



## City-leaning trends slow to bring results

By Hugh Bailey

Published Sunday, July 5, 2015



**Trumbull office space, like this building at 112 Quarry Road, does well in a recent study of corporate preferences nationwide. Photo: Contributed Photo**

Instead of teeming with young professionals, most inner cities around the Northeast remain generally impoverished. Far-flung neighborhoods wholly dependent on cars are still the most reliable pockets of wealth. The office market in the suburbs is as strong as ever.

Town officials and property developers across Fairfield County are putting a strong focus on building out downtown neighborhoods with an eye on millennials, who by many accounts prefer

that type of environment. But a pair of recent reports indicate that the status of cities and suburbs has barely budged in recent years.

“Today’s cities and suburbs remain a lot like they were 20 years ago, only more so,” according to a report from the Urban Institute, with the gap between rich towns like Darien and New Canaan and poorer cities continuing to widen.

The exceptions to these trends — including New York City, Washington, D.C., and Boston — tend to get the most attention. There, inner-city gentrification is considered a problem that requires solving. Nearly everywhere else, central cities account for the majority of a region’s lowest-income tracts.

“There are a lot more places like Bridgeport and Newark (N.J.) than Boston and New York,” said Rolf Pendall, director of the Metropolitan Housing and Communities Policy Center at the Urban Institute and author of the new report. “The most distressed cities have only gotten more so since 1990,” he said.

At the same time, the decline of suburban office parks in favor of cities has been greatly exaggerated, according to a second report.

“The popular notion that most young Americans want to live in downtown urban enclaves is much more perception than reality. Compared to other age groups, millennials are more likely to prefer downtown living, but it is only a small share,” according to a report from The Boyd Co., which provides location counsel to U.S. and overseas corporations.

John Boyd, one of the firm’s principals, called the notion that suburban office space is losing popularity a “myth.”

### **Inequality growing**

Though much has changed in Connecticut’s largest city, Bridgeport’s relationship to wealthy towns just down the coast has only grown more unbalanced in the last generation, Pendall said.

“There’s something about the intimate scale of cities in Northeast,” he said. “You can have great social distance without being very far away in crow-flies distance.”

Bridgeport and other cities in Connecticut often have the only available rental units, he said.

“The land-use structure in Connecticut makes it really hard to build apartments, and that leads to less rental housing,” he said. “The longer suburban practices continue, the more we’ll have cemented the very same rules that say in Connecticut the only place for many people to live is in cities and in older suburbs that allow rental housing.”

Any kind of rental housing is helpful, not just subsidized, Pendall said. "You can't just allow local government to say there's not enough housing subsidies to do something about this," he said. "If codes make it completely impossible to build rental housing at all, a lot of times they don't even get proposed."

Changes to housing policy could have an impact on bringing the cities and suburbs closer, he said. Last week, the U.S. Supreme Court ruled that housing discrimination doesn't have to be intentional to be illegal, which could open the door to more challenges to zoning regulations that have the effect of keeping all but the wealthiest out.

"It's about allowing the private market to do something about this," Pendall said. "It's seen as the liberal position to end exclusionary regulations in suburbs. Everywhere else, the idea of free markets is associated with conservatives. In this case, idea of free markets is associated with wanting to reduce government control that keeps poor people out of neighborhoods and entire cities."

### **Suburban lure**

The Boyd Co. study looks at 50 top suburban destinations for office relocations, and concludes that the suburbs remain a big draw. The study includes Trumbull as among the top destinations nationally.

"This is based on areas that our clients are asking us to look at, and any study of that nature would be incomplete without including Fairfield County," Boyd said. "Trumbull is a premier destination."

He said the town's assets include proximity to New York City and access to public transit, calling it a "point of entry" to Fairfield County.

But expense is a detriment. Trumbull came in as the seventh most expensive among the top 50 locations identified in the company's study, and recent increases in state taxes could hurt the town further, he said.

"The bottom line is that taxes matter," Boyd said. "The unitary tax, especially, is critical."

The unitary tax, which taxes a company headquartered here on business conducted in any state, rather than just business conducted in Connecticut, was the subject of an outcry from General Electric, among others, which said it would explore leaving its Fairfield headquarters if the tax went into effect. In the final state budget signed last week, the unitary tax is put off until 2016.

General Electric has not commented since it told employees last month it was exploring a move.

Plenty of states offer corporate and income taxes that are lower than Connecticut's, or nonexistent, Boyd said. He cited northern Nevada as a region that until recently attracted little attention that is now the focus of many corporate explorations.

"There is no corporate or income tax in Nevada," Boyd said, noting that GE's Measurement & Control division is based in Minden, Nev., near Lake Tahoe.

### **Trends change**

While downplaying the reported demise of suburban office parks, Boyd acknowledged that many younger workers prefer an urban living environment, with walkable streets and access to transit. Trumbull is one of many area towns trying to foster a downtown atmosphere in the center of town.

"Millennials like walkable town-center projects," he said.

But the two can go together, Boyd said, noting that living and working preferences don't always overlap. "It's not a black-and-white thing," he said.

Suburban-style office parks even have a future in cities like Bridgeport. At the property known as Remington Woods, which straddles the Stratford line, plans were released in April for a low-density business park development to include offices, commercial space, and a hotel and conference facility.

Companies are also easier to move than ever. "Head office space has never been more mobile," Boyd said, adding that 70 percent of executives the company spoke with prefer suburban space.

The Boyd Co., based in Princeton, N.J., does business across the nation, Boyd said, adding that other states have been active in talking with Connecticut companies in the wake of the new state budget. "The backlash is real," he said, declining to name the companies he's been speaking with.

Still, the benefits of Fairfield County and Trumbull, in particular, are legitimate. "It's not all bad news for Connecticut. Trends change, and what the state offers in terms of intellectual capital is something that companies look for," he said.

"Companies want it all," he said. "They want low costs and the intellectual capital and location."