

# Mixed-Use and Mini-Vans When New Urbanism Meets Sunbelt Consumer Preference: A Case Study Analysis of Mixed-Use in Dallas, Texas

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By Daniel Lentz

## Abstract

What happens when the ideology commonly referred to as "New Urbanism" meets the dreaded consumer preferences of automobile-addicted sunbelt cities such as Dallas, Texas? New Urbanist ideology permeates current planning policies and influences many discussions in the development community around sustainability and sprawl. Yet policies and hopes often take on a different identity entirely once molded by the preferences of the American consumer.

New Urbanism offers potential solutions to many of the problems associated with suburban sprawl in the United States, but it is no panacea. Ideologues and opponents may debate its merits and shortcomings, but it is the consumers' votes in dollars and cents that ultimately render the verdict in practice. The market dynamics of sunbelt cities present challenges and preferences different in many ways from higher density cities on either the west or east coasts. Recent developments show that New Urbanism, and mixed-use development in particular, offers competitive differentiation and may be extremely successful in the sunbelt. Yet the ideology does not meet all needs of this market, and the development community must carefully analyze what elements of New Urbanism will work in practice and which will not.

This paper will provide the background of New Urbanism and explore the view points of its proponents and opponents. Finally, two developments in Dallas, Texas will be used as case studies to illustrate how the debate has manifested itself in the sunbelt and what each teaches about the viability of New Urbanism in this type of market.

## The Great Debate: New Urbanism vs. Suburban Master-Planned Communities

Articulating one specific definition for New Urbanism is difficult. Its adherents do not subscribe to a uniform list of beliefs and principles. Despite its nuances, it does present some general beliefs commonly held by its proponents. William Fulton described its roots as follows:<sup>1</sup>

The New Urbanism began as a reaction to conventional suburban planning as it has been practiced in the United States since the 1940s. New Urbanists view the decentralized, auto-oriented suburb as a recipe for disaster. They

<sup>1</sup> William Fulton, *The New Urbanism: Hope or Hype for American Communities?* (Cambridge: Lincoln Institute for Land Policy, 1996), 1-3



blame these suburbs for ever-increasing congestion on arterial roads, a lack of meaningful civic life, the loss of open space, limited opportunities for children and others without cars, and a general discontent among suburbanites. In their view, older, traditional neighborhoods, both urban and suburban, are more adaptable and permit a more satisfying life.

Philosophy aside, public policy is beginning to increase New Urbanism's viability. Growth control measures enacted by the public sector are increasing entitlement risk in traditional greenfield development and pushing developers towards infill redevelopments near city cores. These measures are forcing builders and architects to make small lots and clusters work. Cities are also being forced to allow code changes to facilitate more multi-family development and the resulting density increases.<sup>2</sup> "The cost and availability of land is causing developers to think about densities they would never have dreamed about 10 years ago," says architect Manny Gonzales of the KTG Group in Irvine, California.<sup>3</sup>

Developers and planners searching for design paradigms to meet this density challenge believe New Urbanism offers solutions that make density work. Further, many believe that demographic changes in recent years make the continuance of sprawl and large lot houses irrational. According to Witold Rybczynski, Professor of Fine Arts at the University of Pennsylvania, "The most negative thing that's happened in home building in the last few decades is the irrational expansion in the size of houses, despite the reduction in household size. Because of perceived re-sale demand, people buy houses that are larger than they need. I am not against spaciousness, but larger houses require larger lots and contribute to the sprawl effect."<sup>4</sup>

Advocates of New Urbanism are far from homogeneous. They include an unlikely mix of environmentalists, urban planners, and developers. Environmentalists and planners like the potential infrastructure savings and pollution reductions. Supportive developers see it as an opportunity to make higher returns by redeveloping obsolete sites and differentiating their product from ubiquitous subdivisions.<sup>5</sup> Despite their differences, they are unified behind a set of physical design and place-making standards that recall small towns and urban neighborhoods.<sup>6</sup>

Critics characterize New Urbanism as little more than idealistic "nostalgia peddling." They feel this design ideology is ultimately impractical and not aligned with consumer preferences. Yet New Urbanists see it not as idealistic, but fundamentally practical.<sup>7</sup> They argue that the behavior of suburban residents themselves illustrates their frustration with the design paradigm in which they live. For example, suburban residents often protest additional development in their area, even though the proposed neighborhoods look just like their own. In the New Urbanist view, this apparent contradiction shows a latent frustration and discontent with the make up of traditional suburbs.<sup>8</sup> The suburbs are also seen as a monument to the automobile. By their thinking, the traditional suburban house with a garage fronting the road looks more like a home for the car than a home for the person driving the car.<sup>9</sup>

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<sup>2</sup> Various. *Post Properties' Addison Circle Named Nation's Top Multi-family Development*. Distributed by PR Newswire in the Financial News Section on April 20, 1998, Chicago.

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

<sup>6</sup> William Fulton, *The New Urbanism: Hope or Hype for American Communities?* (Cambridge: Lincoln Institute for Land Policy, 1996), 5

<sup>7</sup> Robert Fishman, ed., *New Urbanism. Michigan Debates on Urbanism: Volume II*. (New York: Distributed Arts Press, 2004), 18.

<sup>8</sup> William Fulton, *The New Urbanism: Hope or Hype for American Communities?* (Cambridge: Lincoln Institute for Land Policy, 1996), 4

<sup>9</sup> Adler, Jerry et al. "Bye-Bye Suburban Dream 15 Ways to Fix the Suburbs." *Newsweek*, May 15, 1995, 40-53.

# The Arguments

## Proponents

Supporters of New Urbanism feel suburbia's rigid separation of land uses is a significant problem. "Homogeneity is the very essence of the suburbs."<sup>10</sup> Suburbia is the image of segregation—segregation by economics, usage, lifestyle, and ethnicity. Architect Peter Calthorpe, during a March 2004 debate with Lars Lerup at the University of Michigan, stated that "segregating land uses is an old, tired, and dysfunctional form of community planning and urban design."<sup>11</sup> Developers assume that buyers want homes segregated into like price ranges and styles, but New Urbanists feel many consumers do not want this type of isolation.

In addition to countering isolation, New Urbanism provides alternatives to people who either do not want or cannot afford automobiles. Suburban design is completely automobile-reliant. A resident can hardly buy groceries without the use of a car. New Urbanism provides the alternative to the car that many residents desire. It accomplishes this without impairing the use of automobiles; rather, it integrates the requirements of cars and pedestrians to create a more harmonious neighborhood. Calthorpe described this in greater detail in his 2004 debate.<sup>12</sup>

"New Urbanism fails to address the market dominance of big-box retail and commercial establishments."

From an economic standpoint, many lower income households need this kind of pedestrian mobility, affordable housing, and central location. If the choice is an affordable house in a very distant suburb, and the penalty is two of three hours of commuting a day, versus a higher-density, more urban life, many people will choose the urban life. But we must create that choice. It rarely exists today.

## Opponents

New Urbanism's detractors counter that the "old city" is not necessarily better than the "new city." Opponents argue that New Urbanism ignores how cities have fundamentally changed since the times of the vibrant town centers to which proponents want to return. These old town centers existed in high-density cities built around rail transit and are fundamentally different from modern sunbelt cities that are rapidly increasing in population today. Lerup argued in 2004, "If I have an argument with the so-called New Urbanists, it is that they are too ready to go back to the old city, and they don't have enough faith in this new motorized city that tries to overcome distance—and tries to make distance at the same time... Here is another kind of city, and very different. It appears to be a scatter array of objects, but suburbia is in fact perfectly organized, perfectly striated, clearly motivated by motorization."<sup>13</sup> Opponents do not readily accept the New Urbanist belief that the town center model is superior to motorized cities of the sunbelt.

A further criticism of New Urbanism is that it ignores the market imperative of scale.<sup>14</sup> New Urbanism fails to address the market dominance of big-box retail and commercial establishments. It focuses on designing communities with small-scale forms, but American suburbs focus on large-scale forms. It requires fine grain variations in design to provide mixture of uses and distinctive sense of place, but suburbia is dominated by the reality of economies of scale.

Dense, mixed-use developments need vibrant ground floor retail. Proponents simply suggest that these spaces be occupied by "neighborhood" retail tenants like dry cleaners and restaurants,

<sup>10</sup> Adler, Jerry et al. "Bye-Bye Suburban Dream 15 Ways to Fix the Suburbs." *Newsweek*, May 15, 1995, 40-53.

<sup>11</sup> Robert Fishman, ed., *New Urbanism. Michigan Debates on Urbanism: Volume II*. (New York: Distributed Arts Press, 2004), 18

<sup>12</sup> Robert Fishman, ed., *New Urbanism. Michigan Debates on Urbanism: Volume II*. (New York: Distributed Arts Press, 2004), 18

<sup>13</sup> *Ibid*, page 40

<sup>14</sup> William Fulton, *The New Urbanism: Hope or Hype for American Communities?* (Cambridge: Lincoln Institute for Land Policy, 1996), 12

rather than large-space tenants. Fundamentally however, these tenants, just like big-box tenants, need adequate traffic to drive sales. Even in New Urbanist communities, the retail requires more traffic than what is typically provided by residents within walking distance of the store. New Urbanist design offers small trade areas in typical suburban densities, but suburban retail requires large trade areas to function.<sup>15</sup>

Perhaps the staunchest opposing argument is derived from the market dictum that suburban residents simply do not like density. As the argument goes, New Urbanism requires people to embrace living near or above retail, as well as near their neighbors. Residents must be willing to accept some higher amount of density, and this willingness does not come easy in cities without physical or other boundaries to prevent continuing greenfield development. However, proponents find this view overly simplistic:<sup>16</sup>

Nothing irks Peter Calthorpe more than ‘naysayers who say that Americans don’t want to live in high-density cities—they want suburbs, as though there were only two choices!’ According to the San Francisco architect, ‘The answer is to understand there are a huge number of people with different lifestyles. There are different densities in new urbanism, some low, some high. Neighborhoods that have diversity—cafes, recreation, casual social encounters—will be increasingly important. Suburbs aren’t just about bedrooms anymore.’

Finally, there is the problem of mass transit, the lack of which poses serious constraints on New Urbanist development. Mass transit is often a function of population density, and many sunbelt cities simply do not have much of either. “The problem is that transit seems to need a critical mass to work, and many metropolitan areas...are just too spread out. Many commuters seem to think that if you have to drive to the train station anyway, you might as well just keep going to the office.”<sup>17</sup>

To best illustrate the debate between New Urbanism and traditional suburban design, two developments in the North Dallas market will be compared and contrasted. First, Addison Circle in Addison, Texas was one of the first mixed-use developments in this market based on the principles of New Urbanism. Its successes and challenges highlight many elements of the debate over New Urbanism, and it offers many “lessons learned” which may be leveraged in future sunbelt developments. Second, Twin Creeks in Allen, Texas is a good example of a well-designed master-planned community in the Dallas market. Its successes and challenges present an alternative view of this debate, and it highlights the elements of consumer preference that critics of New Urbanism cite.

## Case Study Analysis: Addison Circle vs. Twin Creeks in Dallas, Texas

Figure 1 depicts the location of each town in the Dallas area. Addison is considered an inner-ring suburb, and Allen is a more recently-developed outer-ring suburb. The respective developments are to some degree a function of their location in the city. Addison is an older community surrounded by medium density commercial office and restaurants. Allen’s development has increased as Highway 75 has extended further north from the city core. In general, Addison has a higher concentration of “dual-income no kids” and empty nesters. Allen is more of a family-centered, low-density community.

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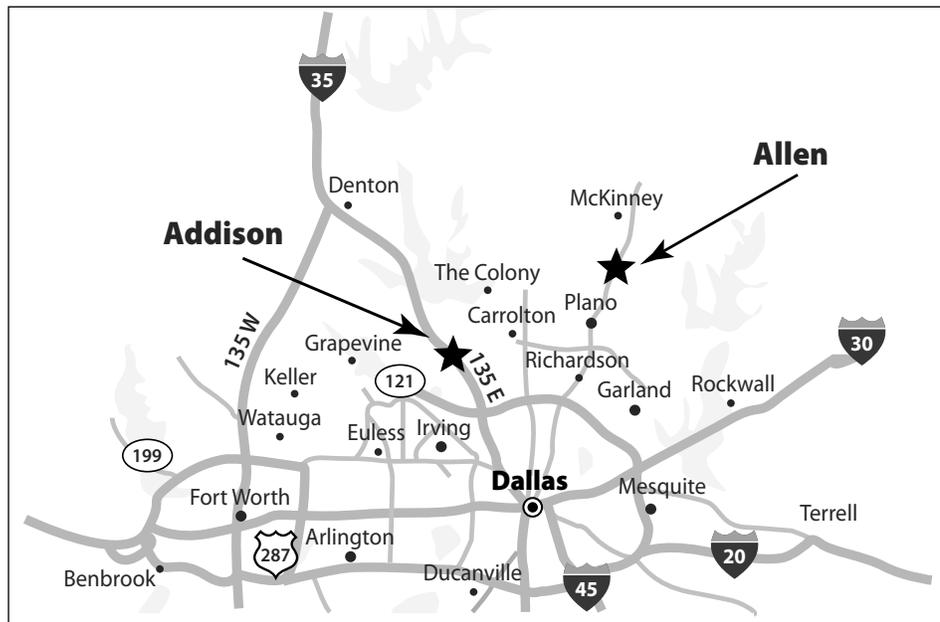
<sup>15</sup> *St. Petersburg Times* (St. Petersburg). January 14, 2007.

<sup>16</sup> Adler, Jerry et al. “Bye-Bye Suburban Dream 15 Ways to Fix the Suburbs.” *Newsweek*, May 15, 1995, 40-53.

<sup>17</sup> Adler, Jerry et al. “Bye-Bye Suburban Dream 15 Ways to Fix the Suburbs.” *Newsweek*, May 15, 1995, 40-53.

figure 1

North Dallas Area Map



Source: dallasrelo.com

Both communities suffer from an automobile-centric design that hampers overall walkability. According to a December 2007 study by the Brookings Institute, Dallas is ranked 25th out of the 30 largest American cities in walkability.<sup>18</sup> The Dallas community has talked a great deal about encouraging pedestrian access and density, but those discussions have yet to yield significant positive results. The study highlighted only McKinney Ave. and the Uptown district as the sole walkable districts in the Dallas area. In many ways, Dallas is ground zero for a litmus test on the viability of New Urbanism in a sunbelt sprawl city.

## Case Study #1: Addison Circle History and Overview

"The town of Addison is a community of entrepreneurs, not citizens. Its 4.5 square miles encompass 3,000 hotel rooms and 140 restaurants that feed the suburbia sprawling north from Dallas."<sup>19</sup> Carmen Moran, Addison's Director of Development Services, participated in the public effort that led to the development of Addison Circle. She commented in 2000, "All of Addison is transitory—even the single-family housing—because we don't have schools and churches, and it's schools and churches that build communities. We had neighborhoods of deteriorating garden apartments."<sup>20</sup> Addison is more of an urban center than suburban, even though it is in suburbia. It is about 80% commercial and 20% residential. It is also a part of the Dallas Independent School District (DISD), which has been criticized by former and existing residents.<sup>21</sup>

<sup>18</sup> *The Dallas Morning News* (Dallas). December 11, 2007.

<sup>19</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

<sup>20</sup> *Ibid*

<sup>21</sup> John Baumgartner, Director of Engineering for the City of Allen. Phone interview by author, 03 April 2008. Digital recording.

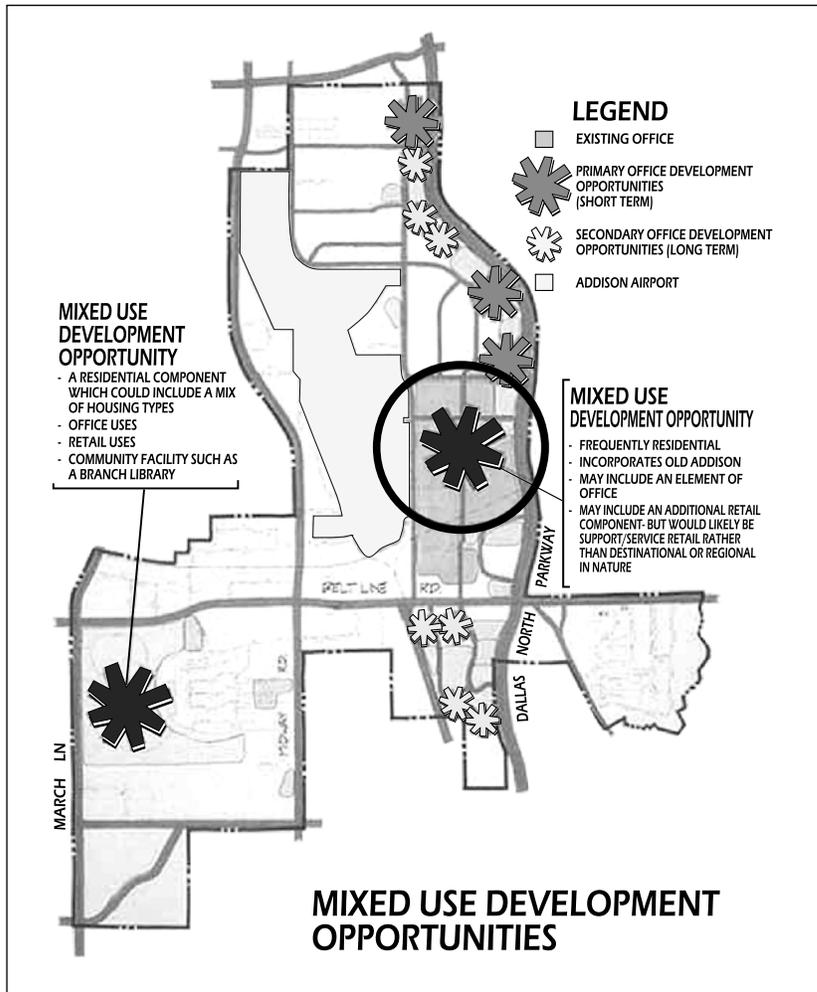


figure 2

Town of Addison Planning Map during mid-1990s

Source: RTKL Associates Inc.

During the mid-1990s, the Town embarked on a community vision process to guide remaining growth and infill opportunities. The 2020 Vision focused on two mixed-use development opportunities: a neighborhood and a town center.<sup>22</sup> Figure 2 shows the Town's planning map during these discussions. The shaded westerly section is the Addison Airport, and the area encircled to the right became Addison Circle. The Town then proactively sought development partners to pursue the town center that ultimately became Addison Circle.<sup>23</sup>

The Town wanted to:

- Provide distinctive focus for community life and varied special events
- Expand and balance the existing choices of housing
- Promote a rich mixture of synergistic uses
- Include retail if possible, but only as support/service, not as regional destination retail

<sup>22</sup> Tom Whitehead and Paris Rutherford of the Town of Addison and RTKL Associates, respectively. *Addison Circle: Sustainable Environmental Excellence*. PDF presentation available online.

<sup>23</sup> Ibid

Addison Circle was initially a public/private partnership between the Town, Post Properties, and Gaylord Properties.<sup>24</sup> Post later bought out Gaylord's minority interest in the development in November 2002 for \$19.5MM, which included the assumption of \$15.3MM in debt.<sup>25</sup> Post "partnered with the town of 12,000 to build a showcase for the 'New Urbanism' development philosophy, which emphasizes mixing shops, abodes and offices to de-emphasize the car and replace it with feet."<sup>26</sup>

By the end of Phase 4, Addison Circle included:

- 41 developed acres
- 18 acres of parks and open space
- 1,280 for-rent residential units
- 106 for-sale residential units

The development included the following uses in square feet:

- 1,207,000sf apartments
- 80,000sf condominiums
- 15,000sf town homes
- 300,000sf office
- 45,000sf loft office
- 60,000sf retail
- 80,000sf flex space
- 30,000sf storage

Support from the Town of Addison was critical to the success of this project. Town officials feared the gradual loss of taxes from eateries and wanted to diversify its local tax base. The Town owned the 80 acre site prior to its development. Addison had challenges attracting traditional residential development for two reasons: First, it is a part of the DISD, from which many homeowners at the time were fleeing. Second, Addison is landlocked, so it had little available land suitable to subdivision development. The Town decided to leverage its strengths as a commercial center and pursue a mixed-use, high density development instead. The Town committed \$9.5MM for infrastructure and high end finishes to sidewalks and roads. It also committed to fund all road and park upkeep, to build a conference center and theatre in the development, and to build a feature \$2MM modern art piece in the Town Center.<sup>27</sup>

"We built the art piece so the development would be noticed—we thought we needed an exclamation point," said Moran. "We've got no culture, we've got (sic) no history, we've got no heroes, but we've got a million dollars."<sup>28</sup>

"We wanted to build something we could get on Monday Night Football," joked John Baumgartner, Allen Director of Engineering and former Addison Director of Engineering. "That's what we used to say with the sculpture."

The developer gave the Town roughly half of a 15 acre parcel separate from the site, now known as "Addison Events Center Park," for public use and other events in exchange for the

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<sup>24</sup> Various. *Post Properties' Addison Circle Named Nation's Top Multi-family Development*. Distributed by PR Newswire in the Financial News Section on April 20, 1998, Chicago.

<sup>25</sup> Various. "Gaylord Properties sells its interest in a mixed use development." *Real Estate Finance and Investment*. November 18, 2002.

<sup>26</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

<sup>27</sup> *Ibid*

<sup>28</sup> *Ibid*

\$12MM in assistance.<sup>29</sup> The public funding paid for higher quality finishes, not the physical infrastructure itself. Post installed all roads and sidewalks, but the Town essentially paid extra to provide premium quality. Fundamentally, however, the economics of the deal would have worked for the developer even without this assistance. Post felt that though residents appreciate higher quality finishes, that appreciation does not always translate into higher rents. The public funding ensured that the finishes were included with or without the rent premium that would normally be required to justify them economically.<sup>30</sup>

## **Post's Strategy**

Prior to this project, Post was primarily known as a developer of lushly landscaped, gated, upscale garden apartments. During the 1990s, the company's philosophy began to change in favor of mixed-use developments. The company had grown concerned with competitive disadvantage of suburban garden apartments, and it felt an expansion into infill, mixed-use developments could differentiate their product and yield a stronger competitive position. Post considered New Urbanist thinking "refreshing." John A. Williams, Post's Chairman and CEO at the time, felt that rapid growth in sunbelt cities had pushed commutes to the limit, which had made mixed-use viable in an infill setting.

Williams commented in Post's 1997 annual report, "We have become concerned about the future of garden apartments, particularly those located in suburban areas. . . . Such apartments have become a ubiquitous element of modern suburban sprawl, and have increasingly taken on the characteristics of a commodity product.' Generally speaking, he added, 'garden apartments are more vulnerable to competitive pressures and real estate cycles, experience more frequent resident turnover; they offer weaker prospects of appreciation in value—in fact, they are exposed to the real risk of economic depreciation.'"<sup>31</sup> This strategy has proved true in the decade following this commentary. Compared with area garden apartments of the same vintage, Addison Circle has better held its value and improved in quality over time.<sup>32</sup>

Post gambled on the viability of mixed-use New Urbanism in Addison, betting that a large enough market existed in the Dallas-area that was fed up with long commutes and suburban isolation to make the project a success. "It was untried for one developer to provide both the retail and the residential, but our experience in uptown Dallas had proven there was an appetite for this type of development,' commented Tom Wilkes, Executive Vice President and President of Post Apartment Management. "The benefit is that people can move and change lifestyle and stay in the community, and many have....It's a successful model because it provides an apartment living experience that doesn't feel isolated. With retail just below the units or across the street, residents can easily entertain themselves or friends."<sup>33</sup>

Post's gamble paid off, and the project has been successful in many areas. Its success in Addison led it to build additional mixed-use developments, such as Legacy Town Center (Plano, TX), Post-Paseo (Pasadena, CA), and Post Pentagon Row (Arlington, VA).

## **Project Successes**

Addison Circle received many accolades following construction. On Saturday, April 18, 1998, Addison Circle received the prestigious "Pillar of the Industry" award from the National Association of Homebuilders Multifamily Council and Multi-Housing News. It was also named

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<sup>29</sup> John Baumgartner, Director of Engineering for the City of Allen. Phone interview by author, 03 April 2008. Digital recording.

<sup>30</sup> Bart French, Development Director for Post Properties. Phone interview by author, 31 March 2008. Digital recording.

<sup>31</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

<sup>32</sup> Bart French, Development Director for Post Properties. Phone interview by author, 31 March 2008. Digital recording.

<sup>33</sup> Various. *Post Properties' Addison Circle Named Nation's Top Multi-family Development*. Distributed by PR Newswire in the Financial News Section on April 20, 1998, Chicago.

one of the “Best Real Estate Deals of 1997” by the Dallas Business Journal.<sup>34</sup> The design of both the physical structures and common areas within the development are considered exemplary. “The rich, European-style setting features brick courtyards with fountains, outdoor fireplaces, and pools. Balconies that overlook public areas provide an ‘eye to the street’ at night.”<sup>35</sup>

The project is also considered a strong prototype for suburban infill development in a New Urbanist mold. “Everybody who is concerned about traffic and air pollution is saying build ‘smart growth’ instead of ‘dumb growth,’” said Steve Macauley of Macauley Properties, who is trying to build Ridenour, a planned village by Kennesaw Mountain (in Georgia). ‘But the problem with smart growth is there are very few examples you can learn from, and Addison Circle is the best one I’ve seen yet.’”<sup>36</sup>

Addison Circle also achieved its goal of creating a strong sense of community in a town center format. Jeffrey Combs, a 36-year-old who runs his Web development company from Addison Circle, commented in 2000, “We have cocktail parties once a month in the loft apartments—it’s very social,’ he said. ‘You get to know your neighbors, and that’s hard to do in Dallas. There is a trust factor.’”<sup>37</sup>

## Failures

Retail was and continues to be the largest difficulty at Addison Circle. This problem stems from the fact that the retail is focused on a neighborhood draw, as opposed to a larger regional audience. Post’s original development team approached Addison Circle from an apartment paradigm, not a retail paradigm. Bart French, Post Development Director, explained the thinking of the original team:<sup>38</sup>

It was kind of like, “Let’s just build a neat, almost campus area for apartments and then just throw some retail down at the bottom.” As a result, the apartments do great here. It’s a real interesting area. You’ve got a lot of green space; it’s very walkable. So people like being here, but the retail, unfortunately, doesn’t do well at all here in Addison Circle. A lot of that’s driven by the fact that this isn’t a retail location. It’s more of a destination. People can drive right by and not know these little shops are even around here...If everybody walked around here, I think it (retail) would be fine. But Dallas is really centered on the car, so it hasn’t really ever taken hold here.

Antonio Avona, owner of the “Antonio’s” restaurant in Addison Circle, commented in 2000, “There is not much retail yet. . . . Most of it is not even retail for the people who live here.”<sup>39</sup> Avona went on to say that most of the shops and services are destination establishments, not local ones.

The location of the parking garages has exacerbated the retail problems. Figure 3 shows the property’s usage plan and circulation.

The site has two main frontage roads: Addison Road to the west, and the Dallas North Tollway to the east. Consistent with New Urbanist design, the planners and developers built a signature town center (the circle in the plan above), which included the attention-grabbing sculpture. The retail is arranged around the town center and in other circulation extensions from that point (the orange shaded sections above). This design meets the criteria of New Urbanism, but falls victim

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<sup>34</sup> Ibid

<sup>35</sup> Ibid

<sup>36</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

<sup>37</sup> Ibid

<sup>38</sup> Bart French, Development Director for Post Properties. Phone interview by author, 31 March 2008. Digital recording.

<sup>39</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

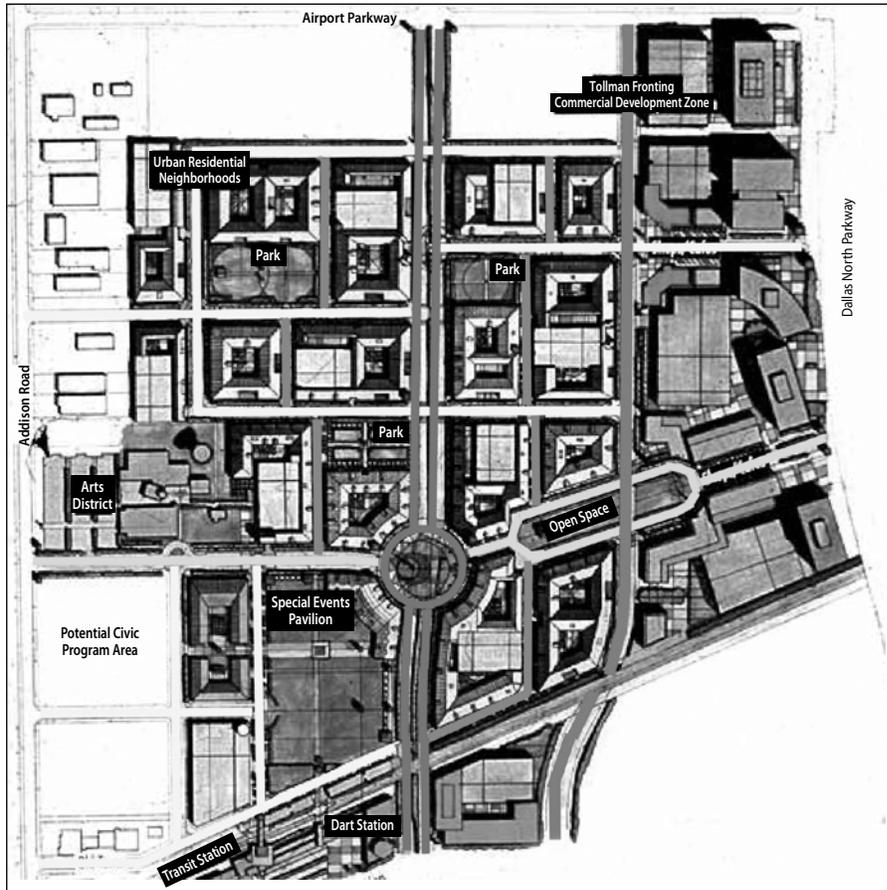


figure 3

Addison Circle usage through the end of phase 4

Source: RTKL Associates Inc.

to the fundamental requirements of retail tenants: potential customers can drive by unaware of the large volume of retail, because none of it has direct frontage on the main roads. The parking garages are also tucked away from view in non-obtrusive locations, but they are not easily visible while driving through the site. French discussed the issues with this problem, saying, “Studies show that people won’t circle very long looking for a parking place; they just abandon and go somewhere else,”<sup>40</sup> a problem that continues to plague Addison Circle.

## What Addison Circle says about New Urbanism in Dallas

**It’s all about the jobs.** New Urbanism works when the site is right in the middle of a significant employment base. Most residents are urban professionals in their twenties and thirties that want to live close to their jobs. They want to live in active, 24-7 environment.

**Mixed-use holds its value over time.** Mixed-use developments are unique in this market. This uniqueness insulates the properties from competition from traditional garden apartments and strip retail centers, which helps retain value over time. Post has received slightly higher rents than comparable garden apartments of the same vintage, and it has observed cap rates to be slightly compressed on similar assets.

**You don’t absolutely need great mass transit to make it work.** New Urbanist development can work with little transit alternatives to the automobile, because people live in these developments

<sup>40</sup> Bart French, Development Director for Post Properties. Phone interview by author, 31 March 2008. Digital recording.

to be close to work. However, without mass transit options available, the radius of potential residents is far smaller than it would be otherwise. Without great mass transit in the sunbelt, the viability of mixed-use becomes a function of the density of area jobs, and this becomes a large limiting factor.

**Do not assume that building a pedestrian-friendly community will lead to less automobile usage.** Sunbelt residents will not walk far to get to grocery stores and other places. Addison Circle residents still need their cars to do most necessary shopping. As a result, the development is still more car-oriented than the development team originally expected.

**Developers and planners absolutely cannot underestimate the importance of retail fundamentals in the sunbelt.** New Urbanism seeks to incorporate neighborhood retail in mixed-use communities, but this model does not work in sunbelt sprawl cities where big box retail rules. The “scale” criticism of New Urbanism is acutely illustrated in Dallas. Designing communities around residential and failing to place retail in accordance with its fundamental needs will fail in this market. Post learned this lesson in Addison Circle and corrected it during a follow up development, Legacy Town Center in nearby Plano, Texas.

Legacy was designed as a retail development first with a mixed-use residential component, whereas Addison Circle was a residential development with a mixed-use retail component. As a result, both the residential and retail components of Legacy have been successful. French explained the retail lessons learned and the change in thinking displayed in Legacy:

What I think (mixed-use) needs...what we really look for when we're putting together these mixed-use deals is we're looking for a strong retail location. Just like a retail developer really focuses on rooftops, that's what we focus on when we're looking to do a development that's going to have a mixed-use component to it. What we've learned from Addison Circle, there's 1,300 units here that Post has and 100,000 plus square feet of retail, even though that's a lot of units for one development, that's not enough to support the retail here. The retail has to be driven off of people just driving by.

**New Urbanism is no panacea.** Until New Urbanist developments start attracting more families with children, the pressure to propagate sprawl will not abate. Even though it attracts urban professionals and empty nesters, families with children are still a large, profitable demographic. New Urbanism must meet the needs of this demographic for it to be a viable regional planning policy in the sunbelt. The experience of Addison Circle suggests that this has not occurred to date.

## Case Study #2: Twin Creeks

### History and Overview

Twin Creeks differs significantly from Addison Circle. Twin Creeks features expensive detached houses built around a golf course in a master-planned setting. It typifies the suburban community to which buyers seem to flock and at which urban planners seem to snarl. The project's first phases were undertaken by a local development firm, which developed the eastern portion of the site. The initial development included most essential ingredients to a successful suburban master-planned community, including nearby big-box retail, a strong location, and a well-designed golf course. Hillwood, a real estate subsidiary of the Perot Company, entered into the project as a limited partner with the original developer. The original developer wanted to move into more of a silent partner role, and Hillwood went on to develop the western portion of the site (see Figure 4 for Twin Creeks site map). Figure 5 depicts two representative homes in this development.

The original developer retained ownership of the land and sold off lots to Hillwood as the development progressed. These lots had risen significantly in value due to the success of the eastern portion of the site, so Hillwood looked to a different type of “patio” product at slightly higher densities to make the economics work for its portion. Hillwood also re-branded its portion

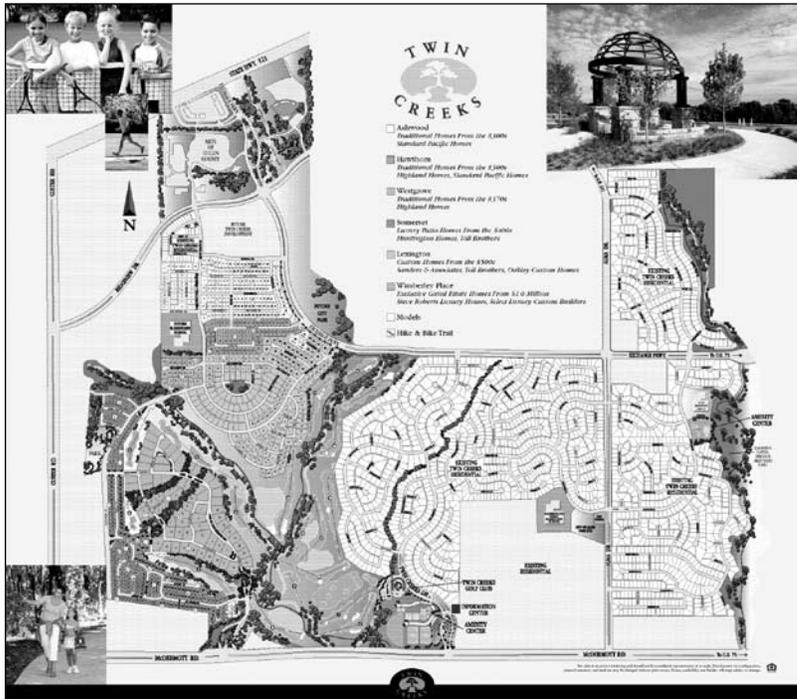


figure 4

Twin Creeks Site Map

Source: twincreeks.com

of the development to give it distinctive character. It initially started west of Lakeway Drive with patio product (“Somerset” in Figure 4). This was a unique product type for Allen. Hillwood selected this product because it needed to increase density and maintain sales prices given high land costs. This high end, zero lot line product targeted empty nesters and was extremely successful.<sup>41</sup> The homes sold quickly, and Hillwood progressed through the rest of the site and offered more large-lot, premium product closer to the golf course (“Wimberley Place” in Figure 4). This gated community within Twin Creeks was also unique in the area, offering estate lots within a master-planned community. Hillwood sought to create a strong sense of place and community within the constraints of the economics of the development. Tom Wolliver, Development Manager for Hillwood, explained, “Most of the people here have kids and families. Sense of place for us is going across the street to a park and engaging with neighbors...That doesn’t necessarily have to translate into shopping and all those other things.”<sup>42</sup> Wolliver went on to comment that Hillwood did not do as good of a job encouraging a sense of community in Twin Creeks as it has done in other developments as a consequence of the cost of land and the project’s economics. Hillwood set aside over three acres of open space by the main entrance off Lakeway Drive purely to create a sense of openness as residents drove into the development. He felt that had Hillwood not needed such high densities for economic reasons, the site may have been designed quite differently to include more open space and sense of community.

## What Twin Creeks says about Master-Planned Communities in Dallas

As long as customers want the product, someone will build it for them. Calling developments such as Twin Creeks “sprawl” and riddling them with pejoratives will not prevent the development community from building them. Yes, American demographics are changing in a manner that makes New Urbanism more viable, but a huge market for single-family detached

<sup>41</sup> Tom Wolliver, Development Manager for Hillwood. Phone interview by author, 10 April 2008. Digital recording.

<sup>42</sup> Ibid



figure 5

Twin Creeks single family detached housing

Source: twincreeks.com

suburban communities still exists. Until consumers' preferences change and the demand slows, the development community will still provide the supply. Added Wolliver, "Everything in this business is marketdriven, plus – we're all here to make money too...It was a financial opportunity number one how we did this, and there is the demand there to do it."<sup>43</sup>

**Sprawl does have limits, even without physical barriers to growth.** What makes fringe suburbs in Dallas so successful is the employment base in those areas. In that respect, the success factors in mixed-use developments like Addison Circle and in master-planned residential developments like Twin Creeks are similar. Ultimately, sprawl's limiting factor is the location and quantity of jobs. There are limits to how far people will commute to a job. If the employment base does not migrate to fringe suburbs, then housing will not follow. Even some of Hillwood's current developments further from Allen have not performed as well as Twin Creeks for this reason

**Further mass transit development could change the market dynamics in favor of dense, mixed-use and away from master-planned communities.** "We're going to get to a point, I believe, where it sprawls out too far. The sunbelt cities, particularly in Texas, are exploding in population, and it's going to continue," said Wolliver. "I just think we're a little behind the rest of the country (with respect to mass transit), and it's not a fact that we just do things a little differently. They already had the density built in, and they have a bigger immediate need for

<sup>43</sup> Ibid

it than what you'll find in sunbelt cities." Sunbelt cities do not have as sophisticated a multi-modal transit network as older American cities, because they have not been needed. The sunbelt boomed after development of the automobile. These are car-first cities today, and car-first cities love car-first communities. As sunbelt cities develop more transit options, they will become less car-dependent. This will engender more urban development and will bode well for mixed-use developments in the future.

## Conclusion

New Urbanism has tremendous potential, but it can neither cure all the ills of suburban sprawl nor provide all the product types in demand by the market today. The problem is bigger than any one idea, no matter how well that idea is thought out or how much promise it entails. As Fulton explained:<sup>44</sup>

Although (New Urbanism) is often advertised as a panacea, it simply cannot solve all urban and suburban problems, even if it is perfectly executed... It addresses primarily the physical arrangement of neighborhoods and communities, not their social, cultural, or economic structures. It is based on the assumption that changes in physical design will lead to changes in other areas of community life, but this assumption is still largely untested... An 80-acre New Urbanist neighborhood in a sea of conventional subdivisions might look different and provide its residents with a particular quality of life, but it is not going to upend a half-century of auto-dependent suburban development.

Fundamentally, the issue is demand demographics. In the sunbelt, New Urbanist developments are filled with urban professionals and empty nesters; master-planned communities are filled with families with children. Until the line dividing those two customer bases blurs, New Urbanism will not present a viable cure for all problems associated with sprawl.

Antonio Avona, restaurant proprietor in Addison Circle, revealed this underlying problem succinctly in describing that development. "I think this is the future of apartment living because nothing else can compete with it. . . . This is a place where you can meet people. We've had three couples who met here and got married.' He said with a laugh: 'And then they left and moved into homes.'"<sup>45</sup>

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<sup>44</sup> William Fulton, *The New Urbanism: Hope or Hype for American Communities?* (Cambridge: Lincoln Institute for Land Policy, 1996), 29

<sup>45</sup> *The Atlanta Journal and Constitution* (Atlanta). July 3, 2000.

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