



© Anthony Casay

Urban planners promise us a paradise on earth -- if we give them enough power to create it.



With that power, they say they can revitalize our downtowns



Make streets pedestrian friendly

JON RAYMOND

# Livability

Stories



And improve the livability of our cities. (Appropriately, this book is a work of fiction.)



Imagine you are an urban planner in 1950 writing a 50-year plan for Wichita.



In 1950, no one had ever direct dialed a long-distance phone call.



In 1950, if you said you were working on your computer, people would have assumed you meant some sort of slide rule. The idea of a home computer was absurd, so your plan might have forbidden home businesses.



In 1950, no one had ever flown on a commercial jet aircraft.



But almost everyone had ridden on a passenger train.



So your plan probably would have devoted a lot of space to a train station and not much to an airport.



In 1950, no one had ever been to a pizza hut.



In 1950, the average supermarket had just 5,000 different products on its shelves; no one had ever shopped at a supercenter with 100,000 products or more.



In 1950, some people thought this might be the future of housing. We know today that any predictions made in 1950 were probably wrong, so any plans based on those predictions would also be wrong. Yet many cities today are writing 50-year plans.



The problem is that cities are simply too complicated to plan. There are too many people with different goals



too many parcels of land with different potential uses. So, instead of finding the optimal use for each parcel of land, urban planners follow fads.



LOOKING NORTH ON SOUTH BURDICK ST. KALAMAZOO, MI 81-0

For example, in 1959, Kalamazoo Michigan tried to revitalize its downtown by closing this street to motor vehicles.



This started a fad, and within 30 years some 200 cities had closed streets to automobiles.



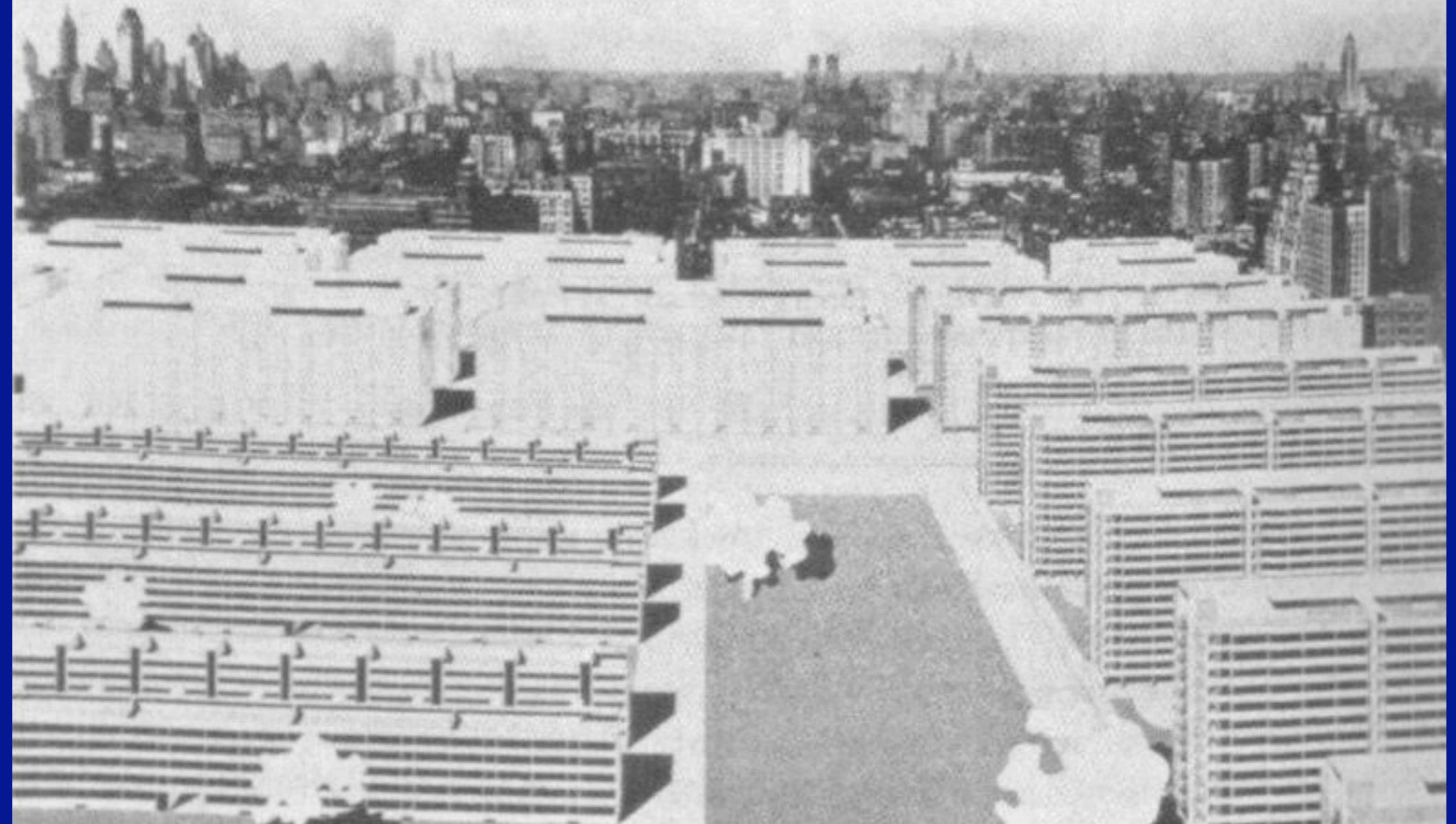
All but a handful of these closures were failures. With no vehicle traffic, businesses failed or moved.



Metroljacksonville.com

Here is Kalamazoo's mall today, reopened to traffic. Yet some cities still are talking about closing major streets to motor vehicles.

# SLUM CLEARANCE HOUSING PROPOSAL / DIST 5 / MANHATTAN



A second urban-planning fad also began in the 1950s: slum clearance and replacement of those slums with giant concrete apartment buildings.



Inspired by a Swiss architect named Le Corbusier, this project in St. Louis was designed by the same architect who later designed the World Trade Center. Despite winning awards,

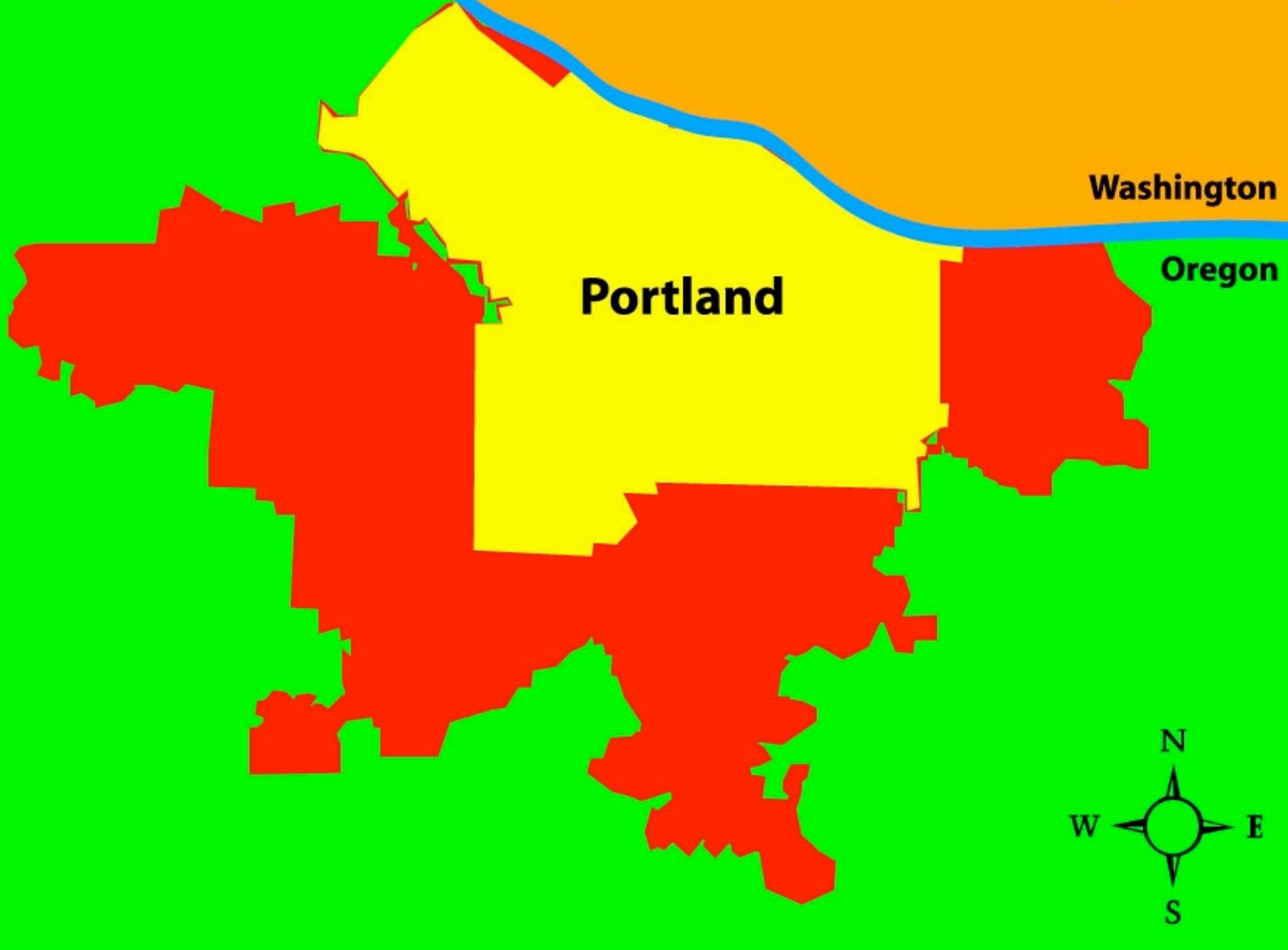


it proved to be so unlivable that it was demolished just 17 years after it opened.



The residents of this development in Chicago were not so lucky: it was only demolished 30 years after it was built.

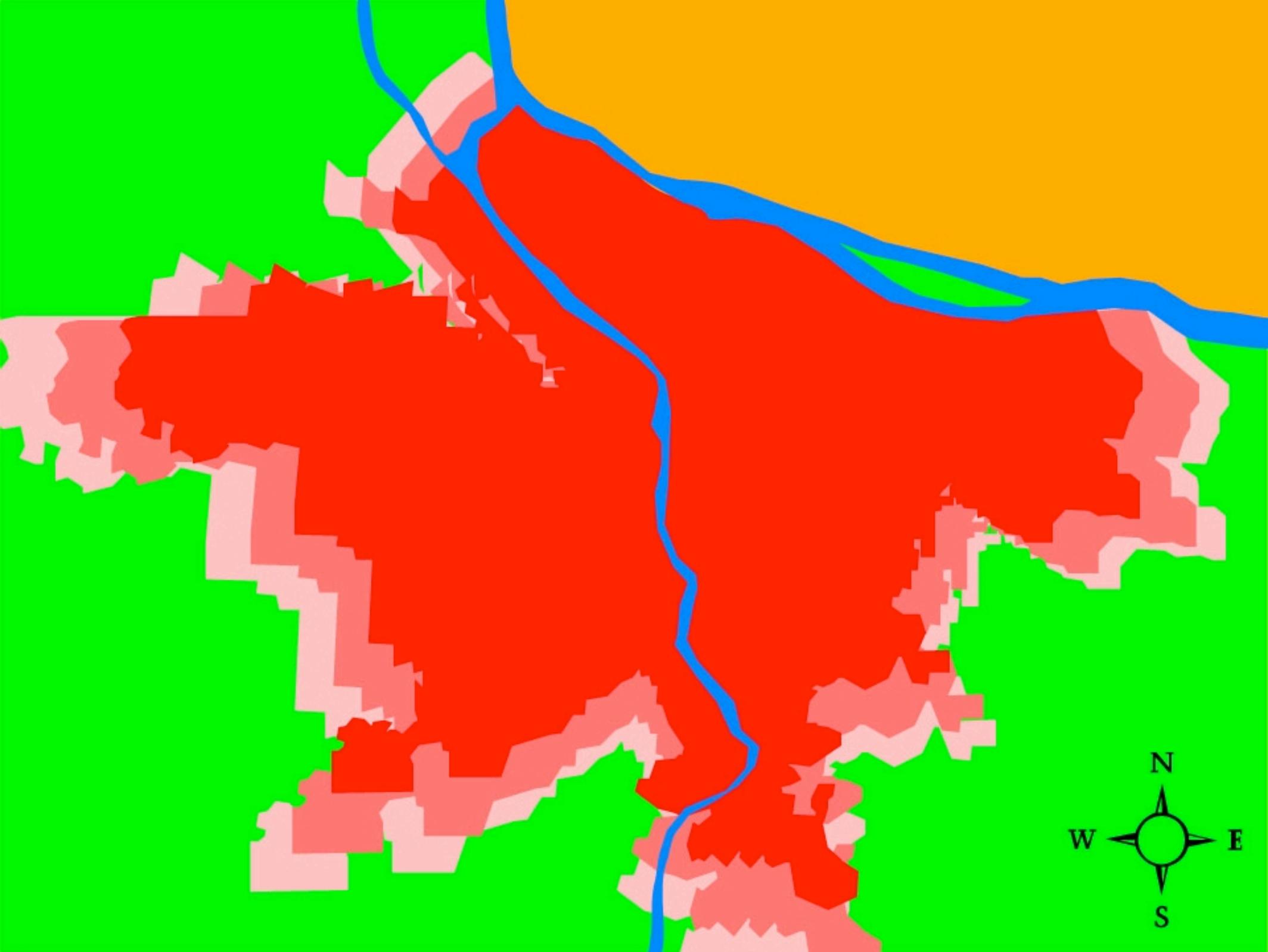
# Portland Urban-Growth Boundary



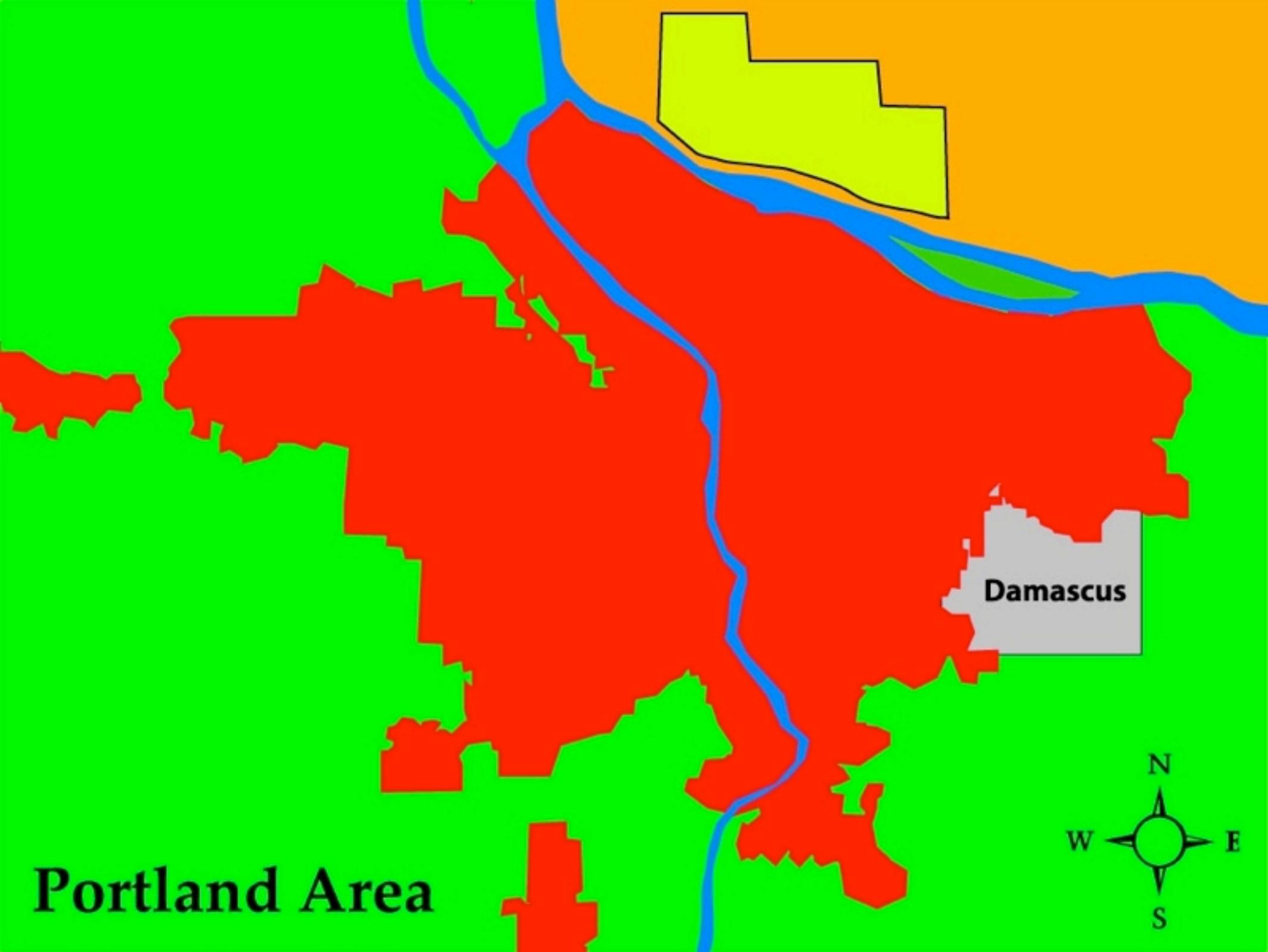
A more recent fad is illustrated by my home town of Portland, Oregon. In 1979, Portland drew an urban growth boundary around itself and 23 incorporated suburbs.



Outside the boundary, 97 percent of Oregon is so strictly zoned that you can only build a house on your own land if you have at least 80 acres and you earn at least \$40,000 to \$80,000 (depending on soil productivity) a year farming it.

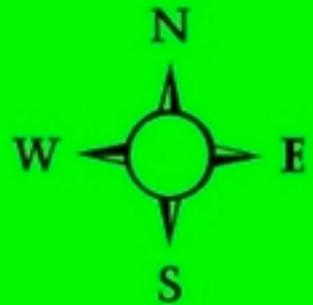


When planners drew the growth boundary, they promised they would expand it when needed so there would always be land available for urban development. But, as Peter Drucker pointed out, whenever government does anything, even just drawing a line, it soon becomes “moral.” This happens the interest groups that benefit from that line lobby to keep it in place.

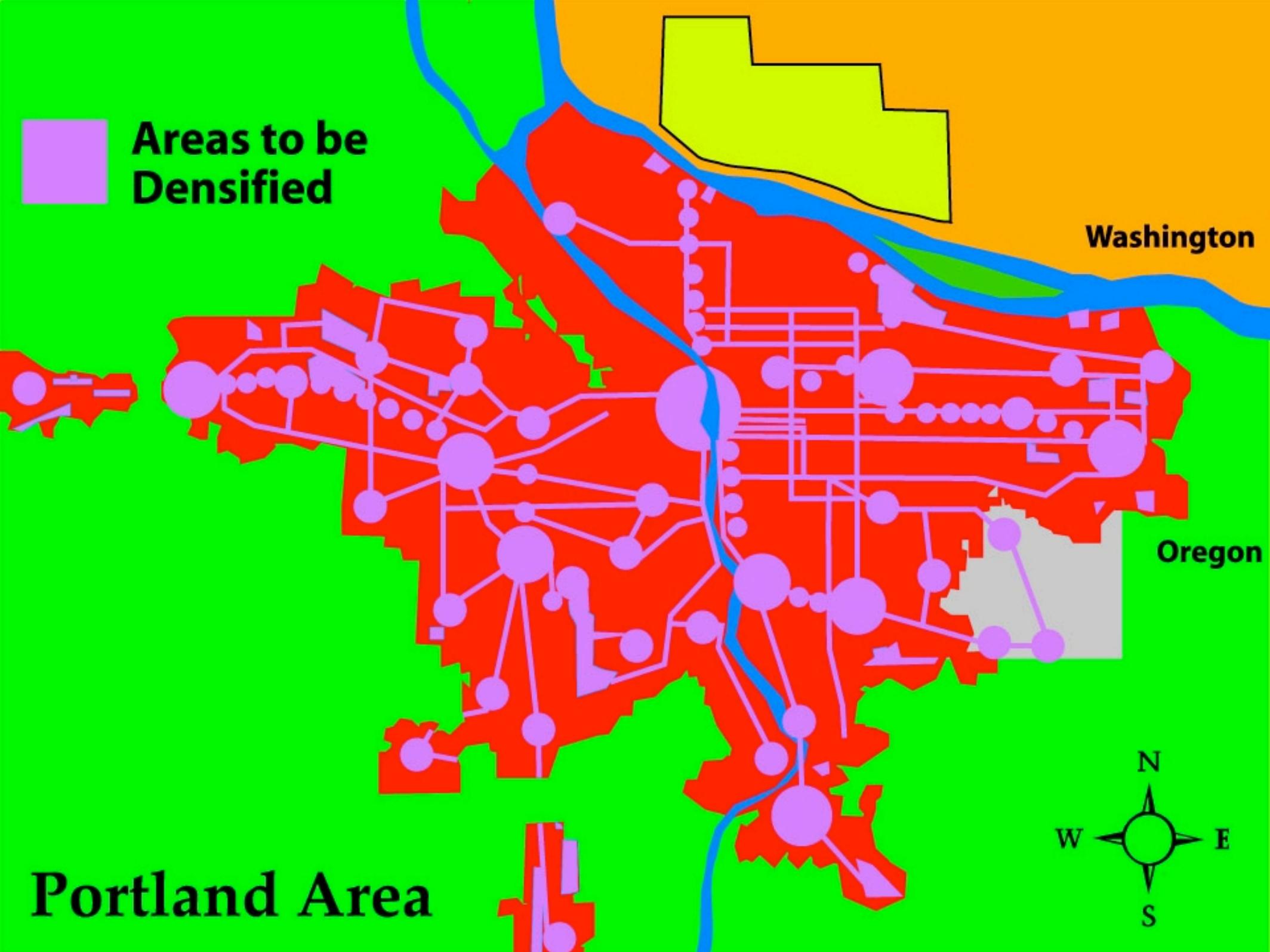


## Portland Area

Damascus



Although planners made a few small additions to the boundary, mainly an area called Damascus, they put so many restrictions on construction that homebuilders have given up on ever developing the area.



Instead of growing out, planners want Portland to grow up, that is, get denser. All of the purple areas on this map have been targeted for high-density developments.



This neighborhood of single-family homes has been rezoned for apartments, so it is starting to see apartment grow up in people's back yards.



The zoning is so strict that, if your house burns down, you can only replace it with a rowhouse, apartment, or some other structure that meets the minimum density of the zone.



**\$160,000 in Houston**

The intended consequence of these zoning rules is to make single-family housing, the kind of housing 80 percent of Americans say they prefer, unaffordable. This four-bedroom, 2-1/2 bath home in Houston recently sold for \$160,000.



**\$156,000 in Wichita**

According to Coldwell Banker, that same home would have sold for \$156,000 in Wichita.



**\$320,000 in Portland**

But in Portland it would have sold for twice that much.



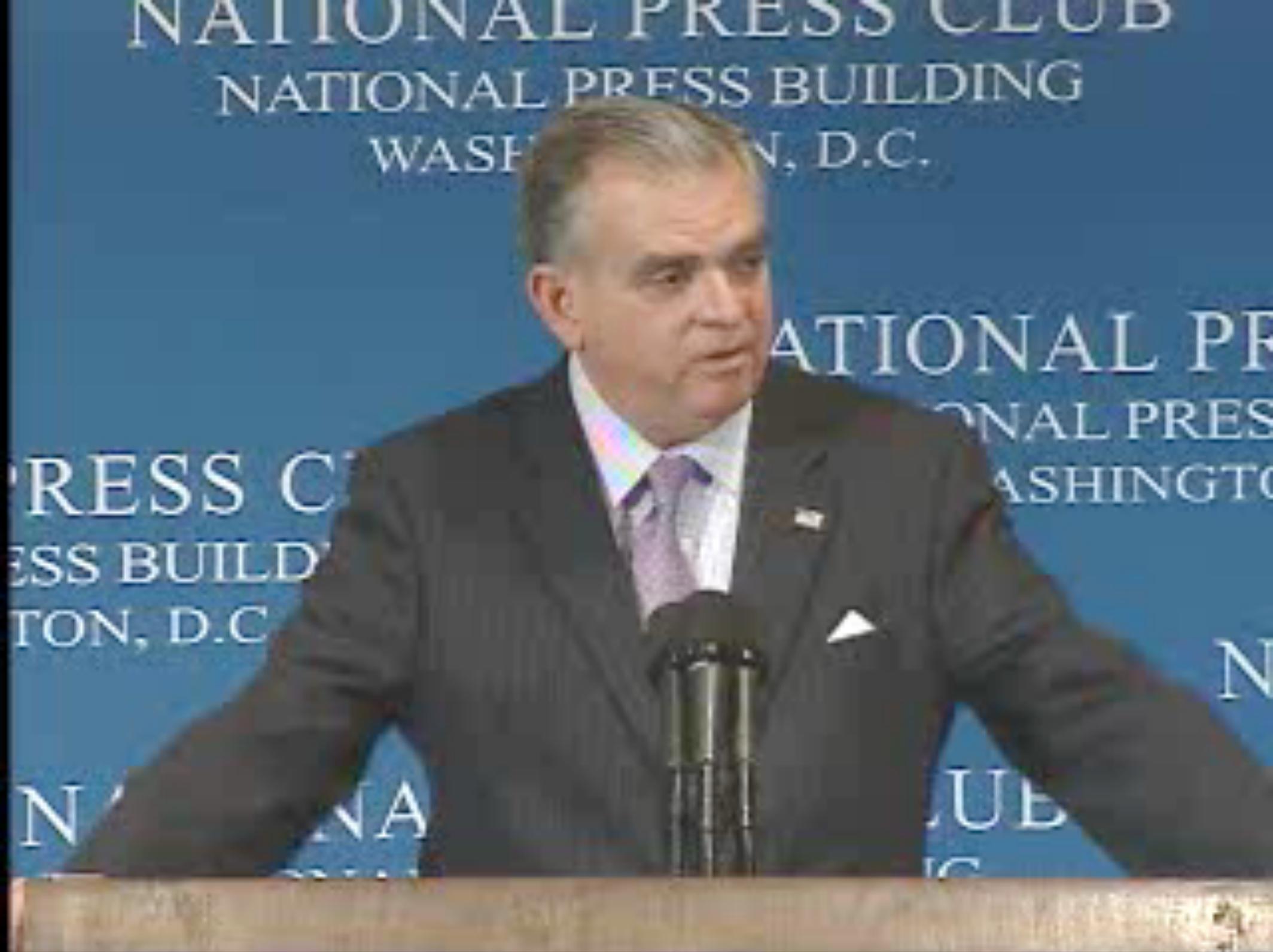
Portland planners are proud that they have made land so expensive that developers will buy existing homes on quarter acre lots



tear them down



And replace them with four “skinny houses,” houses just 15 feet wide on 25-foot-wide lots.



If you think this could not happen in Kansas, think again: Secretary of Transportation Ray LaHood is requiring all metropolitan areas to begin planning for more compact development. He admitted to the National Press Club that his goal was to coerce people out of their automobiles by making cities too congested to drive in



Another urban planning fad pioneered in Portland is light rail. Excuse me, this isn't Portland, this is Moscow.



This is Portland.



Whenever I see a light-rail train in front of an ugly apartment building, I think it is Portland. But you can see the difference: at least it is sunny in Moscow,



While it is raining in Portland.



Portland planned its first light-rail line when Congress in 1973 allowed cities to cancel planned interstate freeways and use the money for transit capital improvements.

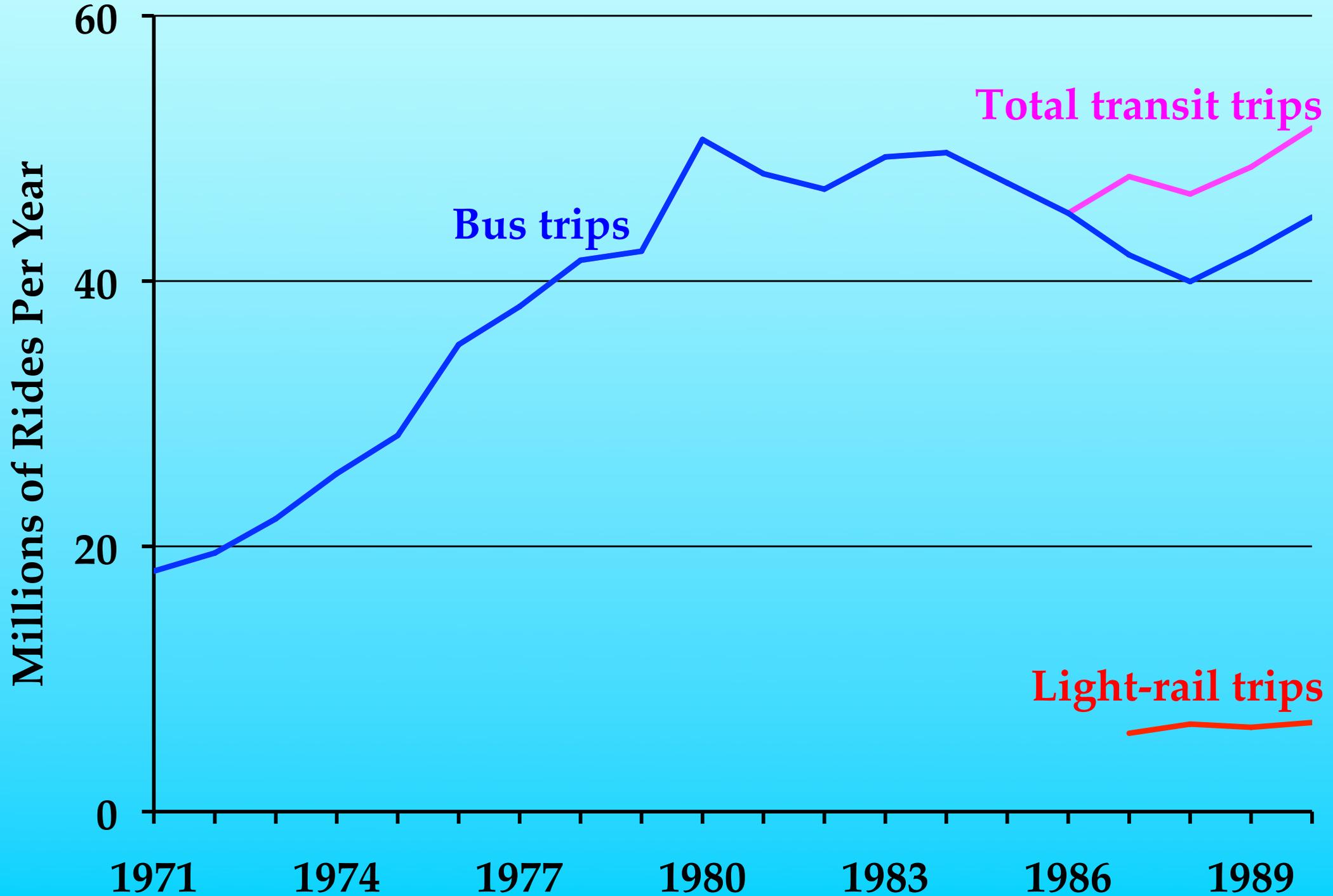


At the time, Portland had an excellent bus system with rapidly growing ridership. But if the city dedicated the freeway money to buying new buses, it wouldn't have had enough money to operate all those new buses.



So it built light rail BECAUSE it was expensive. Make no mistake: the attraction of light rail was that it cost a lot of money and allowed Portland to keep those federal capital dollars without greatly adding to the city's operating costs.

# Portland Transit Ridership



Unfortunately, light rail ended up costing more than expected, and to pay for the cost overruns Portland raised bus fares and cut bus service, leading to a huge decline in transit ridership. This should have taught the city a lesson: don't build expensive rail lines.



But once you get started, you can't stop because the companies that make money from building the lines lobby to build more.



Urban planners supported this effort because they wanted to zone the lands near light-rail stations for high-density development.

**“We have not seen any of the kind of development—of a mid-rise, higher-density, mixed-use, mixed-income type—that we would’ve liked to have seen” along the MAX line.**

***—Mike Saba, Portland City Planner, 1996***

However, ten years later, not a single such development had been built.

**“We are in the hottest real estate market in the country,” yet “most of those sites [along the MAX line] are still vacant. . . . It is a myth to think that the market will take care of development along transit corridors.”**

***— Charles Hales, City Commissioner, 1996***

So the city decided to subsidize such developments.

# 10 year property tax exemption

“The primary reason for underbuilding in urban areas is the lack of financial feasibility. There is little evidence to support the conclusion that the high densities required in Urban Centers, in the absence of public assistance, are profitable under current market conditions, and that developers and property owners are either unaware that they could make more money by building denser, or prohibited from doing so by physical or policy constraints.”

from: *Metro Urban Centers: An Evaluation of the Density of Development.*

From Portland City Council Agenda:

1620 Grant a ten-year property tax exemption to Hoyt Street Properties, LLC for new multiple-unit housing on the block bounded by NW 11th, 12th, Lovejoy, and Marshall Streets (Second Reading Agenda 1587) Disposition: Ordinance No. 175047.



details: [www.saveportland.org](http://www.saveportland.org)

It gave 10-year property tax waivers to high-density residences near the rail lines.

# \$841,890 Condo Pays \$146.74 Annual Property Tax



625 NW 11th

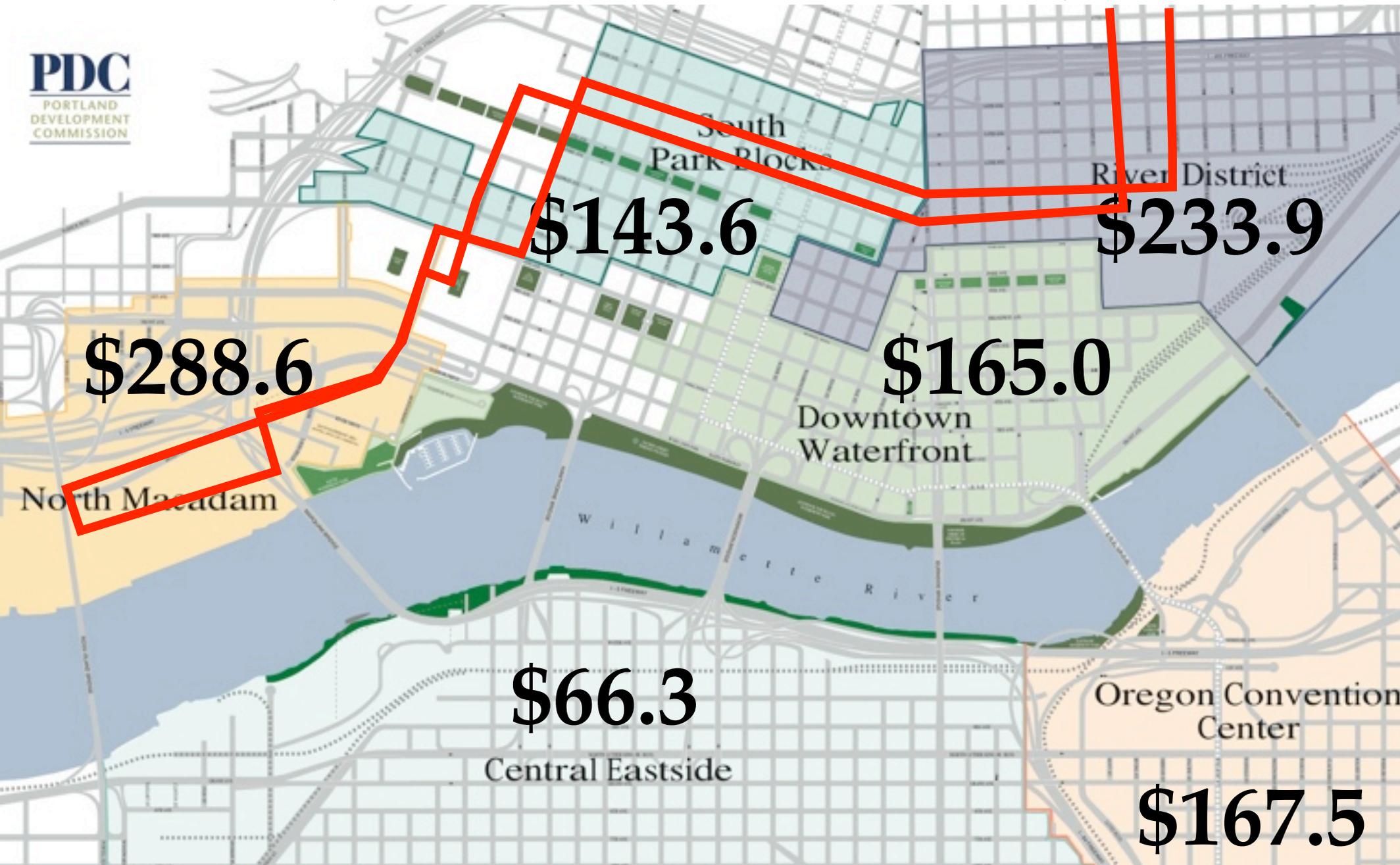
[www.saveportland.org](http://www.saveportland.org)

Million-dollar condos ended up paying taxes only on the land, not the improvements.



Portland started a newer fad when it built a downtown streetcar line. It claimed that the streetcar generated billions in economic development along the line, and now 80 other cities want to build streetcars.

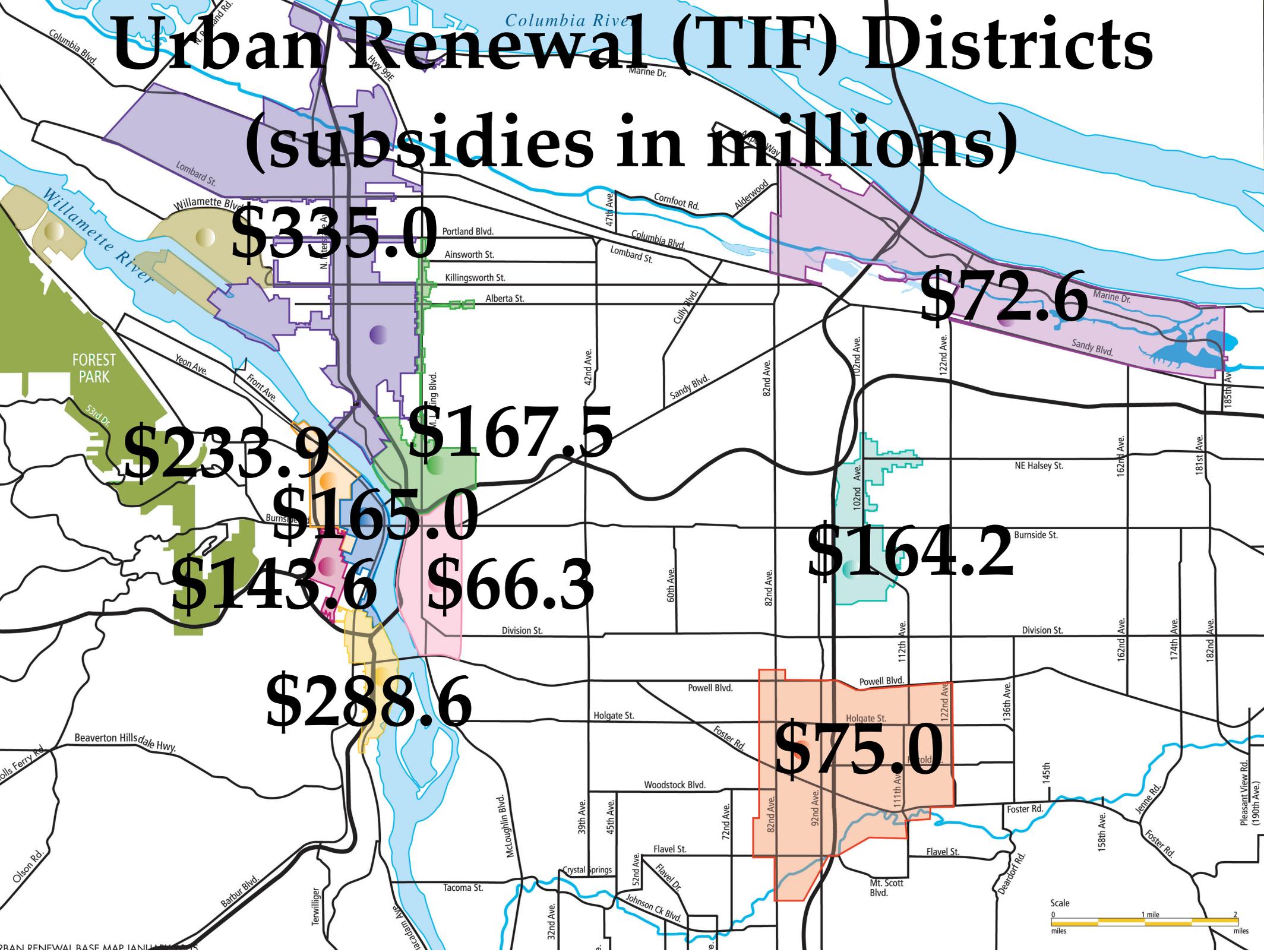
# Urban Renewal (TIF) Districts (subsidies in millions)



In fact, that development was stimulated by two-thirds of a billion dollars of subsidies from tax-increment financing, including infrastructure such as parking garages. The red line is Portland's streetcar line through downtown.

# Urban Renewal (TIF) Districts

(subsidies in millions)



Today, Portland has drawn all of its TIF districts to follow the city's light-rail or streetcar lines so it can subsidize high-density developments all along these lines.



Portland's mayor, Sam Adams, says it is his goal to house all of the 300,000 people who are expected to move to Portland's population in the next few decades in high-density developments along the streetcar and light-rail lines.

**“Urban rail transit investments rarely ‘create’ new growth, but more typically redistribute growth that would have taken place without the investment.”**

*Cervero & Seskin, FTA Report #TCRP-7*

Yet the economic development generated by rail transit and TIF is a zero-sum game: it does not generate new development, but just relocates it from one part of the region to another.



Meanwhile, fire, police, and other urban services are declining because TIF effectively stole money from their budgets and put it in the pockets of developers.



It isn't even clear that these developments are all that transit oriented. Excuse me, this isn't a development in Portland, it is in the former East Germany.



Here is the one in Portland.



The difference between them is that, when East Germans got their freedom, they moved out of these apartments, which are now slated for demolition.



While Portlanders who lost their freedom had to move into developments like this one, which has only two-thirds of a parking space per residence. See those cars?



They are illegally parked in a fire lane.



These cars are parked on the sidewalk indicated by the red stripe. The management of this development knows that if it enforces the parking rules, people will move out.



This mixed-use development consists of apartments on the upper three floors and shops on the ground floor.

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But all the ground-floor shops in the previous photo are vacant because planners didn't provide enough parking to support retail shops.



There is a large parking lot next to the development, but it is reserved for patrons of the light-rail line. This doesn't mean light rail is bad for all businesses.

# Drugs are on the move on MAX

*Police note that dealers have latched onto Fareless Square stops and the rides between them as fruitful places for sales*

**By JOSEPH ROSE**  
THE OREGONIAN

The dealer lingered in the shadows of a MAX platform under the Burnside Bridge. In one of his jeans pockets, \$7 packets of heroin rubbed against a trading card-size picture of the Virgin Mary.

Finding a buyer for the drugs was as easy as waiting for trains to stop and unload riders every few minutes.

Busting the seller was just as easy for an undercover cop posing as a street kid on a recent night. Step off the MAX. Make eye contact. Within two minutes, the dealer was in handcuffs.

"The frustrating thing is there are three more guys in the wings, ready to take his place," said transit police Sgt. John Harrison as he watched a patrol car take the dealer away.

Every day, from just before sunrise to several hours after dark, the same frustration waits at MAX stops along Fareless Square, say officers who patrol the free-

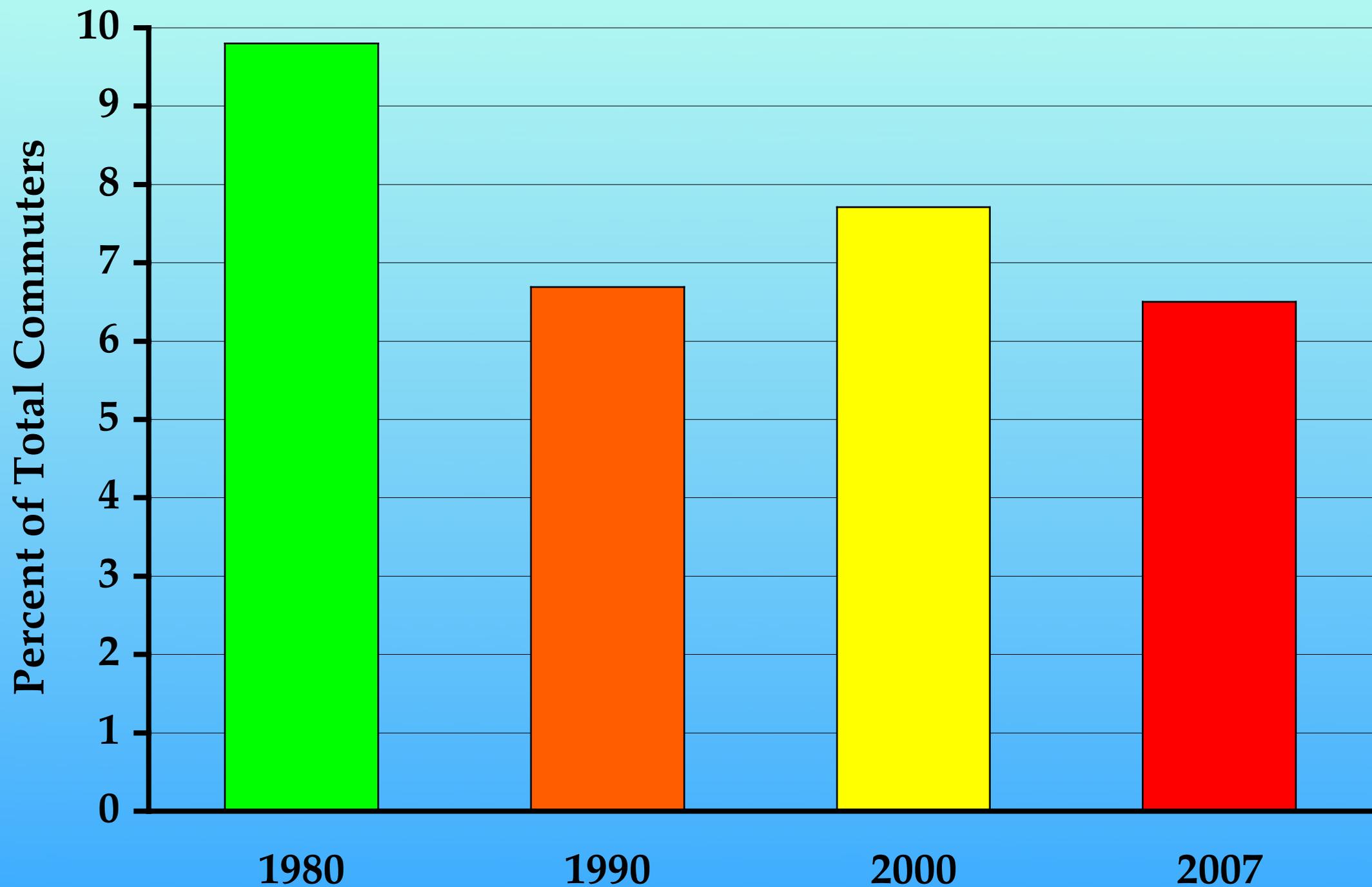


Some businesses thrive on the light-rail line, they are just not businesses that you would want in your neighborhood. I don't want to say that no one but drug dealers ride Portland's light rail, but once a train left a station near a planned but unbuilt high-density development



with only one passenger on board. Now, coyotes like to go where they know they can find solitude from people, so this guy felt comfortable getting on the light rail train.

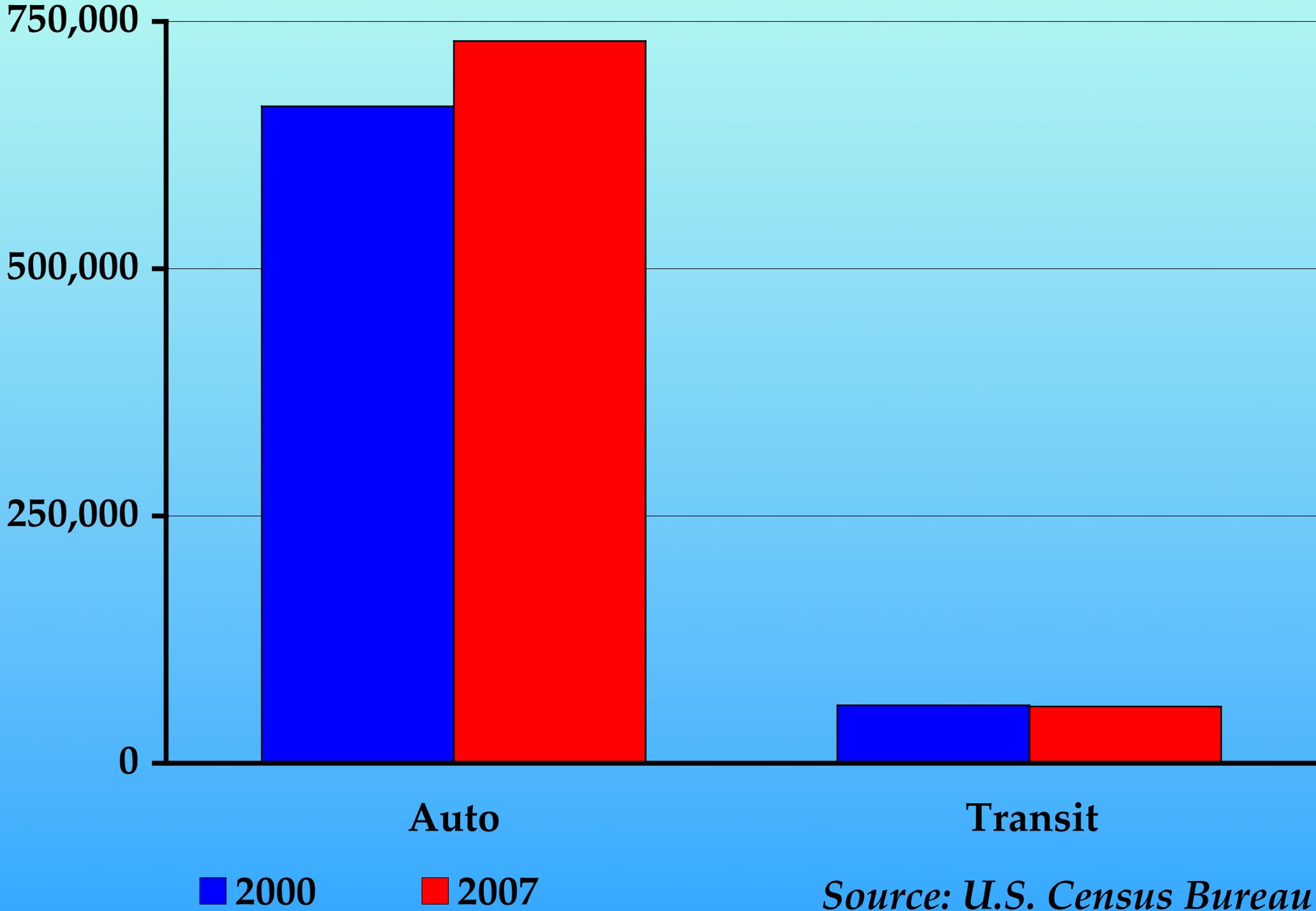
# Portland-Area Commuters Using Transit



*Source: Census Bureau*

Since 1980, Portland has built four light-rail lines and a streetcar line, and the share of people taking transit to work has fallen from almost 10 percent to 6.5 percent.

# Portland-Area Commuters



Between 2000 and 2007, the number of people taking transit to work actually fell, while the number of people driving grew by more than the total number of transit commuters.



If your goal is to make housing unaffordable, streets more congested, increase taxes, and/or reduce the quality of urban services, then by all means follow the fads that Portland has followed. But what should you do if your goals are different?



One model to follow is Anaheim California, which wanted to revitalize an area called the Platinum Triangle.



The Anaheim Platinum Triangle is a warehouse district in the vicinity of the Honda Sports Center and the Angel Stadium.



Most California cities would use tax-increment financing and eminent domain to redevelop this area. Instead, Anaheim Mayor Curt Pringle eliminated all zoning and planning requirements for the area and let developers do what they wanted.



The result was literally billions of dollars of economic development, including new office buildings,



hotels



and residences.



These developments received virtually no subsidies. Instead, government just got out of the way and let developers build for the market.



Land uses in California are far more heavily regulated than in Kansas, so your results may differ. But if getting out of the way doesn't result in the kind of development you wanted, then maybe that wasn't the right kind of development in the first place.



Beyond getting out of the way, government should finance things like roads, transit, water, and sewer out of user fees, not out of general tax dollars.



Developers in Texas, such as this Houston suburb called Sienna Plantation



or this older development known as the Woodlands sell bonds to install all roads and utilities and create a municipal utility district that charges homeowners enough to repay those bonds over 30 years. This means there is no need for up-front development charges or impact fees that reducing housing affordability.

# Policy Analysis

No. 596

July 9, 2007

<i>Routing</i>

## *Debunking Portland The City That Doesn't Work*

by Randal O'Toole

### **Executive Summary**

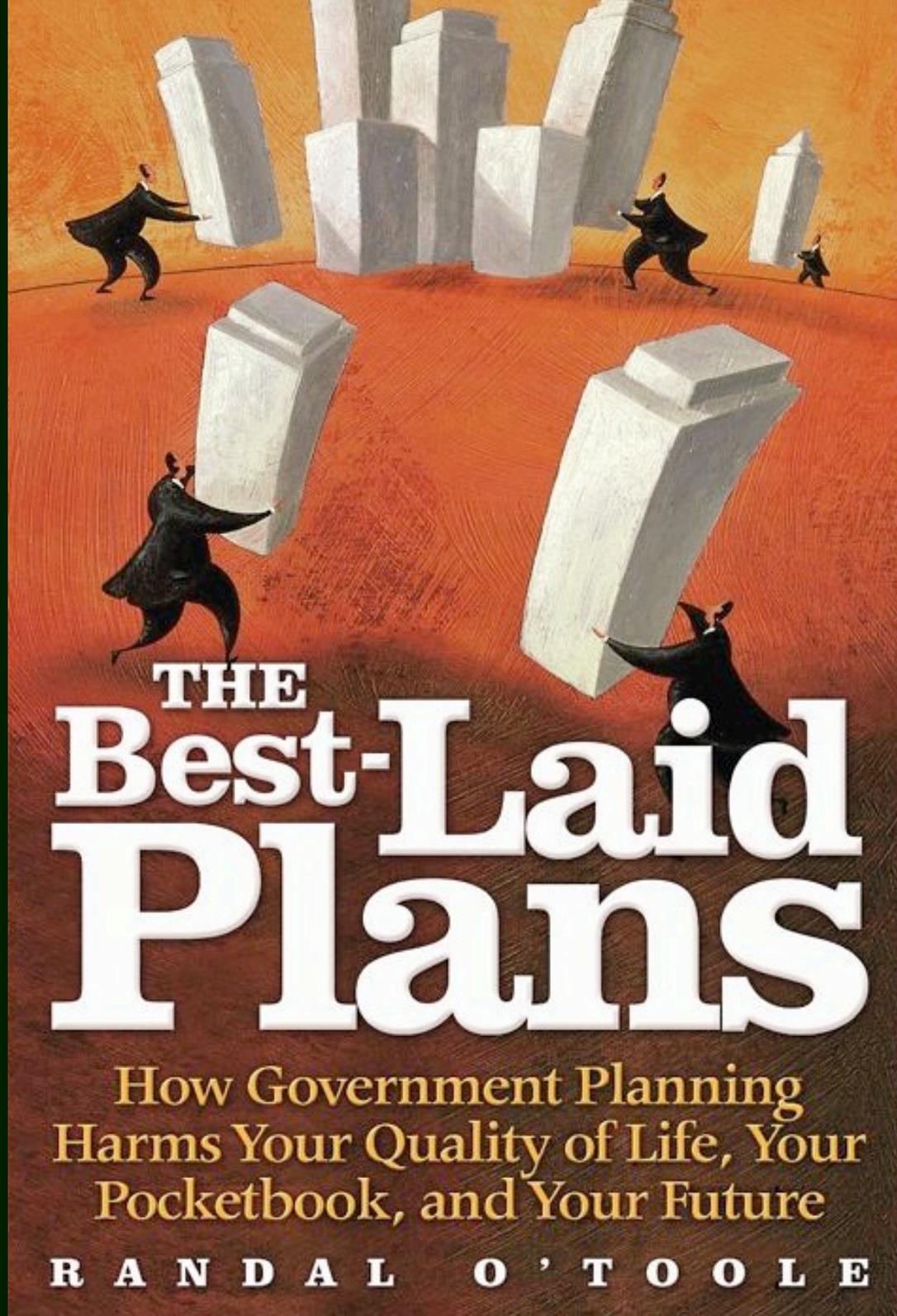
Though many people consider Portland, Oregon, a model of 21st-century urban planning, the region's integrated land-use and transportation plans have greatly reduced the area's livability. To halt urban sprawl and reduce people's dependence on the automobile, Portland's plans use an urban-growth boundary to greatly increase the area's population density, spend most of the region's transportation funds on various rail transit projects, and promote construction of scores of

move to Vancouver, Washington, and other cities outside the region's authority. Far from reducing driving, rail transit has actually reduced the share of travel using transit from what it was in 1980. And developers have found that so-called transit-oriented developments only work when they include plenty of parking.

Portland-area residents have expressed their opposition to these plans by voting against light rail and density and voting for a property-rights

For more information, I encourage you to read

some of my papers on these issues.

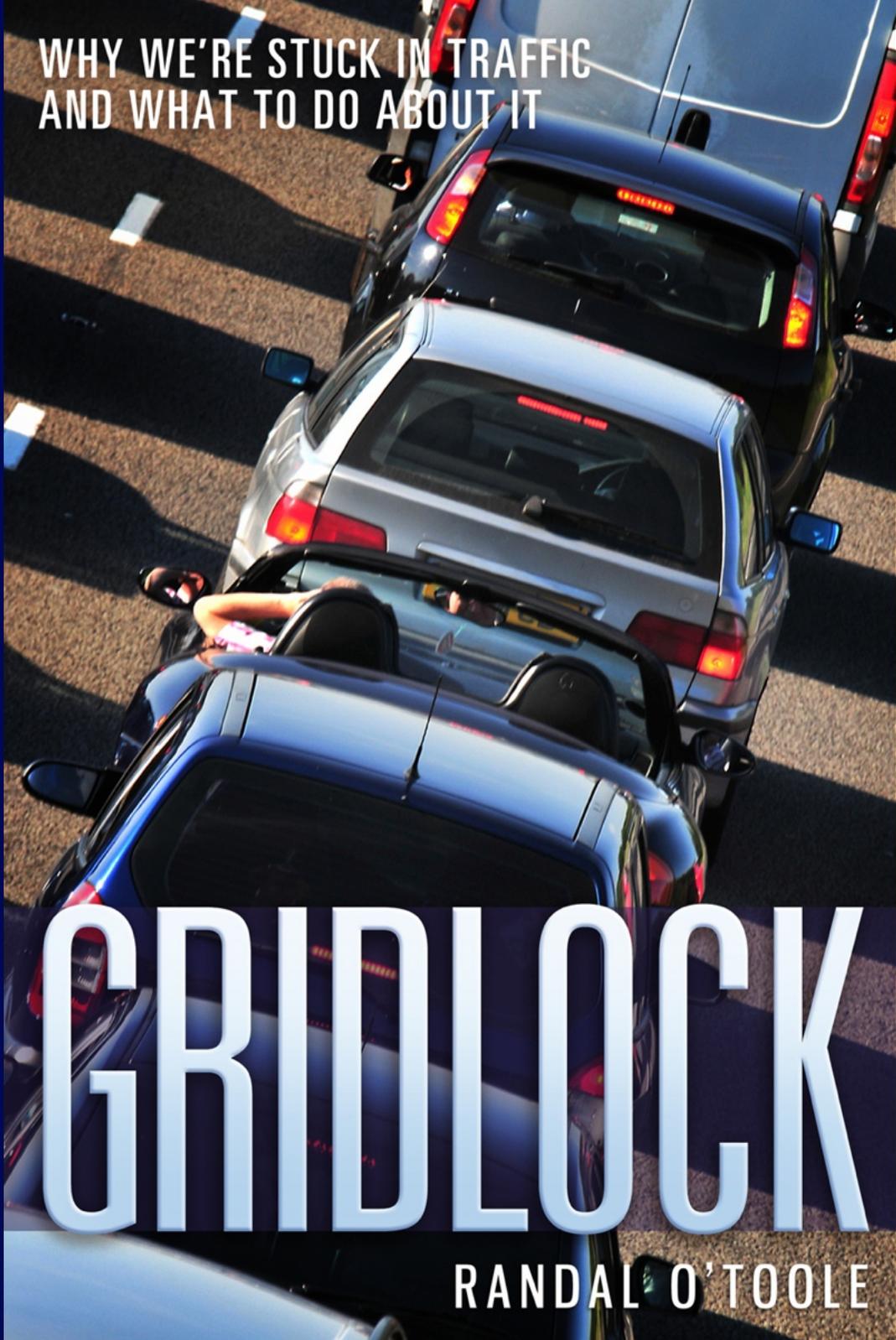


# THE Best-Laid Plans

How Government Planning  
Harms Your Quality of Life, Your  
Pocketbook, and Your Future

R A N D A L O ' T O O L E

I also have a book on the follies of government planning and how market mechanisms can take care of problems that planners create.



WHY WE'RE STUCK IN TRAFFIC  
AND WHAT TO DO ABOUT IT

# GRIDLOCK

RANDAL O'TOOLE

I also have a new book on problems with and solutions to our transportation issues.



# The Antiplanner

Welcome to the Antiplanner

Home

About

RSS

## About the Antiplanner

The antiplanner has more than thirty years experience critiquing plans written by a wide variety of federal, state, and local government agencies.

## Calendar

December 2006						
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4	5	6	7	8	9	
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## Welcome to the Antiplanner

posted in [Mission, Why Planning Fails](#) | [Edit](#) |

They say someone starts a new blog every second, so let me present one of the first 80,000 blogs of 2007. *The Antiplanner* is the public face of my new mission: to promote the repeal of all federal and state planning laws and the closure of all state and local planning offices.

While people often blame social problems on politicians or lawyers, I have concluded that many of our problems are due to planners and the elected officials who support them. In a nutshell, planners do two things: they create shortages of things that people want and surpluses of things that people don't want.

Of course, everybody plans. We plan our work day, our vacations, our education and careers. But these plans tend to be short term, flexible, and affect mainly ourselves and our families. To distinguish this from the planning I criticize, I prefer to call such activities *organizing*: we organize our time and resources as efficiently as we can based on what we know. If

1st  
January  
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Many of my publications are accessible through my blog, the Antiplanner, which is <http://ti.org/antiplanner>. Or just Google "antiplanner" and I should be the first thing on the list.



For even more information, I invite you to Orlando this June 10-12

*Preserving the American Dream Conference*

**The Future of  
American Mobility  
and Homeownership**

*June 10-12, 2010*

*Orlando, Florida*

where the American Dream Coalition will hold its annual meeting on the future of American mobility and homeownership.

*For more information:*

**Web sites:**

**ti.org**

**cato.org**

**americandreamcoalition.org**

**e-mail: rot@ti.org**

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