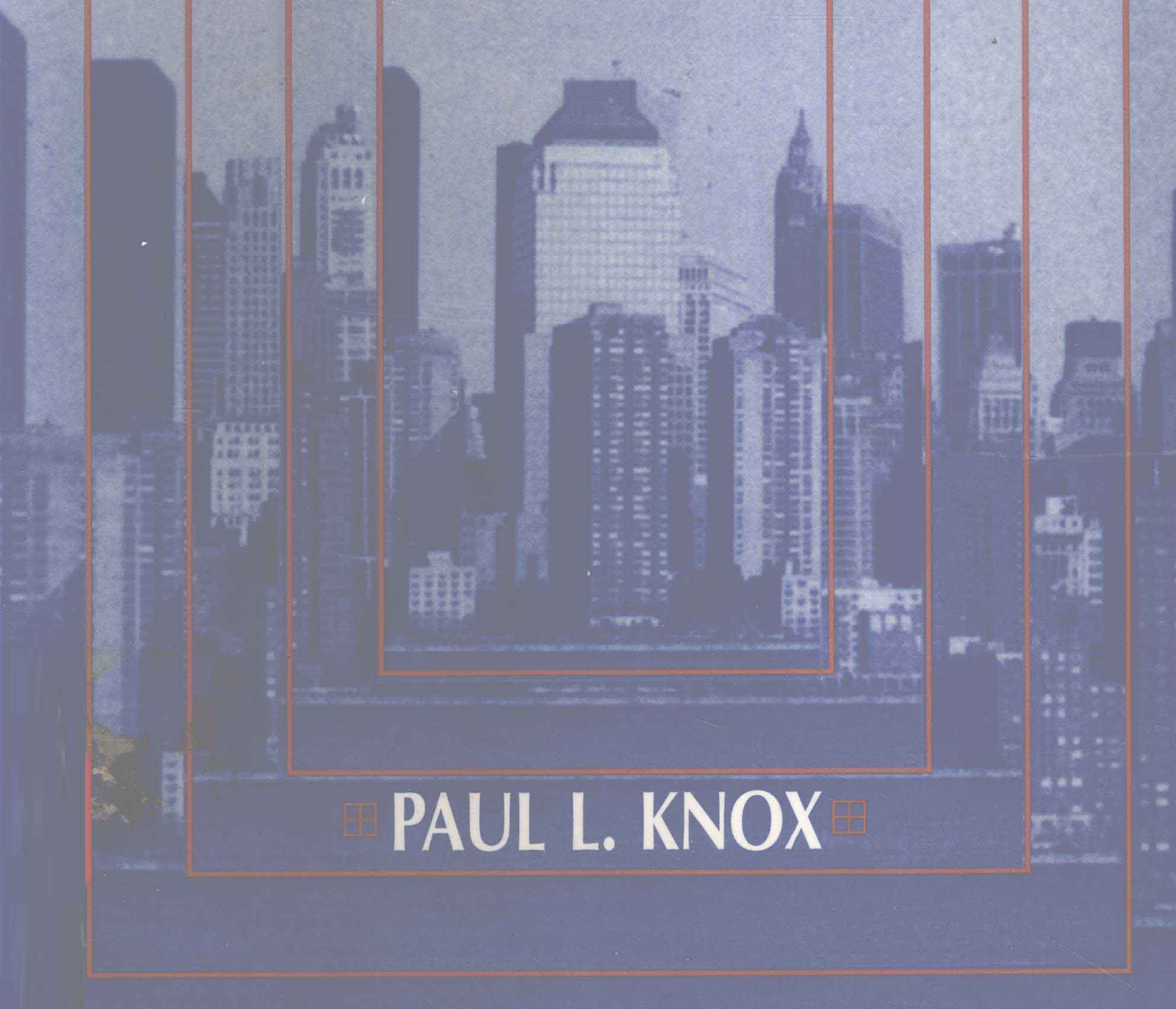
THE *Restless* URBAN LANDSCAPE



PAUL L. KNOX

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The Restless Urban Landscape

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PREFACE

In November 1989 I found myself in what at that time was called Eastern Europe. I had been invited to give a series of lectures and seminars on the topic of urban change in the United States. As I sought to put the topic in perspective for audiences who were living through changes of almost unbelievable pace and proportion, I found myself arguing that American cities were also experiencing some significant changes, albeit less dramatic than those confronting the residents of Budapest, Warsaw, and East Berlin. The changes I had in mind were the emergence of a new metropolitan form, the development of unprecedented 'postsuburban' land-use patterns, the selective recentralization of economic activity, the socio-spatial polarization of central cities, and new architectural styles and modes of urban design. Set in the context of the evolving political economy of capitalist urbanization, I argued, a case can be made that these changes add up to the most pronounced restlessness in urban landscapes since the late nineteenth century, when street cars and elevators turned cities inside out and upside down.

As I reflected on all this, I realized that although I knew of a fair amount of recent research on various aspects of these changes, the material was not always very accessible. Hence the idea for an edited volume that would bring together some of the latest ideas and research on the topic. This book is the result. All of the chapters were written specifically for this book, though the reader will find that the writers have adopted different voices in their attempt to reach our collective audience. I have not attempted to edit these voices, since an important part of the exercise is to present to the reader a range of perspectives on various aspects of the restlessness urban landscape.

As always, an edited volume such as this is the product of the efforts of many people. Several of the contributors have recognized specific individuals in acknowledgements of their own; I would like to thank Melissa Chase, Janet Town-Tribble and, in particular, Krystal Wright, for help in preparing camera-ready material.

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Paul L. Knox

Virginia Polytechnic Institute and State University

American cities are not what they were a few years ago. Preliminary census returns for 1990 show that for the first time more than half of the nation's population lives in metropolitan areas of a million or more people. Among the 20 largest metropolitan areas, eight (Los Angeles, Washington, Dallas, Miami, Atlanta, Seattle, San Diego and Phoenix) grew by more than 20 percent between 1980 and 1990. But the changes experienced by cities go far beyond demographics. Cities *look* different. They have a decisively different form, structure and appearance. And, within the framework of newly developed and redeveloped tracts of urban land, beneath the exoskeleton of new architectural styles and redesigned cityscapes, there have emerged some important new cultural, social and political dynamics. Of course, cities are constantly changing and adapting. The built environment, in particular, bears witness to the 'restless formation and reformation of geographical landscapes' (Harvey, 1985, p. 150) in response to the imperatives and contradictions inherent to the dynamics of a capitalist economy and society. This restlessness has been particularly pronounced, however, since the mid-1970s. Epochal changes in the world economy have brought new needs, opportunities and tensions that have quickly been written into the landscapes of cities.

A new urban geography: packaged landscapes and stealth cities

The textbook geometry of sectors and zones has become increasingly difficult to discern in the landscapes, social ecologies, and bid-rent patterns of cities. The classic mosaic of central city neighborhoods has become blurred as the distinguishing features of class, race and family status have been overscored by lifestyle and cultural preferences. Long-established central city neighborhoods have either fallen into decay and social disorganization or have been 'reclaimed' by members of the bourgeoning new professional middle classes. Central Business Districts (CBDs) have experienced a selective recentralization of economic activity that has brought a renaissance of urbanity, a rash of speculative building and a sudden move toward conserving selected fragments and re-creating idealized tableaux of past development. Beyond the central city, suburban strips and subdivisions have been displaced as the conventional forms of new development by exurban corridors, office parks, business campuses, privately-planned residential communities, and outlying commercial centers big enough to be called 'edge cities.' Many of these, having grown up on greenfield sites near interstate junctions, straddle several administrative areas. As a result, they fail to show up on census charts or electoral maps and may even remain unnamed on street maps. They are 'stealth cities,' economically powerful but politicially invisible. They contain impressive concentrations of office jobs and hotel space and account for extremely high volumes of retail sales, but they have no parks, libraries or police forces.[1] Peirce Lewis described the outcome of these new forms of urban development as the 'galactic metropolis,' a new urban geography in which the individual elements 'seem to float in space; seen together, they resemble a galaxy of stars and planets, held together by mutual gravitational attraction, but with large empty areas between clusters' (1983, p. 35). The galactic metropolis is characterized by *packaged* landscapes and by landscapes of mixed densitites and unexpected juxtapositions of forms and functions. Meanwhile, new urban tissue throughout the metropolis has appeared in strikingly novel architectural styles.

So, just as it seemed that our theories and models might have captured the essential truths of urban geography, the transformation of cities themselves has made many of the models obsolete, forced a reevaluation of theory, and raised new issues that new models and revised theories must accommodate (Cooke, 1990a). From these circumstances there has emerged a widespread recognition of the importance of addressing the constitutive relations between class and space—what Soja (1980) termed the 'socio-spatial dialectic.' In this context, the built environment occupies an important position as both the product

[1] Tysons Corner, just beyond the Beltway around Washington, D.C., is the archetypal 'stealth city.' In the mid-1960s Tysons Corner was literally a rural corner of northern Virginia, marked only by the intersection of Interstate 66, the Washington Beltway and the access road to Dulles International Airport. Administratively, it is still rural, an unincorporated 6,000-acre area that contains 30,000 residents and over 75,000 jobs, all under the jurisdiction of Fairfax County but split between three different county supervisory districts and three county planning districts. Tysons Corner does not exist as a postal address: residents' mail must go to either Vienna or McLean. Within this 'stealth' framework in 1990 was the ninth largest concentration of commercial space in the United States, including more than 20 million square feet of office space, 3,000 hotel rooms, and parking for more than 80,000 cars. Yet, while it had become the largest retail concentration on the East Coast with the exception of Manhattan, it had little of the apparatus of urban governance or civic affairs. It had a branch of Tiffany's but no public open space; an exclusive business club but no public forum; acres of parking lots but no transit stop; dozens of sportswear stores but no recreation centers, swimming pools or bicycle tracks. It was a place of great affluence but at the same time a focus of intense concern over traffic congestion, inflated land values, service provision and land-use conflicts. See Brown and Hickok, 1991.

of, and the mediator between, social relations. Shifting material landscapes, observes Sharon Zukin, 'bridge space and time; they also directly mediate economic power by the *conforming to* and *structuring* norms of market-driven *investment, production and consumption*' (1988a, p. 435, emphasis added).

In short, the built environment is a good place to begin in order to make sense of the new geographies that are being inscribed onto the old framework of urbanization. New forms of urban development, new architectural styles, and new cityscapes are important elements of these new geographies in their own right (Knox, 1991). More compelling, though, is their significance as a *text* that can be 'read' in order to reflect the imperatives of economic, social, cultural and political forces at particular times, to reveal the relationships between the social and spatial dimensions of urbanization, to interpret the ideological content of socially-created space and to suggest the conflicts, tensions and contradictions involved in the process of urban development.

The built environment, then, must be seen as simultaneously dependent and conditioning, outcome and mechanism of the dynamics of investment, production and consumption. Approaching the built environment in these terms presents a considerable challenge. It must be treated as part of the totality of urban change. Specific outcomes—new architectural styles, new forms of residential development, etc.—must not be abstracted from the broader sweep of socio-spatial change. At the same time, this broader sweep must be recognized as a discontinuous sequence. It is complex and differential, both spatially and temporally. It follows that changes in the built environment must be situated not only in terms of the structural transformation of economies and societies but also in terms of the behavior of particular agents of change and groups of individuals in particular localties at particular times.

This book represents an attempt to begin to meet this challenge and to contribute to a new urban geography that addresses new urban realities. In this chapter, recent transformations in patterns of investment, production and consumption are examined, and an overview is presented of some of the new dimensions of urbanism associated with these transformations. We begin with a review of trends in investment in the urban development industry, which leads to a review of the changes that have taken place in the organization of the production of the built environment and an exploration of Michael Ball's concept (1986) of 'structures of building provision' as applied to the role of the urban design professions and the role of the state.

Capital and the structures of building provision

When petroleum prices quadrupled in 1973, Western economies were already exhibiting the symptoms of an epochal change. Along with the deindustrialization of the labor force that accompanied the shift toward a service-oriented economy, economic growth in general had been slowing, rates of profit were falling, inflation was rising and concern was increasing over international monetary instability. In the wake of the system shock ~~precipitated by the~~ rise in energy costs, the corporate world had to develop new strategies in order to survive, while those companies that were successful, and others with 'petrodollars' to invest, had to seek profitable outlets in a world of financial destabilization, intense competition and stagnating markets. This situation has been described by Harvey (1978) as a crisis of 'overaccumulation.' It was characterized by overproduction, surplus labor (high rates of unemployment and underemployment), a surplus of capital in the form of idle productive capacity, and a surplus of money capital. According to Harvey, such a crisis can only be resolved through the temporary switching of investment from the 'primary circuit' of industrial production to the 'secondary circuit' of capital assets that eventually aid production (e.g. factories, offices, roads) or stimulate consumption (e.g., housing) or to the 'tertiary circuit' of projects such as education or technology research that eventually improve the quality or productivity of labor.

Speculative investment in the built environment, as the major component of the secondary circuit, can thus be seen to account for much of the property boom experienced in the larger cities of Europe, North America and Australia during the late 1970s and the 1980s, the boom that was an important component of the 'cowboy economy' and growth culture of the 1980s[2] and that animated much of the restlessness in urban landscapes with which this book is concerned. As Bob Beauregard shows in Chapter 3, it is important to recognize that the spatial and sectoral shifts in capital investment, disinvestment and reinvestment that underpin this restlessness are not always neatly sequential. Moreover, it is clear, as Harvey himself recognized, that the built environment is given to the same vulnerability to overaccumulation as industrial production. Cities can become overbuilt with office blocks, shopping malls, business parks and planned communities, as many American cities had by 1990.[3] But, between the building booms of the 1970s and 1980s and the stalled growth of the early 1990s, a number of significant changes had occurred in the organization of real estate and urban development industries.

[2] Lending by commercial banks in the US against property increased from 29 percent of their assets in 1980 to 37 percent by 1989. See *The Economist* 317, No. 7679, November 1990, p. 19.

[3] In 1990, downtown office vacancy rates in Austin, Dallas, Phoenix, San Antonio, New Haven, Memphis, Miami, Houston and Denver were in excess of 20 percent. It is likely to take between 5 and 10 years to fill this surplus space.

As in other sectors, economic transformation in these industries has been characterized by the concentration and centralization of activity. The former involves the elimination of smaller, less profitable firms, partly through competition and partly through mergers and takeovers. Centralization involves the merging of the resultant large enterprises from different spheres of economic activity to form large, diversified corporations that are often transnational in their operations, having established overseas subsidiaries, taken over foreign competitors or bought into profitable foreign enterprises. As these new corporate structures have evolved in response to the contingencies of an overaccumulation crisis, they have also rationalized their operations in a variety of ways, redeploying their resources, reorganizing their production systems and revising their product mix.

The U.S. shopping center industry provides a good example of consolidation and centralization within the development industry.[4] During the 1970s, mergers and acquisitions led to the concentration of the major retailing assets within regional shopping malls—the big department stores—under the ownership of a few corporations (including Allied Stores, Associated Dry Goods, Federated Department Stores, R.H. May & Co. and May Department Stores). Meanwhile, ownership of the malls themselves became consolidated in the hands of a few big companies (including the Hahn Company, the Rouse Company, Melvin Simon & Associates and the Edward J. DeBartolo Corporation); and before long the largest retailing organizations had established their own development companies. Sears, for example, established the Homart Development Company; May established May Centers; and Federated established Federated Stores Realty. During the 1980s, the pace of mergers and acquisitions increased, partly because underutilized real estate assets made department store companies attractive targets for leveraged buyouts and partly as a result of development companies acquiring department store companies, as in the Canadian-based Campeau Corporation's acquisition of Federated (including the Bloomingdales, Burdines, Lazarus and Rich's chains) and Allied (including the Bon Marché, Jordan Marsh, Maas Bros. and Stern's chains). Centralization also increased as real estate became popular with institutional investors such as insurance companies and pension funds and as deregulation of financial markets removed many of the institutional barriers that had separated investments in residential development from those in non-residential development and in stocks and bonds (Downs, 1985). In particular, the 'securitization' of real estate assets meant that property financing came to be linked more directly to broader capital markets and, indeed, to international capital markets, as John Logan shows in Chapter 2.

By 1990, the shopping center industry was both highly concentrated and centralized, along with other branches of real estate and urban development:

[4] The following account draws on Mangan (1990); see also Hallsworth (1991).

> *It is clear that an 'hourglass' structure is emerging within the real estate industry. At the large top end of the hourglass are the large investors and developers like Prudential Insurance, Equitable Life, Metropolitan Life, Trammel Crow, Maguire Thomas, JMB Realty, Olympia and York, and similar firms. Virtually no real estate players occupy the thin middle of the hourglass, as there are few competitive medium-size firms. All the other real estate players are at the bottom and range from one-man brokerage firms to syndicators and small developers.*
>
> Ori, 1990, p. 96

The top 25 percent of diversified development companies (i.e., those engaged in developing offices, shopping centers and hotels) had increased their market share to almost 75 percent, while in the traditionally very decentralized house-building industry (there are over 110, 000 firms nationally) the top 0.09 percent of the firms had increased their market share to over 15 percent (Schwanke, 1989). As a result of this concentration and centralization, the *scale* of investment in the built envrironment has changed significantly. The involvement of congolmerate corporations and large financial institutions has made it possible to put together large-scale, highly visible projects. The typical mixed-use development (MXD) or multi-use development (MUD)[5] of the late 1980s required an investment of about $200 million, spread over 10 years or so, before any return could be expected. This, in turn, has meant that many of the larger development companies have moved into asset and property management, financing and brokerage in order to fully utilize the skilled professional work force that has to be assembled in order to put together such projects and follow them through. The scale of corporate organization, meanwhile, has meant that urban development is no longer predominantly a local activity (Leyshon, Thrift and Daniels, 1990; Logan, 1990; Strassman, 1988); indeed, it has an important international dimension, as Anthony King shows in Chapter 4. Olympia and York, the company whose activities are examined in detail by Darrel Crilley in Chapter 6, have assets of $31.2 billion and annual revenues of $8.7 billion (1990) and more than 100 million square feet of office space in cities across North America, including trophy structures such as the World Financial Center (formerly Battery Park City) and the Park Avenue Atrium in New York, Exchange Place (Boston), Yerba Buena Gardens (San Francisco) and First Canadian Place (Toronto). They also have extensive overseas operations, including the $6.6 billion Canary Wharf in London; they have signed a letter of intent to build an 80-story office block in Moscow and are

[5] A mixed-use development is defined as one involving several mutually supporting revenue-producing uses (e.g., retail, hotel, office, residential, entertainment) in projects that involve some integration of project components under a coherent plan. Multi-use developments are those where project components are not integrated under such a plan or where only two uses are involved.

bidding to build Tokyo Bay, a 15-million-square-foot office complex near downtown Tokyo. They have interests in other development companies, including Campeau, Landmark, Stanhope Properties, Trizec and Rouse, and have diversified into newsprint (Abitibi-Price), oil (Gulf Canada), financial services (Trilon), food and alcoholic beverages (Allied-Lyons), utilities (GW, Consumers Gas of Toronto) and railroads (Santa Fe).

The significance of these giant corporations lies in their potential for removing much of the debate and control over patterns of development from local arenas of municipal government, from the influence of local 'growth machine' coalitions and from the voice of neighborhood and environmental groups. Although large national and international development companies often work with local partners in joint ventures in order to exploit local networks of key contacts, design professionals and construction companies, the larger, stronger partners tend to learn quickly, setting up local subsidiaries or simply gaining the experience to take on additional projects on a full ownership basis.[6] Even with joint ventures, the use of non-local sources of development financing and the degree of non-local control over project design and management inevitably changes the dynamics of local politics, as John Logan shows in Chapter 2. Not least among these changes are the tendencies for urban land to be treated increasingly as a pure financial asset and for managers in both the private and public sectors to pursue more intensively the rationality of rent- and profit-maximizing and exchange value at the expense of other criteria, particularly use value (Haila, 1988).

Flexible strategies and lean production

While consolidation and centralization have been important aspects of economic transformation during the overaccumulation crisis, there have also been important changes in the organization of production. Here again, the changes exhibited in the development industry parallel changes that have occurred throughout Western economies. In broad terms, there has been a shift away from a reliance on economies of scale through the promotion of mass production and mass consumption (the so-called 'Fordist' approach to production) to an emphasis on 'lean' and 'flexible' production systems that are able to exploit new technologies such as robotics, computers and telecommunications systems. The objectives are to be able to target those sections of the market that are most profitable, to eliminate waste materials and to minimize labor costs and the costs of

[6] For example, 68 percent of Japanese development companies' investment in new construction projects in the U.S. in 1989 was through joint ventures with local partners. In 1989 it was 87 percent. See Susanna McBee (1990).