AN ANALYSIS OF NATIONAL URBANIZATION PROBLEMS/POLICIES
AND EXISTING/PROPOSED "NEW TOWNS"

by

BRUCE FREDERICK BECKER

B.A. College of Wooster
(1953)

SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE
DEGREE OF MASTER OF

SCIENCE

at the

MASSACHUSETTS INSTITUTE OF

TECHNOLOGY

June, 1970

Signature of Author

Alfred P. Sloan School of Management, May 21, 1970

Signature redacted

Certified by

Thesis Supervisor

Signature redacted

Accepted by

Chairman, Departmental Committee on Graduate Students

Archives

MASS. INST. TECH.

JUL 1 1970
AN ANALYSIS OF NATIONAL URBANIZATION PROBLEMS/POLICIES
AND EXISTING/PROPOSED "NEW TOWNS"

by
Bruce Frederick Becker

Submitted to the Alfred P. Sloan School of Management on May 21, 1970, in partial fulfillment of the requirements for the degree of Master of Science in Management.

ABSTRACT

Within the past year, out of the debate on solutions to the "urban crisis," has emerged a substantial federal interest in the creation of new towns as one potentially significant solution to the nation's problems of urbanization. The suggestion is offered both separately and in conjunction with the establishment (for the first time in our nation's history) of a national growth strategy.

The force behind this present interest in new towns (and national growth policy) arises out of the concern for present problems and that the forecast growth of population (generally felt to be between 80 and 110 million) during the next 30 years, when translated into the usual dimensions of urbanization will generate housing, land, infrastructure and other requirements comparable to that which has been created over the last 300 years.

This predicted growth raises the major question of whether continuing laissez-faire market action or a channeled and planned strategy of urban development will create the most desirable national environment for the future. This thesis raises the fundamental question of whether the development of present new towns is a valuable contribution toward achieving a more desirable process of urbanization.

Based on a review of past, present and future problems of urbanization, a study of modern-day new towns (including interviews with the principals of seven major developments) and an inspection of existing and suggested policies and laws with respect to new towns and national growth policy, the following conclusions and recommendations are offered: (A detailed account of these thoughts are presented in Chapters V and VI.)

CONCLUSIONS

1. Due to financial, locational and marketing requirements, except for creating a more visually acceptable product, present new town projects are not meeting any of the identified problems of
urbanization.

2. The existing federal statute does not contain the necessary elements to foster improved new towns or an improved national urban environment.

3. The current HUD proposals represent a step forward in terms of financial assistance to private developers and coordination of national urban policies, but are less than the required scale in scope.

4. The legislation currently proposed by the Democrats appears to contain many of the elements necessary to create an improved national urban environment and to attract private new town developers. However, the legislation is a significant departure from past practices and, if passed, may experience a slow rate of acceptance at the state and local level.

RECOMMENDATIONS

In view of the fact that all current proposals and legislation concerning new towns and a national growth policy will require time for the nation to adsorb, accept and implement, it seems as if certain interim positive steps are required in order to cope with the persistent national growth. In this vein, the author recommends the consideration of the following proposals:

1. The federal government should finance a complete new town to be used as a "national urban laboratory" in which many of the suggested, but not presently used, techniques of overall design, infrastructure, transportation and housing could be tested. Such a development, if successful, could serve as an example to both private new town developers and existing communities who presently are unwilling to risk innovation. The "seed" operations for this new town could be both federal installations and manufacturing facilities of companies presently attempting to produce products for a better urban environment.

2. The federal government should designate the location and finance the development of several large "new towns" that would be well removed (50 to 100 miles) from existing urban corridors. These locations should be chosen in order to relieve the pressures of growth on existing metropolitan areas. By creating new areas of substantial size, the magnets of markets and labor force and the aspects of life that can be supported only by large centers could be offered to industries and individuals alike. While the creation of such new centers would be an enormous and risky undertaking, they could be initially "seeded" with federal installations and could provide an opportunity for the resettlement of central city minorities, thus opening up core areas for commercial and industrial redevelopment.

Thesis Advisor: Jay W. Forrester

Title: Professor of Management
ACKNOWLEDGEMENTS

While the thoughts, cooperation and encouragement of many people have made this thesis a reality, the sincere personal interest of Professors Jay W. Forrester, John F. Collins and Mr. Stanley M. Jacks in pursuing workable solutions in the complex area of urbanization was the major stimulus for my choosing and exploring this topic.

During my length exploration of this subject, my wife and daughters were most patient and they deserve my deepest appreciation. My wife, Lou, in particular, was not only considerate, but most helpful in the editing of the manuscript.
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>2</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>4</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>8</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>9</td>
</tr>
<tr>
<td>BACKGROUND AND SUMMARY COMMENTS</td>
<td>9</td>
</tr>
<tr>
<td>DEFINITION OF &quot;NEW TOWNS&quot;</td>
<td>13</td>
</tr>
<tr>
<td>PURPOSE AND SCOPE OF THE THESIS</td>
<td>14</td>
</tr>
<tr>
<td>SOURCES OF DATA</td>
<td>15</td>
</tr>
<tr>
<td>Literature Survey</td>
<td>15</td>
</tr>
<tr>
<td>Interviews</td>
<td>15</td>
</tr>
<tr>
<td>Other data.</td>
<td>16</td>
</tr>
<tr>
<td>II. PROBLEMS OF URBANIZATION</td>
<td>17</td>
</tr>
<tr>
<td>BASIC AND EVOLUTIONARY INFLUENCES</td>
<td>18</td>
</tr>
<tr>
<td>Population Expansion</td>
<td>18</td>
</tr>
<tr>
<td>Population Shifts</td>
<td>20</td>
</tr>
<tr>
<td>Technological Progress</td>
<td>21</td>
</tr>
<tr>
<td>Transportation</td>
<td>23</td>
</tr>
<tr>
<td>Government Policies</td>
<td>25</td>
</tr>
<tr>
<td>Segregation</td>
<td>27</td>
</tr>
<tr>
<td>Basic American Principles</td>
<td>29</td>
</tr>
<tr>
<td>Land Development Practices</td>
<td>30</td>
</tr>
<tr>
<td>The Complexity of the Urban System.</td>
<td>32</td>
</tr>
</tbody>
</table>
PRESENT METROPOLITAN PATTERNS .......................... 33
   Low Density Development ............................ 34
   Contiguous Development ............................ 34
   Isolation of the Poor and the Segregated .......... 35
   The Dichotomy of Metropolitan Areas ............... 36
   Government and Economics .......................... 36

THE FUTURE .............................................. 40
   Population Growth .................................. 40
   Population Concentration and Shifts ............... 41
   Summary .............................................. 44

III. NEW TOWNS -- PRACTICE AND PROBLEMS .................. 45
   HISTORY .............................................. 45
      New Towns--Prior to 1960 ......................... 45
      New Towns--1960 to Date ......................... 48

PROFILE AND PROBLEMS OF CURRENT NEW TOWNS ............... 52
   Developers ......................................... 53
   Location ........................................... 53
   Land Acquisition .................................... 57
   Early Staging of the Developments .................. 59
   Financing .......................................... 61
   Marketing .......................................... 64
   Relations with Various Governments ................. 66
   Housing ............................................. 70
   Overall Design ...................................... 71

SUMMARY .................................................. 74
<table>
<thead>
<tr>
<th>IV. NEW TOWNS -- SUGGESTED POLICIES AND LAWS</th>
<th>76</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>76</td>
</tr>
<tr>
<td>DEFINITION OF NEW TOWNS</td>
<td>76</td>
</tr>
<tr>
<td>SUGGESTED POLICIES</td>
<td>77</td>
</tr>
<tr>
<td>OTHER COMMENTS IN SUPPORT OF NEW TOWNS</td>
<td>89</td>
</tr>
<tr>
<td>ARGUMENTS AGAINST NEW TOWNS</td>
<td>93</td>
</tr>
<tr>
<td>FEDERAL LAWS</td>
<td>98</td>
</tr>
<tr>
<td>V. COMPARISONS AND COMMENTS ON URBAN AND NEW TOWN PROBLEMS, PRACTICES AND POLICIES</td>
<td>106</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>106</td>
</tr>
<tr>
<td>COMPARISON OF PRESENT NEW TOWNS WITH PROBLEMS OF URBANIZATION</td>
<td>107</td>
</tr>
<tr>
<td>COMPARISON OF PRESENT AND PROPOSED NEW TOWN POLICIES AND LAWS WITH NEW TOWN AND URBAN PROBLEMS</td>
<td>109</td>
</tr>
<tr>
<td>VI. COMMENTS AND RECOMMENDATIONS</td>
<td>112</td>
</tr>
<tr>
<td>COMMENTS</td>
<td>112</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>114</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>117</td>
</tr>
<tr>
<td>TABLE</td>
<td>DESCRIPTION</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------------------------------------------</td>
</tr>
<tr>
<td>II-A</td>
<td>TOTAL U.S. POPULATION AND GROWTH BETWEEN CENSUS PERIODS</td>
</tr>
<tr>
<td>III-A</td>
<td>MAJOR MULTIFUNCTIONAL &quot;NEW TOWN&quot; DEVELOPMENTS.</td>
</tr>
<tr>
<td>III-B</td>
<td>NEW TOWNS AS RELATED TO NEARBY GROWTH RATES.</td>
</tr>
</tbody>
</table>
CHAPTER I
INTRODUCTION

BACKGROUND AND SUMMARY COMMENTS

The process of urbanization in America has been under way since colonial times, but since the end of World War II the process has accelerated and produced increasing problems. During the past twenty-five years, urban problems have been associated with substantial increases in population, automobility, affluence, rural-to-urban and urban-to-suburban migration and problems arising from racial segregation and alleged misdirected public policies.

The attempt to find solutions to the present "urban crisis" has produced many proposals and much legislation. Recently, there is a growing federal interest in the creation of "new towns" as an alternative to abate the existing problems of urbanization, and to redirect the national growth forecast for the remainder of this century. However, what seems to be different now is a more widespread interest in the creation of a "new town" policy as part of a comprehensive national growth plan. (It should be noted that a sincere interest in a national growth policy in our nation is a unique departure from the past.)

The concept of "new towns" certainly is not unique in our nation or elsewhere in the world. The concept has been practiced in various forms in the United States since its beginning. Within the
last decade alone, between fifty and two hundred fifty privately financed new towns (depending upon the definition of a "new town" that is used) have commenced development.

Although all presidents since Eisenhower have advanced the concept of federally assisted modern day new towns, it was not until 1968 that any legislation was passed. The New Communities Act of 1968 provided minimum assistance to private developers. The mayors of large cities traditionally have been fearful of supporting the creation of new or satellite towns and urban experts have questioned the desirability of the developments in the United States in view of European experience.¹

During the next thirty years, depending upon the demographer quoted, the United States faces a forecast population growth of between 80 million and 110 million people. Stated another way, the present population of the country is forecast to increase by between 40 and 55 percent by the year 2000. Many studies have indicated that when these levels of forecast population are translated into the broad dimensions of urbanization, the nation faces (on the average) a doubling of its urban population and the task of building in metropolitan areas as much as has been created since the beginning of the century.

The basic question presently being posed by urban experts is whether this forecast growth should continue to be arranged along

traditional lines by free-market action or be redirected into a planned and perhaps more desirable environment. Most recently Alfred Raines, the chairman of the National Committee on Urban Growth Policies, commented that:

Since World War II, the housing and urban development policies of the United States usually have been in response to urgent, immediate problems. Confronted by the rapidity of urban growth and change, we have been occupied by coping with the events of the present and have largely neglected the study of broad goals for this pattern of the nation's full growth.

This thesis explores the question of whether present new town projects are meeting any of the identified problems of urbanization. It further examines the existing and proposed laws and policies related to new towns and the development of a national growth strategy to support the establishment of new communities.

The conclusions and recommendations resulting from this investigation are detailed in Chapters V and VI and can be partially summarized as follows:

1. Due to financial, locational and marketing requirements, except for creating a more visually acceptable product, present new town projects are not meeting any of the identified problems of urbanization.

2. The existing federal statute does not contain the necessary elements to foster improved new towns or an improved national urban environment.

---

3. The current HUD proposals represent a step forward in terms of financial assistance to private developers and coordination of national urban policies, but are less than the required scale in scope.

4. The legislation currently proposed by the Democrats appears to contain many of the elements necessary to create an improved national urban environment and to attract private new town developers. However, the legislation is a significant departure from past practices and, if passed, may experience a slow rate of acceptance at the state and local level.

In view of the fact that all current proposals and legislation concerning a national growth policy will require time for the nation to adsorb, accept and implement, it seems as if certain interim positive steps must be taken by the federal government in order to cope with the persistent national growth. Therefore, the author recommends the consideration of the following proposals:

1. The federal government should finance a complete new town to be used as a "national urban laboratory" in which many of the suggested, but not presently used, techniques of overall design, infrastructure, transportation and housing could be tested. Such a development, if successful, could serve as an example to both private new town developers and existing communities who presently are unwilling to risk innovation. The "seed" operations for this new town could be both federal installations and manufacturing facilities of companies
presently attempting to produce products for a better urban environment.

2. The federal government should designate the location and finance the development of several large "new towns" that would be well removed (50 to 100 miles) from existing urban corridors. These locations should be chosen in order to relieve the pressures of growth on existing metropolitan areas. By creating new areas of substantial size, the magnets of markets and labor force and the aspects of life that can be supported only by large centers could be offered to industries and individuals alike. While the creation of such new centers would be an enormous and risky undertaking, they could be initially "seeded" with federal installations and could provide an opportunity for the resettlement of central city minorities, thus opening up core areas for commercial and industrial redevelopment.

DEFINITION OF "NEW TOWNS"

In most thesis dissertations it seems important to define at the outset the exact meaning of the subject to be studied. However, in the case of new towns this is not easily accomplished.

In practice, the term "new town" in the United States has been applied to developments of all sizes and profiles, including those that are both balanced and unbalanced in component structure and in social and economic mix and those that are located at varying distances from already established urban areas. In some cases, the term has been used to suggest an aura of utopia--to promote a vision of a community
that does not have the "problems" of the older areas--and, as such, has been used as an advertising symbol. In other cases, the term is used to symbolize the work of planners, architects and urban specialists who feel that they have departed from normal development schemes. Between these two points lie many developments--all of them referred to as "new towns."

Many able people have been most precise in constructing a definition of a "new town" when writing on the subject. But it seems to this author that the best definition of a new town must be developed from an appraisal of the needs and realities of the urban development process in the United States. It is precisely one of the intended tasks of this thesis to develop such a definition, but only after full appraisal.

PURPOSE AND SCOPE OF THE THESIS

This research project was undertaken to determine some of the answers with regard to the questions concerning new towns as noted in the introduction to this paper.

The following chapters are organized sequentially in terms of (1) noting the major past influences, present results and future dimensions of urbanization, (2) analyzing the present elements of new towns in practice, (3) offering a summary of the existing and proposed laws and policies relating to new towns as considered by various agencies, study groups and individuals, (4) providing a cross comparison and analysis of the foregoing problems, practice and policies and (5)
offering some recommendations.

SOURCES OF DATA

Data was collected in the following manner:

Literature Survey

Over one hundred books, articles and government documents were studied to accumulate the basic background and divergent opinions on the major problems of urbanization, in general, and the subject of "new towns" in particular. A selected bibliography is included at the conclusion of this thesis.

Interviews

From nearly forty major developments that are referred to as "new towns," seven large developments were selected and visited. These developments were chosen for three reasons. First, because of their planned long-term size (together the seven developments plan to accommodate 815,000 people on 150,000 acres); secondly, because information concerning these developments was not as readily available as in the case of some of the other large projects; and lastly, the geographic location of the projects. In all cases, the chosen developments were located in regions of the country that contain a large number of so-called new town developments.

The structure of these visits consisted of two parts: an interview with one or more principals of the development with the discussion
initially framed around a prepared questionnaire, and a physical inspection of the development and the surrounding territory.

The basic format of the discussion was framed from the results of other reported surveys and investigations of new towns. So in one sense, the author was "field-checking" published information concerning other developments. (Finding that the basic information provided by the developers interviewed corresponded closely to similar data for other developments, the author decided not to resurvey through mailed questionnaires the remaining large "new town" developments.)

However the real worth of the visitations resulted no so much from the questionnaire responses but from the general discussions and the physical inspection of the projects and the surrounding territory.

Other Data

Other impressions and information that have added to the results of this thesis were gained from planned and unplanned discussions with members of the MIT faculty and from contacts made during the Sloan program field trips to New York City and Washington, D.C. and during numerous Sloan seminar programs at MIT.
CHAPTER II
PROBLEMS OF URBANIZATION

The next several sections of this paper present from existing literature the author's distillation of the consensus on the basic influences and specific "accelerators" that have structured the process of urbanization and that have resulted in the major problems confronting the nation today. Following this, some comments relating to the prospects for the future are put forth.

While the organization of such information will provide no new knowledge, it is necessary to present in a brief fashion in order to lay the groundwork for the comparative approach of this thesis.

Needless to say, it is well to bear in mind that today's domestic problems are not unique to our times. Any review of the history of national development quickly reveals that the problems which are spoken to today have been in existence since the beginning of our nation. But perhaps the major difference between the present and the past is that today our "problems" are being articulated more forcefully than ever before and the words and pictures of the critics and problem solvers are being transmitted to every part of the nation.

Furthermore, in reviewing the events that have contributed to the present urban profile, it seems important to view these events and trends not as individual influences but more as highly interrelated factors.
BASIC AND EVOLUTIONARY INFLUENCES

During a recent Sloan Fellows meeting with John V. Lindsay in New York, the mayor offered the opinion that "the pressing problems of his city and others during the late 1960's are a reflection of the events of the last half century finally catching up with America."

While most writers agree that the period since 1900 has produced the greatest series of accelerating events, they also suggest that the roots of the problems really began with the initial formation of the country. It is the intent of this section to identify the major categories of evolutionary influences which are central to the problems to day.

**Population Expansion**

While there is rarely complete agreement on most aspects of urbanization in the United States, all writers concur that the most basic problem is the absolute numbers of people and the rate at which the total population has increased over the years. The following table outlines the U.S. Bureau of the Census data relative to the total population at various intervals and indicates the average annual rate of increase during these intervals.

This population expansion has been generated primarily by internal growth, but was supplemented by three major waves of foreign immigration. These waves took place during the latter part of the 18th century, just prior to the Civil War and during the latter part of the 19th century.
TABLE II-A
TOTAL U.S. POPULATION AND GROWTH
BETWEEN CENSUS PERIODS

<table>
<thead>
<tr>
<th>Census Date</th>
<th>Total Resident U.S. Population (000 omitted)</th>
<th>Increase from Previous Census (000 omitted)</th>
<th>Average Annual Rate of Growth Between Census Periods (000 omitted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1790</td>
<td>3,900</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>1800</td>
<td>5,300</td>
<td>1,400</td>
<td>140,000</td>
</tr>
<tr>
<td>1810</td>
<td>7,200</td>
<td>1,900</td>
<td>190,000</td>
</tr>
<tr>
<td>1820</td>
<td>9,600</td>
<td>2,400</td>
<td>240,000</td>
</tr>
<tr>
<td>1830</td>
<td>12,900</td>
<td>3,300</td>
<td>330,000</td>
</tr>
<tr>
<td>1840</td>
<td>17,000</td>
<td>4,200</td>
<td>420,000</td>
</tr>
<tr>
<td>1850</td>
<td>23,200</td>
<td>6,100</td>
<td>610,000</td>
</tr>
<tr>
<td>1860</td>
<td>31,400</td>
<td>8,200</td>
<td>820,000</td>
</tr>
<tr>
<td>1870</td>
<td>39,800</td>
<td>8,400</td>
<td>840,000</td>
</tr>
<tr>
<td>1880</td>
<td>50,200</td>
<td>10,400</td>
<td>1,040,000</td>
</tr>
<tr>
<td>1890</td>
<td>63,000</td>
<td>12,800</td>
<td>1,280,000</td>
</tr>
<tr>
<td>1900</td>
<td>76,000</td>
<td>13,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>1910</td>
<td>92,000</td>
<td>16,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>1920</td>
<td>106,500</td>
<td>14,500</td>
<td>1,450,000</td>
</tr>
<tr>
<td>1930</td>
<td>123,100</td>
<td>16,600</td>
<td>1,660,000</td>
</tr>
<tr>
<td>1940</td>
<td>132,600</td>
<td>9,500</td>
<td>950,000</td>
</tr>
<tr>
<td>1950</td>
<td>151,900</td>
<td>18,300</td>
<td>1,830,000</td>
</tr>
<tr>
<td>1960</td>
<td>180,000</td>
<td>28,100</td>
<td>2,810,000</td>
</tr>
<tr>
<td>1970 (est.)</td>
<td>205,000</td>
<td>25,000</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of the Census Data
The overall population growth rate has risen rather steadily since 1790, reaching a peak of 3.1 million people per year in 1956. Following 1956, the increases remained nearly at this rate for five years, but since 1961 the rate has declined somewhat, with the decade of the sixties recording an average increase of 2.5 million per year as compared to an average of 2.8 million per year during the 1950's.

Population Shifts

Perhaps as important to the process of urbanization as the absolute numbers of people are the two basic shifts in population distribution. The first shift was the migration from rural to urban areas that began essentially in 1790, but increased rapidly during the period from 1890-1930. The second shift was the urban to suburban living trend. This trend began during the 1920's, proceeded slowly until the end of World War II, increased rapidly following the war and is still progressing at a rapid rate. (A third population shift--namely the gradual national movement toward the west--has persisted since the beginning of the nation, but it is felt that this trend is not counter to the other two trends.)

The rural-to-urban shift and the subsequent movement from urban-to-suburban areas can be considered a single shift in terms of metropolitan area concentration. In 1790 only 5 percent of the nation's population lived in metropolitan areas. By 1970 this
concentration has increased to approximately 75 percent.\textsuperscript{3}

Robert Weaver suggests that the motivation for these migratory trends is basically no different from the motivation that underlies all migration; namely, the push of the defects of the environment from which the immigrant or migrant moves and the pull of the attractiveness of the place to which he goes.\textsuperscript{4}

However, these two basic shifts in population were not created spontaneously. They were formed by specific "accelerators." The next several sections identify and comment upon these factors.

**Technological Progress**

In general, changes in patterns of production and advances in technology are two of the basic factors that lie behind the accelerated growth of the metropolitan areas in the United States.

Over the past century and a half there have been drastic shifts in the kinds of goods which our society has wanted, and in the inputs which are required to produce them efficiently. (There have been shifts in the patterns of consumptions as well, as more and more citizens achieve both the income with which to afford the production of the economy and the leisure in which to enjoy it.)

Within the "accelerator" of technological advancement has


arisen the "accelerator" of individual affluency. Needless to say, individual monetary progress has supported or created most of the basic patterns of urbanization.

In the specific case of agriculture, federal aid programs relating to that sector of our economy and advances in scientific disciplines have helped to bring about the mechanization of the farm. The resulting agricultural productivity has been dramatic and lies at the root of the migration of both black and white labor to the metropolitan areas.

The extractive industries also have become more productive. Therefore, progress in both agriculture and mining operations, once the economic backbone of rural and small town life, has pointed more and more people in the direction of the large urban areas. In general, technological progress has enabled these people to earn their living within smaller areas.

While these advances in the efficiency of our land-based industries have created the basic trend of rural-to-urban migration, advances in technology have allowed the once central city-based industries more flexibility in choosing locations for the facilities to meet the growing demands for their products. With the cities in many cases not containing sufficient room for expansion and the industries not being constrained by methods of communication, utility supply, or transportation, manufacturing locations have been sought well beyond the fringes of the central areas. This industrial migration has coincided with, or perhaps has accelerated, the urban-to-suburban migration
of some elements of the population.

To be specific, from 1954 to 1965, 63 percent of all new industrial buildings in metropolitan areas were constructed outside the central core. In addition, 75 to 80 percent of the new jobs in trade and industry were created on the fringes of the metropolitan areas.\(^5\)

Transportation

One facet of technological progress that requires separate mention is that of transportation. All experts on the dynamics of urbanization agree that transportation has been one of the most significant of all "accelerators."

Transportation played an important role in the initial location and design of most present urban areas. Before the advent of the railroad, embryo American cities depended upon landscape features that helped to ease their transportation problems. This usually meant the choice of a lake front, a river's mouth or the confluence of two or more rivers. With the advent of the railroad, industry and commerce were no longer confined to the center of the city; and gradually as their markets and other factors permitted, the migrated to the outlying areas.

In the 1920's, the street car and subway systems permitted the

populace to choose living locations other than those adjacent to the central core. But like the railroads, these means of conveyance were essentially "fixed-route" carriers.

The advent of the automobile provided the means for explosive expansion in the pattern of metropolitan growth by providing total flexibility. Beginning around 1920, the portions of the population that could afford to, by using the automobile as a fixed feature of existence, set out in search of new, "individual" living areas. Needless to say, this search has resulted in the creation of the widespread, low-density communities that surround the metropolitan areas today.

In 1966, the University of Michigan's Institute for Social Research 6 conducted a study to examine one factor of urbanization, namely people's living preferences. This research was undertaken to determine possible future growth patterns and was conducted by interviewing the occupants of dwelling units (of all types) in thirty-two metropolitan areas. Fully 85 percent of all families interviewed stated that their preference is to live in a single family dwelling, and 85 percent of those studied preferred a location well out from the center of the metropolitan area. In addition, 40 percent of those interviewed would even prefer a location in the countryside to one in the suburbs. With respect to transportation to their jobs,

---

90 percent of the people interviewed preferred the car to public transportation, even if the time to get to work and the cost were the same. They cited personal flexibility as the major reason for this preference.

If this one study is representative of the population as a whole, it would seem as if the desire for outward migration and low-density, automobile-supported existence is still as strong in the minds of Americans as it has been since the early 1920's. Barring any unforeseen reversals of present economic trends and the absence of more attractive living alternatives, it also would seem reasonable to assume that the past trends of low-density development will continue.

Government Policies

Over the years, government policies at all levels have been instrumental and, in some instances, specific "accelerators" in forming the pattern of urbanization. In some cases, these policies were in response to specialized pressure or interest groups and, in other cases, they were a response to total national needs. But the net effect has been the same, namely that these policies have triggered results in other areas of the complex metropolitan and national systems which have proven to be both beneficial and detrimental. In the interest of brevity, this section will note only a few, but perhaps the more significant, policies.

The impact of federal support of agriculture in terms of being instrumental in the flow of people from rural to urban areas has
already been mentioned.

In 1957, Congress passed legislation to create more than 40,000 miles of interstate highway by 1972. The motivation for this crash program was essentially one of providing a substantial highway system for national defense purposes. While this program is providing an excellent system for private and commercial transportation, it has channeled the existing growth in many metropolitan areas. This road system, along with all the supplementary systems approved at state and local levels, has formed the framework for future development around the large urban areas.

In addition to highway programs, the federal government is channeling growth in certain metropolitan areas of the country by making expenditures for government installations (military, administrative, educational and research) and by supporting projects for land reclamation, power, navigation, water and mineral resource development.

Suburban sprawl and urban decay have not come about solely because individuals have made a free choice in a free market. The choices have been influenced by federal housing subsidies, which purporting to be neutral, have in fact subsidized low-density, middle income living in the suburbs and have thereby financed the flight of white population from the city.

The success of the federal housing program in suburbia results from the availability of mortgage funds that have not always had to measure up to the usual free-market considerations of risk and
competitive yield with other investments. Guarantees and insurance by the United States Government provide money for suburban home ownership at interest rates lower than the market over longer periods of time.

Deposits in savings and loan associations are insured by the federal government under the Federal Home Loan Bank System. Because the law largely restricts the investments of these associations to home mortgages, the federal insurance then constitutes an indirect subsidy to suburban development.

Another heavily subsidized federal housing program--public housing--also has contributed to the shape of metropolitan areas. Many expert observers of the urban scene point out that public housing has been a captive of its opponents, who largely have determined its character. Locating public housing projects in the inner city has contributed to keeping lower-income people in the city and has strengthened the pattern of segregation, except in a few cases where careful planning has been able to achieve successful integration.

Segregation

An "accelerator" to the white urban-to-suburban migration, to a certain degree, has been the concentration and numerical expansion of the poor and non-white segments of society within the central city. Most writers identify this problem solely with that of the blacks and with the racial discrimination that has formed an added barrier to their mobility.
Since the early 1930's, the expanding general economy and the concentration of this economy in the major metropolitan areas has provided a magnet for the black rural population who were displaced by increasingly more productive methods of agriculture.

Between 1950 and 1966 alone, 5.5 million black farm workers migrated to the major urban centers. While the percent of blacks has remained about 10 to 12 percent of the total population, presently about 76 percent of all blacks (approximately 17 million) live in the center of our major metropolitan areas. In some cities, their percent of the total city population is either approaching or has surpassed 50 percent.\(^7\)

Recently, within the general trend toward metropolitan expansion, there have been sharp changes in the pattern of intra-metropolitan population movement. Between 1960 and 1966, the total black population increase in all major central cities was averaging 376,000 per year. However, between 1966 and 1968 this rate decreased to about 100,000 annually, suggesting that the immigration from rural areas was slowing or perhaps completely halted, and that the 100,000 increase could be a natural internal increase. During the same two-year period, the rate of increase in suburban black population went from 20,000 to 220,000 per year. In the case of white urban exit rates, prior to 1966, the average outflow was 140,000 per year. However, during the 1966-1968 period, white outflow to the suburbs increased sharply to

\(^7\)U.S. Bureau of the Census Data.
500,000 per year. The National Committee on Urban Growth Policy comments that "if the earlier movement to the suburbs was an exercise of preferences, this latest change has the attributes of a flight from the cities that are becoming centers not of excellence but of fear."  

Basic American Principles

Individual freedom of choice, desire for local governmental control and a national philosophy of individual land ownership are three of many basic American principles that have helped to direct the pattern of urbanization.

Freedom of choice has permitted individuals and industries and other institutions almost total mobility in the selection of location. Local governments (especially suburban governments) have by-and-large been able to control the destiny of their jurisdictions and have catered to the desires of their citizenry.

But perhaps a more basic principle is our national philosophy toward land. "The idea of unrestricted land ownership in contrast to feudal land tenures was widely held by the time of the American Revolution and it was dominant in American land history for a century or more afterward."  

This concept of unrestricted land ownership was reinforced

---


9 Clawson, Marion, Man and Land in the United States, Lincoln: University of Nebraska Press, 1926, p. 37.
during the long era of public land disposal. (At one time or another, over two-thirds of the total area of the continental United States was in the public domain.) It is felt that this disposal activity dominated the politics and economics of the nation during the 19th century and established psychological, as well as economic, opposition to regulations affecting the use of privately owned land. Robert Weaver observes that land speculation during the 19th century was rapid and generally accepted and has become entrenched in the mores and institutions of the nation.

Of course, as the nation has become more urbanized, land policies have been modified. Today there is a tradition of using eminent domain to acquire land for public purposes and during the mid-1920's zoning was first established as a concept of land control. Undoubtedly, the control of land will become more comprehensive with the passage of time and the growth of the urban areas, but most observers feel that the possibility that our government will establish the British approach of national land control is rather remote.

Land Development Practices

In addition to the general philosophy of unrestricted land ownership, the nature of land and the way in which it has been developed represents a major influence on the pattern of American urbanization.

---

The National Commission on Urban Problems points out that urban land is largely a manufactured resource. Its value depends in great part on roads, water and sewer lines, and in fact the whole infrastructure of public services and facilities that makes development possible. The Commission emphasizes that in the past the public, in many cases, has paid for the infrastructure and the land developer or speculator has taken the profit on the difference between open and developed land. 11

Albert Mayer observes that the type of private enterprise that most often is involved in development is not fundamentally interested in creating appropriate social-civic-ecological form. He feels that such efforts are essentially too complex, time-consuming, and long run in character to fit into the private developer's characteristics and needs. Most developers are interested (and usually separately) in residential developments, shopping centers or industrial parks where markets indicate a quick and profitable turnover of property ownership. 12

The attitudes of local governments also have tended to create haphazard urbanization either through the application of inconsistent zoning and other regulatory measures or through completely ignoring the need for such controls.


Complexity of the Urban Systems

The final influence to be noted on the pattern of urbanization is more subtle but perhaps more influential than many others. This influence is essentially the complexity of the urban system itself.

A review of the literature on urbanization over time suggests that until recently the impact of interrelationships within the total system was not given much attention, at least not specifically, by so-called urban experts and planners.

In more recent publications, the concept has received comments such as Daniel Moynihan's remark that "urban planners have been traumatized by the realization that everything relates to everything." 13

Urban planners as a group have been the recipients of heavy and constant criticism in recent years. Isadore Candeub, for one, suggests that "the city planner today is coming perilously close to the position of the prosperous doctor with a large respectable practice, but with one troublesome problem--his patients keep dying." 14

Herbert J. Gans, a Columbia University sociologist, states that "if the city planners don't begin to provide solutions to some of the problems--other professionals will move in and take their place." 15

One professional who is challenging traditional concepts in

15 Ibid.
the design and planning of urban systems is Dr. Jay W. Forrester at
MIT. In his book *Urban Dynamics* he offers a computer-based approach
to the complexities of the urban system. He has modeled the life
cycle of a city from growth through stagnation and decline and in
the process suggests the critical variables that affect the structure.
Through this approach, Forrester offers the opportunity to test the
impact of various decisions on the system as a whole before acting,
suggesting that the simulation approach to a problem is preferable to
the intuitive solution which he contends is incorrect more times than
not.

The more frequent comments on system complexity by urban
observers and Forrester's "how to do it" approach to the problem are
only beginning to highlight the need for solutions to urban system
problems that are based on something other than a simplistic approach.
From the results of studies to date it appears that the inter-workings
of the complex urban or metropolitan system have had a powerful influ-
ence on the design of urbanized America.

PRESENT METROPOLITAN PATTERN

The foregoing sections have attempted to summarize the author's
view of the consensus on the major factors that have influenced our
present metropolitan culture. The results of these evolutionary

---

influences which provide the foundation for the future pattern of urban growth can be indicated as follows.

Low-Density Development

Our progressive technology-based society has provided the monetary means for most segments of our population to exercise, with the help of government subsidies and the automobile, its freedom of choice in living patterns. The result has been the formation of a low-density pattern of development beyond the governmental limits of our cities.

Raymond Vernon suggests that,

The acceptance of low-density regional development as a pattern is encouraged by the lack of genuine popular support for a massive attack on the problems of the city and the region. To most suburban residents, the experience seems not one of personal retrogression but of continuous improvement. By moving away from the worked-out city they have improved their surroundings sufficient for a generation.17

Contiguous Development

Along with low-density development has come contiguous development. It has already been noted that many influences have lead to the development of urban concentrations to the extent that about 75 percent of the population lives in or near an urban region and that in certain areas of the country these regions are contiguous, forming concentrated

belts of population along the eastern seaboard, the Great Lakes, in Florida, along the Gulf Coast, and from San Francisco to San Diego on the west coast.

Beyond this observation, many writers have noted that man is a social being and while he desires privacy he generally desires companionship more. In addition, changes in consumption patterns have caused man to move closer to the goods and services which are available in full variety only in a large compact market. In general, it is the large metropolitan areas that can best provide these goods and services while at the same time offering a choice of urban, suburban or rural living. Furthermore, many of the refinements of 20th century living are most easily acquired and often best enjoyed in proximity to a fairly large number of people with similar tastes and demands.

Isolation of the Poor and the Segregated

The voids left in the central cities by departing industries have been filled, to some degree, by growing financial, retail and other business operations that seemingly require face-to-face communications. But these operations tend to require skills not provided by the poor and the segregated occupants of the central cities. At the same time, mass transportation systems to the suburbs, where the industrial operations have tended to migrate, are either inadequate or nonexistent, leaving these disenfranchised elements of society somewhat cut off from the outside rings of metropolitan development.
The Dichotomy of Metropolitan Areas

There is another result of urbanization that requires specific mention. It is a by-product of the suburban expansion trend that has tended to complicate metropolitan living. This is the dichotomy and identification between the suburbs and the central cities. William Whyte feels that this dichotomy is a linear descendant of the traditional rural-urban conflict. He points out that a persistent theme of literature has been the basic immorality of cities and the coupling of the "good life" with rural or more lately suburban virtues. As a consequence, there seems to be little individual willingness to identify the problems of the city and suburb as parts of a single system.

Governments and Economics

For a number of years the cities were able to expand their boundaries through annexation, and as a result early growth did not cause particularly severe fiscal problems since the public agencies had a substantially growing and productive tax base.

But eventually the growth of the physical area of the city was blocked by the establishment of suburban jurisdictions. This blockage generally occurred during the 1930's, and it was about this same time that the cities began to lose middle- and upper-class residents. At

---

the same time the cities began to absorb a populace from rural America that brought with them problems which bore costs that were disproportionate to the contributions that they made to the economy of the cities.

At the beginning of the 1930's, local governments collected more than half of all tax revenues; presently they collect less than 10 percent, with the states and federal government collecting the remainder. ¹⁹ Many cities warn that they are very close to the point of bankruptcy and that only massive injections of federal and state funds will provide the means for them to cope with their problems of declining tax bases, decaying structures and rising social and environmental costs. ²⁰ While this plea is a common cry, not all experts feel that more money is the only solution to the problems of the cities. Jay Forrester offers the suggestion that much can be done internally with respect to altering tax assessment practices and re-analyzing rehabilitation expenditures in order to reverse the trend of decay. Forrester points out, in part, that as buildings increase with age, the taxes levied on these structures (by most cities) decline, providing an incentive to retain them longer. In the case of low-income housing, Forrester notes that the more that is constructed in an area the more attractive the area becomes to those requiring low-cost

shelter. As a solution, he suggests the demolition of low-cost housing and replacing it with more productive elements.\(^{21}\)

Another "result" is that the process of urbanization has created a patchwork of political jurisdictions dividing the metropolitan regions into cities, counties, towns, townships and villages, each with its own set of officials and boards and each with its own prerogatives and power. Each of these segments tends to act in accordance with the wishes of its voting population and to direct the type of growth desired in a particular area.

This governmental fragmentation of nearly every metropolitan region has made it difficult for individual governments to respond to many of today's urban problems that are not confined by boundaries. Some of the major problems of metropolitan areas--transportation, environmental pollution, preservation of open space and housing--do not respect the boundaries of these governments. The village board cannot, of itself, solve any of these problems, but it can obstruct their solution in the protection of its constituents' special interests.

However, beyond the central cities, the suburbs have not been without their problems. The force of urbanization has caught many towns unprepared, both professionally and emotionally, to deal with the complexities of rapid expansion.

Basic community facilities, such as water and sewer systems,

often have been inadequate and all too frequently built on a piecemeal, too little-too late basis. Roads and highways have been developed with very little thought to their repercussions on future land use patterns and commercial and industrial buildings have gone in a haphazard fashion. In many cases, residential communities have fought against industrial development at the outset only to mature and find that their earlier action deprived the community of a vital supplementary tax base.

It is an overstatement to say that our metropolitan areas have been consciously designed. They have been shaped by the workings of the marketplace, responding to the perceived wants and fears of millions of American families. The marketplace has determined where development would take place and what choice of an environment would be offered to the striving and mobile households.

The influences on urbanization have designed the results previously noted, and in the process certain impacts have been rendered on the nation which at the time seem unimportant but which in the long run may be critical. For example, urbanization is taking productive farm land out of existence, a fact that this country, with its most efficient agricultural machine, has not worried about. However, in California's Santa Clara Valley alone, an average of about 3,000 very rich acres are used each month for residential, commercial and industrial construction. In the long run, this may become a serious matter.

---

THE FUTURE

We have seen the influences on the results of urbanization in the United States. Now a brief look at the future. While it cannot be predicted with total accuracy what the pattern of urbanization will look like, it can be suggested with more reasonableness what the scope of the pressures will be that will weigh on existing and future areas.

Population Growth

The most recent "official" long-term projections for the United States were published by the Bureau of the Census in 1968. These projections were lower than most of those developed during the past decade and tend to take into account the lower fertility rates experienced between 1956 and 1965. These projections were made through the year 2000 on four different fertility rate assumptions. Two assumptions showed increases in the fertility rate (Series A and B) at slightly different paces. The third assumption suggested that the present rate would remain the same (Series C), while the fourth (Series D) assumed that there would be a continued decline in the rate of fertility.

The Series B projections suggested a total U.S. population of about 336 million by the year 2000 and the Series D data indicated a population of about 283 million.

---

In 1968, Dr. Jerome Pickard, in an Urban Land Institute research project, took a separate look at population growth and generated a forecast for the year 2000. Dr. Pickard used the Series B data as a base and then assuming slightly lower fertility rates (than the Bureau of the Census) for the interval 1980-2000 developed a forecast of about 312 million people within the fifty states by the year 2000.

Nevertheless, whether the Bureau of the Census Series D data or Dr. Pickard's figure is used for the year 2000, the United States faces an increase of between roughly 80 and 110 million people during the next thirty years, which is substantial by any standard.

Population Concentration and Shifts

The major reason for Dr. Pickard's work was to forecast the future size of the metropolitan areas. He dealt primarily with major urbanized areas which he defined as places of 100,000 people or more, regardless of the relationship to central cities. In 1960, there were 160 such places in the United States; by the year 2000, he forecast that there will be 223. The total population of these major urbanized areas, 91 million in 1960, will increase to more than 220 million by the year 2000. In 1960, they were the living places of just over half

---


25 Ibid.
of all Americans; in the year 2000, they will accommodate 70 percent of the total population. Dr. Pickard also points out that, according to his forecasts, by the year 2000 more than half of the nation's population will live in 43 urbanized areas of 1 million people or more.

In general, Dr. Pickard's projections of population suggest that all present metropolitan areas will grow larger and absorb the great bulk of the total project population. Studies done by the Bureau of the Census and other agencies tend to confirm Dr. Pickard's conclusions on the long-term growth of existing metropolitan areas. For example, in 1968, the National Commission on Urban Problems published projections of future population by Patricia Hodge and Philip M. Hauser. They covered the period 1960 to 1985 and indicated that by 1985 the major U.S. metropolitan areas will have grown from 113 million people to 178 million.26 (This estimate is consistent with Dr. Pickard's projection of 220 million by the year 2000.)

In addition, Hodge and Hauser forecast that the central cities will lose 2.4 million whites and the suburbs will gain 53.9 million; the central cities will gain 10 million nonwhites and the suburbs 4 million. In 1985, then, 70 percent of the metropolitan whites will be living in the suburbs and 75 percent of the metropolitan nonwhites will be located in the central cities. Commenting on this situation, the two demographers stated that:

The projections vividly portray the geographic fulfillment of the fears expressed by the President's Commission on Civil Disorders—that the American society is becoming an apartheid society. If the geographic separation of white and nonwhite population occurs as projected, America by 1985 will be well on the road toward a society characterized by race stratification along social and economic lines.

The Bureau of the Census recently offered comments with respect to the geographic location of the projected total growth. In a 1969 report, they indicated that the urban areas of the South and West are attracting people more rapidly than other regions and the smaller and medium-sized cities are gaining people at a faster rate than the larger ones.

A listing of the areas with the highest rates of growth reveals that 23 of the 25 fastest growing areas are either in the South or west of the Mississippi River, with 14 of the 23 areas located in Texas, California and Florida.

It must be recognized, of course, that while the large urban areas of the North and the East are projected to grow at a much lower rate, in terms of absolute numbers, their increases will still be substantial.

Translating the forecast population growth and concentration in urban areas into land, Dr. Pickard forecasts a requirement for an additional 35,000 square miles of land by the turn of the century.

---

27 Ibid., p. 33.
Viewing this required amount of land in line with forecast location of the population, Pickard concluded, as have many others, that our present urban areas will be merged and enlarged into great continuous urban belts. 29

Due to the previously mentioned preferences for single-family dwellings, the density of the newly formed areas will probably continue at the 3,000 to 4,500 people per square mile rate of our present outlying areas. This assumes, of course, that the nation's population and the supporting governments will be able to afford this luxury of space.

It should be noted that this low density development suggests difficulties in establishing forms of mass transportation, for mass transportation works well only in highly concentrated areas where trip origins and destinations are clustered.

SUMMARY

This chapter has outlined the influences, results and future prospects of urbanization. In summary form, it has been indicated that the influence of past decisions and trends has produced what are considered by most to be somewhat imperfect results. The fundamental question then is whether the suggested new town approach to urbanization is a satisfactory solution to meeting the forecast growth of the future and avoiding the problems of past.

CHAPTER III
NEW TOWNS--PRACTICE AND PROBLEMS

HISTORY

Part of the impact of urbanization, especially during the past ten years, has been met by the start of new towns in many parts of the country. However, before looking at modern-day new town developments, it seems appropriate to review briefly the concept of new towns as it has been practiced in our country during the years prior to 1960.

New Towns--Prior to 1960

In the earliest days of our nation, one of the most important historic policies guiding the building of new settlements was the Law of the Indies. This was an ordinance proclaimed by Phillip II of Spain in 1573 to govern the design of new cities in the New World. This document, which was followed almost without exception throughout Spanish possessions, contained about forty specifications and admonitions dealing with the selection of site, location of plazas and streets, and the character of public buildings and private dwellings. These ordinances influenced the formation of San Diego, Los Angeles, St. Augustine and Pensacola.

Comparable laws shaped the design of towns in Virginia and Maryland during the late 17th century. As the country moved into New England and eventually West, the colonists carried with them plans for the design of their new communities. During the 18th century, Philadelphia, Savannah, and New Orleans were laid out in an organized fashion. Just prior to the Civil War, Salt Lake City was designed by Brigham Young, whom the historians feel was an excellent planner. The only city that was carefully designed under federal jurisdiction prior to the Civil War was Washington, D.C.

While the initial designs for growth in all these new cities set a pattern for the early development, once the boundaries of the original plan were passed the development beyond the perimeters became random as if there was no example to follow.

From the Civil War until the end of World War II, new community development was very sporadic, and when it occurred it was usually in response to some federal or industrial need. For example, during World War I several new communities were constructed with federal funds in response to the need for emergency shipbuilding and munitions production operations. During the depression, under the need for resettlement of some portions of the populace from depressed areas of the South, three so-called "greenbelt" towns were constructed in Wisconsin, Ohio and Maryland. In the 1930's, the federal government also constructed Boulder City, Nevada and Norris, Tennessee in connection with large power and reclamation projects. While all of these new communities were designed by competent people of the times, they,
according to many observers, did not seem to encourage similar planned developments in the general vicinity. The developments that grew up nearby seemed to follow the laissez-faire approach. During World War II, in connection with the work of the Atomic Energy Commission, three towns were constructed at Los Alamos, New Mexico, Oak Ridge, Tennessee and Hanford, Washington.

In addition to these federally sponsored projects, there were a few examples of new community construction with private capital. These communities were usually in connection with the labor needs of a large industry. Lowell, Massachusetts was initially constructed in the 1830's in response to the need for female labor in the textile mills. The Lowell family constructed a simple, functionally planned town. Following the Civil War, Gary, Indiana was started to support the needs of the U.S. Steel Company. But Gary, like other company developments at Kohler, Wisconsin and Granite City, Illinois, eventually fell into a pattern of haphazard growth and much of the benefit of the initial design was lost.

Two of the most significant examples of company towns were Pullman, Illinois and Kingsport, Tennessee. Pullman was completed in 1884 and included many cultural, educational and athletic facilities. The development of Kingsport in 1915 was perhaps the greatest advance in the planning of a company town. Its features included a diverse industrial base, the utilization of zoning regulations, and a council-manager form of government which operated under a model city charter. The city attracted many different types of industry, including
a branch of the Eastman Kodak Company. To this day these industries
remain the economic backbone of the area and, in general, the original
plan for the town was held together fairly well.

Alcoa in Tennessee, built by the Aluminum Company of America,
is probably the only completed post-World War II new town on the con-
tinent, and it is another example of a development associated with a
specific industrial operation.

In addition to the industrial and federal new communities,
several large real estate communities were created during the years
following World War II. Developments like the Levittowns in New
Jersey, New York and Pennsylvania and Park Forest in Illinois are
among the largest examples. But these communities were generally
bedroom communities, and history records that, upon completion, these
towns encountered fiscal and administrative difficulties. Although
some features in many of the previously mentioned communities have
been distinguished, the historic basis for their creation has been
highly specialized. Accordingly, it is suggested that they have no
fundamental relevance to the key urbanization issues and potentials
for new town developments in America today.

New Towns--1960 to Date

Since 1960 there has been a significant upswing in the number
of large developments (more than one thousand acres). In general, it
is somewhat difficult to obtain totally accurate information on the
exact number, location and profile of these developments. However,
the results of an unpublished survey by the U.S. Department of Agriculture\textsuperscript{31} indicate that between 1960 and 1967, 376 such developments were begun, and these projects involved 1.5 million acres. In addition, 32 developments (an additional 200,000 acres) were reported as planned for the years immediately beyond 1967. When a stricter criteria as to size and scope was applied, only 43 of the 408 planned or existing developments were classified as "new towns." Based on a separate survey, the Advisory Commission on Intergovernmental Relations agreed with this conclusion.\textsuperscript{32}

The following table pieces together from many different sources what is believed to be an up-to-date list of the 40 largest developments in the country. The list indicates the location, current developer and planned size of the projects which are considered to be generally multifunctional "new communities" (residential, industrial and commercial) and do not contain too large a proportion of the planned facilities for solely retired families.


\textsuperscript{32}Ibid.
TABLE III-A

MAJOR MULTIFUNCTIONAL "NEW TOWN" DEVELOPMENTS

<table>
<thead>
<tr>
<th>Location</th>
<th>Developer</th>
<th>Acres</th>
<th>Planned Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Litchfield Park</td>
<td>Goodyear Tire &amp; Rubber</td>
<td>12,000</td>
<td>100,000</td>
</tr>
<tr>
<td>2. Lake Havasu City</td>
<td>McCulloch Oil Corp.</td>
<td>13,000</td>
<td>50,000</td>
</tr>
<tr>
<td>California</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Albertson Ranch</td>
<td>Daniel K. Ludwig</td>
<td>11,500</td>
<td>100,000</td>
</tr>
<tr>
<td>4. El Dorado Hills</td>
<td>Lindsey &amp; Co.</td>
<td>9,800</td>
<td>75,000</td>
</tr>
<tr>
<td>5. Foster City</td>
<td>T. Jack Foster</td>
<td>2,700</td>
<td>35,000</td>
</tr>
<tr>
<td>6. Valencia</td>
<td>Newhall Land Co.</td>
<td>4,300</td>
<td>30,000</td>
</tr>
<tr>
<td>7. Diamond Bar</td>
<td>Transamerica Devel. Co.</td>
<td>8,000</td>
<td>75,000</td>
</tr>
<tr>
<td>8. Porter Ranch</td>
<td>Penn Central R.R.</td>
<td>4,100</td>
<td>43,000</td>
</tr>
<tr>
<td>9. Mountain Park</td>
<td>Lazard Freres &amp; Co.</td>
<td>7,150</td>
<td>60,000</td>
</tr>
<tr>
<td>10. Crummer Ranch</td>
<td>Home S &amp; L Assn.</td>
<td>6,300</td>
<td>50,000</td>
</tr>
<tr>
<td>11. Westlake Village</td>
<td>American-Hawaiian Steamship</td>
<td>11,500</td>
<td>100,000</td>
</tr>
<tr>
<td>12. Conejo Village</td>
<td>Janss Corp./American Cement</td>
<td>11,000</td>
<td>87,000</td>
</tr>
<tr>
<td>13. Irvine Ranch</td>
<td>Irvine Company</td>
<td>88,000</td>
<td>300,000</td>
</tr>
<tr>
<td>14. Laguna Niguel</td>
<td>AVCO Corp.</td>
<td>8,000</td>
<td>60,000</td>
</tr>
<tr>
<td>15. Mission Viejo</td>
<td>Mission Viejo Company</td>
<td>11,000</td>
<td>50,000</td>
</tr>
<tr>
<td>16. Sunset</td>
<td>Sunset Petroleum International</td>
<td>12,000</td>
<td>110,000</td>
</tr>
<tr>
<td>17. Rancho Bernardo</td>
<td>AVCO Corp.</td>
<td>5,800</td>
<td>50,000</td>
</tr>
<tr>
<td>18. Rancho California</td>
<td>Kaiser Alum./Penn Central</td>
<td>87,000</td>
<td>400,000</td>
</tr>
<tr>
<td>19. Century City</td>
<td>Alcoa</td>
<td>500</td>
<td>12,000</td>
</tr>
<tr>
<td>Colorado</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Montbello</td>
<td>Perl-Mack et al.</td>
<td>7,000</td>
<td>80,000</td>
</tr>
<tr>
<td>21. Colorado City</td>
<td>N.K. Mendelson et al.</td>
<td>5,000</td>
<td>30,000</td>
</tr>
<tr>
<td>22. Pikes Peak Park</td>
<td>Sproul Homes</td>
<td>4,300</td>
<td>30,000</td>
</tr>
<tr>
<td>Florida</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Miami Lake</td>
<td>Sengra Devel. Co.</td>
<td>3,000</td>
<td>25,000</td>
</tr>
<tr>
<td>24. Canaveral Princeton</td>
<td>Canaveral Princeton Land Co.</td>
<td>2,500</td>
<td>43,000</td>
</tr>
<tr>
<td>25. Palm Beach Lakes</td>
<td>Pering Land &amp; Devel. Co.</td>
<td>7,000</td>
<td>70,000</td>
</tr>
<tr>
<td>26. Leigh Acres</td>
<td>L. Ratner</td>
<td>60,000</td>
<td>80,000</td>
</tr>
<tr>
<td>27. Deltona</td>
<td>CKP Developments</td>
<td>15,000</td>
<td>75,000</td>
</tr>
<tr>
<td>28. Coral Springs</td>
<td>Westinghouse Corp.</td>
<td>10,400</td>
<td>120,000</td>
</tr>
<tr>
<td>Hawaii</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Kaiser</td>
<td>Kaiser Aluminum</td>
<td>6,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>
Illinois
30. Elk Grove  Centex Co.  3,000  35,000
31. Oak Brook  Butler Co.  4,000  25,000

Louisiana
32. New Orleans East  Murchison & Wynne  32,000  100,000

Maryland
33. Columbia  Rouse Company  14,100  110,000
34. Northampton  DISC Inc.  2,500  35,000

Minnesota
35. Jonathan  Henry T. Knight  5,000  50,000

New Mexico
36. Paradise Hills  Horizon Land Co.  8,500  60,000

Texas
37. Clear Lake City  Humble Oil  15,000  180,000
38. Horizon City  Horizon Land Corp.  65,000  100,000

Virginia
39. Reston  Gulf Oil Corp.  7,000  75,000
40. Sterling Park  U.S. Steel  2,000  25,000

The plans for these forty communities, which are spread over twelve states, indicate the use of almost 600,000 acres for a total planned population that approaches 3,200,000 people.

The forty developments are being guided by large national corporations, large land owners and/or major financial institutions. The involvement of large corporations is particularly noticeable in recent years. Some companies are finding these new town developments a means to test new products and promote existing lines. In other cases, antitrust regulations are forcing the companies into more vertical integration of their activities. Some of the oil companies
reportedly feel that new town involvement provides unique tax advantages for their operations.

Large land holders are noticeable in the major new town developments as they seek to capitalize on their holdings as the tide of urbanization moves in their direction. Large banks and insurance are participating both as controlling partners and major backers of many developments.

PROFILE AND PROBLEMS OF CURRENT NEW TOWNS

Based on the interviews with principals of seven of the previously listed developments, the results of surveys taken by other individuals or agencies, literature on the subject of new towns and discussions with corporate presidents and officials of the government during the Sloan Program seminars and Washington, D.C. field trip, the following sections summarize a wide spectrum of thoughts and data on various aspects of new towns.

Perhaps the two major sources of information for this section of the thesis were provided by the personal interviews and an exhaustive study of new community development conducted by Messrs. Eichler and Kaplan.  

Developers

As has been mentioned, in addition to the traditional real estate developer and large land holder, many major U.S. corporations are becoming involved in the development of "new towns" for several different reasons.

Commenting on the trend toward active participation of traditionally non-development companies in large land development projects, H. S. Jensen, Director of Real Estate Special Projects for the Penn Central Railroad, observes that:

This trend is in sharp contrast to what existed as recently as ten years ago and it reflects some subtle changes in the makeup of the development industry. Considering the entrepreneurial character of the development business, it is interesting to note that this invasion has occurred without any organized opposition; in fact, there has been an almost audible sigh of relief.34

The author can add to this trend of corporate involvement by noting that during the Sloan Program seminars and field trip to New York City, active interest in new town development was expressed by the presidents of three major U.S. corporations. It can be noted that none of the three corporations are represented as developers on the previously detailed list of forty "new towns."

Location

Based on the data outlined in the previous listing of large

developments, the following general observations can be made:

1. Seventeen of the 40 major multifunctional developments are in California. (Most sources record that more than half of all large community developments, regardless of profile, are in that state.)

2. Thirty-three of the 40 are either west of the Mississippi River or in Florida.

3. The same 33 of 40 developments are in what are considered generally "good weather" areas.

Based on an inspection of the areas adjacent to the seven developments interviewed, surveys by other agencies and a map check of all locations, 85 percent of the developments are within 20 miles of a major urbanized area. The personal interviews and other surveys note that this degree of proximity is most important to the successful development of a new town.

A high rate of population growth in the area where the new town is located also seems important, as well as the advantage of facilities support from an established center. The following table relates the new towns previously identified with the nearest urban area and indicates the expected rate of growth in that area for the 1965-1975 interval.  

---

areas can be compared with the expected average national growth rate for the same interval of about 13 percent. This table indicates that 31 of the 40 largest towns are located near urban regions with exceptionally high growth rates.

### TABLE III-B

NEW TOWNS AS RELATED TO NEARBY URBAN GROWTH RATES

<table>
<thead>
<tr>
<th>New Town Location</th>
<th>Nearby Metro Area</th>
<th>Projected 1965-1975 Population Growth for Metro Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town #1</td>
<td>Phoenix</td>
<td>34.2%</td>
</tr>
<tr>
<td>Town #2</td>
<td>none</td>
<td>---</td>
</tr>
<tr>
<td>California</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towns #3,6,7,8,9,10,11,19</td>
<td>Los Angeles-Long Beach</td>
<td>25.6%</td>
</tr>
<tr>
<td>Town #17</td>
<td>San Diego</td>
<td>21.1%</td>
</tr>
<tr>
<td>Towns #4,15,16</td>
<td>Sacramento</td>
<td>32.4%</td>
</tr>
<tr>
<td>Towns #13,14,15,18</td>
<td>Orange County</td>
<td>42.7%</td>
</tr>
<tr>
<td>Town #12</td>
<td>Santa Barbara</td>
<td>51.6%</td>
</tr>
<tr>
<td>Colorado</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town #20</td>
<td>Denver</td>
<td>22.5%</td>
</tr>
<tr>
<td>Town #21</td>
<td>Pueblo</td>
<td>3.4%</td>
</tr>
<tr>
<td>Town #22</td>
<td>Colorado Springs</td>
<td>9.1%</td>
</tr>
<tr>
<td>Florida</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town #23</td>
<td>Miami</td>
<td>21.4%</td>
</tr>
<tr>
<td>Towns #24,27</td>
<td>Orlando</td>
<td>31.2%</td>
</tr>
<tr>
<td>Towns #25,26</td>
<td>West Palm Beach</td>
<td>34.5%</td>
</tr>
<tr>
<td>Town #28</td>
<td>Ft. Lauderdale-Hollywood</td>
<td>51.9%</td>
</tr>
<tr>
<td>Hawaii</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town #29</td>
<td>Honolulu</td>
<td>13.1%</td>
</tr>
<tr>
<td>Illinois</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towns #30,31</td>
<td>Chicago</td>
<td>+9%</td>
</tr>
</tbody>
</table>
In addition to locating near centers of rapid growth, the proximity of natural features such as mountains or water seems to be most important to the developers. In cases where facilities for water recreation are not available, lakes or canals are created in order to enhance the setting of the town. All the developers interviewed felt that aesthetic features, whether natural or artificial, gave them a marketing advantage which they needed for the rapid development of the site.

The interviews and other data also revealed that access to major urban areas via interstate or state highways was considered vital to the development of the new town. In two cases, the developers felt that their rate of growth was being slowed by the lack of an adequate highway system either bordering their property or very close by.

<table>
<thead>
<tr>
<th>Location</th>
<th>Town #</th>
<th>City</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana</td>
<td>#32</td>
<td>New Orleans</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Maryland</td>
<td>#33</td>
<td>Baltimore</td>
<td>+10.3%</td>
</tr>
<tr>
<td></td>
<td>#34</td>
<td>Washington, D.C.</td>
<td>+25.9%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>#35</td>
<td>Minneapolis-St. Paul</td>
<td>+12.6%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>#36</td>
<td>Albuquerque</td>
<td>+22.2%</td>
</tr>
<tr>
<td>Texas</td>
<td>#37</td>
<td>Houston</td>
<td>+23.4%</td>
</tr>
<tr>
<td></td>
<td>#38</td>
<td>El Paso</td>
<td>+14.8%</td>
</tr>
<tr>
<td>Virginia</td>
<td>#39,40</td>
<td>Washington, D.C.</td>
<td>+25.9%</td>
</tr>
</tbody>
</table>
They cited the lack of cooperation at the state and county level as being responsible for the absence of the highways and were not sure when the roads would be available. In one new town area (not one of those interviewed), it is reported that the timing of the development was based on the promise of an extension of the federal highway system. As it developed, the location of the highway was altered in order to serve a federal installation nearby, and this action has seriously affected the development of this new town.

As previously indicated, the location of these new towns ties in very closely with the good weather areas of the country. The developers interviewed indicated that they count heavily on luring retired families and migrants from the northern and eastern cities who are seeking a more favorable climate in which to either work or recreate.

**Land Acquisition**

Site acquisition at a reasonable price per acre is of prime importance to the profitable development of a new town. Many large developments in California are being built on ranch tracts which were assembled many years ago. The Irvine Ranch south of Los Angeles with 88,000 acres is typical of this type of development. In Arizona, the Goodyear Tire and Rubber Company acquired their 13,000 acres during World War I for the production of cotton when they feared their supplies would be cut off from overseas. Today Goodyear is constructing the new town of Litchfield Park on this acreage. In these cases the
cost of the land is negligible and is a major factor toward profitable operation.

In other cases, however, the land has been assembled piece by piece, often with the risk that the master plan will become known during the critical acquisition phase and the average price per acre will be escalated. One of the largest land assembly tasks was faced by the developers of Columbia, Maryland, who made 175 transactions over an 18 month period in order to assemble 15,000 acres. It is reported that fortunately they were able to carry off the entire range of purchases without exposure, thus keeping their average cost per acre to slightly under $1500.

The Advisory Commission on Intergovernmental Relations published the cost per acre of pre-developed land for eight communities (including Columbia) acquired during the 1962-1964 interval. The average price per acre of these eight developments was $1540, with a range from $641 per acre at Laguna Niguel, California to $5000 per acre at Foster City, California.

The cost per acre quoted by the seven developments interviewed (which were not part of the ACIR list) averaged slightly below $1000 per acre. All developers interviewed felt that the factor of land acquisition was most critical to the building of new towns, since the developers' major source of revenue resulted from the sale of upgraded raw land. Furthermore, the major initial outlay was for land which, in a large development, had to be carried for a long time before the initial investment could be recovered.
According to the developers interviewed, the key factors in the development of a new town are location and land cost. (Strategic position in relation to available housing and job market potentials with suitable transportation access also were felt to be critical.) Acquisition price—considering terms involved—must permit sufficient appreciation potential in realizable values at ultimate development to support the economies of the overall program.

In essence, they felt that the profitability of new town building must be derived primarily from the land development operation. The final value of ground for its programmed use must be adequate to compensate for all costs of acquisition, holding costs, overhead and management, as well as entrepreneurial risk-taking.

Early Staging of the Developments

Based on the interviews and case histories of other new towns, it appears that the following types of steps are taken during the first few years of the development.

1. General land use and feasibility studies are conducted. Most developers interviewed felt that detail at the outset should be kept to a minimum and that long-term flexibility should be maintained.

2. Utilization of professional disciplines in the design of the overall general plan. Most developers interviewed used a full range of disciplines, except sociologists and ecologists. (They stated that they felt no need for these skills in the development of
their towns.)

3. A small section should be chosen for the initial construction and the basic infrastructure installed. But perhaps just as important, the amenities or "drawing cards" to the new town should be constructed at the same time. These facilities could include such items as artificial lakes, golf courses, country clubs or other recreation centers.

4. During the early stages of development, the principals stated that they looked for possibilities for luring major "growth inducers" to settle on their property and were willing to donate or sell at a low price land for such facilities as universities or junior colleges.

They were interested in locating industry as well, but generally only clean industries that would not detract from the image of their development and those that would provide residential prospects for middle or higher priced homes in the new town. They pointed out that land used for industrial purposes did not provide as great a return as if the same land was used for residential or commercial structures. They gave the impression that they were satisfied to rely on industry in the general vicinity of their property to provide demand for their residential sites.

5. With respect to the establishment of commercial facilities, the developers interviewed were most interested in establishing these as soon as possible. Generally, they built and leased space for this type of facility and in some cases required a percentage of the
receipts, thus providing an early cash flow source. If they could establish a regional commercial area during the early stage of development, they attempted to do so as opposed to waiting until sufficient residential sites were taken before they began to build commercial facilities for the "new town" residents.

6. With regard to public facilities such as schools, the developers tended to rely on the governing jurisdictions in their area to provide these services off site during the early stages. However, their land use plans included appropriately positioned sites for the future location of these facilities.

Financing

Perhaps the most critical aspect of new town development, according to those interviewed and all the literature on the subject, is that of project financing.

New towns are built with profit motives in mind. The record as to whether or not a new town is a sound investment is not complete, since many of the largest developments have been under way only a few years. There are more rumors than facts concerning the early stage financial difficulties of some of the large developments. However, the case of Reston, Virginia is well known. The early developers of this town experienced severe financial troubles before Gulf Oil and some major financial institutions provided support. In other cases, substantial lines of credit have been established at the outset with insurance companies and banks in order to finance the early years
of development.

The crushing combination of initial land investment plus the initial cost of road, utility and recreational installations normally eliminate any positive cash flow for about five to seven years.

In the most exhaustive study of new communities compiled to date (Eichler and Kaplan)\(^{36}\), it was found that new community development is not as lucrative as smaller-scale, less comprehensive development. This conclusion was based on the study of numerous developments that addressed themselves only partially to the problems created by urbanization. Quite obviously, new communities would be even less profitable if their developments were more fully directed toward coping with many of the problems now present in America's central city. This fact has led many commentators to conclude that greater government involvement and subsidization is required.

According to the developers of Columbia, Maryland, careful management of its fiscal resources, through the utilization of an "economic model" in its decision making process, appears to have the difference between staying afloat in the early years of heavy expenditures and going under. Morton Hoppenfeld, Director of Planning and Design for the Rouse Company, describes the economic model as a highly complex series of projections and conjectures showing when and how the investors are going to get their money back and then make a profit. Looking toward the future, he predicts that if Columbia is successful

---

perhaps the proof of economic feasibility of a new town may be its most important contribution to American urbanization.37

Most of the developers interviewed utilized some type of "economic model" in order to compute the impact of their development and borrowing decisions on their rate of return.

For obvious reasons, most developers were unwilling to discuss the success of their operations in terms of specific rates of return. Some offered that their target rate was at least 20 percent before taxes, others stated they were looking for a return greater than that experienced by their parent corporation. Based on these many inexact inputs, it seems reasonable that a fair guess as to return would be something like 10 percent after taxes (at least in the case of the seven developments interviewed). It must be noted, however, that the average density of population planned in these seven new towns is only about six people per acre. Clearly, by increasing the average density through the use of more multi-family dwellings, the rate of return also can be raised.

Other observations on financial aspects include the fact that developers tend to supplement their income from land development appreciation by leasing commercial land and structures, requiring a percentage payment on the commercial sales and charging fees for residential and commercial property management.

The cost of the amenities are built into the cost of the residential structures in the same way as elements of the infrastructure. In some cases, once the prescribed number of homes that were tied to a particular set of recreational facilities was sold, the facilities were then turned over to the residents.

Marketing

Mention has already been made of the importance of providing amenities in the new towns in order to give the developers a marketing advantage over nearby unplanned developments. (All developers interviewed expressed the philosophy of having these facilities in place rather than using promises of their installation as sales bait to prospective residential customers.)

Most developers felt that these "facilities" are more important in the "decision to buy" than they are in terms of actual use after the residential purchase has been made. There was considerable evidence that some of the facilities received very little use, with perhaps the exception of the golf courses and the water recreation areas. This could be a reflection of the fact that the wrong type of facilities were chosen or that people, once settled, tended to use other facilities outside the confines of the new town.

Eichler feels that only the inherent attributes of the location and the basic business skill of the developers provide any special advantage in competing with owners and developers of surrounding land. The "planned" concept seems to have little long term importance except
that, at the outset, the "planned" concept essentially tells the residential buyer that "undesirable" elements of society will be screened out.

In a study by Smith and Werthman, it is suggested that the marketing strategy of community builders had considerable merit insofar as the price range of the housing is concerned. However, the rather minimal interest that buyers display in the community facilities and their narrow definition of the benefits of "planning" suggest that when a developer owns a large parcel of land at the fringe of a metropolis and uses the best known planning techniques he may not necessarily be establishing much of an advantage in the marketplace. This conclusion would tend to question the validity of planned community building as an investment and a business enterprise.

These findings tend to support the fact that all the developers interviewed noted that they spend considerable effort on the development of a market strategy with respect to residential units and on the economic analysis of the area where they are operating. They all shared a one similar view of their markets, namely the low level of demands for low income housing. They also felt that the early sale of these units would have a detrimental effect on sales to higher income groups and if sales were slanted too much towards the low-income group, it would be difficult to achieve a sound fiscal base for the community.

---

There are several reported examples of cases where faulty market research on housing tastes produced a disappointing level of sales until the housing styles were changed to reflect the tastes of the buyers. The most successful housing designs were those that were traditional to the area in terms of style and material. This situation certainly raises the question as to whether modular, prefab units constructed of other than conventional materials can be introduced in new towns in order to make somewhat lower-cost housing available to a broad range of buyers.

When asked whether they were satisfied with the progress and design of the development to date, the new town principals consistently responded positively if their sales rate was meeting expectations or the needs demanded by their cash flow requirements. When responding in a negative way with regard to the progress of their development, their solutions with respect to things they might change generally referred to changes that would increase the cash flow for the development.

**Relations with Various Governments**

Most large new town developments are under the jurisdiction of existing county and/or city governments. The author's interviews and reading of case histories revealed that governmental relations at the beginning of development were usually somewhat strained, but with the passing of time and the exertion of considerable "sales" effort on the part of the developers a more cooperative atmosphere was achieved.

In general, it appears that the new towns are being created in
areas which lack a comprehensive state, regional or county growth plan. Thus, the new towns represent islands of planning within larger areas of free-market land use patterns. The developers interviewed felt that the lack of sophistication in planning at the state and local levels was an initial deterrent in establishing a rapport with respect to the intended impact of their proposed new town projects.

From a tax standpoint, it appears that the new town projects are paying their own way and therefore not requiring a disproportionate share of governmental revenues to support the developments. In fact, there is some evidence that suggests that there are elements of double taxation in the new projects--once in the normal manner by the local governments and again as a differential cost of living tax where some portions of the rents or sales support the community activities. In almost every case studied, the developers are providing the infrastructure and then dedicating these facilities to the local agencies for long term maintenance.

As has been mentioned, with the exception of Jonathan, Minnesota, all new town projects to date are being financed without the assistance of the federal government. The developers interviewed stated that they preferred to be free from the governmental specifications and management fees that are tied to the acceptance of federal guarantees under Title IV of the 1968 Housing Act. They expressed concern that the provisions in this Act would require them to provide housing types and social mixes that would create unprofitable conditions during the early stages of development and perhaps be detrimental
to the acceptability of the entire community in the long run.

Professor Shirley F. Weiss of the University of North Carolina surveyed all large new town developments on this specific point of involvement by the federal government.\(^{39}\) The opinions gathered were widely divergent primarily with respect to the extent of government assistance to be sought, but most stated that some financial help was necessary since they felt that the private sector could not do the job alone. However, those feeling that government aid is desirable also were concerned that the "strings" attached to the assistance would stifle the very initiative and creativity essential to the development of new towns and perhaps bring about less profitable ventures than might be achieved without restrictions and guarantees.

Of all the governmental relations, local government is the primary zone of contact between the private and public sector where critical decisions on form and substance are made early in the life history of new communities. Local governmental controls on new developments relate to the acceptance of road and streets, health department approval of the proposed sewage disposal and water supply systems, compliance with the building site and grading ordinances, and provision of adequate storm drains.

Local governments customarily provided certain essential public services necessary for development. The county-wide services available

to all unincorporated areas can, of course, be had from the outset, including sheriff's patrol and county road maintenance. In addition, municipalities, county service areas, or special districts of various kinds may be established, either to provide a desired service directly or to contract with another agency for their services. The omnipresent school district provides for public education.

Relations with neighboring communities and governments, although somewhat elusive and intangible, are extremely important to any new town. These can take a multitude of forms. In some ways the most important to the developer is the creation and maintenance of an image. For this, he must rely on the physical and aesthetic attributes of the project itself.

The attitudes of nearby communities toward the new town and the developer may affect the success and acceptance of the project. From the study of many new town development case histories, it appears that most communities have a natural tendency to be suspicious of (1) new projects with unknown potentials coming into the area, (2) bigness, and (3) outside entrepreneurs. New towns are certainly all three of these and thus are vulnerable to community distrust, at least after an initial honeymoon period. Thus, a stable government in the area and responsible local leaders, including county officials with an understanding of the urban growth process, can be a strong asset to the developer.

With regard to policy, it appears from the interviews and case histories that new towns are of such recent origin— at least on the scale found today—that most of the affected governments are still in
the initial stages of making policy to deal with them.

A final comment on governmental relations. It was evident from the discussions with developers, at least in California, that the local systems of property assessment contribute seriously to the inability of the developer to hold for any reasonable length of time undeveloped parcels of land without subjecting themselves to the severe penalties of high holding costs. It was felt that property tax assessment must be done in the best long term interests of the total area so as to permit the developers to reserve land for long term logical use rather than being forced by economic pressures to convert the land into unintended and immediate uses.

Housing

The needs of the United States to expand its supply of housing by 26 million units during the next ten years is well known. However, this total need will require the construction of an average rate of 2.6 million units per year and can be compared with the highest annual output in recent years (1950) of 2.0 million units. Furthermore, there is a need for units of all price levels, especially for lower and middle income families, and methods of construction that will result in a higher rate of production than is currently being achieved.

While the residential development in the new towns is certainly adding to the total supply of housing, it appears that the vast majority of the construction is directed toward families with incomes of $12,000 and up. Furthermore, the construction approach tends to be
conventional using materials that are traditional in the area.

In responding to questions about the lack of available dwellings for lower income families, the developers interviewed felt that they must provide higher-priced units at the outset and that a program of providing lower-priced homes would tend to tarnish the image of the development and reduce the vitally needed early cash flow requirements.

Most developers interviewed and studied planned to offer lower-priced dwellings eventually, but only after they had a better idea of where lower-priced developments would take place outside of their boundaries. Once they knew this, they felt they could locate their lower-priced dwellings in contiguous areas, thus reducing the risk of downgrading the overall tone of development.

With regard to racial integration, only two of the developments visited were integrated. From a search of the literature pertaining to other developments, it appears that only a few have any racially integrated housing. Reston and Columbia are the most notable of these.

Overall Design

In general, the design of the new towns visited and those studied from an inspection of promotional land use plans is not greatly unique. They give the impression of tidy, upper-middle class residential communities with perhaps the following exceptions:

1. Residential units are often clustered and utilize a common
courtyard area to provide privacy for a dozen or so families.

2. Because of the "planned" concept, schools and some commercial and recreational facilities are in reasonable proximity to the dwelling units. (But due to the fact that many developments are very large, there is a practical limit to locating all residences near these common facilities.)

3. Many of the developments have located all utilities underground, providing a more ordered visual impression.

4. There is evidence that some experimentation is being conducted with respect to educational facilities and home service units (such as waste disposal units and electronic links to educational, commercial and public facilities). But the application of such services is not widespread in any one development, and the developers interviewed suggested that they were generally cautious in introducing radical departures from normal schemes unless they were certain of adequate market acceptance.

5. There is a tendency to provide more "green belt" areas within the residential areas.

In general, the average number of housing units per acre tends to follow the pattern of conventional suburban expansion--that is, low density levels of about 3.5 units per acre. Also, there is little evidence in any of the developments of a total effort to separate the auto and the pedestrian or to provide a unique internal transportation network.
However, in spite of the lack of true uniqueness in the overall concept of these planned developments, the visual impression created and "planned" arrangement of components is superior to surrounding conventional suburban developments. Until all of the elements of these total communities are in place and operating, however, it will be difficult to make a full judgment as to the workability or desirability of the planned designs.

Other impressions released by an inspection of these developments must certainly vary depending upon one's desired life style. Many critics have commented on the sterility of U.S. new towns (as well as British developments); and while these charges may be correct, it would seem that the many options for life style and location in the United States condition the critics' judgments and may well reflect only their individual experience and personal preference.

It should be noted that among the developers interviewed none indicated that they had relied upon the preferences of other than "professional" planners in designing the elements and concept of their new town project. It was also suggested that the final designs usually were a compromise between the planners' design and economic and marketing considerations.

It was evident from the discussions with the developers that many of today's social difficulties (teenage drug problems, for example) were just as prevalent in these developments as elsewhere in a particular region. There was also evidence that the restrictive tone of the communities visited had thwarted teenage freedoms, which
resulted in obvious reactions to the restrictions.

SUMMARY

Based on the experience to date of many large developments, it appears that economic motives far outweigh the elements of altruism in the design of new towns.

The "private" effort (which is strongly encouraged by the government) has had to launch into areas of high population growth and acquire large parcels of land without the benefit of the power of eminent domain. In addition to the large outlays for land, the developers have had to make substantial expenditures for infrastructure and market-attracting facilities before any positive cash flow could be generated from land sales or commercial operations. In view of this, it is hardly surprising that the developmental efforts so far have been in the direction of high-class residential and commercial units in order to provide the necessary cash flows for the continuation of the project. In the process, there has been little tendency to offer innovations which deviate significantly from conventional developments for fear that the market acceptance of the project will suffer. However, in spite of the apparent sizable risks involved in these developments, the rate of return is suspected to be very low.

Compounding the locational and financial problems of these developments has been the lack of initial acceptance and cooperation on the part of governmental agencies at all levels.

In spite of the shortcomings of the results to date, the
developments presently seem to provide a more acceptable product when compared to nearby conventional suburban sprawl. In most cases though, it is still too early to make a full judgment as to whether the final results of these developments will provide more desirable living conditions and perhaps lower cost living to the residents of these new towns.
INTRODUCTION

As mentioned in the introduction to this paper, the nation in recent years has been bombarded with diatribes about the process and impact of urbanization. Recently the concept "new towns" has become voguish as a solution to present urban conditions and the future prospects previously described. This section outlines the existing and proposed legislation relating to new towns, the policies suggested for adoption in new legislation, and arguments both pro and con concerning new towns as a concept.

DEFINITION OF NEW TOWNS

Before reviewing the laws and proposed policies relating to new towns, it seems wise at this point to indicate the definition of new towns that most proponents and critics seem to have in mind. As can be imagined, there is no single "official" definition of new towns in America today. Each writer puts forth a slightly different version, but looking at a cross section of the words and phrases a general description of the concept can be recorded. In general, it can be observed that the American definition of new towns bears the mark of British influence and also tends to suggest what new towns should be rather than what they are in practice.
A composite definition of new towns as constructed by writers on the subject is stated as follows:

New towns should be large scale developments constructed under one ownership which follow a reasonably precise plan of including different types of housing, commercial, industrial, cultural and recreational facilities in convenient relation to each other. They can be within the metropolitan orbit or beyond in new regions. They should be balanced in relation to jobs and workers in varied occupations, economic, social and racial groups and in terms of developed areas and open spaces. Some writers add the suggestion that there should be a degree of self-containment within the boundaries.

SUGGESTED POLICIES

As will be seen in the next several pages of this paper, the list of more recent proponents for new towns is quite large. The list includes members of the academic community, the American Institute of Planners, some large real estate developers, the National Committee on Urban Growth Policy, the National Association of Counties, the National League of Cities, the United States Conference of Mayors and Urban America, Inc. Vice President Agnew also has lent his support in writing the foreword to a recent book entitled The New City, published by Urban America, Inc. However, it is interesting to note that some of these organizations were at one time quite opposed to the creation of new towns.

In many cases the current support and reasoning on the issue
may be self-serving, but it must be recognized that this is the support presently being given to the issue and therefore must be reviewed, as it probably will represent a major influence on forthcoming legislation.

Apart from the assorted supporters of new town development, both as an individual policy and as part of a national growth policy, there have been three major study groups who have reviewed the problems of present and future urbanization and have offered some detailed solutions. These groups are the National Committee on Urban Growth Policy, the American Institute of Planners and the Advisory Commission on Intergovernmental Relations.

All three groups reviewed the basic influences on and the results of urbanization (similar to those outlined earlier in this paper) and in viewing the potential problems of the future (also as noted previously) arrived at recommendations which, in general, support the creation of new towns as part of an overall national growth policy. To accomplish the creation of new towns, all three groups put forth their views on the critical mechanisms required in order to achieve this goal.

The National Committee on Urban Growth was formed in 1968 and was sponsored by the National Association of Counties, the National League of Cities, the United States Conference of Mayors and Urban America, Inc. The members of the Committee are leaders at all levels of government and from both major political parties.

Based on a review of the major problem aspects of urbanization in the United States, a survey of European experience with respect to
new community construction and a study of new community development that exists in the United States today, the Committee published its findings and recommendations in a book entitled The New City.\textsuperscript{40}

Also in 1968, the American Institute of Planners assembled a task force, representing a broad cross-section of interests, to consider the scope of present urban problems and the impact of future forecasts. Their conclusions, which were not unlike those of the National Committee on Urban Growth Policy, focused on the creation of new communities and were reported in an Institute position paper.\textsuperscript{41}

The third study group was the Advisory Commission on Intergovernmental Relations, which published its findings in April of 1968.\textsuperscript{42} This Commission was established by Public Law 86-380 in 1959 with statutory responsibilities to provide, among other things, a forum for the discussion of federal programs requiring intergovernmental cooperation, encouragement of the study of emerging public problems and recommendations to Congress as to the desirable allocation of government functions and revenues among the several levels of government. From the standpoint of content and presentation, this report is perhaps the most thorough, and there is some evidence that


\textsuperscript{41}American Institute of Planners, New Communities: Challenge for Today, The AIP Task Force on New Communities (Background Paper No. 2), Washington, D.C., 1968.

the two other reports mentioned above relied heavily upon the research work done by this third group.

A detailed analysis of the three reports reveals a high degree of consistency in the reasoning and conclusions. The approaches follow a pattern of (1) identification of the problems of urbanization, (2) proposed general solutions, and (3) specific observations and recommendations with respect to new town construction.

Due to the consistency of presentation and conclusions, the work of these study groups will be noted below in a single summary suggested as representative of all three.

All three groups examined historic and recent patterns of urbanization and economic development in the United States and the linkage between the two. They examined the influence, both public and private, responsible for these patterns, the major consequences of increasing concentration of population in metropolitan areas and the concomitant loss of population and industries in many non-metropolitan portions of the country.

They examined the aspects of recent large-scale developments in the United States and considered the potential of the new towns, in particular, for injecting a greater degree of order into the future growth of the nation's urban areas. Against this dual background, a number of conclusions were drawn and a number of recommendations were offered.

In general, the groups concluded that a continuation of present urbanization and economic growth trends would produce consequences of
critical importance to the well being of the nation, individual states and communities. (It can be noted that all three study groups seemed to accept the forecast of an additional 100 million people by the end of this century.) The groups consistently concluded that the increasing concentration of people in large urban centers will make public and private consumption more costly as a result of diseconomies of scale. (While the economic evidence offered by the groups is incomplete, it may well be that the increased size and congestion, alone, will take a net social and psychological toll in urban living conditions. But again, these are difficult factors to forecast.)

The groups also felt that the advantages held by suburban and outer fringe areas in attracting new industry will continue to widen the gap between the economies of central cities and their surrounding neighbors and thereby compound the problems of many central cities. They noted that a most serious aspect of this problem will be the growing inability of the central cities to provide jobs for their residents. They observed that if the migration of the black population to central cities continues, additional fuel will be added to the already incendiary conditions in the ghettos.

At the same time, the nation's smaller urban places will be increasingly bypassed by the economic mainstream and will find it difficult to offer enough jobs for all their residents. Many rural communities will suffer from a further siphoning off of the young and able work force with a resulting greater concentration of the old and unskilled among those that remain. In addition, these rural communities
will face a continuing decline in their capacity to support basic public services.

The groups also felt that, if present practices prevail, the continued concentration of urban growth in the suburban and outlying areas foreshadows a prolongation of development practices which create "sprawl" conditions, namely the disorderly and wasteful use of land.

The groups emphasized that these trends of urbanization result from the interplay of countless decisions by individual citizens and private enterprises, many of which are conditioned by federal, state and local policies and programs. Furthermore, they observed that there is no overall policy framework for guiding the nature and character of growth, and that specific program decisions concentrating on particular objectives have sometimes produced inadvertent results, altering or partially cancelling out basic program goals.

In the face of this background, the groups strongly supported the establishment of a national growth policy. They felt that there is a specific need for the immediate establishment of a national policy for guiding the location and character of future urbanization involving the efforts of federal, state and local governments in collaboration with the private sector of the national economy.

They consistently pointed out that, in the absence of a formal national policy, governmental programs already constitute a significant influence on the direction of urbanization and economic growth. They noted that there are two basic problems with present federal activity.
First, it appears that the level is inadequate in relation to the scale of growth that is occurring. The National Committee on Urban Growth Policy noted that in the fiscal 1969 federal budget, housing and community development programs, for example, amounted to only 2.3 billion dollars or about 1.3 percent of the total budget. (An examination of the budgets for 1970 and 1971 indicate similar low levels.) Secondly, the groups underlined the fact that programs that could assist in the process of urbanization are spread throughout many agencies of the federal government and are not tied together by any noticeable sense of strategy. They observed that present and past federal effort has much in common with the pattern of urbanization; both are fragmented and unorganized.

In order to foster order and progress in national planning, the groups put forth the following basic suggestions:

1. That a national urban or growth policy be developed by the executive branch and Congress.

2. That a new arm of the federal executive branch be established to serve as a focal point for a national growth policy and to reconcile inter-agency and program differences.

3. That existing programs be evaluated in light of the national strategy and that new programs be generated where necessary to further assist existing cities to rebuild, to organize peripheral metropolitan growth and to strengthen and expand rural communities designated as "accelerated growth centers."

4. That financial assistance be extended by the federal
government to create 100 new communities of 100,000 people each and
10 new communities of 1 million people each.

In specific comments on national policy and the creation of new
towns, the groups felt that the following basic elements of overall
policy were necessary to support the foundation upon which the new
towns program could survive.

They felt that a national growth policy should be administered
by the Urban Affairs Council (presently suggested to be called the
Domestic Council), the office of the Vice President or a cabinet-level
Secretary for Domestic Affairs. They felt that the person or office
responsible for the nation's growth policy should (1) organize indi-
vidual federal programs for greater overall effect with the recognition
of the long term as well as the immediate impact, (2) develop new
federal measures to influence the use of land and the deployment of
population including incentives to industry and individuals to make
locational choices that contribute to a desirable direction of growth,
(3) examine all federal expenditures for domestic purposes in light
of the national policy and (4) provide measures for federal aid to
state and local governments as a means of advancing the national aims.

Within the framework of federal direction, the study groups
encouraged substantial state and local involvement, but emphasized, at
the same time, the need for maximum flexibility at the state level in
responding to the national goal.

It was suggested that, at the state level, there should be an
agency to acquire land, dispose of it for planned development or to
undertake, of itself, projects ranging from low-income housing to entire new communities. It was felt that an agency of this kind should be a key mechanism in a new federal-state positive approach to urban growth. It was suggested that within the framework of national growth policy, the states should establish their own detailed plan for urbanization determining what land should remain in agriculture, be reserved for open space or dedicated to urban development.

While the groups recognized that this approach might be authoritarian and difficult to achieve politically, they suggested that it may be the only choice adequate to cope with the impending growth. They suggest that, on a long term basis, the proceeds from land sales and leases could finance the land acquisition program and supply some of the funds for public improvements and the planning process.

In keeping with the group's recognition that the process of urbanization affects all stratas of governmental organization, they emphasized the need for metropolitan efforts to overcome the problems found difficult to solve due to fragmented jurisdictions. But in doing so they tended to suggest that certain governing prerogatives should be left untouched (local governments should remain intact to handle local problems) and that only the problems that cross boundaries---transportation, pollution, conservation, utilities and land use planning, etc.---need be organized on a metropolitan basis.

With regard to the suggested state or "urban district" development agencies, the groups felt that it is desirable to concentrate
the responsibility for urban development in a single unit, since very few governmental jurisdictions in any metropolitan area have the professional capability to superintend the construction of a coherent environment.

Recommended functions of such an agency would be as follows:

1. Create coordinated plans and supervise development within the boundaries of the district. (Normal operating functions should remain with the existing local governments.)

2. Perform some of the functions of entrepreneurship, such as land acquisition and the assemblage of private and public activities in order to foster the desired development.

3. Prepare and execute coordinated and synchronized public improvement programs in order to ensure the economic provision of community facilities.

4. Provide capital to finance the necessary elements of public facilities.

The major intent of the above suggestions was to provide a means by which a well-financed and professionally staffed agency could assist suburban and fringe jurisdictions in coping with the expected onrush of urbanization. It was recognized and also recommended that such agencies could operate in rural areas desirous of rebuilding and expanding.

One state has formed an urban development corporation. The New York UDC comes the closest to being what many planners think is
necessary to work with private entrepreneurs in developing new towns. This agency has great power to override local zoning and home rule provisions in order to build housing, commercial, industrial, recreational or educational facilities. (It is reported, however, that this agency, at the outset, is using its power with extreme discretion.)

With respect to new towns in particular, the groups felt that the establishment of the national policy, which could foster state cooperation, and special or urban district development agencies will provide the basic framework for the creation of these new communities.

While the groups found present attempts by private new town developers encouraging, they recognized that these developments will occur only in areas with the highest rates of growth where a timely and reasonable return on investment can be gained. To extend this type of development beyond the high growth rate areas, the groups felt that new strategies and new forms of financing will be required.

In building new towns in areas widely separated from present urban centers, the groups suggested the following policies (these suggestions are in addition to those previously made relative to overall federal-state growth policy and development agencies):

1. State-wide land-use or zoning plans.
2. Tax incentives to induce industrial growth into desired areas (could be federal or state, or both).
3. Direct (below-market rate) construction loans for the establishment of industrial facilities.
4. Direct subsidy payments to industrial firms that choose to relocate to designated areas.

5. Resettlement or relocation allowances as an inducement to families to migrate to designated areas. (This suggestion is focused especially on low-income families.)

6. On-the-job training allowances for new employees or relocated firms.

With respect to assistance to private developers of new town projects, the groups generally support the concept of more liberal loan guarantees and repayment periods in order to reduce the initial burden of land acquisition and startup costs. As already mentioned, the groups encourage the use of eminent domain to assist the developers in the process of land acquisition.

With respect to the profile of new towns, the groups tended to reflect the standard suggestions--similar to those presently contained in the New Communities Act of 1968--with regard to socio-economic mix, participation by local financial and construction entities and the use of the latest technological advances in construction and design. They did not suggest a profile of new town design and construction that would be totally unique.

In making the foregoing recommendations on national growth policy and the concept of new towns, the groups stated their awareness of the political and practical obstacles to accomplishment. However, they strongly emphasized the necessity of leverage at the federal level to overcome lack of interest at the state level in programs that would
have, as a primary requisite, the improvement of the status of the poor and the black. In the face of the arguments that such plans will be politically infeasible, the groups countered with the thought that, if it is assumed that it will be impossible to gain greater public acceptance than now exists for the proposition that the national interest is so severely threatened by social as well as environmental problems, then there is no hope for rational urbanization.

In summary, it can be noted that all three groups were solidly in favor of both a national urban or growth policy and of a major new towns effort as an important segment of such a program. These views are supported by other observers of the process of urbanization and are recorded below.

OTHER COMMENTS IN SUPPORT OF NEW TOWNS

Speaking before the American Public Power Association in May, 1969, Senator Henry M. Jackson, Chairman of the Senate Interior and Insular Affairs Committee, stated that he believed that many of the pressures of present urbanization can be lessened by establishing new communities and especially in rural areas which are in need of expanded economic life.43 In this vein, he encouraged the nation's power producers to consider rural locations for their additions to generating capacity. (At the present time, Senator Jackson is preparing proposed

legislation relative to national land-use policies.)

Robert M. Gladstone, a Washington economic analyst, feels that for the first time in our history the very scale of America's urban expansion provides the fundamental opportunity and basis for the creation of new towns. He feels that the creation of new communities makes economic sense (however he does not provide quantitative evidence) and believes that it offers a great business opportunity, assuming adequate federal guarantees and other types of support. 44

As many writers who favor new towns, James Ridgeway supports the suggestion that Congress should charter a private-public corporation along the lines of COMSAT, which, keeping certain rather general objectives in mind, could purchase, develop and manage land for the new communities. He further supports the idea of using some of the land of the Interior Department's large holdings. 45

Wolf Von Eckardt, the architectural critic for the Washington Post, focuses his support of new towns on the need to break the pattern of black social disenfranchisement. He feels that by taking substantial numbers of low-skilled Negroes out of the big cities, many difficulties can be lessened in the future. 46

Bernard Weissbourd, the president of Metro Structure, Inc., a Chicago based development company, feels that "new towns needn't be


45 "New Cities are Big Business," New Republic, October 1, 1966.

economically self-contained, miles away from the urban centers. They are merely ways of organizing and controlling the existing ex-urban and natural lines of growth." He, like many others, supports the new town concept as a means of helping the problems of minorities in the inner cities, feeling that if the blacks can be drawn from the ghetto by a program which includes federal subsidies and guarantees the ghetto can be loosened for redevelopment, with initial emphasis on commercial or industrial facilities rather than new housing.

Professor Charles M. Haar, Chairman of the MIT-Harvard Joint Center for Urban Studies, stated recently before the House Subcommittee on Banking and Currency that new community development is a vital answer to the nation's problem of undirected growth, and he urged the representatives of the federal government to move forth with the implementation of the New Communities Act of 1968. In general, Professor Haar made the following comments on new community development:

1. New communities can provide a new pattern of urban living which by advanced design can reduce the costly and inefficient sprawl that is currently overwhelming the metropolitan regions.

2. New Communities can provide a substantial increase in the housing supply by producing new housing in large quantities as opposed

---


to the piecemeal efforts of the small home builders who are plagued by land costs, interest rates and the like.

3. New communities can provide housing to meet the needs of a wide range of income groups—he feels that producing housing on a large scale should tend to reduce the costs. In addition, he argues that large developments offer the opportunity to experiment with new construction methods and materials.

4. Unified planning for the large scale operation of a new community can achieve economies not possible under present fragmented development.

5. New communities can serve as testing grounds for technological improvements in areas other than construction.

6. New communities working in cooperation with existing cities in a metropolitan area can be helpful to these cities by reducing growth pressures, opening up housing for the moderate income groups and providing relocation alternatives for the redevelopment efforts of the central cities.

7. New communities will allow the role of government to be positive and assistive rather than regulatory and negative.

8. New communities will provide wider settlement options for the American public.

George Romney, the Secretary of HUD, feels that new towns will receive substantial attention from the Nixon administration and offer a positive solution (but not the only one) to urbanization. He favors the extension of the New Communities Act of 1968 in order to provide
greater financial assistance and incentives to the private sector in order to create more new towns. 49

The preceding comments are only a few of many statements in favor of the expansion of new town building in the United States.

ARGUMENTS AGAINST NEW TOWNS

Needless to say, there is not complete agreement in this country that the encouragement of new community development from the federal level is the most desirable route for the nation to follow. Beginning in the mid-1960's when the first attempts at new community federal legislation were made, real estate developers, home building organizations and the mayors of major cities were in opposition to such policies.

More recently, as the public discussion of new community development has intensified, many additional adverse comments have been recorded.

Dr. Kenneth B. Clark, a social psychologist, feels that "people are interested in new towns at the expense of any serious consideration for the old ones." He suggests that we admit and accept defeat in the cities and by placing new emphasis on "new towns" are exhibiting moral schizophrenia. 50


William Alonso, the Director of the Department of City and Regional Planning at the University of California at Berkeley, has offered many outspoken objections to the concept of new community development. 51

Mr. Alonso's arguments can be listed as follows. (These arguments are typical of most opponents of new community development.):

1. The proposals to build a specified number (100 communities of 100,000 each and 10 communities of 1 million each) of new communities will accommodate only 20 percent of the forecast nation's growth, leaving the bulk of the growth problem to be resolved within existing metropolitan areas. Alonso questions a program with such a marginal effect in terms of the overall problem.

2. He questions the forecast level of population for the year 2000, citing that the present annual rate of growth is 1 percent and that this rate projected until the year 2000 would produce an increased population of 75 million as opposed to the commonly used figure of 100 million.

3. He questions the suggestion that new towns will be a factor in intercepting rural migrants on their way to the cities. In support of this he points out that migration is accounting for a decreasing portion of metropolitan growth. He notes that most of the migration during the last decade came from smaller urban areas rather than from

---

4. Many metropolitan areas are losing population through out-migration. These are particularly eastern cities which are losing population to the southern, southwestern, mountain and west coast states. In view of this, he questions whether new towns in regions that are losing population will attract the departing families, and whether new towns can be constructed in time to reverse the outflow. He feels that quickly developed new towns will tend to be without innovation.

5. In answer to the argument for the establishment of new towns in rural areas to stem the outflow, he offers the data based comment that it appears that the rate of out-migration does not vary with local hardship. Based on his analysis, it appears that migrants leave at a steady rate regardless of local conditions. He feels that these findings suggest that population maintenance and jobs-to-people programs, if successful, may in effect bring new people from the region into the depressed areas rather than retain the original residents who are leaving. Since it is well known that the people who leave these rural and underdeveloped areas are younger and better educated than those who stay behind, he questions if the migrants who enter the redeveloped areas won't be more like those who stay than those who have moved.

6. In answer to the argument that new towns could be constructed to take up less space, he reasons that this would only occur if Americans reverse their preference for large lots and single family dwellings. He also reasons that, with the emphasis on amenities in the rural areas.
new towns, much of the space will be used for parks, lakes and other recreational facilities.

7. He feels that the arguments for balance and self-containment are questionable. Based on European experience, he feels that this might not be a reality. Generally people seem unwilling to constrain themselves to a small range of choices, and therefore it is doubtful that new towns could maintain self-contained labor markets. The fluctuating fortunes of business could spell disaster to a small new town if it was totally self-contained. He further observes that new towns that are not self-contained would have a reverse effect on travel to nearby major urban areas than the one intended.

8. In response to the often painted dismal picture of the city and surrounding areas, he simply suggests that if these forms of living are so dismal why is it that so many people go there?

9. Social balance is a traditional objective of new town theorists. However, Alonso argues that experience to date suggests that new towns are extending the socio-economic stratification found in adjacent metropolitan areas. He further indicates that recent studies of British new towns, which were supposed to mix social classes, indicate that the British residential areas tend to differentiate by social class.

10. Alonso feels that new towns will provide one more option for the white middle class to escape from the class and racial mixture of the metro areas, providing an even greater separation of society.

Edward Eichler agrees that the construction of new towns may,
in fact, worsen the conditions of the central cities. He bases his feeling on observations of real estate patterns in California, where many new towns or large-scale planned developments are being constructed. 52

Eichler also does not see any evidence of community allegiance being fostered in the new communities that he has studied (except when the developer does not fulfill his promises) nor does he see any improvement in methods of transportation or pollution reduction. 53

Lloyd Rodwin questions whether new towns should receive special attention and financial assistance unless they serve a unique set of social purposes not now served by existing developments. 54

William Whyte, in a sharp attack on urban planners, states that the planning profession is constantly tempted to overplan, using schemes that have not been proven in the laboratory. He feels that urban commentary is fraught with oversimplification and that as a nation we need to know more about why and how people and institutions function before we attempt to create new environments. 55

53 Ibid., p. 108.
The foregoing comments present a representative sample of the adverse comments with respect to new town developments. Like the comments in favor of new towns, these statements tend to the non-data based, but this is characteristic of the debate on new communities and national growth policy.

FEDERAL LAWS

The New Communities Act of 1968 (Title IV of the Housing and Urban Development Act of 1968) was the first federal statute to focus directly on the needs of the private developers. (Title X was added to the National Housing Act in 1965 to provide a mortgage insurance program for subdivision development, and this title was amended in 1966 to include a new communities section. No new community projects, as yet, have been assisted under Title X.)

Under the 1968 Act, if the Secretary of Housing and Urban Development approves of the private developer and his plan, the government will guarantee debentures, bonds, notes and other obligations issued by the developer to help finance a new community project. Although the government makes no loans or grants to the developer himself, it may make supplemental grants to local governments undertaking projects in support of a new community.

The developer's primary function is to acquire and prepare a site suitable for constructing residences and commercial, industrial and public facilities; the Act's function is to provide a guarantee of funds borrowed to finance the land acquisition and site preparation.
To qualify for funds under this Act, new communities should:

(1) Contribute to better living conditions, add to the housing supply, and promote sound economic growth in the areas in which they are located.

(2) Support opportunities for innovation in housing, community development, technology and land-use planning.

(3) Sustain the local home building industry.

(4) Be consistent with the comprehensive plans for the area in which they are located.

(5) Include a range of housing for families of different incomes, size and composition. (Specifically, low and moderate income housing must be provided in every major residential building stage.)

(6) Be economically feasible.

The above statements are the major guidelines set forth by the government and should be considered general. The federal guidelines do not suggest specific locations, sizes or percents of employment, housing and facilities mix.

It is interesting to note, however, that the guidelines for proposed submissions suggest that developers in making their economic and locational feasibility studies should be cautious in rural areas which contain elements of underdevelopment and under-utilized labor forces unless commitments of new employers to locate in the area can be shown. This guideline advice would tend to suggest that the designers of the Act were more interested in backing projects in areas of proven growth than attempting to induce population dispersion.

---

through the establishment of decentralized communities and then offering inducements to industry to relocate.

Projects that qualify are eligible to receive principal obligation guarantees up to $50 million. The principal obligation guaranteed should not exceed the lesser of (1) 80 percent of the Secretary's estimate of the value of the property upon completion of the land development or (2) the sum of 75 percent of the Secretary's estimate of the value of the land before development and 90 percent of the estimate of the actual cost of the land development.

Under this Act the Secretary will establish and collect fees for guarantees made under Title IV and may make charges that he considers reasonable for the analysis of development and financing plans and for appraisals and inspections related to the new community. As yet, no schedule of fees has been set for the New Communities program. However, in the FHA's land development program, "mortgage insurance premiums"--which correspond to a fee for "guarantees"--amount to 2 percent of the face amount of the mortgage for the first three years, paid upon initial endorsement, and 1 percent per annum thereafter.
(While the government guarantee of the principal obligations may produce lower interest rates, these lower overall rates would tend to be increased by the fee charged.) The provisions with respect to interest, maturity and repayment of the principal obligations must be satisfactory to the Secretary of HUD and should be a compromise between the developer's cash flow needs and the investor's preferences.

While it is reported that there are thirty-five "serious"
applicants for federal backing under this program, only one announce-
ment of support has been made. In mid-January, 1970, the Wall Street
Journal reported that the "New Community" of Jonathan, Minnesota is
to receive loan guarantees up to $21 million for a 5000 acre project
twenty miles southwest of Minneapolis. It was also reported at that
time that President Nixon's budget included allowances for six more
new communities by June 30, 1970, with an additional ten communities
during fiscal 1971.

Whether this Act, when tested in the marketplace, will generate
sufficient interested parties remains to be seen. Writing in the
Georgetown Law Journal in June, 1969, Messrs. Keegan and Rutzick con-
cluded their in-depth analysis of the Act with the comment that "the
financial aspects of the Act should enable developers to gain reason-
able after-tax returns."\(^{57}\) (However, they do not mention what is a
reasonable after-tax return.) In addition, they felt that the Act's
requirement for the provision of low and moderate income housing should
not hold back applications, since technological improvement and the
employment of certain federal and state housing programs should make
the provision of low income housing compatible with profit making.

Presently, President Nixon seems interested in promoting a
moderately expanded "new town" policy and is considering a HUD and
Urban Affairs Council proposal to offer stronger federal support to

\(^{57}\) Keegan, John E. and William Rutzick,"Private Developers and
6, June, 1969, pp. 1157-1158.
stimulate as many as ten new towns a year over the next five years. It is expected that either the President or Secretary Romney will unveil this plan prior to the Congressional hearings on housing legislation, scheduled to begin on May 12. 58

The plan being reviewed by the President reportedly contains the following major elements:

1. Interest subsidy loans (the government will pay part of a developer's borrowing costs) to assist the developers with the heavy borrowing costs faced during the first few years of operation. The subsidy would be repaid in later years.

2. Encouragement for the creation of state urban-development corporations with the power of eminent domain to aggregate large land parcels. The program proposes eminent domain powers for the Secretary of HUD to use in those states that do not set up development corporations.

3. The combining of federal support presently available to communities from a variety of government programs into a single HUD-supported program that would allow the Department to provide supplemental money to developers for the matching funds necessary to receive federal aid from the other agencies.

4. Provision of federal aid for new town planning feasibility studies. (It is estimated that at least $500,000 is necessary to

prepare a single new town proposal for submission to HUD.

Observations on the proposed program can be noted as follows:

1. Estimated cost of about $220 million over a five year period.

2. The HUD planners want to experiment with a variety of new town approaches: The "frontier," or free-standing new community out in the prairies, the "satellite" new town near a major city, the new community that is built upon the base of an existing small town—sometimes referred to as the "accelerated growth center," and a "new town-in-town" that uses vacant or cleared land within a major city as a case.

3. Designers of the program excluded tax incentives to industry to relocate to the new communities. President Nixon's advisers feel that since the President does not favor incentives to lure industries to the ghetto, it would be politically unwise to suggest incentives to gain industries for new towns. Moreover, they feel that the new communities, themselves, will provide sufficient attraction to industry.

The Democrats have proposed a "new communities" program of their own which is sponsored in the Senate by Senators Muskie and Sparkman and in the House by Representative Ashley. These bills,

---

59 Ibid., p. 3.

which provide for the development of a national urban growth policy with emphasis upon the building of new communities, contain the following basic elements: (It is estimated that this program could cost $22 billion over a five-year period.)

1. Assumption of responsibility by the federal government for the establishment of a national growth policy and, among other things, to bring together into a single coordinated system the vast array of federal programs that relate to growth.

2. Creation of an Urban Growth Council reporting to the President and responsible for the design, administration and coordination of national growth.

3. Encouragement to and assistance for state, regional and local public agencies to undertake community growth and development programs for the creation of wholly new communities, satellite cities, and new towns-in-towns and the expansion of small towns in rural areas having a special potential for accelerated growth.

4. Establish a federal Community Development Corporation which could provide assistance as follows:

   a. Provide grants to developers equal to 75 percent of the cost of conducting a feasibility study for a new community.

   b. Provide grants to developers equal to 75 percent of the cost of planning a new community once feasibility is established.

   c. Provide loans to finance the full cost of land acquisition (60 years with no repayment for 15 years).

   d. Provide loans to finance the full cost of land
development and essential public facilities (40 years with no repayment for 10 years).

e. Provide loans to finance the full cost of constructing and developing commercial centers and industrial areas (20 years with no repayment for 5 years).

5. The federal Community Development Corporation, in addition to providing assistance as mentioned above, should be authorized to:

a. With the authorization of the President, use federal land to establish demonstration communities.

b. Coordinate and approve the location of federal installations.

c. Lease, purchase or acquire any property as appropriate.

d. Provide expanded "701-type" regional planning grants to foster state and regional growth planning.

The proposed law outlines criteria for new towns similar to those detailed in the New Communities Act of 1968, but places greater emphasis on the establishment of the new towns within a framework of orderly state and regional growth planning and, in effect, requires that orderly state planning and development agencies exist before funds can be granted for new towns.
CHAPTER V

COMPARISONS AND COMMENTS ON URBAN AND NEW TOWN PROBLEMS, PRACTICES AND POLICIES

INTRODUCTION

Before attempting to comment on the basic questions posed by this thesis, it seems appropriate to note that most of the material reviewed for the preparation of this study was addressed to the subject of urbanization and new towns in a somewhat general and subjective fashion. It is evident from this exposure that much work and study is required in this area before the generally subjective offerings on the subject can be supported with conclusive quantitative material.

Needless to say, the issues of urbanization, new towns, segregation, pollution, congestion, etc., are very "live" issues at the present time and require specific solutions. But unfortunately this thesis, like the vast majority of writing on these subjects, must rely in its conclusions on a subjective treatment of the material.

Nevertheless, the following comparisons are attempted on the basis of the foregoing reports of interviews, literature survey and miscellaneous discussions in the hope that the reasoning put forth--as subjective as it may be--will lend a useful perspective to the subject of urbanization and new town development.
COMPARISON OF PRESENT NEW TOWNS WITH PROBLEMS OF URBANIZATION

Based on the profile of present new town developments as described in Chapter III and the past, present and future problems of urbanization as outlined in Chapter II, it appears that present new town projects are not providing any real improvement in the process of urbanization.

While these new developments are adding to the total housing supply required by an expanding population, their basic community structure merely continues the pattern of low-density, automobile-supported suburban living. Furthermore, the mix of the housing is slanted toward middle and upper income white families and therefore little benefit seems to be afforded to the low income, segregated portions of society. In addition, the conventional construction methods employed in the creation of the dwellings located in these towns is not meeting the need for an acceleration in the rate of housing starts which is desperately needed in the country.

Due to the need for high development rates to provide the necessary positive cash flows for the continuance of the projects, these new towns, in most cases, are located fairly near existing metropolitan areas. Consequently, the growth of these projects generally is being superimposed on areas of high congestion.

While these developments are by-and-large more visually acceptable when compared to adjacent or nearby suburban developments, it appears that, due to the lack of adequate regional planning in the immediate vicinity, in time these developments will become islands of
orderly planning with larger areas of laissez-faire market development. This condition is being created by the absence of positive plans for urbanization at the various levels of government surrounding these new town projects.

At the outset, the new towns have tended to attach themselves to existing governmental structures. There is the long term potential (as forecast by the developers interviewed) that the residents of these towns (because of their size and voting power), will desire separate government, hence adding to the number of fractionated jurisdictions in a given metropolitan region.

There is no evidence that these new communities either presently or at full development will achieve economies in public costs in order to aid present governments already hard pressed by expenses which are greater than income.

The reasons for the above comments are outlined in Chapter III but can be summarized by simply noting that the economics and marketing strategies required to allow these developments to maintain even a modest level of profitability make it necessary for the design and offerings of these projects to be a mirror image of the market's preferences rather than a community that might make a greater impact on the problems of urbanization.

Perhaps the only real advantage gained by these new towns is that aesthetically they are an improvement over normal patterns of development. But it must be recognized that they are "towns" and not "cities"--for they lack the diversity and interest of a city and
it seems to this author that no amount of planning and design can provide a veneer of urbanity.

Therefore, they must be accepted for what they are—simply large, reasonable well laid-out developments—and not as they are often described—as utopian answers to our problems of urbanization.

COMPARISON OF PRESENT AND PROPOSED NEW TOWN POLICIES AND LAWS WITH NEW TOWN AND URBAN PROBLEMS

With respect to the one existing law relating to new town development, while it contains a few elements to encourage additional major developments, it evidently has had little market appeal to those involved in present developments. As mentioned before, only Jonathan, Minnesota has requested and received federal support under the provisions of this law. There are reports of numerous other "serious" applicants, but there also are unconfirmed reports that the government is not satisfied with the proposals and that both parties are waiting for the outcome of the current alternative legislation.

The existing law is very general and tends to discourage developments widely separated from existing urban centers. It encourages the use of the local building industry which would appear counter to increasing the rate of housing production through the use of new technologies and materials. In general, it can be stated that the existing law probably will not foster communities substantially different from present new town developments.

The law proposed by the Democrats appears to have elements
that are financially more attractive to new town developers, and, if passed, should attract more responses. In addition, this proposed legislation contains many elements that will move the nation in the direction of a more positive national growth policy. However, if passed, much of the success of this law hinges on the willingness of state and regional bodies to foster and legislate individual rational growth policies. Without the existence of such plans and the establishment of urban development agencies, many of the financial advantages of this law cannot be granted to new town developers.

It can be noted that, with the exception of federal and state inducements to industries and individuals to relocate to new areas and the widespread use of the power of eminent domain, most of the suggestions of the three major urban study groups have been incorporated in the legislation proposed by the Democrats.

The HUD program currently being prepared for the President's consideration offers more liberal financial support for the private developer than is contained in the only existing law. But this program (except for "encouraging" the coordination of national growth efforts) seems to lack the necessary scope to assist the nation in the establishment of a rational growth policy and, as a result, seems less preferable in view of the problems described in this thesis. Furthermore, the estimated monetary support of the HUD proposal seems small in relation to the overall needs of the nation to build and organize for the forecast growth of the next thirty years.

As noted previously, the law proposed by the Democrats relative
to new town development should ease, to a considerable extent, the problems of the developer and, in conjunction with an acceptable plan for national growth, help to house and distribute the forecast population. However, in reading the proposed law, there seems to be a continued reliance on the local home building industry. While this localized industry will be important in bringing the plans for a new area to reality, it must be recognized that this industry, because of its fragmentation, has sponsored very little in the way of research and development. Therefore, it would seem that if the new town developments are to capitalize on their size and opportunity to increase the housing supply of the nation, the government also might explore ways of integrating their current housing R & D efforts with major corporations (Operation Breakthrough) with the backing of future new towns.

Furthermore, with regard to low-income housing in the new towns, it would seem as if the government also will have to consider new subsidies to private developers to construct housing of this type. For even though the liberalized financial backing currently being considered can help new town developers to some extent, they still, like the present developers who are building without government guarantees, will be interested in making a reasonable return on their invested capital. As revealed by the interviews, low-income housing at today's prices does not present as profitable a situation as other types of structures in new towns.
CHAPTER VI
COMMENTS AND RECOMMENDATIONS

COMMENTS

At best, solutions to improving the present process and results of urbanization are difficult to achieve. In spite of the fact that we as a nation may build a greater number of new towns in the future and that we gradually may find ways of constructing these towns so as to better serve the problems of urbanization, as a nation we still will have to consider the prospect of meeting a substantial amount of our forecast growth in other than new town form. In addition, we face the task of revitalizing much of our existing metropolitan areas, especially our central cities.

The issue we face, therefore, is not a choice of whether we construct more new towns, more non-new town urban developments in the fringe areas of metropolis and more renovated areas in the existing central cores, but whether or not we can do so in a more creative, economic, coordinated and aesthetically attractive fashion. All of this is complicated by the fact that we are a heterogeneous population, living in a society which prides itself on freedom of choice.

The prospects offered by a national growth policy are inviting. New approaches to the settlement of urban areas are desperately needed, and new towns, with all their present shortcomings, offer one possible approach. At the beginning of this thesis, I commented on the fact
that the definition of "new towns" must be restructured to represent what they should be within the context of the overall problem that faces the nation rather than to continue with the definition generally used today. With that in mind, I would suggest that "new towns" be thought of as the identification of the public interest at the regional level. This suggests a broader consideration of the term rather than limiting it to islands of private development within a larger region. This will mean regional planning as an integral part of a metropolitan-wide, political, decision-making process. New towns in this context cannot be developed without sound public policy on the complete range of necessary public facilities--sewage disposal and transportation, open space, schools, and cultural institutions. As the three study groups have indicated, this will mean that state legislatures and localities with metropolitan areas must work together to develop cooperative regional-scale political decision-making mechanisms. The urban development district agencies present a very positive means of aggregating the necessary professional skills to manage the growth needs of a region.

It is possible that suggestions of urban development districts and national growth plans might be distorted to imply the ordering of all things, all endeavors, for all time. This is usually the view offered by the supporters of laissez-faire development. On the other hand, the elements of a national plan can be derived by a national consensus and then adjusted to meet the needs of different regions. But the starting point must be a national debate involving
a majority of the nation's citizens. This debate must be synchronized with the conceptualization and design of a broad spectrum of choices for the future as developed by technical study groups. As difficult as such widespread involvement would be, it seems that if the ultimate policies are to be accepted and supported, widespread participation in the discussion making and goal setting phase is essential. The current discussion over new towns may serve a more important purpose than merely the simple creation of more or less of these projects. This discussion has the potential of acting as a catalyst to move the debate on urban problems in the direction of the broader subject of a national growth policy.

From a practical standpoint, the implementation of a national policy at the state level as proposed by the Democrat's legislation will take many years to accomplish. However, in the interim, it seems wise that we should continue to financially encourage the construction of new towns in their present form, in spite of their identified shortcomings. However, at the same time it is recommended that the following actions be considered.

RECOMMENDATIONS

In view of the hesitancy on the part of present new town developers to attempt major innovations in design and because little is known about the relative economics of planned developments as compared to free-market developed suburbs, the government should finance a complete new town of substantial size with the express purpose of using
it as an "urban laboratory." This town should test the many suggested, but not presently used, techniques of overall design, infrastructure, transportation and housing. Such a development could provide valuable information and stimulus to private developers who are hesitant, due to financial and marketing considerations, to undertake the investment for such innovations. Such experimentation would be valuable to new towns, but also most valuable to the vast amount of non-new town development and rebuilding of existing areas that will take place during the remainder of this century and beyond. Regardless of the forecast population that is assumed for the next thirty years, our nation will face the construction of its habitat as one of the largest, if not the largest, industry. It seems as if a federal investment in a major urban laboratory would pay dividends many times over in terms of reduced long-term governmental and social costs. The seed operations for this new town could be both federal installations and manufacturing facilities of companies presently attempting to produce products for a better urban environment.

In addition to the construction of a federal urban laboratory, it is recommended that the government should take positive action in designating the location and financing the development of several large new areas that would be at least 50 to 100 miles from existing urban corridors. The locations should be chosen in order to relieve the present pressure on existing highly developed and rapidly growing areas. By creating new urban areas of substantial size, the magnets of markets, large labor forces, and other advantages found only in
large developed centers, could be provided to industries and individuals alike. The seed operations for these centers could be federal installations and the design of the locations should include all of the elements that seem to have attracted our populace to migrate to existing metropolitan areas. By making these new centers very large, many of the apparent problems associated with the location of low-income dwellings could be overcome and many of the poor and segregated residents of our inner cities could be offered resettlement opportunities, thus hopefully freeing up areas in the inner cities for redevelopment other than more low-income housing. While the creation of such massive new centers would be an enormous undertaking, once again only positive federal action as opposed to the continuation of free-market development can provide the solutions to our present problems of urbanization.


"New Cities are Big Business," *New Republic* (October 1, 1966).


