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HDM Symposium: Can Design Improve Life In Cities?

Real Estate Developers' Panel

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KAYDEN: Private developers play a fundamental role in the development of our cities. In the United States in particular, roughly 60% of all land is owned by private parties. About 30% is owned by the national government. In cities, normally around 95% of land is privately owned. Interestingly, given this heavy reliance on private developers for our built environment, one has to wonder about what seems to be a healthy degree of skepticism about them. It's a commonplace that private developers are not necessarily in it to help society, but to earn profits. The New London eminent domain case has raised enormous skepticism because of the idea that the government is almost the handmaiden of private developers, taking land from single-family homeowners and turning it over to large developers. So we have to discover what role developers can play in all this. I want to ask the panel here: Whom do you turn to for advice on what to build, where to build it, and how to build it? Are architects your closest, your first confidants as you go about developing land? In short, do you really, really love architects and value their advice?

DRUKER: I love architects. Some of my best friends are architects. Look, we can't do it alone. We believe that good archi-

ecture is influenced by a good client. We try to choose architects who have done the product type we're doing. If we're doing a regional mall, we work with somebody who's done that. If we're doing a high-rise office building, we don't work with somebody who's done a regional mall. Can we do it alone? No. Do we think that we should have a lot of input in the siting of a building, how it relates to the public realm, and how it relates to whatever market we're addressing? We absolutely need to work with competent designers, but we also have to have a lot of influence and have to monitor how the process is going. Otherwise, from our perspective, we'll end up in trouble.

ROSE: We are known as an architect-friendly firm, and so architects often call us and say, "We have an interesting project, and we'd love to work with you on it." Sometimes the *where* comes from the architect first. The *how* is deeply collaborative. The design phase is both the most exciting and the most important phase of the project. We aspire to put together a team that helps us deeply delve into the ideas, and if you don't do that, then you have a mediocre project.

RATNER: I want to expand from the architects. Most of us are dealing with (and the whole two days of this session has

been talking about) larger-scale urban design issues, not single buildings. When you're dealing with a single building, you pretty much have a concept of what you're all about. When you start to deal with a larger-scale project, the *what* becomes more important, and then a richer collaborative process becomes critical. Clearly over the last fifteen years there's been an evolving and broadened relationship between developers who are doing the better work across the country and architectural firms, designers in the development community and the architectural design community, who have a much more serious intent about what they're doing. We're at least trying to confront the questions: What is good design? What's appropriate design? What's its interface with the community? What about social equity? Those issues have to come in, and without the architect and planner at the table, it's hard to get to them.

KAYDEN: Are the architect and planner there from day one or are they there after two months, after you've hatched the plan?

RATNER: No. Day one. Whether it's large scale or small scale, one of our front men or women goes out and sees an opportunity, whether it's through an RFP or some other process. We find out about either a need or land availability, and to think about it coherently, we immediately talk with designers and planners, maybe not with the firm that you're going to go to ultimately, but a firm we've had a comfort level with.

FARRIS: So the architects are your first partners in planning, partners in creating a place that people experience positively. So we look to their technical expertise as well with respect to the product type. We think about Design with a capital "D" in terms of style and the like, but also design to work well for the user and for our long-term investment. Here architects have a tremendous amount of expertise. We are working on sophisticated life-sciences buildings, and architects make sure that the building is going to work today and for the next twenty-five years. We want architects who understand that it's not design *versus* function but design *and* function.

KAYDEN: Do you think that architects and planners are receiving the kind of education you need them to have, or are there things they need to know to better serve your long-term interests?

GOLDWEITZ: Very experienced architects and designers in specific areas can be unbelievably helpful. We have, in the last thirty-five years, done mostly historic restoration of residences in Boston. Too often architects just focus on reducing cost for the developer, not improving the return on investment, and I would like to see architects understand better the full scope of the development process so that they can be more helpful. Once we even have a concept, we have a team approach — the contractor, the developer, the planner, the architect — and we have meetings throughout the project because we all look at it differently. And we always start out with landscape design and carry it through the end, because too often landscaping — one of the most important things in our projects — is left to the end, and people cut corners. People do judge a book by its cover.

ROSE: There are four things that I look for in an architect. Sometimes, it's easier to find these in a young architect and harder to find in an older architect: 1) deep commitment to place-making versus building-making; 2) having a mission, principles, and values, and not just a focus on design; 3) a deep understanding of how the pieces come together; and 4) a passion for green. When an architect says to me, "I'll do an environmentally responsible building if you want one," that's not good enough for me. I want to work only with somebody who says, "I won't do a building unless it's green."

RATNER: Part of it is that you really want to work with somebody with passion. One of the complaints developers always have is that architects "just want to do it their way," and yet in the end what you want is a professional who is confident and passionate, who *does* have ideas about what should be done. Anybody can say, "I'll do that if you want." But then we can't make progress and consider new ideas!

DRUKER: You've got to be careful if you choose somebody who is passionate about something inconsistent with your

goals. You have to know that your passion and their passion will help create the building appropriate for your market. Supposedly, we're all in it for profit. As far as education is concerned — students pick up very bad habits like being late. Ted Monacelli and I taught the Development Studio here: In it we put together a loan package. The course was open to students from MIT, the Law School, the Business School. There were thirty or so students. We broke them down into six teams, and the designers worked on financial issues, the non-designers worked on design issues. At the end of the day, the students had an appreciation of financial matters because we brought in people from the Rouse Company, from Federated, from the Boston Redevelopment Association and because we had lease negotiations, we brought in lawyers. So students saw what the process was. You know, a lot of those students have become public sector planning chiefs; I think they learned something that put them in good stead. I don't think design schools provide this much. They understand how a building but not a deal is put together. You have to know reality.

HUBBARD: I was going to flip it. One of our firm's concerns is that the architectural profession doesn't think we're open-minded.

RATNER: We're not.

HUBBARD: One of the things we've strived for is to resist the temptation to be the driver of design. I mean, even when Hines has gone through periods of high productivity, we have never done our own in-house design. We need to pick the right architect for the specific project. Second, we've started a "best practices" program. It's the classic charrette — asking all the questions at the start of the project. Why did we do that? Because the architectural profession was beginning to give us what they thought we wanted; they thought we weren't open-minded. So we try to give a strong message that we're committed to best practice. We want to know all the new ideas.

KAYDEN: We've been talking here for the past day and half about place and not buildings. I wonder whether you all feel

that there are universal principles for making good places for people to live, work, and play.

ROSE: I looked at the birthplaces of culture around the world to find common patterns. What I noticed was that all urbanized places have a grain that goes from the most private to the semi-private to the semi-public to the public — a gradation of interaction between the individual and society, and a gradation from the sacred to the profane. This is a gradation that maps what makes great public places and public cities. In old times, we would make a town square that had a church on it and a town hall, embodying sacred / profane relationship, but today our downtowns are all retail, which says our value is materialism. If we want to change our value system, we need to change the places we build.

FARRIS: I think we do have a good sense of what makes a good place. The question is whether you can operate on a scale large enough so you can really effect that, because a single building, even a single development, cannot necessarily do that.

DRUKER: You don't think your development next to MIT, University Park, is large enough?

FARRIS: Well, it is large, but great places require density and a mix of uses that is going to make people active on the streets. There are a lot of people at University Park, but not many on the street. Lab workers don't hang out, and you don't have a lot of retail, and retail is what activates streets. We all want to have retail at the base of everything. You don't have all the tools at your disposal to effect making a great place. The question is, "What is the role of the public?" Are they willing to invest the money to help create the infrastructure to make great places possible?

DRUKER: But let me talk about a bad place that should, in theory, be good: La Defence in Paris. It has density and mixed use, but there's no place. They separated the automobiles from the people. The '60s and '70s planning seemed a good idea, but it doesn't work. If you look at Palais Royale or Place de Vogue, any of the great spaces in Paris, they work because people feel comfortable in

them. There is retail on the ground floor. There are people living up above, and businesses surround them.

FARRIS: But what you're really talking about is how the automobile makes it very difficult to have great places in our culture.

DRUKER: None of the good spaces I mentioned have the automobile inside; but it is around on the outside. At La Defence, they completely eliminated the automobile, and while there's public transportation to the space, it doesn't work because it's uncomfortable. It's not warm.

KAYDEN: Do you feel you can do private development with several buildings and spaces between buildings and lobbies and have the complete public there? — not shoppers and office tenants, not people who are serving the interests of the private development, but others who have nothing to do with it? Maybe they have no money. Maybe they have skateboards. Who knows who they might be? Can they and the people you want to pay for your development mix in the realm you are creating?

RATNER: The retail community has gotten very good at "picking the pocket" of virtually everybody — they may want "all kinds." If anybody drives our urban design notions, it's the retailer, because we all ask: Now that we've got these great streets, what are we going to do with them? Maybe we need to bring Starbucks in-house in our firms, right? That's probably more important than architects to making a great place. I've got all the architects; they can design the thing. The question is: Will you ever get Starbucks to open or even better, a smaller, more politically correct coffee shop? The notion once was "If you can just get people through. . . ." But what you want to do to activate spaces is retail. Then if you bring people by, they're going to do what Americans do extremely well: consume. Then one hopes that they'll do all those other things that help to make a vibrant place: sit, talk. . . . We have a huge project in downtown Cleveland where we've successfully created a place where lots of people congregate, only they don't do a lot of shopping. They come on public transit, they're on their way to the arena,

they're on their way to the stadium. They go by, they use the facilities. They drop their debris as they're going in and out, and we sort of become a city government trying to manage that. It would be better if they did enough shopping so that when it comes time to paying the bills, but . . . there's a conflict there. Your success bedevils you if you don't have the ability to trap it in a way that creates economic value. That's not much different than the role of great places in a city, right? Because a city can create lots of infrastructure that is going to allow people to transit through, but people need to actually live, work, play, and pay taxes there so the city can afford to do the things it should do.

KAYDEN: But should we be relying on developers to provide our public realm? This is happening in lots of cities in all sorts of ways, through privately owned public space or malls.

HUBBARD: You wrote about one of our public spaces in New York, 31 West 52nd Street, that has a wonderful granite sculpture in the center. You have CVS on one side, you have the building we developed, 31 West 52nd, and you have the Museum of Modern Art across the street. For a while, Deutsche Bank had people with machine guns and German dogs walking around the building, and that might have been the time when you wrote about it. Not all the public spaces we try to create are as successful as we would like them to be. On the other hand, there's 101 California Street in San Francisco, for which Philip Johnson had a great idea. He said, "Let's give half the site back to the city, and let's connect California Street to Market Street." All the architects' proposals had two tower schemes. Philip said, "We've got to do more for the city." He had a singular, tubular building, you know, sitting on 101 California. Well, if you go by 101 California today, you see three berms. You have moveable pillows, and people sit where they want and choose shade or sun — all the lessons William H. Whyte taught us. A little flower kiosk. Restaurants. For an urban downtown space, it's pretty successful. Do private developers see public space as a benefit to their projects? I think that the answer for every-

body at this table would be an emphatic “Yes.”

ROSE: My sense is that during the Beaux Arts time, we actually designed great public realms, great infrastructures, and made great cities out of that, and in the '60s and '70s we moved to framework plans and a lot of words and much less design. And we are finally returning to urban design — many but not all governments have caught up with the sense of responsibility for the public realm. It is the public sector that should come up with ideas for the commons, invest in and organize them, and then create places on which developers should build. It should not be all the developer's responsibility.

KAYDEN: Of course not, and when you say “we,” who is “we” here? And yes, “we” should be both the private and public sectors, but of course the money doesn't seem to be there any more in the public sector to provide the public realm. In the meantime, there is private capital. Let's see if we can harness it to serve the public interest.

RATNER: The other wonderful negotiation that architecture would be at the table for is that between a developer and a community about a public space, a park, an open space of some sort, about who's going to actually own the thing, be liable for it, and have to pay for its operating and maintenance cost over time. I don't think we've been in a community that doesn't want to back away and say, “Oh, no, no, no.” We all think about what we build at the beginning. The question is, “How do these things wear over time?”

FARRIS: The reality is that you cannot depend on the public sector to have the cash flow to be able to sustain it and therefore, it does fall on us. Should it? I don't know, but that's the reality.

RATNER: But you've got to rely on the public sector ultimately. If you have it built in a business improvement district, you can try to create your mini-government to make sure the area of downtown gets maintained. But those have become very difficult and expensive. How far do we want to reach? What are we really doing? How grandiose does the scheme get? Is it really sustainable?

KAYDEN: Let me shift — I'm wondering

whether successful urban redevelopment is a good thing. That sounds odd. But “success” can mean gentrification. I suppose one could argue that gentrification is a good thing. But how can you redevelop cities without pricing out the poor? I'm going to ask you this, Mark, since this is a lot of the work that you've done over time.

GOLDWEITZ: And I also had a march against me in 1974 with a radical group wanting me to give half of my buildings to the poor for free.

RATNER: I was marching (laughter).

GOLDWEITZ: I feel strongly about this issue, and I feel that there's been far too much political correctness and not enough knowledge. If you look over the last thousand years, cities either have reinvestment or they deteriorate. I've been living in and restoring properties in the South End and Back Bay in Boston for almost forty years, and the South End, in the middle '60s, was nearing a South Bronx condition and needed positive reinvestment to improve its physical aspects but also to coalesce the public sector to want to do something, to improve schools, sidewalks, street trees, parks, and so on. So I feel very strongly that you cannot say that the well-to-do, moving into a city, buying places, restoring them, is a negative. The alternative is a slum.

The other thing is that we have to look at cities historically. Everyone says, “Well, gee, what about the middle class?” You need to think of housing through its lifecycle, through the last thousand years, probably longer. You always had younger people and service people living in the city along with the wealthy. As they had families, the middle class would migrate out. Their children would go off on their own. Then they would move back to the city. We're starting to see that in places like Boston and New York — it's not a static environment the way it was with my parents in the '50s, and we need to accept that you're not going to have middle-class housing for three children in the middle of Copley Square. It's not viable.

RATNER: I don't know about that.

FARRIS: The areas that need revitalizing are the cores, and those are not necessarily residential areas. They are outmoded industrial areas and areas that tend to be

close to the “anchors” still around. Universities and hospitals are getting to be the only anchors you can count on over the long term. Revitalizing the core physically to create jobs is absolutely essential, and I think there's an essential role that we play, and you don't often think about that, but if you look at the cities we have been working in, we have not been gentrifying neighborhoods but rather taking areas that were quite underutilized and supporting the ability of the cities to sustain their residences.

DRUKER: Getting back to housing and gentrification. In the South End, we did a project in conjunction with the Boston Redevelopment Authority in which the affordable component was 40,000 square feet of theaters, classrooms, and rehearsal space for a non-profit theater company. It was a public / private partnership, and we were able to sell condominiums that averaged over \$800 a square foot and lease retail space between \$30 and \$40 a square foot. It was unique; around us is housing subsidized through federal programs. There are affordable housing components to market-rate housing being developed. Boston has a problem — our housing prices may be the highest in the country.

RATNER: Lots of cities vie for that honor.

DRUKER: Yeah, but unless we're able to provide housing for people of all levels, the city is going to fade.

KAYDEN: But do you think there is something wrong with urban redevelopment that doesn't include at least some level of housing for poorer families?

RATNER: Yes, there should be housing for poorer families. How much of your housing portfolio is affordable? At some level you'd like to think all of it is affordable to somebody (laughter). If you owned rental housing over the last five years, you'd actually think that some of it is not affordable to anyone. It's an interesting issue, and our huge Stapleton mixed-use development in Denver was a great example. We decided at the get-go that we were going to offer up 10% of the land we had for housing.

KAYDEN: Is that because you knew you had to do that?

RATNER: The community's intent had

been there from early planning. We stepped in at the end of a wonderful process. This was going to be a community that offered lots of opportunity in a range of jobs and housing. We said, "OK, 10% is going to be 'affordable.'" Then the community went at each other about who could afford it and how it was going to work. It's an ongoing process, but it is working, and we have a new community in which we're selling homes for substantially over a million dollars that are three blocks away from homes sold under highly structured programs to families that are earning \$140,000. So in the urban environment Stapleton works, but if you look at Atlantic Yards in Brooklyn — a third of the housing there is going to be "affordable." You don't segment the range of prices — cities are all about a range of needs. If you have a frozen mandate that says, "This is what it's going to be," then I think the project dies.

ROSE: We do a lot of inner-city work. Two trends are emerging: 1) Many residents of inner-city communities want gentrification. The people who stuck it out through the bad years want to see their values improve. 2) People understand that monocultures are bad; very few people want 100% affordable. Even community activists often want diversity of incomes and housing types. We're also seeing more special needs, such as housing for youth aging out of foster care, intergenerational housing.

AUDIENCE: Is hiring a well-known designer important to you?

HUBBARD: In terms the condominium market in high-end cities, architectural branding is the reality. You can call it "the Richard Meier factor" and say it's \$200+ a square foot. A known architect has a proven value. You've got a much more sophisticated consumer. Having said that, we looked at over thirty architects, all by website, and we would have been very willing to pick a less-known architect who would have taken us through a very thoughtful process.

AUDIENCE: A lot of the discussion has been focused on central city revitalization and development, but I'd like to hear your thoughts about place-making in suburban environments.

ROSE: When you find place-making in suburban environments, people love it. We focus on buying retail next to train stations and transit. In downtown main streets, rents are typically twice what they are half a mile away in the sprawling area.

DRUKER: In this region, authentic, real town centers exist. The new "lifestyle centers" — really just regional malls with roofless streets — are nicely designed and have Talbot's and all that, but they are faux places. Maybe you can do them in places where there are no town centers, where people drive to everything, but they're not real, and so they had better be well done. You can create a place in a good residential development that just has a nice little central courtyard that somebody wants to sit in, but to make a "real" place, the risk of not doing it well is high.

RATNER: But there are some new ideas. We work a lot with Berkeley architect / planners Calthorpe Associates. They have replicable prototypes for how you can do suburban development differently. It's distressing about how much faux stuff happens, because all of us think about the wonderful examples of good design, both at large and small scales. We think that that's a coming trend, and we're excited about it. Then you go to Denver and you drive the E-470 ring and you find that there are fourteen new intersections, off of which there are now twelve new Wal-Marts and a very standard suburban spread. That's where the bulk of new housing is, where people are living, that's what's informing their lives. We've all learned that the suburbs are now considered inner-ring cities and now we're going out one step into the exurban. What had been for another generation the suburbs are now the areas we're talking about revitalizing — trying to understand and work with their fabric. The design professions have virtually no impact on the way suburbs are being built in America, and that's a terrible frustration. You would like to say that the suburbs are where the development and design communities could focus. That would really have impact.

Although New Urbanism has quickly become a cliché, there are some wonderful planning concepts in it. You look

again at the relationship between the car and the house, the in-between, how you build up scale, even in a lower density environment, five units an acre, four units an acre, how you can create a sense of place and understand that grain. New Urbanism went from rich concepts to a trite replication and simplistic application. Now there isn't a planning board that doesn't say, "OK, show me your New Urbanist scheme." Every architectural and planning board in America can look at New Urbanism online, not really understand it, try to replicate it, and miss the point.

ROSE: New Urbanism has been a very successful disseminator of urban design ideas. At the Urban Land Institute now, one finds much discussion of New Urbanistic development. One reason is that there's huge consumer acceptance. But New Urbanistic architecture has been trapped in tradition. I really love contemporary architecture. Communities love this faux 1920s look; what they should care about is their urban plan.

FARRIS: But a lot of older suburbs want to be much more urban, mixing retail and housing.

AUDIENCE: I'm wondering, to move back to this morning's presentation, whether the developers here, assuming they don't have a self-interest to working on the Allston project, would talk about what they saw and what they think they would have done if they were the master developer.

RATNER: I would focus hard on transportation. Everything you do is bedeviled by the car — moving the car, parking the car, dealing with its exhaust. The idea that you are going to create six million square feet in twenty years and not have public transit in it is unfathomable to me (applause). You've got a river; they are celebrating it and that's wonderful. But they aren't dealing with that awful road network and public transportation. They didn't show any housing, so we can't respond to that.

ROSE: I saw a fear of density in the plan that I think needs to be dealt with.

AUDIENCE: Without a developer who has some profit motive, they'll still be just talking about it in five years. I didn't see a schedule. I didn't see economic reality.

The way they deal with politics versus the way that developers deal with politics are worlds apart. We're not Daddy Warbucks; they are. So give somebody a financial incentive and get on with it.

RICHARD LEESE: We've had the ambition of developing a sustainable community in Manchester for a long time. We concluded that sustainable communities are primarily defined economically. A community that consists entirely of poor people is, by definition, not sustainable. My question is about active street use. You can't, in every downtown building, have shops, restaurants, and so on because there isn't enough income to make every ground floor sell enough. We're exploring having non-commercial uses in ground floors, such as theater space, paid for by the upper floors.

DRUKER: You can do it if you have the right location. If it's not a good location for theaters and art galleries because there's nothing else on the street, then it's not going to work.

ROSE: Not-for-profit cultural organizations lose money every time they open their doors. The lottery program in England created a huge number of incredible not-for-profits or cultural capital projects but isn't supporting their operating costs — a dead theater is worse than nothing.

RATNER: The history in America of the continuance of worthy non-profits is not very good.

ROSE: I just managed the development of Jazz, the Lincoln Center's new theater in the Time Warner building. Jazz at Lincoln Center uses the space 20% of the time. Eighty percent of the time we are renting to others to diversify our income and programming. There has to be a valid economic model.

CATHY SIMON: Malls in cities were once built as windowless boxes, because the outside used to be very unsafe. Since cities have understood their potential for vibrant life, those malls seem very wrong. How do you fix them?

RATNER: If you create an iconic building, it's going to be much harder to change for later uses. There are places for very special buildings but you also need generic buildings, and, candidly, they tend to be easier to deal with over time. The generic warehouse building has been

a wonderful building to rehab, because you can convert it to a whole lot of other uses. Ten years ago we were wiring buildings, and now we're ripping out all the wiring for wireless. This goes back to sustainability — how adaptive will the building be over fifty years?

DRUKER: Take *Lafayette Place*, a formerly windowless mall in downtown Boston. It sat there forever. It has come around only because the office market went crazy in Boston. If you built a fortress, you now have to penetrate it.

ROSE: New Haven is tearing down the *Chapel Square Mall*.

RATNER: There's a point where you have to throw in the towel. You know, we've got a massive building in downtown Dallas, and we are going to implode it.

AUDIENCE: One of the biggest impediments to getting diverse people in the city is the quality of urban schools. There's a whole middle range of people who can't afford private schools that won't send their kids to urban public schools.

KAYDEN: If you look at census numbers, you will see that people are not moving back in large number into the cities; there is an increasing hollowing, with rich and poor downtown and less and less middle class. If you don't fix the schools, it's never going to change.

ROSE: We need great schools in urban places that teach science and are not impeded by issues like objections to stem cell research and teaching evolution.

RATNER: Less than 25% of home buyers last year had school-age kids. So most people are buying irrespective of local schools. They are buying when they first have kids, and they're saying, "We'll deal with it through elementary school, and then we'll think about it again." And people are moving. Maybe it just might be too hard to really deliver superior schools in the core of most American cities with all their other issues. So maybe you just throw in the towel on that one for a while and first build up the economy of those cities, build up the jobs and a housing balance.

MARILYN JORDAN TAYLOR: This is a fabulous panel. When I started working in this profession, there wouldn't have been

one developer who could have had this kind of conversation. It may well be that you don't need education to sell housing units, but cities need schools if they want workforces. We're going to have to do better than punt for a while.

RATNER: When younger, brighter, more driven, more creative people start to get back into cities, they begin to solve problems. We designers and developers can't orchestrate a solution; we can just help out a bit. □