In the west Chicago suburb of Sugar Grove—population 4,000, twice what it was 10 years ago—new large-lot developments spread spider-like from the downtown public library, police station, and village hall out into open farmland. The Village has no sizeable employers or large shopping centers, and has limited recreational facilities. All those things are available close by in other suburbs and, of course, in the City of Chicago. After elementary school, children travel to neighboring suburbs for high school. When developers come calling with high-density projects and in-fill proposals, they are sent packing. The Village administration explains that people who want to live in a town with greater density and with every service right at hand have their choice of numerous other suburbs. Those who choose to live in Sugar Grove do so because they want large lots and plenty of open space and are willing to travel to their jobs and to shopping in order to live in that sort of environment. The Village has identified its niche, markets to that niche, and vows to resist the pressure for different types of development that would change its character.
Twenty-five miles to the east is Chicago. Like other northern, deindustrialized cities, Chicago seemed for a long time to be caught in a downward vortex to disaster.\(^6\) Crime, deteriorating public schools, a dilapidated infrastructure, unpleasant and outdated public transportation, and the expense and myriad hardships of living in the City sent families in droves to the suburbs.\(^7\) The City was gradually depopulated of its middle classes, being left to the poor—many of them warehoused in huge and hugely depressing public housing complexes like Cabrini Green—and the very wealthy, who had the resources to overcome the City’s inhospitable conditions.

Under the direction of its visionary mayor, Richard M. Daley, Chicago has come back from the brink and is thriving. Daley has identified the City’s best physical assets—its lakefront, riverfront, wonderful parks, residential neighborhoods, and building stock—and has enhanced each one.\(^8\) Recognizing the critical importance of transportation, the Chicago Transit Authority has enhanced both service and the physical plant, making the city’s trains and buses both more comfortable and more convenient.\(^9\) The vast public housing complexes that have marred the City and ruined the lives of many trapped in them are being torn down and replaced by mixed-use,

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\(^7\) See id.

\(^8\) Gary Washburn, *Son of the “Boss,” But His Own Man; 25 Years after Richard J. Daley’s Death, His Son is Crafting a Far Different Identity*, CHI. TRIB., Dec. 20, 2001, § 1, at 1.

mixed-income developments—developments that are succeeding in part because the housing projects were built on coveted sites close to downtown and Lake Michigan.10

Mayor Daley has also recognized that one of the most critical pieces of the puzzle is the school system. Unless middle-class families are comfortable sending their children to the City’s public schools, they will continue to move to the suburbs once their children reach school age. The City has made improvements in the quality of its schools, including building new magnet high schools.11 One example: fee-based nursery care for two- to five-year-olds has been established in elementary schools, providing educational day care at a cost well below the private schools or in-home care.12 The City’s rationale: once middle-class families get involved in the public school system in this way and learn more about it firsthand, they will stay in the system rather than flee to suburban Evanston or Oak Park or Naperville.13

Meanwhile, developers have identified the niches created by the City’s policies. They cater to parents who left for the suburbs 10 or 20 years ago and now want to come back to the City as empty nesters, buying high-end condominiums in the close-in downtown area near shopping and entertainment hubs, as well as to the young singles who traditionally have come to the City for jobs.14 To accommodate these buyers, almost 11,000 new downtown condominium units are slated

10/ Mary Schmich, Life on “Other Side” an Exciting Mix, Couple Discover, CHI. TRIB., June 16, 2000, § 2, at 1.
11/ Ray Quintanilla, City’s New School at Head of The Class, CHI. TRIB., May 22, 2000, § 1, at 1.
12/ Ray Quintanilla, City Public Schools Plan to Offer Preschool for Price, CHI. TRIB., Sept. 13, 2000, § 2, at 1.
13/ See id.
14/ See McCarron, supra note 6.
for development in 2002, compared to just 120 new units in 1991. 15 Many of the new units are in converted Grade B office buildings that are no longer technologically suitable for office use—conversions that result in saving and revitalizing some architectural gems that otherwise would have been lost. 16 Other units are in two dozen or so new high rises.

In addition, families are staying in the City in much greater numbers that at any time in the past 30 years—typically buying single-family houses, townhouses, or condominiums outside the central business district, all of which are being built in record numbers. 17 The City helped spur this residential revival a decade ago by approving zoning variances in the manufacturing district north of the city center. 18 The resulting big-box retail development means that city families can load up on diapers at Target and stockpile lightbulbs from Home Depot without draining a tank of gas on the expressway. 19

Sugar Grove and Chicago are examples of the market at work, albeit in different ways. In Sugar Grove, the Village has identified the market it wants to serve and has managed growth accordingly, using its large lot/open space approach to attract families tired of the dense developments in nearby suburbs like Naperville. In Chicago, Mayor Daley has transformed the

18/ Aileen Zimberoff, City Factories Fall Prey to Yuppification, CRAIN’S CHI. BUS., June 2, 1986, at 23.
19/ Thomas A. Corfman, Big Boxes, Big Bucks Seen for Roosevelt Road, CHI. TRIB., June 23, 2001, § 3, at 1.
City’s public services and physical attractiveness so that it is now a very appealing place to live. Developers have then identified the niche markets in the new City—where people want to live and how they want to live—and have cooperated with City planners to develop existing and new buildings accordingly. Those living in the Chicago area benefit from this market—having the choice of City living, the Sugar Grove large lot/open space approach, and the numerous intermediate alternatives presented by a large number of other suburbs. Cities, towns, and villages recognize that they are competing with each other for residents, businesses, and the tax revenue that comes with them. Because not everyone desires the same sort of environment, savvy administrators identify their niches and structure development accordingly. The result is a wide variety of types of communities and housing arrangements—and a choice for people about how to live.

To our minds, this market approach to the formation and expansion of communities is the best one. It leaves administrators a critical, market-based role—to create or adopt a vision of the community and to manage growth to serve that vision. It requires developers to adapt projects to the particular community. And it provides the best test of success. Communities that appeal to a large enough segment of the population will thrive; those that do not will fail. One of the great mistakes of the smart growth movement—which is resolutely anti-market—is the idea recently expressed by Maryland Governor Paris Glendenning, that “[A]cross the country people must realize that once something is paved over, there’s no going back.”\(^{20}\) That’s an arrogant statement reflecting a critical failing of the smart growth set—their short-term, ahistorical view that everything can be planned for now and that planners can get everything right now. History teaches that even paving-

over is not permanent. Anyone who has visited Inca or Maya ruins or come across the remains of discarded towns and villages in the Western United States or in England, like Old Sarum, knows this well. Quite apart from the effects of natural or man-made disasters, climate changes and the like, a town with no appeal in the market and a substitutable rival will die.

The efficacy of market-driven growth is exemplified by booming Houston. Houston is virtually unzoned—developers and builders determine how big residential lots should be, and the city sets minimal limits on density and height of residential and commercial buildings.\(^{21}\) Yet multiple-family structures have clustered in the part of Houston closest to downtown.\(^{22}\) The city has achieved higher population density than zoned Dallas or Phoenix.\(^{23}\) Heavy industry has chosen—because of the price of land and the prospect of public anger—not to locate next to residential subdivisions, leaving light industry to settle in.\(^{24}\)

And if Houston residents object to the natural, market-driven shape their city takes, they need not resort to confining, inflexible zoning ordinances. American law has armed them with two potent weapons to shape their local community as they wish: restrictive covenants and nuisance law. Land use expert Robert C. Ellickson has commented that centralized zoning can extract a high price for the prevention of neighbor-to-neighbor skirmishes about land use.\(^{25}\) In contrast, private legal


\(^{22/}\) See id. at 734-735.

\(^{23/}\) See id. at 735.

\(^{24/}\) See id. at 735, 742.

remedies allow citizens to autonomously weigh whether a specific land use in their community warrants an investment of time, money and political capital. Unlike smart growth initiatives, these private causes of action work with the market to curb development that offends a large swath of the community, rather than a few planning elites.

History teaches that land-use decisions are better allocated to consumers—homeowners, workers, and customers who will spend their living and working lives in a community—because planning and architecture movements like smart growth are temporary phenomena. They are fads—driven by academicians and by the egos of planners, but derailed in the marketplace. We cannot help but compare the narrow, imperialistic vision of the smart growth advocates with the other planning utopias so brilliantly exposed by Jane Jacobs in 1961 in *The Death and Life of Great American Cities*—Corbusier’s vision of sterile, vertical cities of interconnected residential towers and no streetlife; Lewis Mumford’s advocacy of turning homes away from the street; the creation of concentrated high rise public housing, and so on.26 As in those cases, smart growth planning is “authoritarian” and “paternalistic,” and “the right to have plans of any significance belong[s] only to the planners in charge.”27 The smart growth advocates have plans for a “social utopia”—one in which suburban development is concentrated, auto use reduced, and the “neighborliness” of dense residential development and public transport use is an enforced good. 28

An over-reliance on planning not only risks heading off in yet another wrong direction, wooed by the latest trend in doctoral theses, but also threatens the innovation that has driven

27/ Id. at 24, 26.
28/ See id. at 30.
America’s huge economic engine. Competition among “politically fragmented” communities has enabled us to avoid creating the sort of “neat, tidy, well-organized place[s]” that can smother creativity. 29 A metropolitan region’s diversity of styles and structures provides “unique advantages in a global economy that rewards creativity and innovation” as its “chaotic look and feel provide a fertile setting for innovators and entrepreneurs.” 30

Ask yourself this. Do you trust the elected officials and planning bureaucrats in your community to make good, long-term choices to micro-manage development? Or are we better off if government sets broad, short-term goals, then manages growth accordingly while allowing the market to do the heavy lifting? The market is much more sensitive to people’s needs and desires than the planning elite. That elite would rather direct people how to live—you will enjoy living in my new urbanism vision of terraced homes and wide sidewalks 30 miles from the nearest city—rather than respond to what people really want. To our minds, communities succeed when they supply people with what they want now—and fail when they seek to force people into some academic’s view of what the “good” community looks like. If large-lot, semi-rural living is what some people want—despite the long commutes it may entail—then government succeeds by facilitating those sorts of living arrangements, and fails by labeling this “sprawl” and a “bad thing.” If government wants to discourage what some call sprawl, it should do so by making other choices more attractive—like the Chicago model we have described above. Of course, smart growth enthusiasts think cities cannot compete. They say that they oppose “sprawl” because it causes the


30/ Id.
deterioration of built up areas. We think the Chicago experience shows cities can compete very well indeed.

Instrumental in Chicago’s growth are business and civic planning groups, such as Metropolis 2020 and the Metropolitan Planning Council. Members of these groups are ideally positioned to assess what is desired by people on the ground, because they employ them and do business with them. As important, they boast influential and well-respected members with access to corporate and political resources. It is no accident that Metropolis 2020 was founded by the Commercial Club of Chicago, which sponsored the Burnham Plan setting goals for business and residential development and green space in the city. Metropolis 2020 is equally ambitious. Its corporate members tout responsible growth in the marketplace, stressing the availability of affordable housing and transportation alternatives when making relocation and expansion decisions.

Despite the demonstrated success these private groups have had shepherding responsible development in and around cities, smart growth proponents yearn for more. They justify their cries for top-down planning with dramatic complaints about the current situation. One leading smart growth proponent has charged that market-driven growth has caused six “major crises” in America’s metropolitan regions. Smart growth expert Robert H. Freilich contends that market-driven growth

\[ \text{See id.} \]

\[ \text{King Harris, Affordable Housing, CHI. TRIB., Feb. 17, 2001, § 1, at 25.} \]

\[ \text{ROBERT H. FREILICH, FROM SPRAWL TO SMART GROWTH 16 (1999).} \]
leads to deterioration of existing cities and close-in suburbs; environmental degradation such as loss of wetlands and poor air and water quality; overconsumption of gasoline energy; fiscal insolvency, transportation congestion, infrastructure deficiencies, and taxpayer revolts; agricultural land conversion; and unaffordable housing.36 We think these “crises” are vastly overstated.

The first of these complaints is amply refuted by the tremendous success in recent years of cities like New York and Chicago along with close-in suburbs like Chicago’s Evanston and Oak Park. Cities and suburbs succeed by appealing in the marketplace to diverse individual and business consumers. The renaissance of the urban downtown is not a fluke, and it is not restricted to northern, post-industrial cities. In Atlanta, developed land increased 81.5% between 1982 and 1997, outstripping the area’s 60.8% population growth.37 In 1998, Hewlett Packard backed off of plans to expand operations there, in part because workers were disgruntled by traffic problems. Now the pendulum is swinging. The National Association of Home Builders recently showcased a development of Atlanta homes built in an old industrial enclave outside the city center.38 An NAHB spokesperson explained that some retiring Baby Boomers are wearying of “McMansions,” while young professionals are demanding shorter commute times.39 Two major homebuilders, Pulte and Centex, have launched similar efforts in Dallas and Detroit.40 Cities and close-in suburbs that

36/ See id.


39/ See id.

40/ See id.
market themselves to consumers have nothing to fear from the far suburbs, which offer a totally
different type of life catering to different segments of the population.

Other of Freilich’s supposed “crises” are equally fictional—or at least temporary and more
effectively addressed than by depriving consumers of their preferred ways of living. For example,
it is erroneous to suggest that the loss of farmland to development is a dreadful thing. Of course,
America’s ability to produce plentiful, affordable, and safe food is critical to the Nation’s well-being
and even to national security. But as farming has become much more efficient, we no longer need
the same vast rural areas that were necessary for food production 50 years ago. Indeed, depressed
farm commodity prices and our (very necessary) farm subsidy system contradict the notion that
every loss of a farm field to development is a tragedy to be avoided. Most farmers dearly want to
remain farmers. But as development nears, the real tragedy for a farm family is not the potential loss
of a particular parcel or even farm—it is the arrogance of government that tells the farmer he may
not sell for development, depriving the farmer of free choice about how to use his private property
and the developer of the opportunity to satisfy market demand. Planning policy should not deprive
the Nation’s farm families of the rational economic choice to sell up and move their farm operations
(or even get out of the farming business if that is their preference).

An example. In Dutchess and other rural counties 100 miles north of New York City, apple
growers are selling to developers because apple prices have fallen from $14 a bushel in 1990 to $9
a bushel now, while the cost of producing a bushel of apples is around $11.41 Growers are selling
up, buying lower-cost land further north to continue production, or using the opportunity to change

direction. A grower deciding to forgo the lure of the developer’s check may be admirable; but no grower deserves to be told by government that he must farm rather than develop his land.

The absurdity of smart growth’s “no loss of rural land” banner is clear once the figures are examined. Only a little over 3% of U.S. land—60 million acres—is urban or suburban. Only about 1 million acres a year are brought within development. At that rate, it will be another 200 years before even 10% of U.S. land is developed. And more land each year is being protected by park, wilderness, and other designations than is being developed. There is, therefore, no plausible concern that rural America is being paved over. Rather, smart growth advocates appear to have been coopted by Sierra Club environmentalists and their no-growth agenda. Smart growth’s insistent harping on the supposed environmental degradation caused by exurban development further evidences what many believe—that planners have been taken in by the dire predictions of environmental extremists who oppose growth. The Clean Water Act, Clean Air Act, Endangered

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42/ See id.
44/ See id.
45/ See id.
46/ See id.
47/ See id. See also http://www.sierraclub.org/sprawl/report98/report.asp (last visited February 8, 2002).
48/ 33 U.S.C. § 1251 et seq.
49/ 42 U.S.C. § 7401 et seq.
Species Act, and innumerable other federal and state environmental protection schemes already balance the need for development with the goal of preserving the environment.

Far from exurban development leading to “unaffordable housing,” as smart growth advocates assert, a new study from Tufts University authored by Matthew Kahn documents that “suburban growth [creates] more affordable housing and greater opportunities for home ownership,” particularly among minorities. Looking at house prices, home ownership patterns, and development patterns in a dozen metropolitan areas with spread-out development, Kahn “found a pattern of more affordable housing prices compared with areas where there is less sprawl” and some “closing of the black-white home ownership gap in ‘sprawling’ areas.” In contrast, Portland—widely regarded as a model community among smart growth advocates—experienced a 102% increase in median home prices between 1990 and 1998. Thus, Portland scored a 121.7 housing cost index rating, compared with a 103.3 rating for “sprawling” Phoenix.

Our alleged “overconsumption of gasoline energy” can be dealt with directly, as automakers and the EPA are addressing it, through technological developments such as dual-powered cars, alternative power sources, and, in the short term, more fuel efficient engines. The notion that curbing development is a good or necessary way to reduce our reliance on oil when this issue can

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16 U.S.C. § 1531 et seq.

Anthony Flint, Sprawl is Seen as Helping Some Gain Home Ownership, CHI. TRIB., Sept. 16, 2001, § 7, at 3.

Id.


See id.
be targeted so much more directly and efficiently is unconvincing. It is foolish to plan around a problem that will certainly disappear within a century due to technological advances. Nor is “sprawl” enemy number one in the battle against traffic gridlock. In the past 30 years, during which the United States’ population has grown 32%, the number of drivers has spiked 63%, the number of cars 90%, and the number of vehicle miles 132%; yet road capacity has improved only 15%. Clearly, we have to make greater efforts to bring investment in roads and public transportation systems in line with demand. Demand—driven by the work and living patterns chosen by employers and families—should determine our investment in transportation infrastructure. It is economically shortsighted to plan around presently inadequate transportation systems rather than work to transform them.

Smart growth controls, in any event, are not a solution to gas consumption or traffic congestion. During the 1980s, it has been shown, the average metropolitan area saw suburban growth of about 237,000 people. If all of these people elected to live within walking distance of a public transportation stop, in a mixed-use commercial-residential area, the average metro area would require no fewer than 63 new transit-oriented developments over 96 miles of transit system (more miles than the BART system in San Francisco). Even if that could be achieved, it is quite unclear whether these smart growth dwellers would use the transit system, for transit-friendly

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56/ See Peter Gordon & Harry Richardson, Are Compact Cities a Desirable Planning Goal?, 36 J. AM. PLAN. ASS’N 95 (1997), (citing ANTHONY DOWNS, NEW VISIONS FOR METROPOLITAN AMERICA (Brookings Institution 1994)).

57/ See id.
development alone does little to increase ridership.\textsuperscript{58} The Portland experience illustrates the fallibility of the public transit model. That City is projecting an increase in car use many times that of mass transit. As folks who spend a lot of time driving around Chicago, we can attest that dense development, the close proximity of work and home, and an excellent, fully-developed public transport system does not end clogged streets and lengthy commutes.

Smart growth advocates also raise the specters of fiscal insolvency, infrastructure deficiencies, and taxpayer revolts. Statistics suggest that the most significant infrastructure savings achieved by managed growth as opposed to market growth is in road construction.\textsuperscript{59} According to a trio of studies, the cost of roads in the managed growth environment is 40\% to 76\% of the road cost in a market growth setting.\textsuperscript{60} According to the same studies, utility extensions in managed growth scenarios can cost anywhere from 60\% to 92\% of similar investments in a market growth scenario.\textsuperscript{61} The cost of running public schools in a managed growth scheme can be anywhere from 93\% to 99\% of the comparable cost in a market growth setting—a negligible savings.\textsuperscript{62} These figures hardly provide convincing support for the contention that sprawl causes infrastructure deficiencies and threatens fiscal insolvency. Smart growth proponents ignore the very substantial economic benefits that come from road and other infrastructure developments, as new infrastructure

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\textsuperscript{58} See Gordon & Richardson, supra note 56, (citing Robert Cervero, \textit{Transit-Focused Development: Does It Draw People into Transit and Buses?}, 4 IURD Universe 3 (1994)).


\textsuperscript{60} See id.

\textsuperscript{61} See id.

\textsuperscript{62} See id.
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spurs commercial and residential development that boosts the tax base. Infrastructure, in fact, is the best investment a community can make with the highest long-term return.

As for taxpayer unrest, the one infrastructure investment that is demonstrably more expensive in a market-growth setting—roads—is the one that can most readily be financed by user tolls rather than by local taxes. City taxpayers in truly deteriorating cities may indeed suffer from a period of infrastructure decline and tax pressure as a result of ex-urban development. But any falloff in property values will almost inevitably draw developers of one kind or another. Reverting to the Chicago experience, the first inkling of an urban renaissance was the conversion of unoccupied warehouse space and depopulated churches into trendy loft condominiums more than a decade ago. In fact, the City had to designate some land adjacent to the city center as “planned manufacturing districts,” in order to protect industrial strips near the city center from the influx of residential and retail development.

In sum, “smart growth” rests on a series of errors: philosophical errors about the nature of flourishing and the good life; political errors about the American people’s tolerance for top-down regulation that interferes with their lifestyle choices and economic well-being; economic misjudgments about the strength of market forces and an amazing underestimation of the power of competition to improve our lot; practical misconceptions of all sorts, including the state of rural America and agricultural production and the drawing power of cities; and a misplaced belief that the views of the academy and intellectual elites are somehow more important or better than the

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choices that ordinary folks make. The choices of the average citizen are instructive. Voters in Colorado and Arizona defeated smart growth initiatives last year by a 70 to 30 margin.65 And citizens are voting with their housing dollar. Homeowners are not just choosing city living in Chicago and New York, but even perennial ugly duckling Cleveland has seen migration back into the city.66

When smart growth advocates look around, apparently what they see is dismal failure and imminent danger—a country destroyed by sprawl where family life is ruined by long commutes, decayed urban centers, dwindling agricultural production, and a despoiled environment. We don’t recognize that country. When we look around we see a vibrant Nation where the engine of industry and commerce has raised living standards (the poor’s included) to unprecedented levels; a country with wide open spaces so vast that they’ll never be filled; an increasingly efficient, safe, and economical food supply; and a country in which people have a wide range of housing and work options to suit their preferences and economic circumstances.

Nothing is perfect, of course. The question is, do we best deal with the problems that remain with the sort of heavy-handed governmental micro-management on which smart growth depends? Or do we succeed through a lighter regulatory touch that allows the market to respond to individual choices about the sorts of communities and housing that we want? The evidence is clear that we will do best to continue the government/developer market-based partnership that has allowed us to reach the enviable position we are now in.

