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By John T. Crone, III

### **BEWARE OF THE PLANNING ISSUE**

For the last decade a number of planners, architects and politicians, aided by some of the columnist in the San Antonio Express-News, have been promoting the idea that most of the city's problems are due to a lack of sufficient planning and regulations to control, you name it ---

Similarly, many people I know have bought into the perhaps well-intended but false promise that if we just have more government involvement in the planning and regulating of business, real estate and community development, then the result will be a better city in nearly every way -- from better neighborhoods to a better quality of life, to better . . . (you name it).

I am not against planning, per se. Just ask my wife, my children and those who have worked for and with me. I think and plan very long-term, and I do not just make plans for the day, the week, the month, or the year. I also think, plan and act in terms of decades and generations because I want to preserve and pass on a better world to my children, my grand children and, hopefully, my great grand children.

However, based on my experiences and studies, I conclude that the real agenda of those promoting the "planning issue" is the desire of "elitist" and "special-interest" groups (a small percentage of citizens) to try to force their wants and wishes on the majority of citizens.

How can I say "elitist" and "special-interest" groups ? Because when one analyses polling and voting patterns, particularly on specific legislation, virtually every proposed regulation is supported by less than five percent of eligible voters, is demanded by an even smaller percentage, and is understood by less than one-half of one percent (less than 1/2 of 1%). Consider, for example, the fact that less than three percent of eligible voters in the City of San Antonio May 2003 election voted for the winning mayoral and city council candidates. This means the likelihood is very slim that they have a true mandate (or that there is even any real demand by a majority of people) for most regulations that they or any "elitist", special-interest group might propose.

Thus, whenever you hear the word "planning" in connection with government, you should actually think: here we go again, some "elitist", special-interest group wants to receive some special benefit that will result in "more government regulations, more controls, more costs and more taxes" on the rest of us.

There is good planning and implementation, and there is bad planning and implementation. But even planners often do not agree on what is good and what is bad. In any event, politically-driven and bureaucratically- implemented government planning produces an inflexible "one size fits all".

Moreover, the benefit of increased government planning and controls is a false promise. Why ? Because politically-driven and bureaucratically-implemented government planning usually fails

to produce both the intended and the promised results. Indeed, it usually produces more unintended and negative results than planning and implementation that is driven by all of us, as consumers, voting daily with our hard-earned dollars in the market place.

In addition, the mistakes of bad planning by government are not only extremely costly to all tax payers, but also the mistakes of bad planning by government are rarely ever corrected. And even when the bad mistakes of government planning are corrected, both the time and the cost to make corrections far exceed the cost and the time to do so by private businesses and individuals acting in less-controlled and less-planned political environments.

Better long-term, as well as better short-term, plans and choices are made when “we the people” are allowed to freely vote in the market place with our hard-earned and limited dollars. Why? Because the daily votes by all consumers, acting individually and freely in the market place, better reflect what “we the people”, in aggregate as well as individually, are actually willing to choose in accordance with our extremely diverse needs and wants and in accordance with our extremely diverse abilities to pay.

Even when “elitist”, special-interest and politically-driven planning has been done well, bureaucratic implementation is usually very lacking and very unresponsive to the extremely diverse needs and wants of people and their extremely diverse abilities to pay. Also bureaucratic planning and implementation rarely take into account changes in peoples’ needs, wants and abilities to pay.

To be sure, private individuals and businesses make a lot of mistakes in both planning and implementation. And, to be sure, most bureaucrats are good people. However, due to human nature and the way most government plans and regulations are made and implemented, the bad decisions and mistakes made by government are much more difficult to correct. They become entrenched and compounded, and they adversely affect far more people than the bad decisions and mistakes made by private individuals and businesses. Government is not only far less capable than private businesses and individuals are of meeting the extremely diverse needs and wishes of “we the people” and of adapting to ever changing circumstances, but government (by the very nature of its processes) is rarely able to determine and act on “when to hold ‘em, when to fold ‘em and when to anti-up”.

In fact, government rarely does anything but “hold ‘em” and “anti-up”, even when it is obviously that the best, most prudent and most compassionate course of action would be to “fold ‘em”.

In addition, government planning, regulations and controls rarely take into account the real costs compared with the real benefits, and government planning, regulations and controls do not take into account the ability and/or willingness of the vast majority of citizens to pay for the wants and wishes of special-interest groups who represent only a small percentage of citizens.

Most knowledgeable people recognize that socialism as well as communism has failed. Both were based not only on the idea of sharing the wealth but also on the concept that government planning would produce better results than the free-enterprise system. Socialists have sold

(indeed, are still selling ) people the idea that more government regulation and control of business, real estate and community development will produce better results and a better quality of life for all. This type of thinking is not only “elitist” and undemocratic, it also has not produced either the promised or intended results.

Yes, when you strip away the nice sounding “we need more planning” and “we need more regulation” rhetoric of many urban-planners, politicians and some of the columnists for the Express-News, the end result is either an idealistic wish or an “elitist” promise that won’t be fulfilled by more politically-driven and bureaucratically-implemented government planning. In fact, as I have already said, keep in mind that when you hear the word “planning” in connection with politics, it is actually a hidden code word for one special-interest group of citizens which wants to force its desires and wishes on the vast majority of citizens. And it also means more government regulations, more government controls, more bureaucrats, more costly government, higher taxes and higher costs burdening all of us as consumers.

Virtually all of the best architecture and the best and most desirable neighborhoods were not done by or even done under politically-driven government planning and/or regulation. They were done by private individuals and businesses operating under very few, if any, government controls and regulations. You don’t even have to leave San Antonio to see this. Examples range from the Alamo and the San Jose Mission to the Tower Life Building, from the Hilton Palacio de Rio in the CBD to the Hyatt Regency Hill Country Resort, and they include virtually every significant downtown building (including the building where the S.A. City Council meets). Examples also include the Freeman Coliseum, Trinity University, The University of The Incarnate Word, Temple-Bethel, and USAA’s complex. Additional examples range from the King William District, Monta Vista, Alamo Heights, Olmos Park and Terrill Hills to newer subdivisions such as Hunter Creek, Spring Meadow, Parkwood, Sonterra, Deerfield, Fair Oaks and The Dominion.

Indeed, most of the River Walk was developed as the result of private enterprise operating under a far less-regulated, far less-controlled environment where government-planning and bureaucratic-implementation were limited. In fact, due to OSHA and other City, State and Federal regulations passed in recent decades, you couldn’t even develop the River Walk or most of San Antonio’s historically significant buildings today. On the other hand, most of the worst architecture, the least desirable neighborhoods and the worst projects have been the result of politically-driven and bureaucratically-implemented planning, regulations and controls. Examples include the Victoria Courts Apartments and the costly and disastrous Fiesta Plaza.

Let’s look at just one facet of planning and regulation – zoning.

Most people think that zoning (particularly residential categories with limited or no adjacent commercial categories of zoning) protects neighborhoods and helps maintain the value of houses.

If zoning protects neighborhoods and houses from declining in desirability and value, why is it that the vast majority of virtually all of the declining neighborhoods in the country, as well as in San Antonio, have residential zoning classifications?

If commercial types of zoning (with the exception of certain heavy industry restrictions) really hurt desirability and values, why is it that residential areas like Alamo Heights and Terrell Hills (which have a large strip center known as Broadway Ave. running between them) aren't declining in value?

The best neighborhoods of Austin, Dallas and San Antonio (all of which are zoned) are not any more desirable than the best areas of Houston (which does not have zoning). And the worst neighborhoods of Houston, which does not have zoning, are not any less desirable than the worst areas of Austin, Dallas and San Antonio, all of which have zoning.

### **Seven (7) Basic Attributes of Successful Neighborhoods**

Based on my experiences and studies, I conclude that there are seven (7) basic factors which affect not only the desirability of cities and neighborhoods and value of houses but also the esthetics and quality of life in neighborhoods and cities. They are:

1. Security
2. Education
3. Attitude
4. Basic Services
5. Infrastructure
6. Economic Capability
7. Business Climate.

The desirability, esthetics, and value of neighborhoods and cities is greater and increases where the following are to be found: (1) security is better (better police and fire protection); (2) education for the children in the neighborhood is better (of higher quality education); (3) the desire (attitude) of the people to maintain their houses, yards, and neighborhoods is stronger; (4) the basic services are better (better garbage collection and better electric, sewer, and water services); (5) the infrastructure is of better quality (better streets and drains) and is well maintained; (6) the residents have the economic capability to maintain their houses, yards, and neighborhoods; and (7) there is a healthy, pro-business climate with lower taxation, less regulation and less government involvement in business and peoples' lives.

On the other hand, the desirability, esthetics, and value of neighborhoods and cities is less and declines when these seven factors are not good and/or are declining.

Moreover, if you study neighborhoods all across the country, you will find that the attitude of residents in neighborhoods to maintain their houses and yards is of far more importance than their economic capability so long as they have a good job.

These same seven factors also apply to the desirability, esthetics and vitality of cities, states and countries. Indeed, the best quality of life factor is a good, well-paying job. And the best, well-paying jobs are created in those communities, states and countries that have a healthy, pro-business climate which encourages job growth and pay increases so that people actually have the

ability to pay for more esthetics and for a better quality of life according to each individual's diverse tastes and desires

Both the economic and esthetic well-being of all San Antonians will improve only if San Antonio focuses on these seven (7) basic factors. Neither the economic well-being of San Antonians nor the esthetic well-being of San Antonio will improve if we become distracted by or focus on (i) the hidden agendas of special-interest "elitists" (who really want to force their special desires and wishes on the rest of us) and (ii) the false-promise that more long-term government planning, more government regulations and more government controls are the key to the city's future.

Also we need to keep in mind three basic realities:

1. The "elitist", special-interest groups who promote more government planning, more regulations and more controls (particularly with respect to business and real estate), rarely have their own money at risk; they are spending "OPM" (Other People's Money) and adversely affecting the value of "OPP" (Other Peoples' Properties);
2. Builders and developers do not want to build what most people and businesses do not want to buy and/or rent and can not afford to buy/or rent. Why? Because to do so would lead to economic failure; and
3. Builders and developers are always adapting to what "we the people" need, want and can afford because that will produce to greatest economic gain in the short term as well as long term.

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You may ask on what basis do I make these comments? I base them on my experiences and studies. Therefore, I believe it would be helpful for you to know some of my background.

In 1957, while still in university, I renovated two abandoned downtown buildings in Lexington, Virginia. I rented the second floors to students, the ground floor of one building to doctors and the ground floor of the other to lawyers. Since then I have been involved in business, industrial, real estate and community development in more than two-hundred (200) cities in forty-one (41) states of the United States, and in more than sixty (60) cities in forty-two (42) countries on all six (6) inhabited continents. Moreover, I have actually lived and/or worked for three (3) years or more in each of Britain, Germany, Spain and the Bahamas. And in the early 1970's I was hired by a consortium of five (5) major US financial institutions and a major US real estate developer to study (for 3 years) business and development opportunities in ten (10) European countries plus Brazil, Mexico and the Pacific Rim. I am a member of the Urban Land Institute, and (over an eight year period in the 1980's) I visited and analyzed more than sixty (60) master-planned communities in twenty (20) states.

Developments I have been involved in range from small office buildings to the J.C. Penny Building in New York City; from small office complexes to the Embarcadero Center in San Francisco and The Peach Tree Center in Atlanta; from small pad sites and strip shopping centers to large malls like The Cherry Ridge Mall in Denver, Colorado, and the Lennox Mall in Atlanta; from duplexes to The Village in Dallas (a multi-use project, which consists of a large number of

large apartment complexes as well as office, retail and recreational facilities); from single houses to the Spring Meadow and Park Wood subdivisions in San Antonio, Los Colinas in Dallas and The Woodlands in Houston; from small mini-storage warehouses to 500,000 S.F. warehouses in Reno, Nevada, to industrial parks like The Touhy Office and Industrial Park in Chicago; from small motels in the USA to large hotels in Australia, France, Fiji, the New Hebrides, Spain and the USA.; from a small toilet paper factory in Madrid, Spain, to garbage processing facilities in Brazil and Jamaica, pipe lines in Australia, sugar mills in Guatemala, a brewery in Brazil, and large multi-plant fertilizer and petro-chemical facilities in Denmark, France, Germany, Great Britain, Russia, Spain, and Aruba, etc.

This is a slightly revised version of a paid advertisement I placed in the May 3, 1997, edition of the San Antonio Express-News.

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