CP&DR

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CALIFORNIA PLANNING & DEVELOPMENT REPORT

Will *Koontz* Mean the end of *Ehrlich*?

The U.S. Supreme Court has tightened the screws on exactions, ruling in a case from Florida that government agencies must follow the *Nollan/Dolan* doctrine – even when a permit is denied and when the exaction involves money as well as property.

At a glance, the ruling would appear to strike down the California Supreme Court's 17-year-old ruling in Ehrlich v. Culver City, 12 Cal.4th 854, which gave cities and counties more leeway on exactions when they are imposed as part of a general plan policy rather than a one-off permit.

The *Nollan/Dolan* doctrine demands that exactions imposed on developers be closely connected to the development's impacts. In *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987), the Supreme Court ruled that there must be a "rational nexus" between a development and an exaction. In *Dolan v. City of Tigard*, 512 U.S. 374 (1994), the Supreme Court ruled that there must be "rough proportionality" between the cost of the impact created and the cost of the exaction demanded.

In *Koontz v. St. Johns Water Management District,* the court ruled 5-4 – along predictable ideological grounds – that these two rules apply in a situation where a property owner declined to accept the exactions and therefore the permit was denied. The court also ruled that there is no difference between an exaction of property and an exaction of money.

Writing for the five-justice majority, Justice Samuel Alito resolved the most basic question in the case by saying that

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insight

WILLIAM FULTON

So Long To Enterprise Zones

California's long experiment with enterprise zones appears to be just about over. Gov. Jerry Brown's idea to kill enterprise zones and replace them with a series of new tax credits has passed the Legislature and is now awaiting Brown's signature.

Just about everybody agrees that the Reagan-era idea has been a failure in California – except the California Association of Enterprise Zones, which has been fighting to keep the program alive. Along with the demise of redevelopment, however, the end of enterprise zones raises the question of whether California will – or should – subsidize what might be called "place-based" economic development.

In other words, the question on the table in California these days is whether the state should focus on growing the economy as a whole as opposed to finding ways to direct economic activity into specific geographical locations.

According to The Wall Street Journal, the enterprise zone program now costs the state $700 million a year in tax credits – double the figure five years ago. But most analysts believe the program has done little good. A 2009 study from the Public Policy Institute of California found that the program has "no statistically significant impact on employment".

The enterprise zone was a Thatcher-era British policy idea that was imported to the

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Inside

STEINBERG'S CEQA AND REDEVELOPMENT BILLS MOVE FORWARD. After a variety of setbacks, Senate Leader Darrell Steinberg, D-Sacramento, is doggedly moving forward with bills to reform the California Environmental Quality Act and revive redevelopment. Both bills – SB 731 for CEQA and SB 1 for redevelopment – have cleared the Senate and are now pending in the Senate.

The CEQA bill is more likely to be enacted into law. Steinberg deliberately created a consensus bill with little opposition and it passed the Senate 39-0. The redevelopment bill – a rerun of last year's SB 1156, which passed the Legislature but was vetoed by Gov. Jerry Brown – passed the Senate 27-11 on a party-line vote and Brown may well veto it again.

Perhaps the biggest CEQA change called for in SB 731 is the creation of state significance thresholds for parking, transportation, and noise. The bill would allow local governments to create stricter standards – but one can imagine quite a battle at the Natural Resources Agency and the Office of Planning & Research over whether the state thresholds should be strong or weak. In addition, the bill would ditch aesthetics as a CEQA issue.

Steinberg's bill originally called for an appropriation of $30 million per year to fund planning grants through the Strategic Growth Council, but the language was watered down simply to say that this is the Legislature's intent. With such broad support, it seems likely that Brown will sign the bill.

An excellent rundown of the bill was prepared by the Manatt law firm.

The redevelopment bill, SB 1, continues to mirror last year's bill, permitting the creation of a "sustainable communities investment authority" with limited access to tax-increment financing if both the city and the county agree to it. The redevelopment areas to be created would be limited to transit-rich locations, "small walkable areas," and clean energy manufacturing sites.

Although the bill appears likely to pass the Legislature for the second year in a row, there is no reason to believe Brown has changed his mind on vetoing it.

ENCINITAS VOTERS APPROVE HEIGHT LIMIT, VOTE REQUIREMENT. Voters in the North San Diego County city of Encinitas have narrowly approved a ballot initiative limiting building heights to two stories in most parts of the city and requiring future changes in height and density to a vote.

Proposition A emerged in part from the city's raucous debate over a General Plan Update, which highlighted the question of taller buildings and greater density. The measure passed with 51% of the vote Tuesday

The City of Encinitas is a collection of older communities near Carlsbad that were combined when the city was incorporated in the 1980s. These communities include downtown Encinitas and the beach town of Leucadia. Downtown Encinitas has seen several three-story buildings constructed in recent years, including one designed around a Whole Foods supermarket.

North County has always been a hotbed of ballot-box zoning, though the pattern has slowed down considerably in recent years

Much of the debate over Proposition A revolved around the state's density bonus law, which permits developers to increase density in exchange for providing affordable housing. Several councilmembers who were originally in favor of Proposition A later changed their position, arguing that the density bonus law would permit developers to end-run the two-story height limit but do so with less city control.

In an effort to blunt support for Proposition A, the City Council voted to eliminate an existing exemption to local voter-approval provisions. Previously existing Encinitas

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ordinances already required voter approval for large projects, but permitted the council to waive that requirement with a four-fifths vote. The council eliminated that exemption in May as the election heated up.

POST-REDEVELOPMENT STRIFE CONTINUES. More than 120 lawsuits have been now filed against the state Department of Finance by former redevelopment agencies, most recently by the City of Goleta, north of Santa Barbara, which is suing to protect $18 million in funds that were transferred from the redevelopment agency to the city. The money is being spent on a project to expand the capacity of San Jose Creek and therefore take Old Town Goleta out of the floodplain.

Meanwhile, Fitch Ratings has assigned a BBB+ rating – that's pretty low – to redevelopment bonds in Rocklin, Orange Cove, and Turlock – all Central Valley cities where property values are low. Fitch gave a "negative outlook" rating to the Rocklin, even though the city's economy is doing better than the regional economy and the city appears to have enough money to repay the bonds. That's because Fitch concluded Rocklin does not have enough money to repay a $2.4 million line of credit secured by affordable housing setaside money ■

legal digest

Appellate Court Sends Inclusionary San Jose Housing Case Back to Trial Judge

BY WILLIAM FULTON

The City of San Jose has won an important round in a potentially landmark case challenging the legality of inclusionary housing ordinances in California.

The California Building Industry Association has challenged San Jose's inclusionary housing ordinance, claiming that in adopting it the City did not make a necessary "nexus" finding. In essence, CBIA is arguing that an inclusionary housing requirement is an exaction and therefore cannot be imposed unless a reasonable relationship is proven between the development being approved (market-rate housing) and the impact being mitigated (the need for affordable housing).

Santa Clara County Superior Court Judge Socrates Monoukian ruled in favor of CBIA. On appeal, however, the Sixth District Court of Appeal ruled that the inclusionary housing ordinance is an exercise of the police power, not an exaction, and therefore the burden of proof lies with CBIA, not with the City. The Sixth District remanded the case to the trial court.

It's a blow for the homebuilders, who have been trolling for a winning argument against inclusionary housing. Having lost *Home Builders Ass'n of Northern California v. City of Napa* (2001) 90 Cal.App.4th 188, 194 – in which the homebuilders claimed that inclusionary housing amounted to an unconstitutional taking – the builders now claim that inclusionary housing is an exaction.

Inclusionary housing ordinances – requiring housing developers to set aside a certain percentage of their units as affordable or else pay a fee in lieu of that set-aside -- have become more common in California in recent years. According to one study in 2006, at least 30,000 affordable housing units have been constructed as a result of inclusionary requirements. However, the building industry has consistently argued against inclusionary ordinances, saying that they increase the cost of all housing and therefore actually make housing less affordable. In a 2009 letter to CBIA, Lynn Jacobs – then the state housing director and a former president of the Los Angeles BIA – stated that local governments should analyze inclusionary housing ordinances as a potential constraint to affordable housing when preparing their housing elements.

San Jose adopted an inclusionary housing ordinance in 2010, which required residential developments of 20 or more units to set aside 15 percent for purchase at a below-market rate to households earning no more

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than 110 percent of the area median income. Developers had the option of providing the units off-site or paying a fee in lieu of providing the units.

Relying on standards laid down in *San Remo Hotel L.P. v. City & County of San Francisco* (2002) 27 Cal.4th 643 [*San Remo*], and *Building Industry Association of Central California v. City of Patterson* [(2009)] 171 Cal. App.4th 886,

CBIA filed a facial challenge to the ordinance, claiming that the City had failed to show a reasonable relationship between residential development projects and the inclusionary requirement, which it characterized as an exaction.

CBIA argued that the City's action lacked any "attempt to identify, much less to quantify, any 'deleterious public impacts' on City needs for affordable housing caused by new market rate development" and that the inclusionary percentages contained in the ordinance were arbitrary. Apparently, seeking to distinguish this case from the Napa case, CBIA also went out of its way to make the point that it was not making a takings claim, which probably would have required an action for relief from a developer who had actually been subjected to the ordinances, rather than a facial challenge from a trade association such as CBIA.

Judge Manoukian bought CBIA's argument, concluding that "the challenged portion of the ordinance bears no reasonable relationship to permissible outcomes in the great majority of cases."

"The Sixth District Court of Appeal ruled that the inclusionary housing ordinance is an exercise of the police power, not an exaction, and therefore the burden of proof lies with CBIA, not with the City."

The City and several affordable housing groups appealed the case to the Sixth District. They argued that the inclusionary housing ordinance should be considered a land use regulation enacted through as an exercise of the City's police power, not an exaction. For this reason, they claimed, the Court should have applied a different standard of review — giving great deference to the City – that required the Court to uphold the ordinance if it "merely has a reasonable relation to the public welfare" and also placed the burden of proof with CBIA, not the City.

The appellate court sided with the City, reversed Manoukian's decision on the standard of review, and sent the case back to the trial court.

CBIA argued that the inclusionary ordinance is an exaction because residential developers must "dedicate or convey property (new homes) for public purposes," or alternatively, pay a fee in lieu of "such compelled transfers of property."

However, the appellate court did not buy CBIA's argument. "This alternative portrayal of the inclusionary housing requirement misses the mark," the court wrote. "The IHO does not prescribe a dedication." The Court knocked down CBIA's arguments drawn from a whole series of exactions cases – most especially *San Remo*, which required hotel owners to provide affordable housing units as compensation for lost affordable housing when single-room occupancy hotels in San Francisco were converted to tourist use.

"We thus conclude that the standard articulated in *San Remo* is inapplicable here, and that the ordinance should be reviewed as an exercise of the City's police power," the Court ruled.

The Court did caution that "this does not entail unthinking acquiescence to the City's stated goals." But it did review case law on exercise of police power at some length and reiterated that the burden of proof lies with CBIA, not with the City ■

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an actual taking did not have to occur in order for the property owner to have his constitutional rights violated. "Extortionate demands for property in the land-use permitting context run afoul of the Takings clause [of the U.S. Constitution] not because they take property but because they impermissibly burden the right not to have property taken without just compensation." He added: "[T]he impermissible denial of a government benefit is a constitutionally cognizable injury."

> ***"Extortionate demands for property in the land-use permitting context run afoul of the Takings clause [of the U.S. Constitution] not because they take property but because they impermissibly burden the right not to have property taken without just compensation,"***
> **wrote Justice Alito**

Writing for the four-judge minority, Justice Elena Kagan predicted that the ruling's effects would be widespread and confusing because ordinary fee setting will now be subject to federal constitutional tests. "The Federal Constitution … will decide whether one town is overcharging for sewage, or another is setting the price to sell liquor too high."

The facts of the case will be pretty familiar to anybody who follows California land-use regulation and wetlands regulation in particular. Property owner Cory Koontz bought a piece of land along the East-West Expressway east of Orlando in 1972, then lost part of it via eminent domain for an extension of the highway in 1987. Koontz was left with 14.2 acres of land, of which 12.8 acres is located in the Riparian Habitat Protection Zone (RHPZ) of the Econlockhatchee River Hydrological Basin and therefore subject to regulation by the water district.

In 1994, Coontz sought approval to develop 3.7 acres of the property, of which 3.4 acres were wetlands and 0.3 acres were uplands. This was the portion of the property closest to highway. The water district agreed to permit this development so long as Koontz dedicated the remaining 10.5 acres to a conservation area and engaged in a variety of offsite mitigation efforts, including replacing culverts and plugging drainage canals several miles away. As an alternative, the water district said he could reduce his project to one acre and dedicate the rest to the conservation district. Koontz rejected the offsite mitigation and the alternative and the water district denied his permits.

Writing for the court, Alito stopped short of deciding whether the property owner was entitled to monetary damages and remanded the case to Florida courts for further discussion.

As stated above, by subjecting all exactions to the *Nollan/Dolan* test, *Koontz* would appear to overrule the longstanding Ehrlich rule in California, which permits more flexibility on exactions if they are imposed as part of an overall policy such as a general plan. Koontz would appear to eliminate any such flexibility.

The *Koontz* ruling put to rest the idea that a conservative justice – possibly Antonin Scalia – would cross over to the liberal camp on the argument that the Takings clause cannot be applied in a case where a permit was not issued and therefore nothing was actually taken. He appeared to be leaning in that direction during oral argument. In the end, however, he sided with his conservative brethren.

Koontz is notabe for its unusually cross-referential banter between Alito and Kagan. Each refers to the other's opinion repeatedly and refutes it at length. As is his custom, Alito cloaked his ruling in arcane cases from long ago, a palable anti-government streak (he used the word "confiscate" four times), and an unwillingness to play out the consequences of the ruling. Indeed, he spends a significant amount of time in his ruling explaining why the court does not need to go further than simply rule whether the *Nollan/Dolan* doctrine applies. He bases his opinion in large part on the doctrine of "unconstitutional conditions" – a doctrine rarely relied on, at least overtly, in land use cases – and his view that exactions are similar to liens, a notion that has rarely been put forth previously in a land use case.

By contrast, Kagan's dissent is written in a straightforward fashion that is much more accessible to the lay reader and deals more extensively with the likely consequences of the ruling.

Indeed, throughout both opinions, it is sometimes not clear whether or not the two justices are even talking about the same case. Kagan's interpretation of the interplay between the water district and Koontz is far different from Alito's, and this interpretation plays a big role in her conclusions. Alito accepted Koontz's version of the facts, saying that the water district gave Koontz two alternative mitigation proposals, both excessive. Kagan's dissent oozed skepticism about this black-and-white view of what happened, saying instead that the water district had simply proposed two mitigation options as possibilities and invited Koontz to negotiate further.

"[T]he District never made a demand or set a condition – not to cede an identifiable property interest, not to undertake a particular mitigation project, not even to write a check to the government. Instead, the District suggested to Koontz several non-exclusive ways to make his applications conform to state law."

This interpretation led her to argue that if even casual negotiations between government agencies and developers are subject to the *Nollan/Dolan* rule, then government agencies will simply stop negotiating with developers and turn permits down – not a good outcome for developers ■

insight WILLIAM FULTON

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United States during the intellectually fertile policy reform period of the 1980s. During that time, Reagan Republicans – Jack Kemp in particular – were looking for ways to move away from Great Society programs for inner-city revitalization and stimulate private business and entrepreneurial activity in low-income neighborhoods. The biggest inducement, of course, would have been federal income tax credits for businesses that located in these neighborhoods and/or hired local residents. With Congress still controlled by Democrats in those days, a federal enterprise zone law never passed – though the Clinton Administration later bundled federal aid and tax credits into "empowerment zones" in hopes of achieving a similar goal.

The idea of state enterprise zones stimulated a very lively policy discussion in Sacramento in the 1980s. At first the discussion was focused on passing a law that would complement the presumed federal law. But when the federal law failed to pass, a state law was adopted anyway. The tax credit benefits at the state level are not nearly as significant as at the federal level – after all, the marginal income tax rate at the federal level is triple that of the state rate – but the belief was that California's income taxes are sufficiently high that a break would be a good incentive anyway.

Crafted by Democrats focused on the hiring of local workers rather than Republicans focused on the location of businesses in low-income areas, California's enterprise zone program has always been somewhat complicated. The main benefit is a tax credit – complicated to calculate but worth up to $56,000 over five years – available to a business located within an enterprise zone that hires a disadvantaged worker. (The disadvantage could have something to do with the worker's personal circumstance or it could be associated with living in or near the enterprise zone.) The program also offers businesses located within enterprise zones a variety of other business tax credits – for example, an income tax credits against sales tax for machinery used in the zone and accelerated depreciation of property.

After almost 30 years in existence, there are 42 enterprise zones in the California program. In 2004, according to PPIC, these zones hosted 124,000 businesses (about 6% of the businesses in the state), which in turn employed close to 1.3 million people – again, about 6-7% of the state's total employment.

After an extensive analysis that included comparing enterprise zone activity to activity elsewhere, the PPIC report concluded the following: "California's enterprise zone program—the state's largest economic development program—has no statistically significant effect on employment. We arrived at this conclusion after mapping nearly all businesses in the state, drawing precise enterprise zone boundaries, and comparing employment growth in enterprise zones with carefully considered control areas."

Indeed, the PPIC authors – the respected economic development researchers Jed Kolko and David Neumark – expressed surprise at their conclusions. They suggested that the property and equipment tax credits might lead enterprise zone employers to substitute equipment for labor. They also hypothesized that the disadvantaged worker credits might have simply caused employers to substitute disadvantaged workers for other workers without increasing overall jobs. This is not a bad outcome – disadvantaged workers almost by definition have a harder time finding a job – but as Kolko and Neumark said, it is difficult to see how overall poverty is likely to improve if there is no net increase in jobs.

The enterprise zone debate in Sacramento this year has focused on the ballooning cost of the program and the fact that large companies appeared to benefit from those programs more and more. The *Los Angeles Times* reported that 65% of the benefits went to companies with more than $1 billion in assets and also said that in Sacramento – one of the few agencies that released details of specific companies – tax credits went to Wal-Mart, FedEx, and two strip clubs.

Brown's reforms de-emphasize the geographical aspect of enterprise zones, focusing instead on providing tax credit offsets for sales tax on equipment; encouraging the hiring of certain disadvantaged workers; and the creation of a competitive pool of tax incentives, along with a state committee to allocate those tax credits.

All of which seems to suggest that Jerry Brown – the once and future liberal – has moved in a "conservative" direction in order to save the state money. This is very much in keeping with the political climate in California today. But before we say goodbye to enterprise zones, let's spend just a minute asking the question of whether we should do away with geography-based incentives.

The rate of economic growth in California is a problem. But so is the geographical distribution of that economic growth. There is no question that – in geographical terms as in so many other terms – the rich in California are getting richer while the poor are getting poorer. It is commendable to hire workers who are disadvantaged, but without a geographical component to such a tax credit program how will they get to the far-away jobs. And while you can make fun of giving tax credits to Wal-Mart, isn't one of the biggest problems in low-income neighborhoods a lack of shopping opportunities?

So, yes, the enterprise zone program – viewed over a 30-year period – was a flop. But there's still something to be said for economic development and real estate investment programs that encourage people to build and hire in locations they would otherwise stay away from. Let's hope the state can figure out a place for that concept in the new world order ■

The Long View: California Sprawls Less Over 60 Years

You might wonder how many times I can write a blog highlighting how different California is from the rest of the country when it comes to density. After all, I started on this screed back in 2001, when I co-authored *Who Sprawls Most?* And just a month ago I wrote a blog noting that, according to the Census Bureau, California metros are densifying while their counterparts elsewhere are not.

But evidence just keeps on coming. Now the Environmental Protection Agency has provided a compelling long-view look at density patterns in major metropolitan areas in the United States – which reveals this pattern has held over the past 60 years.

The other day, EPA issued the second edition of its turgidly titled *Our Built and Natural Environments: A Technical Review of the Interactions Between Land Use, Transportation, and Environmental Quality*, an overview of a wide variety of environmental impacts of human settlement and the built environment. And buried in that report – Exhibit 2-2 on page 8 – is a pretty interesting table examining metropolitan population growth versus urban expansion in the last 60 years, since the Census Bureau first started keeping track of such things in 1950.

What the table shows is that for the 39 largest metro areas that were delineated in 1950, population grew 150% over the 60 years while the urbanized area expanded 400% -- meaning urbanized area grew 2.5 times faster than population. (The Census defines an urbanized area as any Census tract that has a population of 1,000 persons per square mile or more, so it tends to underestimate low-density sprawl – but it's still a useful measure.)

Some of the statistics are truly frightening. For example, Metro Pittsburgh's population grew by 19% while its land area grew by 257%. Metro Detroit's population grew by 36% while its land area grew by 216%. Metro Boston's population grew by a healthy 87% -- but its land area grew by 665%. These are the parts of the country that are truly sprawling.

And California? Nope, not sprawling. In fact, San Diego, LA-Orange County, the Inland Empire and San Jose all saw its population grow faster than urbanized area – something that only seven of the 39 metro areas achieved.

Overall, California's metros added 240% to its population and only 195% to its land area. For the non-California metros among the 39 metros studied, population grew by 150% and land area grew by 455%.

This chart showing these figures for selected metros in California and elsewhere gives the general picture. (I derived this chart from the table in the EPA report.) It's interesting to note that Miami and Houston followed the California pattern, as did – to a lesser extent – Dallas and Houston.

– BILL FULTON | JUNE 19, 2013

What Do St. Petersburg, Shanghai, Mumbai, and Dubai Have in Common?

What Do St. Petersburg, Shanghai, Mumbai, and Dubai Have in Common?

At first glance, the premise of journalist Daniel Book's *History of Future Cities* threatens to overwhelm its substance. "What do these four cities...have in common?" asks Brook, as if co-hosting a parlor game with Edward Glaeser, Saskia Sassen, and Jaime Lerner.

The four cities that Brook pulls out of his hat are St. Petersburg, Shanghai, Mumbai, and Dubai. On face, the potential commonalities seem so endless as to be trivial. They are relatively large. They are on oceans. They are major economic and cultural centers of their respective countries. "Gangnam Style" has echoed through all their streets.

All of these claims are true, and yet they would be equally true of any number of other foursomes. On the other hand, these cities are individually are so distinct -- geographically, economically, and culturally -- as to share little in common. So what, then, is Brook getting at?

The thesis that binds this unlikely quartet is either just strong enough to be fascinating or so attenuated as to be pointless. Brook claims that these four cities, which may, from a crude western perspective, be considered quintessentially Russian, Chinese, Indian, and Arab are, in each case, are more like colonies (and, in the case of Mumbai a colony within a colony) than they are capitals.

What matters for Brook is not so much the form of the cities but rather their purpose: the reasons why they were founded, the cultural biases that guided their development, and the economic consequences thereof. Brook contends that the four cities were not built to celebrate their respective cultures or to build indigenous economies but rather to establish beachheads of western modernity on incongruous and otherwise backwards soils.

Brook substantiates this claim most clearly in the most obvious example, Dubai, and in the least obvious example, St. Petersburg.

In the late 1600s, when Russia was scarcely more developed than was, say, early 20th century China, tsar Peter the Great visited, what was then, the world's most dynamic city: Amsterdam. Traveling incognito, he was enchanted by the city's design and more than a little envious of its elegance, culture, and prosperity. High on Europe's finest, Peter turned his back on his own nation and resolved to transform the Neva's swampy mouth into not a great Russian capital but rather a great European capital. Peter and his successor, Catherine, imported European architecture, culture, and even dress -- not to mention Europeans themselves, primarily those skilled in the arts -- to the extent that he even outlawed the characteristic beards of Russian men.

Under Peter's direction, "because the city and its modern institution arose out of imported theory... they could be inauthentic, paint-by-number imitations of Western equivalents or cutting-edge institutions that, easily realized on St. Peterburg's tabula rasa, leapfrogged the West." These institutions include museums, theaters, universities, and many of the other high culture institutions that ennoble Russia to this day. Brook also credits St. Petersburg for bringing democracy to Russia, but only briefly.

In Peter's case, the "futureness" of St. Petersburg lay in his attempt to create a city centuries more advanced, developed, and cultured than was any other place in his kingdom. If Peter was inspired by Amsterdam, then we can only assume that Dubai's Sheikh Maktoum must have spent some time in Houston. For Brook, the familiar spectacle of Dubai, and the emotional reaction that it elicits, is based on the same principle as was the development of St. Petersburg 300 years earlier. If Brook is correct in saying that "while the city of Dubai is new, the idea of Dubai is not," then the very tall Burj Khalifa and the very long Nevsky Prospekt are one in the same.

Shanghai comes off as, in some ways, the most tarred and tragic of the four cities, as it was co-opted by British, French, and other foreign

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forces such that native Chinese were forced to the bottom of the city's complex national hierarchy. Whereas today all foreign visitors need visas to enter Shanghai, in the 19th and early 20th century, Chinese were the only ones who did need visas to enter what became a perverse sort of free-trade zone. It was known then as "the most free city in the world" -- free as long as you were a wheeler-dealer of an appropriate race.

Mumbai, initially a tiny, claw-shaped peninsula, served much the same purpose for the British, who first created a trading post on landfill and later oversaw the construction of an Art Deco wonderland before, as Brook describes it, India's independence freed the country but perpetuated India's social stratification and made a mess of the infrastructure that the British built. Today, true public space is unheard-of in Mumbai. And its two major train stations both bear the same name.

In balancing minute curiosities with geopolitical commentary, *History of Future Cities* pulls off a rare feat: it manages not to make urban history boring. All too often, urban histories focus on the minutiae of a particular city's rise (or fall) with little mind to the larger context. They focus on forces like local political machines and racial politics, History of Future Cities includes fiery accounts of enlightened depots, revolution, and imperial rivalries. Indeed, Brook is at his best when he uses his four cities as Trojan horses to tell the histories of their respective nations. He includes few Robert Moses or Baron Hausmanns but instead offers up Catherine the Great, Josef Stalin, and Ghandi. That's not a bad trade.

He savages leaders who have manipulated their cities for dubious gain. His targets include the Bolsheviks, who deliberately neglected (and renamed) Russia's jewel; the plutocrats-cum-mob bosses, who gobbled up formerly public companies in post-Soviet Russia; the wealthy Indians who look down upon Untouchables from their penthouses; the sheikh, who buys his subjects' loyalty; and, finally to pretty much everyone who ever took part in Shanghai's cavalcade of exploitation, including, not least, the current Communist Chinese government. Brook even notes a particularly chilling connection between two of his case-study cities: "Lenin's new vision of communism as anti-imperialism was pitched perfectly to Shanghai, a capitalist city where most capitalists were foreign imperialists rather than indigenous industrialists."

To Brook, the grotesque office park that the communist government is currently building in Shanghai's Pudong district is no less a symbol of exploitation than was the French Concession or the British-built Bund. Meant to be viewed from across the river, writes Brook, "Pudong is less a city than an ad for a city." By that token, Dubai, which has perfected the contrivance of the free-trade zone, is an advertisement for an entire country. Its design, and most of its residents, were imported, right along with the Porsche, the Picasso, and the Rolex on the sheikh's wrist. The exploitation there happens in reverse, to the hundreds of thousands of foreign laborers who endure minuscule wages and countless rights violations in order to towers that house wealthy Americans, Russians, Chinese, British, and Indians, among others.

Those visitors make "Dubai a cosmopolitan city where most people are not cosmopolitans," writes Brook. Instead, most of the expat population lives, eats, and dresses as they would have at home. Meanwhile, the city's few native, oil-enriched Emiratis lay low, in compound-style houses, behind high walls. They remain content, writes Brook, because of state largesse: "no taxation therefore no representation."

The drive for profit, if not exactly capitalism, lies behind the founding and persistence of these four cities, all driven by combinations of autocracy and oligarchy. But they are just four cities. What of the rest of the world?

Brook's most disheartening implication is that every developing country that wishes to do business with the west must also adopt the western model of urbanism. And if it's not imitating the west, then it's imitating someplace else that has already done its share of imitating. If this is true, then even urban planning – which has the potential to be the most local and most genuine of cultural endeavors – may also reduce inexorably to a homogeneous model that was inspired by, of all places, Amsterdam but no longer looks anything like it.

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Mike Davis' 2008 essay compilation *Evil Paradises*, which Brook cites, makes a more radical but arguably more convincing argument that the global elite are indeed in control and creating places to serve entirely at their pleasure. Some of these places are big, like Dubai, while others do not yet exist, like a proposed floating city. Though Brook's account is more lucid and less heavy-handed, he remains close to parlor-game territory because he does not even try to place his four cities into a larger context or suggest – or deny – that they may be representatives of larger trends, either in the past or in the future. He does not indicate whether he thinks the four cities represent a wider trend, nor does he explicitly say that the four, though striking in their similarities, are in fact unique. He offers four cases without much of a study.

Brook leaves it to his readers, then, to imagine if and when the "future city" will arise. What city will be the Dubai of Africa? Which central Asian city will be the next St. Petersburg? What isolated country – Venezuela? Mongolia? North Korea? North Dakota? – will decide that if you can't beat the West, you ought to join it? And what measure of cultural identity, national pride, and indigenous entrepreneurialism will be lost in the process?

– JOSH STEPHENS | JUNE 26, 2013 ■