

“NEW URBAN ECONOMICS: DESIGNING FOR PROSPERITY

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As you can see from the title, today I'm going to be talking about a new kind of urban economics for prosperity in the future.

It has been said that the modern city is brutal. And, I think this is all too true for many people today – and maybe even for many people in this room today.

Contemporary urbanism is a fascinating conundrum: there is no doubt that the modern city represents in its scale and complexity one of the most extraordinary of human inventions; but there is also no doubt that everywhere in the world it is one of our biggest failures. And the bluntness of this reality is now starting to come home to roost. The dysfunction of a city in the past was an inconvenience. The dysfunction of a city in the future will be a profound disaster for that city – and, ironically, a profound opportunity for another city, of a smarter city, that has found out how to position itself better in the world of cities, but equally importantly in the eyes and hearts of its own citizens.

Taking a long-term and world view, I am here to testify that big, fundamental shifts are underway among cities – shifts that will change everything we have known in the past about the personality and economics of our cities. All over the world, there is a growing recognition that this brutality must stop; that we have to

imagine a different kind of city which addresses human needs and that puts the soul back into the city. There is growing recognition that this is an essential economic development strategy for government and for business in a forward-looking city. Put another way, there is a growing understanding that it is actually “design” that will be the prime force in the economy of tomorrow’s successful cities – and that is really my main theme today.

I want to talk today about the challenges that modern city-regions face; I want to talk about an attitude for planning and a form of urbanism that can reconcile those challenges; and, I want to talk about a way of doing business that can achieve that progressive urbanism. And as I talk, as you can already see, I will be projecting images from my home city, Vancouver, and from around the world. I use Vancouver because this is a city that has pioneered the attitudes and systems I will cover and it is a city where the results are now there for all to see – they speak for themselves. I hope you enjoy the pictures as they flash before you tonight.

We have about an hour-and-a-half, so I thought I would talk for about 45 minutes and then we will open the floor for a general discussion, especially to explore how my themes might be relevant here in Perth and in Australia in general.

Let me preface my talk with an inspiration that has been very enlightening for me and for Vancouver and I think is very powerful for Australia. I was in Madrid several years ago and a colleague at the meeting was the famous Brazilian urbanist, Jaime Lerner. He said something very simple but very profound. He said:

“Every city has to have a design. A city without a design doesn’t know where it is going; doesn’t know how to grow.”

Who would have thought in the last generation that “urban design” might become a meaningful topic in a discussion about urban economies, much less a prime driver of those economies? Yet, over the last decade, we’ve seen cities hit with challenges that confounded them. There will always be the world iconic cities and specialty cities that set their own pace. There will be some “alpha” cities and some inevitable “delta” cities. But the world downturn of the late-2000’s showed us that most cities are not as secure as they thought they were. Manufacturing has shifted away from the first world. Financial shenanigans have wiped out confidence in many cities. Even demand for natural resources can shift unexpectedly. Peoples’ expectations are changing rapidly. Most cities are facing daunting difficulties in both attracting people and keeping people as the anchor they need for all else they do for their economic development and growth.

And all of this is because the dynamics of urban growth and competition have fundamentally changed in the last quarter century –driven by the increasing mobility of people. The world has become footloose, with people and capital moving at will: business can be done anywhere; other aspects of life are more important than one’s livelihood; and where people choose to settle is not tied down the way it used to be. We can do and be almost anything anywhere.

The result is a new kind of economic driver for our cities, augmenting the traditional economic activities that are more or less, according to where you are, holding our cities together. The late Sir Peter Hall, of Great Britain, called it the “service” city. It’s built on drawing those footloose people with that wealth and talent and energy; and around these people clustering supportive services; and using these clusters to create a powerful metropole of social and economic strength that is much more robust and diversified than the traditional economies. This is an economy driven by people, their direct needs, their ideas and their day-to-day experiences.

But beyond this challenge of drawing energy to your city, a second and equally fundamental challenge is keeping people in your city. We’ve not done a very good job in many cities especially in the growth and development since the last World War, so the quality of life for people has diminished, even as their personal wealth has increased. For many reasons, we have homogenized our communities, marred them with inappropriate and ugly development, demolished the buildings and places people cared for, polluted them unmercifully, and spread things out to the lowest common denominator.

I think it was Richard Florida who first brought this to our attention when he talked about the factors that draw and keep the ‘creative class’. But I think the dynamic goes well beyond this. If you live in a core city, have you ever tried to get a gardener or a plumber? How about a specialist physician in the suburbs? But, even beyond that, you have to think about all of the professions and vocations. You

have to think about visitors, and the whole culture of tourism. You have to think about all the different kinds of people that inhabit the city. So very quickly, we're not just talking about the service sector or the 'creatives', we're talking about almost everybody having locational flexibility and choices for living and working – at a level that we've just never seen before. And the economic and political implications of all this are just staggering.

Now we have to add in another challenge that will increasingly hit the economic robustness of the city – and that is the imperative for sustainability: to clean up our cities and make them compatible with the ecosystems in which they are located. The pollution and despoliation are so dramatic in some cities that it keeps people away and pushes people out. More importantly, average people are beginning to see the environmental contradictions and they just do not want to be part of that – they want to be part of a solution.

So we see three big challenges coming together as a tsunami for the economic vitality of cities – we are becoming less competitive, less liveable and more unsustainable. How do we cope?

Well, I think we can start with a conceptual framework that offers many practical solutions. In our upcoming book, coming out this June, Jonathan Barnett and I call this the "ecodesign framework for smart growth". It is a pretty straightforward formula. Here it is. This is about both the urban structure and urban infrastructure of your community.

From a structural point of view,

- it is about the form of communities – clustered density and mixed use and all kinds of diversity and protected open space; and,

- it is about the fabric of our communities – green construction;

From an infrastructural point of view,

- it is about the circulation within our communities – transportation choices that put the private car into a logical array of movement alternatives that include and favour transit and cycling and walking;

- it is about social and community and cultural facilities that offer support for people and stability for their communities; and,

- it is about the utilities of our cities – managing water and waste and energy in a conserving way and locally accessing inputs, including food.

What fascinates me about this formula is that it works over the range of many contradictions we face in modern life. Of course, there are many testimonials of its urgency to address environmental problems – that’s where the whole idea originated. Jane Jacobs has illustrated in her many writings that it is also a formula for economic opportunity and robustness, particularly that concept of “diversity”. Larry Frank, a professor at the University of British Columbia, has shown in his extensive research that it is the right formula to address many of our most endemic health problems, especially those focussed around the world’s growing obesity. I think the same can be said for dynamic culture and social isolation and perhaps

even national ingenuity – I may be pushing beyond science to speculation here but there is no doubt that this is a very useful formula.

In Vancouver we have even put our own brand to some of these ideas when a recent mayor invented a term for the restructuring of the city that he called “eco-density”. It sounded good, and, indeed, in the intense circumstances of the core city, it has a lot of merit and has proved to be very helpful. But, outside the core, it was seen as something quite bazaar – it was seen as the “thin edge of the wedge” of something to be nothing but frightened of. And that is because a lot of smart growth advocates do not understand one reality of modern cities where land is valued and used based upon location – and that is the concept of the ‘urban transect’ invented by a colleague of mine, Andres Duany, one of America’s most interesting urban thinkers.

The ‘transect’ is the notion that intensity of use based upon location will naturally be calibrated with the scale of a place and its spaciousness, related to open spaces as compared to buildings. It naturally works at the metropolitan scale, with the biggest buildings and tightest clustering of buildings at the big city core; and it works at the sub-regional and local level with focal points of intensity and height associated with important locations. But it also explains why a lower scale is often the best scale in a suburban and rural circumstance.

And, this idea of the ‘transect’ allows us to take those ecodesign principles of smart growth and both apply them to our big cities as well as translate them into

forms suitable for areas that are not at the metropolitan core. Ecodesign can become a region-wide approach.

But that reaction of many people in Vancouver should make us pause a minute and ask a hard question. Is the public with us in all of this? Will they change their life patterns and habits to embrace the kind of city that this represents?

I often hear urbanists say, “Well, people are simply going to have to do things differently in the future – they will have no choice” – they usually then add, “...especially as oil prices peak”. But is that really true? After all, we live in a free society with guaranteed personal freedoms – people will listen but they can do whatever they want to. And people are wealthier than they have ever been so they are able to buy whatever pleasures and luxuries that they desire.

Now, frankly, I don't have big worries about alternative infrastructure or preserved open space or even green construction, as long as we have informed governments and responsible developers, because most people don't actually make direct decisions on these matters; we accept the utilities and buildings that are offered to us at whatever level we can afford and that's the end of it.

But what about density and mixed use and diversity and active transportation? These are things that people do make direct decisions about. And, frankly, most consumers in the English speaking world, except in a very few of our older

gracious cities, have shown very little interest in being a part of the kind of city that these factors create. As one sardonic Canadian mayor has said: “The only thing the public hates more than sprawl is intensification”. Let’s be blunt: most people hate density because most of it has been so bad; they think of mixed use as probably hitting them negatively and diversity as unsafe and transit is not even in most peoples’ vocabulary. To many people this is all just a bad joke. For example, in my country over 60% of us still prefer living choices that are the exact opposite of this formula.

But I also have to say that, to some degree, I understand the consumer at this point – I sympathize with their predicament – have we been delivering a city that is easy to embrace? Could you fall in love with this...or this....? I don’t think so.

We have to change that – and I think we can change that by making one addition to that formula of smart growth. That addition, which fosters peoples’ genuine affection for the city, is “placemaking”. We have to again start to bring back into our cities the human touch – we have to bring placemaking to the very heart of the civic agenda and we have to stop trading away the urban qualities we care about for the urgencies of the moment of modern life.

If we can build places that truly appeal to people – yes, places that are sustainable, certainly dense, mixed use and diverse – places where the car, and for that matter all forms of mechanical transportation, are not needed – but, more importantly, places that are exciting and stylish and supportive and so good that people will

spontaneously prefer them – then they will become the real attraction and we will start to see changes in behaviour that automatically go in the right direction.

And this is where urban competition , urban sustainability and urban liveability can be seen through the same city lens – because in each case the bottom line is that making progress on these issues requires us to conceptualize the city from a people perspective – an imperative to tap into peoples’ emotional response to their city, their town, their neighbourhood – their definitions and preferences for their own well-being – and then reshaping those definitions to support civic competitiveness and stability and sustainability? This is quite contrary to what we have been doing for many years.

I call this “Experiential Urbanism” – learning about and then carefully designing the community to deliver the direct tangible experiences that people tell us they want in their lives and for their families every day. These become the basic fragments of a city’s DNA from which the urban pattern is built up, layer upon layer.

This has two fundamental aspects. First, it takes a consumer focus to define what needs to be done in the creation of our towns and cities; and, second, it takes a physical urban design focus at a basic level to realize those consumer hopes and expectations.

Looking at the politics, government officials usually think of people as “citizens” and, as such, we tend to consider their group needs in society. This is an approach that, of course, considers that overall policy frame – and most governments know a lot about that. It’s the systemic overview of the city that we often talk about as being the “public interest” – and, rightfully so, we see ourselves as custodians for that. But the planning approach I am talking about requires you to go beyond that. It requires you to think of people in regard to how they are “engaged” with the city, which, frankly, most public officials don’t actually know much about. This approach is certainly about looking at the big picture of policy, but it also puts a top priority on getting down to the level of the things that determine peoples’ basic personal choices – things that people truly want. It is this that really drives consumer selection. And these consumer trends, to my mind, really determine more than voting or any of our laws and policies and plans or any other influence the shape and ambiance of our settlements.

So all urbanists – government officials, developers, designers and community leaders – have to know about and respond to people as consumers with new and clever design solutions. Do you feel this is happening in Perth?

We go into this in a lot of detail in our new book, but let me give you just a taste of what I am talking about.

I think you can say you’re doing experiential urbanism at the regional level if you’re actively clustering growth into identifiable places that diversify the suburbs

and that can evolve their own personality while preserving the green lungs that offer the essential respite from the frenetic urban chaos that people long for. I'm thinking of the regional growth boundary in Portland, Oregon and the Agricultural Land Reserve in Greater Vancouver. But if you're just applying existing residential patterns and road standards and locating that next business park in the middle of nowhere and casually annexing natural country or farms that perpetuate the undefined suburbs, then you're not doing the kind of planning that I'm talking about.

I think you can say you're doing experiential urbanism at the city or town level if you're sponsoring an arrangement of built form and transportation options that bring things just a little closer together, get us out of our cars for healthy walking and offer a scale that we can comfortably relate to while mitigating the impacts of density by fostering quiet and privacy and security and clarity of personal territory. There is no question that we are an automobile world and the trend is for that to become even more so in the future. 2.6 billion vehicles predicted by 2030 is a lot of personal mobility – and I cannot see people, in mass, weaning themselves from the extraordinary benefits of the car, but that does not mean that there is no room for transportation diversity. We can enhance transportation choices and cut the negative impacts that cars now have on our cities. There are more and more inspirational examples out there. Few cities went the Vancouver route of avoiding freeways altogether but many cities are now editing out there excess freeway infrastructure in favour of parks and elegant boulevards – such as the remarkable freeway demolition and daylighting of a river in Seoul, South Korea, and the Tom McCall Park replacement for a freeway in Portland, or the transformation of the

Embarcadero Freeway to a regular street in San Francisco. There are also moves to submerge freeways under parks, such as the Madrid Rio project along the Manzanares River, the freeway cap of Klyde Warren Park in Dallas, and the “Big Dig” in Boston. But the important story is the worldwide diversification of transit, and new emphasis on bikeways and walkability. Think of the initiative for the webbed transit network in what is called “Toronto’s Big Move” and the building of economic and flexible Bus Rapid Transit, started in Curitiba, Brazil, and now used in Istanbul, Bogotá, Seattle and many other cities. Everywhere in the world people are mimicking the success of Amsterdam and Rotterdam with networks of bikeways. And as we tighten up the scale of our cities, the walking culture is taking hold. Walking is cheap to accommodate and it is the most naturally attractive alternative to the car. But if you’re just using conventional zoning tools that perpetuate that uncomfortable sense of homogeneity that people feel in the city because the zoning pulls things apart and separates activities and different social or economic groups; or, if you are just giving the car free reign, extending its systems and the sprawl that goes with it, and not building the alternatives or mitigating the impacts – then, again, you’re not doing the kind of planning that I talking about.

I think you can say you’re doing experiential urbanism at a neighbourhood level if you’re facilitating local networks for a healthy social cohesion and fostering a balanced local commercial ecology and creating attractive places for people to enjoy every day, along with an infrastructure of community services. We start to get the benefits of that smart growth formula at no more than about 100-units-per-hectare, without the need for high-rises, or huge streets, and at this density transit and services can also be delivered without subsidy. This is not incompatible with

most suburban expectations. The city of the future is not always about massive development – more often it will be about a gentle evolution. But if you are just laying out that next residential subdivision with the old lot sizes and home construction requirements at the lowest densities and that also incorporates those inhospitable corporate retail standards with that sea of parking and barrage of signage, well, yet again, you are not doing the kind of planning that I am talking about.

I think you can say you're doing experiential urbanism at any level if you're engaging the public in a continuous way and in a vivid way and in a way that works on their terms – if you are using a diversity of techniques that overlay one another to build up a deep and full understanding of peoples' hopes and preferences. But if you are just holding another public meeting, finding that few people attend, or just doing the odd survey, or hoping the newspaper will do the job, then you're definitely not doing the kind of planning that I am talking about.

For as long as anyone can remember, the shape of modern cities, with very few exceptions, has been the result of just economic activity and politics and the shifting of social groups; frankly, the city exploited as a commodity. But that doesn't have to be the case. We can actually design our cities as an explicit act of creation – not just architecture of major buildings (which, of course, is important) but grand civic design (the whole city as a canvas); where our cities will manifest our greatest dreams and hopes, not just be accidents; where our cities will strive to differentiate themselves, not accept cookie-cutter replications of what's being done

everywhere else. Smart cities are seeing themselves within the context of other places and they are seeing themselves within the mirror of their own citizens' attitudes and levels of satisfaction. And when they don't like what they see, they need to fix it.

But most modern cities are not well organized to make urban design important. This will take shifts in how we manage and undertake development – with regulatory and management systems that are discretionary and transactional. We have to start with a regulatory system that secures quality design. We have to manage development by bringing your local design forces as well as public opinion into the equation. And we have to avoid the bankrupt formulas that tend to shape modern cities, especially in the suburbs. All of this can be done without touching the required profitability of development – in fact there is often a lot of money to be saved and new money to be made.

High performance in urban design for successful cities in the future requires a much greater level of collaboration among city builders than we have been accustomed to in the past. Developers, their designers, public officials and citizens have to work together. No one group can achieve the integrated city that modern people are demanding – people buy lifestyle, they buy community; not just a place to live or a place to work. These are holistic propositions partly delivered by the private sector, partly delivered by the public sector and only delivered with the support of citizens and consumers in a free society and free market.

So, COLLABORATION is essential.

To achieve this we will have to re-invent City Hall and to re-invent how the development community works in most of the cities of the world.

The cities of the future will definitely be driven by peoples' different interests – but we have to find ways to bring divergent interests into alignment so that working for your own interest puts you parallel with others working for their interests – and together you achieve the community interests.

I have found that eight principles have to be at play for a full reconciliation and collaboration among interests to result. So let me summarize those principles.

The first principle is that regions and their various local governments need a strong, clear vision of what the whole region and its many differentiated areas want to be – there needs to be an understandable concept; there needs to be a physical plan – what Jaime Lerner called a “design” – structured at the various scales that make up the place. And with that concept, a region needs a way to cooperate among its local authorities to coordinate activities, distribute and share functionalities, set broad systems in place, and manage everything for the most progressive performance. Without that, the likelihood is that processes and laws and the resulting development will just be in confusion; local governments within the region will find themselves working at cross purposes. So, joint regional and

municipal pro-action and in-house planning prowess are vital for the contemporary city.

The second principle is that regional and local capital investment must be tied to the urban design vision and plans – there must be a strategic plan to finance growth. A lot, if not most, public goods have to be leveraged through the development approval process – otherwise local governments can never afford to sponsor the high quality that is essential with intensive development – taxpayers will simply rebel. But there is also a sustained level of public capital investment that is equally important – and all of this investment must be thought of together.

The third principle is that the right kinds of laws are needed to foster good urbanism and to help underwrite its costs. In the complexity of the modern city and a free economy, regulation is essential but that regulation must serve both public and private needs. In particular, zoning must change from the conventional approach that specifies everything and separates everything. That's the policeman's approach and all it really does is keep the worst at bay. This also applies to the antiquated requirements we are now shackled with on all fronts, such as oppressive street standards and building codes and even health and fire and other supposed safety requirements. These laws and regulations are forcing us into less and less humane environments for interests that have become hard for regular people to understand and justify. Frankly, most of these specifications need to be loosened up. For example, progressive zoning needs to manage complex mixed uses; and be discretionary to foster innovation; and be heavy with incentives and

bonuses to motivate excellence and generate wealth to pay for public goods – and I think this applies to the array of municipal regulations.

The fourth principle is that smart growth is about joint action – working together – around the design table. Developers, architects and planning officials can no longer be enemies – they must be allies to achieve a city by design. They cannot design in different places with different programs and expect it all to come together. Having government and private designers working on the same drawing boards can broker hundreds of public/private trade-offs at a very great level of subtlety, thus finding a good balance in the final scheme.

The fifth principle I have already mentioned – and that is that there must be strong and continuous public involvement and input into all the decisions of the city. This must be done in iterations, from the conceptual to the specific, in many formats. Having said this, it is also important that involvement generate a value add, not force the lowest compromises or just stretch out forever, avoiding hard decisions.

Which brings me to the sixth principle: balancing public involvement there must be equal involvement and advice by professional peers, preferably separate from the general public input. This is best done with an Urban Design Panel to advise the developer and municipality on all significant projects. This is one of the most cost effective ways to insinuate design into the vocabulary of a city. There's simply no better way to get solid resolution on the sticky judgements that we always face. Remember, urban design is an art not a science.

The seventh principle, and one that goes contrary to much common wisdom of our day, is that municipal development decisions should be made by experts. Politicians should frame policy and zoning but we will be much better off when the days are gone of politicians or lay citizens making the specific development decisions. The best development decisions are made by some kind of Board of appointed officials, with strong and demonstrated expertise, with little or no appeal to politicians.

The eighth, and final, principle is that municipalities must offer efficient processing of development proposals – timely, ascertainable, fair, and predictable. As the laws and procedures become more complicated it becomes more and more essential that municipal processes are not left to circumstances.

In a nutshell, these kinds of process principles allow the pressures for competition, liveability and sustainability to be reconciled with public preferences through a coordinated and creative act of urban design.

The approach that I have been describing today leads to a deliberate city that can meet very high standards and expectations from a skeptical public. In the deliberate city we will achieve a certain state of grace that is very special. We will have a strong shared dream for the quality of place that we want and we will see people making their contribution to get there not because they have to but because they want to. There will be an alignment of profitability and community building. We will also see people coming back to live in the core city and freely choosing

the transformed suburbs through natural preference. There will be an alignment of consumer selection and sustainable practice. This will include all kinds of people but especially families with children. We will see the efficiencies of the city but also memorable placemaking. There will be an alignment of urban systems and personal fulfillment. And, if you're lucky there will also be a little magic.

The point is: in the deliberate city we will design for prosperity and that will be the secret that secures our economic success.

Thank you for listening. Now, let's open the floor for discussion....