CP&DR

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Steinberg's CEQA Reform Could Be Significant After All

So, what did Sen. Darrell Steinberg's last-minute switcheroo mean for CEQA reform? More than you might think.

As you may have heard, during the last week of the Legislative session, Steinberg gave up on his bill to reform the California Environmental Quality Act – SB 731 – in order to focus on a bill providing CEQA breaks for a new arena in Sacramento, SB 743. He also gave up on his redevelopment revival bill, SB 1, even though that bill was just one slam-dunk Assembly floor vote from the governor's desk.

The irony is that after fighting rear-guard actions all summer against both CEQA critics and CEQA defenders on SB 731, Steinberg actually got some significant reform at the last minute in the Sacramento arena bill. By moving quickly at the end of the session – something he prohibited former Sen. Michael Rubio from doing last year – he also freed himself from the morass that 731 had gotten bogged down in. And since Steinberg reportedly pulled the switcheroo after meeting with Brown, it seems likely Brown will sign the bill.

The two most important changes have to do with (1) parking and visual impacts of infill projects, and (2) the possibility of giving the Brown Administration a run at traffic level-of-service analysis in infill locations. The bill also eliminated a 2009 sunset date for the creation of "infill opportunity zones" under state law.

The first issue is likely to have an immediate impact on how infill projects are handled under CEQA. SB 743 says that parking and visual impacts *shall not* be considered significant impacts on infill projects. There's some wiggle room here for local design

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insight
WILLIAM FULTON

Kill CEQA Before I Use It Again

In the pantheon of developer complaints about the California Environmental Quality Act, perhaps the most common one is that it's too easy to use it to file crazy lawsuits purely for the purposes of gumming up the works.

Which is maybe why the building industry and property rights advocates have spent so much time lately filing CEQA lawsuits apparently designed to gum up the works.

It's hard to know exactly how serious to take these lawsuits – especially in the context of endless and unsuccessful efforts at CEQA reform, which are stymied in large part by citizen activists and labor unions that often use CEQA as leverage over the developer or the retail business attempting to construct a new project. Nevertheless, the building industry does appear to be trying to use CEQA, increasingly, to attack environmental protections. This appears to be especially popular in the Bay Area.

Exhibit No. 1 is the recent lawsuit by the California Building Industry Association, using CEQA to attack the creation of significance thresholds, which any lead agency must create in order to comply with CEQA. The case challenged the creation of significance thresholds by the Bay Area Air Quality Management District, which CBIA said required a CEQA analysis.

You can read the details of the case here, but the bottom line is that CBIA attempted to

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inside

A NEW DISNEY MOVIE STUDIO in Santa Clarita's Placerita Canyon has been approved by the Los Angeles County Board of Supervisors.

Disney's Golden Oak Ranch will include a half-million square feet of space on 58 acres of land traditionally used for outdoor shooting. It was the location where *Old Yeller* was shot, among other movies. Some environmentalists spoke against the project but it was approved unanimously.

Placerita Canyon has traditionally been the focus of much dispute over development in Santa Clarita, but the Disney ranch is located east of Interstate 5, away from the rural residential area where residents have traditionally fought against new development.

Even though the Disney project would replace a location shooting venue with high-tech soundstages and other modern studio features, it was hailed as an important step in retaining location shooting in Los Angeles. It is located within the so-called "30-mile zone" – the 30-mile radius from La Cienega and Beverly Boulevards in Los Angeles where studios do not have to provide workers with extra pay for travel.

"Many of the film production companies are now going out of state," Supervisor Michael D. Antonovich was reported as saying in the *Los Angeles Times*. "This is an opportunity to increase film production in Los Angeles County."

The Milken Institute recently claimed that California had lost more than $2 billion in revenue since 1997 because location shooting is going elsewhere. Most other states now have generous tax credits for location shooting, though the economic value of these tax credits is now being questioned by many economic development experts.

Furthermore, according to Jones Lang LaSalle, average occupancy for soundstages is between 70-90%, suggesting there is actually a shortage of soundstage space in the L.A. area.

The Golden Oak site also is attractive as a film location because it falls within the so-called 30-mile zone from West Los Angeles. Under union rules, productions located outside the zone have to pay more to crews for travel time.

Disney/ABC still need approvals from state and federal regulators, but Tuesday's public hearing and county approval were viewed as a critical milestone. The company has not released the cost of the project and will create a construction timeline once it receives the remaining approvals.

MARITIME INDUSTRIES are threatening a referendum on the San Diego City Council's approval of the new Barrio Logan Community Plan.

The council approved the community plan 5-4 on September 17. It is the first community plan update approved since the passage of the city's general plan in 2008. The plan still must be approved by the Coastal Commission. San Diego has about 50 community plans.

Barrio Logan is a 1,000-acre area just downtown that is home to both the oldest Latino community in San Diego and the shipbuilding industry. The final issue involved zoning for a transition area between residential areas and industrial areas. City Councilmember David Alvarez, who grew up in Barrio Logan, proposed removing residential potential from the transition area. However, he did not go along with the maritime industry's suggestion that industrial businesses in the transition area be allowed by right.

PALO ALTO CITY OFFICIALS are considering a strategy to reduce trips by at least 30% in the downtown area and near Stanford.

The city is considering aggressive trip reduction as an alternative to the expenditure of some $100 million for new parking structure.

Like most employment centers in metropolitan California, Palo Alto

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has had a transportation demand management policy in place for many years. However, in a memo to the City Council, Mayor Greg Scharff said the policy has lacked "clear goals, reporting, and mechanisms for accountability." He also said that piecemealed TDM efforts by individual development projects have not had enough resources to make a major dent.

Scharff has proposed "assessments on existing businesses, impact fees on new developments, or a combination of both" that will fund a robust TDM.

In large part, Palo Alto is taking its cue from Stanford, which has stepped up its TDM program and reduced solo commuting by employees from 72% to 42% over the last decade. The university has saved some $100 million in parking structure costs.

GENERAL PLANS are moving forward throughout the state.

In Woodland, the county seat of Yolo County, the City Council has received a draft of the General Plan from the city's consulting planner, Heidi Tschudin.

The City Council has largely accepted the vision statement, which deals with quality and character, orderly development, economic health, agricultural heritage, maintaining a strong downtown, providing choices in housing, transportation options, recreation, education and the environment. Individual councilmembers expect to spend months – or years – picking the plan apart and most say they have not yet had enough time to review it. But former Woodland Mayor Gary Sandy said the council needed to remain true to developing toward the south and east - as directed years ago by voters. He also urged the council to focus on infill opportunities.

Meanwhile, in the small San Gabriel Valley city of Sierra Madre, the public comment period for the General Plan environmental impact report is in progress. Though the plan calls for a very small amount of new growth, it has been contentious.

The plan has been drafted in large part by a General Plan Update Committee, though consultants have helped. The draft calls for an increase of 106 housing units, an increase of 2.2%, and 51,000 square feet of non-residential space, an increase of 0.6%.

In 2011, Councilmember Nancy Walsh called upon two members of the Update Committee to resign, claiming they had challenged the City Council's authority on the matter. One Update Committee member told the Council: ""The general plan is a vision of the residents and a document of the people, not of the City Council."

In response, Walsh said: "We brought you in and we can take you out." Walsh was selected as mayor in the City Council's most recent reorganization in May.

Sierra Madre is a city of 10,000 residents located north and west of Pasadena, up against the San Gabriel Mountains. The city does not have a single stoplight ■

legal digest

CEQA Doesn't Apply To Significance Thresholds

The First District Court of Appeal has batted down an attempt by the California Building Industry Association to turn CEQA on its head, saying that the passage of significance thresholds is not a project under the environmental law. In so doing, the court concluded that an environmental analysis is not required to examine the environmental impact of the standards used to conduct environmental analysis and assess environmental impact.

In other words, the appellate court ruled that CEQA does not apply to CEQA – at least not in this case.

In CBIA v. BAAQMD CBIA filed a lawsuit under the California Environmental Quality Act after the Bay Area Air Quality Management District adopted new significance thresholds for several pollutants, including a significance threshold for greenhouse gas emissions. The GHG threshold for development projects is 1,100 metric tons of carbon dioxide equivalent or 4.6 metric tons per service population per year.

CBIA sued, arguing most importantly, that the adoption of significance thresholds is a project under CEQA and therefore should have triggered a CEQA analysis. Alameda County Superior Court Judge Frank Roesch ruled in favor of CBIA, concluding that significance thresholds are "a discretionary activity directly undertaken by a public agency which may cause a reasonably foreseeable indirect physical change in the environment." He agreed with CBIA's claim that the evidence in the record supports the argument that the Thresholds "might discourage infill development, encourage suburban development or change land use patterns. . ."

The First Appellate District, Division Five, reversed Roesch's ruling, on two grounds. First, the court concluded that the CEQA Guidelines already lay out a process for public review of significance thresholds and a CEQA review – with an initial study and possibly an environmental impact report – would be duplicative. And second, the court said that there was not enough evidence in the record to support CBIA's contention that the thresholds would not discourage infill development.

On the first point, Justice Henry Needham, writing for a unanimous three-judge panel, cited Guidelines Section Section 15064.7(b), which lays out the process by which thresholds should be adopted. "The District drafted proposed revised thresholds of significance in 2009, utilizing the scientific and administrative expertise of its staff," Needham wrote. "It then

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conducted public hearings, outreach, and workshops for more than a year. The administrative record, which contains staff reports, scientific reports and protocols, analyses of the effect the proposed thresholds would have on various projects, letters from interested parties, responses by the District, transcripts of hearings, and records from various workshops, is in excess of 7000 pages. CBIA and other groups with similar concerns about the proposed thresholds and their effects participated in that process. The District took the comments of such groups into consideration before adopting the 2010 Thresholds."

Requiring the air district to also conduct a CEQA analysis "would result in a duplication of effort at taxpayer expense and to little if any purpose."

Needham also concluded that the record did not prove that adoption of the significance thresholds would discourage infill development or encourage sprawl. "Teasing out the extent to which undefined future projects might be built or abandoned as a result of the Thresholds, and the extent to which land development projects might be relocated to a more suburban location, would require a prescience we cannot reasonably demand of the District. No public agency other than the District is committed to using the Thresholds, and the District does not act as the lead agency for the type of residential and commercial projects CBIA alleges will be displaced," Needham wrote ■

"The administrative record," the court wrote, "is in excess of 7000 pages. CBIA and other groups with similar concerns about the proposed thresholds and their effects participated in that process."

Plan Bay Area Attacked In Court By Both Sides

Having already been sued by the Pacific Legal Foundation (*see July/August In Brief*), the Plan Bay Area plan has now been challenged in court in two more lawsuits coming from both sides – environmentalists and the building industry.

Plan Bay Area was adopted by MTC and ABAG in July. The Building Industry Association Bay Area lawsuit isn't surprising. The BIA claims that the Metropolitan Transportation Commission and the Association of Bay Area Governments didn't account for all the housing that would be needed in the Bay Area during the time horizon of the plan, which will function as the region's sustainable communities strategy under SB 375. Thus, the BIA claims, Plan Bay Area essentially calls for exporting tens of thousands of housing units, the impact of which the plan's environmental impact report did not examine.

Meanwhile, shooting at the plan from the opposite direction, a lawsuit from Citizens for a Better Environment and the Sierra Club, argues that MTC and ABAG did not adequately analyze the environmental impact of freight movement and did not sufficiently address the possibility of displacement of low-income residents as a result of the plan.

Taking the two lawsuits together, MTC and ABAG are accused of putting so much housing development into existing neighborhoods that current low-income residents are at risk – but not enough to avoid housing spillover into the Central Valley.

The BIA lawsuit describes Plan Bay Area's evolution as "a tale of two processes. Initially, the agencies conducted an open and public process as they wrestled with the Bay Area's chronic history of outsourcing the housing needed for its growing workforce. At some point in the Spring of 2012, Respondents caved in to political opposition to providing housing for all, and the process became shrouded and results-oriented as the Respondents hunkered down to defend their defective plan."

"Taking the two lawsuits together, MTC and ABAG are accused of putting so much housing development into existing neighborhoods that current low-income residents are at risk – but not enough to avoid housing spillover into the Central Valley."

The BIA argues that ABAG and the MTC "essentially" adopted the SCS in May 2012 before doing the EIR, was then conducted hastily and become a "post-hoc rationalization" of the pre-determined decision.

The basis of the BIA's lawsuits was the conclusion by MTC and ABAG that it would be infeasible to plan for 770,000 additional units of housing – the amount BIA argues is necessary to meet demand during the time horizon of the plan. Instead, the plan calls for 660,000 additional units.

This argument forms the basis of most of the BIA's arguments in the case, including violations of SB 375, inadequate alternatives analysis and responses to comments, violation of the Housing Element law, and failure to designate either ABAG or MTC as the lead agency under CEQA.

The environmentalists' lawsuit, brought by the public-interest environmental law firm Earth Justice, also contains many causes of action, but most are tied to either the freight movement or the environmental justice claims.

The Earth Justice lawsuit makes a variety of claims about inadequate information and misleading conclusions. For example, the lawsuit claims that the plan does not do much analysis of goods movement in spite of the fact that MTC did two studies on the topic, one in 2004 and one in 2009. Additionally, the environmentalists' lawsuit says that the plan makes it seem as though all greenhouse gas emissions reductions are the result of land use and transportation changes, when in fact most reductions will arise from state law about fuel efficiency and fuel formulation. This claim is very similar to a claim made in the Pacific Legal Foundation lawsuit.

The lawsuit also claims that ABAG and MTC impermissibly adopted Plan Bay Area even though an alternative put forth by environmental and equity groups outperformed the adopted plan in reducing emissions. Ironically, the Pacific Legal Foundation lawsuit also faulted the agencies on the alternatives front, claiming that its alternative should have been given more serious consideration ■

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standards, but this is still a pretty big deal.

Even the intent language is a big deal, because it is clearly designed – maybe for the first time in the history of CEQA – to put traffic in its place at least in infill locations: "It is the intent of the Legislature to balance the need for level of service standards for traffic with the need to build infill housing and mixed use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes competing needs."

The free pass for parking and visual impacts only applies to infill parcels – that is, parcels that are surrounded on three sides by development – in transit priority areas, defined as areas within a half-mile of a major transit stop. A major transit stop in state law typically means any rail stop, or any bus stop with 15-minute headways.

In practical terms, what this means is that parking and visual impacts wouldn't trip an environmental impact report on an infill project and therefore the likelihood of prolonged litigation on infill projects is significantly reduced.

The provision of SB 743 dealing with levels of service is potentially far more significant, though it might take a while to play out. The bill requires the Governor's Office of Planning & Research to prepare new significance thresholds for noise and transportation impacts in infill locations. This was undoubtedly part of the conversation with Brown, because OPR is eager to take a run at levels of service.

The two most important changes have to do with (1) parking and visual impacts of infill projects, and (2) the possibility of giving the Brown Administration a run at traffic level-of-service analysis in infill locations.

The '90s-era congestion management act basically requires CEQA analysis to take traffic congestion into account. This has led to a situation where the traffic analysis consumes more time and attention than anything else in a CEQA analysis; and it has made approval of infill projects an uphill battle because, obviously, traffic congestion is more likely to be present in an infill location than a greenfield location.

CEQA practitioners around the state are struggling to figure out how to either revise or jettison the level of service standard – often simply giving up and acknowledging that LOS "F" (the worst congestion) is simply inevitable and therefore acceptable. It's well-known that OPR wants to take a run at a new level of service standard – this was one of the many topics of OPR's proposed changes to SB 731 – and this provision will give the office a chance to come up with something.

All this does not mean that the other proposed changes contained – or potentially contained – in SB 731 are dead. This year is the first year of a two-year legislative session, and so Steinberg simply carried SB 731 over to next year.

The same is true for SB 1. This bill would revive tax-increment financing on a limited basis with no impact to the state's general fund when a city, a county, and special districts agree on a strategy that conforms with the sustainable communities strategy. Brown vetoed the same bill last year but Steinberg vowed to bring it back – he introduced SB 1 in order to make a point – and claimed he had a better shot this year at getting Brown to sign it.

If Steinberg had permitted the last Assembly floor vote to occur, however, SB 1 would have gone to Brown's desk; and if Brown vetoed it, Steinberg would have had to start over again next year. By holding it over, he can move quickly early next year and hope that Brown signs the bill – Steinberg's last year in the Senate before he is termed out ■

insight WILLIAM FULTON

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persuade the courts that CEQA should apply to CEQA. The First District Court of Appeal didn't buy the argument, saying the 7,000-page administrative record was probably sufficient.

Exhibit No. 2 – also from the Bay Area – is the Pacific Legal Foundation's lawsuit against One Bay Area, the region's sustainable communities strategy prepared by the Metropolitan Transportation Commission and the Association of Bay Area Governments pursuant to SB 375. In that lawsuit, filed in July, PLF claimed that – hold on to your hats – MTC and ABAG should have included in the EIR an alternative proposed by PLF's client, Bay Area Citizens. The BIA's Bay Area affiliate filed a separate lawsuit with a variety of separate CEQA arguments.

Not surprisingly, the PLF lawsuit has a more ideological, value-laden tone than the BIA lawsuit. It calls One Bay Area "wrongheaded" and repeatedly calls the approved scenario "low-performing," meaning that the proposed rail transportation projects will cost a lot of money without generating very many riders. Claiming that One Bay Area should have discounted emissions reductions from the Pavley bill and other state measures before crafting the land use scenario, the lawsuit claims: "The upshot of the Final Report's [EIR's] use of a higher-than-actual greenhouse gas baseline is to create the false impression that especially draconian land-use measures are needed to meet the region's SB 375 targets. Thus, the Final Report's approach is irreconcilable with CEQA's requirement that the environmental baseline normally constitute existing physical conditions, not a hypothetical condition or legal fiction."

The lawsuit's bottom line is that MTC and ABAG should have considered Bay Area Citizens' alternative, which included such action as "insist that local communities be informed of the public subsidy costs of affordable housing before the assignment of regional housing needs assessment allocations" and "insist that local communities be informed of the unfunded mandates involved with the obligation to provide affordable housing before that obligation is accepted."

The building industry does appear to be trying to use CEQA, increasingly, to attack environmental protections, especially in the Bay Area.

To be honest, the lawsuit overall is pretty repetitious. But the bottom line is clear: ABAG and the MTC didn't use CEQA to do what the Pacific Legal Foundation wanted, so PLF sued.

The BIA lawsuit against One Bay Area is more reasoned – not surprising considering the lead counsel is Mike Zischke of Cox, Castle & Nicholson, probably the state's most skilled CEQA lawyer on the development side. (Though it's true that Zischke was also the plaintiff's lawyer in the "CEQA-doesn't-apply-to-CEQA" case.)

Zischke's lawsuit claims that MTC and ABAG basically didn't follow CEQA in adopting One Bay Area. The lawsuit claims that the agencies diligently followed CEQA up to a point and then – caving to environmentalist pressure to limit housing in the Bay Area – essentially adopted a plan before doing the environmental impact report. The adopted plan, BIA claims, will require the exporting of 100,000 units of housing out of the Bay Area to the Central Valley and other locations.

This last lawsuit at least has some logic to it. CEQA practitioners often struggle regarding the project level versus the plan level. At the project level, obviously a development project in a particular location is going to have some impact on that location. But at the plan level, it should be possible to examine the relative impact of development at different locations. If Plan Bay Area doesn't plan for enough housing, that'll push the housing elsewhere, and that'll have an environmental impact.

That argument, of course, can lead to the eternal chicken-and-egg argument that seems to afflict CEQA: Does more housing supply respond to demand, or does suppressing supply suppress demand? These questions are almost impossible to answer, which is one of the reasons why CEQA analyses can be so frustrating.

Which, of course, raises the bottom-line question: If the building industry and property rights advocates are so frustrated by CEQA's bottomless-pit structure, then why do they keep trying to use it so aggressively?

In a way, I suppose, it's kind of like campaign finance: If you're going to reform campaign finance, you have to win the election and re-election to public office, and that means you have to raise a lot of money under the system you want to reform. Similarly, I guess, if you want to try push the building industry's agenda in the regulatory maze that is California planning, you have to use whatever tools are available to you – even if you are simultaneously trying to reform or kill those same tools over in Sacramento. Still, it doesn't seem to me that "kill CEQA before I use it again" is a strong lobbying argument ■

Job Creators Need Not Fear Urban Planners

Recently, economist and entrepreneurship expert Carl Schramm announced a discovery in the pages of Forbes.com: "the practice of city planning has escaped reality." Planners don't see the big picture. They don't understand economic growth. They've unleashed upon us scourges like live-work lofts, fire stations, and bloated pensions.

Planning thus joins a small list of obscure fields that could benefit from self-analysis and reform. To my reckoning, that list includes finance, medicine, government, journalism, technology, religion, and everything else short of *Pet Sounds*.

You need only take a few glances at major American cities and suburbs to know that there have been lousy plans and, by extension, lousy planners for a very long time. Most every cul-de-sac and downtown surface parking lot indicates as much. Schramm's criticism, as that of an entrepreneurial evangelist looking to create business-friendly, is undeniably valuable.

How critical is Schramm? Quite. In "It's Time for Business to Adapt [sic] a New Model," he accuses planners of being self-serving and of writing many general plans good only to line the wallets of planning firms and architects. In reading a handful of cities' plans – which cities? we'll get to that in a minute – he and his graduate business students at Syracuse University concluded that planners are blind to the forces of demographics and macroeconomics.

Schramm writes about:

> measures of city health that are clearly more faddish than practical. None set a goal of full employment or even mentioned unemployment. Poverty was a missing word. What discussion existed regarding economics was confined to making a specific kind of neighborhood, often called an arts district, to provide propinquity for the city's "creative" population. If a link to the economy is mentioned it usually is a passing reference to new and small businesses that would grow up if, again, the physical environment was engineered in a specific way.

In short, writes Schramm, planners who believe that their job is merely to create a functioning built environment are shirking their duties as captains of economic development and reduction of poverty. They "have no idea of how the complexities of dynamic economies actually are sparked to life." He also accuses planners of ignoring demographic projections; he writes, "none of the plans ever spoke of what the city's population might be at the end of the planning period!" Schramm would replace all of those arts districts with facilities for "scale production…(which) is the only path to growth and urban futures that hold the potential to restore communities" – as if American cities will be saved by Chrysler and U.S. Steel.

As debatable as Schramm's conception of the 21st century economy may be, many of his concerns are so obvious as to be implicit in the work of many contemporary planners.

When, for instance, New Urbanists speak of vibrancy and street life, they're not assuming that everyone is strolling around because they're unemployed. When developers build dense mixed-use developments, they do so in the hope that thriving businesses will fill those ground floors (and that the residents above will have more disposable income because they're spending less on cars). When progressive planners talk of making cities "better," they do so with the conviction that improvements in quality of life lead to economic prosperity – and vice-versa.

Plenty of contemporary plans address exactly the concerns that Schramm raises. Take Santa Monica's relatively new, much-admired General Plan, for instance: it's chock-full of rhetoric about stoking the local economy and supporting local businesses. Same for San Jose's new Envision 2040 plan. But those are just two examples from two cities. Planners certainly aren't enlightened enough to pursue that line of thinking on a really large scale, are they?

As it turns out, they are.

California's Senate Bill 375, for instance, requires cities to do exactly what Schramm and his students advise. A huge component of SB 375 is based

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on demographic projections, with the goal of reducing per-capita greenhouse gas emissions according to targets for the years 2030 and 2050. It addresses the relationship between the location of jobs and that of housing – a key factor in cultivating a healthy workforce. The models that the Air Resources Board and the state's "Big Four" metropolitan planning organizations are using to meet these targets incorporate piles of data to this effect. Under SB 375, every metropolitan planning organization (MPO) must publish and abide by a Sustainable Communities Strategy (SCS) and every city in those planning areas has to address the SCSs in their plans.

Granted, SB 375 isn't expressly intended to promote business -- it has far more important goals -- but it most certainly takes the state's economic climate into account.

Anyone worried about demography might also check out California's Regional Housing Needs Assessment program, designed to ensure that every city in the state absorbs its fair share of new low- and moderate-income housing. (Whether cities follow these rules usually depends on politics, with conservatives often opposing growth.) Most sensible cities not only plan housing accordingly; they also plan for amenities and services. So if a city expects a population increase in a certain neighborhood, it might also add a fire station or a park. Schramm, however, sees fire stations as symbols of cronyism and waste: "every plan discusses the importance of new buildings for fire station," he writes, disapprovingly.

Maybe the problem on the local level is that planners are fixated on the arts to the detriment of other economic activities.

In many places, these industries probably play a smaller role in today's urban economies than boosters like Richard Florida and Elizabeth Currid-Halkett would like to admit. Then again, the arts is often shorthand for a much larger, and vibrant, creative industries, ranging from entertainment, to video games, to interior design -- but not, alas, to "scale production." But the reason that the arts have become an avatar for a new wave of urban planning is that urban forms that are good for the arts and artists may also be good for all sorts of other industries and residents. What's good for Banksey may be good for America.

Schramm also lambasts these plans for not calculating the costs of cities' pensions, claiming "not one of the plans discussed…the unfunded costs of pensions for retired and current public servants." Why not tell planners to cure cancer too?

While pension obligations gravely threaten some cities, I'm not sure why they are planners' problems or how planners would solve them. Conflicting obligations within a city -- between, say, building a nicer city and paying long-term debts -- need to be worked out at the level of city government. Then again, Schramm isn't a big fan of any sort of government. If planners have their way, "government…(will have) control over all aspects of the built environment." He doesn't mean that in a good way.

How did Schramm and his students reach these conclusions? Is the state of planning as bleak as they imply? Of course it is – if you base your conclusions on Syracuse, Stockton, and…wait for it…Detroit.

(Schramm does not name these cities in his Forbes piece, but he was candid enough to reveal them to me via email.)

Anyone who knows anything about contemporary American urbanism already knows what I'm going to say. Judging the planning profession according to some of America's most famously destitute (and bankrupt) cities is like judging lending by Countrywide, finance by Lehman Brothers, international banking by the Libor scandal, and entrepreneurship by the shuttered frozen yogurt shop down the block. Schramm's students might as well have thrown in Atlantis too.

If Schramm had presented his Forbes piece explicitly as a study of cities that have run aground, and his Forbes editors had titled it as something like "Bad Planning and Urban Downfall," then he might have ended up with a compelling, nuanced commentary about the common traits that poorly planned cities share. The graduate course at Syracuse that gave rise to his article is called "Fast Cities / Failed Cities," so Schramm can clearly

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distinguish between good and bad. His students, though, seem to have taken a cursory, one-week look at a complex, generational issue and then rendered a sweeping decision that vilifies an entire field.

Regarding Detroit in particular, Schramm presents a curious argument. He writes that Detroit's general plan is a failure because "Detroit remains hopeful that someday 2.3 million people will live there once again." First of all, a lousy land use plan is the least of Detroit's worries. Secondly, even if Detroit's general plan *does* refer to a target population of 2 million, that just means that the document disagrees with literally every single member of the greater planning field. That's probably to be expected from a city that elected a criminal as its mayor.

Fortunately for Schramm, if he thinks that planners should figure out how to plan for a smaller Detroit, then he should delighted. That's exactly what planners are doing. (Whether they can pull off such a monumental task, and generate the political will and financial resources to implement it, is another story.)

I have no doubt that Schramm would give great advice to an entrepreneur such as the mom and pop who are setting up a small business, whether on a Main Street, in a mini-mall, or in a co-working space in a converted flour mill. He would likely fight like crazy to help that business succeed. He seems like that type of guy.

I'm also willing to wager that the first thing he would tell clients is to be true to their vision no matter what impediments lie in the way.

Schramm surely knows that no entrepreneur, anywhere, creates his or her own competitive landscapes – nor their literal landscape. To imply that any plan or planning decision could undermine ingenuity, hard work, and guts is an insult to the spirit of entrepreneurship. The best entrepreneurs know how to read existing conditions, adapt to changing circumstances, and anticipate what lies ahead. The availability of one kind of office space or another should not dissuade them.

Of course, Schramm is right to say that planning and business are interconnected. But it's a two-way street. Schramm overlooks the very real role that business plays in creating plans (and, often, in circumventing them). I can't imagine a city in which the business community does not have its fingerprints all over the general plan. Many chambers of commerce have lobbyists dedicated to planning and development. So, if a plan isn't business-friendly, whose fault is it?

These days, it takes a real lack of imagination to disregard the ways that a pleasant urban environment can stoke economic development. But if business groups are as skeptical as Schramm is, then there's a raft of literature – dating back at least to Jane Jacobs' *The Economy of Cities* – that suggests that cities built on the principles of smart growth will be friendlier to business. Density creates more interactions, makes labor and customers more accessible, and can make people infinitely happier and more energized. It's not a coincidence that some of the densest cities in the world are also some of the most prosperous cities in the world.

Even so. Whether you're in Hong Kong, Tokyo, or San Francisco – or not to mention San Bernardino, Riverside or Stockton – no one ever said that business was easy. And neither is planning.

– JOSH STEPHENS | AUG 21, 2013 ■