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Urban Land

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Cover: Dubuque, Iowa. In the face of intense suburban competition, downtown Dubuque has emphasized its historic qualities, provided parking, and stressed beautification. Major new retail developments are being proposed in downtowns like Dubuque. See article beginning on page 5.

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PRESIDENT'S LETTER...

Goals For ULI

Michael F. Kelly



In July 1979 Michael F. Kelly became ULI's twenty-first president, succeeding Harold S. Jensen. Kelly is president of Minneapolis-based Dayton Hudson Properties. He started his career with the Dayton Hudson organization in 1958 when he joined the J. L. Hudson Department Store as an attorney reporting to the general counsel. Kelly went from that position with Hudson's to manager of real estate and insurance, then to director of real estate with full responsibility for real estate insurance and taxation services for the J. L. Hudson Company. He was also assistant to the general counsel. In 1969 he joined Shopping Centers, Inc., the real estate subsidiary of J. L. Hudson Company, as vice president of real estate. In 1971 he was asked to move to Minneapolis to join Dayton Hudson Properties as vice president of development. From that position Kelly moved to senior vice president of real estate and construction and then to the position of senior vice president of operations and development. In 1977 he took command of the company as its president.—Ed.

A year ago ULI began a series of changes that will profoundly affect our organization and our future program of work. These changes were based on a clear recognition that the process of development is equal in importance to the product of development if we are to achieve a lasting impact on land use. Organizational changes included new definitions and limitations on membership, the goal of expanding the number of ULI Associates, and the formation of three new councils to address the problem of the development process. Major new programs of work included a specific concentration on education at the university and post-university levels and a research emphasis on land use issues that reflect the important concerns of ULI members and the development industry.

I would like to share with you, in summary form, the primary goals and objectives of the Institute in the next 2 years as they appear to me.

• **Organization**—It is essential that we seek full working implementation of our new and reconstituted nine Councils. Our commitment to broaden member involvement on a meaningful basis is a key element in our drive for national credibility as the premier spokesman in the land use field. ULI has always been internally directed and the council structure is the cornerstone for maintaining and enhancing that strong direction.

• **Associates**—The number of ULI Associates must be expanded as a constituent part of the ULI family. The support of our Associates, now over 4,500 in number, is vital to our credibility, programs, and influence. Associate involvement in our meetings, panels, and education and research processes must be specifically sought and utilized.

• **Education and Research**—We are committed to a determined expansion of our involvement in both edu-

cation and research. Our educational objectives are to increase the understanding of private real estate development by the future generations of public officials and land use planners and to improve the effectiveness of current practitioners in their private sector work. These objectives will be met by programs designed for use at the university and graduate school levels as well as for the continued education of practitioners already in the field. Our research objectives are to provide new information on the effect and impact of regulation on the development process as well as to support the priority issues identified by our council structure. We must have the ability and means to create our own research agenda rather than only react opportunistically to the agendas of others.

• **Funding**—As ULI expands and reorganizes to meet future needs, funding mechanisms and funding sources must also be expanded. The Urban Land Research Foundation (ULRF) was formed in 1970 as a partnership vehicle with ULI to help support specific educational and research objectives of the Institute. ULRF has solicited and expended over \$330,000 in this effort but has never enjoyed the broad-based support necessary to create a substantial corpus, which is essential for financial permanence. Our objective in this area will be to establish methods by which our education and research programs can be supported on a permanent basis. It will necessarily involve the increased financial support of all ULI Members and Associates.

Our efforts to meet these outlined goals and objectives have already begun, and it is exciting to be a part of the expanding horizons of ULI. The Institute has never been stronger in involvement and reputation. It is truly a unique and creative partnership.

With the increase of new ULI members over the past few years, it is useful once in a while to restate the principles on which the Institute was founded and to reinforce an understanding of what the Institute is and does. ULI was founded by individuals who recited these kinds of objectives in their original charter. It is desirable not only to restate these principles but also to rededicate ourselves to them.—Ed.

Objectives Of The Urban Land Institute

1. To advocate and adhere to responsible standards and practices in the use, planning, and development of land, ever mindful that the quality of our effort will intimately affect the lives of many.
2. To study and to provide interpretation of trends in the responsible use of land, and to seek their orientation to the changing economic, social, and civic needs of the people. To seek to uplift the quality of the environment through our individual pursuit of excellence.
3. To study principles and methods through which the private and public sectors can perform their development functions sensitively, remembering that the structures we place on the land bear witness to our respect for the land.
4. To assist the federal, state, and local governments in their quest for responsible land use and planning. To seek to discover and to define the fine line between over-regulation, which stifles individual initiative and innovative approaches, and too little regulation, which encourages irresponsibility.
5. To participate in educational courses and research projects in the various fields of land use knowledge, independently or in cooperation with other institutions of learning, corporations, institutes, foundations, or persons. To share our knowledge willingly and gladly with others concerned with improving the quality of land use practices.
6. To encourage the establishment and maintenance of high standards in the teaching of subjects related to land use and planning.
7. To assist and implement educational programs in all fields of land use and planning education and research.
8. To refrain from exploiting the Institute for narrow personal motives, recognizing that an enlightened self-interest requires that the benefits received must always be related to the contribution given.
9. To support the Officers and Trustees of the Institute and the Urban Land Research Foundation in their responsible efforts to carry out the principles we have joined together to support.



What Is The Future Of Downtown Retailing In Middle America? A Middle Market Mall-aise

Rodney E. Engelen

Middle America, that great major segment of the country that is neither metropolitan nor sparsely-settled rural, is experiencing dramatic change. In many ways these changes are a continuation of long-term trends, but in some other ways they are new and largely unexpected. They are affecting smaller cities and towns as well as the adjacent unincorporated areas. Some of the most significant impacts are in the retail and business sector, especially in older downtowns.

Basic Trends

What are some of the changes that are occurring and what are their impacts?

• **In-Migration.** It is now widely recognized that the population of Middle America is growing as a result of in-migration. For as long as there have been cities, population has tended to move from rural to metropolitan areas. However, within the past decade, this age-old trend has been sharply modified. Reports from every direction indicate an unmistakable shift. Calvin Beale of the U.S. Department of Agriculture reports that from 1970 to 1976 nearly 2.25 million more people moved into nonmetropolitan counties than moved away. The total population of the United States grew by 5.6 percent during this period while urban areas gained 4.7 percent and nonmetropolitan growth was up 8 percent. Recognizing the significance of this new trend, ULI initiated a major study of the "back-to-the-country" movement. Initial findings confirm and detail the observation that nonmetropolitan areas are getting more than their proportionate share of population growth. Moreover, the ULI report, *Growth and Change in Rural America*, indicates that "it is a persistent trend," one which has its origins in the 1950s and 1960s but which was not perceived until more dramatic and confirming evidence became available in the 1970s. Finally, it is widespread, affecting remote areas as well as areas adjacent to metropolitan centers and smaller cities.

• **Fewer and Larger Farms.** Despite the new growth in nonmetropolitan population, fewer people are running farms. Farms are increasing in size and becoming big business. Very few persons moving to the more populated rural areas and small cities are involved in commercial farming operations.

• **Urbanization of Rural Attitudes and Expectations.** Middle America residents are becoming much more metropolitan in many ways. The in-migration of people who have lived in cities, the shift from farming to industrial and service jobs, the blanket coverage of national television and radio, and other factors are all working to change habits, expectations, and allegiances to resemble those found in major cities. The results are that people in Middle America are more conscious of the options available in styles, prices, amenities, and service. Old loyalties based on geographic location, family, and friendship connections are eroding. People in semi-rural areas are fully exposed to the advertisements of the wide variety of retailers and service establishments who operate on a national and regional basis, and they can compare price and quality from outlets over a wide area. Because fewer people in semi-rural areas are tied to the demanding schedule of a farm, they have relatively more time to travel and to shop, and they are less inclined to make purchases—at least major purchases—close to home.

Many other trends evident in major urban areas are rapidly affecting rural areas and small towns. These include the increasing proportion of small, often one- and two-person households, the increasing number of elderly, and the growing number of two- or multiple-worker families. The demand for "fast" or prepared foods is as strong in these areas as it is in the metropolitan areas.

Middle America

An increasing range of merchandise types and brands, higher labor costs, and related factors that contribute to a major cost-price squeeze and to the desire and need to provide merchandise and services in a self-service mode can also be found in small as well as large towns.

- **Scattered Country Living.** Although small towns are growing, many "rural" areas are growing even more dramatically. Homes are being scattered widely along former "rural" township and country roads. There is a big increase in 50-acre "farms." Not only are many new residents locating in these countryside settings, but many townspeople and retired farmers often build new houses there. Thus, fewer persons are living in incorporated areas close to existing business centers; more people are finding it equally convenient to do their shopping and other business in several communities, and traditional community loyalties are weakening or breaking down.

Retailing Changes Increasing

These trends are generating a need to make a number of changes in retailing. Many of these changes are already evident and in place, but many more are bound to come.

Staple Goods—In most instances "supermarket" or catalog order techniques need to be applied in the sale of standard or staple items. These techniques reduce labor costs and permit buyers to inspect merchandise at their leisure, thus satisfying their urge to be in control or to "do it yourself." Virtually all communities already contain examples of this type of merchandising in food supermarkets, discount stores, farm stores, and to a limited degree in drug and hardware stores. It is only with stores of this type that a wide range of merchandise can be made available at low cost. And for items that are standard or staple, the self- or limited-service concept (albeit with a loss of personal service) will gain even more widespread acceptance.

Machinery, Automobile Equipment, Farm Supplies

The scale of most farm supply needs and of machinery and automotive business has grown to such an extent that a whole new generation of facilities is being provided. Relatively few older facilities are large enough to meet emerging needs. As a result, major new installations are being built to accommodate farm and automotive equipment sales and service, and fencing, feed, and other farm supplies. Most of these facilities are being built away from existing downtowns, and dealerships are closing completely in many smaller towns.

At the same time, changing lifestyles and growth in the nonfarm population is creating a demand for garden supplies, auto accessories, specialized stores offering recreational equipment, and similar items which may replace more traditional automotive and feed outlets.

Specialty Goods and Services—Several factors are increasing the demand for special types of merchandise and for services that require individualized customer contact. The increased demand for sporting goods and apparel and certain types of appliances and electric equipment may fall in this category. Kitchen and home repairs and remodeling, health services, and restaurant and recreation facilities may be other examples. In any event, there is and will continue to be a need for establishments that can tailor products and services to meet individual needs and tastes.

One-Stop Shopping—To minimize the amount of time and travel spent in meeting daily and weekly needs in areas that are of low density, there will be an increased demand for the opportunity to satisfy several needs with one trip, i.e., banking, postal services, grocery or related household supplies, newspapers and periodicals, and other similar products or services.

The Middle Market: An Idea Whose Time Has Come?

The rush to the middle market is on. Developers and department stores are turning to smaller communities as the next land of opportunity. Can the fashion department store be adapted to this market?

Virtually all developers interviewed are looking to middle markets as a new frontier. When asked "What do you mean by middle market?" the response was a locational grab bag: smaller cities not in the big metro areas (Green Bay); satellite communities within metros (San Bernadino); even some downtowns (literally in the middle).

These markets were overlooked during the earlier wave of regional suburban development.

However, the majority view of "middle markets" is the first—those markets located outside of SMSAs, typically with a central city population of at least 10,000 (but rarely more than 50,000) and a hinterland trade area of considerable importance.

The basic formula reported for entering a small middle market is straightforward and widely accepted.

- Design a strip center, generally with an open mall, but occasionally enclosed, of 150,000 to 250,000 GLA;
- Anchor with a discounter, supermarket, drugstore, and flank with mall shops;
- Occasionally add a national chain (Sears, Penney, or Ward); and
- Garnish with the latest in strip-center development, such as out-buildings along the property perimeter (for small shops who thrive in this environment), billboards along roadsides (to broadcast shop

names, as views are now obstructed) and an occasional home improvement center.

The result is a regional shopping center, transplanted to a smaller market, and therefore capable of creating the same synergy and drawing power as larger regionals achieve in their trade areas. High cash flow and success in attracting strong mall shops add further strength to the analogy.

National chains find that the middle market formula is very well matched to their needs. Many nationals are already represented in these middle markets, but in older freestanding stores in sagging downtowns. The new center is an opportunity to upgrade location as well as to replace an obsolete store with a modern merchandising machine. Questions of store size, managing/servicing remote locations, and merchandising content for the middle market have been carefully researched and satisfactorily answered by nationals.

Discounters pioneered the new wave of expansion into middle markets. K-Mart's reputation is legion for hitting these markets right and producing top dollar per square foot. K-Mart has learned that it pays to locate stores in shopping centers rather than at freestanding locations—the lesson learned from takeover of W.T. Grant locations in many malls.

But the conglomerate chains and independents are not yet represented to any great degree. Although with diminishing opportunities in their home markets, "Let's climb the wall" is a familiar theme.

The motivation fueling interest in middle markets derives from their plentiful numbers and relative ease of development; a welcome relief compared to today's suburban opportunities. Sites are easier to find, are generally of high quality (the right shape and access), and are affordable—little need for developers to compromise. Regulatory fever has not spread to middle market community governments, so sites are relatively easy to zone. The national chains are anxious to open new stores in these markets.

And the overall scale of opportunity appears bottomless, at least in the short term. There are, however, some signs of intensifying competition with other developers.

A staggering 57 million people reside outside SMSAs in the United States, most of them in rural America. Sift through the totals and discover that roughly 40 percent of these people live close to a city or central place of at least 10,000 but rarely more than 50,000. The final count: 628 middle markets, all outside SMSAs and with retail opportunity as each is tied to a central place of at least 10,000 persons.

It is not surprising then that all of the developer groups we interviewed are developing centers in these middle markets.

But is there need for caution? The development formula used in entering middle markets exhibits a striking similarity to the community-scale (discount-anchored) center in large metros. It is the type of center that does not work well when it competes with a close-by regional (department store-anchored) center and often can't hold its fashion merchants. Middle market centers with discount anchors are not yet suffering, but then there generally are a few regional centers with fashion anchors. *Watch Out!*

The conglomerate and independent department stores raise the real issue. They still have not mastered the art of shrinking store size to match smaller markets, of catering to a less fashion-conscious buyer, of managing or serving remote locations. Yet the opportunity is there, and opportunities are diminishing in their home markets.

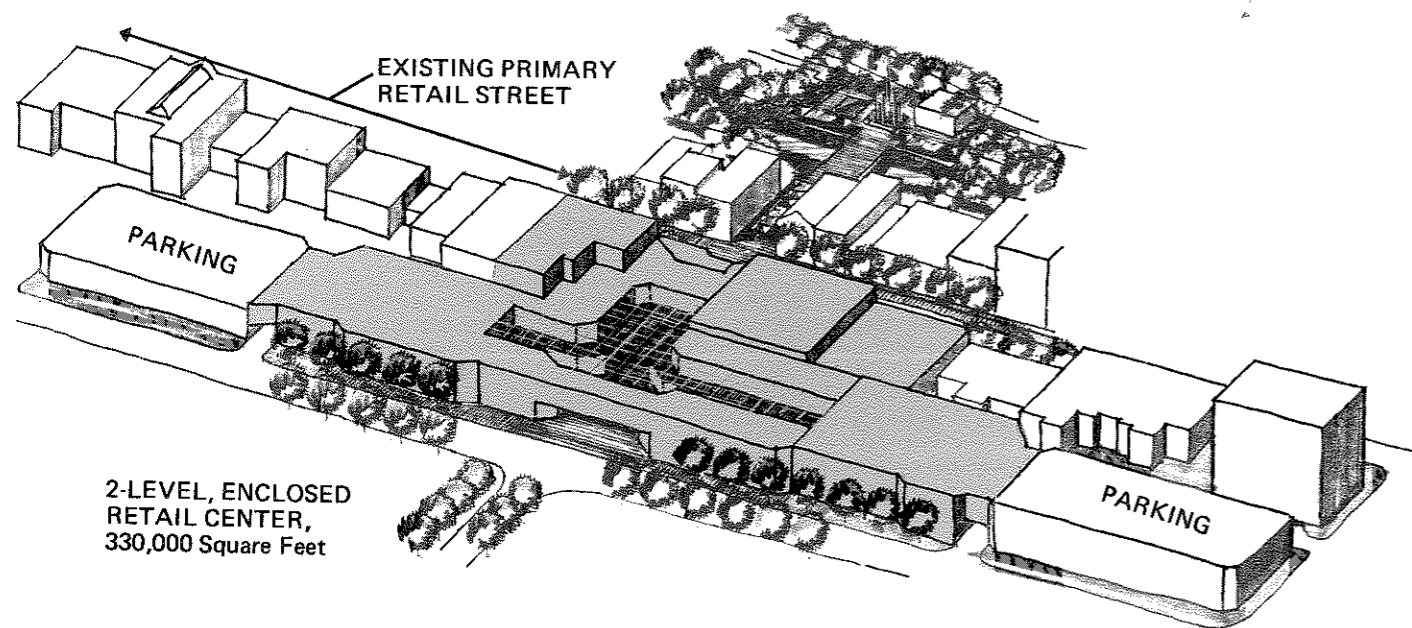
Will the fashion department store adjust to middle markets? It's already happening in a limited way, fueling a new type of regional-scale shopping center in middle markets, anchored by the familiar alliance of fashion department stores and nationals. So the battle is on: regional versus community centers in smaller markets, and there may not be enough purchasing power to always support both.

Will the community center be as vulnerable here as in major metropolitan areas? Will the local regulators of land use in these communities respond to a vanishing retail function in their downtowns with a new wave of regulations and exactions, paralleling those of the sophisticated suburban jurisdictions?

It's just a matter of time.

Gerald Schwartz

Gerald Schwartz is vice president of the Washington, D.C.-based consulting firm of Gladstone Associates and heads Gladstone's retail consulting section. The preceding is reprinted with permission from *Shopping Centers 1988: Answers For the Next Decade*, a report based on an Executive Planning Conference of the International Council of Shopping Centers, 665 Fifth Avenue, New York, New York 10022.



With one suburban center in existence and another proposed, Traverse City, Michigan is proposing to retain retailing as a major function of its downtown by building over 300,000 square feet of new retail space adjacent to its existing retail street.

Attractive, Convenient Surroundings—Increasingly, good access, convenient parking, and comfortable, attractive areas for walking and window shopping are expected by today's consumer. Other things being equal, the availability of these amenities will dictate the selection of a place in which to shop or conduct business. Some centers (such as Woodfield Mall, northwest of Chicago) serve as focal points for mini-holidays with persons coming by tour bus as well as car for one-day excursions from as far away as Iowa. In some instances, and for certain types of shopping, amenities may be more important than price.

Retail Industry Response

The retail industry is well aware of these needs and trends and is moving vigorously to take advantage of them. As a result, many changes are taking place in retailing in cities as well as in rural areas. Self-service is being emphasized; some stores are being reduced in size, others enlarged; space is being used more efficiently and new combinations of related merchandise and service are being created; continued emphasis is being given to "fast" foods and service; new approaches to catalog and warehouse sales are being developed; and more distinctions are being made between routine or staple goods and those that are specialty, "ego," or service related. Emphasis is continuing, too, on higher standards for access and parking and upon attractive auto-free, climate-controlled pedestrian areas.

Experienced shopping center developers who are exhausting traditional opportunities for new construction in metropolitan areas have discovered Middle America and are moving aggressively to meet the needs which they see there. They are proceeding to obtain and develop sites for new planned centers and single outlets of all types and sizes to accommodate the latest types of stores in every area that could conceivably support this type of new investment.

As in large metropolitan centers, new developments are being located in suburban or fringe areas, often some distance from existing downtowns. Accordingly, the downtowns of many communities are being confronted as never before with competition and with the loss of both patronage and businesses. Traditional "anchor" stores are being courted and are often being attracted to these new outlying locations, and new anchors are being brought into the market. Thus, the battle lines for the survival of retailing in the downtowns of Middle America have been drawn.

On the one hand there is desire, need, and pressure to provide different and possibly new retail and service facilities, generated by all of the forces and trends discussed above. On the other hand, there is concern for the economic well-being of traditional downtowns and of communities in which they are located and for the convenience of consumers. This concern has become so great that it has stimulated successful court action to stop the development of suburban centers in Vermont

and in other locations. It has also triggered the announcement of federal policies and actions designed to withhold funds for street, utility, and other major public improvements in situations where such funds would support highly damaging suburban competition to current efforts to improve a downtown.

Even Victor Gruen, the acknowledged father of the shopping center concept, is reacting strongly to the "threat" which such suburban developments create for existing downtowns. Gruen is reported to have said: "I refuse to pay alimony for those bastard developments." Gruen sees the present trend in the development of shopping centers in smaller urban areas as wasteful of energy and land and as a drain on the economic life of nearby cities. Instead of suburban development, he urges that emphasis be given to the improvement of the traditional and historic downtown as the "heart, brain, and soul" of the entire urban area.

Yet, many—perhaps most—existing downtowns cannot meet existing and emerging needs or adequately serve these functions. They may not have the space, the locational requirements, the access, or the levels of convenience and amenity required. Perhaps more important, downtown retailers and city government may not have the attitude and competitive spirit required to assure survival under the conditions which are emerging. It may or may not be possible to change these factors sufficiently to meet customer expectations and business requirements. Thus, a considered, balanced approach must be taken to determine the relative roles of downtowns and of outlying centers.

The Future of Downtown Retailing

The future of retailing in a downtown depends on a number of factors that are peculiar to it and the area in which it is located. Internal conditions are often key factors in determining the future. The strength of existing businesses and institutions, the level of accessibility, the quality of leadership, the availability of land, and a host of other conditions will strongly determine whether, how, and to what extent business centers can be improved and maintained to function competitively. Each center and community must be examined individually to identify its strengths and weaknesses and to determine its future. However, there are three alternatives which probably cover most situations.

• **Maintain Strong Retail Function.** Some downtowns will be able to reposition themselves to maintain a strong retail function and perhaps to maintain retail dominance in their market area. To do this they will almost certainly need to be transformed into something resembling a modern, planned shopping center. Adequate space will need to be provided for at least one and preferably two or more "anchor" stores, for an appropriate cross section of compatible shops, for adequate, accessible parking space, and for pedestrian amenities, including protection against unpleasant weather. Very few downtowns will be able to maintain a strong retail position without going through this type of transformation.

Some communities have accomplished this: Green Bay, Sheboygan, and Oshkosh, Wisconsin; Muskegon, Michigan; and Council Bluffs and Sioux City, Iowa, have had considerable success. Projects under way in Mankato, Minnesota; Wausau, Wisconsin; Cedar Rapids, Iowa; and several California cities are very promising. Larger communities, such as Milwaukee, St. Louis, Minneapolis-St. Paul, and Philadelphia all have projects under way, which may serve as models for what needs to be done in smaller cities.

Many other cities could probably redevelop and reorganize themselves to retain a strong downtown retail function. However, to be successful, they will need to move quickly to confirm their position before it is lost to a new suburban development. Strong, decisive action will be required. Dozens of dead or half-finished projects are evidence of the failure that can come from being indecisive or from a lack of the skills required. Moreover, physical and other characteristics of the community will be very important; not every downtown can be rebuilt sufficiently to meet modern shopping needs. While retail dominance can be maintained in many downtowns, it cannot be retained in all.

• **Create Specialty Centers.** Retailing will need to be modified in some communities. Just how it is modified depends on many things. However, in most cases it can be expected that the sale of much standard or staple merchandise will be relocated elsewhere, in the form of large supermarket and discount stores. In some cases, even department or catalog store functions will be provided for elsewhere, along with many traditional shopper goods establishments. What retail functions can remain? Much depends on the existing character and nonretail functions of the area. If the downtown contains strong educational, health, recreational, office, or hotel/meeting facilities, if it has an attractive architectural or historic character or a desirable natural setting, and/or if it contains or is surrounded by good housing, then it might be able to develop an effective specialty retail and service function. Image, character, service, and environment will be important.

To create a successful specialty center, the individual establishments and the center as a whole must be interesting, efficient, and provide substantial psychological satisfactions as well as goods and services. One or a few outstanding specialty stores or good restaurants may serve as anchors. However, they cannot do the job alone. They need to be reinforced by other compatible retail activities, and by strong, supporting nonretail functions as well. In some instances, office, medical, or governmental functions can help generate needed patronage during the day. Hotel, conference, and entertainment functions often stimulate evening activity.

A desirable historical, architectural, or natural setting will almost surely be an attraction.

There are fewer clear-cut examples of communities which have been successful in developing their downtowns as specialty centers. This is perhaps because relatively few have defined their role in this way and have deliberately set out to achieve a result. However, some communities have moved in this direction with relative success. Kalamazoo, Michigan, is one example. Iowa City, Iowa, is another. Tourism and vacation home communities such as Lake Geneva, Wisconsin, may also thrive as specialty centers. Downtowns which have attractive natural settings, such as Carmel, Monterey, and Santa Cruz, California (see accompanying article), and others with waterfront environments may be especially successful. However, it may be difficult to maintain a strong downtown with specialty retail alone. Some reduction in the amount of retail space may be required and nonretail functions may need to be given greater emphasis. Housing, office, and entertainment functions are examples. Where appropriate, health, educational, and hotel functions also could be stressed.

• **Dramatically Reduce Retail.** It is possible—and even likely—that no significant retail function can be maintained in some downtowns. Suburban competition may be too strong, existing retail too weak, or the location and condition of the downtown too limiting to permit either the revitalization or maintenance of retail functions of any significance. Downtowns in a number of cities give evidence of this possibility. Examples include: Racine, Wisconsin; Pontiac and Benton Harbor, Michigan; Tulsa, Oklahoma; and Sioux Falls, South Dakota. In some instances, virtually all downtown functions have been lost, and communities are left with little resembling a traditional center. In others, banks, offices, housing, and public facilities have been sufficiently maintained to preserve most of the traditional downtown values, and some replacement of retail with nonretail functions has occurred. Tulsa is an example of a major city which has gone full cycle with the replacement of retail with strong office and hotel functions which, in turn, are now giving support to the development of new retail uses.

In most communities, the loss of all or most retail functions from the downtown may be rightly considered a disaster. A whole host of important social, economic, and historic values are jeopardized; the tax base of the community may be threatened, substantial physical deterioration may take place, marginal and "undesirable" functions may move into facilities once occupied by desirable and familiar enterprises, and convenient shopping opportunities may be lost. However, the deterioration and loss of retail functions is often very gradual. Frequently, damage occurs before there is widespread recognition of the changes which are under way. Thus, it is difficult to mobilize support for the improvements and changes that are required to salvage and retain the retail function. All too often, efforts to save the downtown are like closing the door of the proverbial horse barn: "too little too late."

What Should Be Done

There is no simple answer to the question of what should be done to preserve downtown retailing functions. A common first reaction is to resist any competition that could erode the downtown with major force. This reaction may be warranted in many situations; there are many downtowns in which it is critical that the retail function be preserved and strengthened, and many important values that can be saved through such efforts. To the extent that it is possible to do so, ways should be found to meet the retail needs of smaller cities and towns within existing business districts, as suggested by Victor Gruen, to maintain or remake downtowns as the "heart, brain, and soul" of communities.

However, if major retail functions are to be retained, substantial changes and improvements are likely to be required. These will involve providing space for new and often larger retail buildings, more parking, better pedestrian connections between stores, and an attractive environment. They may involve obtaining better use of existing retail facilities and the "management" of space to reduce conflicts between functions. These changes often need to be quite dramatic and require levels of expenditure and business and public leadership that are hard to achieve. Many communities have tried and failed and some have been too apathetic to try. Problems of land or dollar availability, community concern, or the timing and momentum of potential competition have all contributed to failure. But many communities have also been successful, and their experience should help others to succeed. However, initiative and timely action—ahead of destructive competition—are required if downtown leadership in retailing is to be retained.

In some instances, it may clearly not be possible to avoid a major shift in retailing out of downtown. Markets may have grown to outstrip the capacity of the downtown to meet retailing requirements. Highway construction and shifts in residential location may have created much more accessible sites. Physical limitations downtown may prevent the kind of improvement and remodeling necessary to attract and hold either customers or major retailers.

When conditions such as these are encountered, it may be wise to recognize the limitations involved and to develop a strategy to deal with them which allows for some shifting and loss of retail activity from downtown and which recognizes the need to develop new and upgraded retail facilities to serve the community. Rather than mounting a "last ditch," all or nothing fight against the move of retail functions, it might be best to plan for competition and a sharing of retail markets. For example, if there is a choice to be made about where new retail facilities are to be built, it might be best to favor an outlying location which will preserve some natural market interception for the downtown area and which will permit new and old retail centers to operate in complementary but reinforcing ways. It might also be possible to "remodel" the downtown to serve certain specialty markets that are not or cannot be well served in typical suburban settings. It might also be desirable to



To retain their retail attraction, both Burlington, Iowa, (page 5) and Frankfort, Kentucky (above), have rehabilitated their downtowns to recall historic architectural qualities. These are helping to maintain activity and interest in downtown while major retail shifts are occurring in these cities.

reduce or limit the amount of retail space in the downtown to avoid the blight of vacancy and poor maintenance and to simultaneously strengthen other functions such as office, entertainment, and housing. Carefully done, this should help keep the demand for space and the amounts available more in balance and should increase the vitality and attractiveness of what remains.

The idea of planning for the shrinkage of downtown retailing is hard to come to. No known community has deliberately set out to maintain its downtown by reducing the amount of retail space located there. Yet, in some instances, this may be an appropriate and required response. However, to be successful, it may be necessary to do several other things as well. For example, to provide an attractive character and environment, it may be desirable to provide certain landscape or other amenities or to engage in architectural or historic restoration. It may be necessary to create one or more groupings of specialty retail functions, such as entertainment and restaurant facilities or furniture and home furnishing stores. Housing, office, and other functions may need to be improved. In some instances, it may be possible and desirable to expand the "heavier" retail functions of automobile and farm supply sales and services. Significant continuing improvement will be required.

The Future of Retailing

From this analysis it should be clear that there is no simple or standard formula for determining what the future of downtown retailing can or should be.

Many factors are involved, and each community must be examined individually. It is plain, however, that change is under way and that retailing in many downtowns will decline and perhaps virtually disappear. In most cases, this would be very unfortunate. Retail activity is the heart and life of most downtowns. It occupies and supports the historic community core. Although other functions may remain, a downtown without vital retail services has limited appeal. Even acknowledging the legitimate need for suburban and outlying retail centers, efforts should be made to retain and even strengthen retail activities in most downtowns to the fullest extent possible. Such efforts require at least three initial steps.

First, accurately appraise the specific situation. Develop a firm, quantified analysis of the market, of existing or prospective competition, and of potentials for new development, both within the downtown and elsewhere in the community. Identify opportunities for rehabilitation and rebuilding in and around the downtown, and assess parking, access, and other services. Determine whether the downtown has the potential to serve the markets and needs which are emerging from the standpoint of space, access, and redevelopment opportunity.

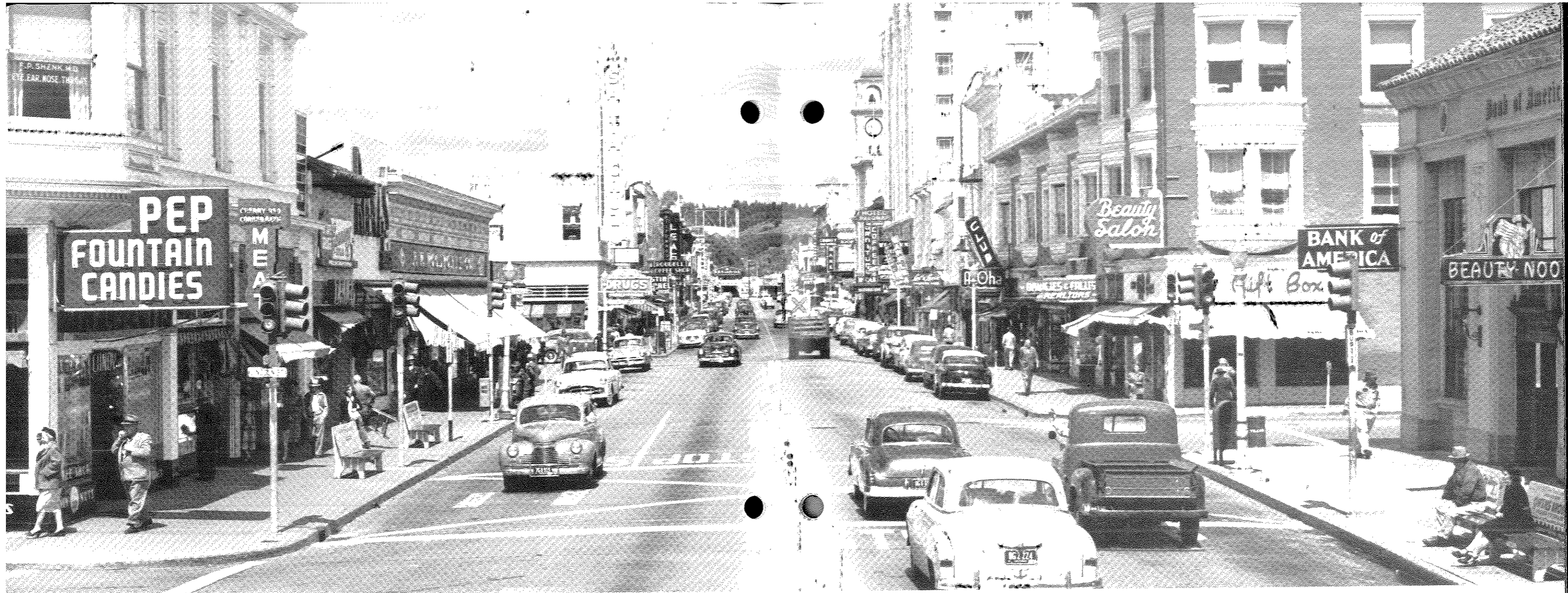
Second, decide which of several alternative strategies may be most appropriate for the downtown. Some possibilities include:

- Dramatic modernization and possibly enlargement to maintain the dominant role in the market.
- Modernization and improvement to maintain a significant share of the market, but allowing for major new retail elsewhere.
- Reconfiguration and possibly retrenchment to serve a specialty retail and/or service role (e.g., entertainment, home furnishings, antiques and gifts, sporting and outdoor goods, etc.).
- Emphasis (possibly re-establishment) of neighborhood convenience retail functions.
- Shift to nonretail functions (office, hotel, housing, education, etc.).

Third, once a strategy has been selected and has been demonstrated to be feasible, make plans for the physical, financial, and other elements required to make the transition. These may call for land assembly for new development, the construction of parking spaces, or a variety of other actions common to many revitalization programs today.

If a realistic strategy and a solid understanding of its necessity has been developed, implementation should be much easier. Arriving at a decision regarding basic directions will be the most critical and difficult task.

Rodney E. Engelen is senior vice president of Barton-Aschman Associates, Evanston, Illinois.



Santa Cruz Cashes In On Downtown Revitalization

George M. Stephens

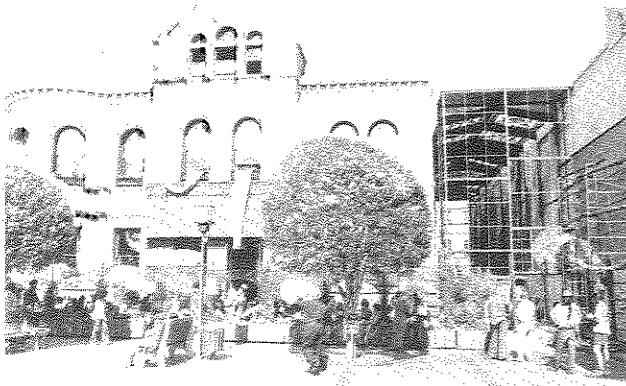
Many cities have spent large sums on the revitalization of their historic and commercial districts to improve business, to beautify, to create an image, or to preserve an architectural heritage. These revitalization objectives are worthwhile but are they profitable as well? Will such projects bring in more money to the city treasury than they cost, or are they only expensive gestures of civic pride? Santa Cruz, California is one city where the answers to these questions are known.

Santa Cruz has about 40,000 people in a county of 171,000. It is a resort and university town on Monterey Bay, whose central business district, which includes some historic buildings, had gone into severe decline by the late 1950s. Revitalization was initiated by one determined man, Charles Abbott, and carried through by many, with intelligent cooperation and financial assistance from the city. The principal actions were to improve parking and to construct a semi-mall on Pacific Avenue, the main commercial thoroughfare.

Pacific Garden Mall

In 1958, 20 to 40 stores on Pacific Avenue were vacant, as were most of the upper floors of other buildings. The street was nondescript with cluttered signs and uninspired design. Retail trade was declining since shopping centers were being developed within a few miles of the central area. Parking in the central area was inadequate, and there had been a recommendation that the downtown area should have a pedestrian mall as well as better parking. Parking District Number One was created by ordinance, and \$650,000 in bonds were issued in 1959.

The next step came in 1963, when a mall for Santa Cruz was officially proposed. A nationally-known photographer, Charles Abbott, moved to the community to retire and became interested in the revitalization of the downtown area. Having seen the Grand Junction, Colorado, mall, Abbott was intrigued with the idea of building one in Santa Cruz. He photographed malls in several California cities and gathered local backing for his idea of one in Santa Cruz.



The Richardsonian-Romanesque-style Cooper House, now a specialty shopping center, formerly was the Santa Cruz County Courthouse.

As a result, a group of merchants and other citizens calling themselves the "Downtowners" each donated \$100 to have a feasibility study done. A mall committee was formed, and the city agreed to support its findings to the fullest extent possible.

Proposals were drawn up in 1968 for a full mall with pedestrian access only and for a semi-mall with one-way automobile traffic. The semi-mall proponents ultimately won.

The Pacific Garden Mall, as it was called, was built at a cost of \$370,000 and paid for by assessments of \$100 per front foot on the properties and with \$29,000 of the city's money to cover its share of the property. It was dedicated on November 22, 1969.

Physical Changes

Virtually every building facade in the mall area was improved, at least to the extent of painting the exterior and replacing the protruding signs with flush ones. Most exteriors and interiors have been significantly improved, and even the use of the property has been changed in some cases.

Of the 24 historic buildings in the central business district (CBD) that are protected under the city code (three with Designated Landmark status which prevents destruction or alteration without a permit), one of them, Cooper House, is the focal point of Pacific Garden Mall and formerly was the Santa Cruz County Courthouse, built in 1895. After the county government moved to new quarters across the river, Charles Abbott, initiator of the mall, asked Max Walden of Los Gatos, California to see what he could do with the building because Walden had successfully renovated a Los Gatos schoolhouse into a commercial building. Walden skillfully remodeled the Richardsonian-Romanesque-style courthouse into Cooper House, a specialty shopping center. It houses several shops, and a glass-enclosed gallery was added between it and the next building. The gallery has several large stained-glass sections. Cooper House is the visual and functional focus of Pacific Garden Mall, both because it is striking in appearance and because it is at an important street intersection.

The ID Building is also a good adaptive-use project. Located across from Cooper House, it was the Wells-Fargo Bank. Now it is a store with offices on the second floor.

The street improvements made by the city—planters, benches, and tile—are handsome and also contribute to the improved physical appearance of the area. It is a pleasant visual experience to walk on Pacific Avenue. Pedestrian traffic is heavy, and vehicular traffic is moderate.



The ID Building is now a store with offices on the second floor.

Vacancies Down, Sales Up

The combination of the parking district and Pacific Garden Mall has improved the CBD's appearance, enhanced the city's image, and increased sales and property values. Merchants and other businessmen say that every business on the mall is more prosperous than it was, and it has made a big difference in business vitality. Many people who used to go to San Jose to shop now shop in downtown Santa Cruz. In contrast to the 1958 reports, a survey in the summer of 1974 showed only three vacant buildings and a small number of vacant upper floors of other buildings. In 1978 there was only one vacant first floor, and it was being renovated for expansion of the business next door. (Many upper floors are still vacant, however.) This study indicates that there is little question that the mall has been good for the downtown area. A longtime Pacific Avenue merchant says that without the mall and parking district, Pacific Avenue would be a "desert."



The Pacific Garden Mall was built at a cost of \$370,000.

Sales in the central business district are higher than they would have been without the mall and parking improvements. (This was determined by a comparison with a nearby "control" commercial area, whose sales have grown by only about half as much as those in the central district.) In 1970, shortly after the mall opened and about 10 years after the first parking improvements, taxable sales were \$32,465,000 in the central business district. In 1977 they were \$61,404,000, an increase of 9.5 percent per year. Over the same period, total city-wide sales had increased 12.7 percent annually.

In addition, assessed valuation, like sales, has also increased although not as rapidly as it has throughout the city. Parking District (CBD) assessed valuation in 1967-68 was \$5,958,860. It increased 58 percent, to \$9,441,850, by 1975-76. (The control area valuation went up only 26 percent.)

Most rents on the mall are about \$.50 per square foot per month, compared with \$1.00 to \$1.50 in the leading shopping center, so there is a price advantage for merchants locating here. A merchant who has been on Pacific Avenue for 50 years feels that the money he and others have spent there has been well worth it. He says that the "package" of mall and parking made the success possible, even though more parking and better traffic circulation are needed. One department store on the mall has spent a million dollars on expansion and remodeling in the past year but the owner believes that it will pay off. A banker in Santa Cruz stated that his bank has been making loans for property improvements on Pacific Garden Mall. He believes that the parking district and mall have made a great difference in the vitality of central Santa Cruz, and that the area will remain strong, even in the face of regional shopping center competition.

Table 1: Santa Cruz Central Area Revitalization

	Net Fiscal Impact 1967-1977									
	67-68	68-69	69-70	70-71	71-72	72-73	73-74	74-75	75-76	76-77
Revenues	\$239,178	270,351	252,701	277,579	285,090	290,026	309,432	302,559	340,250	408,575
Expenditures	170,045	194,236	166,163	251,253	264,858	265,804	279,551	288,860	279,184	302,676
Net Fiscal Impact in Current Dollars	69,133	76,115	86,538	26,326	20,232	24,222	29,881	13,699	61,066	105,899
Conversion Factor to 1978 Dollars ¹	2.01	1.90	1.76	1.65	1.59	1.48	1.33	1.22	1.15	1.07
Net Fiscal Impact in 1978 Dollars	\$138,957	144,619	152,307	43,438	32,169	35,849	39,742	16,712	70,226	113,206

¹Computed from the Implicit Price Deflators for Purchases of Goods and Services by State and Local Governments from *Survey of Current Business*, Bureau of Economic Analysis, U.S. Department of Commerce, 1968 through 1978.

Source: Stephens Associates.

Fiscal Impacts Survey

To determine the fiscal impact of the mall, the parking district, and other improvements, Stephens Associates conducted a study, selecting an area large enough to account not only for the expenditures but also for the rise in sales, real estate values, and tax receipts of nearby properties. All city costs and revenues attributable to the revitalization project were counted. These included annual operating costs, such as staffing and maintenance, and they included annual amortization of capital costs. Revenues included both the district's special sources, such as parking fees and special tax levies, and extra sales and regular property tax revenue increases attributable to revitalization. A "control" commercial area was compared with the central district to determine the extra revenues.

In 1967-68, the beginning of the study period, Parking District Number One produced a net income (revenues minus costs) of \$69,133, which grew to \$105,899 in 1976-77. There was no year in which there was a net loss. Net income declined from \$86,538 in 1969-70 to \$26,326 in 1970-71 because the first debt service payment on the 1971 parking bonds was made that year. By 1972-73 it began to climb, interrupted only in the recession year of 1974-75, when revenues fell slightly and costs increased. In the last three study years the net increases have been dramatic: from \$13,699 to \$61,066 to \$105,899. (See Table 1.)

Examining the net flow of money in "constant" dollars, in this case adjusted to 1978 values, is very revealing. When adjusted, the net revenue at the start of the study period was \$138,957, and it had dropped to \$113,206 in 1978. The current dollar-constant dollar comparisons show that inflation has made the net revenues seem higher in recent years than they were earlier in the study period. They are actually lower in real terms.

The annual net income of \$113,306 that the city is receiving has a present worth of \$1,410,797 (computed over 20 years at 5 percent). Thus, it could provide the financing for a new capital improvement costing that much.

Proposition 13

The California voters in 1978 passed an initiative amendment to the state Constitution known as Proposition 13. In essence, Proposition 13 rolled back real property assessments to 1975 levels, held increases to 2 percent annually until a property is sold, and provided that real property taxes can be only 1 percent of market value.

It might be assumed that Proposition 13 would severely restrict the revenues from the Santa Cruz central district. However, thanks to the fact that most of the revenue comes from non-property-tax sources (sales taxes and parking meters) and that assessed valuation of district property has grown at about 2 percent anyway, Proposition 13 will apparently have little effect. Net annual revenues will only be about \$11,000 less with it than they would have been without it.



The street improvements provided by the city of Santa Cruz—planters and benches—contribute to the physical appearance of the area.



Pacific Garden Mall today.

Summary

Twenty years after initiation of revitalization efforts in Santa Cruz, the turnaround is evident. The mall is handsome. Ground floor space is filled. Buildings have been renovated. Retail sales are up. Property values are up. Every business is more prosperous, and none has moved from Pacific Avenue to a shopping center. The efforts have been profitable to Santa Cruz; its treasury is reaping large surpluses from its central district. Sales and assessed valuations are up. **In current dollars (not adjusted for inflation) the net income for the mall and parking district was larger in 1976-77 than at the beginning of the study period in 1967-68.** Recent years' revenue gains are dramatic.

In 1978 dollars (constant dollars) the net income is less than at the beginning of the study period, but there is still a large surplus, and it has been increasing rapidly in the last 3 years. Moreover, under Proposition 13, Santa Cruz will net almost as much revenue from the CBD as it would have without it. Santa Cruz has preserved its heritage and improved its image through revitalization of its downtown.

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Courts Continue To Question Growth Management Strategies

Annette Kolis

Growth management can be—must be—exclusionary. It is criticized for closing off residential possibilities for minorities and the poor. . . . To what extent a community can keep the good life to itself is still open to question. Penne, "A Case Study in the Management of Urban Growth." Nation's Cities, September 1976.

The question of the extent to which local governments may exclude or restrict development has been increasingly confronted by the courts since 1976, as the incidence of explicit and implicit local growth management programs is dramatically increasing. Growth management programs exist in many locales less well known than Petaluma, Ramapo, and Boulder. These include Bucks County, Pennsylvania; Sanibel, Florida; and Salem, Oregon. Growth management strategies vary but generally include elements and variations of the following techniques: numerical limits on issuable building permits, point systems for project approvals, temporary moratoria and interim controls, staged capital improvements, and urban service boundaries. Other local regulations also have an impact on the rate, location, and type of growth. Although growth impact may not be explicitly expressed as the purpose of an ordinance, ordinances which delineate minimum lot or housing size, or which restrict or exclude multifamily or mobile homes obviously have an impact on growth.

Regulations which affect development may be adopted by local jurisdictions under either general "police powers" or under explicit state zoning enabling legislation. Both types of authority must be exercised within the limitation of promotion of general public health, safety, morals, and welfare. The manner in which courts define public health, safety, morals, and welfare may determine whether a municipal regulation is deemed valid.

The validity of local ordinances which regulate development may additionally be affected by the scope of judicial scrutiny exercised when challenges to the ordinances are made. Traditionally, courts have reviewed such local regulations under a deferential stance: local legislative actions are accorded a presumption of validity and will be upheld unless they are clearly arbitrary, capricious, or unreasonable. Reasons advanced for this deference are that legislative bodies should be accorded sufficient discretion to regulate what are essentially local problems and that questions of land use policy are more properly the province of elected local officials than that of the judiciary.

Yet changes in economic and social factors often elicit altered methods of judicial analyses. Continued economic and racial separation, in addition to the spiraling cost of housing, may be leading state courts to set

aside traditional deference to more closely scrutinize the purposes for which a land use ordinance is enacted.

Three recent state court cases may serve to illustrate this new response. The decisions indicate that courts are requiring strong evidential substantiation from municipalities for excessive restrictions on growth. The cases also illustrate that courts are willing to question whether police power purposes used by municipalities to justify imposition of stringent development restrictions are truly "reasonable" and not merely "fairly debatable."

In *Beck v. Town of Raymond*, 394 A.2d 847 (1978), the New Hampshire supreme court set forth restrictions on municipal powers to control growth. Pursuant to the state zoning enabling act, the town of Raymond, on March 8, 1977, passed a zoning amendment ordinance which substantially restricted growth. Four days later, the town enacted another ordinance, pursuant to its general police power, which restricted growth in a manner substantially similar to the zoning amendment. Municipal justifications for the ordinances were overcrowded schools and rising crime caused by rapid expansion. Water quality or sewage treatment justifications were not used by the municipality. Both ordinances limited the availability of residential building permits to individual landowners in each building year (April 1 to March 31):

- 4 permits/year—owners of 50 + acres.
- 3 permits/year—owners of 25–50 acres.
- 2 permits/year—owners of 10–25 acres.
- 1 permit/year—owners of less than 10 acres.

The supreme court held that a municipality may use its general police powers only "to develop limited types of land use controls," such as "setbacks, space between buildings, and height of buildings;" that is, regulations "integrated into previous enactments as part of an overall, regulatory scheme." The court stated that substantial, comprehensive, growth restrictions such as Raymond's may be enacted only pursuant to the zoning enabling act and that growth controls enacted pursuant to a municipality's zoning power are subject to limitation.

Growth controls must . . . be reasonable and nondiscriminatory. They should be the product of careful study and should be re-examined constantly with a view toward relaxing or ending them. Good faith efforts to increase the capacity of municipal services should accompany growth controls. They must not be parochial; that is, controls must not be imposed simply to exclude outsiders . . . , especially outsiders of any disadvantaged social or economic group. . . . (citations omitted)

The court in *Beck* invalidated the growth restrictions in the general police power ordinance but upheld the virtually identical growth restrictions in the town's zoning amendment "as a temporary emergency measure to allow the town 2 years at most to develop a comprehensive plan for phasing in growth and providing therefor," (emphasis in original). The court stated that the growth restrictions were of "doubtful validity" as permanent measures as they were not based on any study, and

[the] apparent primary purpose is to prevent the entrance of newcomers in order to avoid burdens upon the public services and facilities. *This alone is not a valid public purpose.* Moreover, the great bulk of such expenses as sewer and water lines and streets are usually forced upon the developer and in turn upon the ultimate homeowners. (emphasis added)

Using somewhat different reasoning, the Florida district court of appeal also recently handed down a decision which limits the extent to which a municipality can restrict growth. In *City of Boca Raton v. Boca Villas Corporation*, (case number 76-2322, April 18, 1979), and its companion case, *City of Boca Raton v. Arvida Corporation* (case number 77-533, April 18, 1979), the court invalidated a "population cap" adopted by the city. The city of Boca Raton amended its charter by initiative and referendum to provide:

. . . No building permit shall be issued for the construction of a dwelling unit within the city which would permit the total number of dwelling units within the city to exceed 40,000.

The city then implemented the amendment by adopting ordinances which reduced the density of all multifamily zoning categories by 50 percent and the density of single-family zones "to conform to the average of what had been constructed in the city prior to the charter amendment."

The cap was adopted by the city without consulting the city planning department and a member of the city planning department staff testified that other than "community choice," he knew of no reason for imposition of a permanent fixed limitation on population or dwelling units. The trial court found that facilities and services in the city would be adequate without the cap, and that the cap was unnecessary to maintain the community's comprehensive plan.

The Florida court of appeals upheld the trial court's finding that the "charter amendment (the cap) and the implementing ordinances did not bear a rational relationship to a valid municipal purpose."

[T]he finding that there is no compelling need justifying an exercise of the police power burdening private property is sufficient to warrant striking down the legislative act. . . . That is not to say there must be an absolute necessity requiring the enactment of certain zoning restrictions before they can be tolerated as a proper exercise of the police power. But, as here, an excessive restriction on the use of private property which does not contribute substantially to the public health, morals, safety, and welfare is arbitrary and unreasonable, and thus unconstitutional. The trial court found that

the charter amendment and implementing ordinances bore no such rational relationship to the requisite purposes.

The New Jersey supreme court recently struck down a municipal provision somewhat different from that considered in *Beck* or *Boca Raton*, but which also had the effect of restricting growth within the municipality. In *Home Builders League of South Jersey, Inc. v. Township of Voorhees* (case number A-173/174, July 30, 1979), the city ordinance imposed minimum floor area requirements for residential dwellings irrespective of the number of occupants living there and unrelated to other factors such as frontage or lot size. The ordinance imposed different minimum floor space requirements in different areas of the city for the same types of dwelling units.

The supreme court noted first that municipal power to zone is based on the police power exercised only for the public health, safety, morals, or general welfare. Recognizing that "[a]lmost inevitably, restrictions on the use of land will have both salutary or detrimental effects," the court stated that "[w]here, however, these adverse consequences become too predominant, the zoning provision cannot stand, despite the fact that it bears some relationship to legitimate zoning purposes." The "adverse consequences" of this nonoccupancy-based floor area minima were two-fold: increased housing costs and a potential exclusionary effect. Such consequences would not be justified if the municipality's only purpose in setting up the minima was for economic discrimination.

The court set forth a three-tiered inquiry for judicial analysis in such cases:

We hold that [1] when it is shown that a municipality has adopted as part of its zoning ordinance a minimum size living area provision which is on its face unrelated to any other factor, it will be presumed to have acted for improper purposes. The burden is then on the municipality to establish that a valid basis does exist. [2] At that point it must be determined whether the provision furthers or is contrary to the general welfare. [3] It is then that the court must weigh and balance . . . the exclusionary and salutary effects of the provision. (citations omitted)

To rebut the 'presumption of invalidity' established by the court, the township of Voorhees advanced two purposes for the ordinance: "(1) [to] promote public health and safety and (2) [to] maintain the nature of residential neighborhoods and conserve property values." The court held that the first purpose was not furthered by the ordinance. Only those minimum floor area requirements based on a "ratio of occupancy to space" would be justifiable health and safety regulations. Whether the second justification would rebut the presumption of invalidity posed a greater problem for the court, because the court had previously validated "minimum restrictions on the size of dwellings to protect the character of the community and property values."

(*Lionshead Lake, Inc v. Township of Wayne*, 10 New Jersey 165 (1952), *app. dismiss.* 344 U.S. 919 (1953). The court, however, found an escape from precedent:

Shortly after *Lionshead*, the court acknowledged in *Pierre v. Boxendale*, 20 N.J. 17 (1955), that when conditions change, the dangers of economic segregation may warrant a re-examination of *Lionshead* . . .

We have experienced that change in condition which has been reflected in pertinent legislative and judicial attitudes. Zoning which excludes low- and moderate-income families for fiscal purposes has been condemned as contrary to the general welfare.

The township of Voorhees had failed to rebut the presumption of invalidity by illustrating that the ordinance was intended to further a proper police purpose. The supreme court struck the ordinance as it was apparently "directed solely toward economic segregation," which was a purpose "unrelated to legitimate zoning purposes."

Beck, Boca Raton, and Home Builders League of South Jersey illustrate judicial willingness to closely examine and demand sufficient substantiation through documented study of the police power purposes for which growth restricting ordinances are adopted. The

cases do not indicate a trend toward invalidating growth management as a proper municipal management tool. The decisions merely point to methods by which courts may be beginning to restrict municipal power to limit growth. In seeking to balance the competing interests of municipal authority to regulate in order that growth can feasibly be accommodated and of equal housing opportunity, the courts are answering some questions about the extent to which "a community can keep the good life to itself. . . ." More pervasive questions remain concerning the design of the most appropriate solutions to the growth management/exclusionary impact problem. Perhaps the ultimate solution to the problem is that pointed to by the New Hampshire supreme court in *Beck*: "An ideal solution to the problem of parochial growth restrictions is effective regional or statewide land use planning." Whether courts or legislatures will ultimately elect regional solutions as opposed to municipal remedies remains to be seen. It is certain that the growth management/exclusionary impact issue will continue to concern developers, open housing advocates, and public officials.

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LAND USE ABSTRACTS...

Advisory Council on Historic Preservation
THE CONTRIBUTION OF HISTORIC PRESERVATION TO URBAN REVITALIZATION
Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402
1979. Tables. Var. pag. \$4.75.

Four historic district case studies—Old Town in Alexandria, VA, the Strand in Galveston, TX, the historic district in Savannah, GA, and Pioneer Square in Seattle, WA—survey the linkages between preservation activity and the revitalization of the district and of the greater community. In all four cases, it was found that preservation activities have caused highly visible physical improvements in the district, stimulated viable commercial and retail business activity, increased private investment, increased tourism,

increased property values, reduced crime rates, and caused some displacement of low-income persons. Also, historic district activity has benefited the entire community, creating new jobs, improving the housing stock, stimulating retail sales and tax revenues, and improving citizen attitudes.

"Each case study begins with an overview of the metropolitan area in which the historic district is located and the district's relationship to this greater community. Next, the historic district itself is examined for its historic, economic and social role, its architectural heritage, its physical development, the steps leading to historic designations, and the organizations and entities which have been influential within the district. The preservation activity that has occurred within the historic district is also ex-

amined for an overview of acquisition and financing methods, property protection and reuse techniques, and the roles of the public and private sectors. Next, the current characteristics of the historic district since the initiation of preservation activity are highlighted with a discussion of the physical, economic, and social changes that have occurred within the district and with its role in the metropolitan area."

Grebler, Leo and Frank G. Mittelbach
THE INFLATION OF HOUSE PRICES: ITS EXTENT, CAUSES, AND CONSEQUENCES
Lexington Books, 125 Spring Street, Lexington, MA 02173
1979. Tables, index. 241 pp. \$25.00.

This book documents and measures the recent escalation in housing prices and attempts to explain why it has occurred and the possible conse-

quences of it. The price surge for housing has not moved in pace with other prices. In 1973-1974, housing prices increased less than the consumer price index. But after the general rate of inflation began moderating, house prices began soaring.

The book begins with a report on price movements for single-family houses from the late 1960s to 1977. "To our knowledge, this represents the most comprehensive price information brought together in one place." Housing price inflation is seen as a geographically widespread phenomenon, although its timing and rate vary from place to place. Next, the book looks at the income and wealth constraints faced by home buyers. The access of first time home buyers to the market has not deteriorated as much as some doomsayers allege, though first-time buyers do account for a declining share of total purchases in recent years. High nominal interest rates are not found to constitute a brake on home buying. A chapter is devoted to the mostly California phenomenon of single-family house speculation—its magnitude, the efforts of builders and mortgage lenders to restrain it, and the motives of the speculators.

A sample survey of California home buyers is analyzed. "One of the most notable findings is the importance attached by owner-occupant respondents to the investment component of the decision to buy. The single-family dwelling as a hedge against inflation loomed large in the minds of most buyers." The income tax benefits of home ownership were also very important to these buyers. An analysis of excess demand distinguishes between normal market factors such as demographics and interest rates and the emergence of inflationary expectations as an additional demand factor. A quantitative analysis of factors bearing on rising house prices affirms that prices and their movements have been significantly associated with demand factors. Probable market adjustments to the current situation are analyzed—the actions of builders, owner-occupants, speculators, and first time buyers.

The authors conclude that "adjustment problems following the recent escalation of house prices will be of moderate proportions. Their severity will range between a 'hard landing' and the 'soft landing' which the vast majority of practitioners seem to expect." A final chapter reviews public policy issues—anti-speculation actions, assistance for moderate-income home ownership, and regulatory restrictions on home building.

Jaffe, Martin and Duncan Erley
PROTECTING SOLAR ACCESS FOR RESIDENTIAL DEVELOPMENT: A GUIDEBOOK FOR PLANNING OFFICIALS
Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402
1979. Illustrated, bibliography. 154 pp. \$4.75.

This report was prepared by the American Planning Association for the Solar Energy Program of the U.S. Department of Housing and Urban Development. Its purpose "is to show planners how to use conventional land use controls to protect solar access in new residential development for space heating and cooling and domestic hot water. For unless communities plan now for future development of solar energy, uncontrolled development could make it impossible for solar development to take place.

"Protecting solar access essentially means regulating development in such a way that buildings and vegetation do not block sunlight and prevent solar energy use by neighboring buildings. In other words, protecting solar access means regulating to control shadows. While at first this may seem like a revolutionary idea, it will quickly be seen that protecting solar access is closely akin to traditional regulation to protect access to light, air, and views."

The manual shows "how solar access can be protected using existing authority of the police power or by private agreements. In addition to zon-

ing, other traditional public regulations can be used to protect solar access, including subdivision regulations and environmental impact statements. Municipalities also can affect solar access in residential areas by planting street trees with an eye toward protecting solar access for the future. Finally, solar access can be protected by private agreements, usually covenants or easements, which communities often review as part of the development process.

"The techniques suggested by this manual are only some of the approaches which communities can consider in protecting solar access. New techniques for protecting solar access are being developed each month, and this manual represents only approaches using zoning, subdivision review, and common land use controls for developing areas. A whole other range of innovative regulations may well be necessary to protect solar access in existing, developed communities. . . .

"Solar planning, like many other forms of planning, frequently involves political decisions, and communities must choose the level of regulation necessary to meet local policies. Flexible alternatives within a solar access plan will assure the community that its police power is exercised so that it [at] least abridges property rights while accomplishing valid purposes of energy conservation and solar energy utilization.

"The major audience for this manual is the professional land use planner who provides technical assistance to his or her community in the planning and regulation of development. The manual provides technical information about the drafting of land use controls and the development of comprehensive plans for solar energy development. Municipal attorneys who must review and assist in the drafting of land use controls will find this manual a useful guide for technical drafting of solar access amendments and regulations. Finally, planning boards and other officials who must make decisions on solar access questions can also use the manual."

Laurie, Ian C. (editor)
NATURE IN CITIES: THE NATURAL ENVIRONMENT IN THE DESIGN AND DEVELOPMENT OF URBAN GREEN SPACE

John Wiley & Sons, 605 Third Ave., New York, NY 10016
1978. 428 pp. Illustrated, index. \$43.75.

"The natural factors affecting the development and rebuilding of our towns and cities are all too frequently ignored, and there is little evidence of an organic relationship between the city and the landscape in which it has been built. Existing bedrock, land form, rivers and streams, soils, vegetation, and microclimate are all essentially interacting elements to be conserved with advantage when determining the more effective use of land, the patterns and forms of urban areas, and the environmental quality of our towns and cities. . . . Much higher priority should be given to policies for the planning and development of city environments in which rivers and streams, lakes, pools and marshlands, woodlands and copses, hedgerows, heath, scrub, and verge, and all the wildlife which can live in them are recognized as forming part of the habitat area for the urban community. . . . The urban landscape designer can implement these landscape planning policies through design projects and management schemes." Such work could include establishing vegetation on bare land and the banks of existing and new water courses, lakes and pools; planting and developing natural and semi-natural habitats; creating imaginative designs for the use of water in all its many varied forms; manipulating waste to create topographical variation and shelter at the micro-level; and using vegetation on and in buildings.

" . . . The application in the past of such policies and implementation projects to town development seem to have been too simplistic. All too often the developed landscape is biologically sterile and aesthetically unpleasing." Eighteen or so essays are addressed to this issue of nature and natural character in cities. They are

descriptive, or scientific, or concerned with planning and management issues. The objective of *Nature in Cities* is to help urban designers and planners better understand natural processes and the biological life which can be supported in cities, and to help biologists and naturalists see how their knowledge can be applied by planners and urban designers.

Lonsdale, Richard E. and H. L. Seyler (editors)
NONMETROPOLITAN INDUSTRIALIZATION
Halstead Press, John Wiley & Sons, 605 Third Ave., New York, NY 10016
1979. Tables, index. 196 pp. \$15.75.

Nonmetropolitan industrialization is a widespread movement. Almost 6 million nonmetropolitan jobs are in manufacturing, substantially more than are in agriculture. "The social and economic changes wrought by this largely post-World War II development are having an effect on the welfare of the entire nation. The purpose of this book is to provide a survey and assessment of this remarkable phenomenon in the United States." Five chapters (Part I) deal with the transformation of the nonmetropolitan industrial landscape—background and issues, locational perspective, factors that encourage or discourage plant location in nonmetropolitan areas, characteristics of branch plants attracted to this location, and community satisfactions of nonmetropolitan manufacturers. The six chapters in Part II examine impacts—the dimensions of social and economic changes, the economic impact of industrial growth on the private sector, industrial growth and net migration, the impact of industrialization on income levels, and the public sector reactions to industrialization. A final chapter (Part III) discusses public policy implications for nonmetropolitan development.

McEachern, William A.
LARGE-LOT ZONING IN CONNECTICUT: INCENTIVES AND EFFECTS

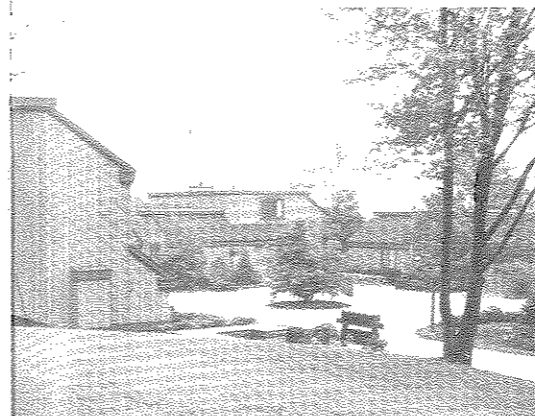
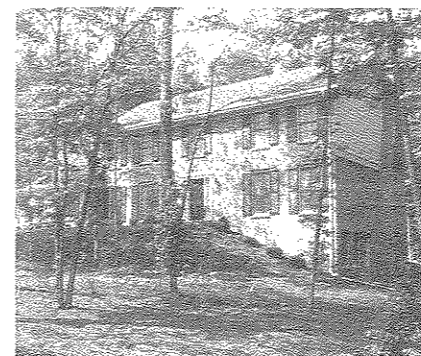
Center for Real Estate and Urban Economic Studies, School of Business Administration, The University of Connecticut, Storrs, CT 06268
1979. 79 pp. Tables, bibliography. \$4.50

"Despite the hundreds of books and articles published on exclusionary zoning in recent years, there has been surprisingly little systematic empirical work regarding the causes and effects of various zoning practices. Moreover, the little evidence that has been forthcoming yields conflicting results. This study represents an attempt to add to this stock of empirical work by developing and testing a model of zoning behavior." A desire to restrict the supply of housing and to enhance the community's fiscal picture explained a statistically significant amount of the variability in zoning policy in 130 Connecticut towns that were examined for this study.

"A primary concern in recent court cases around the country has been that zoning practices have made the suburbs inaccessible to a large segment of the metropolitan-area population. The problem as seen by the courts is that the suburbs often welcome the industrial base but close the door to potential employees that attempt to follow industry to the suburbs. Zoning practices are seen as artificially raising the housing costs in these towns so that only the very well off can afford to live there."

McEachern finds evidence that large-lot zoning does add to average owner-occupied housing costs. An increase of 1 acre in the average size of zoned lots added, in 1970, at least \$1,000 to the average price of existing housing.

"Yet even if fiscal motives for zoning were eliminated, households would still likely group themselves based on tastes and income. . . . Zoning has been with us for only 50 years. Neighborhoods go back much further. It would be a mistake to give zoning too much credit for the existing economic and ethnic population groupings."



CHIMNEY SPRINGS
Cobb County, Georgia
Volume 9 No. 11 (Detached Residential)

A 503-acre community of single-family detached homes, northwest of downtown Atlanta. The project has a gross density of 1.42 units per acre and a full complement of family-oriented amenities.

HERITAGE HILLS
Somers, New York
Volume 9 No. 12 (Attached Residential)

A 1,100-acre, adult condominium community in a suburban area north of New York City. The plan for the 3,100 units, arranged in clusters and courts, includes 27 holes of golf among other recreation facilities, commercial areas, and nature preserves.

LA MER
Naples, Florida
Volume 9 No. 13 (Attached Residential)

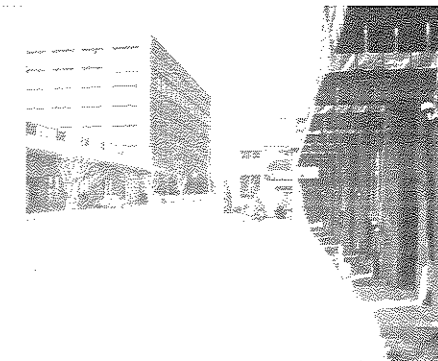
A 105-unit, 16-story luxury condominium apartment complex on a gulf-front site in southwest Florida. Besides a central atrium, the project features a full complement of club rooms and recreational facilities for a maturing resident.



PRF

Third 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.



STATION SQUARE
Pittsburgh, Pennsylvania
Volume 9 No. 14 (Commercial)

A 38-acre adaptive use project by a history foundation. It is located across the Monongahela River from Pittsburgh's downtown. The 450,000 square foot (GBA) Phase I development, using historic railroad buildings on 13 acres, includes offices, specialty shops, restaurants, and a motor inn. Residential, recreational, and more commercial development are planned for Phase II.

MARKET STREET REHABILITATION
Corning, New York
Volume 9 No. 15 (Special Use)

A comprehensive facade rehabilitation and preservation program for the main street in downtown Corning, New York, encompassing 125 businesses. A private nonprofit restoration agency, funded by the Corning Glass Works, provides free design service and educates the merchants and property owners on the benefits of historic preservation. All improvements are voluntary and paid for by the merchants or property owners.