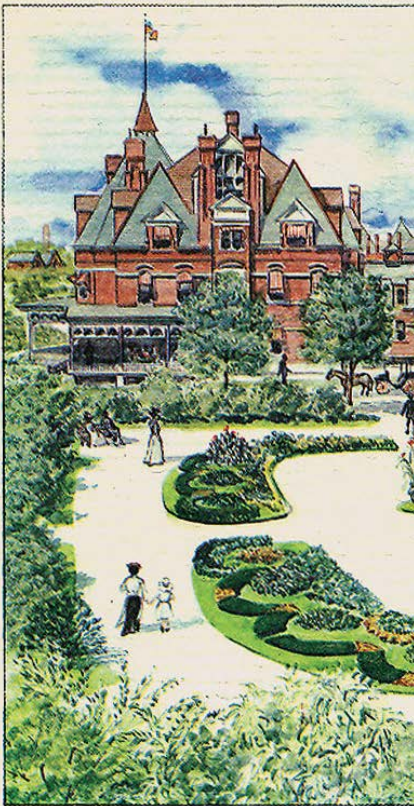


COMPANY TOWN 2.0



THE 21ST-CENTURY OFFICE PARK TOUTS LIFESTYLE PERKS, HOUSING, AND AMENITIES GALORE

by Allison Arieff

Is the company town coming back?

Well, not in the deliberate way of its forbears, like Pullman, Illinois, or Hershey, Pennsylvania. But the confluence of a booming tech economy, dazzling competition for workers, and overheated housing markets is motivating some companies to consider a 21st-century version.

In the age of the industrial revolution, employers had practical reasons for creating company towns. Employers expanded their roles to become more paternalistic, providing not just jobs but housing, healthcare, schools, libraries, churches, and stores. This generosity was less altruistic than strategic: Companies could improve working conditions while deterring workers from activism and unionization. Employees were taken care of but had no autonomy.

Today, the drive for talent, especially in tech centers such as Silicon Valley; Seattle; Cambridge, Massachusetts; and Raleigh, North Carolina, has reached a fever pitch. The lengths companies will go to attract the best and brightest are unprecedented. Many new employees have the expectation that their employer will compensate them extremely well but will also operate private transportation shuttles to get them to work; feed them three organic, chef-prepared meals a day; and provide them with onsite services, ranging from haircuts to doggie day care to doctor appointments. Highly competitive recruitment has translated into increasingly jaw-dropping amenities, such as free iPads, lunchtime Pilates, and at-desk massages. The remake of the suburban office park is under way.

It is not surprising then, in hot markets that accompany the healthiest economic ecosystems, that housing might be seen as the ultimate amenity. It certainly is becoming an obstacle, if not the biggest obstacle, to hiring in these locations. But is it enough of one for employers to embrace the company town anew?

Sort of.

Call it the company town disrupted: The trend on the horizon isn't a paternalistic employer exploiting the trust and desperation of low-wage workers. To the contrary, Company Town 2.0 is a walkable, amenity-rich offering for highly paid

knowledge workers that has emerged as an indispensable tool for hiring the better engineer. As Jim Morgensen, vice president of Global Workplace Services for LinkedIn, based in Mountain View, California, explains, "Housing affordability has become a critical issue companies are facing in the Bay Area in terms of their ability to attract and retain talent, and as an employer, we need to support the creation of additional housing near jobs and transit."

These "new towns" are more New Urbanist than Manhattanish. Dense cities chock-full of tech clusters lack the square footage to accommodate the giant floor plates so many companies seek, for one. (Frank Gehry's single-story, open-plan Facebook building holds 2,800 employees in 430,000 square feet, for example.) And many feel that verticality (as in high-rise) deters the "spontaneous cultural collisions" believed to be so integral to the narrative of innovation.

Wired referred to Menlo Park as "Facebookville, California. Population: 38,207" in a 2015 article about the company's plan to begin to build housing for some of its employees. Although 394 units of housing does not a company town make, when companies like this one occupy such a large literal and psychic footprint in a city, one might argue that yes, a new paradigm has emerged. (And there's Apple, which occupies 60 percent of land in Cupertino, has offices in Sunnyvale, and will soon add 16,000 jobs to San Jose; and Google, which occupies so much real estate in Mountain View that it can feel very much like a company town, even without any worker housing.)

Earlier this year, the town of Burlington, Massachusetts, approved the Center at Corporate Drive, a 480,000-square-foot

OPPOSITE, LEFT TO RIGHT

Pullman, Illinois: A company town for workers of Pullman Company, railroad car manufacturers, designed by Solon Spencer Beman and landscaped by Nathan Barrett. Watercolor by George Yellich, 1895. Image: Courtesy of Northern Trust and Historic Pullman Foundation

San Ramon, California: Rendering of City Center Bishop Ranch, a new retail destination that will feature 300,000 square feet of retail around a one-acre piazza. Image: Courtesy of Renzo Piano Building Workshop



LEFT
 Research Triangle Park,
 North Carolina: Rendering
 of the potential for open
 space at Park Center,
 a mixed-use community
 for 200-plus companies.
 Image: Courtesy of Research
 Triangle Foundation of
 North Carolina

Class A office park on 47 acres. Complementing the four-building park will be abundant amenities (including child-care facilities, fitness centers, a plethora of restaurants and, oddly, five Dunkin' Donuts) and 271 residences that “will allow young professionals an option to live in a new state-of-the-art apartment complex and to be in close proximity to the top-notch employment options located in town,” said Robert Buckley, the project attorney. The residences will be attractive and ideal for seniors and young professionals alike, he explained, due to their close proximity to a rich mix of dining and entertainment options.

Workers aged 25–34 are staying in jobs for an average of just three years. And more young adults aged 18 to 34 are living at home with their parents than with a spouse or partner.

In Raleigh, Research Triangle Park (RTP) recognized that millennials were loath to situate themselves within its traditional corporate surroundings. The Park offered a convenient commute, but its owners saw that almost 40,000 people traveled to it every day—and then left to spend their money elsewhere.

So RTP is transforming itself into a mixed-use community. “I love the term ‘company town,’ and we have been thinking of incorporating that concept into elements of our new development,” says Bob Geolas, RTP’s CEO. “The planning of the RTP redefined the idea of the corporate community. The R&D headquarters connected to others by a larger park-like setting. Today, the concept of a central collaborative space, a new town square, a central park is revitalizing the ‘company town’ feel. For the RTP of tomorrow, the company town will mash up with

arts and music, family fun, and a larger commitment to company life as human life.”

In San Ramon, California, just outside the conventional boundary of Silicon Valley but close enough to claim it, Sunset Development has been looking to adapt Bishop Ranch, a 10-million-square-foot office park, to the changing needs of workers, tenants, and the community.

“We don’t just sit here and expect tenants will come our way if we do nothing,” said Bishop Ranch’s Alex Mehran. “Now we’re trying to figure out how to make a highly amenitized workplace in the suburbs.” They’re going all in: Mehran hired architect Renzo Piano to create a new town center, one with an emphasis on walkability. Housing is also planned. “The existing edges must become more urban without further pushing the sprawl,” Piano explained. “Build places for people, places to meet, where they can share values, celebrate rituals; this is urbanity.”

A similar transformation is under way just an hour outside Manhattan in suburban Homdel, New Jersey. Bell Labs, the progenitor of the innovative corporate campus model (where the cell phone was invented and eight Nobel Prize-winning discoveries were hatched), has shifted dramatically from its single-tenant origins to become a mixed-use, multitenant project with its own transportation program. In envisioning the project, which is now known as Bell Works, Somerset Development’s president Ralph Zucker embraced the tenets of New Urbanism to create an “urban oasis in the suburbs”—albeit an urban oasis adjacent to 103 acres of Toll Brothers’ luxury homes.

Why the McMansions? Zucker’s intent was a variety of housing types, but community resistance to housing, especially rental and multitenant, forced the compromise. It is possible that NIMBYISM is the real reason we may never see a company town again; even if an employer wanted to house its own, it is frequently the case that the community won’t let it.

There is no shortage of reasons for why the old model of the

company town probably isn't coming back. Job-hopping has become the new normal; workers aged 25–34 are staying in jobs for an average of just three years. In a company town scenario, would you be forced to leave your home every time you switched jobs? Also, young adults are living at home in record numbers. A new study from the Pew Research Center says for the first time in more than 130 years, more young adults aged 18 to 34 are living at home with their parents than with a spouse or partner.

This data suggests that the emerging model may be less company town and more postcollege campus, as exemplified by the new “community-driven living concept” developed by the co-working start-up WeWork. It's called “WeLive,” and it opened its first building in New York City last year, featuring 200 units on 20 floors located above WeWork's seven floors of co-working space below. Membership in WeLive entitles the resident to lease month-to-month furnished units that include beds, couches, linens, weekly housekeeping, onsite yoga, low-cost WiFi, and premium cable plus “all the coffee, tea, and beer you can drink.” The company is planning a second location in Crystal City near Washington, DC.

WeWork is multitenant; many members both work and live in the building. One can envision a company eager to locate in a city yet concerned about how housing and transportation costs impact its hiring decisions. Its target demographic is young millennials who've embraced rapid career shifts and the volatility of the gig economy.

Of late, employers have been bending over backward to discern the elusive desires of millennials. Although they may be the largest demographic group, they do not think or act as a unified block. Accordingly, the future company town (or variation on that theme) is likely to continue to morph as industries expand and contract, as housing dips and rises, and as corporations try to figure out what Generation Z is after. Ultimately, a dual company focus on productivity and worker satisfaction seems the most dependable goal to pursue. ■



ABOVE

New York City: Communal kitchen at WeLive, a co-living residential block in the Financial District. Photo: Lauren Kallen/WeWork

LEFT

Burlington, Massachusetts: Rendering of a proposed residential development at the Center at Corporate Drive, a 487,000-square-foot office park on 47 acres. Image: Courtesy of The Davis Companies