

28 June 2014

33 THE GREAT SUBMERGENCE:

LAND AND URBAN IMPROVEMENT VALUES IN THE COUNTRYSIDE Beta 3.2

The context, current trajectory and future values of land and of Urban improvements in the Outer Radius Bands of large New Urban Regions.

This Perspective outlines the anatomy of challenges facing citizens and their COMMUNITY-serving Enterprise Media. Unprecedented transformations will be required to achieve a sustainable trajectory for human civilization. These Profound Transformations are necessary to correct for unfounded illusions and irrational exuberance with respect to:

- ◆ **The market for Urban land and**
- ◆ **The value of scattered Urban dwellings**

In the context of The U TURN.

TOO MUCH URBAN LAND

Since the dawn of the Interstate era, vastly more acreage has been devoted to Urban land uses than is needed if humans are to establish functional human settlement patterns at the COMMUNITY, SubRegional and REGIONAL scales.

In addition, millions of acres are speculatively held for 'FUTURE' Urban land uses. There will NEVER be an rational, market-based need to Urbanize this land.

The planet will run out of capacity to provide potable water, food and quality of life for all its citizens and the ecosystems upon which human life depends long before it will run out of land to support Urban humans at the functional and OTHERWISE SUSTAINABLE densities necessary to support a 'modern' technology-based civilization.

The miscalculations concerning the amount of land needed to support Urban land uses have been obvious to those with a grasp of eighth grade mathematics AND a fact-based comprehensive Conceptual Framework with which to understand the metrics of functional human settlement patterns.

Many citizens have a grasp of arithmetic but not mathematics or a comprehensive Conceptual Framework and a Vocabulary with which to articulate that Framework. See *THE SHAPE OF THE FUTURE* (2000), *TRILO-G* (2010) and the data and quantification in CURRENT PERSPECTIVE # 26 SETTLEMENT PATTERN CONSILIENCE linked from the CURRENT PERSPECTIVE page at www.emrisse.com Also see “[The Most Important Video You’ll Ever See](#)” by Professor Albert Bartlett.

TOO MANY WRONG SIZE HOUSES IN THE WRONG LOCATION

Over the past six decades economic subsidies and social forces at the nation-state, MegaRegional and REgional scales have resulted in the construction of a vast over supply of Single Household Dwellings on lots over 0.20 acres.

The unsustainable scatteration of Urban land uses – primarily large Urban dwellings – has been funded by massive direct and indirect subsidies. The economic, social and physical impacts of these human settlement patterns have been inequitably distributed due to the failure to rationally allocate the location-variable costs of alternative settlement patterns.

The failure of these settlement patterns to support sustainable economic, social and physical systems is also due to as yet unaccounted-for externalities dumped on natural / ecological systems.

These realities are explored in the two books cited above as well as in the references cited therein. The data on the massive overbuild of Large Single HouseHold Dwellings is detailed in Nelson, Arthur C., *Reshaping Metropolitan American: Development Trends and Opportunities to 2030* (2013). For a polemic on the economic, social and physical drivers of the scatteration of large Urban dwellings see Ross, Benjamin, *Dead End: Suburban Sprawl and the Rebirth of American Urbanism* (2014) Also see CURRENT PERSPECTIVES # 26, # 27, # 30, # 31 and # 32 linked from the *CURRENT PERSPECTIVES* page at www.emrisse.com .

AND NOW THE U TURN

The unfounded expectations about the amount of land needed for Urban uses existed BEFORE the explosive construction of Wrong Size Houses in the Wrong Location.

The oversupply of Wrong Size Dwellings in the Wrong Location existed BEFORE the recent dramatic shift in Urban settlement pattern preferences that SYNERGY calls “The U TURN.”

The shift of market and sustainability parameters has resulted in the MINIMUM density of Alpha COMMUNITY-scale components of Urban fabric that will require ONE THIRD as much land as was the case for functional settlement patterns that accommodated Large Private Vehicles to provide Access and Mobility designed and delivered between 1960 to 2006.

This estimate of the demand for land is based on the fact that the settlement patterns that meet the needs of those Households in the CURRENT AND FUTURE market for shelter has SHIFTED the minimum Sweet Spot on the Cost of Services Curve from 10 persons per acre to 30 persons per acre at the Alpha COMMUNITY scale.

The profound shift in the Sweet Spot on the Cost of Services Curve means that there are MILLIONS of acres of partially and dysfunctionally Urbanized land in the Countryside and tens of thousands of acres of vacant and underutilized land in the Urbansides. See CURRENT PERSPECTIVE #31 - **UNReal ESTATE** for the data supporting these statements.

Almost no one has yet added up One (Too Much Urban Land) plus Two (Too Many Wrong Size Houses In the Wrong Location) plus Three (The U TURN) and realized the total is The Great Submersion.

Yes, there are still land speculators, developers, builders and some home buyers who believe the pre 2006 world will return. This misconception can be attributed to the Conventional Wisdom Overshoot that occurs when Punctuated Equilibrium disrupts and transforms an economic system. Many still believe that “the last seven recessions in the United States have been ended by selling Large Private Vehicles and building Large Single Household Dwellings, so this one will too.”

The Great Recession was not a ‘normal’ recession in many ways. This fact is beginning to surface in Enterprise Media. See for example: “Economists fear lasting recession damage” in *The Washington Post* page A12 on 11 June 14. Also see “The U.S. Economy Finally Hit a Historic Milestone – and It doesn’t Matter. *Citylab* (nee *Atlantic Cities*) 6 June 14.

Unfortunately, these facts are obscured by the obsession with ‘growth’ – rather than concern for sustainability and resilience. This malady infects the perspectives of Organizations that range from municipal chambers of commerce and opinion driven national think tanks to the Federal Reserve, OECD and the United Nations.

THE PROFOUND MARKET TRANSFORMATION

Profound demographic changes have and will continue to transformed the shelter market. The anatomy of the new trajectory of the market for Urban fabric is NOT based on speculation or wishful thinking. It is based on data that documents the needs, stated intentions and recent decisions of the majority who will be forming Households and moving to different Units over the next two decades. These facts are spelled out in Chris Nelson’s book *Reshaping Metropolitan America: Development Trends and Opportunities to 2030* cited above. The recent market trends are documented in Leinberger, Christopher B. & Lynch, Patrick, **FOOT TRAFFIC AHEAD: Ranking Walkable Urbanism in America’s Largest Metros** (2014).

Creditable scholars have not challenged Dean Nelson’s demographic data nor Chris Leinberger’s ever more detailed market analysis over the past six years. Contrarians hope that babble about 20th century versions of ‘the American Dream’ will fog reality for as long as possible.

In fact economic reality and a more informed understanding of how settlement patterns impact quality of life have resulted in a new definition of “The American Dream.”

See “The American Dream is out of reach” *CNNmoney* 4 June 14, “Owning a home no longer the American Dream” *CNNmoney 4 June 14*, “What is the new American Dream?” *Better! Cities and Towns* 28 May 14. “Top 10 Reasons for a New American Dream,” Robert Steuteville *Better! Cities & Towns* 21 April 14. Also see *The Betrayal of the American Dream* by Donald L. Barlett and James B. Steele (2012).

The [PEW Research Center’s national survey](#) released on 12 June 14 suggests that there is close to a 50 / 50 split in preference between citizens who cling to the ‘old American Dream’ settlement patterns and those who have moved on to champion and invest in settlement patterns they can afford and which function well economically, socially and physically AND do it WITHOUT dependence on Large Private Vehicles to provide Access and Mobility.

In this context it is critical to understand the reality exposed by *Reshaping Metropolitan America*. Keep in mind that “metropolitan America” is the place where:

- ◆ 75 percent of the population now lives (Housing), and where
- ◆ 80 percent of the population now works (Jobs), and where
- ◆ 85 percent of the economic activity of the United States takes place.

The Cores of New Urban Regions are the heart of “metropolitan America.” The Cores of the New Urban Regions occupy about 5 percent of the land area in the lower 48. The Cores of the

New Urban Regions are the focus of the population cohorts that will be THE market for new shelter over the next 25 years according to Nelson.

These population cohorts favor the ‘New American Dream’ that features Balanced Complete COMMUNITIES; that feature Walkability and benefit from intentional Place Making.

The nail in the coffin of ‘old American Dream’ settlement patterns is that there already is FAR MORE of the old pattern and density than there will ever be a need / market – Wrong Size Houses in the Wrong Locations.

Leigh Gallagher, the Assistant Managing Editor of *Fortune* and the author of **The END of the Suburbs: Where the American Dream is Moving** is NOT predicting that ALL existing low-density scattered Urban fabric (the old American Dream) will disappear. NB ‘suburb,’ ‘suburbia’ and ‘suburban’ are all Core Confusing Words. **See End Note One.**

In “What Transit Will Actually Look Like in the New Suburbia” *CITYLAB* 12 June 14, Gallagher suggests those components of Urban fabric with Mobility and Access provided by Shared Vehicle Systems will look a lot like the Cores of Planned New Communities (Reston Town Center and The Woodlands Town Center) and the poster child for ‘Edge City Transformed’ Tysons, VA (nee Tyson’s Corner). Also see “The Colossal Expectations of D.C.’s Newest Metro Line.” Chris Klimek in *CITYLAB*, 10 June 14.

SYNERGY would add that the pattern and density of the Station Areas will depend on the capacity of the Shared Vehicle System, the mix and Balance of land uses at OTHER station areas in the system and the scale of the Station Area.

“Who will buy Grandmothers House” by Emily Badger in *Atlantic Cities* (now *CityLab*) provides a dramatic thumbnail sketch of the core demographic realities addressed by Nelson.

<http://www.theatlanticcities.com/housing/2013/11/what-will-happen-grandmas-house-when-no-one-wants-buy-it/7669/>

Beyond the demographic reality focused on by Chris Nelson, there are two other determinants of the future market for shelter that are spelled out in Current Perspective # 30, THREE OVERARCHING DETERMINANTS, Beta 3.0.

In addition to the profound shifts in what the market will demand, the patterns and densities that can and will be supported by future Urban citizens will focus a spotlight on the reality that “there is ALREADY too much land devoted to Urban uses.” This is not a ‘new’ story as is documented in this Current Perspective. Also see discussion of ‘Overshoot’ and ‘The Sweet Spot on the Cost of Services Curve’ in later sections.

RECENT HEADLINES THAT CONFIRM THE U TURN

May, 2014 headlines confirm that nation-state and Regional data define the land value and market trajectory articulated in *Reshaping Metropolitan America* and the Current Perspectives noted above:

“Housing’s suspended recovery” Rampell, Catherine 13 May 2014 *The Washington Post*.

“D.C. [Region] housing market still slow” Orton, Kathy 17 May 2014 *The Washington Post*.

“Single-family homes not part of the boom in building” ElBoghdady, Dina 17 May 2014 *The Washington Post*.

“Existing-home sales up in April but still below historic levels” Boak, Josh, 23 May 2014 *The Washington Post*.

“Nationwide, all-cash deals change game in real estate: For house hunters with plenty of cash, buying beats borrowing”, ElBoghdady, Dina 27 May 2014, *The Washington Post*.

“Strong increases in home prices are slowing: Many economists say the change is good for potential home buyers”, ElBoghdady, Dina 28 May 2014, *The Washington Post*.

“Lender’s index shows widespread stall in housing market: Freddie Mac rate just a few areas, including D.C., as ‘stable’”, ElBoghdady, Dina, 29 May 2014, *The Washington Post*.

These are headlines from one MegaRegion-serving Enterprise Media source. Similar headlines and articles can be found in almost every MegaRegion-serving media outlet in the United States. This is why it is important for Community-serving Media to step up:

These headlines report on REGIONAL, MEGAREGIONAL AND NATIONAL data. They DO NOT provide information on what is happening in the Outer Radius Bands of large New Urban Regions. This is where Greater Warrenton-Fauquier is located in the Outer Radius Bands of the fourth largest New Urban Region in the United States.

A careful reading of these resources document that most of the shelter market ‘gain’ / ‘recovery’ over the past five years and especially over recent months was NOT in Single Household Detached Dwelling Units. The Units that are pointed to as signs of life in the shelter market are almost all located INSIDE The Logical Location of The Clear Edge (LLCE).

“Most new homes being built in the U.S. are multifamily apartments...” from “Why Renters are Ending Up in the Suburbs” by Kriston Capps, *CITYLAB* 10 June 14.

It is also important to understand that the vast majority of the partially and dysfunctionally Urbanized land is OUTSIDE the LLCE. Given the current trajectory both INSIDE and OUTSIDE the LLCE one has the perfect storm that will result in profound devaluation without focused and informed action by citizens and the leaders of Agencies, Enterprises and Institutions in the Beta COmmunities that have the locational and Institutional resources to capture their potential.

The current “signs-of-the-times” are over-washed by the blather of owners speculators, builders, lenders and agents who profit from the Business-As-Usual agglomeration of dysfunctional human settlement patterns.

In addition to intentional obfuscation and deception, there are other reasons why citizens do not understand the shelter market, especially in the Outer Radius Bands around the Cores of large New Urban Regions.

DRIVERS OF MISUNDERSTANDING

Here is a brief summary of some of the factors that cloud reality with respect to the shelter market, The U TURN and future land values.

First, there is the problem of ‘National Data.’ There are thousands of profound differences between and among MegaRegions, REgions and SubRegions. These differences and variations are masked when lumped together as nation-state-wide statistics. In addition, data is cherry-picked to sell unfounded agendas and pontificated on by talking heads.

As an example consider the well informed and full of facts column *The Nation’s Housing* by Kenneth R. Harney “Market Analysis: Home equity is rebounding, though many mortgages remain underwater: Widespread pain is still being felt in the wake of the bust and recession.” *The Washington Post* 14 June 2014. As good as this coverage is, it is NATIONAL data and it does not begin to illuminate the status of dwellings and land in the Outer Radius Bands of large New Urban Regions.

Second, critical misunderstandings arise from the failure to understand the definition of critical terminology. One key example is the phrase ‘Single Family Home’ used by the Bureau of the Census and most Federal Agencies. The technical definition of a ‘Single Family Home’ (SFH) is

a dwelling Unit that is in a ‘building’ with LESS THAN FIVE DWELLING UNITS on a separate lot. Triplexes and quadruplexes are SFH’s, a ‘stick’ of 12 for-sale townhouses are SFH’s because each Unit is on a separate lot. This definition does not match the neural-linguistic framework triggered in the minds of most citizens – and most journalists – when they hear or read “Single Family Home.”

Compounding misunderstandings with respect to UNit designations is the fact that Enterprise Media and some Institutions develop their own delineations of the borders of ‘the Region’ in order to package ads.

Third, as noted above, what is happening in the Outer Radius Bands is masked by the volume of Units and transactions in the Core of the REgion where 75 percent of the citizens of the REgion live.

Fourth, the Citizen Wealth and Well Being Gulf has created an abyss between the top 20 percent of the economic Ziggurat – many of whom can pay all cash for a dwelling to live in (full or part time) or as a speculative investment – and the bottom 80 percent of the population – who must borrow money to buy shelter.

The most important impact of all-cash buyers is to drive up the price of well located dwellings. Cash sales also mask the change in market value of poorly located dwellings. All-cash buyers for whom price may not be a key issue, bypass the ‘sanity’ safety-net of mortgage qualifying. Agents are always happy to sell overpriced dwellings to reap larger commissions.

Fifth, there is the overarching problem of providing Affordable Housing via trickle-down. This is especially true when there is a large supply of Wrong Size Houses in the Wrong Locations.

For some reason the vast majority of citizens understand the need to treat air, water and food as basic necessities while considering shelter as an ‘investment.’

For a quick review of this issue see

http://www.nytimes.com/2014/05/06/upshot/everyone-wants-to-be-a-homeowner-why-not-a-foodowner.html?_r=0

For a clear example of what citizens do not need to be told see Page C2 of the Wednesday 18 June 14 issue of *Fauquier Times*. The headline is “Gen Y home-buying trends revolutionize the housing market.” The headline is fine. The content is pure deception. There is NO mention of

LOCATION of the dwellings that Gen-Y (The Millennials) are buying. It is LOCATION that is THE distinguishing element of Gen-Y's home purchases. Millennials are buying pre-WWII houses near METRO stations that have NONE of the features noted. They are also buying or renting lofts and condos that have space for few of the 'features' profiled.

Finally, there is Geographic Illiteracy which compounds EVERY human settlement pattern issue.

THE ROOT CAUSES OF HUMAN SETTLEMENT PATTERN DYSFUNCTION

The root causes of the dysfunctional scatteration of Dwelling UNits and the lack of Balance at the CLuster, NEighborhood, Village and COmmunity scales are:

- ◆ The failure of Agencies to fairly allocate location-variable costs resulting in gross subsidies of Large Single Household Dwelling UNits. See ROOTS OF THE HELTER SKELTER CRISIS – PART ONE of *TRILO-G*.
- ◆ The failure of Agencies and investors (individuals, HouseHolds and Enterprises) to quantify the amount of vacant and underutilized land that exists AND the companion failure to quantify the amount of land actually needed to meet COmmunity, SubRegional and REgional market demand for Urban land in functional and sustainable patterns and densities. See again Current Perspective #31 UNReal Estate
- ◆ The myth that buying a dwelling is a good investment because houses will increase in value at a rate in excess of the rate of inflation. See http://www.washingtonpost.com/opinions/catherine-rampell-americans-think-owning-a-home-is-better-for-them-than-it-is/2014/04/21/5e9f4dd2-c979-11e3-93eb-6c0037dde2ad_story.html

GREATER WARRENTON-FAUQUIER IN THE GEOGRAPHIC BULLS EYE

The ongoing Transformation back to more functional – and historically viable – Urban settlement patterns will PRIMARILY impact the value of land and improvements in the Outer Radius Bands of prosperous New Urban Regions.

The Core of New Urban Regions – inside The Logical Location of The Clear Edge (LLCE) between the UrbanSide and the CountrySide – is where about 75 percent of the citizens of the

Region live; it is where about 80 percent of the Region's Jobs are located; and it is where about 85 percent of the economic activity in the United States is generated.

Detached Single Household Dwellings located INSIDE The Logical Location of The Clear Edge (LLCE) are now located – or their context can evolve to be – in a Balanced and functional component of a Complete Community. How this process can work is outlined in Current Perspective # 26 SETTLEMENT PATTERN CONSILIENCE.

Between the LLCE (20 to 35 miles from the Centroid) and the 120 to 130 Mile Radius Band, Large Detached Single Household Dwellings and land held for future Urban uses are the most vulnerable to deflation.

In the Urban agglomerations with sufficient Institutional Capacity beyond 120 or 130 miles from the Centroid of large New Urban Region, citizens know that they must take action and they ARE NOW taking action. Some were not impacted by the 2006 to 2011 shelter bubble but they are all facing the need to Transform. Search 'Strong Towns' and 'Transition Towns' for examples of these POTENTIAL Alpha Communities.

The bottom line is that SOME Urban agglomerations beyond the direct field of economic gravity of the Cores of large New Urban Regions (e.g. OUTSIDE Radius = 120 miles) have potential to evolve to become Complete, Balanced But Disaggregated Communities in the Countryside or, depending on scale, they may evolve to become the Cores of small New Urban Regions. Those that prosper will, by definition, support profound Transformations of settlement patterns, economic systems and governance structures.

Other Urban enclaves will devolve to become agrarian support Hamlets in the Countryside. The rest will just wilt away.

“Wilt away?”

Yes, 'wilt away' just as happened to thousands of Urban enclaves:

- ◆ In the South following The Civil War;
- ◆ In the West when mining claims ran dry;
- ◆ In the Inter-Mountain West when hardscrabble homesteaders left the land to take defense-related jobs during World War I;
- ◆ On the Great Plains during the Dust Bowl and Depression; and

- ◆ Throughout the United States when farmers moved off the land or took Urban jobs due to Urban land speculation, lack of rainfall to support dry-land farming or for other reasons over the last six decades. For example see rationale for The Buffalo Commons.

Greater Warrenton-Fauquier is in the bulls eye of the danger zone OUTSIDE The Logical Location of The Clear Edge.

Before 1980 it WAS possible, if not rational, to live in the Countryside and commute to the Zentrum of the National Capital SubRegion. The fact that this appeared to be a rational choice to some was based on the Myth that building more roads would ‘solve’ the congestion problem created by the attempt to use Large Private Vehicles to provide the majority of citizens with Access and Mobility.

That Myth is now DEAD. Most citizens of Greater Warrenton-Fauquier still rely on what can be termed “unfounded assumptions” about the relationship between the Beta Communities in the Countryside and the Core – much less the Zentrum – of the National Capital SubRegion. See Current Perspective #27 THREE UNFOUNDED ASSUMPTIONS.

No large Urban Region on the planet provides Mobility and Access EXCLUSIVELY with Large Private Vehicles. This NOT just because of cost to build and operate Large Private Vehicles and NOT just because of pollution they generate. It is because of, as documented in *The Problem With Cars* PART THREE *TRILO-G*, the space to drive and park Large Private Vehicles disaggregates human settlement pattern to the point of economic, social and physical dysfunction.

The ‘solution’ is NOT building more infrastructure for Large Private Vehicles. The ‘solution’ is to evolve functional and sustainable human settlement patterns that can be served with far less infrastructure of all types – especially Shared Vehicle Systems.

The data to support the fact that Greater Warrenton is in the bulls eye is provided in Current Perspective # 26 – SETTLEMENT PATTERN CONSILIENCE and in Current Perspective # 31 – UNReal Estate.

‘LEADERS’ FEAR OF THE CONSEQUENCES OF CITIZENS FULLY UNDERSTANDING THE CURRENT TRAJECTORY

Although many will claim that they ‘know’ at least some of the facts and thus have an inkling of reality, at this point governance practitioners as well as Enterprise and Institutional leaders do not want to scare their constituents / employees / customers / members because of the potential impact on upcoming events such as ‘the next election.’

Those with a direct interest in property sale churn and in the unfounded inflation of the land and shelter markets are afraid that the truth will trigger panic. Agents are all-too-willing to fuzz the core realities as they have at the four ‘real estate dinners’ featured in the Spring editions of the *Piedmont Business Journal*.

Fear of facing the facts that will shape the future is an element of a larger problem:

An economic system build on perpetual growth driven by Mass OverConsumption on a finite planet is an unsustainable system. See Current Perspective # 24 LIVE BY, DIE BY Beta 3.2

As documented in *TRILO-G*, the evolution of functional settlement patterns are essential to achieve a sustainable trajectory for humans. However, to secure these new (actually time proven ‘old’) settlement patterns it will require Transformation of governance structures and economic systems.

With respect to strategies to evolve more rational, equitable and sustainable economic systems the following Institutions can provide a comprehensive list of recent efforts on this topic: The New Economic Coalition, The Schumacher Center for a New Economics and The Center for the Advancement of the Steady State Economy. There is a library of works by authors from Vance Packard to Herman Daily that have addressed this sphere of concern. Two useful sources are Tim Jackson’s *PROSPERITY WITHOUT GROWTH: Economics for a Finite Planet* (2009) and de Graff, Wann and Naylor’s third edition of *Affluenza: How overconsumption is killing us – and how to fight back* (2014).

Concerning alternative governance structures based on the organic structure of human settlement patterns, see *THE SHAPE OF THE FUTURE* (2000) Chapter 29.

The shelter required to meet the needs of new and changing Households over the next two decades will primarily meet the needs for those in the BOTTOM half of the economic Ziggurat. The over-supply of dwellings is at the TOP of the market. Further, MOST of the surplus dwellings are in the Wrong Locations. {See 30 Aug 14 *WaPo* Real Estate “Can’t Afford this View?: If not, you aren’t alone. D. C.’s rental stock is imbalanced– with too many luxury apartments and too few affordable units. Affordable rents fading away in D. C. housing picture.”}

An admission of this condition calls into question the basis of the current economic system to provide shelter. Few will admit that the Trickle Down strategy for housing to meet the needs of the bottom 80 percent of the economic Ziggurat is a Dead End.

Greater Warrenton-Fauquier is caught in a Perfect Storm with leadership continuing to try to enjoy the fruits of SubRegional location that have profoundly changed due to The U TURN.

Reality is especially difficult for Community-serving Enterprise Media to address because these media outlets rely on revenue from ads bought by the shelter / housing ‘industrial complex.’

THE CITIZEN WEALTH AND WELL BEING GULF

As noted in the last section, there are profound dysfunctions of not just settlement patterns but also the governance structures and the economic systems. ‘SuperCapitalism’ has given oligarchs – and the governance practitioners they sponsor and keep in office [looking at YOU ‘Supreme Court and **Citizens United**] – the tools to stagnate income for bottom 80 percent of the economic ziggurat.

In the short term, only the ‘Top One Percent’ can ignore the current trajectory of The Citizen Wealth and Well Being Gulf with respect to Regional and SubRegional location. In real terms, the bottom 80 percent are losing ground. The more fortunate 19 percent are treading water and only the top 1 percent are making significant accumulations of wealth. In a democracy a substantial majority must believe they can improve their health, safety and welfare in the existing governance system. If they do not ‘believe,’ they will vote (or revolt) to Transform the system. See CURRENT PERSPECTIVE # 18 ENOUGH? linked from the CURRENT PERSPECTIVES page at www.emrisse.com

The median net worth of Households in the United States fell almost 40 percent between 2007 and 2010. The latest Credit Suisse *Global Worth* report puts adult Individual Net worth in the

United States at \$44,900 that ranks 19th among the ‘rich’ nation-states on the planet. See Tami Luhby *CNNMoney* 11 June 14 “America’s middle class: Poorer than you think.”

Individual and Household median net worth has rebounded some since 2010 primarily due to the increase in value of WELL LOCATED dwellings. The dwellings that have increased in value are NOT Wrong Size Houses in the Wrong Locations – Large Urban Dwellings OUTSIDE The Logical Location of The Clear Edge (LLCE) around Urban enclaves. The Units that increased in value are well located dwellings that the most fortunate find attractive.

IMPACT OF THE CITIZEN WEALTH AND WELL BEING GULF ON HUMAN SETTLEMENT PATTERNS.

There are two drivers of the new market for Urban fabric:

One is the stated preference for an alternative to Mode-of-the-Market (the old American Dream) settlement patterns agglomerated over the last 60 years. We deal with that issue in the next section.

The other driver is the direct and indirect impact of The Citizen Wealth and Well Being Gulf documented in the last section. While the preference driver would ultimately overwhelm the subsidies that have maintained the past trajectory, the impact of The Citizen Wealth and Well Being Gulf (CW&WBG) reinforces the market preference for functional and sustainable settlement patterns. There are many ways that CW&WBG impacts this settlement patterns:

First there is the cost to own and safely operate a Large Private Vehicle. As SYNERGY often notes over half the employed workers in the United States cannot now afford to buy and maintain in safe working order a Large Private Vehicle that is both fuel efficient and safe to drive at the legal speed limit on expressways designed to meet Interstate standards.

This reality is exacerbated by the fact that automakers are building more expensive vehicles loaded with technology that is costly and critical to maintain to have functional safety features. This complex technology and HOV / HOT lanes with convoluted interchanges is also complex and that makes it harder and harder for the aging population to drive safely.

Since 2005 the data on travel in the United States document that those who CAN afford a Large Private Vehicle are driving less and less because the settlement patterns where they are now choosing to invest in a dwelling DO NOT REQUIRE a Large Private Vehicle (Automobile) trip for every Household need.

Those in the bottom 80 percent of the economic Ziggurat have no choice but to consider transport PLUS shelter costs in choosing a location to live. More and more are coming to understand that the total cost of “Shelter-plus-Transport” brings dwellings closer to SubRegion’s Jobs into contention and trumps the old option of ‘drive-til-you-quality’ in an attempt to get ‘more-house-for-the-dollar’.

In addition, if there are two workers in a household with small children then “Shelter-plus-Transport-plus Child Care” costs must be considered.

The bottom line is that economic reality has and will leverage the transformation to The NEW American Dream discussed above.

NEED vs DESIRE and FANTASIES vs REALITY

Over the last 50 years surveys by home builder Institutions have shown a preference for ‘Single Family Homes.’ (Recall the note above on confusion about definitions and Vocabulary.) Single family detached dwellings on large lots provided an easy entry into the market for small builder Enterprise. This was exacerbated by the “tyranny of easy development decisions” documented by Professor William H. Lucy, especially in the Outer Radius Bands.

Almost everyone would choose a Mercedes over a Chevy – unless they do not have the resources to pay the difference in cost. As noted above, recent surveys no longer support the dominant preference for Large Single Household Dwellings. The profound shift in recent buyer surveys is summarized in Current Perspective #30 THREE OVERARCHING DETERMINANTS Beta 3.0

In addition to the economic drivers noted in the last section, there are now more examples of settlement patterns that ‘work.’ Millennials have experienced functional settlement patterns in college towns and compared them to their own experience growing up Automobile dependent in the Old American Dream. Both Millennials and empty nesters have traveled in Europe. New Urbanist developments even at the DOoryard and CLuster scales provide a glimpse of what could be ... the list goes on.

Since 2010 there are more and more Walk-Ups see Current Perspective # 26 SETTLEMENT PATTERN CONSILIENCE and Current Perspective # 30 – THREE OVERARCHING DETERMINANTS. Also see “*Foot Traffic Ahead: Ranking Walkable Urbanism in Americas’s Largest Metros*” Smart Growth America 14 June 14.

Yes, there are still builders offering Large Single Household Detached Dwellings. This can be attributed in part to classic “Overshoot” and to the fact that they still make the most dollars per Unit with Large Dwellings which have been their bread and butter for decades. Many municipal land use regulations control settlement patterns by UNIT PER ACRE DENSITY and not by Balance with the goal of Complete Communities.

In a back of the envelope snap shot, SYNERGY surveyed *The Washington Post* Real Estate section on 14 June. There were 32 pages with 106 illustrations that could be pegged as a Unit that would fit in the CLusters and NEighborhoods that could comprise a 10 pn ac Alpha Community (the old Sweet Spot on the Cost of Services Curve for an Automobile-served Alpha Community) vs those that could fit in components that would comprise a 30 pn ac Alpha Community (the NEW Sweet Spot on the Cost of Services Curve for Walkable components of human settlement.) The tally was 40 for the 10 pn ac Communities vs 66 for 30 pn ac Communities. Even a few months ago the section had far fewer pages and the illustrations were dominated by Single Household Detached Dwellings.

This measure of density was used by SYNERGY during the 80s and 90s to demonstrate that at the DOoryard and CLuster scales All the dwellings built in Fairfax County during from 1975 to 1995 would fit in a 10 du ac Alpha Community. (This is the ‘proof’ of the 10 Persons Per Acre Rule.) Instead of being located in Alpha Communities these DOoryards and CLusters were scattered and separated by vacant and underutilized land. The result is that most of the County devoted to Urban land uses at an overall density of around 4 persons per acre.

IS THE CURRENT TRAJECTORY AND THE PROBABLE FUTURE TRAJECTORY OF LAND VALUES SPELLED OUT IN THIS PERSPECTIVE INEVITABLE?

There is NEVER a 100 percent guarantee for ANY future projection.

And yes, there ARE ways for Agencies, Enterprises and Institutions to deflect current trajectory FOR A WHILE. However, the current trajectory will require ever more vast subsidies to sustain as documented by Charles Marohn concerning the Ponzi schemes of infrastructure support in his *Smart Towns* work. {Also see **Stroard Nation** in 27 Aug 14 *Better! Cities and Towns.*}

The current subsidies that support agglomeration of dysfunctional settlement patterns are in a word UNSUSTAINABLE.

As noted at the outset, there is FAR MORE land devoted to, committed to and held for future Urban land uses than there is or will be a market. For the reasons spelled

out in this Current Perspective – economic, quality of life and environmental – there is no way to pay for the current settlement patterns much less build more of the same.

For a short time, Business-As-Usual could enhance the subsidies that have perpetuated building the Wrong Size House in the Wrong Location from the Mid-50s to the mid 00s – the mortgage interest deduction, Federal spending on infrastructure for Large Private Vehicles and others. However, the trend is for LESS spending – especially federal spending – not more.

Capping the mortgage interest deduction and eliminating the eligibility for including second homes is part of most tax reform proposals and makes so much sense that it will come to pass. Band-aids like forgiving or placing a cap on student loan repayment will allow Millennials to buy condos and lofts near their jobs, It will not entice them to ‘drive-til-they-qualify’ when they know that this is a ‘BAD INVESTMENT’ and does not meet their shelter needs. This is why Regional Metrics, the market and the Citizen Well Being and Wealth Gulf will work together to reinforce The U TURN.

At some point individuals, Enterprises and Institutions will discover that land speculation and ‘land banking’ for future Urban land uses is tossing good money after bad.

Recent events suggest that for the first time in 96 years, Agencies, Enterprises, Institutions and Households all are primed to move AWAY from AutoCentric human settlement patterns and move back to functional and sustainable patterns and densities of land use. When that happens, there will be no need for Urban land uses on MOST of the land now devoted to dysfunctional and unsustainable Urban fabric.

SUPPORTING PERSPECTIVES IN THREE ATTACHMENTS

Three Attachments to this Perspective provide specifics on actions to achieve an alternative future trajectory of land and improvement values.

Attachment One is a September 2013 e-mail to Town of Warrenton Ward Council Member urging action of a number of long-standing, but yet to be accomplished, municipal goals.

Attachment Two addresses why it makes no economic sense to build more Large Single Household Dwellings in Greater Warrenton from the perspective of a developer, a builder or a new home buyer. Building and buying a new dwelling when there are so many Large Single

Household Dwellings priced BELOW replacement cost is not a rational move for Enterprises or Households.

As noted in the last section, given the Regional and nation-wide glut, every new large Single HouseHold Detached Dwelling will drive DOWN the value of existing Units.

Attachment Three provides a summary of the hurdles that governance practitioners face in adopting rational regulations, programs and projects, because of the level of citizen understanding of current conditions and the actions needed to evolve functional and sustainable human settlement patterns. This is why the role of Enterprise Media in the education of citizens is so important.

There must be a way for citizens to acquire the information they need to make intelligent decisions in the voting booth and in the marketplace.

THIS IS NOT A NEW STORY

As noted earlier, the fact that too much land has been devoted to Urban land uses and FAR too much land is speculatively held for FUTURE Urban uses is not a ‘new’ story.’ The oversupply of Urban land and the glut of land held for future Urban uses has been accelerating since the dawn of the Interstate era. Every new expressway or by pass generates a new round of speculation. This was clear by the mid ‘60s. [See End Note Two.](#)

Long before that – in the late 19th century – Henry George documented that dysfunctional settlement patterns resulted from the failure to fairly assess and tax the value of land already provided with public services. For a comprehensive and entertaining summary of Henry George’s work and the anti-George campaign by bankers, land speculators and neo-classical economists do an internet search for Mason Gaffney and his book *The Corruption of Economics*. Also see Attachment Twos and Three.

IS THERE LIGHT AT THE END OF THE TUNNEL FOR GREATER WARRENTON-FAUQUIER?

Following recent field work in Eastern Loudoun and West Prince William there may be light at the end of the tunnel. These two jurisdictions may be attracting new residents who can become the Critical Mass of talent and social capital in Greater Warrenton-Fauquier. With the right programs and projects these those who become disenchanted with what turns out to be the Auto-

dependent lifestyle will be eager to move to a REAL Community. If Greater Warrenton-Fauquier builds the right mouse trap... That will happen only if Greater Warrenton-Fauquier reinvents itself to become a Balanced, Complete Community.

This strategy is supported by another potential market. See 26 June 14 *The Washington Post* story by Dina ElBoghdady and Emily Badger: “Millennials may be about to move out: Study: Generation beset by economy looks poised to boost housing market.”

The Transformations necessary to attract these potential markets will require citizens and the leaders of Agencies, Enterprises and Institutions to understand and support concepts such as “Place Making,” Walkability” and “Lean Urbanism” and apply them INSIDE The Logical Location of The Clear Edges around all Urban Enclaves (aka, Service Districts) in Greater Warrenton-Fauquier.

KEY UNDERSTANDINGS

The key Understandings are these:

1. There is VASTLY more land than there will ever be a need that is now devoted to Urban land uses and held for future Urban land uses in every Region of the United States. This land includes hundreds of thousands of acres that are vacant and underutilized and / or speculatively held for ‘higher’ uses INSIDE The Logical Location of The Clear Edge (LLCE) – aka, in the Urbanside.
There are also millions of acres in Countryside devoted to dysfunctional Urban settlement patterns and held for similar future land uses. See Current Perspective # 31 – UNReal Estate – Beta 2.1 for the data to support this Understanding.
2. It was inevitable that at some point the market for land and improvements would ‘adjust’ to reflect reality and shed the excess speculative values that resulted from irrational exuberance and Geographic Illiteracy over the last 60 years. These values reflect unfounded inflation based on the myths concerning future Urban use.
3. Now, the market has shifted from Alpha Communities with minimum sustainable densities of 10 pn ac to Alpha Communities at 30 pn ac – This is The U TURN. This is a reflection of a new Sweet Spot on the Cost of Services Curve that is due to the need to eliminate scatteration inducing subsidies and avoid wasting Urban land with excessive space to drive and park Large Private Vehicles.

4. This market shift is reinforced by the Citizen Wealth and Well Being Gulf which is depriving the bottom 80 percent of the economic Ziggurat of resources to buy more and more residential space that is further and further from Jobs / Services / Recreation / Amenity.
5. There is no way to maintain the myth that there is a need for more land for functional and sustainable Urban land uses. The new focus must be on Walkability and the evolution of Complete Communities composed of Balanced components in sustainable New Urban Regions.
6. The impact of The U TURN will depend on the Regional and SubRegional LOCATION. INSIDE The Logical Location of the Clear Edge (LLCE) around the Core of New Urban Regions the impact at the Unit, Dooryard and Cluster scales will depend on the Critical Mass and Balance of the Neighborhood and Village of which they are part AND on the potential of these components becoming parts of Balanced, Complete Alpha Communities. OUTSIDE the LLCE (in the Countryside) the impact will be more dramatic and deflate a much higher percentage of the partially and dysfunctionally Urbanized land. See CURRENT PERSPECTIVE # 26 SETTLEMENT PATTERN CONSILIENCE.
7. There may be light at the end of the tunnel for SOME Urban agglomerations in the Countryside. These are the places that will take action to evolve Balance and become components of Balanced But Disaggregated Alpha Communities in the Countryside.

THE BOTTOM LINE FOR EXISTING HOME OWNERS IN GREATER WARRENTON-FAUQUIER – AND SIMILARLY LOCATED BETA COMMUNITIES

Outside The Logical Location of The Clear Edge (LLCE) around the Core of the National Capital SubRegion – for example between R = 35 and R = 55 where Greater Warrenton-Fauquier is located – the there is vastly too much land already dedicated to scattered Urban land uses. The current settlement pattern does not reflect future market demand.

What this means, as documented in Current Perspective #32 – IMPACT OF THE U TURN IN THE PIEDMONT, is that land and shelter values will fall outside R = 35.

Given the Regional and nation-wide glut, every new large Single Household Detached Dwelling built in Greater Warrenton-Fauquier will drive down the value of all existing Units.

The downward trend will be exacerbated by the fact that there are dwellings selling BELOW their replacement cost. Further there will be many scattered Units that have not been maintained which will further deflate the market via assessment / appraisal ‘comparables.’

The Urban settlement patterns must meet the needs of future home buyers. There are still a fewer ‘drive-til-will-qualify’ buyers who are seeking a ‘bigger-house-for-the-dollar’. These buyers do not yet understand the emerging reality. The demographic profiles of those forming new Households or moving over the next 25 years document the nature of the future shelter market.

What the market is already reflecting is the fact that fewer and fewer are willing to live in the Countryside and then commute to a Job in the Core of the National Capital SubRegion for an array of mutually reinforcing reasons.

Deflating land and improvement values will have a devastating impact on municipal tax bases as well as Household net worth.

There are some upsides to cheap land – for example, young farmers would be able to buy recycled subdivision lots to start specialty agriculture operations.

Bill Walsh, former editor of the *Fauquier Times Democrat* suggested that there “could” be a benefit of cheaper shelter in Greater Warrenton-Fauquier which ‘might’ attract workers for Jobs in the Community. THAT WOULD BE THE CASE ONLY IF A BALANCE OF J / H / S / R / A EVOLVES IN GREATER WARRENTON-FAUQUIER.

WRAPPING UP

For the sake of discussion:

What if The U TURN is NOT the catalyst that results in profound changes and the values DO NOT plummet until some time in the future but Greater Warrenton-Fauquier takes action NOW to become a Balanced Complete Community?

Greater Warrenton-Fauquier and similarly located Beta Communities will just be ahead of the pack when the “Too much land / Too many Large Single Household Dwellings / Dependence on Large Private Vehicles for Mobility and Access” bubble does pop.

Also for the sake of discussion:

What if the Agencies, Enterprises, Institutions and Households of Greater Warrenton-Fauquier continue on the current trajectory?

Greater Warrenton and the other Urban enclaves in Greater Warrenton-Fauquier will become poor ‘suburbs’ of Manassas as the cover of recent ‘Yellowbook’ free distribution phone books already depict.

It is also clear that:

When the dramatic loss of land and improvement values that are on the horizon hits most Grater Warrenton-Fauquier citizens net worth it will be the Enterprise Media and governance practitioners that will be blamed for failure to expose owners, agents and the building industry Institutions which have been ‘whistling-past-the-graveyard’ and for failure to inform citizens of current reality. See END NOTE THREE.

END NOTES

1. ON VOCABULARY AND CAPITALIZATION

In the evolution of a robust and functional Vocabulary to accurately articulate the complexity of human settlement patterns, SYNERGY / E M Risse avoids the use of Core Confusing Words and attempts to create words, phrases and letter sequences that are intuitively clear in the context used.

Due to the fact that Capitalization survives most inter-system translations, Capitalized terms are employed when a specific definition of a word or phrase is intended. ALL CAPS are used for emphasis. This is because since *italics*, underlining, **bold** and **highlighting** are removed by many software translations.

Many words, phrases and letter sequences used in SYNERGY / E M Risse communications, Perspectives and books that APPEAR to exhibit ‘irregular Capitalization’ are defined in GLOSSARY linked from the *RESOURCES* page at www.emrisse.com. The evolution continues and some have not yet been added to SYNERGY’s GLOSSARY.

A new Capitalization strategy has been employed starting with CP # 33. In the past two capitals have been used in compound words (e.g. OpenSpace, SubRegional, etc.) to focus attention on the special meaning of these terms. As noted in Appendix Two of ***THE SHAPE OF THE FUTURE***, there are some confusing words for which there is no good substitute in English. In these cases – Unit, Cluster, Neighborhood, Village and Community – have been capitalized. In CP # 33 a double capital is used to start a word (e.g. UNit, CLuster, NEighborhood, Village, COMMunity. In addition, other words are given an interior Capital (e.g. HouseHold.)

This is a trial, feed back is requested. DO NOT provide negative feedback UNLESS you provide an alternative strategy. Using confusing words uncapitalized is NOT an acceptable response.

In addition to consulting GLOSSARY, one can Google ‘e m risse’ followed by the word, phrase or letter sequences in question – for example ‘e m risse J / H / S / R / A’ – and find a definition and / or the word, phrase or letter sequence used in context.

Links are often provided for referenced resources. References to resources not authored by E M Risse can be located via an Internet search.

If one does not find the avoidance of Core Confusing Words and the Capitalization of precisely defined Vocabulary useful to articulate a comprehensive Conceptual Framework for human settlement patterns, they are welcome to create your own system to achieve Understanding in the context of Awareness / Interest / Understanding / Action with respect to human settlement patterns.

However, do not be deluded into thinking that you will achieve Understanding using an inadequate Vocabulary that triggers Unfounded and Conflicting Neural Linguistic Frameworks that reflect Disorienting Naive Reality founded on Primitive Genetic Proclivities.

2. The reality of too much land devoted to and held for future Urban land use was articulated by the Principal of SYNERGY in a report to the Rockefeller Administration in New York State in 1969.

This reality was articulated in “Some Facts About Growth” in the October / November 1989 issue of *Newsreporter* published by the Piedmont Environmental Council. These calculations were relied on for the Plenary presentation by Prof. Leonard Shabman at the 1994 Chesapeake Research Conference: Toward a Sustainable Coastal Watershed: The Chesapeake Experiment 1-3 June 1994 to make the point that the most important way to address preservation of the Chesapeake Bay would be to evolve functional human settlement patterns.

It was well documented in the work by SYNERGY during the 1990's concerning Eastern Loudoun County (often ranked as “the fastest growing county in the United States”) and in West Prince William during the campaign to find a better home for **Disney’s America**.

Also see Risse, E M, **The American Settlement Pattern of the 21st Century – Where are the “Sub”urban Going?** *Futures Research Quarterly* Fall 1993 Vol 9, Num 3.

SYNERGY’s perspective has been comprehensively articulated in ***THE SHAPE OF THE FUTURE*** (2000), in ***TRILO-G*** (2010) and in SYNERGY Current Perspectives #5 and #s 26 through 32 linked from the *CURRENT PERSPECTIVE* page at www.emrisse.com and in recent correspondence (See Attachment One, Two and Three).

3. It is useful to note that a program sponsored by 1000 Friends of Virginia’s Future attempted to develop an education effort to prepare citizens to prepare for The U TURN. See PART ELEVEN – PROPERTY DYNAMICS of ***TRILO-G***.

ATTACHMENTS

ATTACHMENT ONE

24 September 2013

To Robert Kravetz via email

Dear Bob copy to Terry Nyhous

I have not heard from you since 4 Nov 2012. I trust you had time to review the attachment to our 4 Nov note as you promised and that you received our notes of 13 Nov and 22 Dec 2012 as well as our notes of 31 Jan, 6 Mar, 8 Apr and 21 May 2013.

You will find this note contains reference to several items referred to in that correspondence. A note on these topics will also go to other Council members.

Town Revenue Per Acre

The first thing we would like to mentioned is the need for a Town-wide education program concerning the '\$ per acre vs \$ per project' issue.

Peter Katz has done a nice job of spelling out why this is so important to municipal Agencies in *Government Finance Review*.

<http://www.gfoa.org/downloads/GFOAGFRAug13MissingMetric.pdf>

Smart Growth America has produced a survey of 17 applications nation-wide.

<http://www.smartgrowthamerica.org/2013/05/21/building-better-budgets-quantifies-average-savings-and-revenue-of-smart-growth-development/>

Why is '\$ per acre vs \$ per project' this so critical? It goes to the heart of the 'density' issue and to the basis for evolving functional and sustainable settlement patterns in Greater Warrenton.

A modest three or four story building with parking, retail, office and residential uses on one of the Town's many surface parking lots would generate more revenue and contribute more activity toward a vibrant, Complete and Balanced Village-scale Urban enclave than would a new Costco next to Home Depot.

Surface parking lots are the classic example of Vacant and Underutilized land when they are within walking distance of Main Street.

Understanding the '\$ per acre vs \$ per project' issue will be critical for Town Council members and planning commissioners, Town staff and all the citizens who will choose to participate in the desperately needed fundamental transformation of the Town Comprehensive Plan. As I recall we have discussed the need for changes in the Comprehensive Plan in the past.

Based on the attached Perspective and on **UNReal Estate** the last thing Greater Warrenton-Fauquier needs is more large Single Household Detached Dwellings.

More on the Comprehensive Plan below.

Traffic

It is very intelligent for the Town to be concerned with 'traffic' in the context of Mosby's Crossing, North Rock Hollow and other current project proposals.

However, the Town must be sure to focus on the most important traffic. It is NOT the traffic that a new project might generate that is critical, it is how ANY new project will DECREASE the TOTAL, NET LARGE PRIVATE VEHICLE TRIPS in the Town. This is what will propel Greater Warrenton toward becoming a Walkable, Complete Village-scale community.

A Walkable, Complete community has been a 'goal' of Warrenton since before Dan Burden was invited here a decade ago to outline strategies. Now it has become an economic imperative. The sort of strategies that Burden recommended have been implemented elsewhere. There are now a multitude of new ideas and metrics to measure Walkability, Walk Appeal and Balance.

Infrastructure

Mobility and Access is only one of the critical infrastructure challenges facing the Town.

We have it on good authority that the oft eluded to limit on the water supply is due to system leakage. This is a common problem in the US with over 2.6 trillion gallons of water pumped by water supply utilities never reaching customers meters. Water conservation as well as gray water recycling would be part of any intelligent storm water management noted below.

We also understand from engineers who have studied the numbers that the sewer flow peaks during periods of rain indicating significant infiltration problems that limit sewer treatment capacity.

The town needs potable water and sanitary sewer capacity to support needed expansion of Jobs / Housing / Services / Recreation / Amenity needed to create the Critical Mass necessary to achieve a Balanced, Complete Community. It is conservative to estimate that the Town will need to double the population and quadruple the Jobs WITHIN the Clear Edge if Greater Warrenton is to achieve the Critical Mass necessary to achieve Balance in the emerging SubRegional context.

The Town should be moving to address storm water management in the ways that other Urban enclaves in the Chesapeake Bay watershed of Virginia are doing. A Storm water fee that recognizes the negative impact of impervious surfaces and of mown grass ('Short Grass Pollution') must be on the agenda.

On the topic of infrastructure, Town-wide WiFi would be an important asset to support incubation of Job creating Enterprises.

The Comprehensive Plan

The topic of infrastructure brings us back to the Comprehensive Plan. It makes no sense to improve infrastructure to support the dysfunctional, Large Private Vehicle-dependent patterns of Urban fabric provided for in the current Comprehensive Plan as articulated in staff reports concerning current development proposals. As we have pointed out in the past to Town Council members, the Town needs a fundamentally different Comprehensive Plan. This plan must reflect economic, social and physical reality in the 21st century

The current plan is an obstacle to a path to a sustainable trajectory for the Town, its Households, Enterprises and Institutions.

The current ‘comprehensive plan’ is an AntiPlan. It is a straight jacket that represents unfounded assumptions that are now decades old. It needs to be replaced by a document that provides a conceptual framework for the organic components of the Town and a process that allows for the evolution of a Balanced, Complete community. This plan needs to be paired with a contemporary land use control system that includes elements of ‘form-based’ codes.

The New Reality

As the attached draft Perspective IMPACT OF THE U TURN ON THE NORTHERN PIEDMONT documents, times have changed.

For the last 65 years the Town leadership has been able to sit by the side of the road (US Route 29) and pick and choose among the opportunities that have been flowing out from the Core of the National Capital SubRegion.

The Town has been able to rely on the ‘good bones’ (historic Urban fabric) of the enclave that had evolved over the prior 155 years. That golden era of waiting for ‘cargo’ to drop from the sky is over. See THREE UNFOUNDED ASSUMPTIONS, Current Perspective # 27 as well as the

attached IMPACT OF THE U TURN ON THE NORTHERN PIEDMONT and by the documents cited therein.

The SubRegion

From a SubRegional perspective there is much work to do.

Greater Warrenton-Fauquier is in a “life-as-we-have-known-it OR death” competition with Purcellville, Middleburg, Culpeper and Orange to achieve the Critical Mass of economic, social and physical activity necessary to evolve a Balanced, Complete Community and become the Alpha Community in the northern Piedmont.

The first step is for the Town to expand its borders to include the entire Warrenton Service District. This should be part of a County-wide strategy to provide a municipal governance

structure for every Service District. For smaller Service Districts that would mean a two level, Neighborhood-scale governance structure (e.g Marshall, Vint Hill) or a three-level governance structure for the multi-Neighborhood (aka, Village-scale) Urban enclaves (e.g. Greater Warrenton and potentially Greater Remington-Bealeton).

As a footnote: Greater Gainesville/Haymarket and Greater Manassas are NOW inside the CURRENT Logical Location of The Clear Edge around the Core of the National Capital SubRegion. That could change due to the CONTRACTION of The Logical Location of The Clear Edge around the Core due to the forces outlined in THREE OVERARCHING DETERMINANTS, Current Perspective # 30. These Transformations will result in the settlement patterns outlined in SETTLEMENT PATTERN CONSILIENCE, Current Perspective # 26. The Transformations will be caused by the economic realities spelled out in UNReal Estate, Current Perspective #31 (forthcoming).

A Modest Agenda

These agenda items may seem ambitious but due to SubRegional location and unfounded conventional wisdom, the Town and the County have allowed themselves to fall decades behind in embracing the Transformations needed to remain competitive. The U TURN makes action imperative.

As noted above these are all topics we have discussed years ago as part of the Alpha Vill 21 Program.

The questions remains:

Will Greater Warrenton take action while there are still resources available to achieve fundamental Transformations?

Linda and I moved here to Warrenton, not just because of the good bones, but also because of an apparent sense of community and the POTENTIAL Institutional Capacity. Can Greater Warrenton-Fauquier become a 'Best Place.?'

Keep up the good work, abandon the rest. No one can do it all.

EMR

www.emrisse.com

ATTACHMENT TWO:

ABRIDGED NOTE TO GREATER WARRENTON FAUQUIER GOVERNANCE PRACTITIONER

6 February 2014

In February, a friend who is a Governance Practitioner in Greater Warrenton-Fauquier emailed to ask if we could meet with a land owner who has proposed a development project in the Beta Community. This project is one of half a dozen major proposals under consideration by municipal agencies and / or involved in litigation that proposes land uses that will cause further settlement pattern UnBalance.

In the Fall of 2013, at my friend's request, I had offered to meet with several owners to review the basis for our market and Balance perspectives. These views are articulated in Current Perspectives # 27, # 30, # 31 and especially #32 (THE IMPACT OF THE U TURN IN THE PIEDMONT, Beta 3.0.) All the Current Perspectives cited in this document are linked from the *CURRENT PERSPECTIVE* page at www.emrisse.com

Our friend initiated the exchange by requesting one of the meetings which we has agreed to on 7 October just before SYNERGY published Current Perspectives #31 and #32.

Here are key excerpts from the responding email which have been edited to correct spelling and grammatical errors and for clarification.

“Sorry!!” What I could have done in October or early November of 2013 is not possible at this time.

Due to current commitments, I do not have the time or resources to take on more activities in the immediate future. The following notes are the best I can do for now:

First, please review our email exchanges from 7 October to 23 November 2013 and especially my emails to you of 13 and 23 November. The 23 November included a link to an easy to read summary of the work of our friend Arthur C. (Chris) Nelson.

<http://www.theatlanticcities.com/housing/2013/11/what-will-happen-grandmas-house-when-no-one-wants-buy-it/7669/>

In late October 2013 I was primed and ready to help out on several ongoing development projects under discussion in Greater Warrenton.

In the meantime health and aging concerns have prompted Linda and I to look for an alternative place to live in Greater Warrenton. We selected the best real estate agent we could find and spelled out our criteria for a new home.

The agents responses plus our continuing monitoring of Zillow, Trulia, The Multiple Listing Service and the Community's Enterprise Media real estate coverage confirmed what we document in the Current Perspectives noted above:

1. There are no Units – and more importantly, no settlement patterns at the Dooryard, Cluster and Neighborhood scales – that meet the needs of our generation or the needs of the much larger cohort of aging Americans following behind us, Further;
2. There are no Units, Dooryards or Neighborhoods – much less a Village or Community – that will be attractive to the smart, well educated persons that will be required to meet the Community's need for a Balanced workforce that can compete with other Communities and SubRegions in the Washington-Baltimore New Urban Region. Finally,
3. There are no Units in amenable Clusters and Neighborhoods that are Affordable for those who will be needed to hold the support / Service jobs required to create a Balanced, functional and sustainable Community.

It is clear from the SubRegional news and real estate coverage (documented in the SYNERGY Current Perspectives linked above) that INSIDE The Logical Location of The Clear Edge (between R=25 and R = 32 Miles from the Centroid for the Virginia part of the National Capital SubRegion) projects that meet the needs outlined in category 1. and 2. are EXACTLY what ARE NOW BEING BUILT.

These are the projects that are selling well and driving the 'glowing' reports of the shelter market. These projects are supported by the current and projected shelter market SubRegion-wide. New METRO station area plans in Tyson Corner and Reston as well as 'town centers' across the National Capital SubRegion are being built INSIDE The Logical Location of The Clear Edge to meet this market.

Unfortunately NO ONE is building Units to meet the needs of those in Category 3 (Affordable and Accessible Housing). Arlington County and the City of Alexandria are making good faith efforts to provide Affordable and Accessible housing. It is clear that the market will force Fairfax County to follow suit in order to remain competitive.

Outside The Logical Location of The Clear Edge (LLCE) there are almost no new projects that will yield settlement patterns that will satisfy the current and future market or contribute to the evolution of a Complete, Balanced Community. Plans for new projects in Greater Warrenton-Fauquier continue to reinforce the 'Wrong Size House in Wrong Location settlement patterns.

Each new Large Single Household Dwelling, especially those of large lots outside The Logical Location of The Clear Edge around Urban enclaves in the Countryside, LOWERS the value of existing units.

As a primary investor in an innovative Enterprise you know that IF this Enterprise is to prosper in Greater Warrenton-Fauquier Community a well qualified workforce must be able to find Housing / Services / Recreation / Amenity to meet their current and future needs IN THE Community. An attractive place to live, work and seek amenities is critical to achieve a Balanced Community.

As pointed out in the COMMUNITY FUTURE FORUM (summarized in Current Perspectives # 28 and #29) the PRIMARY ways to evolve Balance are: 1) Transform 'commuters' to 'former commuters'; 2) Attract former residents to return, 3) Provide graduating students with reasons to stay and prosper in this Community, and 4) Actively work to add other human capital and land uses to achieve Balance.

Understanding the SubRegional context of Greater Warrenton-Fauquier is Critical. With respect to land consumption, the new, market-supported settlement patterns are about three times as intense as Reston (10 pn / ac at the Alpha Community Scale.) That means that INSIDE LLCE the functional, Balanced Communities will require ONLY ONE THIRD OF THE LAND ALREADY DEVELOPED for Urban land uses to support the existing population. More intense development around METRO stations will mean even less Urban land area will be needed to achieve a Balanced Community.

Outside the LLCE – for example between R = 40 and R = 55 where Greater Warrenton-Fauquier is located – the there is vastly too much land already dedicated to scattered Urban land uses.

The current settlement pattern does not reflect future market demand.

What this means, as documented in Current Perspective #32, is that land and shelter values will decline outside R = 35.

Declining land and improvement values will have a devastating impact on the municipal tax base.

There are some upsides to cheap land – for example, young farmers would be able to buy recycled subdivision lots to start specialty agriculture operations. However the Urban settlement patterns must meet the needs of future buyers. There are still a few ‘drive-til-will-qualify-for-a-bigger-house (e.g. see Brookside) who do not yet understand the emerging reality. However, the demographic profiles of those forming new Households or moving over the next 25 years documents the nature of the future shelter market as articulated in the documents noted above.

What the market is already reflecting is the fact that fewer and fewer are willing to live in the Countryside and commute to a Job in the Core of the National Capital SubRegion, for a number of mutually reinforcing reasons.

These reasons include:

- 1.) Due to the widening Citizen Wealth and Well Being Gulf (aka, Wealth Gap), a smaller and smaller number can afford Large Single Household Dwellings. Those that can afford these Units are willing to pay a premium for a location that puts Housing close to J / S / R / A
- 2.) Also due to the widening Citizen Wealth and Well Being Gulf, fewer and fewer workers are able to afford a Large Private Vehicle that is both fuel efficient and safe to drive on the Interstate System. A Large Private Vehicle is required to meet most of the Mobility and Access needs of Households living in scattered Large Single Household Dwellings.

Those who can afford safe and fuel efficient Large Private Vehicles are driving less and less because the settlement patterns where they now are choosing to invest DO NOT require an Automobile trip for every Household need,

These vehicle trends are exacerbated by the fact that the Automobile industry is designing the majority of their vehicles to be more and more expensive and require more and more expensive repairs to maintain their safety and efficiency features. This rising cost of Vehicles and fuel results in demand for functional

settlement patterns and alternatives to owning Large Private Vehicles – Zip Cars, Uber Cars and other forms of ‘car-sharing.’

- 3.) Finally and most importantly, the lifestyle choices of the two large population cohorts that will be forming new Households or relocating favor more walkable, Balanced Communities – Gen X and Empty Nester Boomers.

The Agencies, Enterprises, Institutions and Household of Greater Warrenton-Fauquier have been sitting by the side of the road (US Route 29 / US Route 15 / US Route 15 / Interstate 66) picking and choosing what SEEMED best at the time. They have avoided seeking to create a Balanced, Functional, Resilient and Sustainable Community with a Balance of Jobs / Housing / Services / Recreation / Amenity (J / H / S / R / A).

With respect to residential Units, for 50 years Greater Warrenton-Fauquier has been building the Wrong Size Houses in the Wrong Locations. There is now and will be in the future a VAST oversupply of wrong size, wrong location dwellings. That will be especially true outside R=35 in the National Capital Subregion. Again, the data and metrics are spelled out in the referenced material above.

For over 5 decades Agencies have been subsidizing land speculation (e. g. with bloated lot sizes), maximizing short term Enterprise profit and catering to poorly informed commuters without regard to the need to evolve a Balanced, Functional and Sustainable Community.

As noted repeatedly, there is a lack of Balance of J / H / S / R / A at the Cluster, Neighborhood, Village and Community scales. The current conditions provide no basis for the evolution of economic, social or physical resilience in Greater Warrenton Fauquier.

This is not rocket science.

While these notes were in preparation, I delivered a consignment to the White Elephant. After the owner finished helping another customer she said:

“I see that so often! That was a nice couple from Fairfax who would like to relocate and retire here but they can find nothing to buy except big three level houses on big lots. They want a quality one- level home from which they can walk to amenities like Main Street.”

As you can imagine I launched into a summary of the main talking points in the Current Perspectives linked above. She nodded in agreement with every point.

At this point another customer who overheard our discussion exploded out of the back of the store. She lives on Falmouth Street and has participated in the hearings on the ‘Mosby’s Crossing’ project. She also agreed with every one of the points. She says she wants to ‘start a revolution.’

The best advice SYNERGY can offer is for the municipal Agencies and the private Enterprises which profit from constructing human settlement patterns to find ways to avoid making things worse by continuing past practices with respect to plans, programs, projects, and subsidies.

As noted above, each new Large Single Household Dwelling, especially those of large lots outside The Logical Location of The Clear Edge around Urban enclaves in the Countryside, LOWERS the value of existing units.

This advice is not new, as documented by *THE SHAPE OF THE FUTURE* (2000) and *TRILOG* (2010) and the Current Perspectives focused on the Virginia part of the National Capital SubRegion document.

About two years ago you and I agreed that the top priority was to evolve a new comprehensive plan for Greater Warrenton that reflected the economic, social and physical reality that we outlined in Current Perspective #5. (This Current Perspective is a summary of a SYNERGY presentation to the Fauquier County Board of Supervisors, 10 April 2008).

In the past, developers have gambled that they could make the same decisions they made in past years. That door has closed for the reasons spelled out in the material cited above – especially current perspectives # 30, 31 & 32. The failure to plan intelligently will have direct and negative impact on every citizen and every Organization. See again Current Perspective # 32 THE IMPACT OF THE U TURN IN THE PIEDMONT, Beta 3.0.

When the dramatic loss of land and improvement value that is on the Horizon hits the citizens of Grater Warrenton-Fauquier, it will be municipal governance practitioners and Enterprise Media who will be blamed for failure to warn / inform citizens.

ATTACHMENT THREE

9 June 2014

Sean Polster and
Sunny Reynolds

Dear Town of Warrenton Council members elect:

Congratulations!

I regret that I did not have a chance to communicate with either of you before the election. When Sean knocked on our door we had just taken our mid-day meal off the grill. Before the election we had a number of questions. Since the election one major question remains:

What will you be able to do to achieve a Balanced, sustainable Greater Warrenton?

It is safe to say that the majority of those who voted in the 6 May election did NOT consider the recent performance of the Town governance structure to be a “success.” The majority rejected the admonition to “STICK WITH SUCCESS!” That may be because the current Council did not communicate well or because citizens believe there was, and is, much more to be done.

[Before going further, please note the explanatory comments at the end of this letter with respect to Vocabulary.]

The biggest problem facing the Town of Warrenton at this point is NOT the lack of specific resources or policies. The biggest problem is the failure of Town and County Agencies to prepare citizens for the impact of what I call “The U TURN.” The anatomy of The U TURN is spelled out in Current Perspective # 32 IMPACT OF THE U TURN ON THE PIEDMONT Beta 3.0 and the national and Regional sources cited in this Perspective. SYNERGY’s Current Perspectives are linked from the *CURRENT PERSPECTIVES* page at www.emrisse.com

As documented by a forthcoming Current Perspective, little noticed headlines in Regional and National Media provide proof of the existence of The U TURN as we outlined it seven months ago.

Each of your campaigns very appropriately focused on Warrenton becoming a great place to “live, work and play.” That will require the evolution of a Balance of Jobs / Housing / Services / Recreation / Amenity (J / H / S /R /A). Right now Greater Warrenton is far from Balance. The lack of Balance is most starkly demonstrated by the number of inter-county commuters and the Jobs / Housing disparity in Greater Warrenton-Fauquier.

We live in a democracy and Agency governance must reflect the perceptions and beliefs of citizens as well as the best interests of the vast majority of these citizens. Today, even if you knew EXACTLY what needed to be done, the majority of citizens do not have the information and understandings needed to make informed decisions about their individual, Household and Organizations best interests. They would very likely NOT support the actions needed to achieve a Balanced, Complete Community.

This means the first priority must be to carry out a broadly based citizen education program that generates understanding and support for policies, programs, regulations and projects to achieve a sustainable economic, social and physical trajectory.

The path to Complete (“Alpha” – aka. ‘functional’) Neighborhoods in an Alpha Greater Warrenton Village that create a “Balanced But Disaggregated” Greater Warrenton-Fauquier Community include enhanced Mobility and Access, Affordable and Accessible Housing and phasing out Helter Skelter settlement patterns. Helter Skelter settlement patterns are characterized by the dysfunctional scatteration of Urban land uses across the Countryside and the abundance of vacant and underutilized land within The Logical Location of The Clear Edges around Urban agglomerations of all scales.

We have noted below a partial list of the actions suggested by SYNERGY over the past 13 years to achieve Balanced, Complete Clusters, Neighborhoods, Villages and Community in Greater Warrenton-Fauquier and the Northern Part of Virginia. These actions have been put forward in private communications, Council and Board presentations, workshops, and seminars. SYNERGY recommendations are documented in the Current Perspectives linked from the *CURRENT PERSPECTIVES* page at www.emrisse.com

Here is a brief summary:

1.) There must be informed citizen support for Fundamental Transformations such as:

- ◆ A new – and truly Comprehensive – “plan” that reflects the reality of Greater Warrenton’s Regional and SubRegional location and resources. This plan would provide

a realistic context for economic prosperity, social stability and environmental sustainability for ALL citizens.

- ◆ A new land use control system that reflects this realistic Comprehensive Plan including a new zoning ordinance that embraces the advantages of ‘form-based codes’ to evolve functional settlement patterns at all scales from Dooryard to Community.
- ◆ Functional governance will require revised municipal boundaries to reflect economic reality. For example the boundaries of the Town of Warrenton need to evolve so that they include ALL of Greater Warrenton.
- ◆ The Town also must work with Fauquier County to provide incentives to UnUrbanize partially and dysfunctionally Urbanized land in the Countryside and evolve Town scale governance structures for every Service District.

2.) Those who champion ‘conservation’ and those who support ‘growth’ must come to agree that there is no need for more Countryside land to be Urbanized. At the same time, citizens and their leaders must work to evolve more intelligent use of the already Urbanized land.

3.) Greater Warrenton-Fauquier and other Beta Communities OUTSIDE The Logical Location of The Clear Edge around the Core of the National Capital SubRegion (LLCE) must welcome and support more citizens in the Urbansides. This will result in appropriate and functional patterns and densities that achieve Balanced components and result in a Complete Community. AND there will also needs to be more citizens involved in agrarian and forestal activities in the Countryside to provide economic and ecological support for Urban enclaves.

Over the past five decades citizens of Warrenton and their leaders had the luxury of sitting by the side of the road while they picked and chose the land uses they thought were in their best short term interest. They have not guided the evolution of a functional mix and pattern of land uses and this has resulted in gross UnBalance. As noted above, the majority of the County’s employed citizens go OUTSIDE the Greater Warrenton-Fauquier Community to access Jobs.

In addition to understanding past errors, it is critical to comprehend that the parameters of Balance have been fundamentally changed by The U TURN as documented in Current Perspective # 32. (See link above.) This U TURN is already having a dramatic impact on land and dwelling values.

Recent field work in Eastern Loudoun County and in West Prince William suggests that there still may be an opportunity to evolve a Complete, Balanced Greater Warrenton-Fauquier. This Transformation will require unified and focused effort on strategies and tactics such as those noted above.

It would be wise for the Ward representatives who will be up for election in two years, as well as the newly elected mayor to work with you, the two new at-large Council members, to launch programs, projects, and regulations that result in true 'success.' Copies of this note will inform those parties of these concerns.

If you have questions after reading this text and the referenced material, please let us know.

Sincerely,

E M Risse

SYNERGY, 124 Derby Way, Warrenton emr@emrisse.com