

EVALUATING THE IMPACT OF DESIGN REVIEW ON
REAL ESTATE DEVELOPMENT:
SOME BOSTON EXAMPLES-----1980-1990

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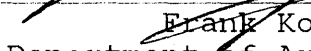
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
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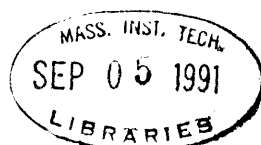

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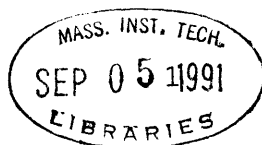
ABSTRACT

Experiencing growing concern over the quality of their local environments, more and more communities are implementing Design Reviews and other aesthetic control measures to safeguard their built environments. Design Review is used not only to control the physical appearance of existing buildings in historic districts but also to control the proposed appearance of any new construction. Since design review is now part of the permitting process for most commercial development projects in some communities, it creates an immediate impact on any development and redevelopment activities.

The difficulties for developers are; (1) Design review through its public process takes the judgement of aesthetic and control of outcome away from developers, (2) Design Review forces the developers to change their traditional thinking patterns, and (3) Design Review, if implemented improperly, will substantially increase cost and time required for development projects.

This thesis, through interviews with developers, analyzes the impacts created by Design Review on development activities and possible strategies to reduce these impacts. The thesis concludes that the impacts of Design review go beyond each development project, and further affects the culture and thinking of developers.

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I Introduction

Experiencing growing concern over the quality of their local environments, more and more communities are implementing Design Reviews and other aesthetic control measures to safeguard their built environments. Design Review is used not only to control the physical appearance of existing buildings in historic districts but also to control the proposed appearance of any new construction. Design Review provides an opportunity for residents to control and preserve their community's character, civic environment, and property values. Such a degree of control is generally not available under the zoning ordinance and zoning variance system.

Since design review is now part of the permitting process for most commercial development projects in some communities, it creates an immediate impact on any development and redevelopment activities. These activities are affected at three different levels. The first level is the architectural quality of the buildings. The second level includes the costs, market timing, and duration of a project. The third level includes the education and practice of development professionals themselves.

Design review and aesthetic control is not a new concept.[1] In his era, Le Corbusier (1887-1965) once complained about such a formal approach to establishing communities: "The spirit of France is not rule-bound except in periods of lethargy and ossification. Today, when a new world is surging up under the impulse of technical miracles, the officials of the city of light apply regulation. And soon there will be no lights in the city." [2]

While design review is a common practice in the United States, the design review concept is generally an unfamiliar one for most people. Collective thinking and common tastes such as design review requires have never established a stronghold in this country. The struggle to establish such concepts, especially the abstract notion of "aesthetic" quality, has fueled tremendous debate and created chaos, since judgements on aesthetics or design differ based not only on each individual's taste but also on the knowledge and experience of that individual.

To those who are unfamiliar with design review think that design review is simply a process in which any proposed use of materials, details, and colors on the facade of a

1. Although it is fair to say that it has been in exist longer in Europe than the United States. John Punter, "A History of Aesthetic Control: Part I, 1909-1953", Town Plan Review, Volume 57 (Liverpool: Liverpool University Press, 1986).

2. John J. Costonis, Icons and Aliens (Chicago: University of Illinois Press, 1989), p. 114.

building must be presented to public scrutiny to prevent or to mitigate any possible adverse impacts on the image of the neighborhood and the overall image of the community. However, the scope of design review is often more complex than just the surface and appearance of the building. In many sizable projects, design review also evaluates the internal organization of the building, its use of space, and its relationship with the surrounding urban area. In this paper, the Definition of Design Review is: The process of proposing design of any private development which has to go through third party as well as public scrutiny in examining the heights, massing, urban relationship with surrounding buildings and area, and architectural details as well as detail in materials to obtain the permission to build.

The notion of design review does not go unchallenged. There are heated debates over design review among legal experts, designers, administrators, and community advocates. Many have charged that design review deprives the individual of his rights of free expression, invades the rights of property owners, and increases the cost of new space. Technical aspects of design review, such as the effectiveness of design guidelines, the qualification of review board members, and the efficiency of the process, have also been strongly criticized. As John Costonis writes in Icons and Aliens, quoting Robert Venturi: "Every community and state is appointing its design review board to promote the

architectural revolution of the last generation, and corrupts its members through rule-by-man rather than rule-by-law." [3] Costonis and other critics even carry the argument one step further by questioning not only the legitimacy of legally regulating "aesthetics" but also the impact of such regulation on our society's ability to innovate and progress in design matters. Ironically, many opponents of design review are the most creative and influential architects and designers of our time, such as Kevin Lynch, Robert Venturi, Louis Sullivan, and Le Corbusier. [4]

In this thesis, my purpose is neither to argue that the public and the government should implement aesthetic control measures, nor to judge the legitimacy or adequacy of design review practice. Rather, through conducting interviews with developers, I focus on the impacts of design review upon real estate development activities and identify possible strategies for dealing more wisely and efficiently with such impacts. This research assumes that communities, responding to their residents' wishes and facing the increasing reduction of federal aid, will devote more energy to making their local environment more attractive through design review in order to protect their primary tax resource, namely, property.

3 Robert Venturi, Denise Scott Brown, and Steven Izenour, Learning from Las Vegas (Cambridge: MIT Press, 1972), p. 148.

4. Costonis, Icons and Aliens, pp. 111-116.

This research focuses mainly on the last ten years (1980-1990) of development activities in Boston, Massachusetts, and its surrounding area. Interviews with seven developers and one public relations consultant are the principal focus of my discussion. Boston's design review processes have been well established in the last decade, compared with those of most other communities. Because Boston is likely to be taken as a model for study and imitation by other communities, it become even more important to study Boston cases.

Not all the philosophical arguments regarding design reviews affect development activities. Although developers possess some desire to be creative, their major focus is still on their profit, as with any other regular business activity. Traditionally, real estate development has been viewed as a passive economic activity. Developers respond to projected market demand by supplying various types of space. These new spaces respond not only to the actual physical demands of usage but also to economic conditions and to current taste.

Design review has changed this traditional pattern, however. It makes developers more aware of the important tie between their products and our environment. Some developers have come to realize that overemphasizing financial return and fast delivery can mean that the long term aesthetic quality of projects and its impact upon their surroundings are sometimes overlooked.

Design review creates positive as well as negative impacts on development activities. One positive impact can be the improvement of a project's architectural quality and consequently the enhancement of the image and living environment of communities. Another is that through design review's emphasis on the design quality and public process, developers are made more sensitive to the local environment as well as to the practice of their profession.

What are the negative impacts of design review? Design review perceived by developers as to cause increases in costs and time required for development and consequently affects the affordability of space. While some reports have claimed that design review does not substantially increase the costs of projects, it is important to distinguish developer-initiated projects from other projects before assessing the cost impact of design review. If projects presented are fairly small, such as residential projects, the cost will not increase too much. However, most buildings which can be categorized as development projects must have a certain minimum square footage and volume in order to project financial feasibility.

The substantial amount of money and time required to see these large projects through design review does not result from the principle of design review, but rather from deficiencies in implementing the technical aspects of the design review. These technical aspects include (1) the composition and qualifications of design review boards, (2)

the sometimes ambiguous design review guidelines, and (3) the time span of completing the design review process. Often, any sizable development project may attract an astonishing amount of attention and interest from various groups. The time, manpower, and energy spent on the administrative work of preparing for these public hearings and subsequent follow-ups translate into actual dollar costs. In some rare cases, the costs and time of dealing with design review will be further increased if design review is used as a tool for other political purposes such as anti-growth, or personal or professional disputes. In addition, the period required to go through the review processes will affect the timing of development projects' entering into the market's economic cycles.

Majority of developers interviewed do not oppose the idea of design review. They regard design review no differently than zoning and other environmental regulations as "part of doing business" or "just another precondition" of one's conducting real estate development business. As long as the return can justify the equity and cost invested, development activities will continue. Two types of developers, those who have design backgrounds and those who view development as a very localized business activity seems to go even further to endorse the idea of design reviews as "very positive." However, even these developers are also often troubled by the unnecessary time, energy, mounting cost, and

political maneuvers required as they perceived to deal with the ambiguity, arbitrariness, and inefficiency of some design reviews as well as by the often inadequate qualifications of the design board members.

Despite these negative aspects and controversies, the results of design review processes are generally perceived as positive by the general public as well as by design professionals. In one recent survey of architects, design review received positive reactions.[5] Furthermore, many communities are gaining more experience and making more of an effort to overcome the current shortcomings of design review processes and to provide detailed guidelines. Other efforts have also been launched to revamp zoning ordinances to assist the goals of design review. These improvements of design review will further strengthen the practice of design review in our society.

This thesis is divided into three sections, which will discuss, in turn, the growth of design review, its impacts upon development activity, and four strategies for helping developers deal more efficiently with design review.

5 J. Mark Davidson Schuster, Project Director, Design Review: The View from the Architecture Profession (Cambridge: The Design and Development Group, Department of Urban Studies and Planning, MIT, AIA, and BSA, 1990).

Notes

1. In the remaining chapters, I rely primarily on personal interviews with developers. The information gathered in these interviewing need to be interpreted with caution. Some developers, due to their business or other considerations, may not have fully disclose their opinions during the interviews. Some developers have asked to keep their identities anonymous.

2. Cost data measuring the impact of design review is difficult to obtain for two reasons. The first is due to the difficulty of comparing the hypothetical cost of a project which is not built, to the actual cost of the project, after it has gained approval from design review. The second reason for the difficulty is the cost impact is defined differently by different people and giving a number will be misleading.

II Design Review: The Growth, Nature, and Future of Public Aesthetic Control Over Buildings

The design review process allows for public aesthetic control of the appearance of selected buildings under consideration and of their relationship with their surrounding area.[1] The purpose of design review is to maintain the overall quality of the built environment and to enhance the community's character and image. Proponents of design review have tried to justify their position by emphasizing the seemingly long existence of design review, citing such early examples as Louis XIV's planning and building of Versailles in the seventeenth century, and the popes' rebuilding of Rome in the fifteenth century.[2] However, it is most unlikely that popes and monarchs exerted such control over planning while allowing the public final say; they were bent on demonstrating their own authority, power, and egos, not on inviting the public to review their decisions. A more realistic genealogy might argue that design review in this country was inspired by the "City Beautiful" movement almost a century ago and was first implemented through historic preservation in the early part of this century.

The Background of Design Review

1. Some communities only require projects which exceed some square footage to be process through design review. Some other communities exempt single residential houses from design review.

2. Richard Bender and Todd Bressi, Design Review, A review of Processes, Procedures, and Potential (Berkeley: College of Environmental Design, U.C. Berkeley, 1989),

The "City Beautiful" movement acted to rebuild the urban fabric to achieve better living conditions in accordance with the European community model and "to create beautiful designs entirely harmonious with each other." [3] The most important legacy of the movement is the idea that the community's image and quality are of interest to the general public and that government should play a leading role in establishing such an image. One thing noticeable is that the movement later failed as monarchs did in the wheel of history because it "brushed aside the resistance of a democratic society to imposed solutions." [4] Influenced by this movement, the New York City Arts Commission was established in 1898 to oversee public development on city properties. In 1909, Washington, D.C.'s Commission of Fine Arts was created to review not only architecture but also any art works commissioned by the federal government. Later, this aesthetic review requirement was extended to any architectural project constructed in Washington, D.C.

Modern architecture, after four decades of practice from the early 1940s to the late 1970s, also contributed to the awareness of and growing demand for design review. Modern architecture was criticized for threatening the overall cultural image of communities and failing to create pleasant

3. Spiro Kostof, A History of Architecture (New York: Cambridge University Press, 1977), p. 671.

4. (Kostof, p. 673.)

living experiences in a community. Boring and repetitive rectangular glass and concrete buildings were erected in cities, in suburban towns, in historical districts, and in the middle of rural landscapes without much consideration beyond the buildings' and occupants' mechanical functions. Often the only concession made to the public was a single piece of modern sculpture placed in the middle of a barren empty plaza.

Increasing numbers of people have become annoyed by the fact that zoning ordinances and land use regulations offer no measures to regulate the image and the appearance of their communities. Residents have been left powerless to control the impacts of modern buildings. Most communities have come to realize that a coherent community image is essential to maintaining property values and living quality. Property values are of great concern because property is the largest single investment item in many people's lives. The architectural quality of any new construction in the neighborhood will affect the value of property.[5] Living quality is measured in part by the safety of our everyday lives and by our peace of mind. Design review is intended to safeguard these concerns by limiting the possibility of any bad design. This conservative approach has, admittedly, reduced the likelihood of creating great imperial designs,

5. Paul K. Asabere, George Hachey, and Steven Grubaugh, "Architecture, Historic Zoning, and the Values of Homes", Journal of Real Estate Finance and Economics (Kluwer Academic Publisher, 1989.)

such as the ones monarchs and popes have sometimes wrought. Society has shifted from "exploring" to "conserving," having realized the negative consequences of some of its explorations. Design reviews "bar us from doing what we want while forcing us to do what we prefer to avoid." [6]

Design reviews supposedly do not consider land use, density, and safety considerations, which are covered by zoning ordinances and building codes. However, in some communities, aesthetic control measures are integrated into different parts of zoning, environmental control, or land use regulations. These communities usually do not have separate design review boards and depend on their planning boards to carry the responsibility for design review or aesthetic control. Increasing numbers of communities, however, have totally separate guidelines and committees to conduct design reviews. For development projects that exceed some certain square footage, design review is automatically required as part of the permitting process.

The practice of design review varies widely and design review boards take different forms in different communities. The names of design review bodies also vary. But whatever the practices, the forms, and the names, their missions are similar. In all cases, however, the scope of design review always goes beyond scrutiny of the building itself.

6. Costonis, Icons and Aliens. p. 77.

Design guidelines for development projects in large communities are most commonly subject to negotiation on a project-by-project basis, except in historic districts where developments are under specific guidelines. In some small communities design guidelines are specified in great detail. Other communities only have very general design requirements.

The Focus of Design Review for Development in Small Communities

In most small communities, design review concerns itself primarily with the context, relative heights, and massing relationship between new construction and existing surroundings. Secondary considerations cover the traditional architectural details. The conflicts in design review usually exist between the developer's ego and the defensive thinking of local residents. This defensive thinking may not focus on considerations about detail preferences but on the height, the overall size, and contextual relationships. Many developers think the larger the building, the better the project. Such thinking may reflect ego, financial considerations, or no reason at all. But communities prefer smaller buildings which have been enriched with architectural details that respond to the surroundings.

Some communities have very specific requirements for the construction of new buildings or for alterations of existing structures and have demanded that aesthetic control over all new construction be based on the current particular

desired image. These communities are more interested in seeking or preserving their unique identity.

The design guidelines of Nantucket, Massachusetts, for example, clearly state their goal of ensuring "that all new buildings are compatible with the buildings adjacent to them and contribute to the overall harmony of the street"[7] in its historic district, and "that new buildings are designed as partners with the island, not its conquerors"[8] in other areas. The Nantucket guidelines clearly specify the desired street edge, building setting, building bulk, building massing, building height, the proportion of openings and their rhythmic arrangements, roof slope, and building materials in accordance with traditional construction, fence and chimney heights.

In the architectural review guidelines for the center district of Santa Fe, New Mexico, similar detailed requirements are set forward. They ensure the contextual harmony of all new buildings with older ones, by specifying requirements for massing, scale, surface texture, construction materials, and sunlight on exterior spaces. The community, honoring its historical legacy, focuses unanimously on maintaining the established order and eliminating the risk

7. J. Christopher Lang, Building with Nantucket in Mind, Guidelines for Protecting the Historic Architecture and Landscape of Nantucket Island, (Nantucket: Nantucket Historic Commission, 1987), p. 7.

8. Lang, Building with Nantucket in Mind, p.8.

which may result from architectural innovations. The design review processes in such communities are easier for developers than review processes in less unified communities, if developers do not become too ambitious.

Other communities that do not have an established architectural tradition and historic fabric are struggling to define a desired future image for themselves. These communities are most often those where confusion reigns even among the residents. When people coming from different regions and cultural backgrounds seek a common direction for the physical growth and identity of their local community, based upon each individual's experience, chaos and ambiguity often arise. Although design guidelines do exist in these communities, they neither identify important architectural characteristics nor explicitly address the question of desired material and details. Only vague language is used to specify material: "durable, have low maintenance, be of the same or higher quality as their surrounding developments"; [9] or color: "of earthen hue". This vagueness can create arbitrariness and inefficiency in the design review process. The potential population growth and available land in these communities often make them desired markets for development activities. Yet, with uncertainty and inconsistency surrounding their design review practices, a greater than

9. Design Review Standards, (City of Thousand Oak, California, 1980).

necessary burden is placed on developers during the process of seeking approvals.

In either situation design reviews do not only focus on buildings. Design review is "not so much with detailed architectural design . . . as with the general character and quality of new developments." [10] Both the harmonious contextual requirement of well-established communities and the quest for identity in new communities place the focus of design review practice beyond the surface of buildings.

The Focus of Design Review on Development in Large Communities

The typical design review in large communities usually makes more demands than that in small communities and have to be considered with more wide-ranging criteria. These additional criteria may be financial resources for government, job opportunities for residents, and creation of local amenities. These types of design review boards are generally more sophisticated, board members are experienced professionals, and their design guidelines are established on a project-by-project basis, through negotiation specific to each site. Because the design requirements are subject to negotiation, they are left vague and unspecified for

10. Committee on Design, American Institute of Architects, Design Review Book: A Handbook for Communities (Washington, D.C.: AIA, 1974), p. 12.

bureaucrats and government planning officials to maneuver in the negotiations.

Furthermore, because of the typical large size and visibility of development projects in these communities, the issues appearing in the design review process become more complex and often go beyond the buildings and their immediately adjacent areas. City officials sometimes do not even understand the issues related to a particular site and have to gain understanding through steadily working with developers and their architects. Only then are they equipped to decide whether to accept or reject a particular design. It is therefore considered appropriate for design guidelines to be site specific, however. The time required to conclude these guidelines will then be under the mercy of the efficiency of bureaucracy.

The Boston Redevelopment Authority (BRA), one of Boston's design review vehicles, will usually be involved in a project early. Once all the project's issues are identified and the proposed solutions are accepted, the BRA will "become the supporter in the zoning approval process for developers."^[11] This support by BRA helps to accelerate the required zoning approval process and consequently balances the time required in the shaping of design guidelines.

¹¹ Interview with Mr. David McGarry, Vice President and Project Manager of the 125 High Street project, Spaulding and Slye Co., June 7, 1991.

Boston, New York, and San Francisco all require comprehensive design reviews. Yet for the 125 High Street project in Boston, developers were never told what the design guidelines were for the site. The developer was told only "what is not a Boston building." In downtown San Francisco, the restrictions upon large office tower growth are so great that all proposals for such towers must compete in an annual "beauty contest" which only results in the issuance of one or two permits a year.

The focus of design review usually is on two very distinct levels in these reviews. The first level addresses the question of desirable height, which will affect the skyline, and related considerations such as sunlight, shadows, and wind effects upon the surrounding area. The second level of focus is the pedestrian experience in the immediate proximity of the project. The building's architectural details become a minor concern compared with these two primary concerns.

In San Francisco, new large buildings are required to "create a visually distinctive roof or other termination of building facade."^[12] Developers who have been through the design review process in San Francisco and Boston all acknowledge that building heights are always the first issue to appear in the design review process.

12. San Francisco Review Committee, San Francisco Downtown Plan, section 270 (D).

"[In our interaction with design review], details and materials of projects are not critical. More often the focus is on the height of buildings and the massing of the projects. . . . In our 125 High Street project, we were told to separate our main building into two towers and to re-arrange them on our site in order to smooth the image of massing and to control the shadow." [13]

The "experience of pedestrians," however, is a far more complicated issue than simply the visual experience of the details and materials of buildings. This issue is sometimes referred to vaguely as a question of "human scale" and "community context." Is the idea of "pedestrian experience" too abstract? How can it be evaluated?

The focus for the pedestrian experience is on the exterior space, exterior display of signs, the building tower setback, the ease of circulation around the neighborhood, and, most important of all, the rhythmic arrangement of massing and opening at the base of the building in relation to human scale. Sometimes the lobbies of projects are included in the consideration of "pedestrian experience." After all these questions have been addressed, the focus will then shift to the materials and building details.

"In our . . . design review, . . . the focus was narrowed down to six specific issues. These issues included the entrance of the building, the height of the building, the massing of the building . . . very little was mentioned about the physical details. Most of the issues are related to the surrounding of building." [14]

13. David McGarry Interview.

14. Interview with Mr. Tom Owens, Senior Vice President of Gerald D. Hines Interests Inc. and Project Manager of the 500 Boylston Street project, June 20, 1991.

"The focus on the human activity around the projects seems more on the physical size of people . . . [relative] to the size of the building." [15]

In light of all these practices, the focus of design review is far more complex than the building materials, building color, or landscape and architectural details. The design review encompasses the surrounding urban design and planning for the surrounding community. This extended scope of design review can help the communities and planning officials to re-examine their land-use control and establish more comprehensive planning policies in order to achieve a better living environment.

The Future of Design Review

As current design review practice continues to supplement zoning ordinances in order to achieve a better pedestrian experience and foster a desired community image through controlling architectural details, building orientations, and building scales, some design and planning professionals are advocating the revamping of present zoning ordinances. These designers and urban planners believe that the most zoning's current overemphasis on automobile circulation and forbiddance of mixed-use development forces the attention away from considerations about the quality of

15. Telephone interview with developer A, June 17, 1990.

the building and the pedestrian experience, which design reviews have try to achieve.

These designers and planners, led by figures such as Leon Krier, one of the most influential urban theorists, are launching a campaign to persuade communities to establish pedestrian-oriented zoning ordinances in order to create a pedestrian-oriented "small town image." They argue that because zoning has focused so much on the traffic and land-use separation, it totally ignores people, their experience of living inside communities, and the appearance of buildings. Krier, in a recent interview with The New York Times, argues that leisure, work, and domesticity, the "three basic tasks of life" were separated by "automobile zoning." He resents modern architecture's effect on community image and maintains that the image of communities should be judged by "the comfort of walking man".[16]

Such pedestrian-oriented land-use planning and ordinances have gained tremendous attention and interest throughout Europe, Asia, and North America. Some communities have already been persuaded to revise their current vehicle-oriented zoning ordinances into pedestrian-oriented zoning ordinances.

"The life on the street has been sucked out and made internal The quality of our lives has been

16. The New York Times, May 19, 1991, p. 22.

eroded because we have overemphasized the automobile and geared our zoning to the automobile." [17]

Three general ideas are set forth in such pedestrian-oriented zoning ordinances. These ideas are intended to achieve better living conditions and a better civil environment for communities. The first idea is to allow higher density and mix-used developments to generate constant and frequent human activities. These high levels of pedestrian activities will direct attention to the pedestrian experience in communities as well as to architectural details. The second idea embodied in pedestrian zoning ordinances is to conceal the parking facilities and reduce the need for automobile traffic. The traditional emphasis on automobile circulation has allowed the wide road to cut into city blocks and disrupt pedestrian activities. Allowing large parking lots close to a building has distanced human activities from the continuity of street edges. Empty parking lots during the night not only reflect an undesirable image but also create safety concerns. The third idea in these ordinances is that with the concentration of small developments through higher density and smaller lots, more open spaces can be preserved for recreation. These open space can further increase the desirability of communities.

Although there are doubts about whether such pedestrian-oriented zoning ordinances will be fully adopted

17. The Boston Globe, June 22, 1991, p. 31.

and implemented, these ordinances undoubtedly echo the goals of design reviews. With increasing focus and interest by local communities on public aesthetic controls and the efficiency of these controls, it is reasonable to assume that some of these ideas will be adopted. These ideas will either be built into current zoning or reflected in design review. In either case, because a zoning variance or design review will still be required in the permitting process for development projects, aesthetic control will continue to exist and affect development activities. Instead of spending energy in fighting and arguing against such aesthetic controls, developers should spend their energy focusing on how best to accommodate and accommodate to the design review process.

III Evaluating the Impacts of Design Review on Development Activities

Because design review is often mandated for development projects, its effects are often unavoidable. Design review affects not only the architectural quality of a given development but also other aspects of development activities. The most noticeable impacts surface in three different areas: architectural quality, cost and time required, and the education and practice of developers.

The first area, architectural quality, is, of course, the area design review focuses on directly. The majority of developers interviewed for this paper believe that design review has positively affected the architectural quality of their projects and has made their projects look more attractive.[1]

The second area affected by the design review process is the cost of the projects and the time required to finish them. Developers interviewed believe that dealing with design review often increases the cost and duration of planning and building. This area is by far the most significant from their point of view. Other opinions also exist. Some people believe that because of design review's organized process, the time required for reviewing development proposals will be controlled and will consequently reduce the cost for

1. Five out of seven developers interviewed believe design review improves the architectural quality. The other two developers considered their projects have good quality and design review does not help to improve their projects.

developers, however. Because the constantly deficient technical implementations of design review, such benefit has not yet been seen.

The actual additional costs and time associated with design review still remain largely unknown and very difficult to estimate. One attempt has assessed the average additional cost associated with design review as ranging from 1.3% of the total project cost in residential project to 2.9% in commercial projects, [2] however. These numbers seems unconvincing for two reasons. The first is that this report does not include the loss of potential cash flow and the additional administrative costs based on the additional time required to survive design review. The second is that it is virtually impossible to compare the actual total cost of a project after it has been approved by design review and been physically built to the hypothetical cost estimate of the project that would have been built.

From the developer's point of view, the total cost impact of design review includes the additional time required to deal with the review process, the additional administrative work required, and the additional consultants necessary for dealing with the process. Furthermore, the increasing "opportunity cost" stemming from uncertainty about obtaining approvals and the loss of potential cash flow due to the time

2. Rick W. Williams, Report on Design Committees, (University of California, Berkeley: Master Thesis, 1990).

needed to deal with design review are also considered by developers as "cost." Delays resulting from addressing the technical aspects of design review are considered cost as well. The higher cost associated with design review will sometimes affect the feasibility of projects and will only be realized after substantial time and money have been spent on due diligence and architectural studies. In some cases, design review is used not to ensure good design but to prevent all development, that is, it serves political purposes such as anti-growth or community power struggles. In these situations, the effects go beyond just the added costs and time for projects.

The third area affected by design review is not the projects themselves but developers and development activity as a whole. Design review forces the change of developers' thinking and practice. Developers have been made more sensitive to the local environment, more willing to listen to community concerns, and more able to focus on the design quality of their projects which was not required in the previous business and social environments. Especially in the 1980's, many profit seekers were attracted by the tax benefits in real estate and became the participants in development activity. Design review has also promoted public and academic interest in studying the relationship between development activities and society.

The Impact of Design Review on the Architectural Quality of Development

To many people, the matter of architectural quality is a matter of personal taste and personal choice. Judgments about architectural quality may be based on factors such as the popularity of a given architectural style, the uniqueness of a building, and the relative harmony between a building and its environment. Can a person who appreciates modern paintings and Le Corbusier's or Mies van der Rohe's modern buildings be accused of bad taste and trying to promote design or art of bad quality? When Post-Modern buildings first appeared, wasn't there an uproar against their aesthetic and architectural qualities and arguments that such buildings should not appear outside of Disney World? Widely divergent opinions still exist on the 1985 glass pyramid designed by I.M.Pei and erected in the middle of the courtyard of the Louvre.

Should architectural quality be judged only by roof shapes, materials, window treatments, colors, or column types? Or should it be judged by the concepts that influence the architect's thinking? Many design review requirements and procedures, instead of setting up very specific and rigid guidelines, choose to have some flexibility. In a city like Boston, this kind of flexibility creates an opportunity for dialogue among developers, architects, city officials, and residents to set up a shared realm for judgement about "aesthetic" and "architectural quality."

Developers entrust the matter of architectural quality to the hands of their aesthetic and design experts, namely, the architects, urban planners, and, perhaps, the engineers. There are situations when some developers, wary of the initial costs or just looking for easy financial returns in a hoped-for economic upswing, choose to neglect the aesthetic part of their projects. By not being willing to provide reasonable funds for design, these developers either prevent their architects from doing a thorough design job, or are unwilling to hire good architects at all. In extreme cases, some developers hire engineers to do the architectural design. Although this practice is allowed by many codes, it means that the aesthetic and architectural quality of projects may be overlooked. Design review, through intervening between developers and the final aesthetic judgment of projects, has corrected these kinds of inadequacies. However, not all developers overlook the architectural quality of their projects. There are many developers who devote their energy to working with their architects in order to produce good and beautiful buildings. In some cases, better architectural quality can come through developers' and their architects' initiatives and suggestions, not just from the review boards or regulatory entities. Boston's Rowes Wharf which been through some kind of design review is the best example of such a situation.

Rowes Wharf (completed in 1987) is a mixed-use project of almost 1.5 million square feet of hotel, retail, office space and condominiums located at the edge of the harbor in downtown Boston. Because the project was ground-leased on city-owned land and because the size of the project is substantial, the Boston Redevelopment Authority (BRA), imposed very strict design guidelines prior to the competition for the project. These guidelines gave special attention to preserving architectural quality as well as the view from the city to the water. Based on these guidelines, the main portion of the project was to be separated into two buildings with a passageway to the water in between.

After the project team of The Beacon Company, the developer, and Skidmore Owings and Merrill (SOM), the architect, won the competition for the project, they were asked to lower the height of the buildings but still to keep the two buildings separated. In response to these requests, the development team then convinced the BRA to allow the creation of an arch gateway not only to link the two buildings into one building but also to create a better pedestrian experience through the project. This move initiated by the development team enhanced the project's architectural quality, making it much more visually attractive.[3]

3. Presentation made by Mr. Tim Baker, President of Beacon Construction Company, in Nov. 1990. and presentation made by Ms. Carol Gladstone, Project Manager of Rowes Wharf, in Feb. 1991 at the MIT Center for Real Estate Development.

Although developers consider dealing with design review a very frustrating and time-consuming experience, some developers speak positively about the architectural quality of their projects after such review:

" Generally, I have positive feelings about design review. . . .By and large, they [comments and suggestions from design review board] are helpful. I am proud of, especially, the appearance and pedestrian level view of our project. . .and that is very much influenced by the design review board."[4] (Boston)

"It was a very painful experience but some good things did come out of it. . . . There are certain things done in the design review process that made the project a better project."[5] (Boston)

"Design review does help to make the appearance of a project more attractive."[6] (San Francisco)

Although they raise further questions and offer some negative comments on the matter of personal tastes, the roles played by their architects in judging quality, and the requirement of unnecessary details, five out of the seven developers interviewed, for this paper believe that design review, from their perspective, did improve the architectural quality of their buildings.

Impacts of Design Review on Time and Costs of Development

The added costs and time attributable to design review make by far the largest impact on development projects from

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4. David McGarry interview.
 5. Tom Owens Interview.
 6. Interview with developer B. June 13, 1991.

the developer's point of view. The actual amount of cost added is still ill-defined because the "cost" does not merely mean the actual dollar amount which the developer pays for actions required in order to deal with design review. It also includes the time needed to accommodate the required public processes and the changes resulting from the review. One developer refers to the costs of design review by saying, "It is time and time is money." [7] Another suggests that the term "cost" includes potential cash flow and opportunity cost by saying, "We were forced to cut down some square feet to accommodate design changes, . . . \$25 per square foot [rent per year] cap at a 10% rate, and it is several million dollars already . . . plus \$2 million for additional work." [8]

The cost estimation by developers embraces two different levels. One is the direct cost from the necessary expenses of dealing directly with the design review. The other is the indirect costs resulting from the requirement to satisfy design review specifications. These indirect costs include all differences between the project's 'built-as-right' and 'built-as-design-required' and potential cash flow which are impossible to be calculated.

Developers from time to time join the opponents of design review in charging it with invading the rights of property owners and the rights of free expression. Developers

7. Interview with Mr. David McGarry.

8. Interview with developer A.

have also expressed concern over the issue of creativity and the justice, not to mention efficiency, of ensuring democracy in the review process at the developer's expense. However, the underlying fact is that these charges are used to legitimize their frustrations about another layer of uncertainty, the added costs, and time required to deal with the design review. Beyond the cost directly associated with design review, the public process also increases the time and cost for developers. The administrative work needed to respond to different interest groups and the time needed to negotiate and find compromises among the different groups all constitute part of the expense. Design review also increases the time required, through its lengthy processes and the most often ambiguities of design guidelines. Delays will not only affect the market timing of projects and their interactions with fluctuating economic cycles, but can trigger unexpected cost escalation, such as wage increases, material cost increases, and inflation.

Other factors also contribute to the impacts of design review on development. Most important is the prejudice against development or construction activity as the sole source of all unattractive changes in our built environment. This attitude is clearly illustrated in some design guidelines. The Beverly Hills, California, document states that "there is a tendency of some owners and developers to disregard beauty and quality

in construction." [9] In the guide to design review for Nantucket, Massachusetts, similar but more moderate language is used: "when property owners build only with concern for their own inspiration and advantage, and result often is a structure that does not belong. . . [to the] image of the island and hence diminishes Nantucket's attractiveness and unity." [10] As one developer put it, "Twenty, thirty years ago, when everybody was enthusiastic about modernization, they praised and embraced the glass boxes of modern architecture. Today, in design review. . . . everyone thinks developers should take full responsibility for these buildings' adverse impacts on their communities. . . . even though most of these buildings were not done by developers." [11] One prominent architect, Charles Gwathmey, made a similar assertion about such attitudes emerging in design review board members. He charged that any new building presented before a design review board is presumed guilty of worsening the neighborhood and surrounding buildings unless proven otherwise. Because of these widespread attitudes, there is a tendency for design review to make excessive demands on development projects and consequently to have more of an impact on developments than it might otherwise have.

9. Municipal Code, Beverly Hill, California.

10. Lang, Building with Nantucket in Mind, p. 3.

11. Interview with developer C, June 7, 1991.

There are many different types of developers. Many of them are very conscious about the built environments and devoting their energy and efforts in creating a better living environment. There are maybe some involvement of personal ego and taste in the development projects, however, communities should not prejudicedly deny the effort of these developers.

While many developers believe design review does help the appearance of buildings and enhances the image of communities, they are all concerned about the cost impacts of requirements for materials and detail levels on their projects. Most development projects are sizable and complicated and additional requirements for high levels of detail or specific materials will certainly force significant labor and cost increases.

"The increased costs that design review can add to a project are substantial By going through many levels of design reviews, you have increased costs not only for the time you spend but also on the articulations . . . people appreciate good details, but you pay for studying these details and construction of [these] details.[12]

In many cases, design review also requires that developers modify their projects to address the concerns of interest groups or neighborhood groups. The energy and time required to handle this process translates into actual dollar costs.

"For two years, every other Wednesday night, we had meetings with interest groups all your consultants must be present and you must have three

12. Interview with Mr. David McGarry.

studies of projects you pay for those consultants and studies." [13]

Concerned interest groups and individuals may number from fewer than a dozen to hundreds, may come from near and far, and each one will have its own focus. In both the 125 High Street and the 90 Tremont Street projects , the number of these groups and individuals exceeded 100. [14] Although is fair to say that design review organizes these interest groups and individuals to avoid endless one on one negotiation between developer and these astonishing numbers of group and individual whom otherwise will appear in different stages of permitting process. The question is that the how can a subjective issue as personal taste and a technical issue as architectural quality be negotiated and decided through this open process and, at the same time, be efficient?

Many people involve themselves in the public review process with legitimate concerns and to improve development projects. However, some come into the design review just to stop a project. Some others may come to turn the supposed technical processes of design review into a political arena. Whatever the purpose is, the time of the process will be prolonged and the added cost resulting from this extra time will be borne by the developers and the subsequent tenants. Even though the results may receive popular support, the

13. Interview with Mr. Tom Owens.

14. Number provided by the project managers of both projects during the interviews given in June, 1991.

developer may still face legal action taken by a minority of the interest groups, using all kinds of excuses. Although the outcome may favor the developers, the prolonged process will add even more time and costs.

In the first phase of 500 Boylston Street one of the original nine members of the "Neighborhood Advisory Committee" sued the city of Boston and the developer, after the eight other members had approved the project, arguing that the city had no right to approve the project and issue the building permit. The developer won the case in both the lower court and the court of appeal. But meeting such legal challenges can be very costly for the developer.

In well-established or large communities, design review boards are likely to be composed of experienced and credible members who are supported by well-trained, full-time professional staffs. These boards are more likely to know how to conduct sound design reviews. However, most small communities, under budget constraints, can neither provide good professional staffs nor attract experienced or qualified board members. The effectiveness of design reviews in these communities then becomes a question. Design guidelines are seldom presented or illustrated in a clear and understandable fashion. In some cases, this ambiguity results from a community's other considerations such as jobs, infrastructure, and the local economy so that the city wants to have some flexibility in policy making. In other cases, the ambiguity

resulted from the inability of community to define their goals in regarding design review. However, this kind of ambiguity is not only misleading and confusing, it also affects the fairness of design reviews. Although most design review processes are mandated to be completed by a certain time period, those time limits are seldom observed for development projects because most development projects are complicated and the ability of design review boards is limited. Developers are often forced to choose between more time for further study by review boards and the rejection of their projects. All these delays will add costs and time to a project.

The most disturbing situation for developers occurs when design review is used to serve either a political purpose or a personal purpose. In many communities, members of review boards are political appointees. This kind of appointing system may sometimes include un-qualify person into the design review boards and consequently affect the fairness of implementing the design review. In many cases, developers, after spending much time and money, come to realize that the true purpose of a design review is anti-growth. Developers may also be caught in the middle of political struggles or personal or professional disputes. The first situation, because of the possible legal consequences, will act in such a way that design review will require extremely high levels of detail or will prolong the process of design review to make the development activities economically impossible. However,

most developers only discover the truth of the situation after much time and money have been invested in the planning and design of their projects.

One such example was mentioned in an interview with a developer. The developer abandoned his residential project which involves 40 lots after his proposal was "rejected four times in design review and had become financially infeasible." He strongly believes that the reason is because "the neighbors have conceptually included those empty lots as their properties and can make their houses look more attractive when they are remain empty" and "the review board yield to those people politically." [15]

The latter situation can be seen in two Boston projects, 500 Boylston Street (II phase is schedule to be complited in 1991) and International Place (II phase is schedule to be completed in 1992) Both projects involved conflicts between the Boston Society of Architects and famed Philip Johnson. As a result, Philip Johnson was replaced after the completion of first phase of both projects. Many people in the industry comment on these incidents as "purely political," illustrating "the inadequacy of political conflicts involved in a process which should not have such struggles." [16] In such cases, developers not pay the additional fee for the redesign of the projects but also the added time for the

15. Interview with developer A.

16. Interview with developer D, June 1991.

struggle. However, for these two projects, the consequences may go beyond merely doubling the architectural fee. The 500 Boylston Street project was delayed two years and International Place was delayed three years, in the estimate of their developers, and both were hard hit by the economic downturn. If there had been no delay, the projects might have come into the market two to three years earlier. Such timing would have helped the developers of both projects to lease their space, and would have reduced the economic impact resulting from the current recession.

Some people have claimed that if the phase II of both projects were built according to the original proposal, there will be a cost for society to pay. I personally agree this argument in the case of International Place but strongly disagree in the 500 Boylston case. Why did these projects receive approval in the first beginning, if they are so undesired, and where does the fine line being drawn by communities in such cases?

As the current recession(1989-?) demonstrates, cost as well as time are important for developers and their projects. The impacts of added cost and time by the design review process on development can be significant if design review are not implemented adequately. In a well established design review practice like Boston, such ill implementation of design review exist, think about how inadequate they can be handled in other communities. Although the responsibility of

inadequate implementation of design review although is in the hand of review boards and communities, but developers end up paying the price.

Impact of Design Review on the Development Profession

Through its emphasis on the quality of the built environment, design review also impacts the practice of development and the thinking of developers. It prompts academic study of the relationship between development activities and the quality of the environment, and affects the education of developers. It eliminates some of the participants who "do not like the idea of design review" and who are "marginal developers".[17] Due to the impact of design review, many developers are now required to be more sensitive to the overall local environment, to put more focus on the design of their projects, and to improve their profession's interactions with society. An increasing number of academic institutions, concerned about our built environment and endeavoring to set up more scientific study of development activities, have established academic real estate development programs that include education in design. These programs will contribute in a more fundamental way to the shaping of development and its participants in the future.

Development activity, because of its unique multi-disciplined character, complicated interactions with different

17. Interview with developer B.

industries, and hands-on building work, has never been established as a single comprehensive science or academic discipline. Traditionally, developers are people who have been trained in any one of several different disciplines and gradually, through their participation in projects, acquired the additional necessary skills. These disciplines may include law, business, construction, political science, engineering, and architecture. Some developers may have been trained in more than one discipline. Other people simply take the opportunity presented by an economic upturn to participate periodically in the development business. Since development is considered a business activity, there is a tendency for some developers to focus more on the economic and financial sides of their projects. Less attention is paid to the design side and the consequent environmental impacts. Construction, another aspect of development, is above all a matter of public safety, and building codes ensure necessary standards are met in all realm.

Most developers do not have any training in design and aesthetics. Because of this lack, they often ignore the impacts their projects and activities have upon the environment. Design review forces developers to pay more attention to architectural and neighborhood considerations. It helps to achieve a good balance among the internal considerations of projects and between them and the development's overall purpose. In other words, design is no

longer a subordinate consideration used only when developers want to express their ego or achieve better financial returns, and civic environmental concerns are no longer only moral issues which some may choose to neglect.

Knowing that the lack of a proper design will prevent one from surviving design review, developers are now more aware of architectural quality and more sensitive to preserving the environmental quality of communities. Developers are also making more effort to balance the financial and design considerations of a project:

"If I am to build another building . . . I will want the architect to design the building in scale and in context with the environment [Design review] makes me want to balance the design side of the project and the economic component of a project." [18]

"[Design review] . . . has somehow made me more sensitive to the local environment. . . . Although [this environment] may partially include the political environment . . . impact on physical environment and the image of architectural design have become major considerations for us." [19]

Because of design review's public process, developers are also trying to reach out to communities and include communities' concerns in their development plans. This can be demonstrated by the increasing involvement of public relations consultants in the design review process. These consultants are involved not only in the design review of new developments but also in the design approval process of facade

18. Interview with Mr. David McGarry.

19. Interview with developer B, June 13, 1991.

rehabilitation and signage. Typically, these consultants first help the developers to identify possible interest groups and set up early opportunities for communication with design review boards, neighborhood groups, and other interest groups. They then assist developers in setting up project criteria and handling the concerns of the communities throughout most of the review process. Sometimes they are brought in to handle the non-technical problems and issues that arise during the construction phase of the development process. The public relation consultants also communicate communities concern back to the developers.

One such consulting firm in Boston is McDermott/O'Neil & Associates. This office has involved itself in the design processes of many well-known and large-scale development projects, mainly in Boston. McDermott/O'Neill & Associates merged two firms together in 1990. One was Baystate Investors, a firm that specialized in government relation services; the other was the Northeast Management & Marketing Company, a marketing firm which had been in the real estate public relation business prior the merging. Carole Pelletier, an associate of the firm, referred to their involvement in development activity as "working with developers in Boston . . . and managing community out-reach processes for development projects." [20] She further described the firm's involvement

20. Interview with Ms, Carole Pelletier, Associate, McDermott/O'Neill & Associates, June 15, 1991.

in design review processes: "What we are trying to do is to help our clients [developers] to understand the planning contexts and planning policies;" "We add value [to the development team] . . . because we do understand the mind set, the procedures, the process, and the policy of current planning and design environments. So, we can help developers with that kind of understanding." [21] This The actual effectiveness of such consultants in the design review process may be hard to assess and the number of such consultants is unknown. However, this new professional area for public relations firms reflects the growing awareness of developers of the importance of the relationship between their projects and communities.

Other more fundamental approaches have also been introduced. In order to study development activity and to promote awareness of the relationship between development and the environment-at-large, many schools have established real estate programs alongside their regular business curricula. [22] First M.I.T., and then Columbia University, the University of California at Berkeley, and the University of Southern California pioneered such programs. Although some of these programs focus on real estate from a business or urban economic point of view and have integrated the study of

21. Interview with Ms. Carole Pelletier.

22. Directory to Real Estate Related Program, Land Use Institute, 1990.

real estate with other established disciplines, many have emphasized the practical field implementations and promote aesthetic and social awareness. As stated in the introduction of the M.I.T. Real Estate Master's degree brochure, "[Real estate development] . . . creates special places to enhance everyday life and invents structures that symbolize our culture Those who develop real estate carry a moral and aesthetic responsibility . . . and must address . . . impacts on the local environment." The brochure further states that "the nature and complexity of development decisions have blurred the distinction between public and private." [23]

In many real estate development academic programs, design is one of the required courses, along with finance, economics, and construction in the course curricula. This design course allows these future developers not only to develop some aesthetic knowledge but also to increase their awareness of the possible impact of design on the urban environment. With more and more graduates of these programs participating in development activities, the hope of universities is that considerations of architecture quality, living quality and environmental issues will be promoted and balanced with other aspects of development.

In recent days, an increasing number of institutions and corporations, as part of their desire to decentralize and

23. Brochure of the Master of Science in Real Estate Development, (Cambridge: Center for Real Estate Development, MIT), p.2.

out-source the construction of new facilities, are hiring developers to assist with the planning and construction of new buildings. The efficiency demonstrated by developers in passing all required permitting processes, including design review, will affect the survival of developers. The same demand for efficiency will also come from financial lenders and investors backing developers.

The developer is the leader of a project team whose decisions influence and contribute to the shaping of our society's environment. He or she needs to be more aware of the consequences of his or her practice and projects. The impact of design review on the culture of developers is more positive and encouraging than its impact on the costs and time.

IV How Can Developers Deal Better with Design Review ?

"Finance alone will not make the project work in the future . . . the efficiency in moving along the process will be among the primary considerations for development."

For developers, major decisions about how to reduce the cost and required time in dealing with the process of design review should serve the goal of efficiency. This may require that developers to change their thinking and practice and become more sensitive to the communities. After the boom of the 1980s and the recent banking crisis, the efficiency of developers to complete a project will be a major factor affecting their ability to raise financial support. As a principal of one of the largest U.S. real estate investment/development firms concludes: "Finance alone will not make the project work in the future . . . efficiency in moving along the process will be among the primary considerations for development." [1]

Decisions made about how best to deal with design review will mostly depend on the attitudes of developers in conducting their business. Recognizing that, ideally, development activities are part of collective efforts to create a better and more attractive built environment, developers should position themselves on the same side of the negotiating table with communities. Although the outcome of

1. Presentation made at the MIT Center for Real Estate Development by a principle of a large investment/development firm. April, 1991.

design review may be controlled by external factors and the mechanical aspects of the process are often unpredictable, a good track record of being actively involved in shaping a better environment will eventually help developers to mitigate the uncertainty of design review.

Through my conversations with seven developers and through analysis of their projects, four strategies emerge as being important to developers in dealing with design review: (1) Clearly understand the nature and goal of the design review practice in a given locality; (2) Set up early interaction and communication with design review boards and powerful interest groups to establish clearer guidelines and criteria; (3) Learn to be a local developer, by becoming more actively involved with community activities; and (4) Carefully select members of a well-balanced project team, including public relations consultants, to help handle all foreseeable issues for each project.

Arguments for these four strategies follow:

Strategy 1: Clearly understand the nature and goal of the design review practice in a given locality.

Every community has its own goals for design review, although these goals may not at first be easily identified. Developers must bear in mind that they are not only engaging in business but also helping the community to achieve its goal of obtaining better living conditions and a better environment. The relationship between development and the

community is more than a matter of demand and supply. By faithfully providing more attractive products in line with what the community wishes and thus enhancing the community's image, developers can also share the benefit of conducting more efficient business. Based upon the interviews undertaken for this paper, developers seem to be less successful in persuading communities to accept their own aesthetic judgements than in allowing communities to see their aesthetic taste expressed in proposed projects.

The posture adopted by most communities during design review is to reject projects they do not want to see built instead of specifying or encouraging what they do want built. This passive approach keeps the initiative in the hands of developers' and their architects. Yet, many developers also approach design review passively, wishing that the language in the design guidelines might somehow help them in their desire to conduct business. These developers often find more frustration and disappointment than those who actively seek, through their business, to create a better environment for the community. Communities, on the other hand, should also recognize that they have responsibility to make efforts to improve the civic environment by providing help to developers not just merely in the position of trying to regulate such efforts. It is true that the investors behind developers often force developers to focus on financial return. But more understanding of the goal of design review, pose some training

in design, and a more proactive approach may help projects to go through design review more effectively and consequently reduce their costs and risk.

The community may also take note of differences among developers. Whether this is fair or not, the fact is that some developers do bring unattractive projects into communities. The track records of different developers may be judged differently according to different considerations. However, for the communities' concerns, more focus is on the track record of architectural quality of a developer's projects. If a community uses design review as a tool for anti-growth or growth control, developers must fully recognize that fact prior to planning their projects and anticipate the consequences of engaging themselves with that community, which may include legal action.

The technical aspects of design review remain very difficult ones for developers to deal with. However, through understanding and recognizing the goals of the local design review, the impacts of ill implementation of technical aspects of the process may be reduced.

Developers should pose the following questions to themselves to understand the nature of their own projects ahead of time: (1) What can we do through this project to make the community better and more attractive? (2) What kind of projects and what kind of designs is this community likely to reject? (3) What kind of projects and designs does this

communities prefer? (4) How are these considerations met by my project and how .can I compromise to balance the community's wishes with my own plans? When a developer makes the community's concerns his or hers, and is fully aware of all foreseeable effects of the project, the reputation of developers as a whole will improve.

Strategy 2: Set up early interaction and communication with design review boards and powerful interest groups to establish clearer guidelines and criteria.

In many cases, developers approach communities, planning officials, and design review boards in order to set up criteria and learn about community concerns before the design or project planning process is underway. The developer of Boston's 125 High Street site believes that his project took less time compared with other similarly-sized projects because of early communication with the BRA to "form what guidelines we should follow . . . and to avoid or to reduce the ambiguity which may surface later on." The developer explains further : "We have contacted and met hundreds of groups which we think may have an interest in the project before and during the project." [2] Another developer claimed that the first thing he will do in his next project is "Go in and start doing some listening . . . talk to different interest groups, talk to city officials . . . try to figure out what the rules are," after the "high price [he paid] for

2. Interview with David McGarry.

not listening." [3] Such early communication will not only allow developers to understand the local environment and the community's agenda, but will also help guide the architect who initiates the design.

Developers sometimes find themselves caught in the struggle between the creative ego of their architects and the community, which does not want such an ego. Some architects, on the other hand, have claimed that they are caught between the struggle of developers and communities. There are some architects lack the insight to understand the dynamic relationship in the public design process. Their notion of the best design may not harmonize with the context of the local community. As one developer put it, "the architects know nothing about what the communities really want. . . . but [just how] to express themselves." [4] Yet, developers, because of their lack of aesthetic training, may feel they have to rely totally on the architect's aesthetic and design judgments. The least favorite international architecture today is the creation of architects. An extreme example is Deconstructionist Architecture, which fragmented the building as well as its materials in an exaggerated fashion. That fashion was surely not the creation of developers. Another major reason for the opposition of communities to architects may be the lack of communication between developers and

3. Interview with developer D, June 4, 1991.

4. Interview with developer B, June 13, 1991.

communities as a whole before the initiation of projects. Architects and developers sometimes equate their own aesthetic criteria with property rights. Yet their criteria may conflict with the aesthetic criteria of the local community.

Developers should act as a coordinator for all the criteria regarding the project, including design criteria. This role requires careful planning and the early establishment of design guidelines before the project. Developers or architects can no longer afford to just set up design criteria by themselves without input from the community. One public relations consultant suggests developers "sit down with certain people first, get guidance early, and integrate it into the design process." [5] Developers have to further understand the consequences of these criteria for the cost of their project. Developers should then set up the list of design priorities to be addressed in their proposals. "If there are different issues, what is the priority of these issues and the cost associated with them? Where is our negotiating room? . . . [we should] understand which points can be negotiated." [6] Such planning is especially important in communities where design guidelines are not clearly set forth.

5. Interview with Ms. Carole Pelletier.

6. Interview with ms. Carole Pelletier.

Strategy 3: Learn to be a good local developer by becoming more actively involved with community activities.

A local development team with a local architect seems to encounter less opposition than a development team composed of outsiders. This difference may be due to the unavoidable distinction between developers who know the community image well and have a known track record, and outside developers who are attracted to the community by its economic or population growth.

There are generally four general kinds of developers. The first kind is locally known and often has established his or her practice over a long period of time and those who want to engage in development for more than financial rewards. These developers are usually very conscious of the concerns of local communities and their reputation. The second kind of developer is a nationally-known outsider who develops projects according to the rotating economic cycles in different regions. Such "outsider" developers are also very concerned about the quality of their projects and their reputation because of their high level of exposure nationally. However, these developers sometimes are distrusted by local communities.

The third kind of developer is the syndicator or one-shot developer who periodically surfaced during the economic growth in the late 1970s and '80s. A real estate syndication is formed on a project-by-project basis and most often focuses purely on the financial return for investors. Since the

syndicator's intention is usually to make as much profit as possible in a short period of time and sell the building whenever the price is good, the negative impact his or her project can have on a community is by far most severe. The fourth kind of developers are those who were attracted by the high profit and financial rewards benefits in the real estate development activity. The high level of demand in spaces, allowed real estate tax benefits, and the unusual aggressive profit seeking business and social environment resulted from deregulations in 1980s have created many of these developers. Since the motive is also purely profit seeking as that of syndicator, the negative impact are also very severe.

Among the developers interviewed for this study, two out of the three local developers offer positive comments about design review, except when it comes to the costs of dealing with design review. While all three of the national developers interviewed used to team up with New York-based architects, and claimed that they do not oppose the idea of design review, they constantly make very negative comments about the process of design review. The design review process seems to trouble local developers less. It is very easy to perceive that local developers may have more understanding of the community and are apt to set up a good long-term relationship with the residents.

In the 125 High Street project, the developer voluntarily created activities for the community and also encouraged community activity in the public space of the building.

"We have a large atrium in the middle of our project. . . which can be used for fund raising groups and the American Cancer Society or whoever...We are in the process of getting groups to use our atrium."

This evidence of good will may be one of the reasons why the project took less time and less trouble during the review process.

Strategy 4: Carefully select and manage members to ensure a well-balanced project team, including public relations consultants, to help handle all foreseeable issues for each project.

Today, the role of developer has become ever more complex and the considerations of each development project cover a wide range of internal as well as external issues. Development activities must be recognized as team efforts not only to complete a specific project but also to mold our environment. Developers act as team leaders who must have adequate knowledge of all related disciplines, direct all their consultants, and carefully manage the proper use of these consultants over the course of time. Developers must know how to act and speak in different fields. They not only need to be able to read engineering reports and architectural drawings but also need to understand the financial and the legal consequences of a variety of different regulations. Most important of all, a developer must further acknowledge his or

her own weaknesses and select a well-balanced team to compensate for them.

Some developers believe that hiring a nationally famous architect can reduce the time and costs of design review. However, many recent examples have proven otherwise. In Boston's International Place and 500 Boylston Street projects, the famed Philip Johnson did not help to smooth the process of design review. He "got crossway with the Boston Society of Architects." [7] The result are, International Place was delayed three years and 500 Boylston Street was delayed two years. Many developers are now hiring talented local architects who are more familiar with the local review process, understand the community's concerns, and have more layers of relationships in the community. Mr. David McGarry explained the selection of an architect for the 125 High Street project:

"We want to hire a Boston architect because we are building a Boston building . . . and they are familiar with going through the review process."

In San Francisco, it is said that you need a nationally "name" architect in order to win the "beauty contest", however. The actual result seem to suggest that local architects are doing much better than national architects.

The public relations consultant interviewed also emphasized the importance of selecting local architects to handle design review:

7. Interview with Mr. Tom Owens.

"Very often, understanding the context is really the issue. . . . a designer with a solid local presence will be a better choice."[8]

Developers also have to decide whether a public relations consultant is necessary. In many development projects, public relations consultants not only help to identify the interest groups but also advise and assist in the process of communication. Most important, these consultants help to soften the unfortunate image of developers and their practices. In traditional development practices, lawyers have been heavily relied upon for the process of negotiation and communication with other groups. This practice is reasonable and still necessary in some negotiations with financial sponsors, landowners, architects, or contractors. However, the process of design review is a collective effort in the public realm to create a better environment and community. It is not a process of identifying or deciding who has the legal right to build. In dealing with the general public, the strong presence of lawyers may evoke unnecessary hostility and distrust from communities. This response may make it more difficult to obtain helpful specific guidelines from the review board and other interest groups. Public relations consultants may prove to be more helpful than lawyers for this reason.

8. Interview with Ms. Carole Pelletier.

V Conclusion

Design review outside of historic districts is a new concept with wide-ranging consequences for development activities. Because its implementation is still relatively new, it is still sometimes fraught with costly ambiguities and inconsistencies, and its quality often still needs to be improved. Developers, architects, communities, and planning officials are all in the process of adjusting themselves to this new concept and practice. While it is too early to understand all the possible impacts of design review in the United States, it is tempting draw comparisons with the housing and commercial space markets in European countries, where a very high degree of aesthetic control exists. One could conclude that the high cost of housing, the required extraordinarily long term leases, high architects' fees, and annual upward adjustment of rents are in part consequences of implementing a high degree aesthetic control. These conditions are generally not observed in countries where such aesthetic control is absent.

For many developers, the transition from 'as-of-right development' to 'development by neighborhood approval' is a large distance to leap as well as a novel experience to master. A developer should view his or her business as though each individual project must contribute to improving the

living environment and add value to the community, as a condition of the developer's own financial reward.

Communities and their review boards, for their part, should recognize that the developer is an agent capable of providing the desired physical image and living environment for them. It is in the community's best interest to direct and guide development activity instead of trying to limit or reduce such activity. Communities also have to understand that imposing excess or unreasonable financial burdens on developers means that society as a whole will subsequently pay for those burdens.

My conclusions from my interviews with developers support these generalizations. Design review can help to improve the architectural quality of development projects. Indirectly, it can also help to select and limit the participants in development activity and make real estate development a more specialized profession requiring social and environmental consciousness. The cost impact of design review is still impossible to be measure exactly, It is real, however. Because this cost impact, design review has helped to change the practice and culture of the development industry. Maybe it is maybe a worth paying.

The irony is that despite the support for design review communities have not yet acted to decisively encourage or compensate good design. To achieve a better living environment requires an active and collective effort from

developers as well as communities. Communities are not acting responsibly for the public good when they are purely negative, believing that they have the right to force developers to spend unlimited amount of money without developer's concerns. In Boston's financial district, for example, most of the buildings which have been through design review have vacancy rates of 15.32% compared with a 12.42% vacancy rate in those hated modern buildings built in the 1960s and '70s. In Boston's North Station the area the contrast is even greater: vacancy rates of 11.68% compare with 4.68%. [1] The differences are too big to be simply explained by the lease terms. It may also be argued that the differences in rents create such a big contrast in vacancy rates. But rents are the result of costs. Many developers who have spent a great deal of money in meeting the community's demands in design review are now wondering whether their effort was worth the return. People who have demanded good buildings so loudly from developers for good buildings are now turning their backs and filling those ugly modern buildings.

Some communities and design review experts do not even consider or examine the possibility of inviting developers to sit on review boards, citing the possible conflicts of interest. But isn't it true that the community members, who

1. Spaulding and Slye Boston Office Vacancy Report, (Burlington: Spaulding and Slye Co, 1990).

usually have less training in design, also sit on the board judging design to guard their own interests?

It is curious how little each communities know about development activity or attempts to understand it. From the practice of design review so far, it appears that communities are only capable of thinking negatively about development, without understanding that development efforts are the major force which has built the community we want to protect.

It may take another generation for developers to completely adjust themselves to the idea of design review and an even longer time for communities and bureaucrats to conduct design reviews in a more efficient standardized way. The climate for developers will still remain difficult and stormy until most design review systems can be improved and a sounder design guidelines established. To help hasten that day, developers must, for their part

1. Clearly understand the nature and goal of the design review practice in a given locality;
2. Set up early interaction and communication with design review boards and powerful interest groups to establish clearer guidelines and criteria;
3. Learn to be a local developer, by becoming more actively involved with community activities;
4. Carefully select members of a well-balanced project team, including public relations consultants, to help handle all possible issues for each project.

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