

# Two Ways of New Towns Development: A Tale of Two Cities

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## 1. Introduction

New Towns, or Planned Communities, are cities in which all aspects of development are determined before construction begins. Eichler and Kaplan (1967) and Griffin (1974) have defined “new community” as a large development, generally over 1000 hectares (2500 acres) that has a comprehensive and mixed-use design conforming to a single master plan and a socially diverse population. The most self-contained are also called “new towns”. The related term, refers to a community that seeks to produce a range of valuable social, environmental, and economic benefits than more conventional, less comprehensively planned developments are likely to achieve. Such communities have been proposed as creative alternatives to conventional developments for many years and in many countries. New Towns are generally thought of as being of two types: ‘independent’, if they contain employment for their own residents and ‘satellite’<sup>1</sup> if a substantial number of residents commute to another metropolis.

Development of New Towns is expensive, particularly the provision of their infrastructure. Despite a high level of subsidy from central government and often regional authorities as well, the new towns remain heavily in debt, a problem exacerbated by the currently much reduced rates of demographic and economic growth.

The slow pace at which land is being acquired and premises are being occupied increases the burden of repaying the loans contracted to finance development. Additional financial difficulties have arisen over the running of the new towns’ services, due to the present relatively small local tax income, which is available to support them.

Similarly, certain of the amenities originally provided were designed in the expectation of much larger populations and reflected the government's expressed wish to create new communities, which were fully equipped from the outset, a policy that implicitly recognised that there might be initial operational difficulties. Thus, while the services may be desirable, they represent a particular problem to finance.

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<sup>1</sup> Some authors use the term satellite for new towns that are self-contained but whose residents use some of the facilities of nearby cities.

The idea of New Towns had begun in Europe, specifically in United Kingdom and afterwards in France and United States following more or less the direction of E. Howard in his book "Garden cities of tomorrow" (1902). There are cities that are created because of a political-administrative decision<sup>2</sup>. Those new cities are urban spaces where people can live, work and spare its free time. Howard town-planning conception is the planning of the city as a space assigned to houses, commerce, culture and industrial areas. All of this reconcile with the environment protection. Most of these new cities were understood as big city clearing, for that reason, the ideal of inhabitants is 250.000. But, one of the most frequent reasons for wanting new towns, as Alonso (1969) have said, is that they will be planned.

The development of New Towns in US differs from the European model. The main difference is the management and the financing. In United States, financing is private or public-private partnership and in Europe is public. In Europe central governments sponsored new town development but in US they were sponsored by private real-estate developers. Compare to Europe American new towns were less directed by national social policy. Distribution of the city is also different, in US in the heart of the city there is "the loop"<sup>3</sup> where is located offices, shops and hotels and people lives in suburbs, in that case the car is part of the city. The administrative structure of New Towns in US varies, sometimes it is dependent of other cities and, other New Towns have their own government.

This chapter first outlines how New Towns were developed in Europe and in United States explaining the differences between the two ways of development. Later on, we show the case study of two cities. Those cities are The Woodlands (Texas, US) that belong to US model and Tres Cantos (Madrid, Spain) that fit in the European model of New Town development.

## 2. New towns in Europe and in USA

It has been Ebenezer Howard the pioneer of New Towns planning. In 1898, Howard publishes his book "Tomorrow: a peaceful path to real reform". Even though he wrote that book, his most famous one is "Garden cities of tomorrow" (1902). We can see his concept of New town represented with his idea of the three magnets (figure 1).

Howard was so worried about migration from countryside to the cities; both ways of life are totally different. Cities attract people form villages but it spread them in a spontaneous and disorganised way and this make appear suburbs. For that reason Howard said that it must be created a new way of life that take advantage of both worlds. It has to be a town that combines city dynamism and rural beauty. City offers more employment, higher wages and entertainment but also has higher prices, overcrowding and long trips. For that reason, Howard proposes a mix of both worlds, a place where people can live and work in a beautiful environment. His urban conception is city planning where houses, commerce and cultural centres coexist with industry and countryside. The garden city is not a suburb it is integration between rural and urban.

New towns are previously planned and it is determinate where it is going to be infrastructures, economic activity (industry and commerce) and social services (education,

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<sup>2</sup> We are not talking about dormitory towns.

<sup>3</sup> Ernest W. Burgess *The growth of the city: an introduction to a research project*.

health and leisure). Citizens have the opportunity to participate in city governance and influence on political decisions during city creation.

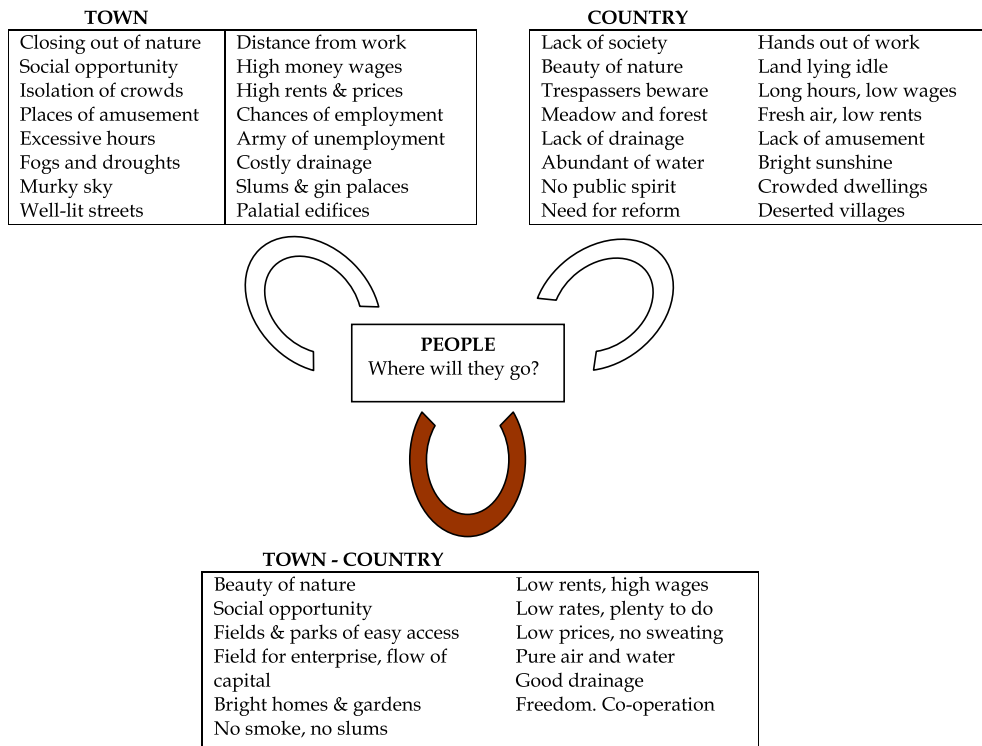


Fig. 1. Howard's three magnets

In recent years, the role of the State has been change. We pass from an old administration where government has the control of supply public services to a New Public Management (NPM) reform (Hood, 1991) where the public-private partnerships (PPP) have appear and developed. This reform has been grounded in institutional economic theory. Several studies have examined public-private partnerships involving concessions, leases or management contracts for the provision of utilities, education or health care from such differing theoretical perspectives as transaction cost economics (Crocker and Masten, 1996; Huet and Saussier, 2003), or agency theory (Guasch, Laffont and Straub, 2003). The development of partnerships with the private sector has emerged as a key element in implementing public policies and programs.

However, we have gone one-step ahead and citizens get involved in public decisions and manage some public services. Government may be seen as providing public goods and services as a result of market failure, but sometimes government do not deliver those goods either. Buchanan in 1979 has said that government failures occur when government is inefficient in the production of public goods. In such cases, private agents can provide services on their own or with the support of the public sector. In planned communities in

US, where private companies have developed a town, developers take over a significant number of roles traditionally played by government. They build roads, streets, sewage system, and provide other services normally associated with government.

Foldvary (1994) says that in cities where government provides goods and collect taxes the owners of the land are free riders, but in New Towns, where goods are provided by the site owner or by an association, free riders vanish because users pay for the services they get. We must add that since private companies develop New towns in US, they have planning and governance structures that differ from those of regular towns. Developers perform a quasi-governmental role: developing the initial and ongoing master plan, administering private development controls, setting up neighbourhood associations to maintain common areas, working to attract employers and retailers, and initiating the formation of local and specialized governments. Public goods provided by private communities include the public good of governance itself. This model is common to most of the New Towns in United States.

Proper functioning of any municipality requires community infrastructure ranging from parks, schools, museums, hospitals, libraries, and police and fire stations to water and sewage systems. A good master plan integrates these facilities into the community in a useful and aesthetic way. The elements of such a plan are varied and complex. Members of the community, government and business must come together in a cooperative way to determine both the current needs of the area and the demands of anticipated and desired growth. A well thought out and executed plan will help to ensure the well-being of residents, attract business, stimulate job creation and bring about a pleasing community in which to live and work.

Who should be involved in policymaking and implementation is a core question in public policy and public management. Feldman (2007) explain three models that describe relationships between actors in the policymaking process: the political oversight, expertise and direct public participation models. The first model describes the relationship between the politician and the public manager (Harris, 1964; Wood and Waterman, 1991). The public elects politicians and makes its wishes known through elections. The primary concern is how to make sure that public managers fulfill those mandates (Calvert et al., 1987; McNollgast et al., 1999). In the expertise model (Fiedrich, 1935; Rourke, 1986), certified knowledge is provided by skilled individuals, many of whom hold positions in government agencies, but some of whom may work as university teachers or in other research and training organizations. In this model, experts provide information to politicians who actually make policy.

The third model is based in the planning discipline and includes people directly impacted by planning practices (Arnstein, 1971; Burke, 1968). In this model, public managers create opportunities for public participation, deliberation and decision making (Box, 1998; Heifetz & Sinder, 1990). Public participation is thought to enhance the quality of the public policy process.

In this chapter, we will see through the cases that citizen involvement is important even if funding comes from a private company (US model) or from the Government (European model). In both cases, we will find what I call an "involvement community", where people and organizations are involved in a process of making and implementing policy during the development of the New town and after it. In the US model there are no politicians and

political parties that can take policy decisions depending on their ideology or can have electoral or party motivations. Developed through the case study, the theory of an involvement community follows from the actions citizens take in the pursuit of specific goals. In the Spanish case only in the first period before the New town becomes independent community associations are heavily involved after that appear political parties.

Osborne and Gaebler (1992) discuss how community members can add special knowledge and experience. They quote John McKnight of Northwestern University, who feels that communities, since they are closer to their problems, are better able to understand and address them. Defining community is difficult because people live and work in different locations, often crossing jurisdictional boundaries, but a sense of belonging, as several theorists have emphasized, provides a reason for action (Etzioni, 2004; Sandel, 1998; Taylor, 1989) and organization. This kind of organizational process is important because community members have key information needed to implement plans and public policy.

Involvement is the product of identification with and a feeling of belonging to a place where one lives peacefully. People want to give back to their community, and for that reason, they volunteer to be elected as representatives of their villages or neighbourhoods. According to Steven Ames (1998) a community can better understand the values of its citizens and use them as a basis for planning by identifying the trends and forces that affect the community, articulating a vision to guide short-term decisions and long-term initiatives, and developing tools to achieve its vision.

In US model, the developer is not alone in providing public goods or government; neighbours elect the community association's board of directors, which represents them. The association, in turn, provides some public goods. In such a town, local government control involves economic development, population settlement and environmental protection. The private company that builds the town lays down some rules, or covenants, based in contract law. The regulation set up by either a strong homeowner's association or a contracting company may be quite extensive and detailed. Rules may determine what colors you can paint the exterior of your home, the maximum length your grass can be or what exactly you can put in your front yard for display purposes. Restrictions may also exist on building additions, adding a front or back deck or a shed in the backyard. Potential buyers do well to ask about fees laws and stipulations. Membership in the homeowner's association, with fees and participation in meetings, may also be required.

In the European model as developer is the State he is the one that provides public goods. Neighbours only take part after the development of the New town when they start to life on it. They create associations to solve different problems that appear or to demand services that they start to need as transportation, schools or health centres. They also get involved in the segregation of the New town creating a political party and becoming part of the governance of the city that they belong. This makes them take part of political decisions and from inside ask for their city segregation. Cook (1975) notes that citizen participation can legitimize a programme or an action. To legitimize can often mean the difference between success and failure of community efforts. Delegate decisions to others, normally politicians will not always be in the best interest of those for that reason sometimes it is important citizen involvement.

## 2.1 European model

England and later on France were the promoters of New towns and urban development in Europe. Also at the end of nineteenth century, Cerdà with his urban extension in Barcelona (Spain) and Arturo Soria with his idea of the linear city are pioneers in urban development. For that reason, we are going to talk about England and France as European models.

As we have said it has been Ebenezer Howard the pioneer of New Towns planning. In 1898, Howard publishes his book "Tomorrow: a peaceful path to real reform". Even though he wrote that book, his most famous one is "Garden cities of tomorrow" (1902).

In 1889 Howard and other people created the Garden City Association in England. The Garden Cities and Town Planning Association had defined a garden city as "a town designed for healthy living and industry of a size that makes possible a full measure of social life but not larger, surrounded by a rural belt; the whole of the land being in public ownership, or held in trust for the community".

In 1902 some executive register the first firm "Garden city pioneer company" that acquires some land located 55 km north of London (1.546 Hes.) and they started building in 1903 the first city following Howard model, this city was Letchworth. Actually, it has 33.000 inhabitants. Welwyn garden city (also located north of London) was built in 1920 and is the second new town in England. Those two new towns were built without public support; they received money from private firms and investors.

From the economic crisis in 1929, it began the necessity of finding a regional policy more coherent that distributes industry in a rational way. For that reason, they start to think again in the garden city. They start to think that it should be created a national urban planning and in 1937, they created Barlow Commission that published the report called: "Report of the Royal Commission on the Distribution of the Industrial Population". Barrow did not recommended New Towns but he said that it should be a good idea to establish a new territorial planning where industry, commerce and population could life together in harmony.

However, New towns in England have its big significance after Second World War and it is related to city and social reconstruction. During this period it has been built almost 4 million houses because during war were destroyed a lot of them. As a first time public administration built almost all the houses but they did it without any planning, they did not follow Howard's theory.

These promotions were carrying out by local authorities and private firms. However, it was after the II World War when New Towns, in UK, have started their development and became more closely related with the concept of national regional policy. New Towns started to belong to a planning strategy in the United Kingdom. Even if it does not exists a unique model they are, understand to clear big cities or to be the centre of a region in order to arrange a territorial division or revitalize a depraved zone. In 1946 appears New Towns Act, this Law with some adjustments (consecutive laws in 1959, 1965, 1968, 1976 and 1981) is still in force and constitute the legal basis of the actual program of new towns. Legally, the Secretary of State decides location of a new town. They created a public corporation that has the function of developing the new town. Once the area is designate, this corporation buys the land (also if they need to expropriate the land), design the distribution of the residential, the commercial and the industrial areas, the basic infrastructures (water, telephone, light,

roads, etc.). The finance of the corporation is public and its funds come from the National Loans Fund. Those loans have a return of at least 50 years and an interest rate fixed in the moment of concession. They return the loan with revenues from sells and rents. In France and Spain, they follow this model with small variations, as we will see.

New towns committee estimates that ideal city size might be between 30.000 and 50.000 inhabitants even though some New towns had almost 250.000. Their dream was that citizens in New towns or at least most of them could work in the same city avoiding commuting. In 1946, enacted "New Town Act" this law suffers some modifications in 1959, 1965, 1968 and 1976 and is the law that establishes the rules of New towns. This law is considered the most complete not only in England but also in other European countries. In England a New town localization is decided by the Secretary of State together with the local authority. They create a public corporation for any New town built. Once they designated the area, this corporation starts to act; it buys the land and plan where commerce, industry and houses must be. It is who built all the infrastructures (water supplies, electricity, roads, etc.). Its funding is public and money might be sanctioned by the Parliament. It comes from the "National Loans Fund". In none of those New towns in England they have succeeded with the ideal concept because in all the cases more than half of population work out of the city and some of them have more than 250.000 inhabitants or less than 3.000 and have become suburbs of the main city.

If we look at France they have a similar urban planning program of New towns, it is called "Nouvelles villes". Central government made the decision of building, location and funding of the New town. There are only two differences from the English model, the first one is that in France there is no corporation and there are different authorities that have the competence on the New town. For building a New town, they create an agency called "Etablissement Public d'Aménagement" (EPA). A board of directors manages the public organization that is composed by seven members of local administrations (town halls and regions) and for seven from central administration. For that reason, there are usually conflicts between central and local administrations. The second one is that EPA sells the land to private firms and those built houses, industries and commerce but always under EPA's supervision.

As in the English case those New towns became employment generators although this employment mostly belongs to service sector particularly commerce and offices. We have to say that most of those New towns are not self-sufficient but as they have good quality and quantity of services, they have become an attraction for middle class citizens.

## 2.2 United states model

In the early history of America, Planned Communities were quite common. Jamestowne, Philadelphia, Williamsburg, Annapolis and Washington, D.C., are examples of this trend. The subsequent development of the United States, however, made planned cities both impractical and unpopular. It was not until the twentieth century that the New Town idea was revived. New Towns in US had appeared in the 1920's from the Regional Planning Association of America. Following the example of British Garden Cities, Radburn, New Jersey, was begun in 1929. It was built in order to give houses to low income workers. It was followed by government sponsored "greenbelt" towns: Greenhills, Ohio; Greendale, Wisconsin; and Greenbelt, Maryland. The economic crisis and the II World War paralyse the construction of new towns. After World War II, Park Forest, Illinois joined the list of

American New Towns. The current era of New Town development began in 1962 with the creation of Reston, Virginia. The "new community" movement of the 1960s and 1970s attempted a grand experiment in housing. It inspired the construction of innovative communities that were designed to counter suburbia's cultural conformity, social isolation, ugliness, and environmental problems. This richly documented book examines the results of those experiments in three of the most successful new communities: Irvine Ranch in Southern California, Columbia in Maryland, and The Woodlands in the suburbs of Houston, Texas. Since that time at least thirty-eight planned communities have been developed throughout the United States. The Federal New Communities Program of the U.S. Department of Housing and Urban Development (1970-1983) sponsored thirteen of these communities.

One of the arguments of creating a new town is the creation of an attractive living environment, with a well planned housing and spatial organization. Sometimes new towns represent speculative ventures for private enterprises. It is said that more successful experiences tend to have occur in countries where the government provides long term subsidies. Modern Planned Communities provide housing for a variety of income levels and allow the residents to participate in the governance of the city. There are two ways of qualification a New Town: 'independent', if they contain the employment of their own residents and 'satellite'<sup>4</sup> if there is a substantial amount of residents that commute to other metropolis.

The Woodlands was chosen one of the thirteen communities to be affected by the 1968 New Communities Act (Housing and Urban Development Title IV) as the site of a new planned community. The act, amended in 1970, provided \$18 million of a total \$294 million in federal loan guarantees for new towns. The Woodlands is a company-run town

In this paper, I have adapted the third model to a case where a public manager is replaced by a private committee to produce what I call an "involvement community", where people and organizations are involved in a process of making and implementing policy. There are no politicians and political parties that can take policy decisions depending on their ideology or can have electoral or party motivations. Developed through the case study, the theory of an involvement community follows from the actions citizens take in the pursuit of specific goals.

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The company and the associations also collect an assessment from residents to fund the public services provide by them.

### **3. Case studies**

#### **3.1 The woodlands**

The Woodlands is located in the extraterritorial jurisdiction of Houston within Montgomery County in Texas. The Woodlands was built in a partnership between Mitchell Energy & Development Corporation and the US Department of Housing and Urban Development (HUD). It was one of the thirteen Title VII new towns developments that received federal loan guarantees in the early 1970s. In the early 1960's George Mitchell, wildcatter, oil and real estate entrepreneur, got the idea of a master planned community that would include as many jobs as homes. He thought that the new community might be near a major city benefit from transport and have ample land for future growth. In 1964 they purchase the first land in Montgomery County but it was on September of 1972 when the construction of The Woodlands began. When opened, The Woodlands consisted of a few families living in Settlers Corner, a conference center and country club, the Information Center, The Warf shopping area, 19 model homes, 50 apartments, three office buildings and several recreational amenities. The principal activities of the Mitchell Energy and Development Corporation<sup>5</sup> are the exploration for and production of natural gas, natural gas liquids, crude oil and condensate, operation of natural gas gathering systems and marketing of natural gas through purchase and resale activities. The Company owns or operates approximately 9,100 miles of natural gas gathering systems which are located in Texas. Gas services accounted for 68% of 2000 revenues and exploration and production, 32%. After 1955 the firm began to diversify into real estate. When George Mitchell became president, he formed Mitchell Development of the Southwest; in 1971 the business was renamed Mitchell Energy and Development Corporation. In 1974 the firm opened the Woodlands, as we have

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<sup>5</sup> A major independent producer.

said a 25,000-acre planned community twenty-seven miles north of downtown Houston, built under a federal incentive program to encourage urban developments.

The Woodlands is located within the extraterritorial jurisdiction of Houston, Texas and has a population equal to the 33rd largest city in Texas (more than 85,000 inhabitants).

As an unincorporated area<sup>6</sup> it operates independently of city government. Approximately 3,000 acres extend into unincorporated Harris County, 160 acres are located inside the corporate limits of the city of Shenandoah, and some 375 acres are located in the city of Conroe (see map 1). Several villages comprise the Woodlands. Each is its own small town, with shopping centers, community organizations, schools, recreational facilities and healthcare. The villages are East Shore, Town Center (primarily a commercial development), Sterling Ridge, Carlton Woods (a gated community), Creekside Park, Alden Bridge, Cochran's Crossing, Indian Springs, Colledge Park, Panther Creek and Grogan's Mill (see map 2).

Initially, it was considered as a "residential community" (Cervero, 1995) but with 46 per cent of its population employed within the Woodlands, it must now be considered an "independent" new town.

The Woodlands master plan was based on three basic goals (Levisohn, 1985): The first one was to build a community where people would pay ultimate respect to the land and living things from the start (ecological balance), where people could live with the greatest freedom (Human development) and achieve a reasonable return on investment (Economic profitability). The Woodlands philosophy was based on:

1. Good land use planning
2. Environmentally sensitive development
3. Economic, social and racial integration

Economically, The Woodlands was the most successful new town of its generation. What started as a planned residential community has been transformed into an incipient city with enough economic development to participate in and influence regional planning and policy.

For the first ten years the developer controlled the community, and the Woodlands Community Association (WCA) was the sole venue for resident involvement, but in August 1992, two more associations were created. Now three associations, described in figure 1, make up the governance structure (table 3) of The Woodlands. These associations are non-profit corporations managed by board of directors, and they provide public services to residents and property owners.

Individuals who acquire a property in The Woodlands become members of either the WCA or TWA for as long as they hold title. Similarly, commercial owners belong to WCOA. Volunteers make up the boards of directors of the three associations. The Woodlands Community Service Corporation (WCSC), known also as the Community Associations of The Woodlands, performs administrative, managerial and operational services required by the three associations. The associations are structured to serve citizens. Each year residents and property owners in each village elect members to their respective association's board of directors. Associations are funded from assessments and borrowing<sup>7</sup>.

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<sup>6</sup> A region of land is unincorporated if it is not a part of any municipality.

<sup>7</sup> Some from federal and state grants.

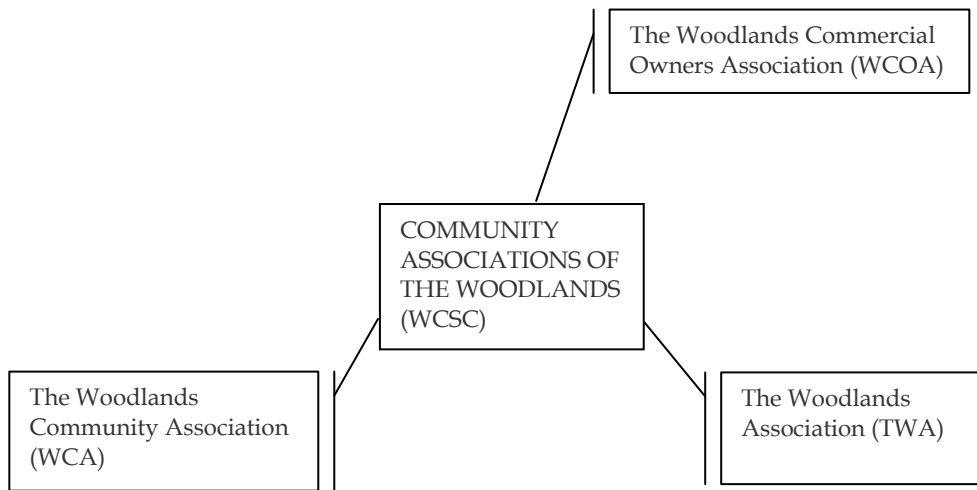


Fig. 2. Community Associations of The Woodlands

The Community Associations of The Woodlands, is a private, not-for-profit corporation, created in 1992. The company delivers staff services to The Woodlands Community Association, Inc., The Woodlands Association, Inc. and The Woodlands Commercial Owners Association, Inc. It is one of the largest private, non-profit governments in the US.

On the associations' behalf, The Community Associations of The Woodlands provides, or contracts for others to provide, services including police and fire protection, garbage and recycling collection, parks and pathway maintenance, streetscape maintenance, covenant enforcement and recreation programming for existing and future community associations in The Woodlands. These organizations contract with The Woodlands Community Service Corp. (WCSC) for staff services.

As we have said residents become members of a community association once they purchase a property in The Woodlands. Almost all residential and commercial property owners and residents in The Woodlands are members of one of these associations. Those associations are (Figure 2):

- The Woodlands Community Association, Inc. (WCA) is the community association for residents and property owners in the villages of Grogan's Mill, Panther Creek, Cochran's Crossing and Indian Springs (east of Falconwing Drive). A board of directors composed of 12 representatives elected from the villages and one member appointed by the developer (Woodlands Development Company) governs the WCA<sup>8</sup>. This volunteer board of directors has final authority over budget, financial and policy issues.
- The Woodlands Association, Inc. (TWA) is the community association for residents and property owners in the villages of Alden Bridge, Sterling Ridge, Carlton Woods, Indian

<sup>8</sup> The Covenants allow the board to be made up of a combination of community-elected individuals and individuals appointed by The Woodlands Operating Company, L.P.

Springs (west of Falconwing Drive) and the neighborhood of Harper's Landing in the village of College Park. It has a ten-member board, four elected by the owners and residents of the villages and six appointed by the development company.

- The Woodlands Commercial Owners Association, Inc. (WCOA) serves commercial owners across the Woodlands. Its board of directors has five members, four appointed by the developer and one elected by commercial owners. Around 1,300 companies, ranging from small retail stores to international headquarters buildings, employ approximately 46 per cent of employed residents.

Villages in the Woodlands also elect representatives to their respective village Associations. These village associations are unofficial and have non-specified responsibilities, they act as civic clubs organizing different events and serving as intermediaries between village citizens and the associations (TWA and WCA).

Most public services are provided by private agents through community and neighbourhood associations, but there are a few services that are provided by public agents such as Municipal Utility Districts (MUD), the Montgomery County and San Jacinto River Authority as we can see in table 1. Each of these entities operates independently although they maintain a system of coordination. Services are provided by municipalities only in those portions of The Woodlands within the corporate limits of Shenandoah and Conroe (approximately 5% of the land). The Environmental Services Department monitors the contract with Waste Management of Texas, Inc., a private waste company, to provide an integrated residential solid waste management system for The Woodlands.

Only three out of seven of the public goods providers' are public agencies, those are MUDs, Montgomery County and San Jacinto. The Woodlands Development Company (TWDC) also takes responsibility for constructing much of the initial infrastructure and cost-shares in the development of new parks and amenities in areas currently under development. In that case, public and private sectors complement each other in providing services to the public.

There are also associations and Residential Design Review Committees (RDRC) for each village that promote village events, maintain the integrity of homes and neighbourhoods, and assist in the coordination of community governance. They also evaluate violations of established standards and seek constructive resolutions of these matters. The committee may review all changes and improvements in a property. Each one has 3 to 5 members<sup>9</sup> elected by residents and owners of the village for a one-year period.

### Funding

The funds necessary to provide these services come from assessments charged to residents based on the area in which they live and the value of their home.

Almost all property owners in The Woodlands are subject to The Woodlands Covenants and pay annual assessments to support the community services provided by their association. This assessment fee is mandatory and each community association board of directors sets the assessment rate during the annual budget approval process.

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<sup>9</sup> Those members do not receive any compensation for this position.

Agent	Provider	Service
Private	Community Associations	<ul style="list-style-type: none"> <li>• Fire protection</li> <li>• Emergency medical services</li> <li>• Park and recreation services</li> <li>• Deed restriction enforcement</li> <li>• Solid waste collection and recycling</li> <li>• Neighbourhood environmental</li> <li>• Watch program</li> </ul>
	Town Center Improvement District (TCID)	<ul style="list-style-type: none"> <li>• Economic development</li> <li>• Business stimulation</li> <li>• Visitor services</li> <li>• Supplemental law enforcement funding and services in Town Center and related area</li> <li>• Recreation</li> </ul>
	The Woodlands Development Company (TWDC)	<ul style="list-style-type: none"> <li>• Street/Right -of-way construction/Maintenance</li> <li>• Covenant/Deed restriction enforcement</li> <li>• Building Plan Review/Building permits (limited)</li> <li>• Streetscape maintenance</li> <li>• Traffic management</li> <li>• Transportation management &amp; Planning</li> <li>• Economic development</li> </ul>
	The Woodlands Road Utility District (RUD)	<ul style="list-style-type: none"> <li>• Finances and constructs major thoroughfare improvements</li> </ul>
Public	Twelve MUD <sup>10</sup>	<ul style="list-style-type: none"> <li>• Retail water</li> <li>• Wastewater and drainage services</li> </ul>
	Montgomery County	<ul style="list-style-type: none"> <li>• Law enforcement and criminal justice services</li> <li>• Social services<sup>11</sup></li> <li>• Road and bridge maintenance</li> <li>• Traffic management</li> <li>• Emergency medical services (Montgomery County Hospital district<sup>12</sup>)</li> <li>• Roadside drainage channel maintenance</li> <li>• Library service</li> <li>• Courts</li> <li>• Mosquito control</li> </ul>
	San Jacinto River Authority <sup>13</sup>	<ul style="list-style-type: none"> <li>• Wholesale water supply</li> <li>• Wastewater collection and treatment services</li> <li>• Stormwater detention operations</li> </ul>

Table 1. Public Services' providers

<sup>10</sup> Municipal Utility Districts.

<sup>11</sup> They only make small monetary contributions to agencies that provided these services.

<sup>12</sup> Separate from Montgomery County Government.

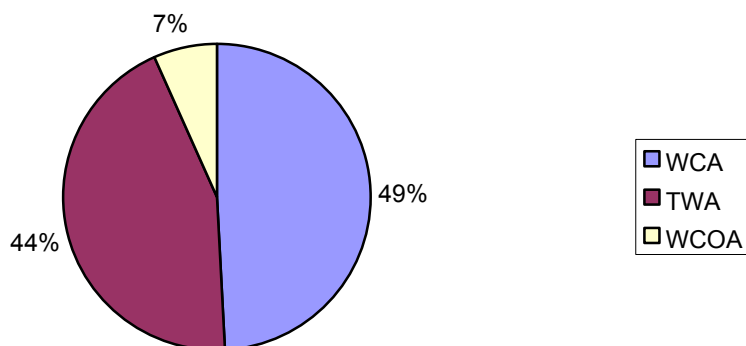
<sup>13</sup> They sell to MUDs all that services.

The annual assessment fees are based on the property's assessed value determined by the Montgomery County Central Appraisal District, which is responsible for determining the value of all property in the county. If the property assessment does not yet reflect the value of a completed building, the association will estimate a value for the property as of September 1 for assessment purposes. The assessed value of the property is noted on the annual assessment statement, mailed in late November each year. Assessment fees are levied on all residential and commercial properties in The Woodlands on which covenants have been imposed. The fee is calculated using the assessed value of the property and the annual assessment rate approved by the board. Payment of the annual assessment fee is the property owner's responsibility.

Table 2 shows the assessments that citizens pay to the association to which they belong.

	WCA	TWA	WCOA
Assessment Rate	\$0,455	\$0,49	\$0,39

Table 2. Assessment Rate by Associations, 2006 (per \$100 property valuation).

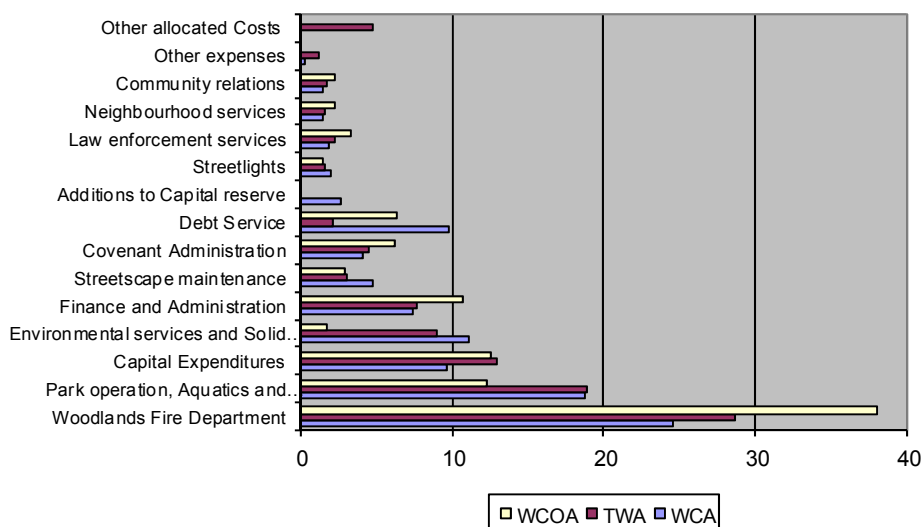


Source: Self elaborated from data of The Woodlands Community Association, Inc.

Fig. 3. Total of Funds by Association, 2006 (%)

As we can see in figure 2 WCA and TWA get the 93 per cent of the total fund and only a 7 per cent is for the Commercial Association. This is to be expected, because there are more neighbours than shops or firms.

The Woodlands Fire Department is funded through the associations from property assessments and, in part, by the Town Center Improvement District. Community Associations of The Woodlands (CATW) provides municipal-type services that are funded through annual assessments paid by property owners.



Source: Self elaborated from data of The Woodlands Community Association, Inc.

Fig. 4. Uses of Funds, Community Associations 2006 (%)

	County	TCID <sup>14</sup>	MUD <sup>15</sup> s	Associations		
Financing	Property taxes	Sales & Hotel occupancy taxes	Property taxes & water & sewer fees	Assessments and Fees		
Management	Elected Commissioners Court & administrative staff	Elected/appointed TCID Board & administrative staff	Elected/appointed MUD directors & administrative staff of the JPA <sup>16</sup>	13 Elected/appointed WCA directors	10 Elected/appointed TWA directors	5 Elected/appointed WCOA directors
				Directors and administrative staff of the Community Associations of The Woodlands		
Services	Law Enforcement, Street maintenance, Public health, Animal control, Library, Drainage, Facility maintenance and other basic County services	Economic Development Program, Infrastructure Debt financing & Enhanced Law Enforcement	Water, Sewer and Drainage services	Fire protection, park operations, aquatics and recreation, environmental services and residential trash and recycling, streetscape maintenance, covenant administration and streetlighting		

Table 3. Current Governance structure

<sup>14</sup> Town Center Improvement District.

<sup>15</sup> Municipal Utility District.

<sup>16</sup> Joint Powers Agency.

Services funded by assessment dollars include also emergency medical service, additional sheriff's deputies, residential design review and covenant enforcement, The Woodlands Watch Programs, streetscape maintenance, streetlights, residential trash removal and recycling, recreational programs, and environmental and recycling education. Community-wide facilities provided and maintained by the associations' assessment funds are: parks, swimming pools, athletic fields and courts, pathways, Lake Woodlands, a recreation center and recreational vehicle storage.

### 3.2 Tres cantos

During the 50's and 60's in Spain it was a lot of migration between countryside and cities and jointly with the natural increase of population there was a need of new houses mostly in the principal cities, one of them was Madrid. Metropolitan area of Madrid was growing a lot and in a disorganized way. One of the problems was the legal difficulty of new urban land creation. In 1970, the "Decreto-Ley 7/1970" of June 27<sup>th</sup> about Urgent Urban Actions (ACTUR<sup>17</sup>) tried to solve those problems. ACTUR has three objectives:

1. Supply housing demand in big cities specially Madrid and Barcelona.
2. Introduce modifications to the Land Law to speed up land expropriations.
3. Create land reserve for community equipments and activities.

With this Law ("Decreto-Ley") starts New town's creation in Spain. They want to build self-sufficient towns as it was in England and France. In that case, the National Institute of Housing selected the zone, expropriated the land and fund New town construction. This project was so ambitious and disconnected from Spanish reality that central Administration was not able to face up its costs. Under this Law it was expected to build eight New Towns (table 3):

City name	Region	Area (Has.)	Population
Tres Cantos	Madrid	1.690	144.000
Riera de Caldas	Barcelona	1.472	132.000
Sabadell-Tarrassa	Barcelona	1.675	148.000
Martorell	Barcelona	1.861	165.000
Vilanova	Valencia	1.330	-
La Cartuja	Sevilla	887	78.000
Puente de Santiago	Zaragoza	665	94.500
Rio de San Pedro	Cádiz	1.593	141.300

Source: Fernando de Terán.

Table 4. Areas defined as ACTUR

The only one that has become a real New town is Tres Cantos. The others seven or have not been developed or have become suburbs as Puente de Santiago in Zaragoza or has restructured as Cartuja in Sevilla that become the area of the Universal Exposition in 1992.

<sup>17</sup> Actuaciones Urbanísticas Urgentes (ACTUR).



Tres Cantos is located in the Autonomous Community of Madrid, 22 km north of the capital city Madrid and was born as a New Town from a political decision. It is not a traditional city because it was not developed from geographic, historic or any other way that normally develops a Spanish city. It was a political-administrative decision that developed this city. It is not a dormitory town because actually residents work and live in the city and receive workers from villages that are close to it. As we have said Tres Cantos was born under the law called "Decreto-Ley" of June 27<sup>th</sup> of 1970 that regulated what it was called as Urgent Urbanity Action. They initiated the project in 1971, it was supposed to be constructed 36000 homes with an industrial area and all the services that a city will need. They decide to establish Tres Cantos on rural land ceded by the city of Colmenar Viejo. Residential occupation began from 1982 and in 1991; it was incorporated as a separate municipality, the newest in all Spain.

They choose this location because it was close to Madrid (map 3) and the land was flat and inexpensive. They created a public firm (with central administration funds) that following the English and French experience build and manage the city.

In 1971 Housing Department, pass the demarcation of the urban actuation Area of Tres Cantos. It has an area of 1.691 Has. that belong to two municipalities Colmenar Viejo (1.381 Has.) and Madrid (310 Has.). It has an exceptional situation as we have said is too closed to Madrid and it has a natural environment (map 4).

In order to manage ACTUR they created in 1976 a public firm called "Tres Cantos S.A (TCSA)". It has the financial participation of National Institute of Development (INUR<sup>18</sup>) (57,6 per cent), Regional Council of Madrid (22,4 per cent) and Saving Bank of Madrid (20 per cent). In 1991 the funding becomes public and funding belongs to Housing Institute of Madrid (84,4 per cent) and to Autonomous community of Madrid (15,6 per cent). TCSA is a unique experience in Spain because combine public functions as it is was a Town Hall and private selling land or building social equipment.

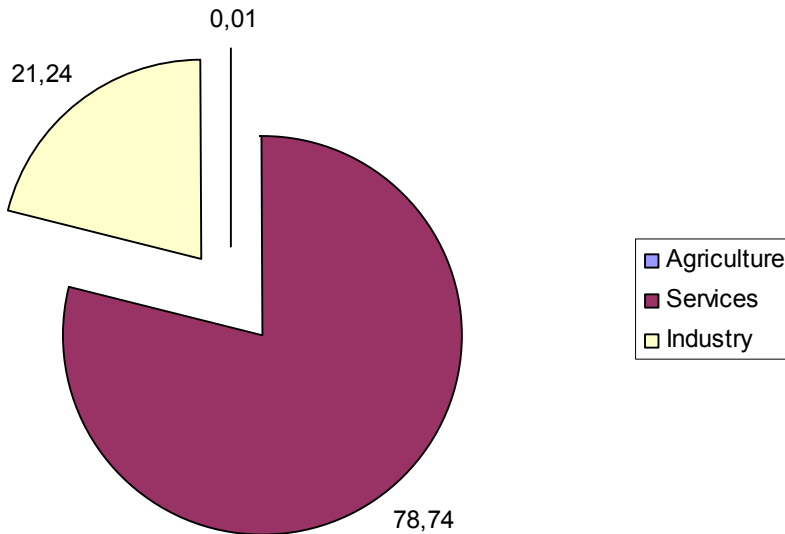
When they start to build houses as it not was private initiative, central administration decide to build houses through cooperatives and between 1978 and 1985, they built 4.842 houses. In 1982, Tres Cantos has 50 inhabitants.

In 1986 began the second period of house building, at this period there is a mix of construction between cooperatives (1.964 houses) and private firms (2.984 houses). In ten years, Tres Cantos increased its population to 22.000 inhabitants and actually (2011) it has 41.343 inhabitants.

During the first period neighbours create associations to solve different problems that appear or to demand services that they start to need as transportation, schools or health centres. However, the biggest problem during this initial period was the administrative dependence of Colmenar Viejo Town Hall. Since 1987, neighbours had political representations at Colmenar Viejo administration. Those representatives had obtained the approval of Tres Cantos segregation of Colmenar Viejo. In March of 1991, Tres Cantos become an independent municipality. It is the number 179 municipality of the Autonomous Community of Madrid. Two months later, they celebrated the first local elections and it won one political party created by neighbours called Tres Cantos United ("Tres Cantos Unido", TCU). Since now there have been other political parties running the Town Hall.

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<sup>18</sup> Instituto Nacional de Urbanización.



Source: Self elaborated from National Institute of Statistic

Fig. 5. Percentage of different sectors in GDP.

The Gross Domestic Product per capita is 68.840€ and as we can see in figure 4 most comes from service sector. It comes to the city 30.000 workers from others municipalities close to Tres Cantos to work in. This economic development is due to its localization. It is really close to Madrid and highways. It also has train transportation and a good accessibility to Barajas airport in Madrid.

We can say that Tres Cantos is has become a good example of New Town as Howard definition because it is a self-sufficient city with a sustainable environment, industry, commerce and houses.

#### 4. Conclusions

We often have seen New Towns as solution for the problems of housing cost, social integration or urban growth. Most of these New towns are planned in order to clear big cities and for this reason, most of them are close to them. The successful ones are those that do not end as suburbs of the big city. As we could see in our examples none of them end as a suburb, they have become independent cities where between 30 and 40 per cent of population work in the New Town.

Like all New Towns, The Woodlands and Tres Cantos began as “satellite” towns, but in time they grew and became “independent”. The Woodlands is an unincorporated town that operates independently of city government. Its three Associations provide municipal-type services to residents. Tres Cantos is an independent municipality with its own local government. They are also a model for planned development and environmental protection; The Woodlands is one of the greenest communities in the country (5.000 acres of green space).

As we have said one of the main differences between European and US model is the funding. We know that New town development is expensive, particularly the provision of their infrastructures. In Europe, central or local government provides those infrastructures and in US is the private developer who provides them. For that reason in US some of the New towns failed or remain heavily in debt and in Europe only failed the ones that administration do not have money due to economic crisis.

The Woodlands case study can help us understand how a private government can provide public goods and recognize that certain groups or individuals can be involved in the governance of a city. Such an involvement community is a unique form of governance, and The Woodlands is the only community in United States governed by private associations. In particular, the processes of partnership creation and empowerment have reinforced the idea that a community can diminish the power of a developer in the development of a new town in ways that have implications for the community's future governance and growth.

The Woodlands also holds lessons for governments and private developers as they seek to create sustainable environments and community involvement governance. This style of governance, in the end, reflects the characters and personalities of the family members living in the community. Also, there is no existence of political parties that can have electoral or party motivations.

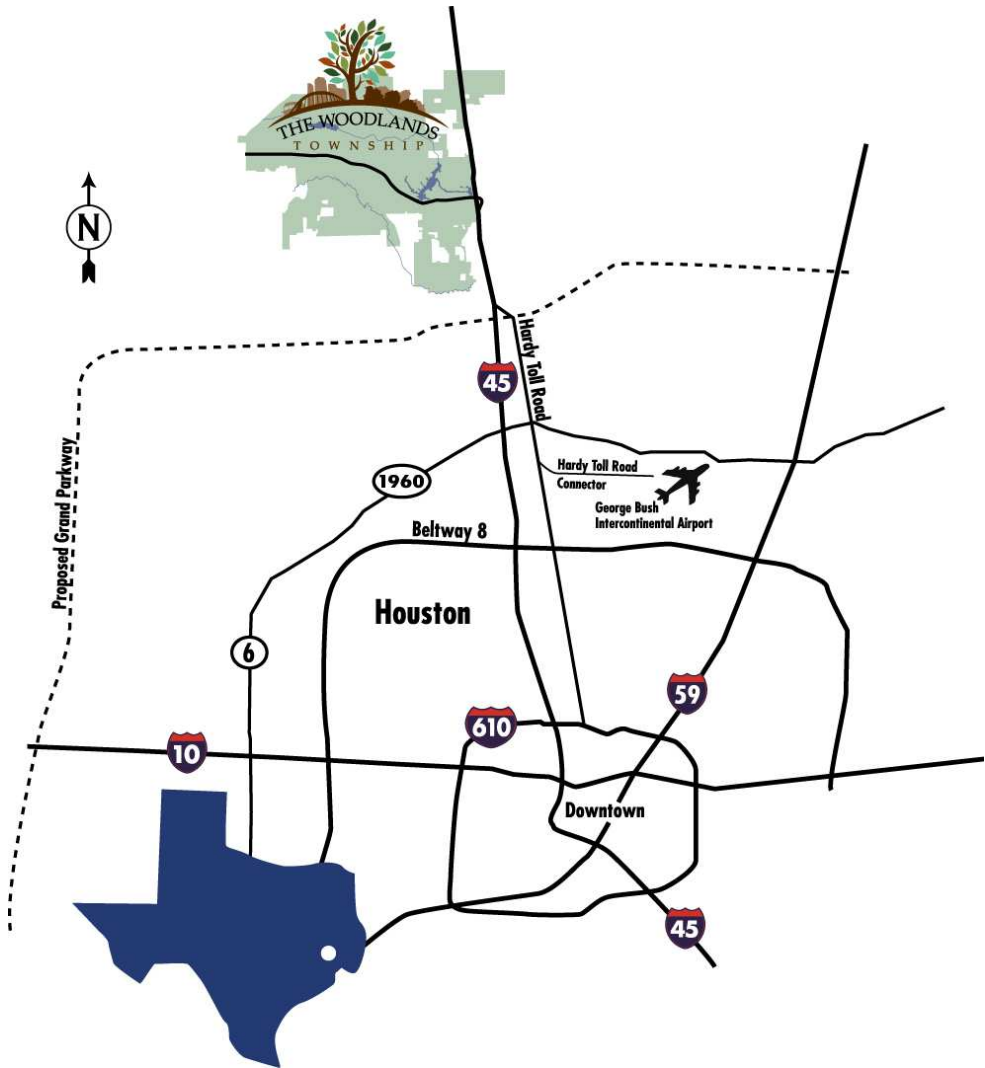
The case of The Woodlands provides a caution against the new towns where the developer dominates decision-making. By encouraging a system of involvement, the developer of The Woodlands has made it possible for residents to determine their own future. Already experienced in running most of the affairs of the project, citizens are well positioned to choose the best way to preserve and develop their community. As I have said it has been the most successful new town of its generation and it has been transformed into an incipient city with enough economic development to participate in and influence regional planning and policy. It remains to be seen whether New Towns are a good planning or policy instrument for the future.

Tres Cantos has followed English and French planning model. In that case the developer was a public firm called "Tres Cantos S.A" and the funding it was also from public administrations. It is a good example for housing cooperatives because in the first period of building the city houses were built by a cooperative. This way of constructions through cooperatives appears during periods of economic crisis. In the first period of developing Tres Cantos it was an economic crisis in Spain.

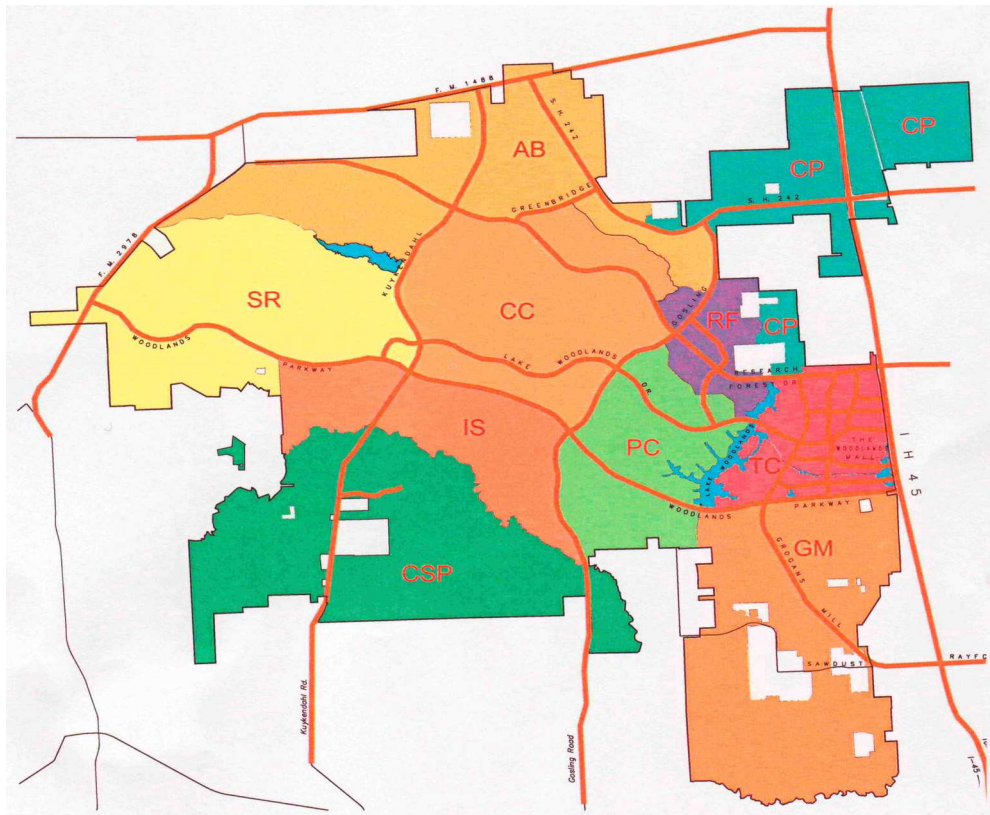
Tres Cantos is located in a sustainable environment with a good transportation network and it is so close to a big city as Madrid. In addition, it has a young demographic structure. This makes that its economic activity is characterize by a high participation of woman in the labour market. It has also high-qualified worker and government employees. Its unemployment rate is low due to its high occupation rate and because it has many young people studying.

As the in case of The Woodlands, Tres Cantos neighbour's associations have a lot of influence in the development and segregation of the New town from the city close to it. Nevertheless, in Tres Cantos, the government of the town is elected in public elections and it has the same composition as the rest of municipalities in Spain. However, in The Woodlands they have a private government composed by a board of directors.

### 5. Annexes

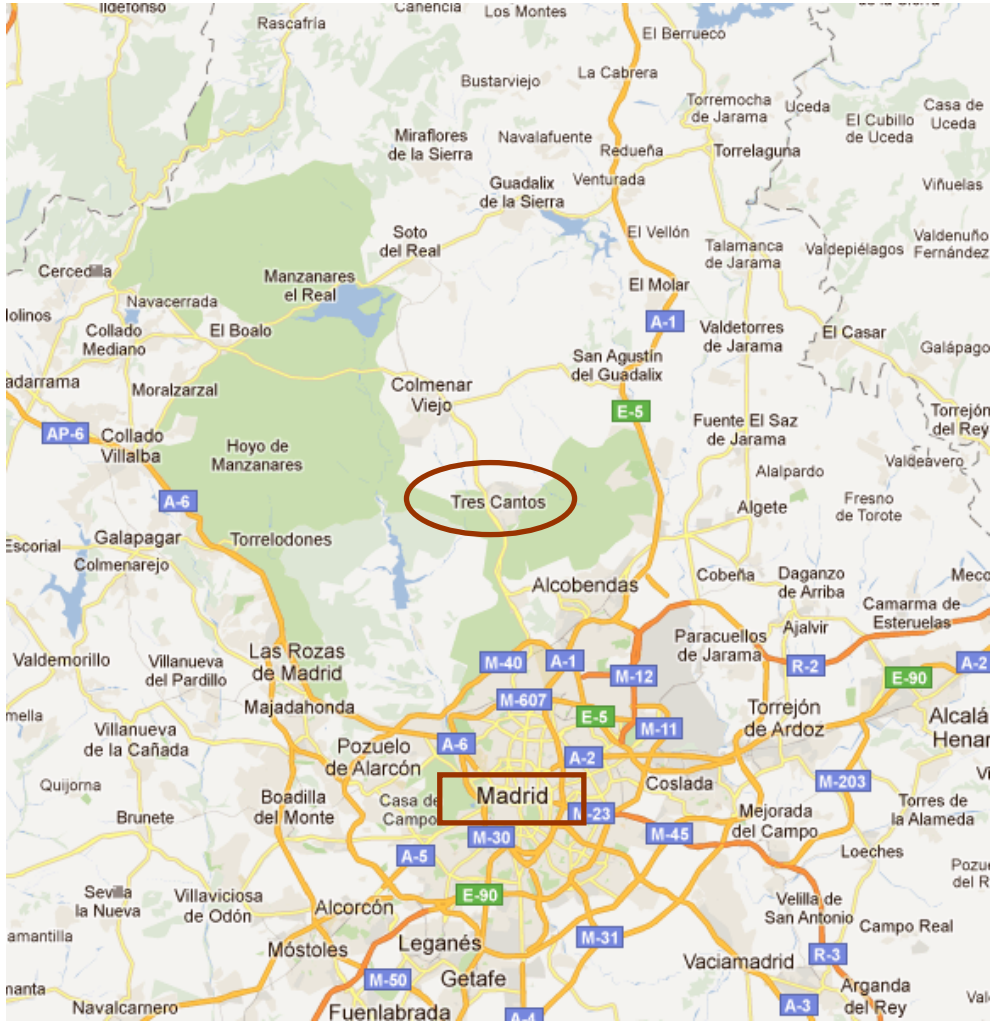


Map 1. The Woodlands' location



AB: Village of Alden Bridge; CC: Village of Cochran's Crossing; CP: Village of College Park; CSP: Village of Creekside Park; GM: Village of Grogan's Mill; IS: Village of Indian Springs; PC: Village of Panther Creek; SR: Village of Sterling Ridge; TC: Town Center; RF: Research Forest

Map 2. The Woodlands' villages



Map 3. Tres Cantos' location



Map 4. Tres Cantos

## 6. Acknowledgment

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## **Urban Development**

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Cities are growing as never before and nowadays, it is estimated that at least 50% of the world's population lives in urban areas. This trend is expected to continue and simultaneously the problems in urban areas are anticipated to have an increase. Urbanization constitutes a complex process involving problems with social, economic, environmental and spatial dimensions that need appropriate solutions. This book highlights some of these problems and discusses possible solutions in terms of organisation, planning and management. The purpose of the book is to present selected chapters, of great importance for understanding the urban development issues, written by renowned authors in this scientific field. All the chapters have been thoroughly reviewed and they cover some basic aspects concerning urban sustainability, urban sprawl, urban planning, urban environment, housing and land uses. The editor gratefully acknowledges the assistance of Dr Marius Minea in reviewing two chapters.

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