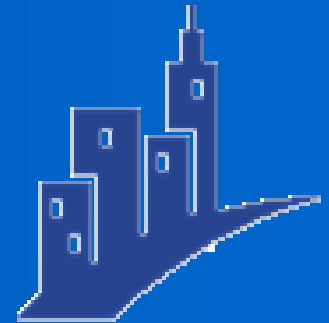




The Brookings Institution

Metropolitan Policy Program
Bruce Katz, Director

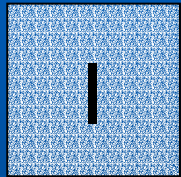


At the Corner of Future and Main: The Benefits of High Density, Center City Development

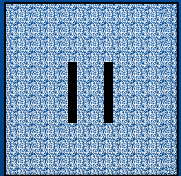
Center City Seattle Open House
Bertha Landis Room, City Hall
Seattle, Washington
September 20, 2004



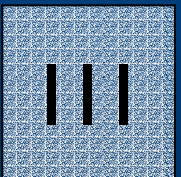
At the Corner of Future and Main: The Benefits of High Density, Center City Development



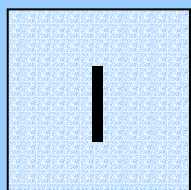
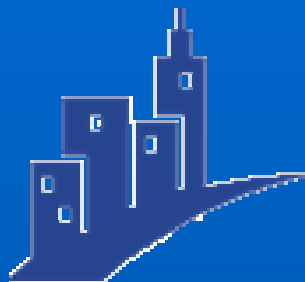
What are the benefits of high density, center city development?



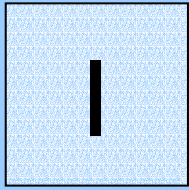
How is Seattle faring on this front?



Where do you go from here?



What are the benefits of high density, center city development?



What are the benefits of high density, center city development?

Compact development enhances economic performance

Compact development is more fiscally responsible

Well-being of the city and the suburbs is interdependent

Denser downtown development expands housing choice



Density enhances economic performance through:



Productivity gains



Innovation gains



Density contributes to productivity

→ Average labor productivity increases with more employment density

Ciccone and Hall (1996)

→ “Accessible” cities with efficient transportation systems had higher productivity than more dispersed places (47 metro areas)

Cervero (2000)

→ Compared to others, growth management metros were likely to see improvements in metropolitan level personal income

Nelson and Peterman (2000)



Density contributes to innovation by attracting young, educated workers

→ High density brings with it amenities that create a high “quality of place” that attracts young knowledge-workers

→ Ideas, innovation, and creativity now drive the economy

→ Economic success requires large numbers of people with a college education and high skills



Density enhances innovation by increasing interactions and knowledge-sharing among workers

→ Dense labor markets, efficient transport, and high clustering of jobs lead to knowledge spillovers, both within and across industries

→ Denser local economies have been linked to increased patenting

Carlino (2001)



Educated metro areas win in the new economy

→ Each additional year of education of workers in a metro area leads to another 2.8 percent growth in productivity

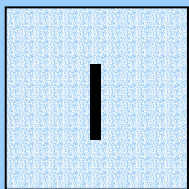
Rauch (1993)

→ The cities and metros with highly skilled workers in the 1990s also had high population and income growth

Glaeser et al (2000)

→ The metro areas that have high proportions of skilled, educated labor are better able to reinvent themselves and adapt to changing economic needs

Glaeser et al (2003)



What are the benefits of high density, center city development?

Compact development enhances economic performance

Compact development is more fiscally responsible

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Denser downtown development expands housing choice



The costs of sprawl are well-researched and well-recognized

Low density development increases demand for facilities:

- New schools
- New roads
- New public facilities
- Sewer and water extensions

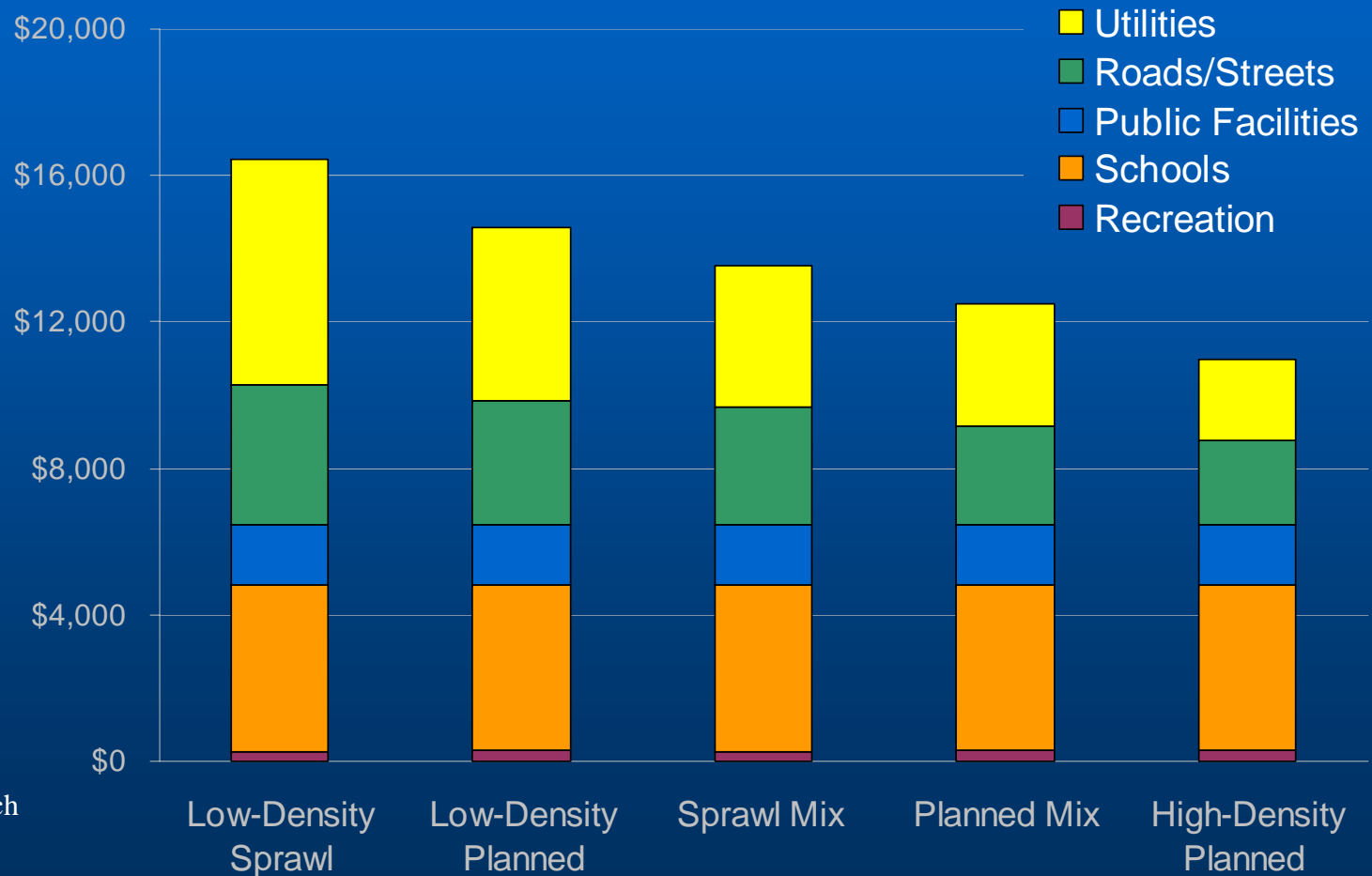
Low density development increases the costs of key services:

- Police
- Fire
- Emergency medical



Studies estimate the degree of capital cost savings from denser development...

Estimated cost savings by community prototype



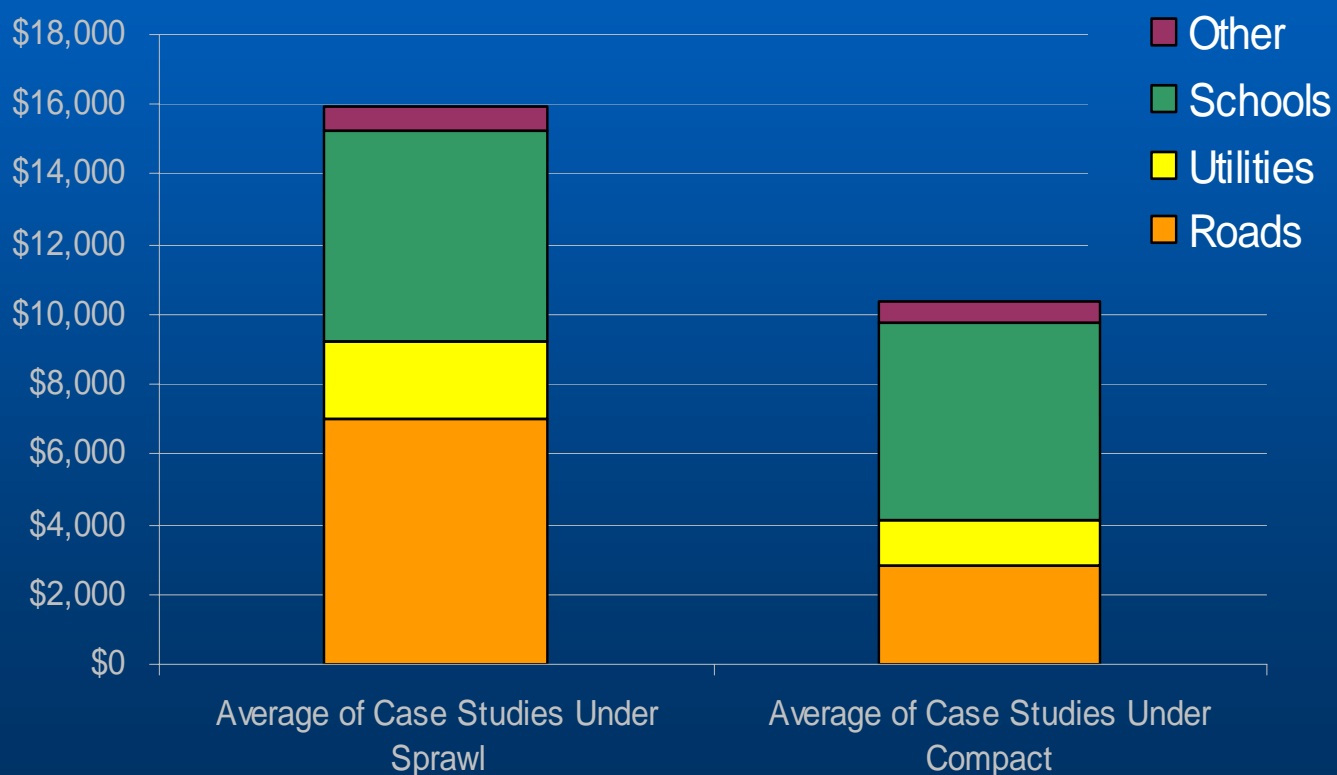
Source: Real Estate Research Corporation (1974)

Community Prototypes (10,000 units)



...an idea substantiated by Florida case studies

Florida Growth
Patterns Study
Total Public
Facilities Costs by
Development Type
(Per Dwelling Unit
1989 Dollars)



Source: Duncan (1989)



Studies estimate the service delivery savings from more compact development


Dollar costs of new services (including police, fire, highway, schools, and solid waste) per 1,000 new residents for a family of 4 in Kentucky

Source: Bollinger, Berger, and Thompson (2001)


	Development Pattern	Cost
Central city counties		
Fayette	(more concentrated)	(\$1.08)
Jefferson	(more spread out)	\$37.55
Suburban counties		
Shelby	(more concentrated)	\$88.27
Pendelton	(more spread out)	\$1,222.39
Counties with small towns		
Warren	(more concentrated)	\$53.89
Pulaski	(more spread out)	\$239.93
Outer ring and rural		
Garrard	(more concentrated)	\$454.51
McCracken	(more spread out)	\$618.90



The density-related fiscal savings are estimated to be substantial



Nationwide, more compact development could save governments 11% on capital outlays over the long term



More compact development could save governments almost 4% on service provision

Source: Muro & Puentes (2004)

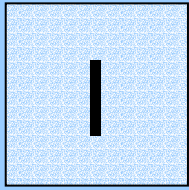


Attracting more residents downtown boosts the tax base to help achieve multiple city goals

→ Seattle's downtown residents tend to be young and average persons per household are 1.34

→ These residents tend to contribute to tax bases rather than cause a strain on public funds

→ Attracting more of these residents helps enhance the general fiscal capacity of the city



What are the benefits of high density, center city development?

Compact development enhances economic performance

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Well-being of the city and the suburbs is interdependent

Denser downtown development expands housing choice



Fostering equity and vitality in city centers enhances the well-being of the suburbs

→ City income growth positively affects suburban growth in terms of income, housing prices, and population

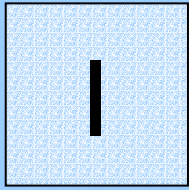
Voith (1998)

→ Reductions in central city poverty rates lead to metropolitan income growth

Pastor and others (2000)

→ Alleviates pressure on suburban/undeveloped areas

→ Urban decay harms existing infrastructure, reduces regional amenities, and imposes social costs



What are the benefits of high density, center city development?

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Compact development is more fiscally responsible

Well-being of the city and the suburbs is interdependent

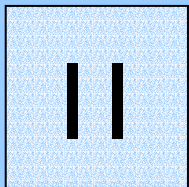
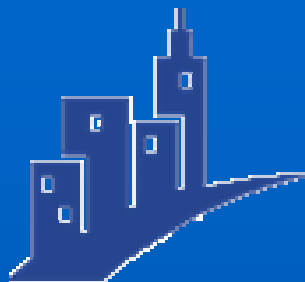
Denser downtown development expands housing choice



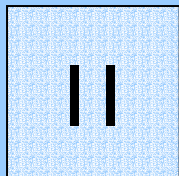
More residential offerings downtown provide a better opportunity for spatial match between home and work

→ Increasing the opportunity to live downtown increases the opportunities for spatial match between work and home

→ Less congestion, lower transportation costs, less pollution, reduced travel time



How is Seattle faring on this front?



How is Seattle faring on this front?

Seattle's center city is experiencing strong growth

Center city growth reflects/furtheres key demographic and economic assets

But broader regional challenges remain



In order to better understand the trends in Seattle, we used other peer West coast/high-performing metro areas for comparison



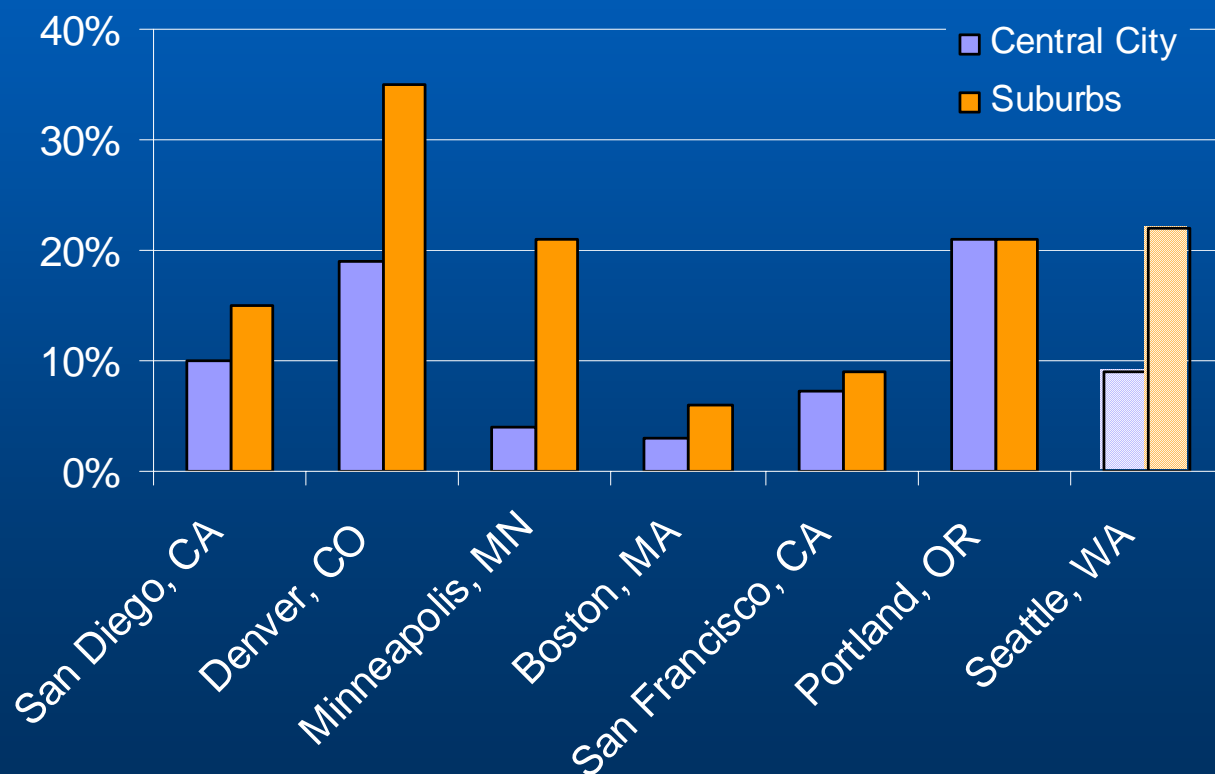
San Diego, CA
Denver, CO
Minneapolis, MN
Boston, MA
San Francisco, CA
Portland, OR



Seattle had competitive growth rates through the 1990s

Population growth rates, 1990-2000

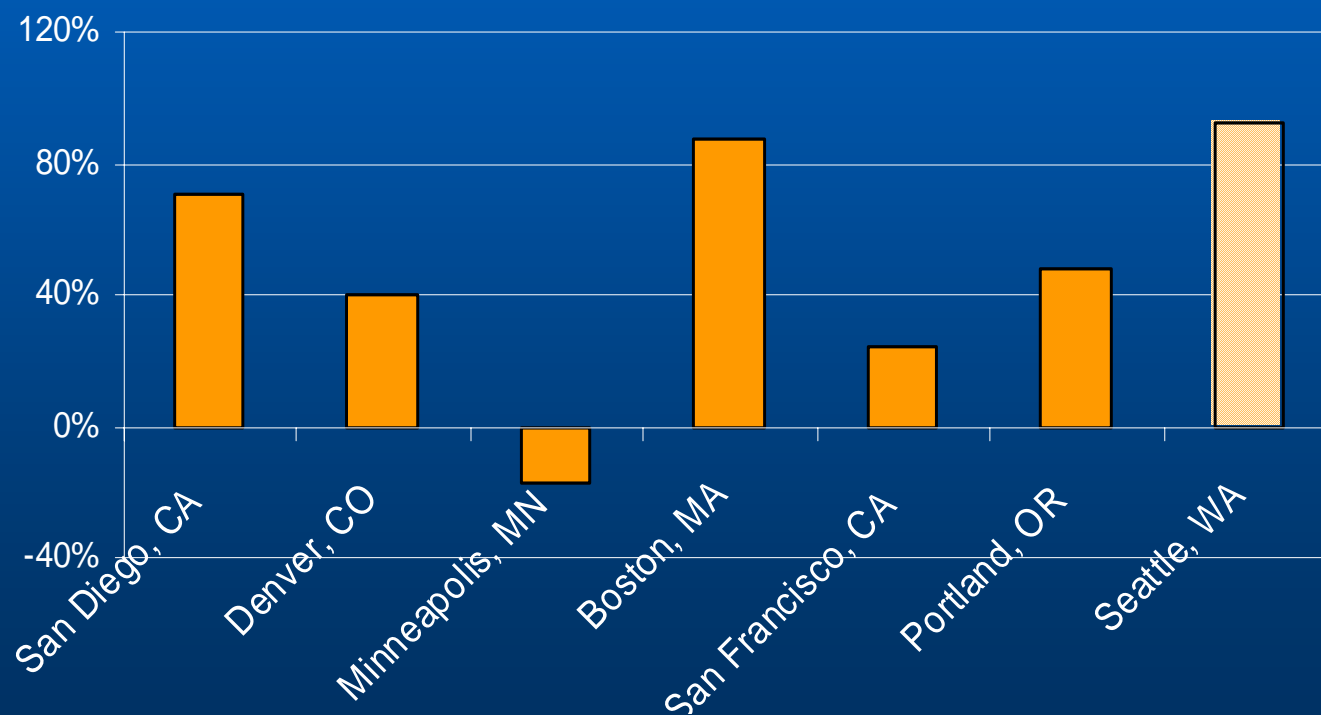
Source: Living Cities Database





Seattle's downtown is growing faster than its peers...

Downtown population
growth rates, 1970-2000



Source: Birch,
forthcoming.



...and any other downtown area

Rank of 46
downtowns, by
population growth
rates, 1970-2000.

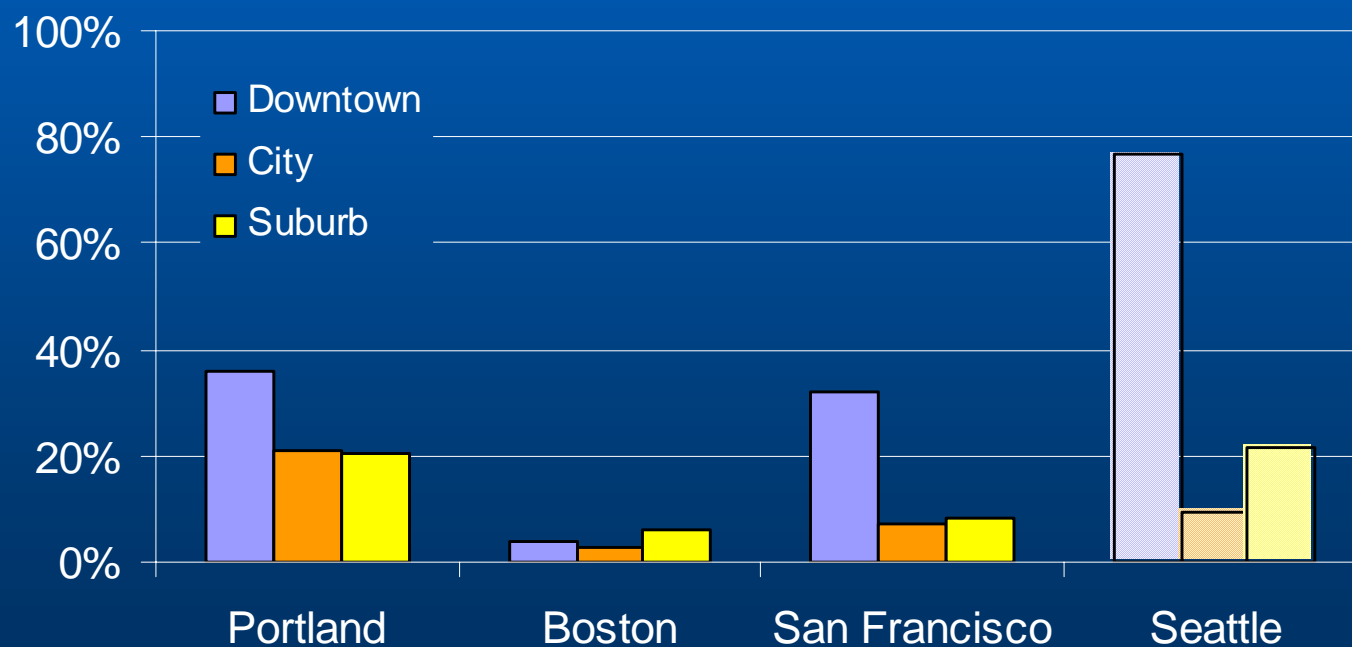
Rank	City	Downtown Growth Rate
1	Seattle, WA	92%
2	Boston, MA	87%
3	San Diego, CA	71%
4	Lower Manhattan, NY	61%
5	Los Angeles, CA	58%
6	Denver, CO	40%
7	Chicago, IL	39%
8	Midtown Manhattan, NY	29%
9	San Francisco, CA	24%
10	Columbus, GA	-2%

Source: Birch,
forthcoming.



Downtown is growing faster than the city as a whole or its suburbs

Population growth rates, 1990-2000

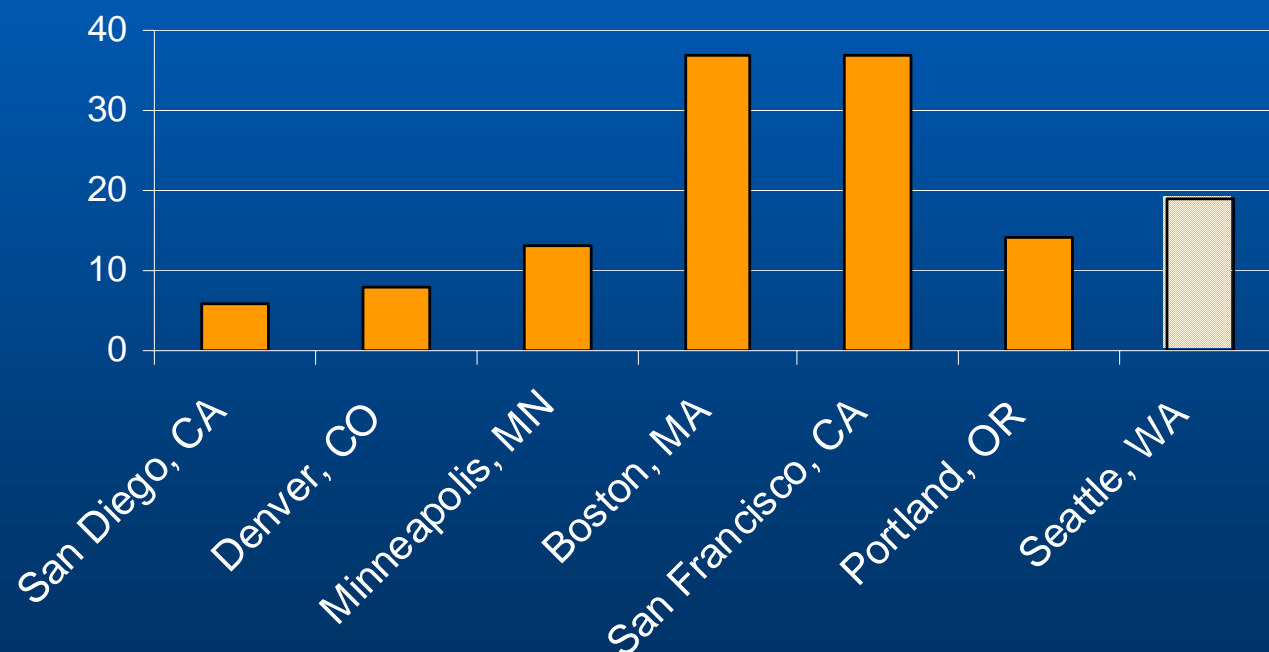


Source: *Who Sprawls Most?*,
Fulton *et al* (2001),
Birch forthcoming.



This recent growth has put Seattle's downtown density on par with peers

Downtown population
Density (per acre),
2000

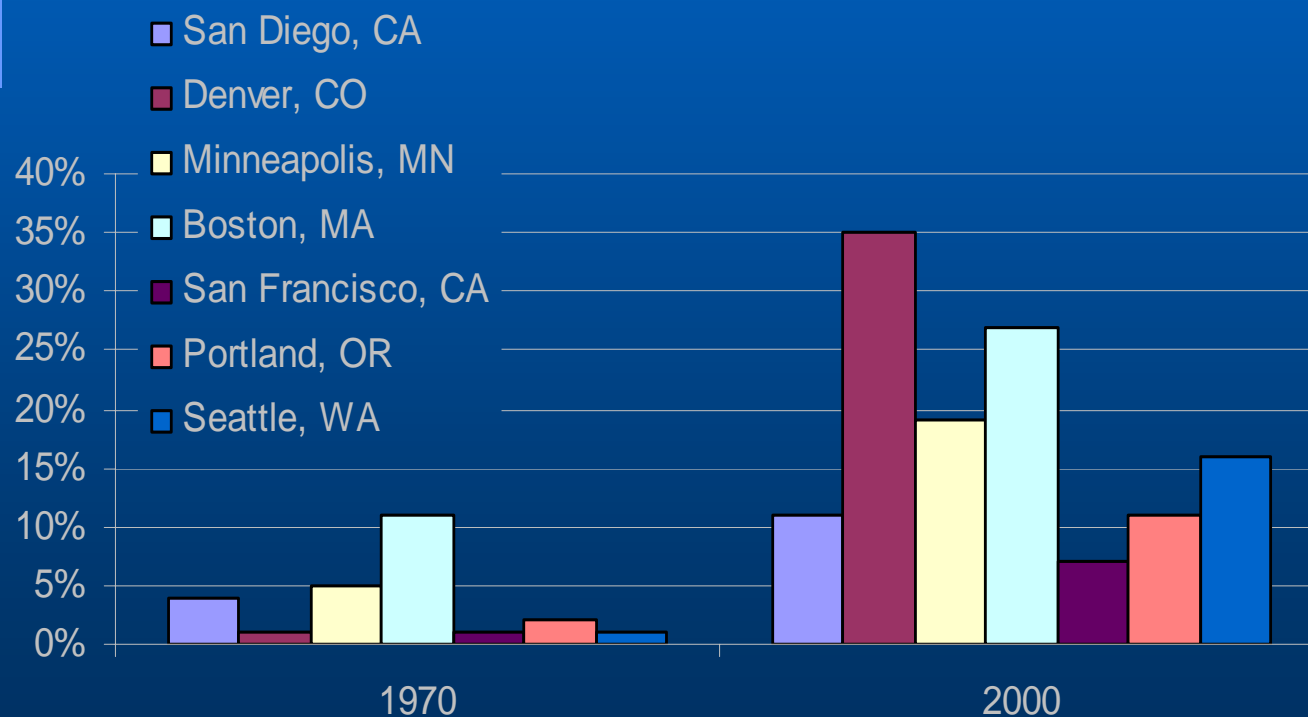


Source: Birch,
forthcoming.



And previously lagging homeownership rates are improving

Downtown
homeownership rates,
1970 and 2000



Source: Birch,
forthcoming.

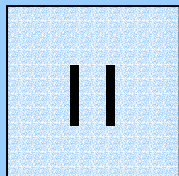


Downtown growth is expected to continue

→ Downtown residency is expected to grow by 74-120% (16,000 to 26,000 residents) between 2000 and 2020

→ Employment growth over the same period is expected to be 29-40% (50,000-70,000 workers)

Source: Draft Environmental Impact Statement on Proposed Changes to Height and Density Limits Downtown, Seattle Department of Planning and Development, 2003.



How is Seattle faring on this front?

Seattle's center city is experiencing strong growth

Center city growth reflects/furtheres key demographic and economic assets

But broader regional challenges remain



Seattle ranks high in education

Rank of 100 largest
cities in the U.S., 2000

Source: Living Cities
Database

Rank	City	Share of Population 25 and Older with Bachelor's Degree	Population
1	Plano, TX	53.30%	144,046
2	Madison, WI	48.20%	126,804
3	Seattle, WA	47.20%	409,582
4	San Francisco	45.00%	595,805
5	Raleigh, NC	44.90%	174,393
6	Scottsdale, AZ	44.10%	150,662
7	Fremont, CA	43.20%	136,242
8	Austin, TX	40.40%	401,137
9	Washington, DC	39.10%	384,535
10	Minneapolis, MN	37.40%	243,409



The city has the 15th highest median income among the 100 largest U.S. cities...

City median household
income, 2000

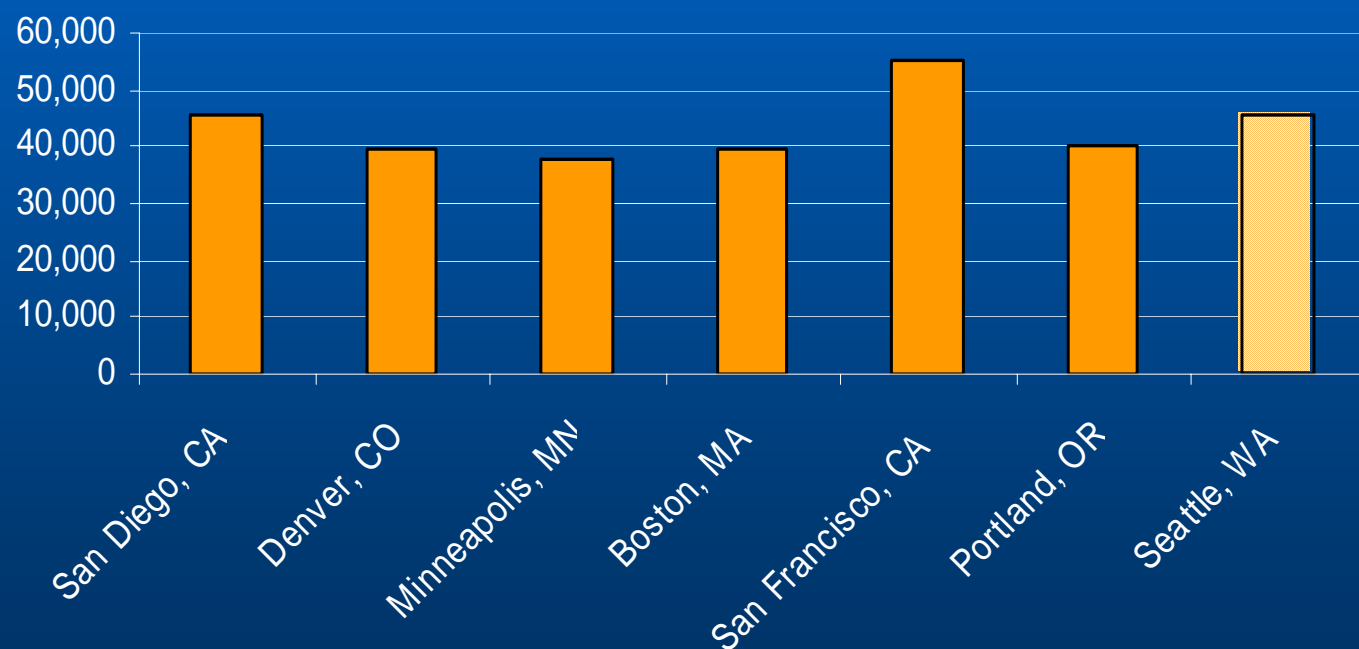
Rank	City	Median Income
1	Plano, TX	78,722
2	Fremont, CA	76,579
3	San Jose, CA	70,243
6	San Francisco	55,221
15	Seattle, WA	45,736
16	San Diego	45,733
32	Portland, OR	40,146
41	Boston, MA	39,629
42	Denver, CO	39,500
49	Minneapolis, MN	37,974

Source: Living Cities
Database



...and income on par with other high-performing and West-coast peers.

Median household
income, by city, 2000

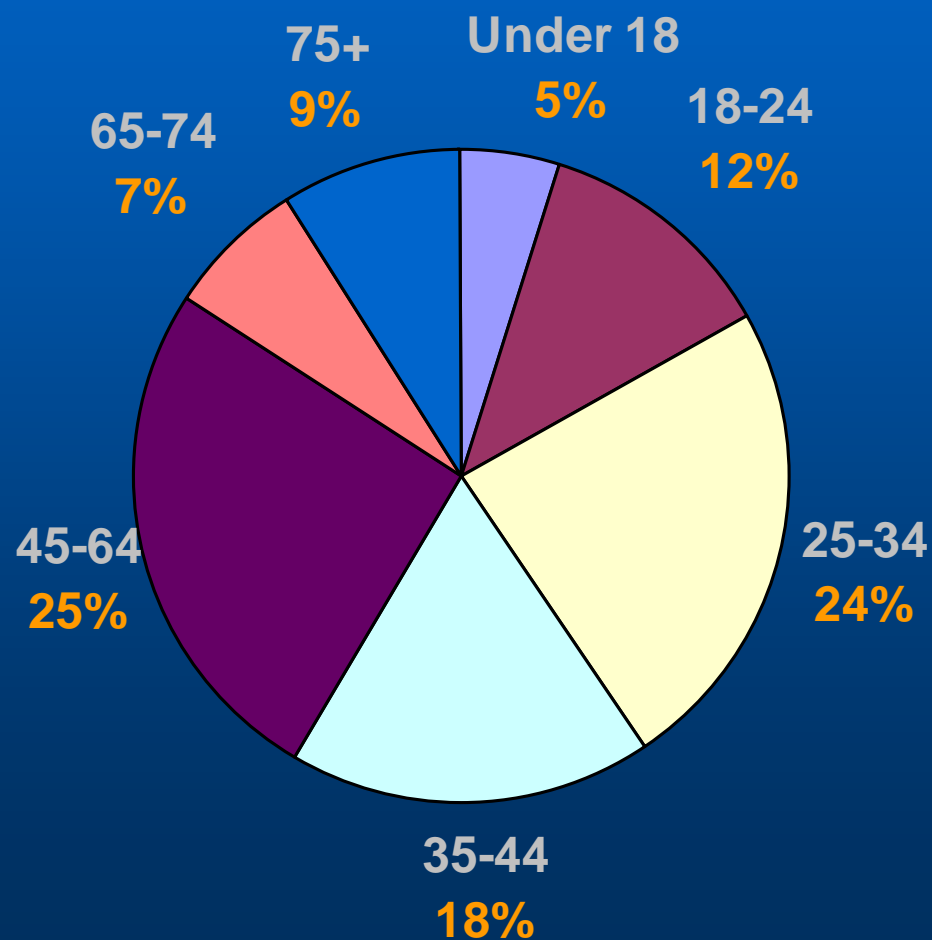


Source: Living Cities
Database



Downtown Seattle is successful at attracting young adults...

Downtown age
distribution, 2000

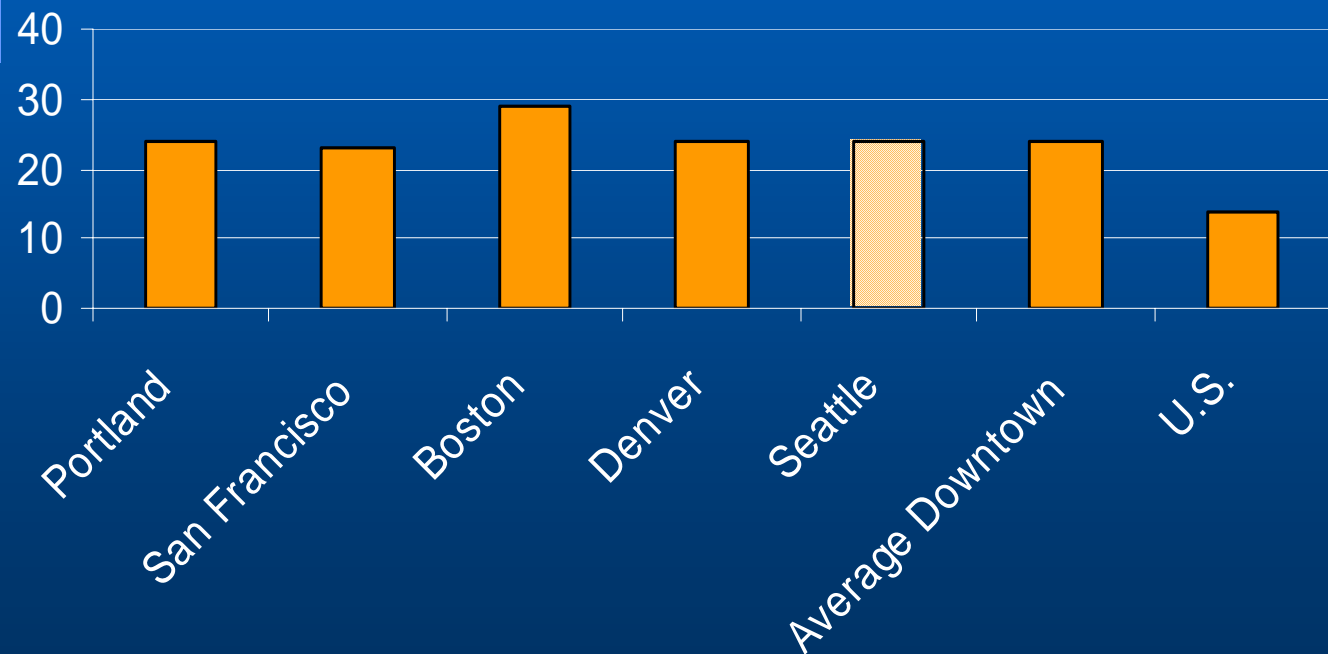


Source: Birch
(forthcoming)



... a characteristic common to high-performing downtown areas

Percentage of
population age 25-34,
2000



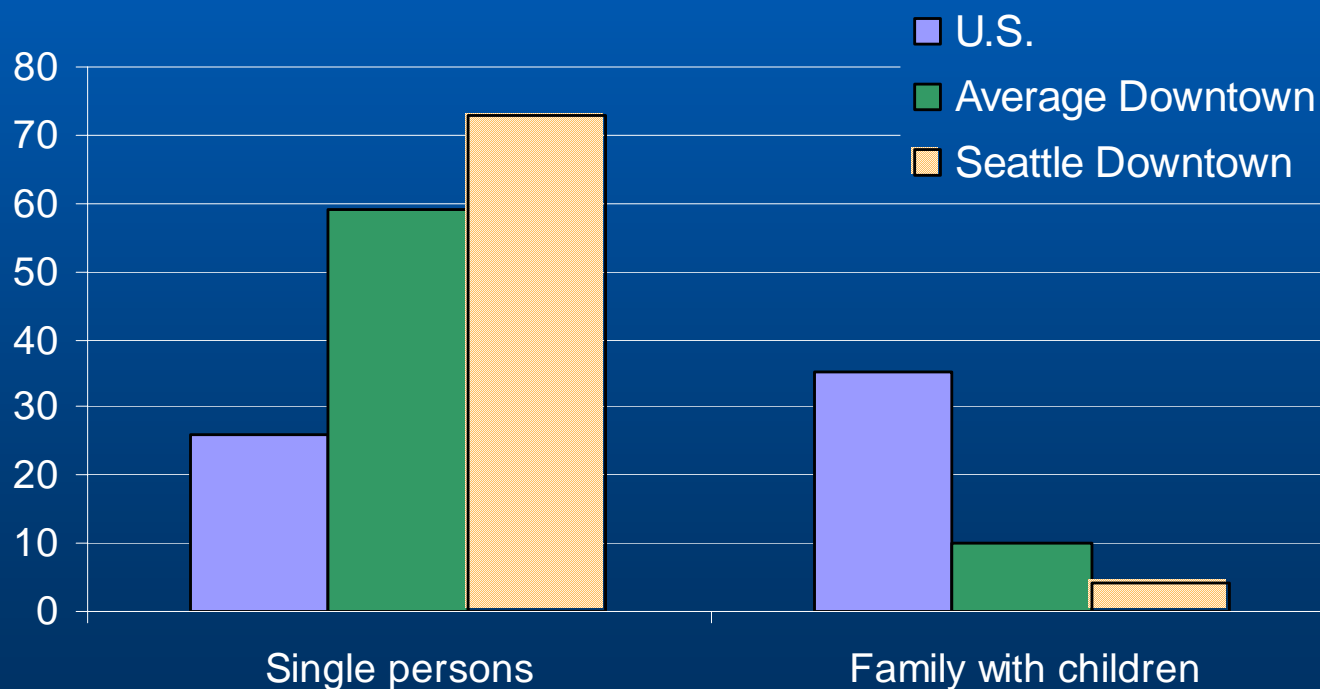
Source: Birch
(forthcoming)



Seattle attracts largely single people downtown

Percentage
composition of
households, 2000

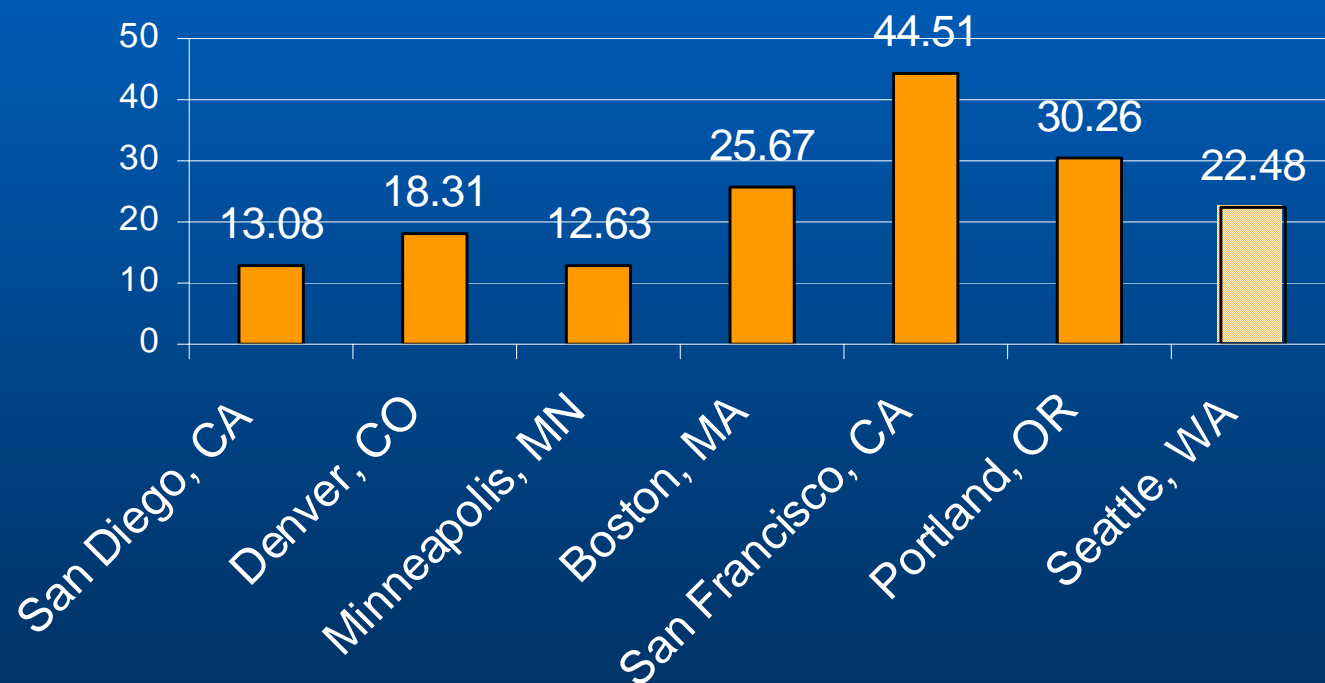
Source: Birch
(forthcoming)



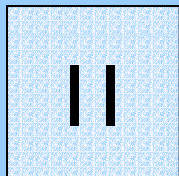


Given the strong employment base in the downtown, residential growth has great potential

Percentage of total employment within 3 miles of the central business district



Source: Glaeser et al, 2001



How is Seattle faring on this front?

Seattle's center city is experiencing strong growth

Center city growth reflects/furtheres key demographic and economic assets

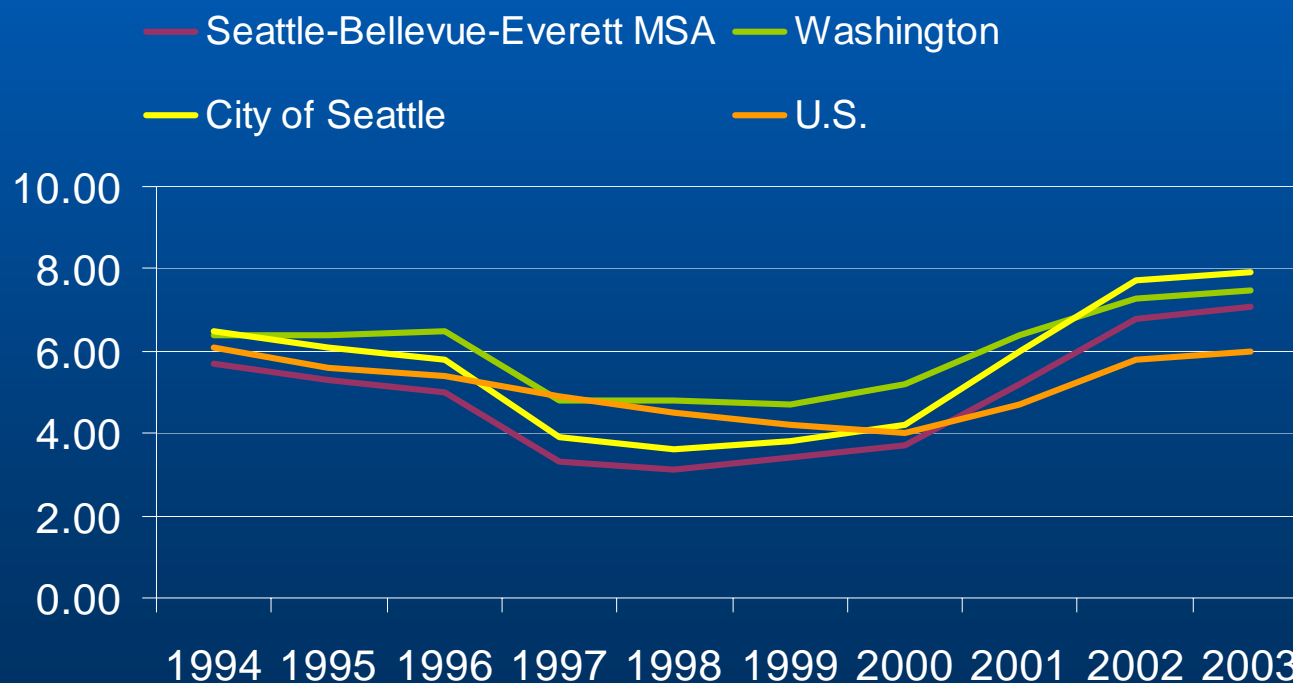
But broader regional challenges remain



The Seattle area was hit especially hard with the economic downturn in 2001

Annual unemployment rates
(not seasonally adjusted)

Source: U.S. Bureau of Labor Statistics



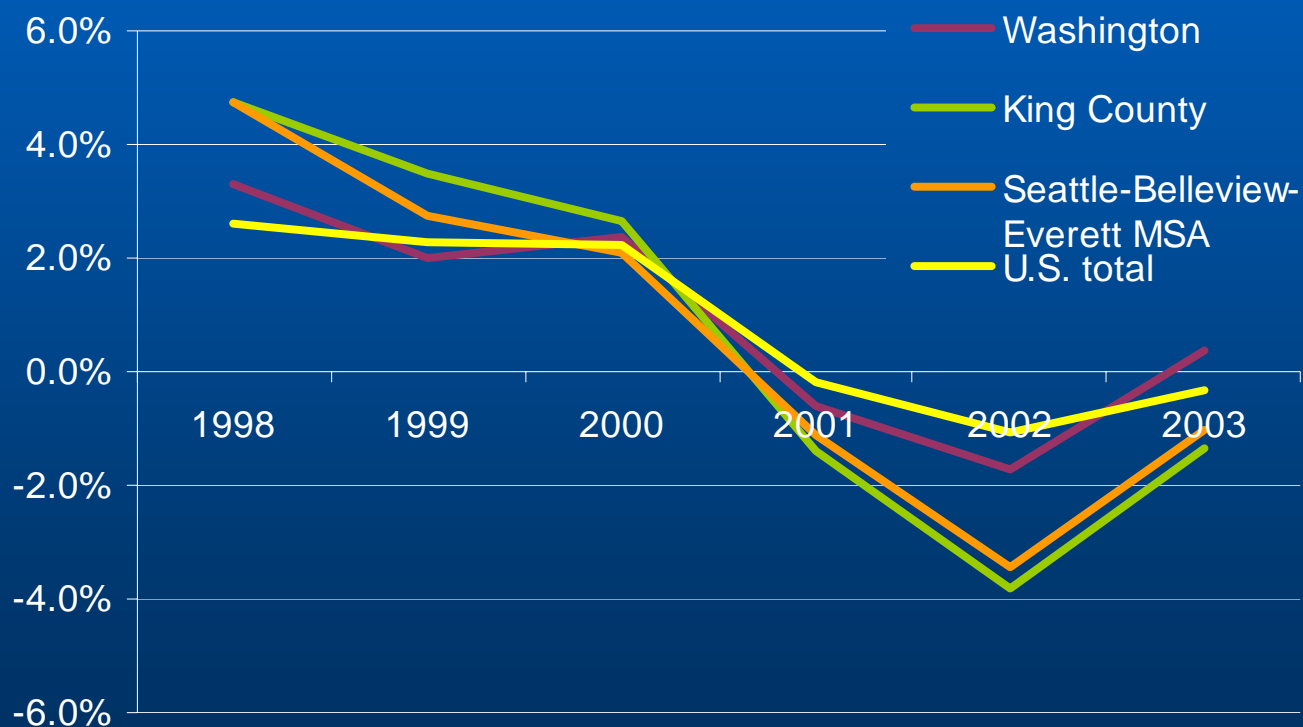


But the area is showing signs of recovery

Growth in total covered employment

**2003 data is preliminary

Source: U.S. Bureau of Labor Statistics

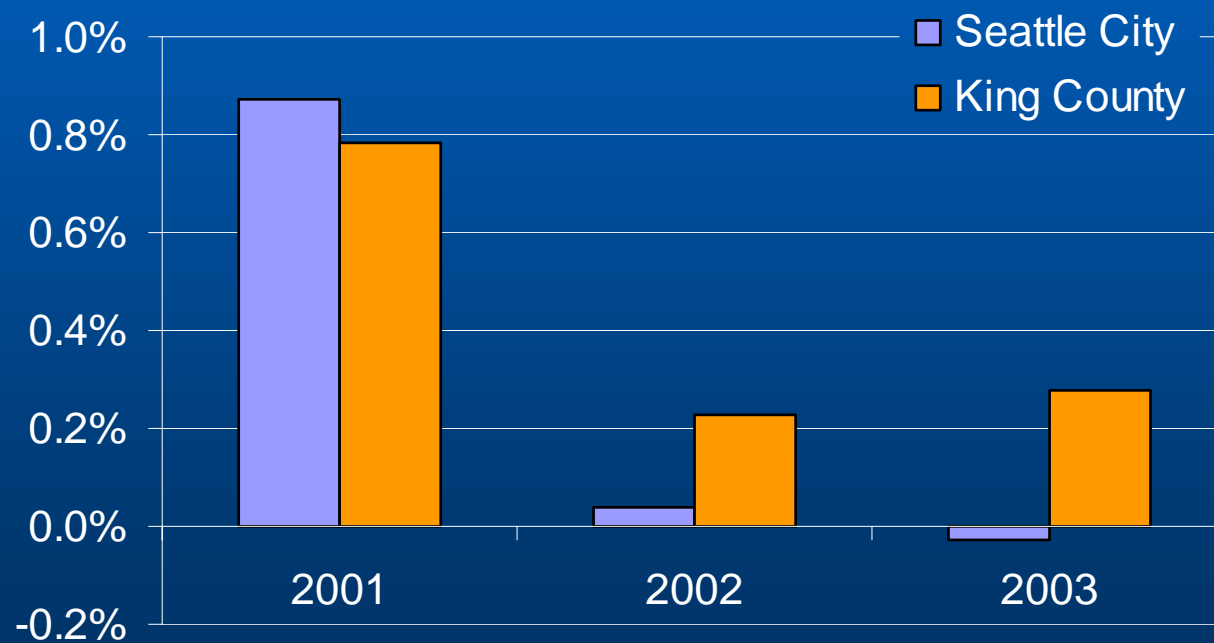




Growth has declined since 2000

Population growth
estimates, 2001-2003

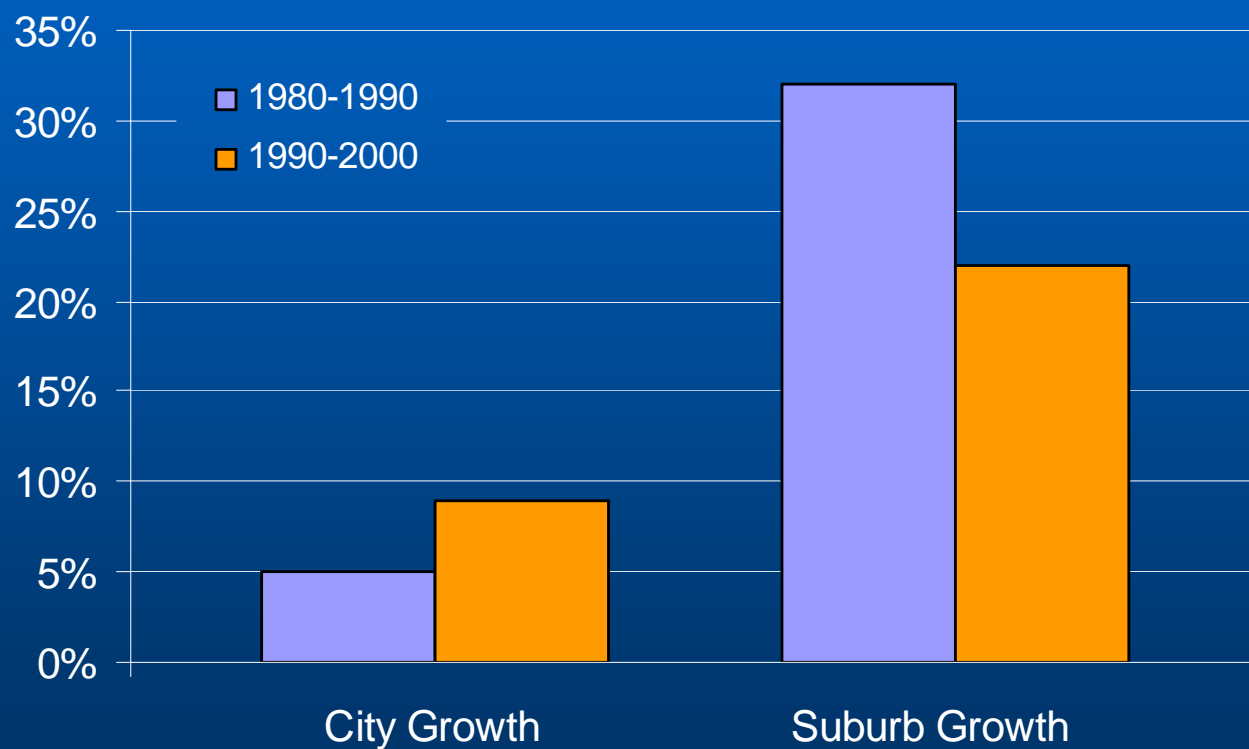
Source: U.S. Census
population estimates





And while recent trends are moving towards downtown densification, suburban growth has still been outpacing urban growth

Seattle city and suburb growth rates, 1980-2000



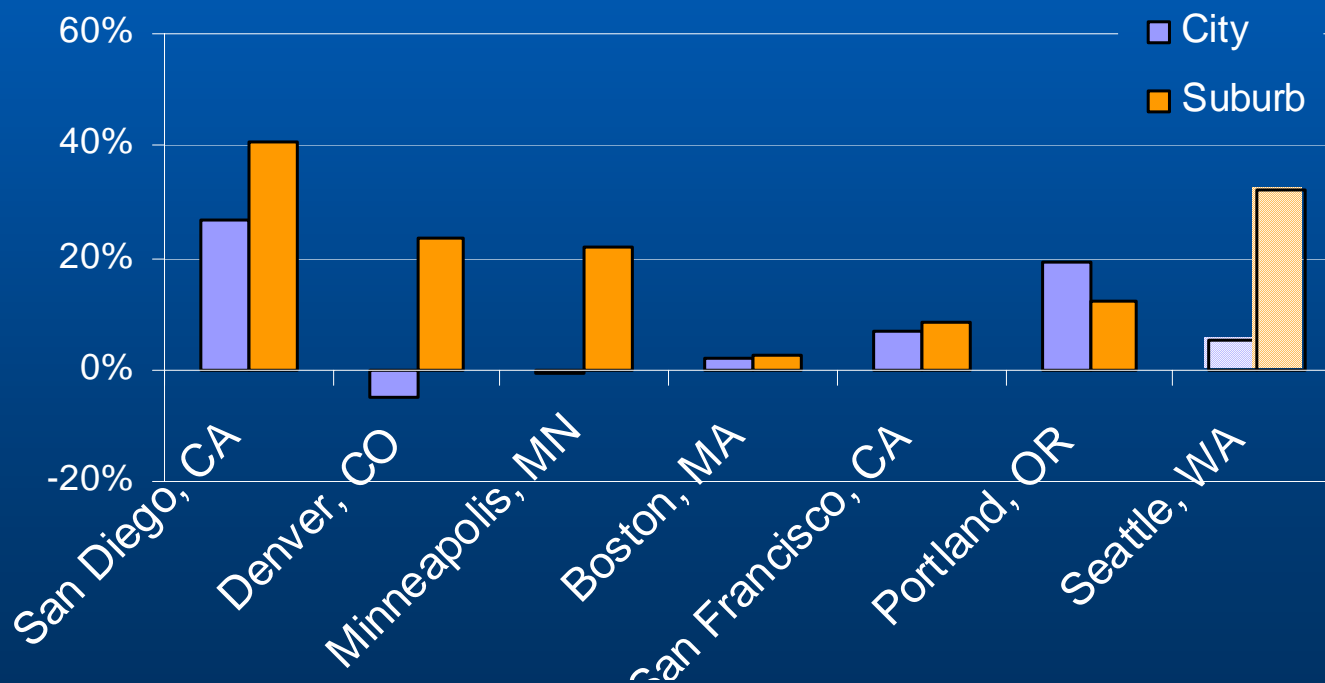
Source: Living Cities Census Series



Seattle's suburbs grew six times faster than the city from 1980-1990...

Percent change in
population 1980-
1990

Source: Living Cities
Database

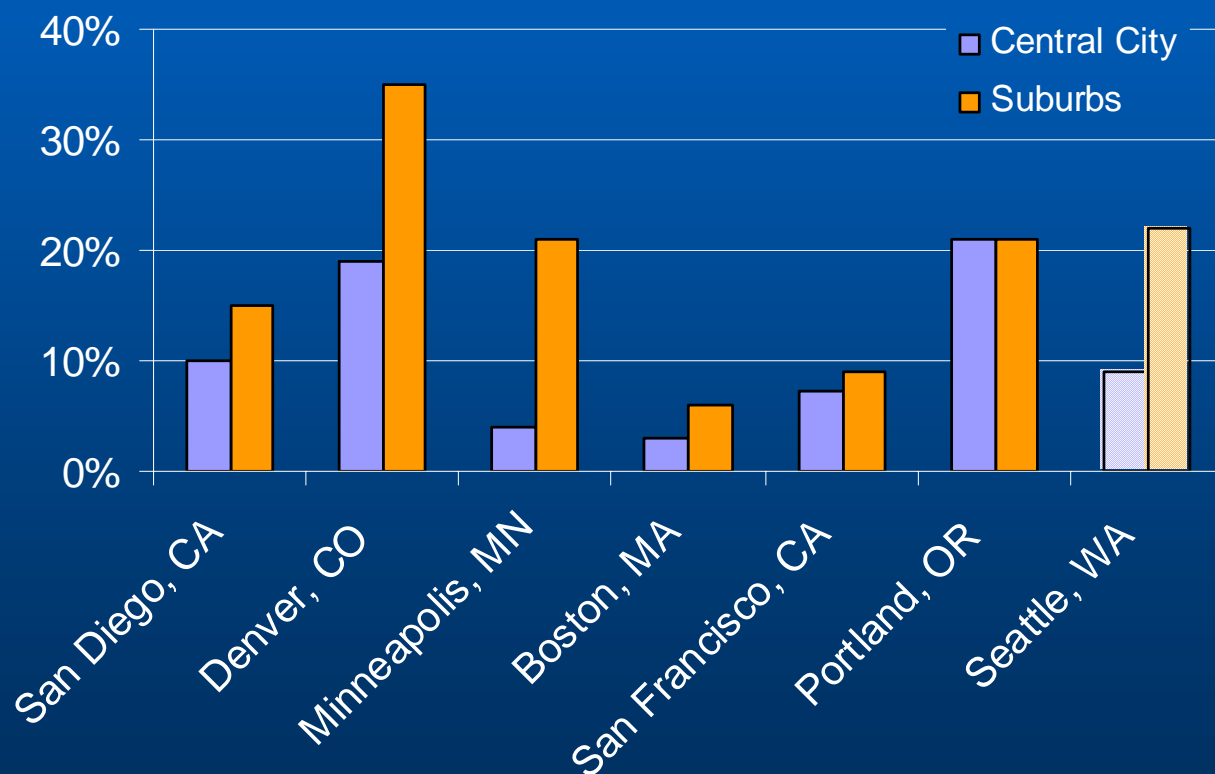




...and the suburbs grew more than twice as fast as the city from 1990 to 2000

Percent change in
population 1990-
2000

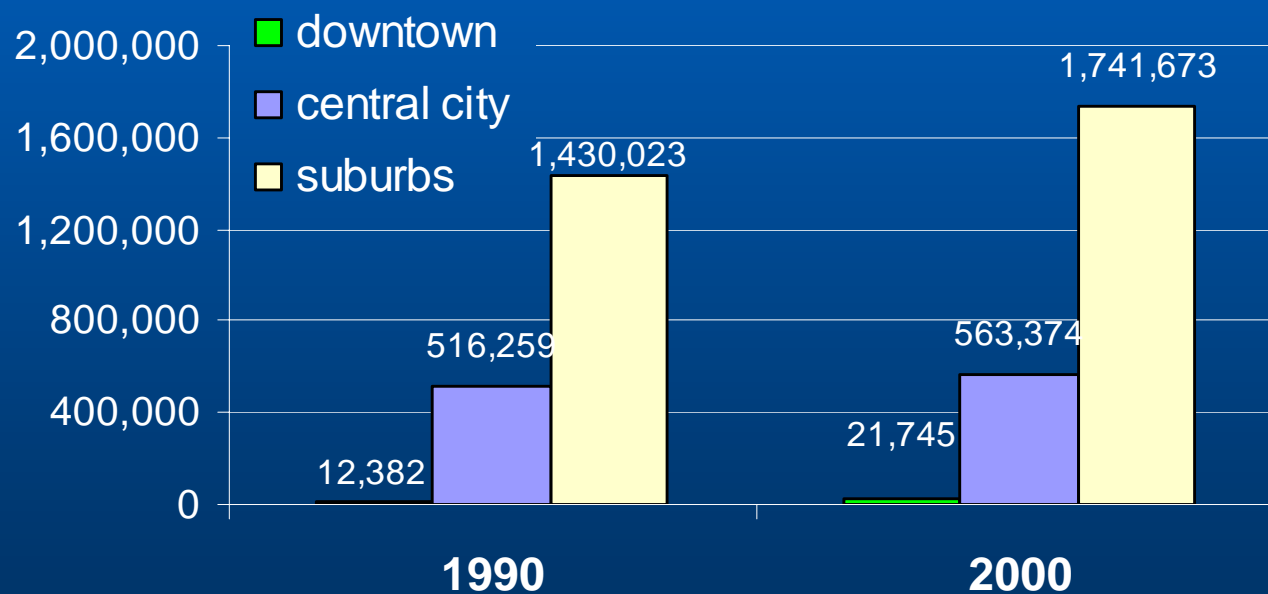
Source: Living Cities
Census Series





In absolute terms, the suburbs dominate

Seattle area population

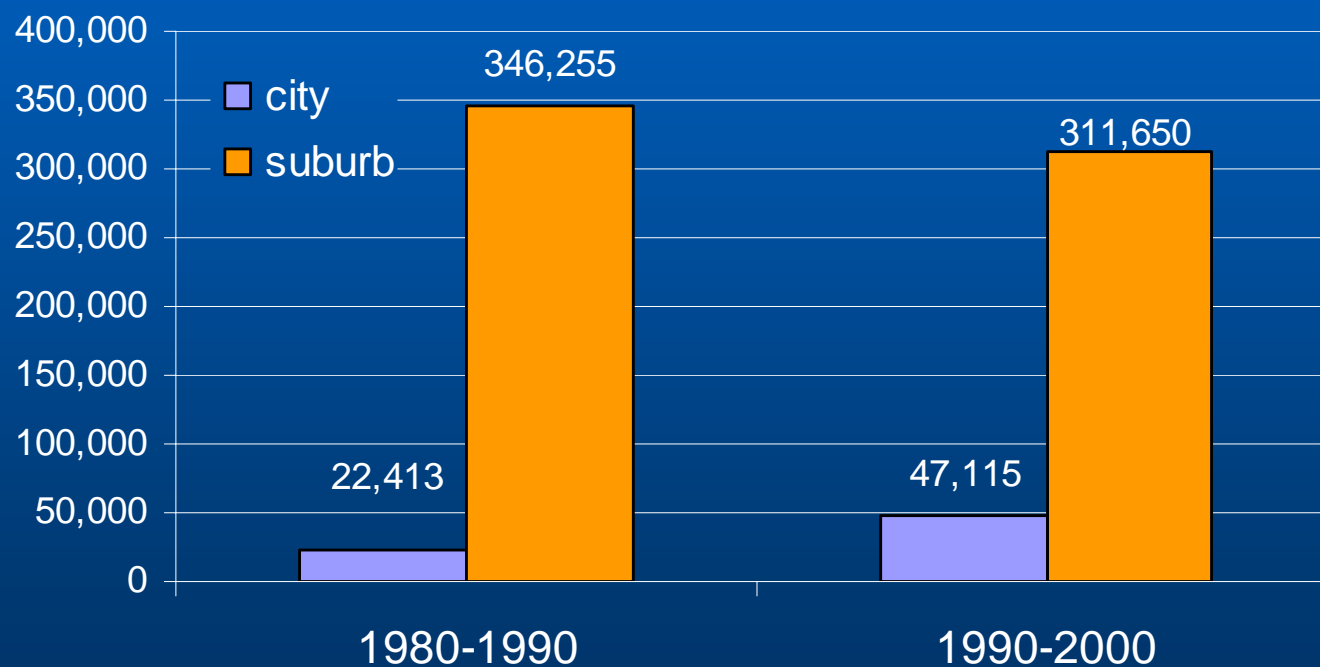


Source: Living Cities Database, Birch, forthcoming



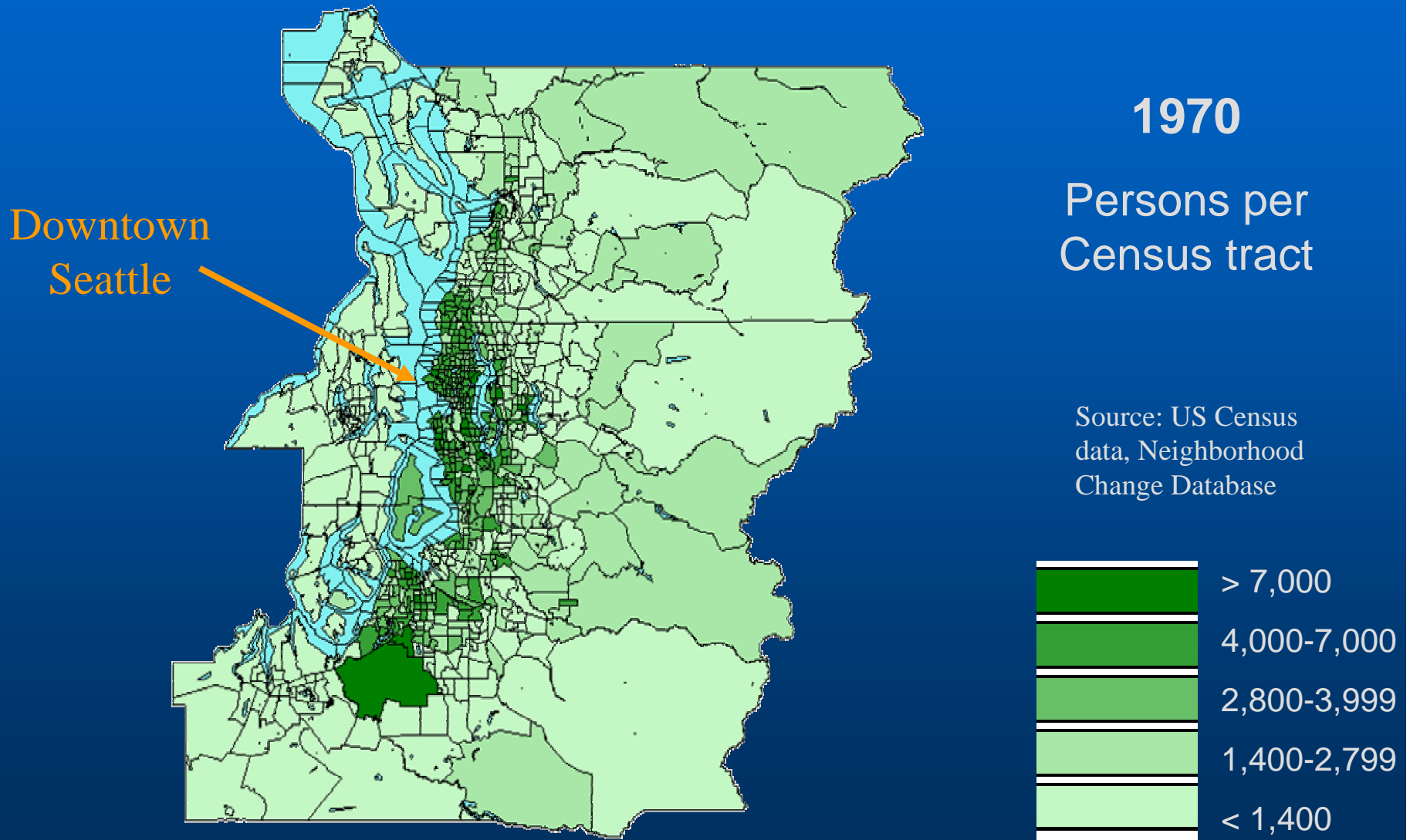
During the 1990s, the suburbs increased by over 300,000 people

Population increase
1980-2000

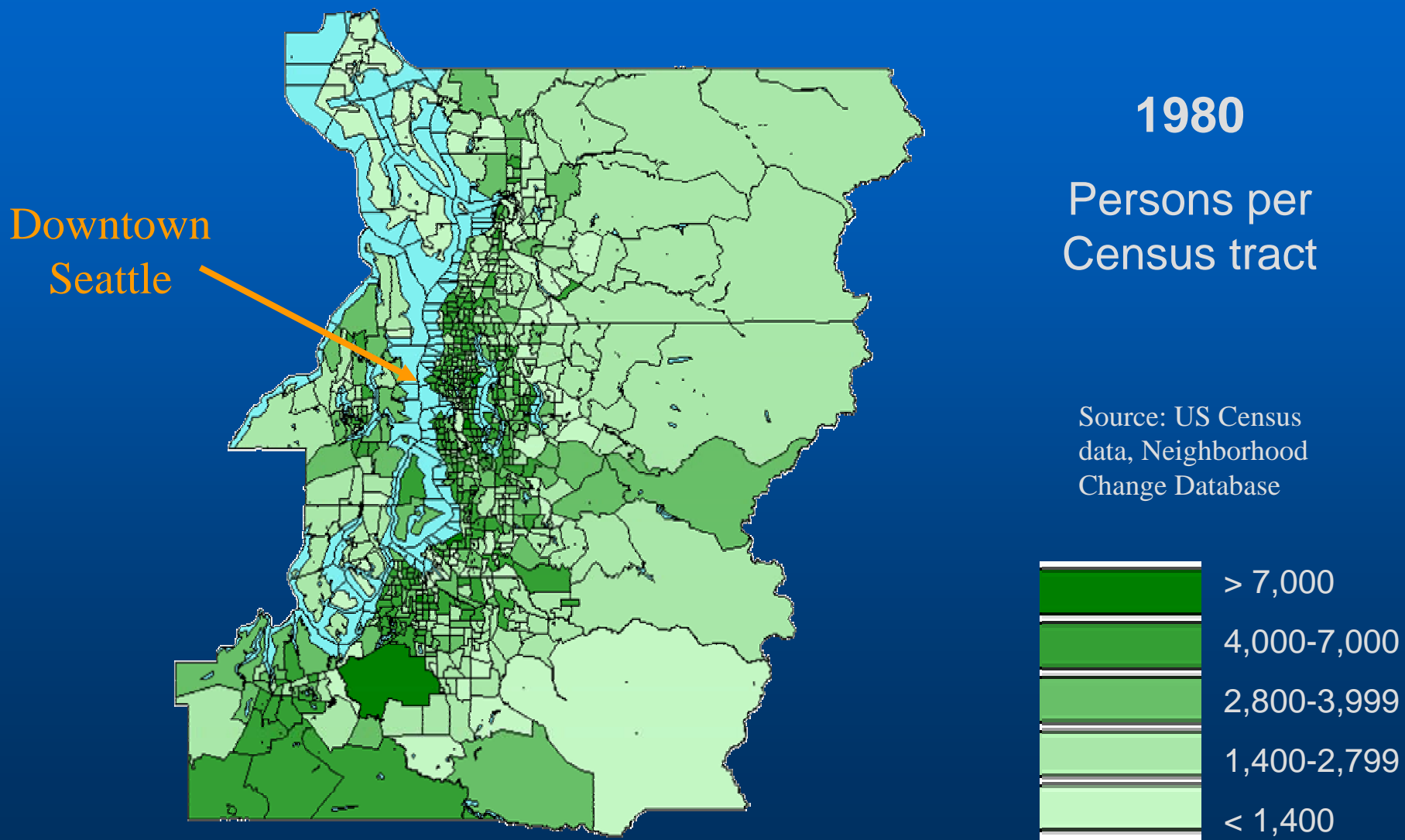


Source: Living Cities
Census Series

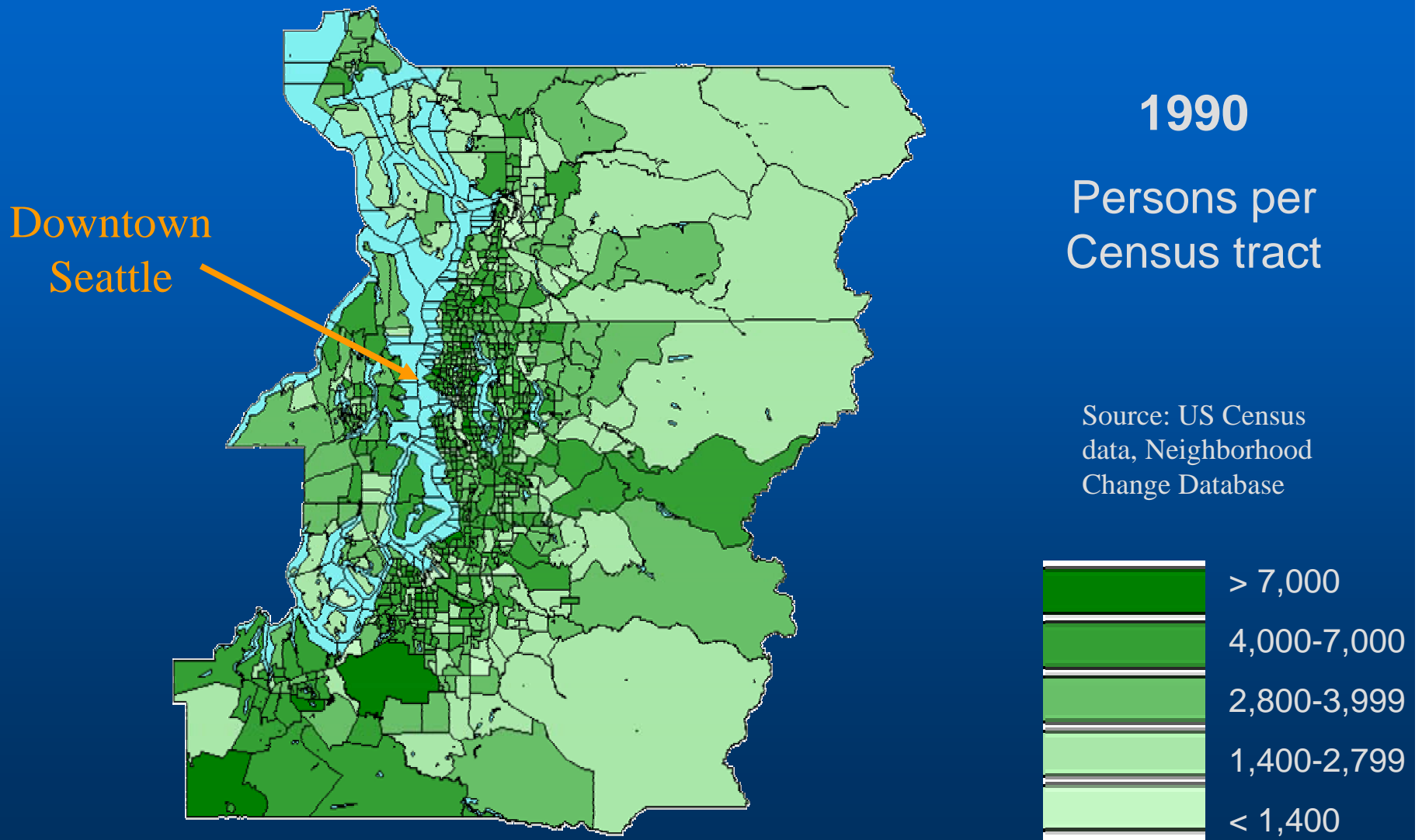
The resulting growth looks like this:



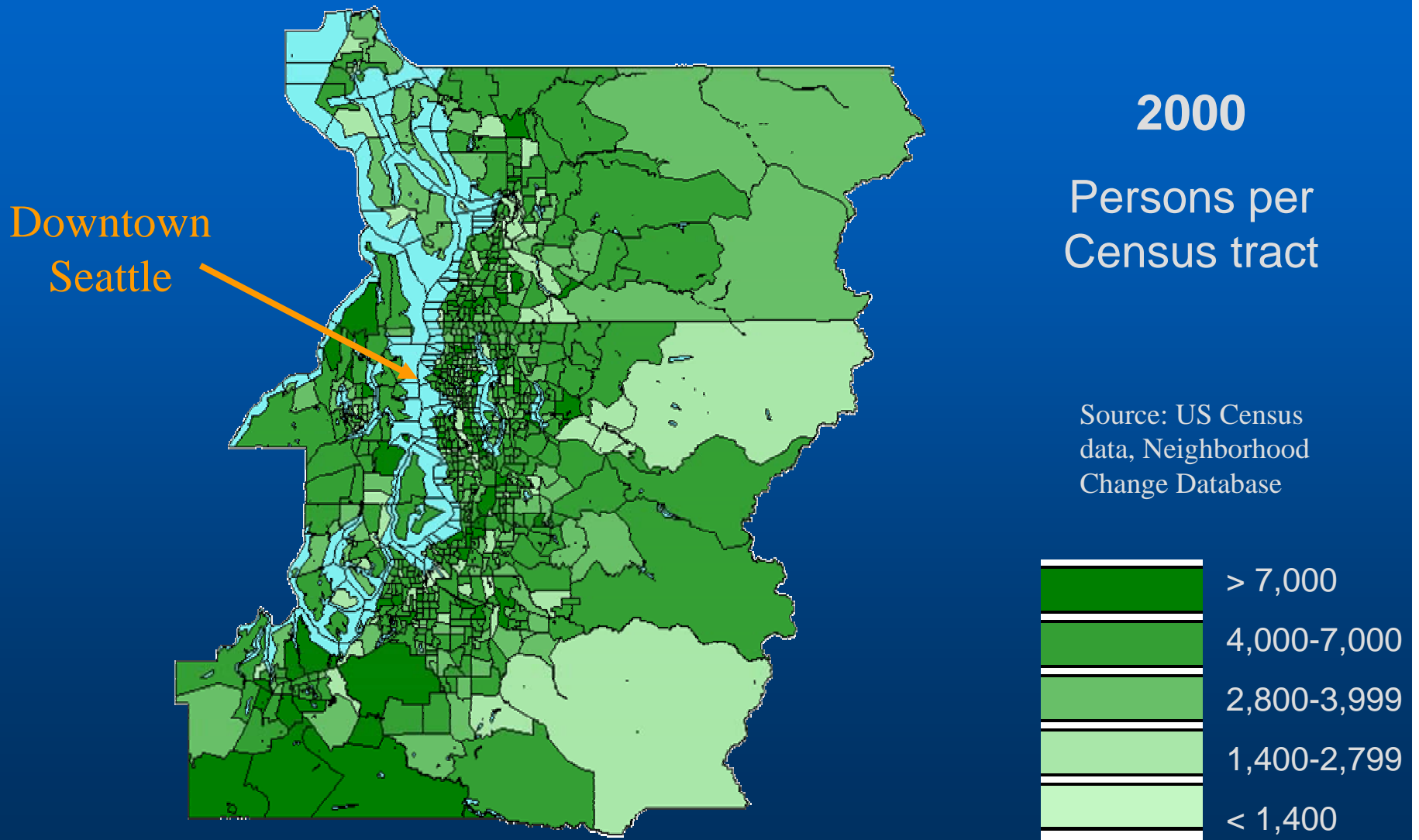
The resulting growth looks like this:



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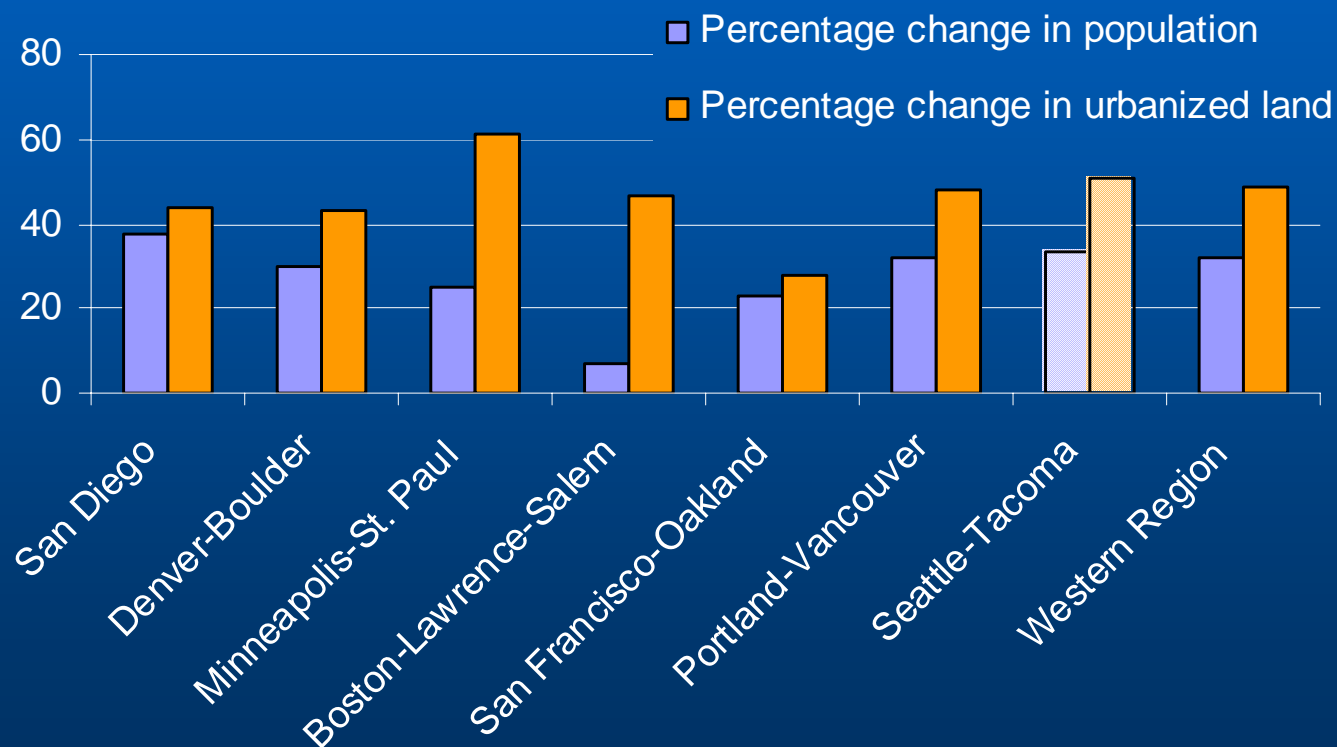
The resulting growth looks like this:





Urbanized land is increasing much faster than population growth

Change in population and urbanized land, by MSA, 1982-1997

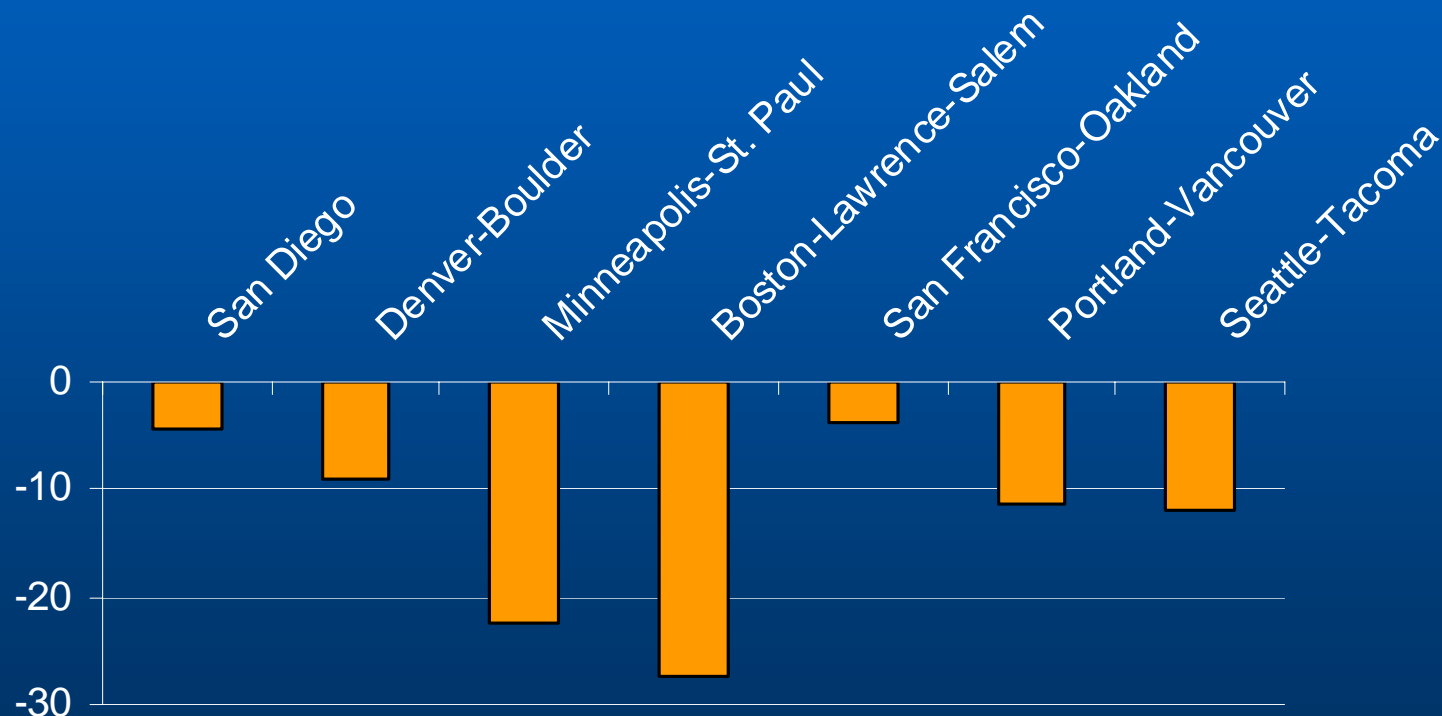


Source: *Who Sprawls Most?*,
Fulton *et al* (2001)

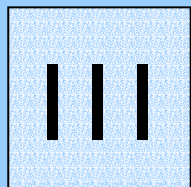
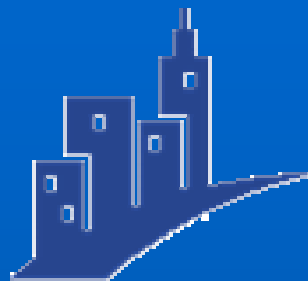


At the MSA level, Seattle is losing density on par with its peers

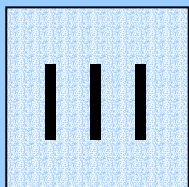
Change in Density,
by MSA, 1982-
1997



Source: *Who
Sprawls Most?*,
Fulton *et al* (2001)



Where do you go from here?

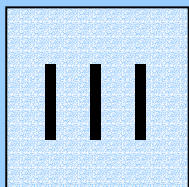


Where do you go from here?



Seattle IS on the right track...

... but Seattle should work to maintain the momentum



Where do you go from here?

→ Set ambitious vision, sustain commitment and energy, capture the “natural” market

→ Link center city development to broader city and metropolitan objectives

→ To realize full potential, make the right thing easy and the wrong thing hard



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ANNOUNCEMENT

Urban Center Becomes Metropolitan Program

In a major promotion, the Center on Urban and Metropolitan Policy this month became the Brookings Metropolitan Policy Program—and the first new Brookings department established since 1948. The new status reflects the rising importance of metropolitan issues to the domestic and global challenges Brookings seeks to address.

read an open letter from Brookings President Strobe Talbott

METROVIEW

Deficits by Design Plague Metro
by Robert Puentes
The Washington Times
June 21, 2004

[News Index](#)

METROPOLITAN GROWTH

Mechanisms for Market-Based Land Use Control

Using case studies and a national survey, this paper examines transfers of development rights (TDRs) and other market-based land preservation techniques like mitigation banking and density transfer fees.

IMMIGRATION

Washington Goes Polyglot

Metro Washington's "limited English proficient" (LEP) population

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