Regenerating America’s Legacy Cities
Alan Mallach and Lavea Brachman

Policy Focus Report Series
The policy focus report series is published by the Lincoln Institute of Land Policy to address timely public policy issues relating to land use, land markets, and property taxation. Each report is designed to bridge the gap between theory and practice by combining research findings, case studies, and contributions from scholars in a variety of academic disciplines and from professional practitioners, local officials, and citizens in diverse communities.

About This Report
This study offers a way to think about the regeneration of America’s legacy cities—older industrial cities that have experienced sustained job and population loss over the past few decades. It argues that regeneration is grounded in the cities’ abilities to find new forms. These include not only new physical forms that reflect the changing economy and social fabric, but also new forms of export-oriented economic activity, new models of governance and leadership, and new ways to build stronger regional and metropolitan relationships. The report also identifies the powerful obstacles that stand in the way of fundamental change, and suggests directions by which cities can overcome those obstacles and embark on the path of regeneration.

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Executive Summary

American legacy cities were once industrial powerhouses and hubs of business, retail, and services scattered across New England, the Mid-Atlantic, and the Midwest. Their factories provided jobs, and downtown areas contained department stores, professional offices, and financial institutions that served large regions. Since the mid-twentieth century, however, these cities have seen sustained loss of jobs and population, and now face daunting economic, social, physical, and operational challenges.

Many social and economic forces have contributed to their decline: loss of the manufacturing firms that historically provided their economic base; regional migration and suburban flight that left impoverished urban populations behind; and a reduced housing market demand that led to diminished property values and abandonment. These changes resulted in decreased municipal resources and reduced capacity to deal with their ever-growing problems. Local government fragmentation, sprawl, and inconsistent state and federal policies all exacerbated the challenges and contributed to the condition of today’s legacy cities.

Eighteen legacy cities from among 50 that had a minimum population of 50,000...
in 2010 and a loss of 20 percent or more from peak population levels were selected for analysis using 15 indicators to measure population change, socioeconomic conditions, housing markets, and economic activity. The analysis reveals dramatic differences in the cities’ levels of recovery, particularly during the past decade. While these cities have lost most of their manufacturing bases and central functions, many have begun to regain vitality and rebuild important new economic roles.

Legacy cities have many assets that can be catalysts for regeneration, including vital downtown areas, stable and historic neighborhoods, multimodal transportation networks, vibrant universities and medical centers, and rich artistic and cultural resources. To regenerate cities must capitalize on these assets to increase their competitive advantages and build new economic engines. This will require developing new forms in four ways—changing the physical form of the city to reflect its smaller population; restoring the city as a center of economic activity; building a change-oriented approach to governance and leadership; and forging stronger regional and metropolitan relationships.

Successful regeneration is not merely about signature buildings or megaprojects. It must be multifaceted and encompass improvements to the cities’ physical environments, their economic bases, and the social and economic conditions of their residents. If market demand increases and people restore vacant buildings or build new houses on abandoned land, the city’s physical environment will improve. If residents’ skills increase so they can compete successfully for jobs throughout the region, their economic conditions will improve. If the city can leverage its assets to create new, export-driven economic sectors, it can regain a pivotal role in its regional economy. If these changes take place, the city may also be able to generate the resources to become fiscally sustainable, and provide the services and infrastructure a vital economic and social entity requires.

Social equity is another critical consideration in regeneration, and plans must be put in place to ensure that lower income and minority residents benefit from rising demand and economic growth. Furthermore, reversing population decline should not be a goal in itself. Population stabilization and regrowth are more likely to flow from positive physical, social, and economic changes that make the city a more attractive place in which people want to live and work.

Intentional strategies are needed to unlock the potential of a city’s assets to bring about sustainable regeneration. The proposed model of “strategic incrementalism” begins with leaders sharing a vision of the city’s future and then making incremental, tactical decisions that will transform the status quo, while avoiding grandiose and unrealistic plans.

Nine other integrated strategies, in addition to strategic incrementalism, are recommended to foster change in legacy cities:

• Rebuild the central core.
• Sustain viable neighborhoods through targeted investments.
• Repurpose vacant land for new activities.
• Use assets to build competitive advantages.
• Re-establish the central economic role of the city.
• Use economic growth to increase community and resident well-being.
• Build stronger local governance capacity and partnerships.
• Increase the ties between legacy cities and their regions.
• Rethink state and federal policy toward legacy cities.

The decline of legacy cities has occurred over a long and sustained period. Their regeneration will also span several decades, and will happen only by forging new policies and practices at all levels of government and through sustained efforts by the nonprofit, private, and public sectors working together.
Chapter 1
America’s Legacy Cities

During the nineteenth and early twentieth centuries, the United States grew into a global industrial power where assembly lines and blast furnaces redefined manufacturing, where America’s industrial unions were formed, and where immigrants and their children found their way into the American middle class. This growth was concentrated in such iconic cities as Detroit and Pittsburgh, whose names were once synonymous with automobiles and steelmaking, as well as in dozens of other cities from Buffalo and St. Louis to Cleveland and Newark. Over the past few decades, however, many of these cities have experienced sustained job and population losses. These are our legacy cities.

The Trajectory of Legacy Cities
In their heyday, legacy cities were hubs of business, retail, and services for their regions, which often encompassed hundreds of square miles around the city. While factories provided the greatest number of jobs, the downtown areas contained department stores, professional offices, and financial institutions that served the entire region.

By the 1960s and 1970s, the loss of manufacturing added to the forces undermining legacy cities. During the 1970s alone, Dayton, a city in southwestern Ohio where the Wright Brothers designed their first airplanes and John Patterson manufactured the first cash registers, lost 46 percent of its manufacturing jobs, and Detroit nearly 40 percent.

Although plants started closing in the 1960s, the greatest losses were experienced in the following decade. September 19, 1977, is still known in Youngstown, Ohio, as “Black Monday,” when Youngstown Sheet & Tube Company announced its closing. Within four years, no major steelmaking firm was still active in Youngstown. Simultaneously, Pittsburgh shuttered its steel industry, losing over 150,000 jobs in the wake of the 1981–1982 recession (figure 1).

The loss of central retail and service functions paralleled the loss of manufacturing. Department stores closed or moved to the...
suburbs, while one after another locally owned banks were absorbed by anonymous global institutions. Today, the only central functions that remain in many legacy city downtowns are those of city and county government, along with a growing social service sector.

These losses challenged the cities’ identities. As urban planner Sam Bass Warner, Jr. wrote, downtowns were “the most powerful and widely recognized symbol of the American industrial metropolis [. . .] a metaphor for the metropolis itself” (Fogelson 2001, 2). The loss of economic functions meant not only the loss of companies and jobs, but also a sense of the city’s purpose and meaning.

Today, most of these cities are a shadow of their one-time glory. The steel mills and most of the factories are gone, and along with them the great majority of the industrial jobs that fueled these cities’ economies. Their populations have declined to the point where Buffalo, Detroit, and St. Louis have less than half of their peak populations and contain vast areas of empty houses and vacant lots.

Powerful forces drove these changes. While many of these forces first emerged in the 1920s, their effects multiplied after World War II in the form of pent-up social and economic pressures that resurfaced with new intensity. Suburbanization exploded in the late 1940s and 1950s, driven by the demand for new homes and made possible by the automobile and by access to affordable mortgages. At the same time, millions of families were moving from the Northeast and Midwest to the Sun Belt. Race and income are inextricably interwoven in the postwar history of American cities, as large-scale black in-migration into areas with declining economic opportunities led to conflicts, particularly during the 1960s, when many American cities exploded in racial violence.

FIGURE 1
Manufacturing Jobs in Selected Legacy Cities Have Plummeted Since the Mid-Twentieth Century, 1947–2007 (1947 = 100 percent)

Although many changes in legacy cities were driven by broad social and economic forces over which government had little control, public policies often made matters worse. The European experience, where a combination of regulatory controls and affirmative policies reduced sprawl and enabled cities to maintain their central roles even as they lost much of their industrial bases, illustrates that urban collapse and uncontrolled sprawl are not inevitable products of post-industrial economies, but flow from the interaction of those social and economic forces with destructive public policies. Local government fragmentation, sprawl, inadequate governmental capacity to address changing conditions, and inconsistent state and federal policies have all contributed to the conditions of today’s legacy cities.

Municipal fragmentation, economic and racial conflicts, and dependence on local property taxes created a climate in which regional considerations were given low priority, fostered exclusionary zoning, and pushed growth to the periphery. In slow-growing areas, suburban development cannibalized central cities and inner-ring suburbs, further undermining their vitality.

As these forces were transforming the American landscape, state and federal governments played an inconsistent, equivocal role. While the federal government spent billions to revive central cities through urban renewal between 1949 and 1974, other federal programs such as the interstate highway system or residential mortgage policies undermined urban areas. Federal Housing Administration (FHA) programs encouraged suburban development by favoring newly built houses over older ones, particularly in declining areas, while the interstate highway program of the 1950s and 1960s destroyed many inner-city neighborhoods, made the
suburban hinterlands more accessible, and accelerated the pace of sprawl.

State governments must bear much of the responsibility for the fragmentation of local government, the dysfunctional systems of financing local government, and the absence of larger regional frameworks. While some states mounted urban initiatives, their effect has been minimal compared to the impact of the fiscal and governmental status quo imposed by other state statutes and regulations.

The cities, however, cannot be absolved of all responsibility for their decline. Many cities took refuge in denial or chased counterproductive or unrealistic strategies. Weak civic leadership, urban politics as ethnic and racial spoil systems, and failure to sustain innovative strategies have all contributed to the cities’ woes. While many older cities have had strong and effective mayors, such as Ed Rendell in Philadelphia in the 1990s and Martin O’Malley in Baltimore from 1999 to 2007, other cities have lacked strong leadership and the engagement of civic and business communities.

THE CHALLENGES FACING LEGACY CITIES

Multiple and interconnected economic, social, physical, and operational challenges face America’s legacy cities. Loss of economic opportunities and suburban flight trigger impoverishment of the urban population and reduce housing market demand, leading to diminished property values and increased abandonment. In turn, this leads to fewer municipal resources and less capacity to deal with growing problems.

New Economic Roles

The central challenge facing legacy cities is to establish a new economic role to support a stable or growing population, to provide opportunities for all residents, and to ensure the revenues needed to support adequate public services and infrastructure—roles that historically were performed by these cities’ manufacturing economies. This is a daunting challenge, as many legacy cities are located in slow-growing metropolitan areas and appear to lack the obvious competitive advantages that have enabled new economies to emerge in other cities, such as Boston, Washington, DC, or Chicago.

At the same time, legacy cities contain many assets, which some have begun to harness for economic growth. Pittsburgh’s revival has been led by its strong educational and medical institutions, while Detroit retains an automobile manufacturing base with substantial growth potential. Economic growth, however, must be export-driven and produce goods and services or draw spending from the regional, national, or even global economy. Autarchy is not a recipe for economic success in today’s world.

The challenge is twofold: to build new economies and to ensure that they create opportunities for these cities’ many poor
and unemployed residents. Seemingly successful regeneration can easily create bifurcated cities, with emerging economic sectors employing well-educated in-migrants and suburbanites, while the city’s lower income residents and their neighborhoods languish.

**Socioeconomic Characteristics**

Cities are at their roots social and economic entities and much of their future will be defined by the characteristics of their populations. As economic opportunities have dwindled and much of the middle class has relocated to the suburbs, legacy cities are confronted with daunting social and human challenges. Residents are significantly more likely to be poor and dependent on subsidized services and transfer payments, such as food stamps, housing vouchers, and Medicaid (figure 2). These cities’ children are even more likely to be poor than their adult populations.

Fewer residents have employed household members who generate income and pay significant amounts in taxes. In recent years, the relationship between educational attainment and economic growth has become overwhelmingly important. An extensive body of literature has documented this relationship, with the most significant feature appearing to be the percentage of adults who hold a B.A. or higher degree. Legacy city residents tend to have far less formal education and workforce attachment than their counterparts in suburbia or in other parts of the United States (figure 3). As the national organization CEOs for Cities states, “we know that educational attainment is the biggest predictor of success for cities and metro areas today” (CEOs for Cities n.d.).

**Weak Market Demand**

As fewer people live and work in cities that were designed for larger populations, there is little demand for the existing housing stock or for commercial, office, and industrial buildings. Even with the constant demolition of older buildings, the shrinkage of these cities’ housing stock is less than the decline in demand. Detroit has demolished nearly one-third of its pre-1950 housing...
stock, but its inventory of abandoned houses continues to grow. Many houses will never find a buyer; for many that do, the buyers will be investors, often speculators milking their properties for short-term gain, which destabilizes entire neighborhoods.

The entire city suffers without enough housing demand overall, demand by prospective owner-occupants (as distinct from investors), and high enough prices to foster upgrading of the existing stock. Furthermore, many legacy cities are located in regions that themselves are showing little job or population growth, making the task of building market demand even harder.

**Decline of the Physical Environment**

Weak demand triggers physical changes as property owners invest less in their properties, homes shift from owner occupancy to absentee ownership, and other houses become vacant, abandoned, or demolished. Ultimately, entire city blocks may become depopulated or retain only a handful of occupied houses.

As properties deteriorate and vacancies increase, the revenue base declines, while the costs of operating city government, including the so-called legacy costs of pensions and retiree benefits, continue to rise. A vicious cycle ensues, as financially strapped cities cut services such as street maintenance and lay off housing inspectors and police officers. These actions further undermine community confidence and reduce the city’s ability to compete for businesses and middle-class households.

**Operational Decision Making**

How local government allocates resources and makes decisions, and how it builds relationships with its region and its state, are as important as the external challenges. No legacy city can successfully confront its
challenges unless its internal house is in order. Yet, many lack the modern systems needed to run a city effectively, the technical and managerial capacity to make things happen, and perhaps most important the leadership and broad-based partnerships needed to manage and advance change.

**DIVERGING PATHS**

A downward trajectory fueled by regional mobility, suburbanization, and deindustrialization, reinforced by governmental action and inaction, is a widely accepted generalization for many cities, but there are multiple variations on that theme. While decline was largely the norm for America’s older cities during the 1960s and 1970s, since the 1990s urban trajectories have begun to diverge in important respects.

Some cities, such as Pittsburgh and Philadelphia, have begun to capitalize on their remaining assets, including their globally significant universities and medical centers, and draw a new generation of in-migrants. Other cities, such as Detroit and Cleveland, however, continue to decline. Understanding the reasons for these variations and identifying the steps by which other cities can follow a successful path are the central challenges for those concerned with the future of America’s cities.
Chapter 2
Assets, Regions, and Opportunities for Change

While almost all of the nation’s older industrial cities declined through the 1980s, the picture began to change in the 1990s and has continued to evolve. Some cities have clearly begun to rebound from decades of decline, while others continue to struggle. Two central themes that underlie these diverging trajectories are: the assets that each city brings to bear and the way in which those assets are used to foster change; and the relationship between the city and its surrounding region.

Assets Matter
Legacy cities have many assets that can be starting points for revitalization and change. A renewed competitive advantage, which will enable them to build new economic engines and draw new populations, is likely to come from leveraging the value of these assets (table 1).

Not All Assets Are Created Equal
The potential value of assets varies widely. Although some observers may lump “eds and meds” (colleges and hospitals) into a single category, there is as much difference in impact between a global institution such as the University of Pittsburgh Medical Center (UPMC) and a small community hospital, or between a major research university and a community college, or between New York’s Central Park and a neighborhood playground in Detroit.

UPMC, for example, is a vast, export-oriented, economic engine with annual revenues approaching $10 billion and 55,000...
employees, attracting over $500 million per year in federal research funds, and spinning off numerous ancillary activities (table 2).

The difference is not merely the scale compared to a small local hospital, but a fundamental qualitative difference in the nature of various institutions, their economic role in the community and region, and how much they can be leveraged to foster regeneration. All of these features need to be taken into account as one evaluates both the impact of a community asset and its potential to create greater effect in the future.

Since many corporations and research facilities want to be close to a major medical center, the presence of such a center can impact large-scale revitalization as is currently happening in East Baltimore around the Johns Hopkins Medical Center. Smaller community hospitals are not comparable redevelopment magnets, although they can play roles as neighborhood anchors and employment centers.

Some assets can be more directly realized than others. Waterfronts can be valuable physical assets, but some offer little opportunity to leverage revitalization, such as the waterfront in downtown Albany, which is completely severed from the Hudson River by Interstate 787, thus making it inaccessible and unattractive for redevelopment.

**Assets Do Not Leverage Themselves**

Most assets represent merely the potential for urban regeneration. Realizing that potential requires leadership and investment, and in the case of a major institution located in the city, the commitment must be reciprocal. The institution must be dedicated to use its resources to improve the community, while meaningful interlocutors, such as local governments or community development corporations (CDCs), must be ready to partner with the institution to maximize change.

The same problems apply to transforming potential physical assets into real ones. Many valuable assets languish through lack of resources or vision. Cincinnati’s Over-the-Rhine neighborhood shows what is possible when public and corporate resources are coupled with strong leadership and sophisticated redevelopment skills. In less than 10 years, this once-devastated historic area adjacent to the city’s downtown has been placed firmly on a path to revitalization.

While much of the transformation is attributable to the small-scale efforts of individuals moving into houses or opening stores along Vine Street, the area’s main roadway, it is unlikely that this would have happened without the efforts of the city and corporate leadership, which created the Cincinnati Center City Development Corporation (3CDC) to provide both the direction and the technical skills to spearhead the area’s redevelopment.

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**TABLE 1**

Legacy Cities Contain Many Assets for Urban Regeneration

<table>
<thead>
<tr>
<th>Category</th>
<th>Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Assets</td>
<td>Traditional downtowns</td>
</tr>
<tr>
<td></td>
<td>Stable neighborhoods</td>
</tr>
<tr>
<td></td>
<td>Historic buildings, areas, and neighborhoods</td>
</tr>
<tr>
<td></td>
<td>Physical legacies, such as Olmsted parks or art museums</td>
</tr>
<tr>
<td></td>
<td>Water bodies</td>
</tr>
<tr>
<td></td>
<td>Multimodal transportation networks</td>
</tr>
<tr>
<td>Institutional and Economic Assets</td>
<td>Colleges and universities</td>
</tr>
<tr>
<td></td>
<td>Hospitals and medical centers</td>
</tr>
<tr>
<td></td>
<td>Manufacturing companies</td>
</tr>
<tr>
<td></td>
<td>Downtown employment base</td>
</tr>
<tr>
<td></td>
<td>Arts, cultural, and entertainment facilities and activities</td>
</tr>
<tr>
<td>Leadership and Human Capital Assets</td>
<td>Local government</td>
</tr>
<tr>
<td></td>
<td>Foundations</td>
</tr>
<tr>
<td></td>
<td>Local corporations and business communities</td>
</tr>
<tr>
<td></td>
<td>Nonprofit organizations</td>
</tr>
<tr>
<td></td>
<td>Civic and advocacy infrastructure</td>
</tr>
<tr>
<td></td>
<td>Cohesive ethnic communities</td>
</tr>
<tr>
<td></td>
<td>Local skill sets</td>
</tr>
<tr>
<td></td>
<td>Regional growth</td>
</tr>
</tbody>
</table>

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...
Regionalism matters for the economic growth and global competitiveness of cities, and the metropolitan regions are the primary unit to promote this growth. Experts have recognized that there is a symbiotic relationship between legacy cities and their regions, but it is particularly complex in places where the urban/suburban economic imbalance exists and the vehicles for fostering regionalism are unclear or ineffective. While practitioners and policy makers agree that bolstering regions is critical to any economic revitalization strategy, there is less agreement over how to carry out a successful regional strategy. Closer business and economic development connections between the city and its region are a prerequisite to a city’s recovery and arguably a prophylactic measure against the region’s decline. Meanwhile, fiscal and economic pressures make it imperative that nearby jurisdictions learn to cooperate, consolidate services, and take other steps toward mutual economic benefit.

Making the Case for Regionalism
As legacy cities have declined economically, their central role in their regional economy has diminished and, in some cases, the relative prosperity of these cities and their regions are diverging, as is the case in Baltimore. This is not advantageous for either entity. In other instances, such as in Pittsburgh, increasingly the inner suburbs and even metropolitan regions are beginning to follow the path of the city’s population decline.

Economies do not stop at political jurisdictional boundaries, and business location decisions are based more on regional than local considerations. As business leaders know all too well, the employees with the skill sets they need may live on opposite sides of a metropolitan area. Regions need their legacy cities’ assets while the cities need the regions to fulfill their labor force needs and to better distribute the burdens of urban infrastructure and other costs. Commuting patterns, health care services, and employment bases all show increased

<table>
<thead>
<tr>
<th>Institution</th>
<th>City</th>
<th>Federal Research Dollars (millions)</th>
<th>Rank Among U.S. Research Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johns Hopkins University</td>
<td>Baltimore, MD</td>
<td>1587</td>
<td>1</td>
</tr>
<tr>
<td>University of Pennsylvania</td>
<td>Philadelphia, PA</td>
<td>499</td>
<td>7</td>
</tr>
<tr>
<td>University of Pittsburgh</td>
<td>Pittsburgh, PA</td>
<td>463</td>
<td>11</td>
</tr>
<tr>
<td>Washington University</td>
<td>St. Louis, MO</td>
<td>414</td>
<td>14</td>
</tr>
<tr>
<td>Case Western Reserve</td>
<td>Cleveland, OH</td>
<td>313</td>
<td>23</td>
</tr>
<tr>
<td>University of Rochester</td>
<td>Rochester, NY</td>
<td>296</td>
<td>29</td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>Cincinnati, OH</td>
<td>229</td>
<td>44</td>
</tr>
<tr>
<td>Carnegie Mellon University</td>
<td>Pittsburgh, PA</td>
<td>170</td>
<td>55</td>
</tr>
<tr>
<td>Wayne State University</td>
<td>Detroit, MI</td>
<td>117</td>
<td>74</td>
</tr>
<tr>
<td>University at Albany</td>
<td>Albany, NY</td>
<td>97</td>
<td>84</td>
</tr>
<tr>
<td>University of Dayton</td>
<td>Dayton, OH</td>
<td>70</td>
<td>105</td>
</tr>
<tr>
<td>Drexel University</td>
<td>Philadelphia, PA</td>
<td>68</td>
<td>106</td>
</tr>
<tr>
<td>Temple University</td>
<td>Philadelphia, PA</td>
<td>65</td>
<td>107</td>
</tr>
<tr>
<td>Notre Dame University</td>
<td>South Bend, IN</td>
<td>57</td>
<td>114</td>
</tr>
<tr>
<td>New Jersey Institute of Technology</td>
<td>Newark, NJ</td>
<td>43</td>
<td>130</td>
</tr>
</tbody>
</table>

interdependence among urban, suburban, exurban, and rural areas, as people live in one suburb, commute to another suburb or to downtown, and shop in a third part of the region. Moreover, residents in more rural sections of the region often seek health care in the suburban or urban areas (Partridge and Clarke 2008).

Just as metropolitan areas have emerged as the fundamental geographic unit of economic growth and competition, the relationship between legacy cities and their regions has become even more critical. The European experience of building up key metropolitan regions as players in the global economy offers valuable lessons for the United States. In contrast, U.S. economic redevelopment strategies have been neither sufficiently metro-oriented nor intentionally regional enough in design to transform the economies of American legacy cities in an age in which strong metropolitan regions are the economic drivers and vibrant cities are the anchors.

Cost and Growth Trends
Local government costs in legacy cities are increasing faster than population growth, driven by rising infrastructure and pension costs—also referred to as legacy costs—while revenue sources decrease (Mallach and Scorsone 2011). In the last decade, however, many regions have begun to level off or decline (figure 4). These realities make new regional frameworks particularly critical for the cities’ economic revival.

A recent study of the Dayton, Ohio region found that both per capita local government costs and land consumption are increasing significantly faster than population growth.
Growing areas may appear to be inexpensive early in their life cycles, but incur additional costs for infrastructure repairs and maintenance as they mature, becoming more expensive over time.

Per capita costs to jurisdictions do not decline as population falls, but continue to increase because many fixed costs arising from city services and infrastructure were made when cities had twice their current population, such as in Cleveland, Detroit, Youngstown, and Dayton.

The increased costs are spread over fewer city residents, wage-earners, and taxable properties, while the region as a whole benefits from the city’s infrastructure, services, cultural assets, and other remnants of the past.

New forms of governance and shared service collaboration could potentially reduce many major regional expenditures, such as highways, utilities, and sewer systems, by spreading them over a larger population and geographic area to reduce their per capita costs.

Correcting these problems requires structural changes, not only in governmental forms, such as regional and local consolidation, but in operating as a regional entity for business and economic development purposes. For instance, regional chambers of commerce should address and encourage incentives among jurisdictions to prevent poaching of businesses from one jurisdiction to another.

This approach reflects the economic realities that businesses draw employees from throughout a region and that their presence tends to benefit both the area as whole—directly and indirectly through multiplier effects of salary and expenditures—and the local jurisdiction’s tax base. During much of the twentieth century, most regions continued to grow even as their legacy cities lost population. However, as stated, many of them have also begun to decline, making

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**FIGURE 4**
Population Growth in Suburbs of Selected Legacy Cities Has Leveled Off, 1950–2010


Note: Figure shows the areas within 1950 MSA boundaries outside the central city.
the need for new forms of governance all the more imperative.

**Equity Issues**
Equity issues are pervasive in legacy cities and, unless addressed, can vitiate economic gains. A symbiotic but conflicted relationship has grown between cities and their regions. High concentrations of poverty, widespread abandonment, high unemployment, and other features of legacy cities have made equity issues more acute. While many of these cities are currently in fiscal crisis, they have subsidized their regions for years both directly and indirectly.

It may not be necessary for regions to address the income inequality and poverty that plague legacy cities in order to jump-start their economies; however, it is highly likely that these regions will need to address such issues in order to sustain economic vibrancy (Carlson et al. 2012). Growth and equity are not a zero-sum game. It is essential to address equity issues in order to promote sustainable business and economic growth; ignoring them is ultimately counter-productive for economic expansion. Regions cannot rely solely on recruiting talent from outside the area. Social and economic costs are associated with high levels of inequality and poverty. Additionally, under- and unemployment reduce regional growth (Carlson et al. 2012).

Overall regional development and prosperity may not address the need for jobs in the inner city unless there is a simultaneous effort to connect inner-city residents with the new jobs. One recent study found conclusively that generic regional growth policies do not themselves address urban poverty without incorporating targeted strategies aimed specifically at improving economic outcomes in distressed urban areas (Lynch and Kamins 2011). These findings are particularly relevant in the context of legacy cities.

Regional solutions must be engineered to compensate when inequality on a variety of economic indicators (such as income and business creation) acts as a drag on growth.
in weak markets. Bolstering the link between
the city center and the region becomes even
more critical (Benner and Pastor 2012).
A number of regional variables, including
a skilled workforce, high levels of racial
inclusion, and progress on income equality,
connect strongly and positively with eco-
nomic growth. Recent research confirms
a positive correlation between cities and
suburbs that are both growing, while metros
with wider, city-suburban, economic dispar-
ities are more likely to stagnate.

How do legacy cities form relationships
in which urban problems do not negatively
affect the region, but where the area and
the urban core are mutually supportive?
There are no easy solutions, but new types
of regional collaboration must be forged to
address governance, fiscal, and economic
relationships. These interconnections are
complicated by the distinct strategies required
for change in these legacy cities and by the
ways these regions have historically relied
heavily on the cities for their own growth.
Innovative frameworks and strategies are
needed to exert even a remote chance
of solving the cities’ myriad challenges and
reversing the powerful forces that contribute
to their downward spiral.

**Multiple Delivery Vehicles**

for Regionalism

Regionalism has a checkered past in the
United States, reflecting Americans’ strong
belief in home rule and small, local govern-
ment. Regional planning organizations have
tended to be weak and have acted as conve-
ners or as pass-through vehicles for federal
funds, such as transportation dollars, with-
out their own revenues or enforcement
authority.

Regional growth can be delivered
through many structural changes and strate-
gic interventions driven by the public and
private sectors. They include

• Fostering new governance forms, such as
  political consolidation or intermunicipal
  service agreements;
• Conducting regional economic develop-
  ment and other efforts to attract new
  businesses;
• Generating a diversified regional economy to reduce reliance on sole or limited
  business sectors;
• Leveraging strong public or nonprofit
  institutions;
• Building a stronger minority middle
  class;
• Mounting aggressive campaigns to elimi-
  nate vacant and abandoned property in
  urban areas and inner-ring suburbs; and
• Leveling the playing field between urban
  and suburban development.

Multiple strategies are necessary to achieve
reforms and generate productive synergies,
and they can take different forms as they
emerge in response to local factors. For in-
stance, Ohio regions are investigating differ-
ent approaches to collaboration, including
examining overlapping county services,
bringing stronger administrative structures,
examining the role of county government,
and creating regional tax-sharing plans.
These may help address some of the eco-
nomic challenges, even if they cannot address
all the problems plaguing inner-city Dayton
or Cleveland. Yet, these approaches have
all met with some resistance, particularly
from the wealthier suburbs in the regions.

Although city and county mergers, as
in Nashville and Indianapolis, are difficult
to achieve even under better economic cir-
cumstances, consolidation of services is pos-
sible and beginning to take place. Creating
stronger delivery vehicles, such as regional
business associations, to assist with the task
of bringing regionalism to legacy cities
may be a necessary first step in changing
city forms. Success in implementing these
vehicles will depend upon the ability to demonstrate that benefits are shared by both wealthier suburbs and urban areas, and to address home rule and local control issues that remain intense in the regions around legacy cities.

DIFFERENT CITIES, DIFFERENT TRAJECTORIES
While almost all of the nation’s older industrial cities declined through the 1980s, the picture has changed dramatically in more recent decades. To explore how their trajectories have changed, with some showing signs of revival and others continued decline, this study looked more closely at 18 representative cities from a universe of approximately 50 legacy cities that met two primary criteria: (1) they had a population of at least 50,000 in 2010; and (2) they suffered the loss of at least 20 percent from their city’s peak population. The 18 cities were chosen to represent geographic diversity across New England, Mid-Atlantic, Southern, and Midwestern states, as well as variations in their levels of recovery or regeneration.

The relative health or vitality of each of these cities was tracked with 15 separate indicators to measure population change, socioeconomic conditions, housing markets, and economic activity (table 3, page 20). For some indicators, what is considered the best is obvious, such as low crime rate. However, for other categories, including foreign-born population, the authors judged, based on available research and policy materials, whether a higher or lower rate was best. The 15 indicators were then converted into ranks from 1 to 18 for each city, where 1 is considered the strongest and 18 the weakest. An overall aggregate rank was then calculated for each city.

The 18 cities vary widely. Some appear highly successful, at least in relative terms; others are clearly unsuccessful; and others fall in between. For example, 34 percent of Pittsburgh’s residents aged 25 or over have a B.A./B.S. or higher degree, compared to only 7 percent of Camden’s population. While 22 percent of Baltimore’s population is below the poverty line, 38 percent of Flint’s residents are poor. Baltimore’s research institutions received over $2 billion in research dollars during 2009, yet those in Youngstown received barely $1 million. These differences contain powerful implications for each city’s trajectory for change and potential for future regeneration.

Based on the overall or aggregate rankings, Pittsburgh and Philadelphia, and to a lesser extent Baltimore and Syracuse, appear more successful than the other cities in the sample, although Philadelphia is the only one to stabilize its population. Even though social and economic conditions in Pittsburgh have improved, its population has yet to stabilize, and its region showed the least overall population growth of any of the 18 regions. Pittsburgh’s improvement is particularly notable with respect to the city’s unemployment rate, which of all of the indicators has the strongest correlations with the others. During the past decade, as the national unemployment rate has risen, Pittsburgh’s unemployment rate remained flat, almost eliminating the spread between its unemployment rate and the national rate by 2010 (figure 5).

Another salient indicator is income growth, where the difference between more and less successful cities is also marked. While households in more successful cities showed significant income growth over the past decade, households in cities like Detroit or Cleveland showed little income growth or a loss, even in current dollars. Nearly all of the income growth in selected cities took place in the white population, while African-American incomes grew modestly, if at all (figure 6). This appears to reflect not only
an influx of more affluent white households, but also the continued exodus of middle-class African-Americans to the suburbs. Income inequality, which is strongly associated with race, is a fundamental and in some cases a growing problem in these cities.

**Regeneration and Population Change**
The relationship between population change and important social and economic factors is complex. For example, the difference between coastal and inland cities is significant (table 3, page 20). Coastal cities, as a group, are seeing more population stabilization, reflecting both increased immigration and the greater overall economic strength of the Northeast compared to the Midwestern Rust Belt. Both Philadelphia and Newark have seen their populations stabilize after decades of population loss. Many smaller coastal cities have also seen population growth, often reflecting Latino and to a lesser extent Asian immigration.

In the 18 cities, long-term population loss showed little relationship to measures of social or economic conditions, except for the housing vacancy rate. The short-term population trend between 2000 and 2010 was considerably more significant and is correlated with the final rankings in table 3. A strong relationship exists, moreover,
### TABLE 3
The 18 Selected Legacy Cities Are Ranked Based on 15 Indicators

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**Sources:** See facing page.
### 15 Indicators Used to Rank Relative Strength of the 18 Selected Legacy Cities

The cities are ranked from 1 to 18 on the variables, where 1 is considered the best outcome, 2 is the second best, and so forth to 18, which is the worst. In some cases, the direction of the variable or what is considered the best and the worst is obvious; in other cases it reflects the judgment of the authors.

#### Unemployment rate, 2010
The rate of unemployment within the civilian labor force living in the city is a negative indicator. The lowest ranking is considered the best outcome. 
Source: U.S. Census Bureau, American Community Survey (2010).

#### Percent with B.A./B.S. or higher degree, 2011
The percentage of residents aged 25 years or over with at least a B.A./B.S. degree is a positive indicator. The highest ranking is considered the best outcome.
Source: U.S. Census Bureau, American Community Survey (2011).

#### Crime rate, 2009
The number of violent crimes per 100,000 population is a negative indicator. The lowest ranking is considered the best outcome.

#### Percent foreign born population, 2010
The percentage of the city’s 2010 population born outside the United States is a positive indicator. The highest ranking is considered the best outcome.
Source: U.S. Census Bureau, American Community Survey (2010).

#### Population loss from peak to 2010
The percentage loss of population from the city’s peak to 2010 is a negative indicator. The lowest ranking is considered the best outcome.
Sources: U.S. Census Bureau (various years).

#### Median house sales price, 2010
The median price at which single-family houses sold in the city in 2010 is considered the best outcome. 
Source: PolicyMap, Boxwood Means (various years).

#### Mortgage ratio, 2010
The ratio is between the number of single-family sales in the city and the number of purchased mortgages subject to reporting under the Home Mortgage Disclosure Act in 2010. This is considered an approximate, but reliable, indicator of the extent to which homes are sold to owner-occupants (who generally obtain such mortgages) or investor buyers (who generally do not). A lower ratio, that is, more mortgages relative to sales, is associated with greater homebuyer activity and is considered a positive indicator. The lowest ranking is the best outcome.
Sources: PolicyMap, Boxwood Means (various years) and Home Mortgage Disclosure Act (2010); calculations by authors.

#### Housing vacancy rate, 2010
The percentage of residential units vacant in 2010 is a negative indicator. The lowest ranking is considered the best outcome.
Source: U.S. Census Bureau (2010).

#### Graduate students as a percentage of city population, 2011
The number of graduate students enrolled at universities within the city is divided by the city’s 2010 population. This is a positive indicator, and the highest ranking is considered the best outcome.
Source: Greater Ohio Policy Center, Field Survey (2012).

#### Change in number of jobs, 2002–2009
The greatest gain in the total number of jobs located in firms within the city between 2002 and 2009 is a positive indicator and is ranked the best; the greatest loss is ranked the worst.

#### Percent population in poverty, 2011
The percentage of the city’s population living in households whose income is below the federal poverty level (in 2011, $22,350 for a family of four) is a negative indicator. The lowest ranking is considered the best outcome.
Source: U.S. Census Bureau, American Community Survey (2011).

#### Change in median house price, 2006–2010
The change in median price for single-family houses sold in the city in 2006 and in 2010 is a positive indicator. The highest percentage is ranked as the best outcome.
Source: PolicyMap, Boxwood Means (various years).

#### Housing vacancy rate, 2010
The ratio is between the number of single-family sales in the city and the number of purchased mortgages subject to reporting under the Home Mortgage Disclosure Act in 2010. This is considered an approximate, but reliable, indicator of the extent to which homes are sold to owner-occupants (who generally obtain such mortgages) or investor buyers (who generally do not). A lower ratio, that is, more mortgages relative to sales, is associated with greater homebuyer activity and is considered a positive indicator. The lowest ranking is the best outcome.
Sources: PolicyMap, Boxwood Means (various years) and Home Mortgage Disclosure Act (2010); calculations by authors.

#### Change in number of jobs, 2002–2009
The greatest gain in the total number of jobs located in firms within the city between 2002 and 2009 is a positive indicator and is ranked the best; the greatest loss is ranked the worst.
between urban vitality and population change by age group. Table 4 compares the 2000–2010 change in population overall and in the age group between 25 to 34 years of age, and also looks at the percent of that age group in the city’s population as a whole in 2010 for six of the 18 cities. This age group is particularly significant because that is when people most often begin to establish themselves in the workforce and sink roots into a community.

Although Baltimore and Pittsburgh are still losing population overall, they are gaining large numbers of residents between the ages of 25 and 34 years of age, as is Philadelphia. In Cleveland, Detroit, and Flint, however, people in this age group are leaving the city at a significantly greater rate than people in other age groups. Those aged 25–34 make up a significantly larger share of the total population in the three more successful cities. This may herald future stabilization of the population in Baltimore and Pittsburgh as has already happened in Philadelphia. At the same time that these three cities were growing their 25–34 age group, however, all three saw a marked drop-off in the 35–39 age group, suggesting that many in-migrants may not see urban living as a long-term choice, or may be deterred from making that choice as they enter their child-rearing years because of perceived problems with school quality and public safety.

**Implications**

The analysis highlights significant differences in trajectories and conditions among cities that were at similar starting points 50 or even 20 years ago. Pittsburgh, Philadelphia, and Baltimore seem potentially poised for economic progress and population rebound. Conversely, Flint, Detroit, Youngstown,
and Cleveland appear to be in a continuing decline. Conditions in the relatively successful cities are far from good, however; on the contrary, all three continue to have major problems of poverty, abandonment, and fiscal distress.

The data, of course, describe only conditions, not why or how they have emerged. An important question, posed in a recent paper by Reese and Ye (2011, 221), is whether positive city outcomes are a matter of policy or “place luck.” In this respect, the difference between coastal and inland cities is important. Compared to Cleveland or St. Louis, cities like Baltimore and Philadelphia are doing well. The latter two cities are located in growing regions closely linked to the powerhouse New York and Washington, DC regions. Compared to those cities, their achievements are less obvious.

Pittsburgh’s regeneration is notable in comparison to its peer group of inland cities, particularly in light of the weak growth of its region compared to the relative health of the St. Louis or Milwaukee metropolitan areas. Those two cities, along with Cincinnati, also show some positive trends that may bode well for their futures. At the same time, they continue to have deeply rooted challenges that will not be easy to overcome.

### TABLE 4

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<th>Change in Population 25–34 Age Group (%)</th>
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<td>16.8</td>
<td>- 8.6</td>
<td>+ 5.9</td>
<td>+ 13.3</td>
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</table>

Note: 1. Numerical difference between the two preceding columns.
The loss of their manufacturing bases and the transformation of their physical fabric have created new realities for legacy cities. Traditional modes of governance and historical patterns of regional fragmentation and competition are no longer viable. The new forms they must find are not only physical, but include new economic bases, governance structures, and regional relationships.

NEW PHYSICAL FORMS
As cities grew steadily from the 1800s through the mid-1900s, they took on a continuous urban form. Within the boundaries of the city, nearly all properties were developed in ways that contributed to the urban economy, with densities highest in the city center and gradually declining with distance from that core (Muth 1969). Within those boundaries, a continuous, largely integrated and functional scheme of streets, water lines, and sewers was created in contrast to the more fragmented networks found in outlying areas developed since the 1940s.

Even as cities varied in density and configuration, the development pattern prior to World War II was compact and oriented to walking rather than driving. The street network was usually based on a grid, although in Detroit and Buffalo radial arteries were superimposed on the underlying network. Since then, however, this historic urban form has been undone to varying degrees by population loss. Today’s pattern of urban shrinkage has created a new urban landscape—a patchwork of abandonment and varying densities across the cities.
**Depopulation and Urban Form**

In areas of sustained population loss, in place of the consistent fabric of occupied houses, the texture of the block now includes four distinct property types:

- **Vacant lots**, where houses once stood and have been demolished;
- **Vacant houses**, often fire-damaged and likely to be demolished;
- **Absentee-owned but occupied houses**, usually in poor repair; and
- **Owner-occupied houses**, generally in somewhat better repair.

The distribution of these four property types on any block reflects the stage of its depopulation and abandonment. In some cities like Detroit, which have lost over half their population, such areas are pervasive (figure 7). In others, like Philadelphia, large-scale abandonment is concentrated in a few areas, while the rest of the city’s fabric remains largely intact.

**The Landscape of the Legacy City**

The landscape of today’s legacy city is dominated by three distinct area types.

- **The core** is the heart of the economic city, the mixed-use area that contains the central functions and most important assets of the city, such as government offices, universities, and medical centers. Building on these assets to create or maintain strong centers of core activity

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**Figure 7**

*Large Parts of the City of Detroit Were Vacant, 2009*

Note: The Detroit Residential Parcel Survey (DRPS) examined predominantly residential parcels. The DRPS also includes vacant lots in neighborhood commercial areas adjacent to residential areas. This map does not include vacant lots in other commercial or industrial areas.

is critical to enabling cities to capture their economic potential.

- **Intact neighborhoods** are predominately residential areas where the fabric and density still exist and can sustain vital communities. Preserving these neighborhoods and making them places where a diverse population will want to live is critical to the future of the city; many, however, are in decline and need fresh investment to build greater market demand and to improve the quality of life.

- **Disinvested areas** are those remaining areas with the greatest population loss and property abandonment. While some may re-emerge as viable, lower-density neighborhoods, others will become increasingly depopulated. As these areas continue to lose population, new uses must be identified for sites that range from individual vacant lots to expanses of many acres.

Most residential areas in legacy cities are neither completely intact nor completely disinvested. Instead, they fall along a continuum, showing a wide range of vitality and abandonment, strengths and weaknesses.

**Toward New Urban Forms**

What might an appropriate, new physical form look like for legacy cities? Such cities will no longer contain the continuous, built-up urban texture of streets, houses, shopping districts, and industrial areas stretching outward from a central core they once had. Too many houses, storefronts, and factories have already disappeared, and too many of those that remain are no longer needed by the city’s smaller population.

With decreased population, the physical fabric of legacy cities has become less consistently urban and more like a mixture of urban, suburban, and rural elements in search of a new urban form. The three types of areas listed should become the
framework for that new form. Core area assets must be developed to strengthen the cities as centers of economic activity and population growth, while vital neighborhoods must be stabilized to increase concentrations of population and nonresidential activities. Finally, heavily disinvested areas must be repurposed around new uses for vacant land that support the city’s regeneration.

**Rebuilding the Core.** The cores represent the “low-hanging fruit” of regeneration in many legacy cities. With the physical fabric of those areas still intact, walkable urban texture and proximity to major institutions and employers create opportunities for residential redevelopment, which is most likely to drive future core rebuilding. Areas like Cleveland’s Warehouse District and Washington Avenue in St. Louis have seen dramatic transformations as developers have sought out their stock of late nineteenth-century warehouses, factories, and lofts and converted them into desirable residential destinations for young adults and empty-nesters drawn to urban living. When those buildings were restored and put back to use, restaurants, entertainment destinations, and retail shopping followed. Today, both areas are dynamic centers of activity (figure 8). Experience has shown that rather than being

![The vibrant Warehouse District, adjacent to downtown Cleveland.](image-url)
drawn by existing amenities, the influx of new residents leads to the creation of new urban amenities such as supermarkets, schools, and other public and private facilities.

**Creating Viable Neighborhoods.** Stabilizing vital neighborhoods in legacy cities is much harder than revitalizing the core. Potential homebuyers may be deterred by poor schools and high crime rates rather than attracted by the walkable urban texture. While Detroit is seeing a modest influx of young professionals in the city’s Midtown section, drawn by proximity to Wayne State University and the Detroit Medical Center, middle-class families are continuing to leave many of their traditional single-family neighborhoods for suburban alternatives as market conditions and the quality of life in their old neighborhoods erode. As married couples raising children become a smaller part of the national demographic and an even smaller part of the urban picture, residential neighborhoods historically designed for that market find it increasingly difficult to sustain their vitality.

Older neighborhoods must be helped to retain or regain their desirability as locations of choice for an economically diverse regional market. Their quality of life and appeal can be enhanced by strengthening nonresidential cores within these neighborhoods, including nearby shopping, public schools, and other community facilities, in addition to developing transportation connections between the neighborhood, the core, and other employment centers in the city and the region.

**Repurposing Disinvested Areas.** The future of heavily disinvested areas with vacant land no longer needed for development purposes is very different from those vital neighborhoods that can be preserved. These areas will continue to house some people, but at much lower densities than in the past; at the same time, much of the vacant land can be used for many other purposes, including greenways, forests, meadows, green infrastructure, and farms at different scales, all of which can enhance the quality of life in the city and region.

Even the most successfully repurposed areas will not be devoid of people and will rarely turn into large expanses of open land reused for urban agriculture, parks, or woodlands. Green uses will be interspersed with existing homes and neighborhoods in complex, interwoven patterns. Some residents will want to remain, either because of ties to their homes or because they prize the “rural” quality of the area. Others may feel trapped in their homes and would prefer to move to more densely populated neighborhoods with better facilities and services. Cities should respect both desires, ensuring that residents who want to move have the opportunity to do so, while those who want to remain are given no reason to fear that they will be forced out of their homes and can continue to receive the benefits of the city’s public services.

The greater the population loss, the greater the need to reconfigure the city’s land mass to sustain the remaining viable neighborhoods and to enable the city to build on its assets. In cities with massive population loss such as Youngstown or Detroit, large numbers of vacant lots make large-scale transformative of land use possible. By contrast, in cities such as Toledo or Cincinnati, where population loss has been less severe, the transformation of the urban fabric will be less dramatic. Those cities will not see networks of large, often continuous, green areas emerge, but instead can create ribbons or pockets of open space amid the built-up urban fabric. They too, however, will need to adopt deliberate strategies to
use their surplus land inventory to advance regeneration.

In the end, the issue is not whether legacy cities will have a different physical form than they have in the past, but whether this transformation will be managed in ways that foster regeneration rather than continued decline. Without effective strategies that recognize the need for change and build on it for a stronger city, many legacy cities are becoming dystopian versions of what could be healthier cities. With fewer and fewer homes and businesses to serve, cities continue to maintain an increasingly inefficient infrastructure at great cost, or allow it to disintegrate. Economic activity in these cities is scattered and fragmented with vacant office buildings and storefronts interspersed among viable businesses and institutions, while once-vital neighborhoods are being eroded by disinvestment, declining public services, and lack of confidence. Despite the fact that disinvestment and abandonment threaten residents’ public safety and property values, many cities are making little systematic effort to use the resulting vacant land and buildings in ways that contribute to a better quality of life or are environmentally sustainable. As a result, vacant properties accumulate and continue to blight their surroundings. This is the widespread reality, but it does not need to be the future.

**NEW ECONOMIC ENGINES**

Legacy cities face a difficult task in rebuilding their economies. They must grow new, export-driven economic activities to sustain a stable or growing population and restore their fiscal vitality. To the extent possible, they must also re-establish their central roles in their regions and build new and meaningful identities around these new initiatives.

If those activities are to succeed, they must emerge where the city has an identifiable competitive advantage. While so-called import substitution strategies, such as efforts to retain resident purchasing power by opening local supermarkets or creating local retail hubs, may have some value, in the final
analysis such efforts are likely, even if successful, to have more impact on residents’ quality of life than on the city’s economic strength. An unnamed pundit has been quoted as saying, “You can’t have an economy by taking in each other’s laundry” (Browne 1986; Chicago Tribune 2010).

The benefits of import substitution are inherently constrained by the disproportionately low incomes of most urban residents, as well by as their access to suburban alternatives. Moreover, such substitutions are incapable of generating the multipliers that are created by export industries that channel outside dollars into the local economy.

**Building on Assets for a Competitive Advantage**

Legacy cities can build new economic functions by identifying assets that can yield competitive advantages (table 5). A major research-oriented medical center offers significant advantages for attracting biomedical industries, as is happening in East Baltimore. That area’s redevelopment is anchored by a 1.1 million-square-foot life sciences business campus driven by its proximity to the Johns Hopkins Medical Center.

Other asset-based economic strategies are less obvious. The small city of Lancaster, Pennsylvania, has rebuilt its economy around arts and culture, using its proximity to Amish Country and its historic, walkable downtown and neighborhoods as its competitive advantage. Another example is the cluster of food processing and distribution firms around Detroit’s historic Eastern Market, which offers an opportunity to grow existing firms and draw new ones. Revitalizing a neighborhood to become competitive in the regional housing market is also a form of economic growth, through
## Legacy City Assets Represent Opportunities for Economic Growth

<table>
<thead>
<tr>
<th>Asset</th>
<th>Economic Growth Opportunities</th>
<th>Examples</th>
</tr>
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</table>
| Traditional, Walkable Downtowns            | - Develop market-oriented residential projects to draw middle- and upper-income residents and increase local tax base.  
- Create arts, entertainment, and restaurant districts.  
- Attract retail as residential population grows.     | - Warehouse District, Cleveland  
- East 4th Street, Cleveland  
- Washington Avenue, St. Louis | |
| Architecturally and Historically Distinctive Neighborhoods | - Develop market-oriented revitalization strategies to draw middle- and upper-income residents and to increase property values and the local tax base.     | - Old North, St. Louis  
- Detroit-Shoreway, Cleveland  
- Over-the-Rhine, Cincinnati  
- Allentown neighborhood, Buffalo, NY | |
| Water Bodies and Green Spaces              | - Create open spaces along water bodies to attract regional, leisure activities.  
- Develop activity venues along water bodies and regional parks to increase appeal to regional users.  
- Link residential and mixed-use development to water bodies to increase property values and tax revenues. | - Christina River redevelopment, Wilmington, DE  
- The Banks, Cincinnati  
- Forest Park, St. Louis | |
| Multimodal Transportation Networks         | - Use the transportation network to build key industrial clusters, such as distribution, logistics, or regional retail.  
- Use light rail or bus rapid transit to create transit-oriented, mixed-use development.  | - Multimodal network (rail, light rail, air, sea, and highway), Newark  
- Health Line Bus Rapid Transit, Cleveland | |
| Existing Economic Clusters                | - Build on existing activity clusters to grow current businesses and attract new ones.       | - Eastern Market food cluster, Detroit | |
| Colleges and Universities                  | - Maximize student/faculty presence to generate demand for housing, retail, and services.  
- Strengthen the housing market and property values through employer-assisted housing programs.  
- Partner with universities to create multiuse facilities, such as performing arts centers and convention facilities.  
- Encourage growth and local siting of spin-off companies resulting from university research and development.  
- Increase local purchases of goods and services. | - Yale University employer-assisted housing program, New Haven, CT  
- Franklin & Marshall College housing program, Lancaster, PA  
- Penn Alexander School, Philadelphia | |
| Hospitals and Medical Centers              | - Maximize employee and visitor presence to generate demand for housing, retail, and services.  
- Strengthen the housing market and property values through employer-assisted housing programs.  
- Encourage growth of health-related industries and services in proximity to medical centers.  
- Increase local purchases of goods and services. | - Redevelopment anchored by biomedical campus close to Johns Hopkins Medical Center, East Baltimore  
- Evergreen Cooperative Laundry, Cleveland | |
| Manufacturing                              | - Support the growth of local manufacturers and related employment.  
- Build on existing manufacturing clusters.             | - WIRE-NET, Cleveland | |
| Downtown Employment Base                   | - Use downtown workers to catalyze downtown housing, restaurants, and entertainment.  
- Engage downtown corporations and businesses in revitalization and redevelopment. | - East 4th Street, Cleveland | |
| Arts, Cultural, and Entertainment Facilities and Activities | - Attract artists to residential neighborhoods.  
- Create regional or national arts, cultural, or entertainment destinations. | - The Heidelberg Project, Detroit  
- Arts revitalization strategy, Lancaster, PA  
- Chippewa Street District, Buffalo | |
| Cohesive Ethnic Communities                | - Create regional restaurant, entertainment, and retail destinations.  
- Promote immigration. | - Ironbound, Newark  
- Southwest Detroit (Mexicantown) | |
| Locally Based Corporations and Business Communities | - Build corporate support for redevelopment and revitalization activities.  
- Engage corporate leadership in public-private partnerships. | - Procter & Gamble financial commitment to Cincinnati Equity Fund  
- Corporate engagement in Allegheny Conference, Pittsburgh | |
| Foundations                                | - Leverage local foundation resources to foster economic and community development. | - Kresge Foundation engagement, Detroit  
- Raymond John Wean Foundation engagement, Youngstown  
- Anne E. Casey Foundation engagement, East Baltimore | |
| Local Skill Sets                           | - Create new economic activities utilizing distinctive skill sets remaining from old economic activities. | - Global steel industry support sector, Pittsburgh | |
| Regional Growth and Economic Activity      | - Build economic strategies around attracting a share of the regional economy into city. | - Tourism-oriented arts strategy, Lancaster, PA |
increased property values and tax revenues, growth in purchasing power, and spin-off economic activities.

Re-establishing the Central Role of the City
Workers and neighborhoods in legacy cities are part of the regional labor and housing markets. Some cities could be more stable economically by becoming attractive dormitories for people who work throughout the region, like the post-World War II communities that Dolores Hayden (2003, 128) dubbed the “sitcom suburbs.”

For a city to remain vital as a city, however, this is insufficient. A thriving city, as distinct from a suburb, needs a central economic function. It must be export-driven, because only such economies can offer the multipliers that can generate sustainable growth or foster the regional relationships on which the city’s long-term vitality depends. A strong export-driven economy that draws people from outside the city or even beyond the region into the city as workers, visitors, and consumers can re-knit regional connections that have deteriorated over the decades.

Many legacy cities, however, have limited options and few assets with which to develop strong central functions. Some cities have national medical research centers or major universities, but most do not. Arts, entertainment, and cultural activities, while valuable, are unlikely to support more than a relatively small percentage of a large city’s population. Indeed, with the notable exception of health care, most of the growing sectors of urban employment, including resurgent manufacturing, are low employment generators. Many new jobs, moreover, will be filled by suburbanites or new immigrants. Much of the city’s workforce will find employment throughout the region, as is the case in legacy cities today.

Linking Economic Growth and Urban Well-Being
Many residents of legacy cities lack the education, job skills, and labor force attachment for them to benefit from economic growth, whether in the city or its surrounding region. While many legacy cities still contain large numbers of jobs, most of the positions are held by commuters. For example, there are 216,000 jobs inside the borders of St. Louis, yet less than 55,000 are held by city residents. Building the city’s human capital by increasing residents’ education and skills must be intimately linked with the city’s economic growth strategy to maximize the benefits city residents will gain from job growth inside the city. This will also increase their ability to compete successfully for opportunities throughout the region. According to Gilloth and Meier (2012, 197), “the current population is the human capital base upon which to build the economic future of the city.”

In most metropolitan areas, the larger region surrounding the city offers many more job opportunities than the city itself. Any strategy to strengthen the role of city residents in the labor force needs to focus not only on maximizing their ability to obtain jobs within the city, but on their ability to gain access to the larger pool of suburban jobs, both through skill development and improvements in regional transportation systems. Enabling urban residents to better access suburban jobs, which demands a regional employment strategy, is likely to have as much effect on resident well-being as will job growth inside the city.

The Role of Events and Facilities
Specific dramatic events and major facilities can appear to be catalysts for change, but in successful cases the preconditions for change were already in place. An oft-cited example is the 1996 IRA bombing of downtown...
Manchester, in northern England. The bomb, which destroyed or severely damaged over 1 million square feet of retail and office space, triggered a rapid response from the city’s political and civic leadership. Planning for reconstruction was under way before the end of the year, and by 2000 the entire area had been rebuilt, spurring extensive redevelopment in surrounding areas. While Manchester was already showing important signs of change, it is apparent that the bombing led to additional regeneration.

Manchester’s effective response to the bombing was not an accident. For more than a decade, the city’s government had been building its capacity and its partnerships with nongovernmental entities, without which they could not have responded as effectively as they did to the challenge of rebuilding after the attack. That collaborative process was the essential precondition for change and allowed the city to take advantage of the crisis. Unless the capacity to respond effectively is already present, the crisis will inevitably “go to waste” in whole or large part.

Youngstown’s “Black Monday,” when the city’s major employer announced its closing in 1977, was as dramatic a crisis in its own way as the Manchester bombing, yet it led to no meaningful change. While the outside factors leading to the closing of the mills were beyond the city’s control, Youngstown lacked the leadership, partnerships, resources, and technical sophistication to translate that economic crisis into change. The experience of New Orleans following Hurricane Katrina in 2005 has been similar; although the city has gradually recovered from that disastrous storm, few would argue that it was a catalyst for change in a positive sense. In sum, it is not the catalytic event that triggers change but the ability to capitalize on the crisis and a leadership that is already in place to respond.

The same is true of major facilities such as casinos, convention centers, and arenas. While many cities look to such facilities for their economic salvation and massive
amounts of public resources to bring them into being, the results rarely if ever justify the public investment or the loss of opportunities resulting from the diversion of public resources to such facilities. Only to the extent that they are integrated into a larger strategy, which leverages their potential impacts, can major sports, gambling, and entertainment facilities have a catalytic effect on a city’s economic regeneration; even then, their impacts may be less than if the same amount of money were used for alternative economic development strategies.

NEW GOVERNANCE STRUCTURES
Change does not just happen. While maintaining the status quo may be an acceptable option for a wealthy suburb or placid rural community, it is not an option for a legacy city where, absent an effective commitment to change, conditions are likely to continue to deteriorate. While the approach taken by each successful city is different, all effective efforts are grounded in a few basic principles.

Leadership and Partnerships
The key characteristic in seizing opportunities for change is leadership, which can come from many different directions—from the “grassroots or grasstops” (Briggs 2008, 89). The public sector leadership of mayors such as Richard M. Daley in Chicago or Thomas Menino in Boston is celebrated, and the relative success of their cities is widely attributed to their personal impact. At the same time, centralized leadership is not the only way for cities to change.

Philadelphia and St. Louis have shown great capacity for regeneration in the past two decades, yet Philadelphia lacked strong political leadership for most of the 2000s,
and St. Louis for the entire period. Much of what happened in those two cities can be credited to decentralized initiatives emerging from many different sources. The University of Pennsylvania has been a major leader in Philadelphia, while in St. Louis coalitions, often led by the city’s strong nonprofit sector, have formed around key issues such as public transportation or in important geographic areas, particularly the central corridor dominated by Barnes Jewish Hospital.

Elsewhere, many community-based CDCs (Community Development Corporations) have brought about change in their neighborhoods or led coalitions to foster specific citywide policy changes. Such efforts, however, may result in isolated islands of regeneration rather than citywide change. For example, while much of Detroit continued to decline, Midtown’s revival since the 1980s was largely driven by Midtown Detroit, Inc. (formerly the University Cultural Center Association), a nonprofit CDC created by the area’s major institutions, including Wayne State University and the Detroit Medical Center.

Strong public-private partnerships focused on change have led revitalization efforts in Pittsburgh from the late 1940s to the present. By sustaining this vision over time, substantial change in that city’s trajectory is now apparent. Its experience highlights the importance of such partnerships’ ability to evolve over time (box 1).

**BUILDING CAPACITY**

Leadership is the tip of the iceberg. The capacity of local government and other local institutions to carry out plans and realize a vision is equally important. Capacity is both managerial and technical: Does the city have the ability to manage its resources effectively, and does it have the capacity to frame and carry out complex tasks and responsibilities?

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**BOX 1**

**Pittsburgh’s Story**

The trajectory of Pittsburgh’s revitalization efforts since the end of World War II demonstrates the importance of sustained efforts and leadership coalitions, as well as the contingent or transitory nature of urban revitalization. The initial effort, known as Renaissance I, focused from the late 1940s through the 1960s on urban renewal and on the revitalization of downtown. It was led by a public-private coalition, part of which was the Allegheny Conference initiated in 1944, in which both the mayor’s political machine and major corporate leaders played important roles. Their efforts did not forestall the collapse of Pittsburgh’s heavy industry in the 1970s, however. The city’s partnership structures reorganized, bringing the leaders of emerging universities, medical centers, and the high-tech sector into the coalition to supplement, and ultimately largely supplant, the industrial barons who had built the initial post-World War II coalition.

In the 1980s and 1990s, the city initiated what has been dubbed Renaissance II, a refocused revitalization effort based on the emergence of new leadership in the city’s educational and medical institutions, as well as neighborhood-based leadership and a new focus on the city’s residential areas and cultural life. Although the city’s revival has had its ups and downs over the past decades, Pittsburgh has gradually expanded its economic base beyond the core of universities and medical institutions to encompass a vibrant and creative technology sector, symbolized by Google’s decision to locate a major facility in the city.

American cities offer good and bad examples. Baltimore has streamlined its code enforcement and integrated it with other strategies. Under the rubric of Vacants to Values, the city has put in place a model approach in which code enforcement tactics are adjusted to reflect neighborhood market conditions and integrated into broader strategies involved in putting vacant properties back into productive use. A growing number of cities, including Flint and Cleveland, are working with their county governments to create land banks—dedicated entities designed to acquire, maintain, and dispose of vacant and problem properties.
Many other cities, however, fail to address the various problems surrounding vacant properties, such as property ownership, maintenance, code enforcement, and tax foreclosure, or to make the necessary connections between closely linked problems in order to create effective solutions. Some lack the most fundamental management systems and technological tools. In Detroit, for example, the inventory of vacant land held by the public sector is divided among eight separate departments, agencies, and authorities at the city, county, and state levels, each with different policies and operating under different legal constraints. In other cities, continued reliance on burdensome procedures and cumbersome processes means that code enforcement personnel may spend more time at their desks doing paperwork than in the field.

Building, or even maintaining, local government capacity has become increasingly difficult as legacy cities wrestle with problems of stagnant or diminishing local revenues and steadily increasing costs, including the costs of providing pensions and health care benefits to a growing pool of retirees. Local government layoffs have become common. Between 2001 and 2011, Dayton cut nearly 30 percent of its workforce from its payroll, while Flint went from nearly 600 police officers and firefighters to fewer than 230 (figure 9). Finding the resources to hire or keep planners, housing inspectors, and economic development specialists has become increasingly difficult. In some cases, philanthropies have stepped in, as the Kresge Foundation did by paying most of the multimillion dollar cost of preparing Detroit Future City, a strategic framework plan for that city’s revitalization.

**Sustaining Effort and Adapting to Change**

The quality of the city’s goals and the consistency with which it pursues them may be more important than the role of any single leader or partnership. Realizing a vision is a slow process. Implementing even modest strategies takes years, and major efforts may take decades. Successful regeneration, moreover, rarely results from a single mega-project, but more often comes from the cumulative effect of smaller initiatives.

Consistency is the *sine qua non* of successful regeneration; that is, sustaining the effort and maintaining a consistent strategy over many years through changes in political and civic leadership while continuing to adapt successfully to both the shocks and opportunities that emerge.

Regeneration is constantly subject to changing macroeconomic conditions that can potentially undo the effect of one set of strategies and demand new ones in their place. Any apparent turnaround may well be temporary rather than sustainable. Pittsburgh’s Renaissance I was based on large-scale downtown investment by the major industrial and financial corporations controlling the city’s manufacturing economy.
A few decades later that economy was dying, and many of those corporations were shadows of their former selves. Pittsburgh’s success today reflects its ability to adapt to change by building new strategies around emerging opportunities.

The concept of resilience is also relevant to this discussion. While resilience has been most often used to describe cities’ ability to respond to natural disasters, it is a useful framework to look at the ability to respond to the challenges of economic transformation, and as a way of assessing the underlying institutional and cultural forces promoting or impeding revitalization (Chapple and Lester 2007; Hassink 2010). It is not always clear why certain cities or regions are more resilient than others, but both history and local culture likely play important roles.

**REGIONAL COOPERATION AND GOVERNMENTAL INTEGRATION**

Implementing new forms of governance is not an end in and of itself, but a tool to rebalance the relationship between the city and the region within the framework of changing regional economic and real estate market conditions. Reforms also improve the prospects of economic redevelopment. First, they have the potential to reduce excessive government costs, ease the budgetary crisis plaguing cities, and allow the leveraging of funds for strategic investments. Second, they encourage jurisdictions to bolster their regional economies and assets jointly rather than competing with each other. Third, unified governance structures can level the playing field between legacy cities and surrounding jurisdictions, and incentivize

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Pittsburgh’s skyline with the UPMC building (formerly the U.S. Steel building) at the center.
policy makers to build on existing assets and strengths that increase the competitive strength of the entire region rather than erode wealth through population dispersion that in turn demands new infrastructure.

Some urban observers are rightly skeptical about the benefits of new forms of governance, particularly more dramatic reforms such as city-county mergers, and question whether such forms mutually help both cities and the surrounding suburbs. Economic and fiscal benefits often emerge only over many years; thus, they may be hard to quantify or substantiate in advance, and may run afoul of the short political cycles of American democracy. Fortunately, successful examples have proven our democratic structures to be sufficiently flexible to accommodate these new forms of governance when effective leadership is present. A number of these examples do not involve legacy cities, where implementation challenges are even greater because of the imbalances in their struggling economies. Nonetheless, legacy cities should consider these new forms as part of the planning and development toolkit available to all cities.

Models of governmental integration exist along a continuum, from those that can be implemented locally without statutory change to those that would require more substantial, state-level legal changes or voter approval. Three basic forms of governmental integration that encourage regional economic redevelopment in cities and metropolitan areas are sharing services, revenue pooling, and city-county reorganization.

**Sharing Services**

Shared services programs, which allow local governments or departments to save by sharing personnel, equipment, and other costs across jurisdictional boundaries, deploy two principal methods: regional purchasing agreements and transfer of functions.

Regional purchasing agreements are contracts between local governments to save through volume discounts by using collective buying power. Transfer of functions agreements change which governmental entity provides specific services, with local governments releasing authority to other jurisdictions. These agreements are usually enabled by state statutes and created through intergovernmental negotiation, and may require voter approval. The Sourcing Office in Northeast Ohio offers pooled purchasing and shared back-office services, while the Miami Valley Fire/EMS Alliance, consisting of 26 fire and EMS agencies in the Dayton region, includes sharing of fire trucks, ambulances, and EMS supplies, as well as joint purchasing and training.

Shared service agreements (SSAs) between local governments often increase local government efficiency and improve the quality of services, although the cost savings attributed to shared services depend on economies of scale. First, if only a few entities participate, the benefits may be minimal. Second, a SSA to transfer functions may create real or perceived inequities in the relative distribution of costs and benefits. Lastly, SSAs may only be applicable to certain types of services, such as police, fire, and parks, and may not address or spur regional economic development. Compared to revenue pooling and city-county consolidation, the fiscal and service impact of SSAs may be much smaller.

**Regional Revenue Sharing**

Revenue sharing or regional pooling agreements encourage local governments to pool and redistribute resources in ways that benefit the region and alleviate intermunicipal competition for businesses. Revenue pooling allows participating municipalities to share revenue streams, such as sales taxes, property taxes, or occupation/business taxes.
Municipalities that engage in revenue pooling do so because they recognize the fiscal disparities between communities with large tax bases and those with service demands from residents who work throughout the region (box 2).

**City-County Reorganization**

Reorganization of city and county functions offers the most dramatic change in the form of regional governance. It creates a new governmental structure where the central city and county either merge entirely or combine certain services, such as planning or public utilities, or where a new regional entity is superimposed on existing structures. Although city-county mergers usually require significant state intervention, they offer the potential for greater governmental efficiency as well as more effective regional economic development.

Evidence exists that city-county mergers can lead to improved economic development and increased regional collaboration and partnerships. Studies of such mergers around the country have found that successful cases occur in metropolitan areas with strong private and public leadership and a shared vision for the region's economic future. Legacy cities could benefit from these types of mergers, but because of their multiple economic and fiscal challenges, they may need to adopt an incremental approach to reorganization.

Several states in which legacy cities are located, such as Ohio and Pennsylvania, allow selected city and county services or offices to be eliminated and/or merged over time, making incremental approaches feasible, which potentially leads to mergers down the road.

Three forms of city-county reorganization exist, depending on the number of government levels involved. One-tier reorganization, or consolidation, results in a new

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**BOX 2**

### Three Revenue-Sharing Programs

The Montgomery County (Dayton, Ohio) Economic Development and Growth Equity (ED/GE) Program consists of two different funds used to generate economic development within the county. Jurisdictions apply for grants to finance economic development through the ED Fund, which prioritizes infill projects in areas already served by basic public infrastructure to retain or create jobs in economic sectors that have high growth potential and represent collaborative efforts between municipalities. The GE Fund provides for sharing a portion of property and income tax revenues collected as a result of economic growth in the county with participating municipalities, which either contribute or receive money based on their relative growth during the previous year. In 2010, ED/GE Program recipients created over 100 jobs and retained over 500.

The Twin Cities Fiscal Disparities Program in Minneapolis/St. Paul, Minnesota, was designed to promote better planning and a more effective regional distribution of fiscal resources. Begun in 1975, the 300 taxing jurisdictions within the seven-county region contribute the revenues from 40 percent of the growth in their nonresidential property tax base into an area-wide pool. The program is widely heralded as both reducing fiscal disparities, which is more easily quantifiable, and promoting more rational regional development, which is manifested in new physical development patterns.

Regional Asset Districts are special tax districts used to fund regional resources such as arts and cultural institutions, parks, or libraries that contribute to both the regional economy and quality of life. The costs are spread beyond the host municipality to the larger region that benefits from the asset. The Allegheny Regional Asset District in Pennsylvania, for example, distributes a portion of countywide sales tax revenue to fund various cultural venues, including many in the city of Pittsburgh.

State enabling legislation is generally required to implement a program at either county or multicounty levels, such as those in Minnesota or Pennsylvania. Stringent management is needed to ensure that formulas are calculated correctly and funds disbursed appropriately, which imposes additional responsibilities on state, county, and local agencies. Revenue-pooling plans like the Twin Cities Fiscal Disparities Program, however, may also raise constitutional implications in some states, particularly with respect to provisions governing how taxes are levied and tax proceeds are used.
A governmental entity responsible for all service delivery in the area. This is the most popular approach; well-known examples include Louisville-Jefferson County, Kentucky; Nashville-Davidson County, Tennessee; and Indianapolis-Marion County, Indiana. Two-tier federations, where two levels of government remain in place with one providing local services and the other addressing regional issues, are less common. Three-tier reorganization involves superimposing a third regional level of government onto multiple counties through state legislation or voter approval. Each type of merger has a different story.

The Louisville-Jefferson County one-tier merger, which brought together the executive and legislative branches of city and county governments, was finally approved by the voters on the fourth try in 2003. All residents of the newly combined entity voted on a single mayor, but incorporated suburban cities within the county remained intact with their premerger boundaries, services, and elected officials. Since then, the 26-member council is elected by districts, which include Louisville, the incorporated suburban cities, and previously unincorporated areas within Jefferson County.

The consolidation of Nashville and Davidson County in 1963 is another example of a one-tier form. It was driven by the need to improve services in unincorporated rural areas. The county now has a consolidated school system, and other services include police, fire and ambulance, courts, health, welfare, mass transit, and parks and recreation.

The Indianapolis and Marion County consolidation, known as Unigov, was carried out in 1970 through state legislation, as distinguished from the other two examples, which were approved by the voters. The primary feature created by Unigov is the legislative body, known as City-County Council. Through a compromise, several...
cities in the region still maintain their own police forces, school systems, and mayors; in addition, fire services and school districts are maintained at their pre-Unigov borders in some instances. Nevertheless, these cities are also part of Indianapolis-Marion County and are thus represented on the City-County Council. In 2005, the council approved a merger of the Indianapolis Police Department and the Marion County Sheriff to create the Indianapolis Metropolitan Police Force.

These examples share several similarities. Debt and debt repayments remain the sole responsibility of the jurisdiction that incurred them. While the city and county have merged, the mergers may leave intact pre-existing independent suburban municipalities, school districts, or volunteer fire districts. These consolidated city-county governments have been legally designated as “cities” and provide municipal services such as garbage collection and fire protection within the urban areas, while also providing county-level services, such as human services, courts, and jails, to all jurisdictions.

The unique metropolitan system of government created in Miami and Dade County, Florida, in 1957 is a two-tier federation. It allows each municipality, including the city of Miami, to retain its own elected mayor and government and to provide police and other local services, while simultaneously electing a county-wide mayor and a board of commissioners from 13 districts within the county. The county or regional government oversees 25 departments, including regional finance, parks and recreation, public housing and community development, public works, economic development, planning, and transit.

Only two examples of three-tier reorganizations exist in the United States: Minneapolis/St. Paul, Minnesota, and Portland,
Oregon. The Metropolitan Council of the Twin Cities, established by state legislation in 1967, is governed by a 17-member board of metropolitan residents appointed by the governor. The Metropolitan Council has taxing and policy-making authority over special districts and local planning processes. It operates the region’s bus systems, collects and treats wastewater, maintains an urban service area to guide orderly regional growth, and provides a framework for decision making and provision of regional services. Portland Metro was created by referendum in 1978, but had its historical antecedents in the creation of a Metropolitan Service District in 1970. It manages the regional urban growth boundary and environmental, solid waste, and transportation services, as well as a variety of other regional services and public facilities.

**Takeaways from New Regional Forms**

First, developing all of these new forms took place over a long period of time—in some cases, decades—depending upon whether the beginning is dated from the official vote or from informal discussions among civic and elected leadership. These changes in government form occurred incrementally, starting perhaps with informal, nonstructured collaborations for economic regrowth or shared services at a very local level, driven by pure and easily quantifiable cost savings.

Second, some research has found that local government efficiency increases when the population is up to about 25,000 people and remains relatively unchanged until the size reaches 250,000, at which point counties may achieve economies of scale for capital intensive services such as public works (Holzer, Fry, and Charbonneau 2009). While there is limited evidence to suggest that integration will lead to greater governmental efficiency for regions with populations below 250,000, many of the counties or regions in which legacy cities are located are well above that level (table 6).

Third, current data is insufficient to allow broad-based conclusions to be drawn about whether and how these reorganizations lead to specific cost savings. The limited data that does exist is mixed, in part because of the difficulty in finding metrics that allow consistent comparison among jurisdictions. While it can be difficult to calculate actual savings, there are still benefits to city-county consolidation. Louisville-Jefferson County experienced a post-consolidation increase in its credit rating, saw savings in executive branch salaries, and was able to extend public services previously offered only within Louisville without a tax increase. Other financial benefits may be derived from reductions in workforce, facilities, and equipment (Holzer, Fry, and Charbonneau 2009).

It is important to underscore, however, that many reorganizations were driven by other important objectives, such as the need to bolster economic development and create a more effective regional planning system, with a secondary goal of streamlining government. Mergers may foster more efficient distribution of economic development resources by reducing harmful intermunicipal conflicts.
or intercounty competition. Four issues need to be considered by cities and regions contemplating some type of merger.

- Mergers are complicated and time-consuming. They have the potential for increasing costs, especially during the initial stages, including the cost of transition, reconciling service and salary differences, and additional equipment and/or administrative infrastructures necessary to oversee and facilitate the merger.

- Lower costs or better services at a set cost are likely to be achieved in the long term, especially as economic development and planning efforts become more effectively regionalized.

- City-county mergers usually require state authorization, and in most cases require voter approval. Initial ballot attempts often fail. In both Nashville and Louisville, it took several attempts before consolidation was finally approved by referendum.

Successful passage requires strong leadership, a solid vision, careful planning, and voter education, among other factors.

- Consolidation is also more likely to occur in counties where a higher percentage of the population resides within the city rather than in the county, in which case the incentives to merge are greater. Opposition to the kinds of changes typical of mergers tends to come from residents outside the major city.

While many political obstacles, at both the state and local level, stand in the way of creating new regional forms of governance in legacy cities, they are not insurmountable. The potential benefits—creating a more productive system for planning and economic development throughout the region, and gaining cost savings and efficiencies in government—are significant and worth the effort to overcome the obstacles.

### Table 6

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Notes:
1. City is part of consolidated city-county government.
2. Philadelphia city and county are coterminus.
Chapter 4
What It Takes to Change

Change is difficult. Embracing new forms for legacy cities demands difficult decisions and requires local officials, business leaders, and citizens to engage in the wrenching process of uncoupling themselves from prior patterns of thinking and acting in order to adopt new ones. There are many constraints on such change, particularly when transforming the physical form of the city and moving toward new models of urban structure. At the same time, some cities have found ways to overcome those constraints and make change a reality. This section explores both the obstacles blocking change and a model that may make it possible, which is called “strategic incrementalism.”

It begins with the question: What does successful regeneration mean?

Defining Successful Regeneration
For all the attention given to the future of legacy cities, the definition of success remains elusive. A city has at least four separate dimensions. It is a physical place, made up of buildings, the spaces between them, the neighborhoods and areas into which they are assembled, and the infrastructure that links them. It is also a body of people who live in the city, and their social and economic conditions and needs. It may be an economic place, as a center for business activity and opportunity. Finally, it...
is a political and fiscal entity, which must maintain the city’s physical and economic environment and provide the services to maintain the city as a physical, social, and economic place.

Most of America’s legacy cities are in serious trouble in all of these dimensions. They contain vacant and substandard properties without enough market demand to foster redevelopment. Their residents are disproportionately poor and unemployed, and many lack the skills and education needed to compete in today’s workforce. Jobs have disappeared and the cities’ historic, regional, and economic roles have sharply declined. Many cities, moreover, are in fiscal crisis, unable to maintain their infrastructure or provide the services that their residents and businesses need.

Regeneration is not about signature buildings or megaprojects, but about changing the physical, social, and economic conditions of the city. If market demand can be increased so that people restore vacant buildings or build new houses on vacant land, the city’s physical environment will improve. If the skills of the resident population increase so they can successfully compete for jobs throughout the region, their social and economic conditions will improve. If the city can leverage its assets to create new engines of export-driven economic growth, it can regain a pivotal role for its regional economy. If these changes take place, the city may also be able to generate the resources to become sustainable, and provide the services and infrastructure needed to be a vital entity.

This scenario suggests three central outcomes of successful urban regeneration.

• Demand for the city’s built environment is strong enough to ensure that buildings are utilized and well-maintained; abandoned buildings are restored to use; and vacant land is reused for productive purposes. Prices should be high enough that developers are motivated to build and homebuyers to restore houses without the need for public subsidies.

• The residents of the city have a healthy mixture of incomes and educational levels and compete effectively in the regional economy; while the city may still have poor people, their share of the total population is not disproportionate, and they are offered the opportunity to move up economically.

• The city is a center of economic activities that utilizes distinctive physical, institutional, or cultural assets to draw people or money from the region and beyond, create opportunities for the city’s residents, and reinforce demand for the city’s built environment.

These three outcomes are potentially interrelated. Fostering greater economic opportunity among the city’s residents will only improve physical conditions in the city if upwardly mobile residents choose to stay; otherwise, those same opportunities may prompt them to leave, finding homes in nearby suburbs. Growth of new economic engines in the city may create jobs and opportunities for city residents, but not if those jobs are filled by suburban residents. Thus, intentional strategies are needed if the potential synergies that flow from regeneration are to be realized.

The outcomes are heavily dependent on the city’s links to its region; none of these outcomes, however, are necessarily connected to the city’s population trajectory as such. Public officials and civic leaders often appear to be preoccupied with reversing population decline as an end in itself, yet the relationship between population decline or growth and the physical, economic, and social conditions of a city is not a simple one (Mallach 2012).
Although there is some association between growth and prosperity, and between decline and impoverishment, evidence suggests that population stabilization and re-growth follow rather than lead to change in the city’s physical, social, and economic condition. Stability and revitalization are more likely to be both beneficial and sustainable when they flow from other positive changes that make the city a more attractive place for people to live and work, rather than as goals in themselves.

Another important issue is the relationship between regeneration and social equity: who benefits and who may be harmed by change. Rising home prices may benefit a neighborhood as a place, but may push the cost of housing beyond the reach of low-income people who currently live there. Similarly, an improvement such as adult educational attainment may either reflect better outcomes for the city’s residents or may be the product of more highly educated in-migrants displacing less-educated, long-term residents.

The in-migration of the former or the creation of jobs and new economic engines provide valuable benefits to a city. Their value, however, should not obscure the need to build a city that offers more desirable neighborhoods, greater economic opportunity, and a better quality of life for all of its residents. Regeneration should not be seen as a process of “trading in” a less desirable for a more desirable population.

Finally, it is important to recognize that there will never be a single point at which a city is seen as either recovered or not. Instead, cities exist along a constant sequence of change. National and global economies are always moving, and the ingredients for economic success are constantly in flux. Rather than following a consistent upward trajectory, change moves in fits and starts, with periods of decline interspersed with periods of growth. No level of improvement, however dramatic, in any city’s fortunes ever means that a city’s problems are over.

**UNDERSTANDING CONSTRAINTS ON CHANGE**

**Practical Barriers**

The practical barriers to plans for change might be enough in themselves to block most efforts. Nearly all cities are under severe fiscal stress; legacy cities are particularly hard hit as they suffer from structural fiscal problems likely to constrain their ability to maintain public services, let alone invest in change.

The obstacles are primarily in physical or spatial reconfigurations. Activities such as brownfields cleanup, demolition, and relocation are wildly expensive, and no plausible source of public or private funds currently exists great enough to finance a large-scale, physical renewal plan in any of the cities where it might be appropriate. In addition, many of the direct fiscal or economic benefits of reconfiguration may be elusive or overstated. Given the many competing demands facing cities, even if funds were available, it is hard to argue that this ought to be the highest priority. Many legacy cities have already slashed services drastically in response to their fiscal problems, making massive cuts in police and fire personnel, closing schools and firehouses, and deferring or eliminating capital expenditures. There may be little left to cut.

Fostering practical, large-scale reuse strategies is equally problematic. Such strategies typically require public control of far more inventory of vacant and underutilized land than is likely to be controlled by all but a handful of cities. Most local officials are understandably reluctant to move aggressively to acquire more vacant land, and thus take responsibility for removing thousands
of properties from the tax rolls. This does not mean that more limited land assembly efforts will not take place in response to a specific development proposal or community initiative, but citywide land assembly as a comprehensive strategy appears fruitless.

Even if land assembly were less of an obstacle, large-scale reuse would still be problematic. Urban agriculture, for example, has been proposed as a means of promoting reuse of vacant urban land; while it offers some real benefits, its potential as a tool for massive, urban reconfiguration is uncertain and may be limited. Not only is urban agriculture beyond the scale of small market gardens hindered by the fragmented nature of public land holdings, but it is also constrained by problems of soil contamination from prior industrial uses or generations of lead-bearing exhaust fumes, as well as the difficulty of connecting to a regional or national food processing and distribution system.

While the practical obstacles to other forms of change, such as economic restructuring or reframing regional relationships, may not be as overwhelming as those impeding land use reconfiguration, they are significant.

**Political obstacles**

The political barriers to large-scale transformation are equally daunting. Detroit Mayor David Bing’s 2010 statements about “rightsizing” that city unleashed a firestorm of community opposition (Butler 2012). The idea of “rightsizing” once-vital neighborhoods carries with it powerful negative associations that can override seemingly practical considerations. Although the federal urban renewal program was formally abolished almost forty years ago, its echoes still reverberate in many African-American neighborhoods. The racial divide continues to influence the political reality of nearly all legacy cities, where African-American
residents are usually both disproportionately poor and under-represented in the city’s circles of power.

The racial and economic gap forms the context for much of the political opposition to rethinking local governance structures and to regional realignment. Inside local government, racial issues may further compound politicians’ reluctance to share power or control with nongovernmental partners. The legal and fiscal obstacles, including antiquated state tax policies and the resistance of suburban jurisdictions to greater economic integration with their poorer urban neighbors, should not be underestimated.

At the regional level, even where more far-sighted suburban politicians may understand the rationale for building cooperative relationships with central cities and addressing critical issues on a regional rather than a narrowly local basis, their constituents may resist any loss of autonomy in the interest of regionalism.

**Path Dependence**

“Path dependence means that current and future states, actions, or decisions depend on the path of previous states, actions, or decisions” (Page 2006, 88). This view stresses the extent to which decisions made in the future are constrained by those made in the past. There are few arenas in which the evidence of path dependence is stronger than in legacy cities. Behaviors and attitudes that were formed in these cities’ industrial heydays continued to dominate for decades afterward, making it not only difficult to act on the basis of the changes that were taking place, but almost impossible to discuss them in a rational fashion.

These attitudes have shifted over the past decade, but often they do not lead people to confront their challenges. Instead, a new structure of path dependence, which assumes continued decline rather than fostering change, emerges to replace the prior framework of denial. Those who have never experienced anything but decline may have difficulty even conceptualizing a different reality. Although the discourse may have changed, the political and institutional systems that drive decision making remain much the same.

Path dependence is perpetuated by the institutional framework of legacy cities, which provides generous benefits for those who participate in the system and maintain the status quo. The benefits can be financial, or can come in the form of status and prestige for elected officials and civic leaders. In such systems, public policies and resource allocation tend to be driven by past practices, or become a form of benign patronage system.

This behavior is not necessarily driven by base or inappropriate interests. A political leader who does not truly believe that significant change in her city’s trajectory is realistically possible and who is aware of the political and practical constraints on change has no credible reason to risk her political standing or the city’s resources on actions that she sees as having no productive outcomes. The larger and more ambitious the effort, the greater the difficulty in overcoming the constraints, the greater the perceived risk, and the more remote any likely positive return, such as community gains or personal political benefit.

**Making Change Happen: The Case for Strategic Incrementalism**

Given the powerful obstacles to change, one may wonder how it is that change takes place at all. That it does happen reflects the reality that there are also pressures for change, as well as opportunities that can be seized by effective leaders and partnerships. Where leaders have been able to
capitalize on those pressures and opportunities, they have used them to build sustained attempts at change. Examples of such efforts include Pittsburgh’s ever-changing but ongoing coalition of public officials, corporate and civic leaders, and the institutional, governmental, and philanthropic partnerships that led to the East Baltimore Development Initiative—driven by the challenge of maintaining and building on the economic engine represented by the Johns Hopkins Medical Center.

The watchword for creating change through new physical, governmental, or economic forms is strategic incrementalism. A shared vision of the city’s future is a necessary starting point for change. Without a shared sense that their city can be a better place, and that its seemingly inevitable downward trajectory can be halted and reversed, local officials and civic leaders will not find the will to break loose of path dependence and make decisions that challenge the status quo. At the same time, planners and policy makers must match their ambitions to reality and avoid grandiose proposals that fly in the face of what is truly possible. They must also build the case for the vision and for its implementation because the obstacles to implementation are great.

The experience of legacy cities highlights the importance of melding a long-term strategic vision with an incremental process for change. This is particularly important where cities are trying to move simultaneously toward new forms in different realms—fostering physical change, erecting new
governance frameworks, restructuring local economies, and building new regional relationships.

Creating a vision does not require that it be embodied in a formal plan, such as a comprehensive land use scheme. While such a plan can seem to be a powerful embodiment of a vision, it can equally become a diversion or an impediment by setting goals that are unrealistic or simply by setting too many goals, a phenomenon that has been a problem with foreign aid programs as well (Easterly 2006). In its place, cities should explore multiple, flexible, strategic planning processes that reflect the multifaceted nature of their activities (Schilling and Mallach 2012). On occasion, the opportunity for large-scale, transformative redevelopment arises, as in the redevelopment of the Bethlehem Steel Works in Bethlehem, Pennsylvania, or the Cincinnati riverfront (box 3). Those cases demand comprehensive, strategic planning over many years. Most often, however, the actions that a city can realistically take in order to pursue its vision are modest, incremental ones. Yet, if pursued consistently over time, those incremental steps can become transformational.

Cities take incremental actions all the time. Streets are resurfaced, parks improved, and houses rehabilitated. Those actions, however, are rarely animated by any larger strategy or overall vision. In some cases they may be driven by political considerations; in others, by path dependence.

A vision can replace such haphazard and often wasteful approaches by implementing strategies that in turn guide specific decisions. A vision of making a neighborhood an area of choice that attracts homebuyers
For over a century, the city of Bethlehem, Pennsylvania, was dominated by the Bethlehem Steel Works, a massive complex that covered much of the city’s South Side, and employed tens of thousands of workers. When the plant closed in 1995, rather than mourn its demise, the city worked with the owners to plan for its reuse and adopted a master plan for redevelopment in 1998. While plans to bring a Smithsonian-affiliated museum of industrial history proved in vain, the city was able to bring a casino to the site. It has served as an anchor for other development, including a range of arts facilities, public television studios, and a shopping complex. While plans for further housing and mixed-use development are in the works, after 18 years, redevelopment is far from complete. The success of the Bethlehem Steel project highlights the importance of an overall plan and strategy, as well as the ability to modify the plan over time to reflect changing conditions and new opportunities.

Youngstown Neighborhood Development Corporation focused its resources on neighborhoods that, although troubled, were still vital and potentially capable of regeneration (box 4). There are strong arguments to prioritize such areas over attempts to pursue the large-scale reconfiguration of mostly abandoned areas. Legacy cities like Youngstown are now seeing extensive and

**BOX 3**
**The Redevelopment of the Bethlehem Steel Works**

For over a century, the city of Bethlehem, Pennsylvania, was dominated by the Bethlehem Steel Works, a massive complex that covered much of the city’s South Side, and employed tens of thousands of workers. When the plant closed in 1995, rather than mourn its demise, the city worked with the owners to plan for its reuse and adopted a master plan for redevelopment in 1998. While plans to bring a Smithsonian-affiliated museum of industrial history proved in vain, the city was able to bring a casino to the site. It has served as an anchor for other development, including a range of arts facilities, public television studios, and a shopping complex. While plans for further housing and mixed-use development are in the works, after 18 years, redevelopment is far from complete. The success of the Bethlehem Steel project highlights the importance of an overall plan and strategy, as well as the ability to modify the plan over time to reflect changing conditions and new opportunities.

**BOX 4**
**Youngstown’s Story**

Youngstown, Ohio, provides another example of incremental action. While the Youngstown 2010 plan, which called for rethinking the city as a smaller city, received national media attention, its adoption in 2005 led to little action. Things only changed in 2009, when a local foundation created the Youngstown Neighborhood Development Corporation (YNDC) to pursue incremental strategies consistent with the plan’s vision. After a careful assessment process, YNDC decided to focus on the Idora neighborhood in the city’s southwest, where a central part of their effort was the Lots of Green strategy. According to the YNDC website, it “seeks to repurpose all land in a target area, transforming the physical fabric of strategic neighborhoods.” All of the 120 vacant lots in the Idora neighborhood have been reused for purposes that include expansion of an adjacent regional park, community gardens, a 1.5-acre urban farm and training center, and side yard expansions.
often rapid destabilization of traditional neighborhoods like Idora; absent concerted efforts to reverse this trend, some cities may be left with few viable neighborhoods outside their downtown and near-downtown cores. This is a matter of far more urgency for the future viability of legacy cities than repurposing land in largely vacant areas (figure 10).

Such incremental approaches offer promising models to grapple with options that, however much they may fall short of radical transformation, are realistic and feasible and may be stepping stones to greater change. Working in increments is equally relevant to changing governance structures and regional relationships, where efforts to force radical change without gradually laying the groundwork generate passionate resistance and often fail. Actions that are not based on a shared, coherent vision are no more than separate, unrelated steps, and are unlikely to lead to fundamental transformation.
FIGURE 10
Over 100 Vacant Lots Have Been Successfully Reused in Youngstown’s Idora Neighborhood, 2012

CHAPTER 5
Conclusions and Recommendations

It is a cliché, but nonetheless true, that there are no silver bullets to solve the challenges of turning around America’s legacy cities. The problems are highly complex and the challenges deeply entrenched. However, hopeful signs are emerging: change is fostered through the herculean efforts of local heroes who have forged strategic visions for change, articulated the incremental steps needed to move toward that vision, and brought people together around that goal. Finding new forms for these cities requires leadership, persistence, patience, and most of all, collaboration and partnerships.

While specific steps to bring about change will vary from city to city, there are ten broad strategies that cities must adopt in order to find the forms that will enable them to become competitive in the twenty-first century.

REBUILD THE CENTRAL CORE
Rebuilding the central core of legacy cities often constitutes the first step in the regeneration of a city. If the physical fabric of the area is largely intact, the combination of density and a walkable, urban texture with proximity to major institutions and employers creates significant opportunities for regeneration driven by residential redevelopment. This is likely to lead to other economic development opportunities.

Cities should build multifaceted, core revitalization strategies, including partnerships with key core institutions, such as universities, medical centers, and major
corporations; create plans and regulatory schemes designed to maximize development opportunities while maintaining the area’s distinctive character; provide financial and other incentives for private market reuse of older buildings and infill development; and create public spaces and other improvements to enhance the quality of life in core areas.

**SUSTAIN VIABLE NEIGHBORHOODS**

Legacy cities contain many viable residential neighborhoods. While some of those areas have gained renewed vitality in recent years, many others have shown signs of physical deterioration and market decline. Sustaining these areas and building their attractiveness as neighborhoods of choice in their regions are critical tasks for legacy cities.

Cities should build partnerships with neighborhood associations and CDCs to implement multifaceted neighborhood strategies that address destabilizing elements such as crime, speculation, foreclosure, and property abandonment. Cities should also build better schools, shopping, and community facilities while actively marketing the city’s neighborhoods to the regional housing market. At the same time, given limited resources, cities may have to be selective and determine which areas to prioritize for public resources and investments.

**REPURPOSE VACANT LAND FOR NEW ACTIVITIES**

The large inventory of vacant land and buildings in legacy cities is a valuable asset, and should be seen as such by local officials and their partners. By repurposing it for new uses, such land can become the springboard for building new quality places. It must be an ongoing process to reuse vacant land, taking into account the differing character of the areas, the extent of vacant property, the configuration and condition of the properties, and the available reuse options. Demolition, which should take place in a strategic fashion linked to stabilizing areas and creating reuse opportunities, must be part of any repurposing strategy.

In areas that retain a neighborhood physical and social fabric, this strategy needs to take place through community partnerships to ensure that reuse of vacant properties strengthens the existing neighborhoods. In more heavily disinvested areas, cities should explore large-scale reconfiguration of land uses, including the use of the properties for public open space, urban agriculture, or stormwater management.

**USE ASSETS TO BUILD COMPETITIVE ADVANTAGES**

Legacy cities need to re-establish a strong economic base to ensure their sustained regeneration. They need to look closely at their physical, institutional, cultural, and other assets in order to understand the city’s and region’s competitive advantages, and identify the areas where they can build new, export-oriented economic engines.

Having identified opportunities, cities must build and sustain the long-term partnerships and relationships needed to make them happen. A major project, such as a convention center, casino, or sports facility can become an important asset, yet it is not a strategy for change in itself, unless it is integrated into larger schemes to make a meaningful contribution to the city’s future.

**RE-ESTABLISH THE CENTRAL ECONOMIC ROLE OF THE CITY**

While legacy cities may never regain the dominant positions they once held in their regions, it is important for them to re-establish central economic roles, over and above the delivery of governmental, health care, and social services. Cities should focus on
building export-oriented economies linked to the regional, national, and global networks, not only to build wealth and generate financial multipliers within the city, but to further their engagement with their regions in ways that will ultimately break down urban/suburban barriers and lead to greater regional integration.

Import substitution activities can add value to the local economy and enhance residents’ quality of life, but they should always be seen as secondary to the larger goal of building export-oriented activities that re-establish a central economic role for the city.

**USE ECONOMIC GROWTH TO INCREASE COMMUNITY AND RESIDENT WELL-BEING**

While economic growth can be a valid goal in itself, it is particularly important as a means of benefiting the many residents in need of economic opportunity and the chance to move out of poverty or near-poverty.

Cities should develop strategies to ensure, to the extent feasible, that economic development in the city creates job and business opportunities for its residents. To accomplish this, cities should partner with local educational institutions and major employers to build an educational and workforce development system that can prepare residents for employment opportunities and to compete successfully in the regional labor market.

**BUILD STRONGER LOCAL GOVERNANCE AND PARTNERSHIPS**

While the growth of new economic sectors and stronger markets will ultimately transform these cities, those changes may not take place unless the cities themselves build new and stronger local governance structures, reorganize operations, and build greater capacity. Partnerships must be created to bridge the public, nonprofit, and private sectors. Elected officials need to work closely with their cities’ anchor institutions, including universities, medical centers, and emerging high-tech sectors, as well as with neighborhood associations and CDCs.

In tandem with building partnerships within the municipality, intergovernmental relationships and governance structures that cross jurisdictional boundaries should be pursued as vehicles for more cost-effective
service delivery, and for fostering economic attraction and growth to benefit all parts of the region.

INCREASE THE TIES BETWEEN LEGACY CITIES AND THEIR REGIONS

Strong regions are a distinguishing feature of thriving cities around the world. While most legacy cities and their regions are already inextricably linked by social and economic realities, far more must be done to make these connections positive forces for regenerating both the city and the rest of the region. Public policy changes at both state and national levels should be pursued to solidify and formalize greater regional integration around legacy cities. Even where localities within a region have already begun to cooperate, these changes are needed to move the process to a higher level.

Such public policy changes range from collaboration to governmental integration, with the actual form of regional collaboration varying depending on the needs and priorities of the area. Regionalized infrastructure, particularly transit, sewer, and water systems, should also be encouraged to strengthen city and regional ties that foster economic growth.

MAKE CHANGE HAPPEN THROUGH STRATEGIC INCREMENTALISM

Legacy cities face daunting obstacles to change that can be overcome through a process of gradual, incremental actions driven by a shared vision. Rather than devote significant time and resources to large-scale comprehensive planning, legacy cities should focus on working with broadly based private and nonprofit partnerships to develop and internalize a vision for the city’s future. To ensure that the city’s actions and resource allocations are consistent with this long view, all those involved in the city’s
regeneration should be encouraged to act in ways that help further the vision. Cities should not look to large-scale projects as the drivers of regeneration, but should foster multiple, incremental activities to create a positive climate in which change can flourish. Large-scale redevelopment opportunities should be seen as steps toward the vision—and integrated with it—rather than as silver bullets to take the place of incremental steps.

**RETHINK STATE AND FEDERAL POLICY TOWARD LEGACY CITIES**

Without constructive support from both state and federal governments, the ability of legacy cities to carry out the changes and make the investments needed to foster regeneration is severely limited. In order to provide the support these cities need, all levels of government must rethink how they address these cities and their distinct realities. Policies that actively favor suburban over urban communities or “one size fits all” regulations characteristic of many federal programs fail to respond to each city’s conditions. They often hinder rather than further revitalization. Both state governments and federal agencies need to evaluate their regulations, funding programs, and other ways in which they influence change in legacy cities to ensure that their programs actively support these cities’ own efforts to rebuild.

In conclusion, America’s legacy cities were once the great economic engines of this country. The right mixture of new forms and directions, fueled by powerful assets and an historic can-do culture of achievement, can provide the springboard for a new era of prosperity for these cities.
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ABOUT THE AUTHOR

Alan Mallach is a senior fellow at the Center for Community Progress, a nonresident senior fellow at the Brookings Institution, and a visiting professor in the Program for Sustainable Planning and Development at Pratt Institute. He is the coauthor of the book Inclusionary Housing in International Perspective: Affordable Housing, Social Inclusion, and Land Value Recapture, published in 2010 by the Lincoln Institute of Land Policy, and editor of the 2012 book Rebuilding America’s Legacy Cities: New Directions for the Industrial Heartland.

Lavea Brachman is the executive director of the Greater Ohio Policy Center and the chief architect of the Restoring Prosperity to Ohio initiative. She is a nonresident senior fellow at the Brookings Institution, and a fellow of the German Marshall Fund for the United States. She has been a visiting fellow at the Lincoln Institute of Land Policy and a visiting professor in Massachusetts Institute of Technology’s Department of Urban Studies and Planning. She is coauthor of Ohio’s Cities at a Turning Point: Finding the Way Forward, published by the Brookings Institution.

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EDITOR & PROJECT MANAGER
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Lincoln Institute of Land Policy
113 Brattle Street
Cambridge, MA 02138-3400 USA

Phone: 617-661-3016 or 800-LAND-USE (800-526-3873)
Fax: 617-661-7235 or 800-LAND-944 (800-526-3944)
Web: www.lincolninst.edu
Email: help@lincolninst.edu

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Regenerating America’s Legacy Cities

America’s legacy cities, once industrial powerhouses and hubs of business, retail, and services, have been hit hard by suburbanization and the loss of their manufacturing industries. Cities like Detroit, Cleveland, and Pittsburgh have lost more than half of their peak populations and are grappling with daunting social, physical, and economic challenges. Although all legacy cities face similar difficulties, each one is following a different trajectory. While many continue to struggle, some, like Pittsburgh or Philadelphia, have begun to regain vitality and find new and productive economic roles.

Successful regeneration is not about signature buildings or megaprojects, but about multidimensional change to the cities’ physical environments, their economic bases, and the social and economic condition of their residents to ensure that lower income and minority groups also benefit from the economic growth.

Legacy cities have many assets, including vital downtowns, historic neighborhoods, vibrant universities and medical centers, and rich cultural resources. To regenerate they must capitalize on these assets by changing their physical form to reflect a smaller population; restoring the city as a center of export-oriented economic activity; building a more dynamic, change-oriented approach to governance; and forging stronger regional and metropolitan relationships.

Intentional strategies are needed to unlock the potential of a city’s assets to make sustainable regeneration possible. The model of “strategic incrementalism” begins with a shared vision of the city’s future from which leaders can make incremental, tactical decisions that will transform the status quo, while avoiding grandiose and unrealistic plans. Nine other integrated strategies are recommended to foster change in legacy cities:

• Rebuild the central core.
• Sustain viable neighborhoods through targeted investments.
• Repurpose vacant land for new activities.
• Use assets to build competitive advantages.
• Re-establish the central economic role of the city.
• Use economic growth to increase community and resident well-being.
• Build stronger local governance capacity and partnerships.
• Increase the ties between legacy cities and their regions.
• Rethink state and federal policy toward legacy cities.

The decline of legacy cities has occurred over many years. Their regeneration will take as long, and will happen only by forging new policies and practices, and through sustained efforts by the nonprofit, private, and public sectors working together.