



BY JOEL WARREN BARNA

The Rise and Fall of Smart Growth in Austin



Top: The Austin Smart Growth map. To see the map in color, point your browser to www.ci.austin.tx.us/smartgrowth/default.htm.

Bottom: The unfinished Intel Building awaits an economic resurgence.

DEFEAT CAN BE A MORE IMPORTANT CATALYST than victory. Texan identity clings to the tragic loss of the Alamo. Serbian nationalism draws on the memory of defeat by the Turks at Kosovo Polje; Iranian Shiites reenact the martyrdom of Husayn, grandson of Mohammed's heir.

For Austin's environmentalists, the catalytic defeat arrived in the early 1990s, in the form of Barton Creek Resort and Country Club, a golf course/spa/meeting center. Since the 1970s, the city had grown explosively: population had soared from 250,000 to 630,000; more than a

million people lived in the metropolitan area; and 40 percent more were predicted to arrive by 2010. The growth did not go smoothly. As the city boomed, restive environmentalists and city-core neighborhood groups waged a low-level war against developers, road-hungry suburbs, and key members of the Texas legislature.

In the middle were Austin's mayor and six-member city council, working within a city-manager governmental arrangement that remained the final authority on every major zoning question in the city. The balance of forces on the



The 23-story Carr International Building (above, left; 2000, Page Southerland Page and HKS) won Smart Growth Incentives.

council changed with almost every council election.

In the early '90s, the city council voted to allow the creation of the Barton Creek resort west of the city, on the Edwards Aquifer. Soon afterward, the public was outraged by the resulting runoff pollution of the city's beloved swimming hole, Barton Springs Zilker Park. A coalition called the Save Our Springs Alliance won city-wide passage of strict development-control ordinances covering the Edwards Aquifer, and Save Our Springs leader Brigid Shea was elected to the city council. In defeat, the environmentalists had found victory.

Developers sued to overturn the Save Our Springs ordinance and, when their suits failed, worked with willing state legislators (of whom there was no shortage) to limit the city's jurisdiction and rule-making authority. Three such bills were passed but later struck down by the courts.

By the mid-'90s, the situation had settled down to a tense stasis. Meanwhile, Austin grew faster than ever. The success of Dell Computer, Advanced Micro Devices, Motorola, and IBM, along with a flood of smaller-scale Internet and high-tech manufacturing startups, brought low unemployment, a rush of immigration, and a free-wheeling investment climate. It was like Houston 20 years ago.

For people concerned about Austin's quality of life, the effects were frightening. Metro Austin had started the 1990s with one of the lowest population densities in Texas, but by mid-decade, its average commuting times had become the highest of any mid-sized city in the country. By 1996, Austin had become the capital of Texas sprawl.

November 1997: A Sea Change

The tenor of local politics changed dra-

matically in 1997. A property-rights coalition calling itself Take Back Texas fielded a slate of well-financed candidates against the city council's Save Our Springs-backed members, aiming to tip the narrow balance back to the development side. But when the smoke cleared, Take Back Texas had lost every race, and the enviro-prog Greens dominated city council.

Elected mayor with the new Green council was Kirk Watson, a downtown attorney supported by the Chamber of Commerce and a sampling of neighborhood and environmental groups. Watson seized the momentum from the election and quickly forged an alliance that up to that point had seemed impossible, not to say whimsical: He talked the Chamber of Commerce, the Real Estate Council, and Save Our Springs into uniting behind an agenda of ideas that had been adopted in Portland, Minneapolis and a dozen other cities: Smart Growth.

The basic rationale for Smart Growth is familiar to anyone who has followed critics of postwar suburbia or the growth of New Urbanism: Sprawl bad, compact cities good. On the City of Austin's Smart Growth Initiative web site, the case is made this way: "Our current pattern of growth, sometimes known as 'sprawl,' has a number of negative cultural, economic, environmental, and social consequences....

"To address these problems, Smart Growth emphasizes the concept of developing 'livable' cities and towns. Livability suggests, among other things, that the quality of our built environment and how well we preserve the natural environment directly affect our quality of life. Smart Growth calls for the investment of time, attention, and resources in central cities and older suburbs to restore community and vitality. Smart Growth advocates patterns for newly developing areas that promote a balanced mix of land uses and a transportation system which accommo-

dates pedestrians, bicycles, transit, and automobiles."

Conservatives all over the country argued that that Smart Growth's premises were false and that its prescriptions were, as the Competitive Enterprise Institute put it, "a solution in search of a problem." Austin had talk-show hosts Bob Cole and Sammy Allred, two deft Smart Growth opponents, slamming the idea every weekday morning on a popular country music station.

Nevertheless, with suburbanites irritated by increasing traffic congestion, air pollution, and general ugliness, the anti-sprawl movement was catching on as a national political agenda. It came to enjoy the support of a number of Republican centrists, including Christine Todd Whitman, who told a 1998 national conference on Smart Growth policies in Austin: "We are once again in a space race. This time, however, it's not outer space but open space. This time the enemy isn't Soviets but sprawl. And this time the focus isn't how to land on the moon but on how on earth to save the land.... We owe it to ourselves and our families to win the race for open space by promoting profitable development, livable communities, and environmental integrity."

In Austin, Mayor Watson's argument was simple but persuasive: Austin will continue growing, and without Smart Growth, there will be only Dumb Growth — more suburban sprawl at the expense of the inner city. With Smart Growth, he argued, Austin could more actively influence the city's future form, instead of fighting every development battle on the terms that had brought Austin to the early-1990s impasse.

To green activists, Smart Growth sounded appealing because it provided a way to shield Barton Springs and its federally protected salamanders from further West Side development. To political pro-

gressives, it was a way to deal with what they see as an equity issue. Austin architect Sinclair Black recently stated it this way: "To me, Smart Growth has been about tax equity. If you look at the required investment in infrastructure per dollar returned in taxes, downtown is a tax exporter to the suburbs. With standard sprawl development, you're taking money from an efficient tax-producing area and subsidizing development, through roads and infrastructure, in places that are far less efficient and that will kill off the efficient area eventually." To the Chamber of Commerce and Real Estate Council, Smart Growth, with its emphasis on incentives rather than prohibitions, represented a way to get business done without the acrimony and litigation of previous decades.

And the timing was perfect: The same factors that were leading to political dissatisfaction with traditional suburban planning were creating a previously untapped market for downtown and near-town residential development all across the Sunbelt. There were warehouses and empty lots downtown, and there were young people eager to live and work near the clubs where they liked to party — a small number compared to the hordes flocking to northwest Austin, perhaps, but enough to represent significant business opportunities.

From Principles to Action

In the spring of 1998, the Austin City Council began codifying the means and the goals for Smart Growth. The parts of the city and its extraterritorial jurisdiction lying over the Edwards Aquifer were declared the Drinking Water Protection Zone (DWPZ). Several areas were designated as Desired Development Zones (DDZs), including downtown, an "urban core" extending north from downtown and the University of Texas campus to the north and east of I-35. Most of the major north-south and east-west thoroughfares were designed as Smart Growth Corridors.

In May of that year, Austinites voted \$65 million in bond funds for purchasing and protecting land in the DWPZ and approved creation of the proposed Smart Growth Matrix, allowing the city to waive fees and rebate infrastructure costs and taxes for development in the DDZs. City officials set about creating a

Traditional Neighborhood Development ordinance and a complex set of Infill and Redevelopment Amendments to the city's building code. They described eight options; among them were "cottage lots," "urban home single family lots," mixed-use buildings, secondary (read "garage") apartments, and neighborhood corner stores. These options would be available in areas with a city-council-approved Neighborhood Plan.

The Smart Growth Criteria Matrix (see right) outlines the measures by which proposed development would be rated for Smartness. A project could earn points for a long list of virtues, such as employment, historic preservation, integration with transit, the political process of working with neighborhoods to employment, and even design quality.

Projects scoring 250 points or fewer under the Smart Growth Matrix criteria would no longer be considered. Projects earning 251 to 335 points would be eligible to have 50 percent of City of Austin fees waived. Projects scoring 336 to 420 points could be awarded up to five years of rebates on city property taxes. And those in the top tier, up to 705 points, could be eligible for a ten-year rebate.

It would be two years before the tech bubble would burst on Wall Street, and numerous businesses were considering setting up shop or building projects in Austin, the Silicon Hills. Envoys from the city and the chamber of commerce went calling to let these potential new employers know about the incentives, as did Save Our Springs representatives.

Deal after deal was made in quick succession. Most clustered around the Fourth Street entertainment district and city-owned land facing the Colorado River, or else on the corridor between downtown and Lamar Boulevard west of the Central Business District. Some worried that the city shouldn't give away future tax funds to lure businesses that wanted to come to Austin anyway. Mayor Watson's answer: "It's money we don't have yet, and that we won't have until we get these projects built." If we can get them to build downtown, following the Smart Growth guidelines, he argued again and again, we can save on the infrastructure costs of sprawl development that would otherwise result — not to mention the time and expense we can save protecting the Edwards Aquifer.

THE SMART GROWTH CRITERIA MATRIX

Goal 1: How and Where Development Occurs	Possible Points
Locating downtown or in the urban core, within a Desired Development Zone, with specifically high ratings for locating close to transit stops.	45
Trail blazing in areas of economic need could earn	
Support of neighborhood groups outside downtown	42
Support of the Austin Design Commission could earn another	75
Support from the Historic Landmark Commission	50
Reusing historical buildings could be worth 50 more	25
Meeting a threshold density requirement to support mass transit could earn another 12 points	12
Providing a minimum employment density, measured in floor-to-area ratios	12
Land use-measuring whether a project would be a regional retail or entertainment draw or would provide 200 or more housing units in downtown or the urban core	45
Having three uses in a building (with a minimum of 20 percent per use in the project)	75
Total possible goal 1	431
Goal 2: Improve Quality of Life	
Dividing the project's facade into 30-foot increments, providing "human-scale details," skinning street-level walls in at least 50 percent glass, and having well-defined street entries every 50 feet	16
Integrating well with its neighbors in terms of massing, height, and rear treatment	12
Providing accessible public outdoor space with furniture, trees, and lighting	16
Streetscape improvements, including large trees, 12-foot-wide sidewalks, arcades and other features	60
Connecting with greenways and providing bicycle facilities	30
Providing a parking structure	30
Providing reasonably priced housing	40
Providing "traditional neighborhood retail uses" and promoting local businesses	48
Building with the city's Green Building program standards and using renewable energy	35
Meeting a minimum threshold for enhancing the tax base	12
Total possible Goal 2	299

With \$1.2 million of incentives from Austin, Chicago-based Carr International committed to a 23-story office tower on Sixth at Guadalupe — the first new office tower started in downtown since 1987. Austin awarded a new retail/entertainment development at Sixth and Lamar \$2.1 million in incentives. Post Properties of Atlanta was offered \$980,000 in city assistance for a two-phase condominium-loft project on West Avenue. The Nokonah Condominiums on Lamar, just north of Sixth, was awarded \$280,000.

In the area around Republic Square, on Lavaca and Fourth Street, Intel Corporation announced that it would build a seven-story, \$124 million design center. The Austin company Vignette, maker of specialty Internet integration software, had grown from a few dozen employees to more than a thousand in less than four years. It announced plans to build a \$350 million headquarters near the Austin Convention Center along the neglected Waller Creek; the city offered Vignette \$25 million in incentives.

Smart Growth incentive money also spurred projects in outlying areas. The city offered developers \$23 million to help with their plan for a mixed-use project of office towers, retail, and housing in the so-called Barrett Tract, along I-35 between 11th and 15th Streets. Some \$7 million in city incentives helped the

Cencor development work out its long-standing dispute with neighborhood groups around "The Triangle," land formerly owned by the Texas Department of Mental Health and Mental Retardation. The result was the transformation of a big-box mall strip into a mixed-use center with connections to the surrounding neighborhood. In yet another deal, a developer was promised \$4.9 million for a Traditional Neighborhood Design subdivision on the Morse Tract. All told, Austin offered \$103.4 million to employers and developers.

The city struck its highest-profile deal with Computer Sciences Corporation (although the incentives offered were only \$10.4 million). In early 1998, CSC agreed to build a multiphase complex on César Chávez Boulevard (First Street), with a new city hall in the middle. Page Southerland Page of Austin, with the UT-Austin School of Architecture's then-dean, Larry Speck, as lead designer, was hired as architect for the seven-story glass-and-stone-clad buildings. Antoine Predock was named architect for the city hall project itself. Encouraged by incentives, AMLI development company (which has already developed six other projects concerning Austin's high-tech businesses) agreed to build a 250-unit apartment project one block south of the CSC/City Hall complex. Page Southerland Page, with

How smart is your project?: A high-scoring proposal could earn tax rebates and fee waivers.

Black & Vernoooy as design architects, was hired for the project.

The Crash

By early 2000, Smart Growth was shaping up as a terrific success. With the CSC, Vignette, and Intel deals, incentives had brought nearly 2,000 jobs downtown, all in buildings with street-level retail and wide, tree-planted sidewalks tightly integrated into the street fabric. With the projects at Sixth and Lamar, Smart Growth had transformed empty car-dealership lots into a shopping zone. And with the projects undertaken by Post Properties, Nokonah, AMLI, and other loft developers, Smart Growth had brought in hundreds of new dwelling units.

Then in the spring of 2000 the tech crash started. Vignette's stock, which was trading at more than \$150 a share, plummeted (it's now trading at around \$5). The company canceled its project on Waller Creek. Intel, which had erected the concrete skeleton of its building, reacted to the sales slump by putting the project on hold — leaving a gray hulk surrounded by an eight-foot-tall chain-link fence. Local wags said it needed a new sign: "Intel not inside." One of CSC's first two buildings was put up for rent before it was finished. Suddenly, it seemed that Austin hadn't been welcoming the future; it had been betting the farm on a narrow and vulnerable industrial sector.

Recriminations started almost immediately. On the enviro-progressive side, Save Our Springs officers began characterizing the city's Smart Growth incentives as wasteful "corporate welfare," and the city council members aligned with them chimed in. The chorus of second-guessing claimed another, even more significant, victim later in the 2000. Capital Metro Transit Authority had scheduled a vote on authorization to spend its funding on a light-rail starter line that November. Former city council member Max Nofziger split the environmental left by denouncing the light-rail plan precisely because it would do the things that Smart Growth hoped — reshape the urban fabric around dense, transit-oriented nodes.

"The light rail tracks are the signal to developers that here is the place to do their projects," Nofziger wrote in the

Austin Chronicle. "Rail is the means by which the city implements Smart Growth, which means densification — i.e., more people crammed into less space, building up several stories instead of out. Redevelopment along South Congress means that all those beautiful, unique, funky shops will be replaced by multistoried buildings with retail on the ground floor, offices or apartments above. Who will be able to afford the rents on these new, non-funky, expensive buildings? Starbucks, Gap, Wendy's, etc."

Capitol Metro had the support of the mayor, the Chamber of Commerce, and the Real Estate Council, but the agency knew it faced an uphill fight in the northwest part of its service area, where Republican anti-tax sentiment is strong despite the '90s influx of relatively green high-tech workers. The defection of the left killed the light-rail plan.

As Nofziger's anti-rail screed demonstrated, the end of the boom also exposed a fault line in Smart Growth forces that had been hidden from the start. The city's close-in neighborhoods didn't want to become denser. For the most part they wanted protection from new development — particularly multifamily housing projects. In that context, the Smart Growth plan was particularly unwelcome, top-down planning at odds with the decades-old effort to strengthen neighborhood cohesion. And that spelled trouble for Smart Growth, given the neighborhood groups' well-developed power to turn out voters.

Smart Growth also faced an additional adversary: the Texas Department of Transportation, which is committed to big new roads for Austin and its suburbs the same way that the ocean is committed to being salty. For several years, the Downtown Advisory Alliance, a group of landowners integral to the Smart Growth movement, has waged a quiet battle with the department over the plans for I-35 east of downtown. The Department of Transportation envisions an expansion of I-35 along downtown with new elevated lanes and widened access roads, all focused on speeding people on and off the freeway. According to Sinclair Black, a board member of the Downtown Advisory Alliance, the transportation department's proposals threaten the eastern half of downtown, and the group demands that the agency redesign its pro-

posals to depress the roadway and treat the access roads as part of the neighborhood fabric, not part of the freeway. Neither side has budged after many meetings. Says Black, "They think time is on their side, and that if they just ignore us they think we'll eventually go away." The outcome of that particular battle may not be known for some years, but overall, it seems that Smart Growth forces have lost the war. In the coming decade, the Department of Transportation will pour hundreds of millions into roads in Austin's suburbs, stimulating a torrent of new suburban growth.

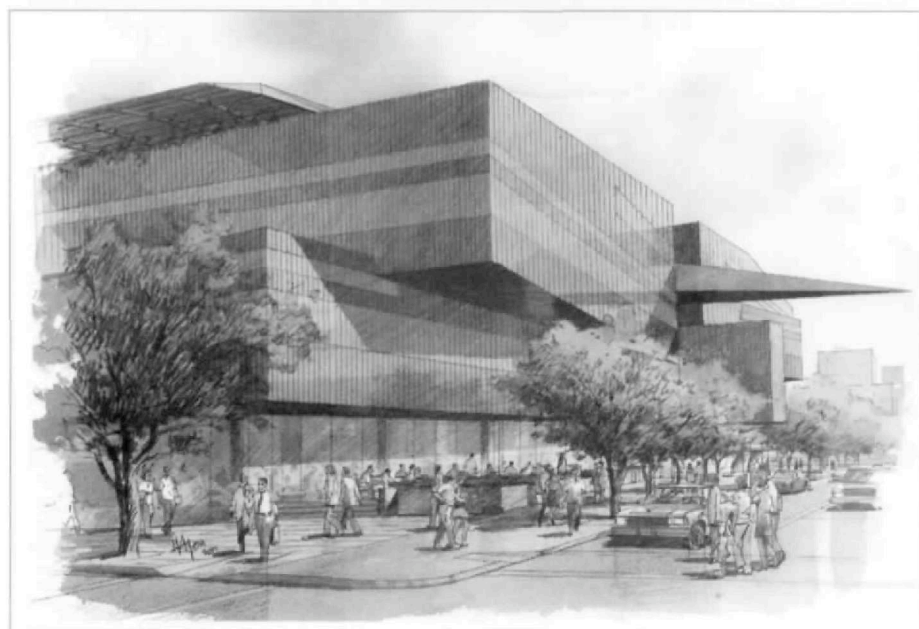
From Austin's Present to Houston's Future

It is too early to call Smart Growth either a success or a failure. Kirk Watson's term as mayor marked a four-year break in the Austin's stormy political climate, and now, with new mayor Gus Garcia, the clouds are back.

On the plus side, the Edwards Aquifer zone west of Austin now has thousands of acres of protected green space, paid for by bonds authorized in the first flush of Smart Growth enthusiasm. The CSC/City Hall complex and new apartment buildings will create a web of residential and business projects around the Fourth Street/Sixth Street entertainment complexes. Two thousand more people living downtown, and a similar number of new people working there by day, will provide a welcome change from the empty storefronts and vacant lots of the early 1990s.

The largest Smart Growth Project outside the Central Business District is only now getting underway. The Mueller Airport tract, 711 acres of open land, just four miles east of downtown, could potentially accommodate thousands of residents and contain millions of feet of business space. Neighborhood representatives have been planning a New Urbanist village for Mueller since the city announced, in 1995, that its airport would move to the former Bergstrom Air Force Base. Now city officials are near choosing a business plan for the site, and activists worry that their urbanist principles will be the first things jettisoned.

Except for the Mueller tract and the Triangle, however, Smart Growth policies have had almost no effect outside the DWPZ and downtown. In part, this is because the close-in neighborhoods cho-



Top: The excavation where Austin's City Hall will rise flanks the Computer Sciences Corporation development (1998, Page Southerland Page with Larry Speck). The City Hall/CSC complex was to be Smart Growth's most visible success.

Bottom: Rendering of the future City Hall (2000, Cotera, Kolar, Negrete and Reed Architects with Antoine Predock, FAIA).

sen as Desirable Development Zones never wanted that designation. Urban planner Ben Heimsath also suggests that the city's zoning regulations discouraged development projects outside the urban core. "There just wasn't enough to trade or to offer incentives to make Smart Growth projects attractive to developers outside downtown," he says.

Smart Growth's future in Austin will depend on many factors: a recovering economy, passage of a light-rail initiative, and continued support from city officials and staff. With the election of Mayor Garcia, the will to push for the second and third parts of that equation are said to be in place.

Could Austin-style Smart Growth work in Houston? Some would argue that it doesn't have to. In the last decade, the Lanier mayoral administration found federal funds to provide incentives to rehabilitate the Rice Hotel, the Albert Thomas Convention Center, and other center-city projects. Tax-increment districts were created to lure the developers who have flooded Midtown with new apartment and condominium projects. These results, though arrived at by different mechanisms, mirror the effects of Austin's Smart Growth Initiative. And the city's first light-rail line, with its potential for transit-related development along the Main

Street corridor, is already underway. In terms of visible results over the past five years, Houston is already ahead of Austin.

And whether Austin-style Smart Growth could be effective in Houston is questionable at best, says David Crossley. Crossley, the director of the Gulf Coast Institute, recently founded the group 1000 Friends of Houston, which advocates regional planning to address a wide variety of problems. He fervently wants Smart Growth to take root in Houston, but he sees many obstacles. "Austin has zoning, it has a development code in which urban design issues are elements — not just parking and setbacks — and it has a permitting process in which neighborhoods have real representation," he says. "Mostly it has a process in which planning is not a dirty word."

Houston has only what former Houston Controller George Greanias once characterized as "shadow planning" (see *Cite* 42, Summer/Fall 1998, "Shadow Planning"). Entities such as tax-increment districts and private developers have taken over the financial and design-related tools of planning, but without public oversight or accountability. Whether planning can be brought into the light and Smart Growth principles can be embraced throughout the city will be the story of the next decade in Houston. ■