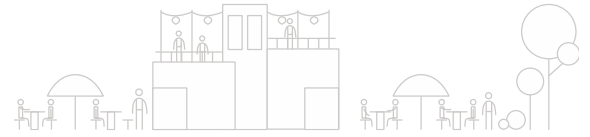




the Urban Weaver



Issue 2: November 1, 2017

Architectural ChiDOBA

Kriston Capps has coined an interesting term: [Fast Casual Architecture](#). In this era of Chipotle and QDOBA, and Shake Shack and Five Guys, we see restaurants use similar ingredients to create competitive concepts – with a distinct commoditization of their better than bad product. It’s happening in architecture too.

If you drive through Milwaukee, or really any city that’s undergone meaningful housing development this real estate cycle, you’ve probably noticed that buildings are starting to look more and more alike. Consider the three images below: three different developers, three different buildings. They share lots in common beyond just the color scheme. In and of itself, that isn’t a bad thing. These are terrific developments, but it’s not at all surprising they look alike.



[The North End](#)



[Avante](#)



[Dwell Bay View](#)

All photos from BizTimes Milwaukee

Innovation is often complicated, and the execution of innovation in architectural design can be really complicated. Building codes continue to evolve. Buildings are getting tighter and tighter with increasingly stringent exterior envelope requirements. And stricter life safety requirements. And increasing structural requirements. And we have a pronounced skilled labor shortage in the face of increasing construction activity – and construction costs are going up inexorably. All those things cost real money – and \$\$ are finite in any development budget.

Architectural critic Sarah Williams Goldhagen asserts that [good design isn’t unaffordable](#). The design itself likely isn’t. But the implementation of that design can be. The buildings above absolutely aren’t examples of bad architecture. In fact, they offer some community accretive design elements like activated ground floors and attention paid to pedestrian scale.

They also have distinct similarities driven by economic reality. Masonry is more expensive than fiber cement siding. Highly articulated exteriors (lots of ins and outs) are more expensive than flatter buildings. And the real issue is that the only thing that generates revenue is having rent-

paying residents. Residents might care some about the outside of the building, but what they really care about is the location and what's in their apartments. Nice finishes, good unit design, sexy bathrooms, good appliances... Those all matter, a lot.

With tight development proformas, every \$ matters. And it's almost impossible to cut down on the interior finishes or common area amenities and still attract the residents. Invariably, it is exterior design detail and material selection that get the axe.

What we're seeing today is a typical commoditization of design. As the building code evolves, exterior building materials change too. Yesterday's masonry is today's cementitious fiber board. With starkly limited availability in all construction trades, changing the building's skin may mean access to more subcontractors (siders vs. masons). And, yesterday's design innovation is co-opted as today's standard design solution, making both less valuable.

In the end, developers develop what makes \$. In markets like this one, with increasing construction costs and no corresponding revenue increases, we should expect to see more commoditized building forms. But, that doesn't mean the final products will all be the same. What developers do with the inside of the buildings, and how they cultivate a sense of community both within the buildings and in the buildings' attachments to their neighborhood, will be the root of the value proposition. That's what we do at WiRED.

It's a Dogma Eat Dogma World: Partisanship vs. Community

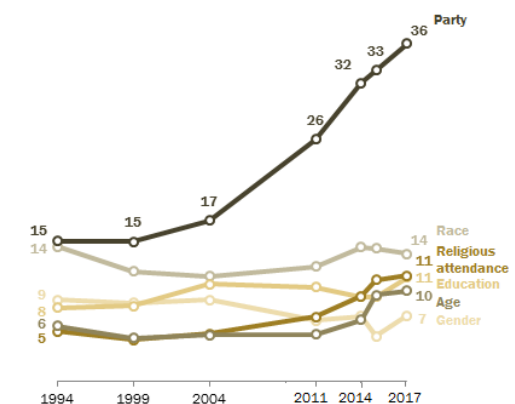
And this is the heart of the Fast Casual Architecture analogy: consumers still may like Shake Shack better than Five Guys despite both using the same basic ingredients. Matching product to consumer is the ultimate business challenge. If developers don't differentiate somehow, they will always be subject to commodity pricing. And, unless we figure out as a society how to increase the number of skilled tradespeople in the market and manage construction cost escalation, we will likely continue to get buildings that fail to inspire in their design.

At WiRED, we are totally committed to community creation. Executing our philosophy of [Urban Weaving](#) means we examine each community in which we work intently, and we work to identify the threads that contribute to it. In our experience, no community is truly homogenous. And, we believe the differences inherent to its members (no matter how slight) add texture and depth to the community itself. We're also not deeply political, but we do pay attention.

A [new survey from the Pew Research Center](#) reveals that the partisan divide and political antipathy are at all-time highs. This is totally unsurprising to us as it simply seems to affirm the deep discomfort we feel when considering today's political and cultural environment. We believe it's worth taking a deeper look at the numbers to understand what the impact of this cultural ecosystem may be on community creation.

As partisan divides over political values widen, other gaps remain more modest

Average gap in the share taking a conservative position across 10 political values, by key demographics



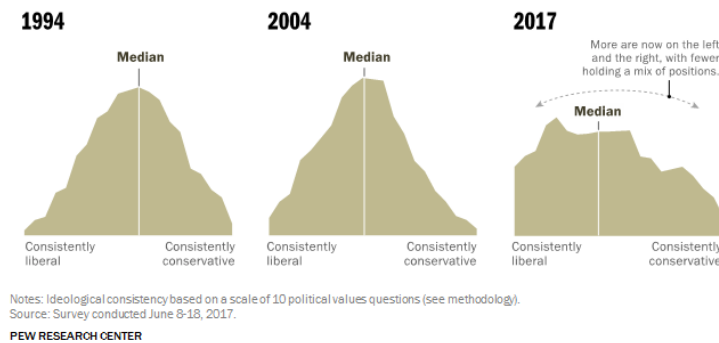
Notes: Indicates average gap between the share of two groups taking the conservative position across 10 values items. Party=difference between Rep/Lean Rep and Dem/Lean Dem. Race=white non-Hispanic/black non-Hispanic. Education=college grad/non-college grad. Age=18-49/50+. Religion=weekly+ religious service attenders/less often. Source: Survey conducted June 8-18 and June 27-July 9, 2017.

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The table above shows that there is a 36% divide on the answers to 10 political values questions – based on party affiliation alone. That chart also shows how partisanship is a far greater driver of difference than race, religious attendance, age, education, or gender. So, whether respondents considered themselves to be Republican or Democrat had far more bearing on their answers than whether they were young or old, male or female, white or black, educated, or religious. Increasingly, here in America, it is through our politics that we define ourselves.

A declining share of Americans holds a mix of liberal and conservative views

Distribution of the public on a 10-item scale of political values

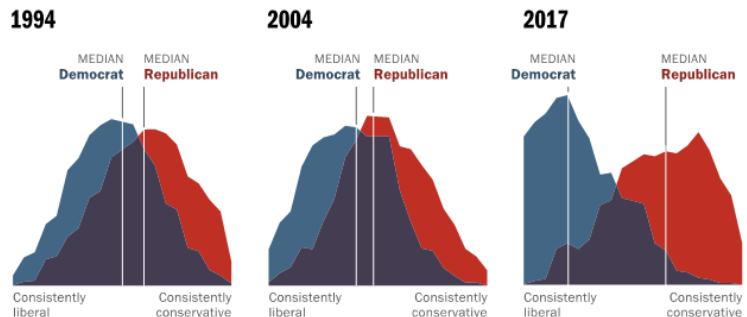


We find it totally compelling that centrists are an endangered species. They never were before. In fact, up through at least 2004, the centerline of the partisan distribution curve was the peak. Today (see chart at left), we see that a far greater percentage of the population has moved toward the tails of that curve. The change was cultivated by the parties. They worked hard to develop that base and, as a result, their platforms moved farther from the center.

That becomes strikingly clear when we consider that Democrats and Republicans are far more ideologically divided than they ever have been before. The chart at right starkly presents two changes. First, the ideological median for each party has moved away from the centerline. And, more concerning to us, the area of purple under the curve has been sharply reduced.

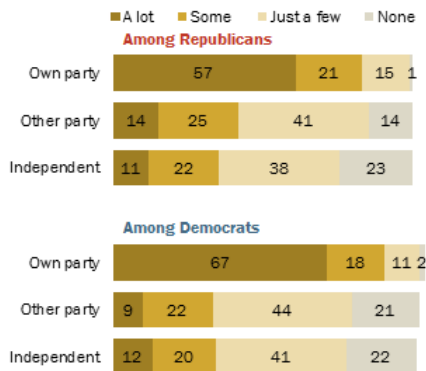
Democrats and Republicans more ideologically divided than in the past

Distribution of Democrats and Republicans on a 10-item scale of political values



Most Democrats, Republicans have 'just a few' or no friends in opposing party

How many of your close friends are ... (%)



Notes: Based on those who identify with a party; does not include those who lean to a party. Don't know responses not shown. CB11. Source: Survey conducted Aug 15-21, 2017.

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Consider that, today, Democrats and Republicans are decreasingly friends with members of the other party. That definitely goes both ways, but the Democrats are somewhat more isolated. 14% of Republicans and 21% of Democrats say they have NO friends in the opposing party. Strikingly, 23% of Republicans and 22% of Democrats say they have no friends who are Independent. A strong majority in each party has few to no friends in the other party.

As this partisanship has grown, so too has the level of dogmatic support evolved. Pew suggests that the public in

general (58%) expresses a preference for elected officials who compromise. But along party lines this gets tougher. 69% of Democrats and Democratic leaners favor compromisers. But only 46% of Republicans and Republican leaners like compromisers. This is worrisome as both sides need to want compromise for it to happen.

Compromise, we believe, lies at the heart of effective community creation. We should employ compromise as an invaluable tool. But, compromise seems to be becoming anathema to party politics. And, we are concerned that the erosion of centrism and the devaluation of compromise may make community creation more complicated in diverse populations.

All of this alarms us. To say the least. But it does provide important context for our community today, and it informs how we at WiRED approach community creation. And it begs the question: How can we make real progress if we have become more partisan and antipathetic than ever before? We'll address this in future articles (like the one below) and in future issues of The Urban Weaver.

A Vision We Can All Share

To be sure, Milwaukee is a polarized city in a polarized state. Red and Blue butt heads at every turn: the streetcar; use of TIF to incentivize development; sale of county land and assets; the Arena; real estate and income tax rates; freeway construction; city vs. suburbs... The dialogue is both exhausting and inefficient, but it is fascinating.

Less vitriol would be better, to be sure. But the polarization reflects disparate perceptions on how to make our great city greater. It may be naive optimism, but we believe that most participants in that dialogue want our city to improve. And we should welcome all perspectives on that endgame as we search for answers. And, if given a common focus, answers to our problems may come from both sides.

As our political culture has been disrupted by technology and the media, we have evolved toward partisanship and antipathy. But that doesn't mean that as a population we have identified independently unique core objectives. Truly homogenous communities don't exist. To our great communal detriment, we have become adept at identifying the 'otherness' in people. One result of that is that we identify diversity at a deeply granular level, and it means that we have become hyper-focused on the difference between 'your' objectives and 'my' objectives.

At WiRED, we believe that our path forward will be through the clear identification of **'our'** objectives. By concentrating on those things upon which we can agree, we can re-frame the conversation into one of consensus building at a high level. This can facilitate solutions coming at the problem from both sides and can lead toward a path of compromise on the ground. And, we believe there is a terrific amount upon which we can agree. It is a Vision We Can All Share.

We believe most people would agree on the basics of where we want Milwaukee to be in 5 years or 10 years or 30 years:

- We should improve our economy and move from low growth to higher growth as a baseline
- We should find efficiency, fiscal stability, and responsibility in government to improve the return on investment to all taxpayers for the taxes and fees they pay

- We should improve our built environment with buildings and public spaces that reflect our heritage and that make Milwaukee an even more attractive city for residents and businesses
- We should have an affordable, safe, and efficient transit system that makes our city readily accessible to its residents, workers, and visitors
- We should protect, enhance, and improve access to our incredible natural resources
- We should be a city in which a broadly diverse population chooses to live, and can afford to live, with a high quality of life
- Our cultural base should be growing and thriving
- We should be a clean city, on whose streets we all feel safe
- We should have a public and private educational system that positions our youth to become successful in the future

In short – we should be a city that is deeply attractive to residents, businesses, and visitors. This should not be a controversial vision.

We recognize that realizing this vision is complicated. Metro-Milwaukee has very little job growth ([.59% in 2016](#)). We have low to negative population growth ([Metro-Milwaukee contracted by 1,867 people in 2015-16](#)). In short, our market simply isn't buttressed by growth that facilitates making substantial investment in infrastructure and services.

The conversations about the path to Milwaukee's future are clouded by the fact that despite our low economic growth we still are growing our base, and the private sector is largely doing it. Our downtown boasts a slowly increasing residential population. New developments like Mandel Group's North End, Milhaus' Stitchweld and Vim & Vigor, and Atlantic Realty's River House are adding substantial housing units, and another ~3,700+ units of apartments are under construction, planned, or proposed – including The Couture and Northwestern Mutual's apartment tower. Irgens built one office building and is planning another, and Northwestern Mutual finished theirs. Hammes is building a new headquarters and office building on N. Water St. The freshwater sciences are leading a charge toward a new specialization, and substantial development and investment. The Milwaukee Bucks are building a new arena, and we are working on plans for another 4 ½ city blocks of development around that arena.

All this development activity begs the question: if we already have all this development, why do we need to change what we're doing at all? Isn't the market solving for its needs? To answer that question, we need to look harder at what's driving our current growth, what is holding us back, and what the future holds for the drivers of growth and development.

In the next issues of the Urban Weaver we'll discuss how we think Milwaukee is supporting its current evolution, what we think needs to change to position Milwaukee for sustainable organic growth, and we'll outline the beginning of what we believe can create the path to a Vision That We Can All Share.

Can Innovation Solve Milwaukee's Economic Segregation Problem?

Richard Florida recently wrote a [fascinating commentary](#) about a recent study by two economists from Northwestern and the University of Toronto. That study, titled "[Income Segregation and Rise of the Knowledge Economy](#)", considered the effect of the "expansion in knowledge-intensive activities on income segregation in US cities."

Nationally, the pursuit of a tech-based economy and work-force is approaching legendary status. Austin, Portland, and Silicon Valley have assumed mythological positions as Millennial magnets and tech superstars. You've likely read near countless articles about their attraction. But we can also read about [housing crises](#) in each of these towns.

The Income Segregation study looked at patent filings going back 40 years to identify tech concentrations in US metro areas. As Florida points out, their *"baseline finding is as remarkable as it is disturbing: The level of patenting, or what the researchers call 'innovation intensity,' accounts for more than half (56 percent) of the variation in economic segregation between cities. Furthermore, this innovation intensity accounts for fully 20 percent of the entire increase in economic segregation that occurred in the two decades between 1990 and 2010."* (emphasis ours)

Both the study itself and Florida's analysis of the study are fascinating. Over time, Americans have increasingly self-sorted into geographic communities by commonalities in knowledge, occupation and income. We clearly see this in suburban development. We see it in urban areas and call it 'gentrification.' In the tech universe, that clustering is in many ways fundamental to success. It gives community members *"access to knowledge networks and startup ecosystems, to reduce their commutes and to take advantage of a wider variety of urban amenities."* It also drives up housing costs and re-shapes the community into one of affluence and pushes out lower income and less advantaged residents.

Leaders in cities like Milwaukee and cities of its ilk ([defined by Persistent Black Poverty in the new typology](#), low to no population growth, flat wage and job growth) are understandably drawn toward development of 'tech hub' status to catalyze entry into the new economy. This has perhaps never been more apparent than in the feeding frenzy for Amazon's HQ2. But, as Florida says, *"the same clustering of knowledge and talent that powers innovation and economic growth also generates the divides that tear us apart."*

As cities like Milwaukee move into the new economy, it will be fundamental that development of tech-centric employment be coupled with careful attention paid to the socio-geographic implications of that growth. We believe that economic expansion is fundamental to future success, and we know that development of strong technology based economies are integral to that financial success. But, we also believe that to meet true community success we must grow longitudinally across our socio-economic base, and not simply chase jobs in one sector of the economy.

Sources & Resources

The Problem With 'Fast-Casual Architecture'

Kriston Capps, October 17, 2017

<https://www.citylab.com/design/2017/10/the-problem-with-fast-casual-architecture/542934/>

Those 'Luxury' Condos Look a Little Drab

<http://kuow.org/post/those-luxury-condos-look-little-drab>

The Partisan Divide on Political Values Grows Even Wider

Pew Research Center, October 5, 2017

<http://www.people-press.org/2017/10/05/the-partisan-divide-on-political-values-grows-even-wider/>

Ideological questions used in the Pew Research Center survey:

Items in the ideological consistency scale

Question #	Conservative position	[OR]	Liberal position
Q25a	Government is almost always wasteful and inefficient		Government often does a better job than people give it credit for
Q25b	Government regulation of business usually does more harm than good		Government regulation of business is necessary to protect the public interest
Q25c	Poor people today have it easy because they can get government benefits without doing anything in return		Poor people have hard lives because government benefits don't go far enough to help them live decently
Q25d	The government today can't afford to do much more to help the needy		The government should do more to help needy Americans, even if it means going deeper into debt
Q25f	Blacks who can't get ahead in this country are mostly responsible for their own condition		Racial discrimination is the main reason why many black people can't get ahead these days
Q25g	Immigrants today are a burden on our country because they take our jobs, housing and health care		Immigrants today strengthen our country because of their hard work and talents
Q25i	The best way to ensure peace is through military strength		Good diplomacy is the best way to ensure peace
Q25n	Most corporations make a fair and reasonable amount of profit		Business corporations make too much profit
Q50r	Stricter environmental laws and regulations cost too many jobs and hurt the economy		Stricter environmental laws and regulations are worth the cost
Q50u	Homosexuality should be discouraged by society		Homosexuality should be accepted by society

Source: Survey conducted June 8-18, 2017.

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How Innovation Leads to Economic Segregation

Richard Florida, October 24, 2017

<https://www.citylab.com/equity/2017/10/how-innovation-leads-to-economic-segregation/543759/>

Income Segregation and Rise of the Knowledge Economy

Enrico Berkes & Ruben Gaetani, October 11, 2017

<https://drive.google.com/file/d/0BwzInZLvw8KJdDB5ZmZ0Yi1BSVE/view>