leighton states that before significant energy conservation could occur in residential site design and development, the development process itself must be altered. Specifically, the role of utility companies must change and the role of design professionals must be altered. In this regard, he singled out landscape architecture as a discipline lacking energy conservation information and noted the general need for input from specialists in the decision-making process. Finally, Leighton said that the attitude of banks and lenders must be altered to accommodate new development policies and development processes. In conclusion, Leighton stated that DOE intends to continue its efforts to improve development practice in this regard.

On the Waterfront

Bruce D. Alexander, senior vice president, The Rouse Company, commenting on the specialty retailing elements of Harbor Place in Baltimore's waterfront redevelopment and Faneuil Hall and the Quincy markets in Boston, said that four factors were necessary for the success off this type of retailing: a sense of delight, fun, and entertainment for those who come to the area; a sufficient market, including workers in the immediate area, visitors, and tourists; the right location in relation to the surrounding neighborhood and environment; and an authentic reflection of the history and traditions of the area.

The Joint Development Connection

Realizing the relationships between urban economic development, transit, and the benefits of joint development, the ULI research effort followed a three-step approach of identifying significant projects, highlighting the important business arrangements or "deals" between and among the participants, and analyzing the joint development process and deals.

The emphasis on deals arose from a concern for the implementation of joint development. Previous transit experiences in Montreal and Toronto demonstrated the power of transit stations as catalysts for private real estate development. Large-scale developments in Montreal proliferated in the central area of the city and at the transit stops in suburban areas. The story was similar in Toronto.

When the BART system in San Francisco opened, however, the response was disappointing. Other than a boost in office construction along Market Street, the BART system has stimulated little real estate development around the stations. The lack of joint development in the San Francisco Bay area led to skepticism about the ability of transit facilities to stimulate development on adjacent properties. The ULI study was based on the premise that, rather than demonstrating a misunderstanding of the transit/development relationship, the lack of joint development showed that both the public and private sectors have little knowledge of the complexities of the planning for and implementation of joint development.

The study concluded that the arrangements or "deals" between the public and private sector are an essential element of successful joint development. The planning steps, such as route selection, station location, station entrance designs, and zoning and land use policies, are quite important preliminaries to deal making. The structuring of the deals among the private and public sector joint development participants remains the key to joint development implementation. With this concern in mind, the study team analyzed the "deal making" aspects of joint development projects in the United States and Canada in order to spread the lessons of these deals to both public and private practitioners.

ULI research identified five types of deals that are made during the implementation of joint development projects. The participants in these deals usually include the developer and the transit authority but numerous other parties, including redevelopment agencies, parking authorities, public works agencies, and private landowners, can also be involved. The five types of deals identified in the study include:

- land assembly and transfer deals
- the provision of public facilities
- combined or coordinated construction arrangements
- access agreements, and
- operating agreements.

Mexican and Caribbean resort markets

Three product types are available in the Mexican and Caribbean markets—free-standing; government sponsored, destination resort; and planned resort communities. Development opportunities are:

- rapidly expanding markets (U.S. and other nations)
- lower costs for land, labor, and construction (maybe)
- project profiles better than U.S.
- few environmental constraints (except Venezuela and Mexico)
- limited local competition
- partner selection from large private corporations or government
- product value better than U.S.

However, the pitfalls are:

- lack of control (i.e., legal protection, poor local planning, etc.)
- poor locations
- seasonability (particularly for hotels)
- legal problems
- politics (government stability and political infighting)
- peculiar financing (sometimes no interim loans, etc.)

Resort buyers overlook many things but political stability must be there. Mexico's political stability is now questionable but improving; in the Caribbean, political stability depends on the jurisdiction.

Each country's way of doing business varies. Developers must work with locals (check out first) and therefore should have the basics of the native language. Developers should not overextend themselves because economies and political situations change. A developer active in the U.S. must have the time or talent to control a project at a distance. Factors like exchange rates and currency re-evaluations can also greatly affect development abroad.

Changes necessary in multifamily development

The future outlook for multifamily housing appears encouraging, according to a workshop held by the Urban Land Institute's Residential Development Council at the fall meeting. Multifamily housing starts have been rising in recent years, and it is projected that in 1980 they will number about 475,000 in the United States. While this represents a slight decrease from 1979, this decrease is less than that which is projected for single-family starts in 1980.

It is anticipated that multifamily demand in the 1980s will be high. This will be a function of several factors, including a continuing increase in the number of singles as a result of changing lifestyles, an increasing percentage of elderly, and the increasing inability of a large percentage of the population to afford single-family housing.

However, if the multifamily supply is to keep pace with this demand, the development industry will be required to rethink past strategies and make several changes. First, many of the amenities which have been typically associated with multifamily development in recent years may have to be eliminated in order to keep down costs as much as possible. Thus, it is projected in the 1980s that price will become the ultimate amenity for most consumers.

Second, a number of design changes may be required, including a shift from the past emphasis on size (square footage) to an emphasis on the provision of more innovative and exciting design.

Third, a change in financing strategies will be required, including rethinking of the leverage concept. The advantages of borrowing as much as possible are no longer present with the prevailing high interest rates. There may also be an increase in the number of smaller deals made with cash and in the participation of the development industry in various federal subsidy programs such as section 221d4 (which provides insurance to enable the developer to obtain a loan from the private sector at a lower rate) and Section 8 (which subsidizes the differences between market rate rents and 25 percent of the income of the tenant).

Fourth, there will be an expansion of condominium conversions which will benefit young people by giving them an opportunity to enter the housing market. It is not expected that these conversions will deplete the rental housing stock significantly, since about one-third of the conversions will probably be purchased by young people for speculative purposes and thus end up being rental stock. Further, about one-third of the rental inventory in the United States is made up of single-family units which will not be affected by conversion.

Finally, the multifamily housing of the 1980s will be characterized by more rapid rent increases than in the past decade, the spread of rent control, lower vacancy rates than presently exist, and the purchase and construction of units with an eye to possible conversion and sale. In addition, the 1980s will see more local government ordinances restricting property rights, the continued expansion of tenant rights, and increasing pressure on the federal government to develop new and innovative rental policies.

Contributors include W. Paul O'Mara, Associate Director of Publications; John Casazza, Associate, Publications Division; Jerry S. Church, Director, Membership Services Division; Denise Darling, Public Affairs Director; Robert L. Helms, Administration Division Director; Eric Smart, Associate, Publications Division; Joseph D. Steller, Jr., Senior Associate for Education, Program Division; and Douglas Wrenn, Associate, Publications Division.

Housing Costs and Land Use Regulations: A Statement of ULI Concern

The Urban Land Institute believes that the high price of shelter is a national problem that affects millions of families in all parts of the nation. The costs of buying or renting a home have risen dramatically in recent years. Although fed by the inflation that affects the whole economy, the rise in housing costs has been more acute than overall increases in consumer prices. In the 1960s family incomes kept pace with new home prices, but the 1970s have seen housing costs rising faster than incomes. Between 1972 and 1976, median family income rose at an annual average rate of 7.05 percent and the consumer price index by 8 percent. During the same period, the median sales price of a new, single-family home increased by 12.49 percent and the price of existing one-family homes by 9.3 percent. Rents have not increased as fast as average incomes, although they have been rising twice as fast as in the previous decade.[1]

A recent study indicates that mortgage payments rose from 16 percent of median income in 1972 to 33 percent in 1976.[2] The chairman of the Federal Home Loan Bank Board reports that only 15 percent of potential homebuyers can afford the monthly payments required to meet current mortgage rates and housing prices. This is a "severe drop" from past years.

What these stark statistics mean to many Americans is that they cannot afford both decent housing and the other elements of a decent standard of living. Families spending an inordinate proportion of their income on shelter are sacrificing income needed for an adequate diet, for medical care, for adequate clothing, for savings, and for their children's education.

To be sure, many homeowners have been able to parlay the inflated value of their homes into a financial resource for securing better housing. But many other households do not have this advantage. Hardest hit are young first-buyers, the fixed-income elderly, low-income families, and households with special housing needs. To them, the cost of buying or renting shelter is too often a crisis, not just a serious problem.

Why the crisis in housing costs? To a large degree they reflect the inflationary spiral. The cyclical nature of the housing industry itself has caused short-term price surges. But it has become evident that growing public restrictions on development, coupled with the decreasing financial resources of many communities, have greatly exacerbated the problem of rising housing costs. Long-term trends combined with actions inspired by special interest groups have made the production of housing more difficult, more time consuming, and therefore more expensive.

A History of ULI Action

ULI's concern with this issue is long standing. A policy research program dealing with rising housing costs was initiated in 1975 with the assistance of the Urban Land Research Foundation. A result was publication of *Effects of Regulation on Housing Costs: Two Case Studies* (1977, Research Report No. 27). ULI also worked with a number of other organizations including the Rice Center in Houston, the Rutgers University Center for Urban Policy Research, the National Association of Home Builders, and the U.S. Department of Housing and Urban Development to study the relationship between cost increases and land use regulation. Recognizing the need for action in the regulatory field to alleviate the housing cost problem, ULI sponsored a symposium on regulatory simplification in 1978[3] and is presently working with the American Planning Association on preparation of a handbook for local officials on the subject of improving development permit procedures.

HUD Actions

Two efforts by the U.S. Department of Housing and Urban Development helped focus attention on the issue. Late in 1977, HUD formed a task force on housing costs with a mandate to "analyze and understand the extent to which costs truly have risen for reasons other than general inflation and to develop specific solutions to the problems which HUD and other institutions can act upon." Its May 1978 final report urged immediate action and research in nine areas—national monetary policy; federal tax policy; land use regulations and development standards; housing finance; land supply; development techniques and technologies; the housing needs of disadvantaged population groups; utility costs, insurance costs, and property taxes; and the process of housing construction and rehabilitation.

HUD recognized that improving federal agency procedures was not enough. The task force recommendations emphasized the need to encourage greater attention to the issue by state and local governments and by the private development industry. Therefore, HUD called a National Conference on Housing Costs for February 1979, which ULI helped to manage. The HUD conference focused on reducing housing costs by improving development standards, increasing the supply of developable land, providing for an equitable distribution of public facilities costs, and improving permitting procedures.

Intensive workshop discussions by the 350 participants who represented a broad spectrum of public and private interests showed a clear perception of the relevance of local policy to the housing cost problem and a strong agreement on the types of basic measures that local governments can take to help solve the problem.

Both the HUD conference and the HUD task force underscored the fundamental significance of governmental regulation along with inflation as the reasons for the rise in housing costs. The battle against inflation must be waged at the national level, and federal monetary policy must be evaluated in terms of its effect on the supply of home mortgage financing. Land development regulations, on the other hand, are largely a local matter. It is this aspect of the housing cost problem that ULI can and should address at this time.

Regulation and Escalating Costs

In the past decade, government authority over land development has expanded tremendously. In part a response to concern about the quality of the urban environment and in part a reflection of a general increase in regulatory activity, the enlarged presence of government in land development has had mixed results. It has helped stimulate higher quality residential development and greater housing choice. The housing industry has responded affirmatively to such influences. But regulation has also meant costly delays and higher development risks, has stifled innovation by encouraging conformity, and has often generated inefficient urban patterns.

Governmental actions at the state and local levels increase costs throughout the housing production process. Restrictive growth policies and excessive development standards make it difficult to find reasonably priced land for development. Inefficient procedures and unduly elaborate regulations delay and complicate public approvals for development proposals. Vague requirements and lengthy approval processes encumber the timely provision of public facilities.

To achieve a reduction in housing costs, the regulatory processes which govern land development must be improved. Legitimate regulation is not at issue, rather, the issue is how regulations are promulgated and administered. Improving the regulatory system probably will not require sweeping changes in procedures. But it will take a new willingness to critically examine land development requirements in terms of development economics—a commitment to make the system work more fairly and more rapidly, with more certainty about outcomes. It will necessitate a change in the adversary relationship which often exists between public agency staffs and private developers.

The crisis in cost and availability of housing demands a concerted effort from both developers/builders and elected public officials. The public outcry over housing issues is a mandate for remedial public action. The national interest in "a decent home for every American" should be reflected in policies and actions at all levels of government.

Future ULI Actions

In view of the critical nature of the issue, ULI will continue to actively encourage and assist its members, other organizations, and government agencies in the task of improving land use regulation as a means of relieving pressures on housing costs. ULI intends to play a pivotal role as a clearinghouse of information on housing cost problems and remedies. The Institute strongly encourages public and private sector representatives to become thoroughly familiar with the report of the HUD National Conference on Housing Costs.[4]

ULI will also continue to carry out a policy research program focused on the subject of regulatory reform. The ULI Growth Policy Program, supported by the Urban Land Research Foundation and initiated in the fall of 1979, will result in a series of studies and policy statements on local regulatory and land use management practices.

Finally, in order to stimulate immediate action at the state and local levels, ULI is preparing an official policy statement on land use regulation and housing costs. This statement will build on ULI's experience with the HUD National Conference on Housing Costs and will set forth those actions that ULI believes should receive high priority attention from state and local officials and the private sector. We solicit suggestions from the membership regarding the policies to be included in the statement, which will be acted upon at the spring 1980 semi-annual meeting in Honolulu. Paul Reimer, chairman of the Development Systems and Services Council, is acting as coordinator of this effort. Please send your suggestions to Paul at Reimer Associates, 1633 Old Bayshore Highway, Burlingame, CA 94010 or to Douglas Porter at ULI.

Footnotes

1. *Final Report of the Task Force on Housing Costs* (Washington, D.C.: U.S. Department of Housing and Urban Development, 1978), pp. 2-3.
2. Data Resources, Inc. as reported in *The Washington Post*, September 16, 1979, p. c-1.
3. *Thirteen Perspectives on Regulatory Simplification*. Research Report No. 29. (Washington, D.C.: Urban Land Institute, 1979).
4. *Reducing the Development Costs of Housing: Actions for State and Local Government. Proceedings of the HUD National Conference on Housing Costs.* (Washington, D.C.: U.S. Department of Housing and Urban Development, 1979) (HUD-PDR-502). This is available from HUD USER, P.O. 280, Germantown, MD 20767. (301-428-3105)

LAND USE ABSTRACTS...

Pelham, Thomas G.
STATE LAND USE PLANNING AND REGULATION: FLORIDA, THE MODEL CODE, AND BEYOND
Lexington Books, 125 Spring Street, Lexington, MA 02173
1979. 211 pp. Index. $22.95

In the 1960s, a movement to reform the local land use regulatory system got underway. Its major objective was to broaden the system to encompass state and regional issues, to overcome the narrow parochialism of land use decisions based on local concerns. Increased state participation in land use decision making was to be the cornerstone of the reform effort. But now reformers are concerned over the loss of momentum in this movement. "While it is too early to write the obituary of the reform movement, it cannot be denied that the quiet revolution is presently quiescent." Except for the California Coastal Act of 1976, no major state land use laws have been enacted since 1975, and efforts are afoot to repeal recent land use legislation in some states.

Pelham feels that this lull in new land use activity on the state level presents an opportunity to evaluate some of the land management techniques that were devised in the "first phase" of the reform movement. These he classifies in three categories:

- state regulation of selected activities, focusing on land development which because of its size, character, or location has broader than local impact. Decisions on land uses which fall into the selected activities category may be made locally, but they are subject to state standards and guidelines, and they may be subject to state review.
- state regulation of critical areas
- state and local comprehensive planning, or a subordination of all local land use decisions to a mandatory state and local comprehensive planning process.

Each of these approaches is analyzed in this book through a summary of major state legislation and case studies of selected programs. Florida's experience is emphasized because it has experimented with all three of the approaches and is, therefore, the nation's chief land use laboratory. "Several broad themes recur in this study. First, while state land use controls generate much controversy because of their imposition of tighter restrictions on the use of private property, far more serious political and legal problems are engendered by their encroachment on the traditional prerogatives of local government and their utilization of state administrative agencies. Second, much of the new state land use legislation, and especially laws inspired by the critical areas and selected activities models, are process-oriented and fail to provide sufficient substantive policy guidance for land use decision making. Third, enactment of comprehensive selected activities and areas programs should not become a fetish with reformers since implementation . . . probably will produce less effective controls than ad hoc approaches. A fourth and closely related theme is that the activities and areas models are likely to be utilized primarily to cope with physical environmental problems in undeveloped areas rather than with urban problems. Fifth, the comprehensive planning model supplies many of the elements missing from the activities and areas approaches by adding a positive dimension to the state's arsenal of land use controls."

Ridgeway, James
ENERGY-EFFICIENT COMMUNITY PLANNING: A GUIDE TO SAVING ENERGY AND PRODUCING POWER AT THE LOCAL LEVEL
The JG Press, Inc., Box 351, Emmaus, PA 18049
1979. 221 pp. Illustrated, index. $14.95 ($9.95 paper)

Federal attempts to deal with the energy question in the past 6 years have shown little signs of progress, but in many communities there have been substantial changes in the ways energy is used. "While these changes are seldom noticed, they combine to make the beginnings of what could well become a national energy policy." This book looks at a number of community-wide innovations related to energy conservation and alternative energy technologies. The energy programs of four cities are discussed in some detail:

- Seattle, Washington, having rejected nuclear power sources, is experimenting with city-enforced energy conservation, electric power from wood burning, and solar energy combined with hydropower.
- Davis, California, has adopted a wide-ranging energy program which includes such techniques as growth management, an energy conservation building code, an ordinance requiring energy conservation retrofits on homes put up for sale, solar home demonstration designs, changes in setback requirements for new homes, support for cottage industries, new street standards, street shading requirements, and an emphasis on bicycle transportation.
- Northglenn, Colorado, plans to approach energy use through a coherent water policy—a decision to curtail growth, to move gradually toward higher densities, and to recycle and share scarce water resources between the city and farmers so as to keep agricultural lands in production.
- Hartford, Connecticut, has adopted a number of initiatives, including an urban food plan to use out-of-work youths to grow food for the city's low income population, work training programs in weatherization, and energy audits within the city government. Hartford has established a Community Energy Corporation which is attempting to set up labor intensive industry related to energy conservation services—audits, insulation, retrofits, etc.

Throughout the nation, cities and towns are experimenting with ways to make use of renewable energy sources. Ridgeway describes some of these: producing electricity from wind (Clayton, New Mexico) and from wood (Burlington, Vermont), door-to-door energy audit services (Greensboro, North Carolina), using garbage to produce energy (Ames, Iowa), and the financing of energy conservation or alternative energy systems through small business programs and community energy corporations. Other topics covered in this book are low-rise, high-density architecture for energy conservation, the economics of a national solar transition, a proposed national energy plan that is based on maximum public participation, and a checklist for community energy action.

SOCIO-ECONOMIC IMPACT ANALYSIS OF SELECTED AIR POLLUTION CONTROLS IN THE HOUSTON-GALVESTON REGION
Rice Center, Nine Greenway Plaza, 19th Floor, Houston, TX 77046
1979. 144 pp. Tables, bibliography. $17.00

Under a project known as HAOS (Houston Area Oxidant Study), the Houston Chamber of Commerce sponsored a series of studies, one of which is this Rice Center analysis of the socio-economic impacts of air quality control measures. The geographic scope of the study was limited to eight counties in and around the Houston metropolitan area. Impacts are described in terms of the difference in value between baseline projections to 1995 in the absence of controls and projections in the case of imposition of various air quality controls on both stationary and mobile sources of pollution. Two air quality control programs were postulated:

- Case 1, confined to control used to reduce hydrocarbon emissions, included the application of Reasonably Available Control Technology (RACT) on existing pollution sources and of Lowest Achievable Emission Rates (LAER) technology on new sources; a 3 to 1 emissions offset requirement for new sources within the Air Quality Control Region; vapor recovery for gasoline and crude oil transfers; parking price adjustments; mass transit incentives; and the inspection and maintenance of vehicle emission control systems.
- Case 2 included all the Case 1 controls and added controls to limit sulfur oxide emissions.

In comparison with baseline projections, application of Case 1 controls will result in a 46.7 percent reduction in hydrocarbon emissions, a result that is close to levels currently prescribed by the Texas Air Control Board to meet the Environmental Protection Agency's ambient oxidant standards. For both cases, the increased costs of business were estimated for those sectors that are required to install pollution control devices. In some instances, the capital and operating cost increases are significant. The impact of these cost increases on product prices was not analyzed. By 1995, the estimated reduction in growth in output from the baseline under application of Case 1 controls amounted to 4.6 percent and under Case 2 to 6.6 percent. The impact of controls on the growth of some industrial sectors, for example, chemical production, was very significant. But, with or without controls, the regional shares of economic output will continue to shift away from basic industries like petroleum refining. Employment reductions were 2.1 percent for Case 1 and 3.9 percent for Case 2. Small reductions in average annual household earnings were projected for both cases. The average mobility of the population was estimated to improve substantially over the baseline projection. For example, the average home-to-work trip would decrease from 90 minutes to 70 minutes. Very slight effects on housing density were projected for either control program. "Generally, the socio-economic or population-related effects of the control programs are likely to be small, with some benefits accruing in the areas of personal mobility, public health, and aesthetics." No attempt was made in this study to allocate control program impacts among various socio-economic groups.

Uhlig, Klaus
PEDESTRIAN AREAS: FROM MALLS TO COMPLETE NETWORKS
Architectural Book Publishing Co., 10 E. 40th St., New York, NY 10016
1979. 152 pp. Illustrated. $37.50

The first quarter of this book, which contains full texts in both English and German, is devoted to the principles involved in planning for pedestrian movement in urban areas and to the design elements of pedestrian areas. Uhlig maintains that shaping "a town for pedestrians, in the widest sense, presupposes a radical reform of local transportation policy and partial rethinking of town planning. . . . Pedestrians must once again automatically be regarded as an element of town circulation. . . . Pedestrian malls are just as much obvious infrastructures as are roads and tramtracks. Pedestrian areas are as much a part of the modern town as are theatres, swimming pools, etc." He outlines the functions of pedestrian areas—an urban design element, a means of urbanity, an instrument of town conservation, places for leisure and play, elements of the residential environment. He describes design considerations that should be taken into account in developing pedestrian streets and zones, pedestrian-oriented connections, mixed vehicle-pedestrian areas, internal transportation for pedestrian areas, multi-level pedestrian areas, pedestrian bridges and elevated walkways, pedestrian tunnels and concourses, pedestrian staircases and ramps, pedestrian spaces, and all-weather paths and inner squares. He discusses equipment for pedestrian areas: surface design, street furnishings, furniture, minor architectural features, equipment for play and leisure, lighting, vegetation, fountains, and works of art.

The remaining three-quarters of the book provides amply illustrated examples of pedestrian areas and pedestrian planning in cities around the world. The cities covered are Chicago, Essen, Fort Worth, Frankfurt, The Hague, Hanover, Kalamazoo, Cologne, Liverpool, London, Minneapolis, Montreal, Munich, New York, Osaka, Paris, Philadelphia, Rouen, Seattle, Stuttgart, Vienna, and Wuppertal.

Announcing the 1980

AWARD FOR EXCELLENCE

In furtherance of ULI's principal objective of improving the quality of land use and development, the board of trustees of ULI-the Urban Land Institute has instituted an Awards Program to give recognition to the contribution that the developer and the land use community have made to society and to give recognition to ULI's concern for improved land use.

The second annual award will be presented at the ULI Fall Meeting in 1980.

A Statement of Purpose

The Urban Land Institute Award for Excellence is to be given annually to recognize a single development project in the United States or Canada that embodies those elements of quality and innovation that are worthy of emulation and provide a guide to the future. It honors exemplary developments that combine superior design, innovation, sound economics, relevance to contemporary issues or needs, public/private cooperative efforts, positive impact on community and environment, interdisciplinary facilitation of the development process, and resourceful use of the land.

Award Eligibility Guidelines

- The project shall be located in the United States or Canada.
- The project shall have been substantially completed during the decade *1967-76*. *Substantially completed* means that the project shall be sufficiently mature so that performance can be judged by available evidence. This would not exclude from consideration multiphase projects still under development, provided the level of completion is sufficient to render judgment.
- The project shall be relevant to contemporary and future issues and societal needs.
- Neither cost nor size shall be factors that affect eligibility.
- The project must be economically viable at the time of award. Past performance and prospects for future financial success shall also be considered.
- The project shall provide a model for future emulative endeavors of excellence.
- The public/private development process and collaboration leading to a project shall be elements for consideration in making the award, particularly where such process, document, or law clearly had a positive influence on producing a superior development, resolving contemporary development issues, and guiding the process in other jurisdictions.

Awards Jury

The awards jury shall be comprised of nine ULI members and two individuals from outside the Institute. To assure some continuity, the ULI members will serve staggered 2-year terms. The jury will be representative of a broad-based geographic distribution as well as have a variety of skills, providing insights from development, design, technical specialities, finance, and public/community interests.

Calendar of Events

Deadline for receipt of all suggestions of award candidates	April 15, 1980
First awards jury meeting for nominations	May 1980 during ULI semi-annual spring meeting
Jury evaluation process	Summer 1980
Final awards jury meeting to select recipient	September 1980 prior to ULI semi-annual fall meeting
Award Presentation	October 1980 during ULI semi-annual fall meeting

Since only one award will be made each year, the Awards Jury at its first meeting will define the purpose and elements of importance for the award to be given that year. This will allow the purpose of each annual award to be focused on in a special way.

To assist the jury in defining a special focus and in making its nominations, ULI's *Members* are invited to make recommendations of candidate projects for award. All suggestions will be forwarded to the Awards Jury for their consideration.

The deadline for receipt of suggestions is April 15, 1980. Members may make more than one recommendation but each must be submitted on a separate copy of the suggestion form. Projects submitted last year may be resubmitted provided they continue to meet the eligibility requirements.

SUGGESTION FOR ULI AWARD OF EXCELLENCE 1980

TO: Awards Jury

I believe that the project listed below should be considered in selecting nominations for the 1980 ULI Award of Excellence:

(Type or print legibly)
Name of Project _____

Location of Project _____
City State/Province

Name of Developer _____

Address of Developer _____

_____

_____

Phone Number of Developer Area Code ( ) _____

Contact Person _____
Name Title

Brief Description of the Project _____

_____

_____

_____

_____

_____

Project Data Required:
(a) Year project was completed 19___ (must have been *substantially completed* in the decade 1967–1976)

(b) Size of project _____ (acres, units, etc.)

(c) Special features of project _____

(design, innovation, economics, relevance to contemporary issues or needs, public/private cooperative efforts, impact on community and environment, interdisciplinary presentation of the development process, and resourceful utilization of the land)

I believe the above project would be appropriate to receive the ULI Award of Excellence for the following reasons (look at the Guidelines and Statement of Purpose when preparing this statement):

_____

_____

_____

_____

_____

_____

In order that the project receives fair and equal consideration by the jury in making its final nominations, the following additional materials that will not be returned should be attached to each recommendation form:
(a) a site plan no larger than 8½ × 11 inches and suitable for xerox reproduction;
(b) a single photograph of the project, either 5 × 7 or 8 × 10 inches, and of suitable quality to allow xerox duplication.

NOTE: Do not send other materials—they will not be forwarded to the jury.

_____
Name of person making suggestion

_____

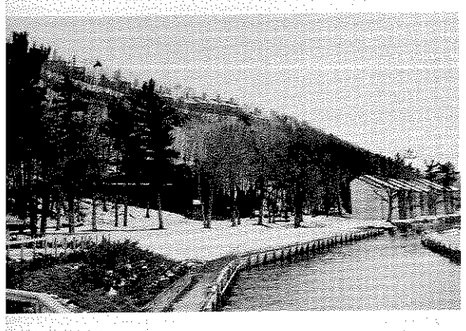
_____

_____
City State Zip Code

( ) _____
Phone Number

Return to:

Frank H. Spink, Jr.
ULI-the Urban Land Institute
1200 18th Street, N.W.
Washington, D.C. 20036



PRF

Fourth Quarter-1979

The Project Reference File, now in its ninth year of publication, is a subscription service of the Urban Land Institute. Five noteworthy development projects are featured quarterly, each complete with text, photographs, statistics, and a site plan. Every PRF is published individually on heavy stock in a four- or six-page format, and 3-year ring binders are available to hold 60 issues. A subscription to the PRF is the best way to build a land development library. Subscriptions are available at $35 per year for ULI members and associates, $50 per year for nonmembers. Single copies may be purchased for $3 per copy. Bulk order price list available on request.

The Pointe
Bloomington, Indiana
Volume 9 No. 16 (Attached Residential)

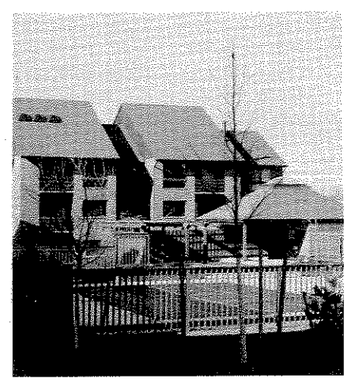
A 389-acre year-round recreational resort community located on Lake Monroe. The project includes extensive open space, condominiums in a variety of architectural styles, and a full complement of recreational amenities. Units are oriented toward either the lake or the 18-hole golf course.

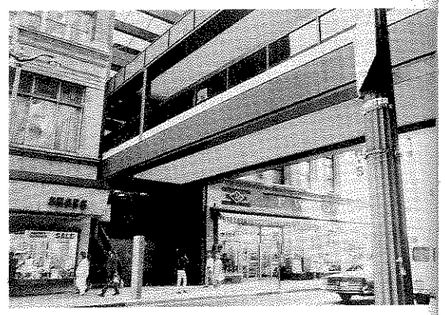
The Homestead
Glen Arbor, Michigan
Volume 9 No. 17 (Attached Residential)

A 221-acre destination resort, second-home community located in the northwest quarter of Michigan's lower peninsula on Lake Michigan. The project contains both condominiums and single-family homes, restaurants, conference areas, and a variety of year-round recreational amenities. The preservation of the unique beauty of the natural setting has been stressed in project design.

North Green at Annapolis
Annapolis, Maryland
Volume 9 No. 18 (Attached Residential)

An 84-unit rental complex on a 4.96-acre site located within the Annapolis city limits. The project contains one- and two-bedroom units which surround an interior common green and pool area. Units have been designed to provide a private home ambience and include features such as private entrance foyers, lofts with skylights, fireplaces, garden porches, and formal dining rooms. Density is 16.93 units per gross acre.





Fowler Square
Little Rock, Arkansas
Volume 9 No. 19 (Attached Residential)

An 88-unit rental apartment complex on an in-fill site located in Little Rock's Quapaw Quarter historic district. An existing mansion, which was constructed in about 1840 and is included in the National Register of Historic Places, has been restored and converted to apartments. The project also involves the construction of new apartment units which have been designed to complement the restored mansion.

Cincinnati Skywalk System
Cincinnati, Ohio
Volume 9 No. 20 (Special)

A second-level weather-protected walkway system in downtown Cincinnati connecting major hotels, department stores, shops, cinemas, banks, restaurants, office buildings, recreation areas, the convention center, and parking garages. Access to the skywalk system is provided by escalators, elevators, and stairs at convenient street level locations. Presently the system covers a five by four block area of downtown.

Hear it again

Audio cassettes of 20 sessions of the ULI fall meeting in Orlando are available for those who were unable to attend, or for meeting attendees who want to listen again to the speeches. These speeches, recorded throughout the entire meeting, are available at $12 per set (each set contains two cassettes).

To order, simply send in the appropriate code number for the cassette(s) you want along with a check or money order for the total amount made payable to: Convention Cassettes, P.O. Box 54493, Civic Center Station, Atlanta, Georgia 30308. Cassettes can only be ordered from Convention Cassettes, not ULI.

SHIP TO: (Please Print)

Name _____

Company _____

Address _____

City _____

State _____ Zip _____

Make checks payable to and send order to: CONVENTION CASSETTES, P.O. Box 54493, Civic Center Station, Atlanta, Georgia 30308.

_____@ $12 _____
Sub Total _____

POSTAGE & HANDLING (Please add 6 percent to your order for shipping ($1 min.; $5 max.) _____

Total Amount Due $_____

Payment Must Accompany All Orders.

Cassette Code Number	Session
UL1	Opening Remarks First ULI Award for Excellence Presentation Combined 9-Council Luncheon Dimensions of the Future—II: ULI's Focus on the Future
UL2	Dimensions of the Future—I: Walt Disney World Showcase
UL3	A Gallery Approach to the Impact of the Energy Crisis on Land Use and Development
UL4	The Vantage Company's Approach to Development
UL5	Mexican & Caribbean Development Opportunities.
UL6	The Multifamily Outlook for the 80s: Its Future, Its Concepts, Its Format, and Market Strategy.
UL7	The Waterfront Story: A Comparison (Boston and Baltimore)
UL8	Starrett City Brooklyn, New York
UL9	The Institutional Investors Approach to Industrial and Office Building Development and Equity Ownership.
UL10	Williamsburg Homes Development Orlando, Florida
UL11	Public/Private Partnerships: Utilizing Public Sector Tools for Making Private Sector Deals in Cities.
UL12	A Brandermill Update
UL13	Joint Development: Making the Real Estate Connection
UL14	The ABCs of Urban Rehabilitation—Including Tax Consequences.
UL15	Resort & Recreational Development: The Hawaiian Market
UL16	The Winds of Regulatory Change
UL17	Regulatory Simplification Workshop: An Improved Approach to Permitting Procedures
UL18	Aurora City Center Plan Analysis Session
UL19	Seagate Plan Analysis Session
UL20	Rockville Town Center Revitalization Plan Analysis Session