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Past Choices/Present Landscapes:

The Impact of Urban Renewal on the Twin Cities

by
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INTRODUCTION

The idea and the practice of urban renewal has been observed, debated, maligned, and nearly forgotten since its inception in the late 1940s. For most of the next twenty years urban renewal held great promise for solving the physical, social, and even the economic problems of American cities. After little new construction and general neglect of the urban fabric since the late 1920s, cleaning up and rebuilding extremely deteriorated urban areas seemed long overdue.

The genius of the urban renewal program, from any city's perspective, was its ability to use federal finances to solve persistent local problems. Urban renewal made a vast pool of resources available to cities, but left decisions about where and how to spend the money primarily to local officials' discretion. For the first time, most cities had an opportunity to reshape their environments in a "rational" way and at a relatively small cost to city taxpayers. In earlier decades, significant urban redevelopment was usually considered too expensive or too complicated to undertake, so few efforts of this kind were made.

Urban renewal is a short-hand term for a complex city improvement agenda. The fundamental goal, as stated in the 1949 enabling legislation, was to attain "a decent home and a decent living environment" for all Americans. Over the life of the program, many different tools were used to approach that goal, ranging from clearance and complete reconstruction in the 1950s to a greater emphasis on rehabilitation in the 1960s. Despite the differing mechanisms, the goal was always the same – a better, cleaner, healthier urban environment.

Although urban renewal was at times a rather drastic action, at first it was generally well received. Improvements brought about by the program were dramatic and they were heralded by city officials, and by most residents. Few complained when slums left from the nineteenth century were removed. But by the late 1960s the ideas that had fostered urban renewal were being questioned by residents affected by the program, and the practice of urban renewal was openly criticized by academics and community activists. Urban renewal, in its traditional guise, was abandoned as a tool for civic improvement in the early 1970s. But the effects of this program linger on, in the landscapes of our cities, and in our ideas about how city problems should be addressed.

Following urban renewal's demise, various federal programs bent on improving the physical appearance of American cities surfaced in the mid-1970s. Among these were Urban Development Action Grants (UDAGs), Community Development Block Grants (CDBGs), and many new-fangled city bonding programs. But no recent program has achieved quite the scope or scale of the city change brought about under the urban renewal program. This one improvement effort continues to stand out in the minds of many urbanites as the quintessential example of federal government involvement in American cities.

During the 1950s and 1960s, Minneapolis and St. Paul, like most other sizable American cities, used urban renewal extensively. Although both cities experienced dramatic changes under the banner of urban renewal, few people recognize this fact today. What recognition there is is usually negative, as in many other cities. Planners and other informed observers may argue about the uniqueness and wide-ranging scope of urban renewal's accomplishments in Minneapolis and St. Paul. Many believe that the Twin Cities achieved much more than other comparably sized cities, and that, overall, the program was successful. Most ordinary citizens probably could not say much about what urban renewal accomplished here, aside from pointing to public housing projects, perhaps the most visible symbol of the program's effects on every urban landscape.

This volume attempts to place urban renewal in a broad historical context—and to overcome the widespread lack of knowledge and understanding about the Twin Cities' renewal efforts. Using the program's local implementation as the starting point, we describe what was done, where, and when. Our purpose is twofold: to analyze the social and political processes that guided local renewal decisions, and to determine what spatial considerations were important in these decisions. Our basic assumption is that local renewal projects had an impact beyond the proposals, plans, and projects themselves. Despite what many people may think, urban renewal has significantly affected the current landscape of the Twin Cities.

Throughout this study, we will use terms that reflect value judgments, terms such as "blight," "improvements," "success," and "failure." We note here that such terms reflect the values in place throughout the life of the urban renewal program. Scarcely anyone in 1955 would have chosen to remain in and rehabilitate an old house when a new one was available. Today, different choices might be made. Urban renewal was based on the premise that newer was better, that efficiency of land use was to be valued, and that given a choice, most people would obviously choose to accept middle class standards, not incidentally the standards of most professional planners who directed urban renewal programs.

An examination of past local urban renewal efforts may even be timely. Formal urban renewal efforts have languished for more than a decade. But the need for a revitalization program has remained—and possibly intensified in recent years. Even in a comparatively well-off urban environment like the Twin Cities, signs of this need abound. The recent appearance of homeless *families* is one strong indicator. This phenomenon was almost unknown in the heyday of urban renewal, when most of the homeless were individual men. Consequently, planners' attention in some cities has turned once again to the issues raised under urban renewal. In late 1986 Minneapolis and St. Paul began jointly promoting a $40 million "Urban Revitalization Action Program," which is being funded by the *state*, not the federal government. As Mayor George Latimer described in a speech late in 1986, there are neighborhoods that form an "arc of hardship" around the downtown—neighborhoods with serious social and physical problems. In this statement, an echo of the 1940s arguments for urban renewal could be heard very clearly.

1. WHY URBAN RENEWAL WAS NEEDED

To those who know the landscape of the Twin Cities well, a trip back to the late 1940s might present some unfamiliar sights. Newer and younger residents might find it hard to believe that some sections of Minneapolis and St. Paul that are now full of glittery new development, were overcrowded, more densely built-up, and generally worn-out in appearance. It is difficult enough for many of us to imagine the Twin Cities without the freeway network—though with a quite extensive streetcar system. It is perhaps even harder to think of the Twin Cities without most of the suburbs, without the Dales or any other shopping centers, with most entertainment facilities (including movies) either downtown or along one of the streetcar strips, and with approximately a third of a million more people residing in Minneapolis and St. Paul proper than do today.

Myriad government documents and newspaper articles from the 1950s describe this unfamiliar Twin Cities landscape. What emerges is a description of places in both cities that are almost unrecognizable today, though many problems still remain. The differences occur partly in terms of scale. Most of us now live well beyond the strict confines of the two cities, and the problems of the cities hold little interest for non-residents. Many of us now bring far different expectations to the landscape. We expect an orderliness that was seldom possible in the past. We also expect that "someone" is responsible for solving whatever problems appear, and we are willing to look toward government at various levels for solutions. As the Twin Cities faced the prospect of renewing and redeveloping themselves in the 1950s, many had to be convinced that city governments were the proper vehicle for change, and that city officials had the authority to force change on sometimes-unwilling constituents.

LIMITED EARLY REVITALIZATION EFFORTS

Minneapolis and St. Paul were already aging by the early decades of the twentieth century. The majority of structures in both downtowns and in nearby residential neighborhoods dated from the boom years of the 1870s and 1880s. The economic life of the two cities had changed by the early 1900s, and land use had changed in response. The decline of the Minneapolis milling district was the most dramatic example. The lumber mills that had dominated the first decades of the city's life were idle by 1920, and flour milling was declining. The large area devoted to milling along the Mississippi River front near downtown was no longer needed. St. Paul had never been as dominated by one industry, but change was evident there too, as the decline of the East Third Street warehouse and commercial district demonstrated. Both downtown cores migrated as new economic functions and new building styles emerged. In Minneapolis the downtown moved away from the river, down Hennepin and Nicollet avenues. St. Paul's downtown moved away from the river and Lowertown up toward a new commercial and retail core along St. Peter and Wabasha streets.

The residential neighborhoods had changed as well. The development of a comprehensive streetcar network starting in the 1890s had allowed a great expansion of the area available for housing. People were able to move farther from downtown, and live in newer houses on larger lots. But both cities still had districts of inexpensive, crowded, poorly maintained, and unhealthful housing.

The economic boom of the 1920s, however, aggravated the problem of growing obsolescence in the Twin Cities. Automobiles became more common, and the road network was extended, fueling a powerful wave of suburbanization and making the downtowns even more congested. New housing styles had evolved, and much of the existing stock in the two cities was old fashioned and set on small lots without garages and modern conveniences. Even neighborhoods that had once been middle or upper class had started to "filter" down to less affluent residents. Levels of maintenance slipped, and houses were subdivided, often illegally. Other neighborhoods, built to house the immigrant poor of the nineteenth and early twentieth centuries were worse off. These areas had been inexpensively constructed to start with, and had not been properly maintained (Martin and Lanegran 1983).

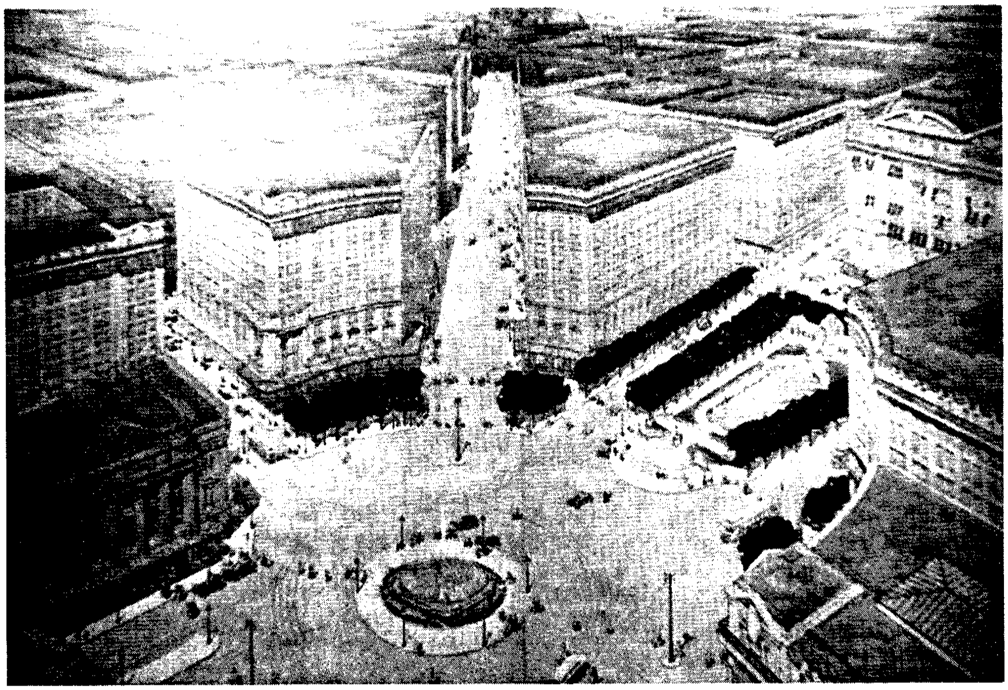
The deteriorating landscape of the two cities concerned many people in the Twin Cities, and various improvement efforts were underway by the turn of the century. Responses to deterioration came in two forms: social and economic. The first meant to improve the living conditions of the urban poor; the second attempted to revive the fortunes of the two cities. There were, quite naturally, different leaders and different constituencies for these two goals. Social improvement efforts usually emanated from religious leaders, charitable foundations, or civic groups. Economic revival efforts came from business groups or individual businessmen.

Naturally, St. Paul and Minneapolis had separate and duplicate business, social, religious, and civic groups, and the efforts of these groups in the two cities did not correspond exactly. The two efforts for social improvement and for economic revival have sometimes been complementary and sometimes competitive, but always distinct. A part of the revitalization effort in the Twin Cities since the early years of this century, these social and economic goals persist as separate and distinct motivations today.

By the turn of the century businessmen in both cities recognized that action was needed to revive the decaying downtowns. In Minneapolis, early improvement efforts focused on the old, deteriorated heart of the city next to the river. As the lumber industry declined, the historic business core of the city (Bridge Square) was left behind as commercial and retail activity moved west and south. In the early 1910s the Commercial Club, a business organization, sponsored a planning effort for the entire city, but with special attention to the downtown. The resulting 1917 document, *Plan of Minneapolis* (E. H. Bennett), offered many grand ideas, ranging from a monumental civic center at Bridge

Bridge Square Plan of Minneapolis, 1917.

The Beaux-Arts design for a grand entrance to Minneapolis shows improvements proposed for the downtown riverfront where Hennepin and Nicollet intersect. The radial street heading toward the new City Hall was never built.



Square to wide boulevards cutting through the core of the city and linking civic institutions. At the time, only a new downtown park resembled the plan. But it laid the groundwork for future thinking about improving the downtown landscape, and these ideas assumed importance when the urban renewal program later emerged (Bennett 1917).

In St. Paul, the capitol approach area was the focus of similar early concern. In 1906 the city adopted a plan for a grand approach to the capital. This plan was proposed by Cass Gilbert, the architect who had designed the most recent capitol building. The plan entailed clearing the seamy residential district that had developed in the vicinity, and rerouting many of the streets (*The Western Architect* 1909). The city, county, and state governments were involved, but St. Paul businessmen provided the leadership. Sporadic activity ensued during the 1910s and 1920s, but few elements of the plan were visible. After World War II, under the urban renewal program, the plans were revived and eventually accomplished in a greatly altered version.

Although the grand plans proposed for both cities in the early decades of this century languished for a time, the real estate boom of the 1920s prompted a resurgence of construction in both downtowns. In Minneapolis this was represented by the appearance of the Rand Tower and Foshay Tower. In St. Paul, civic, business, and government leaders created a grand boulevard by clearing several blocks of superannuated warehouses on the river side of East Third Street in 1932 (Herrold 1933). This site was then widened into the elegant Kellogg Boulevard and the riverside land made into a formal park. In the early 1930s, as the pace of private building was grinding to a halt, the present city hall-county courthouse building was constructed as a way to rejuvenate downtown with public funds.

Social improvement efforts in the Twin Cities predate these economic revitalization projects. In the late nineteenth century, settlement houses aided the immigrant poor in both St. Paul and Minneapolis, and private foundations actively assisted the needy. The Wilder Foundation (formerly the Wilder Charity) was probably the most active, though only in St. Paul. Wilder provided many and varied social services, including basic things like public baths, for many residences had inadequate plumbing. Well into the twentieth century, public health remained a prominent concern; in 1917 Carol Aronovici, a nationally renowned expert on city planning, investigated St. Paul's needs in this area (Aronovici 1917). Religious organizations also provided social

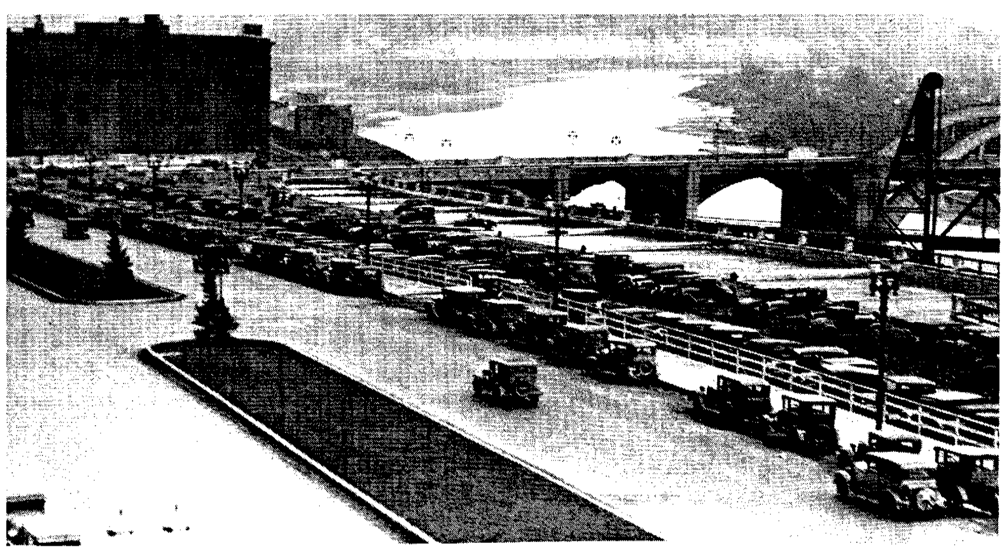
Third Street in St. Paul, circa 1930.

Here was St. Paul's "front yard" on the Mississippi River before the construction of Kellogg Boulevard.

services in both cities. During the 1930s Minneapolis was one of the few cities in the country to secure a federally-funded public housing project. Known as the Sumner Field project, and located at 6th Avenue North and Bryant Avenue, this housing was the result of a cooperative effort by Minneapolis civic and government leaders over a period of almost five years.

Unfortunately, early revitalization efforts from the 1900s though the late 1940s in the Twin Cities did not improve the living conditions of the urban poor markedly, nor did they reverse the trend of decay in the commercial and older residential districts. The scale of the problems was too large for currently available solutions, though the roots of later success are visible in these actions. Little change was achieved either socially or economically without cooperation among diverse elements of the two cities' leadership.

Business, charity, civic, religious, and government leaders in each city had to work together to accomplish even the limited revitalization of the early decades of the century. Most of those early projects—such as the new city halls that both cities built, the building of the Kellogg Boulevard esplanade in St. Paul, and the Gateway Park project in downtown Minneapolis—required some kind of government aid and support. Though projects of these kinds were almost always privately initiated through the 1940s, the business-inspired downtown projects always included an infusion of public money in some form.



Kellogg Boulevard, 1932.

When the improvements to Third Street were completed, the new Kellogg Boulevard gave the riverfront a much neater appearance. Note that access to the river here is mostly visual.

The new post offices that both cities secured in the 1930s represented another approach. Here federal money (secured by lobbying congressmen) helped anchor efforts to revitalize parts of both downtowns. In yet another variation, county and state money was vital to the Capitol Approach project. Throughout this period, coalitions of civic, government, and business leaders had learned to cooperate to achieve specific, limited goals.

The perceived role of city government changed during the early years of the twentieth century in most American cities, including Minneapolis and St. Paul. City planning became an established part of the two cities' governments in the decade after 1910, as each city set up a planning commission and adopted a formal plan. By the 1920s zoning was an accepted tool and an acknowledged power of city government. By this time, most cities had the ability to control the use to which privately owned land was put. Ironically, at the same time the size and influence of the Twin Cities' planning operations declined. In the 1930s, their operations were briefly revived with federal money, but then the decline resumed (Altshuler 1965). The planning commissions remained in place though, and the idea of planning as a function of city government also survived. By World War II, the Twin Cities had achieved several successful revitalization projects, but had yet to make a large dent in resolving the problems of physical obsolescence, social deterioration, and economic decline.

PLANNERS' VIEW AND STRATEGY

The condition of the Twin Cities, and of many other American cities in post-World War II America, provided opportunities for planners to test their theories in a real world setting. Since the 1910s and 1920s, planners in the United States had evolved strategies to clean up and improve the worst examples of city living. Their goals were ambitious: to provide clean water and sanitary facilities to all; to begin providing safe and modern housing for most; and to help divert traffic out of the city by providing new highway systems. Most plans dating from the late 1940s and early 1950s betray the environmental and behavioral determinism of the times. It is generally assumed in these documents that the physical decay found in American cities (the crowding, mixed land uses, and environmental problems described previously) had a detrimental social effect on residents. It is likewise assumed that large-scale improvements to the environment were the only possible solution to the social and physical problems that planners faced.

The term that planners used to describe the "enemy" they were facing was *blight.* Blight had many meanings, but was conventionally used to describe an urban landscape that was deteriorating. Blighted areas were those that had seen better days—regardless of whether they had originally been used by poor or wealthy people—and also included those areas where many residences were interspersed among commercial or industrial buildings (especially if the commercial purposes were morally disturbing and the industrial products were noxious). Blight was anathema to planners because it was not a rational or best use of the available land. Jumbled land uses were irksome because most planners believed that people's behavior was conditioned by the environments they lived in—and poor living arrangements were assumed to have dire consequences for children raised in them.

The City, a 1939 film shown at the New York World's Fair, embodied this attitude perfectly. The film depicts slum children playing in streets and alleys while their fathers go off to work in factories or steel mills. This view is then juxtaposed with scenes of children frolicking in a lush suburban setting, while a voice intones, "The choice is yours." The message is far from subtle. The implication is that we can improve the collective fate of our children by building the *right* kinds of housing in the *right* kinds of neighborhoods. Doing anything less is grievously wrong, as well as a major social and cultural error.

Traditional arguments of public health professionals are evident in this kind of thinking. The terminology and the ideas have been publicized since the late nineteenth century, particularly in studies of the living conditions of the urban poor (Kellogg 1909). Those who investigated these sites found people living in apartments with no water, little light, and less ventilation, and many were even living in cellars. These conditions did not afflict only the wretched poor in places like

New York City; Aronovici's 1917 study of St. Paul recorded many of the same conditions in the "vile precincts" of St. Peter Street.

Physical planners wanted to improve the landscapes of American cities *and* to create a direct social good. During the early years of the urban renewal program, planners' priorities focused on this double goal. It was not a goal that was shared by the business interests who wanted the central cities fixed up. Redistributing social goods (like housing) was inherently a program of economic redistribution, and this was not what the business community liked about urban renewal. Competition from offices and retailers in the suburbs, however, did arouse business interest in renewal; downtown businessmen saw in renewal a chance to improve their situations vis-a-vis the growing suburban competition. As Gerald Moore, the vice-president of the Minneapolis Chamber of Commerce, said in 1961, "Actually, we owe Southdale a debt of gratitude for awakening the downtown business community to do something to improve itself" (*Buildings* 1961a). If renewal also helped some people, that was fine, but for businessmen that was certainly not the paramount goal of the program.

URBAN RENEWAL BECOMES NECESSARY

A massive wave of suburbanization followed World War II, fueled by a long pent-up demand for housing. A decade of depression and five years of resource diversion for the war effort had seriously eroded new housing construction in Minneapolis and St. Paul, as elsewhere in the country. Beginning in the late 1940s, private developers strove to satisfy demands for middle-class housing through new construction in suburbs and in previously vacant parts of the cities. Federal policies supported this surge of suburban growth: federal subsidies for highway construction made suburban locations more accessible, and federal loan programs, such as the Federal Housing Authority (FHA) and Veterans Administration (VA), favored new housing over old. This new wave of suburbanization undermined the appeal of city neighborhoods for the middle class by providing attractive alternatives.

Suburbanization affected downtown areas too. Increasingly, goods of all kinds were transported by truck, rather than by railroad.

New manufacturing technologies that favored expansive, single-floor buildings made the extensive commercial-warehouse districts adjacent to most downtowns obsolete. Downtowns suddenly needed to be redesigned to fit their changed economic position.

In the Twin Cities and across America, progressive business groups began to push for downtown redevelopment, constituting what some have called a "pro-growth" coalition (Mollenkopf 1983). Usually these groups differed from, or even opposed, traditional business organizations like a chamber of commerce. The latter tended to represent a broad spectrum of business interests, were politically conservative, and resisted active government involvement in economic affairs. The progressive business groups were dominated by financial, insurance or legal firms, rather than small businesses; they recognized that government had a necessary role in downtown rejuvenation (Akenson 1962). Local business concerns about downtown revitalization were echoed at the national level by efforts to secure federal assistance for city renewal programs.

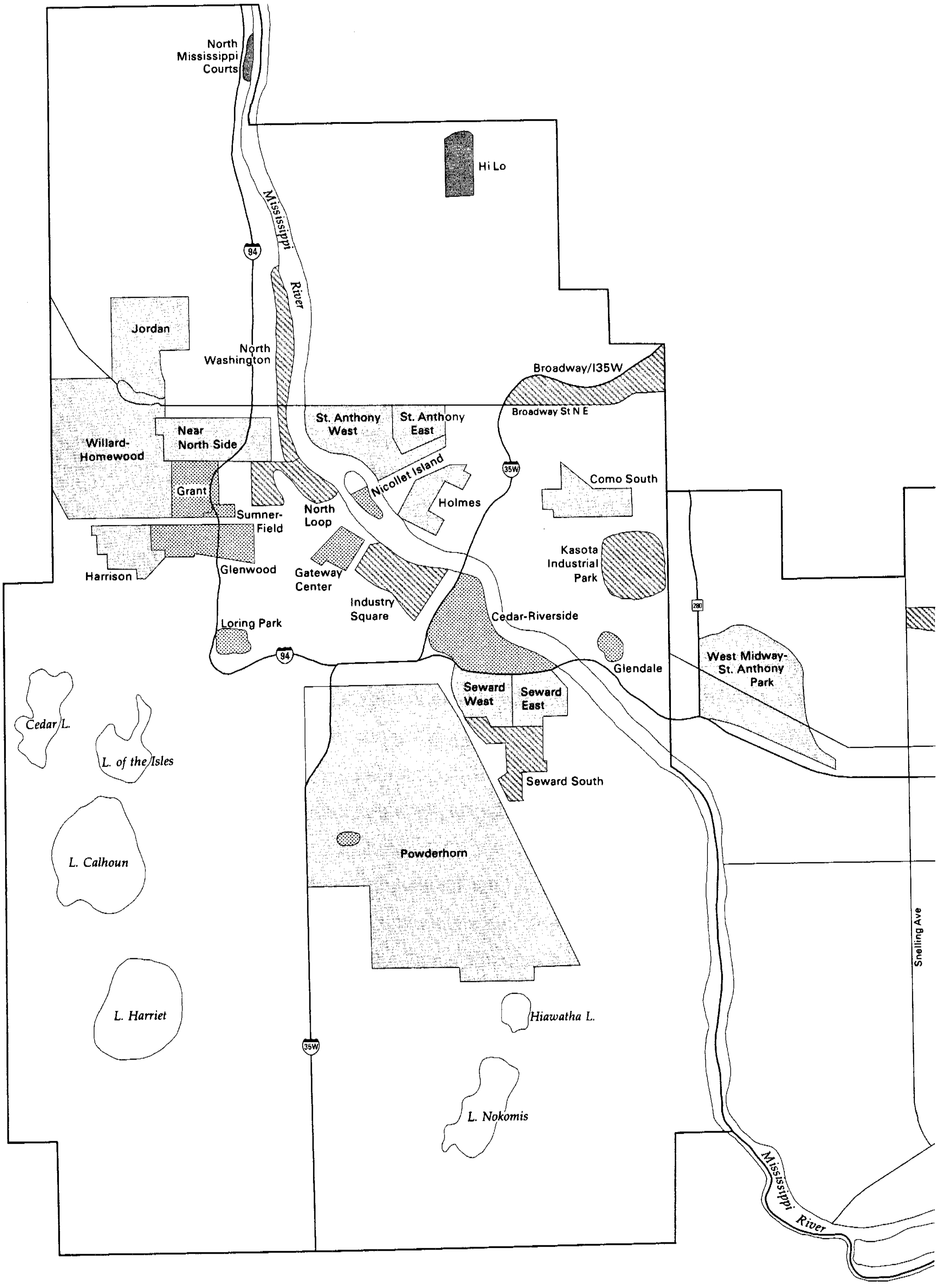
At the same time, efforts persisted to house the nation's poor. The private market had never been able to provide decent housing inexpensively enough for the poorest Americans. Until the 1930s, this problem was wholly a local issue, generally addressed only by charitable organizations. Federal housing programs of the 1930s signaled a change—local governments could now look beyond their own resources to solve these housing needs. But these programs were never well-funded, and they did not actually produce much housing.

These various social and economic concerns finally coalesced in the U.S. Housing Act of 1949—the legal framework for the implementation of urban renewal as public policy. The act had three main purposes: slum clearance, public housing construction, and economic renewal of cities. As far as possible, these goals were to be met through the private market, with substantial federal aid to local governments (Martin 1977). Ultimately, local governments would be responsible for renewal activities. During the debate over this act, most states enacted laws enabling cities to create local authorities to plan and coordinate urban redevelopment. Minnesota's law was passed in 1947, and both Minneapolis and St. Paul created housing and redevelopment authorities within a year, before the federal law was enacted.

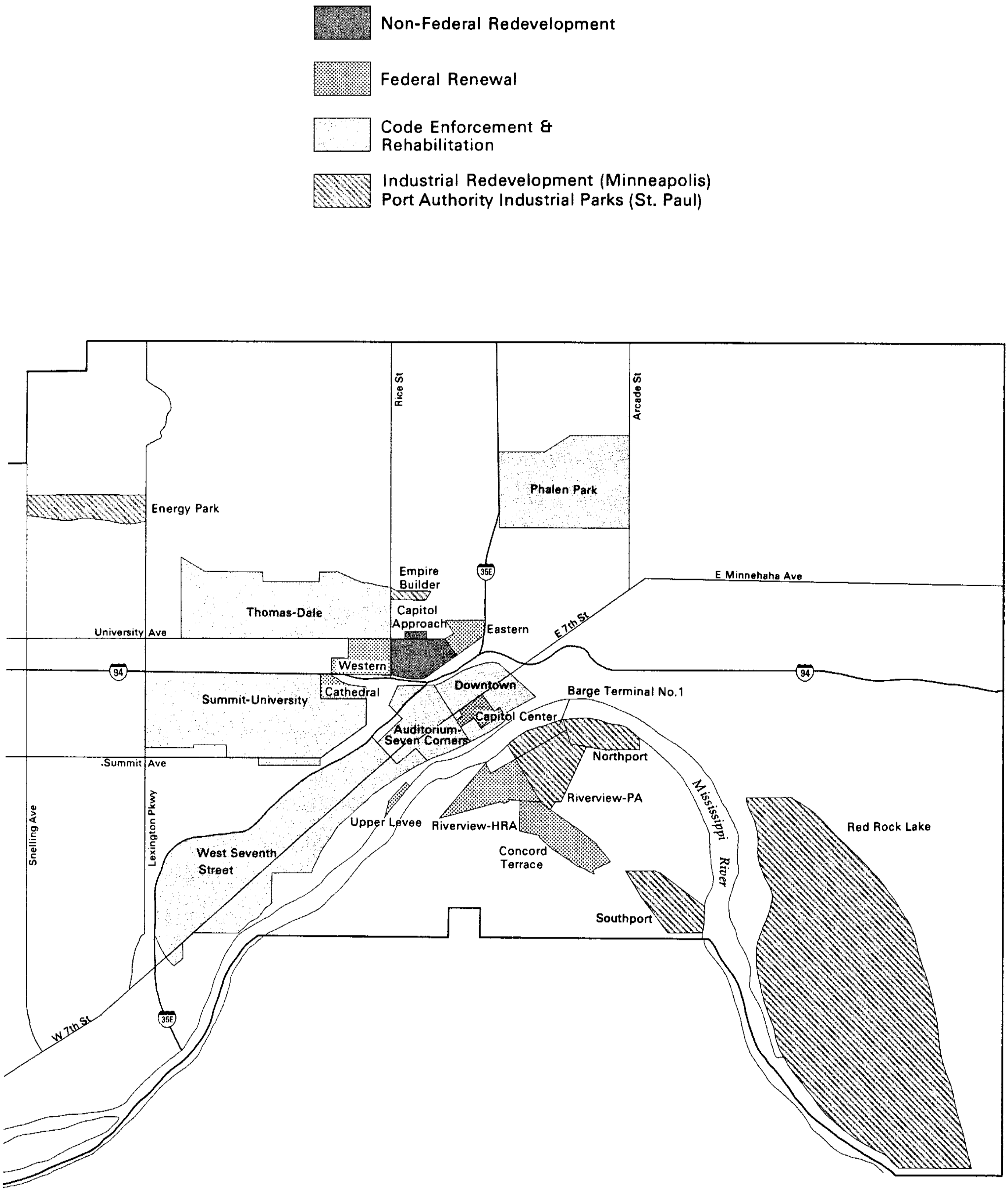
The U.S. Housing Act of 1949 was amended in 1954, 1959, 1961, and 1965, but remained the same in character until the passage of the U.S. Housing Act of 1968, which introduced the Neighborhood Development Program. The successive amendments refined the process of renewal. Cities were given progressively more responsibility, private developers' involvement in the program steadily increased, and citizens were eventually brought into the process. Clearance was gradually de-emphasized, and rehabilitation stressed for residential areas. Relocation benefits for people and businesses displaced by clearance (non-existent when renewal began) were improved, though slowly, by successive federal amendments. Comprehensive city-wide planning became increasingly important due to renewal.

HOW URBAN RENEWAL FARED

Urban renewal evolved over its lifetime, but had some persistent characteristics. Renewal depended upon interaction among the federal government, the local authority, a city government, and private developers. The federal government, through the U.S. Department of Housing and Urban Development (HUD) and its predecessor agencies, provided substantial loans and grants and supervised local planning and performance. Local authorities planned renewal projects, acquired and cleared land, found developers, and built and operated public housing. City governments found a local "in-kind" contribution for each renewal project, usually through investment in infrastructure improvements. Most of the actual redevelopment was done by private companies on land provided by the local authorities. The cost of the land was "written down." That is, the developer paid only the value of the land and not the actual cost of preparing the site, which was much higher due to building acquisition, demolition, and relocation costs (Anderson 1964).


North Mississippi Courts
Hi Lo
Mississippi River
Jordan
North Washington
Broadway/I35W
Broadway St N E
St. Anthony West
St. Anthony East
Willard-Homewood
Near North Side
Nicollet Island
Grant
Holmes
Como South
Sumner-Field
North Loop
Kasota Industrial Park
Harrison
Glenwood
Gateway Center
Industry Square
Cedar-Riverside
Loring Park
Glendale
West Midway-St. Anthony Park
Seward West
Seward East
Cedar L.
L. of the Isles
Seward South
L. Calhoun
Powderhorn
Snelling Ave
L. Harriet
Hiawatha L.
L. Nokomis
Mississippi River

Map 1. Twin Cities Renewal Efforts, 1948-85



Comprehensive planning was an integral part of urban renewal from the beginning. Local authorities were charged with devising plans and ensuring that redevelopment complied with these. In both Minneapolis and St. Paul, renewal helped to revive the moribund planning function of city government. Both cities had duplicated their planning functions: each located some aspects of planning within the city government proper and other aspects in the new Housing and Redevelopment Authorities (HRAs). This separation of planning functions has sometimes led to friction and competition.

Planners and other city officials viewed renewal as a big task, and one that could not be done piecemeal. One major stumbling block to earlier revitalization efforts was the fractured nature of land ownership, especially in downtowns. It was inordinately difficult to assemble a large piece of land and create a new use. This could be done, but it was costly. In the early 1960s the Dayton Company privately assembled an entire block in downtown St. Paul for a new department store, but probably paid a higher price for it than a renewal agency would have (Shippee 1984).

Urban renewal made land acquisition a much easier process. The legislation gave local governments the power of eminent domain, and empowered local housing authorities to use it. Eminent domain was critical to successful renewal because it allowed a city government to condemn privately-owned land and take it, even over an owner's objections. There were restrictions on land that could be taken: it had to serve a public purpose, and the owner had to be fairly compensated. There were, of course, legal objections to this extension of the traditional notion of "public purpose" (that being land that was actually used by a government function, such as an airport). But these objections were settled in 1949 by a U.S. Supreme Court ruling that slum clearance was a public purpose, even though the land would be sold to a private developer after clearance.

Renewal efforts in the early 1950s ran into snags everywhere in the country, including in the Twin Cities. City officials knew that developer commitments were needed before clearance proceeded; some cities were so anxious to begin renewal that they went ahead without developers, and were stuck for years with visible parcels of empty downtown land (including both Minneapolis and St. Paul). Inevitably, other kinds of problems arose, such as neighborhoods opposing the location of public housing. St. Paul's renewal was even slowed by two legal challenges. Still, from the start, the Twin Cities seemed to have a strong, if overly ambitious, renewal experience. St. Paul was among the first cities in the country to get public housing built and in service. In Minneapolis the Glenwood project was one of the first large clearance projects, and the downtown Gateway project was, at one time, the largest of its kind in the nation.

By the late-1960s there was widespread opposition to urban renewal on the part of planning critics and neighborhood activists throughout the United States. The program seemed to need a major overhaul. It had failed, despite twenty years and billions of dollars, to transform American cities (Jacobs 1961). City residents were tired of being displaced and seeing their urban neighborhoods destroyed in the name of progress—whether for freeways or for renewal. Their rising opposition led to the U.S. Housing Act of 1968, which instituted the Neighborhood Development Program (NDP). In Minneapolis and St. Paul, NDP did not effect a wholesale change, at least in the residential areas. But a new strategy had long been evolving that was based on spot clearance, rehabilitation and conservation, and effective citizen participation. The changes were institutionalized in NDP, and in two other Great Society programs, Model City and Pilot City. The latter two broke with traditional renewal efforts in attempting a unified attack on urban problems by mixing physical renewal with social programs. Model City programs, in particular, also opened new channels of influence by helping to create competing agencies and new political posts.

Public housing policy had also changed over the years. The early housing efforts in the Twin Cities included large family housing projects. By the mid-1960s, there was widespread opposition to family projects, and the local authorities stopped constructing them. From the mid-1960s through the early 1970s, a substantial amount of public housing was constructed in the Twin Cities, but almost all of it was housing for the elderly, a politically palatable product.

SUMMARY

Much has been written about the ideas and the implementation of the urban renewal program in the United States during the 1950s and 1960s. Most of this literature views urban renewal as a program that: (1) worked to the disadvantage of people most in need of improved housing—a great deal of substandard housing was removed, but a relatively small amount of low-income housing was constructed; (2) was a boondoggle for developers—they were able to acquire land inexpensively from city authorities, and often made large profits on the projects built on this publicly acquired land; and (3) focused on economic development issues ("let's fix up downtown") at the expense of housing and neighborhood concerns (Anderson 1964; Hartman 1964; Gans 1965).

Viewed in retrospect, much of this criticism is valid, but it does not tell the whole story. Critics have portrayed planners who developed and implemented urban renewal programs as heartless beasts who turned a deaf ear to the real needs of "the people." But it is hard to see most renewal officials as greedy and profiteering, or as consciously trying to exercise their power over helpless city residents. There are, for example, no notable cases of renewal officials growing rich working on these programs. If anything, the views of those who implemented urban renewal programs in the Twin Cities and elsewhere can be considered somewhat naive. They assumed that renewal could be accomplished quickly, that private developers would clamor for the opportunity to build in available areas, and that the renewal process could be carried out with relatively few snags. None of these assumptions proved to be true.

2. SLUM CLEARANCE

Planners in the late 1940s and early 1950s had a "solution" for the problems of urban social and physical decay. They prescribed total clearance and massive reconstruction—the first phase of the urban renewal program—to remove and replace the worst parts of America's cities. City planners believed this approach could accomplish more than any other tactic because it would provide them with the opportunity to begin again with a clean slate. More specifically, it would allow infrastructure problems like unimproved streets and flooding to be corrected, eliminate decayed housing, and permit rational separation of land uses. This view of the problems and potentials for America's cities made things seem possible that could only have been imagined two decades earlier. The clearance approach to urban problem solving provided a tool as well as an argument about what should be done to improve physical and social conditions in cities.

In Minneapolis and St. Paul in the 1950s most of the following conditions could be found without much difficulty:

- Large quantities of deteriorated housing were present throughout the older areas of both cities. The widespread practice of illegally subdividing houses into many smaller units greatly complicated this situation. After World War II, a housing shortage was experienced throughout the country, due to the pent-up construction lag left from the Depression. Returning veterans squeezed themselves and their families into whatever space was available, exerting even more pressure on the already overburdened stock of older housing.
- The land-use pattern mixed commercial, industrial, and railroad facilities with residences in many different parts of

both cities. This kind of development, typical of many nineteenth-century working class neighborhoods, was convenient for those who needed to walk to work, but posed potential environmental hazards and created some difficult and dangerous intersections for trains, streetcars, and pedestrians.

- The infrastructure system in both cities was becoming increasingly inadequate, and in some areas, was decaying. Several neighborhoods' streets were seriously deteriorated – they were still either cobbled or unpaved. Most of the sewers in both cities combined storm runoff with normal sewage, much of which was simply dumped into the Mississippi River. Electric wires and telephone lines were above ground almost everywhere.

Planners and many city officials assumed that the prevalent environmental problems and serious social problems were a by-product of these deteriorated landscapes. Residents in some poorly designed areas regularly experienced flooding, particularly in those neighborhoods located along the river flats. Many residents also faced serious public health risks due to overcrowding in much of the housing, particularly since diseases like polio were still not under control and presented a frightening risk, especially for children. Juvenile delinquency, as well as vice and crime, were also widespread (Martin and Lanegran 1983). School officials had worried for decades about the effects of city life on young minds and bodies, and those in the Twin Cities shared those fears.

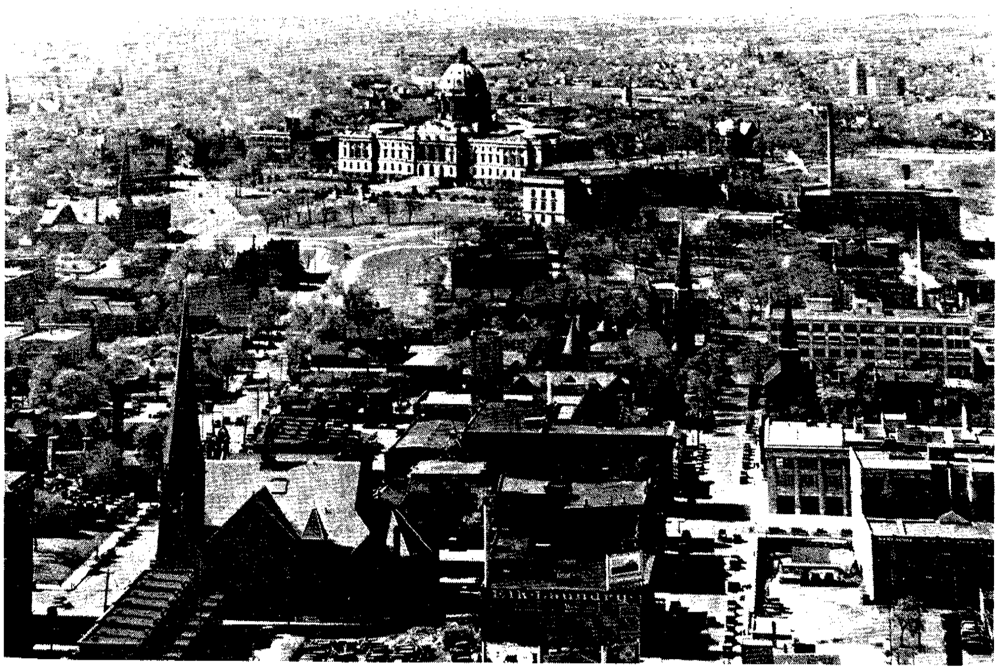
Alone, many of these problems might have been addressed separately, albeit slowly. But the massing of problems found in entire neighborhoods made each individual problem harder to solve. Civic leaders who stood ready to improve conditions in the Twin Cities faced a real challenge. Their task was enormous given the limited availability of local resources; if they had had only local resources at their disposal, very little could have been accomplished.

CASE STUDIES

Within Minneapolis and St. Paul, only a few urban renewal efforts may be considered slum clearance projects in a conventional sense. These areas all contained extremely deteriorated housing as well as some industries. They were, by any measure, the worst residential sections in either of the cities, and there was a general consensus that they needed to be replaced.

THE CAPITOL APPROACH

The earliest public concern over deteriorated areas in St. Paul focused on the Capitol building. From the turn of the century, business and civic leaders had wanted to improve the approaches to the Capitol. Its grounds were small and the building was surrounded by aging and deteriorating housing. In 1903 Cass Gilbert, the noted architect of the Capitol, presented to the St. Paul Commercial Club a plan for a series of grand approaches to the Capitol. Gilbert's plan was quite visionary; it was also a fully realized example of the "city beautiful" style of this time. Gilbert posited grand boulevards and large landscaped open spaces punctuated by monuments – all wide vistas that would open up the Capitol area and connect it to downtown.



St. Paul, circa 1927.

The Capitol Approach area in the late 1920s, before major improvements, shows only two official buildings: the Capitol itself and the Historical Society building, to the right of the Capitol.

In 1906 the city council adopted Gilbert's plan on the recommendation of the ad hoc Capitol Approach Committee. In 1907 the state legislature authorized the city to acquire land in accordance with Gilbert's plan. Soon after, the governor's Executive Council began planning new state buildings in the vicinity of the Capitol.

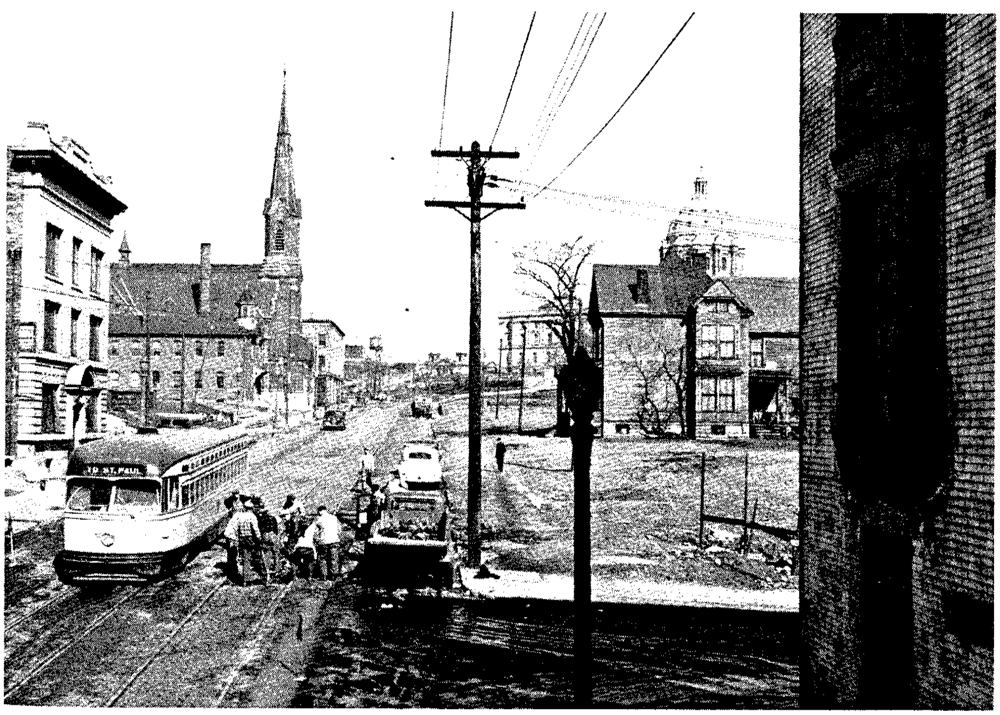
In 1916 the Amherst Wilder Charity hired Carol Aronovici to conduct a housing survey of St. Paul. The report he issued painted a gloomy picture of conditions in St. Paul. Aronovici found the housing around the Capitol to be poor, though not the worst in the city. The housing on the hill behind the Capitol was old, but in general was structurally sound. Most of the housing below the hill, in front of the Capitol and to the east, lacked plumbing and had poor ventilation. West of the Capitol, areas of adequate housing existed alongside non-residential uses. Aronovici recommended a radical and expensive program of housing improvement for low-income workers (Aronovici 1917). The Wilder Charity declined to fund the ambitious program, and Aronovici resigned.

This early momentum did little to improve the Capitol area. Isolated improvements were made over the years, but the area around the Capitol continued to decay. The grand boulevards and formal lawns envisioned by Gilbert were not built, but the state government did build two new buildings adjacent to the Capitol, adhering to Gilbert's plan—the Minnesota Historical Society building in 1917, and the State Office Building in 1932. St. Paul continued to worry about the Capitol area, and the City Planning Board's Capitol Approach Committee met regularly throughout the 1920s and 1930s. But there were few concrete results because funding for the improvements was a major obstacle during this period. A dispute recurred over whether the expense of redevelopment should be borne by the state, because the area surrounded the Capitol, or by the city, because the neighborhood was a part of St. Paul. This funding dispute greatly impeded all improvement efforts. After World War I, a drive to build a memorial to the state's war veterans complicated the argument, since the Capitol approach was a preferred location for the proposed monument.

In 1930 Cass Gilbert returned to St. Paul and addressed the city council. The council and Ramsey County each voted $3,000 to pay for a new Capitol plan. The plan was produced, but predictably, languished during the 1930s. The Depression eroded any prospects that state, county, or city governments could afford to pursue the plan, but discussion and planning continued.

One of the beneficial side effects of the Depression was the employment of students and scholars through the United States Works Projects Administration (WPA). The St. Paul City Planning Board employed a number of these students to study conditions in the city. In 1937 the board issued a new study of housing in St. Paul. This survey sampled seven areas of old housing in the city and studied in detail the district just east of the Capitol (St. Paul City Planning Board 1937). The findings echoed the 1917 Aronovici study, with nearly twenty years' wear added. The report recommended razing much of the district's housing and that the federal Public Works Administration (PWA) construct public housing. A 1936 *Fortune* magazine article on conditions in the Twin Cities underscored these findings, reporting that St. Paul's "slums are among the worst in the land," and portraying seedy tenements up against the Capitol in an illustration (*Fortune* 1936, 118).

During World War II two significant changes in the four-decade



St. Paul, looking north along Wabasha toward the Capitol, 1949.

A close-in view of one of the major streets in the Capitol Approach area gives some idea of the "slums at the front door of the Capitol" that would eventually be cleared.

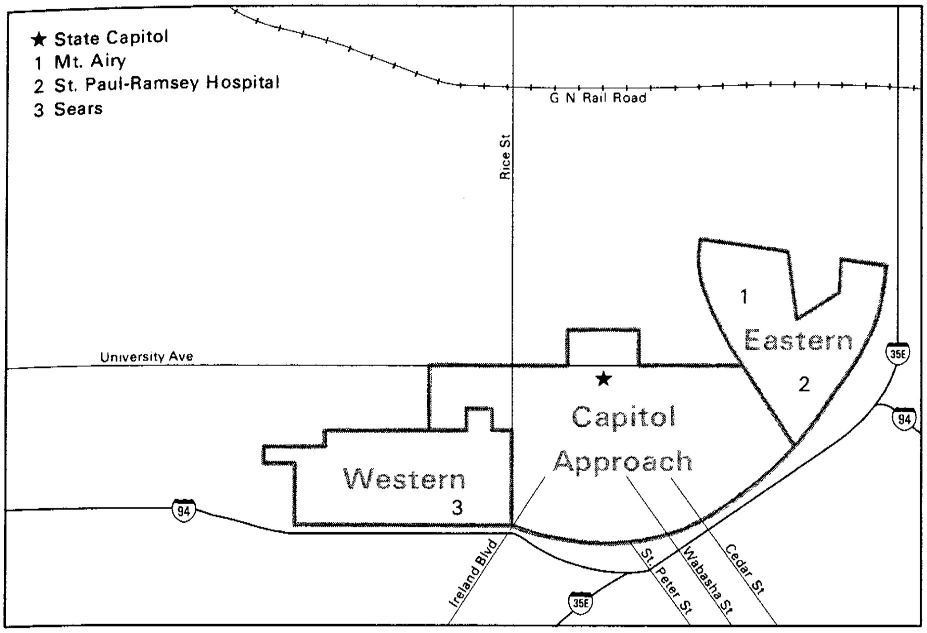
delay in renewal efforts occurred in the Capitol area: a renewed resolve on the part of the state government and the intrusion of the National Defense Highway System into the city.

In 1945 the state legislature created the Capitol Area Architectural and Planning Commission and authorized the construction of the Veterans' Service Building. Clearance and street realignment began that year. The Capitol Approach project covered 103 acres, running from the building toward downtown (see Map 2). Since the federal urban renewal program did not yet exist, all of the money for this project was provided by the state and local governments (Phelps 1985).

By 1944 it had become clear that the federal government intended to build a "national defense highway" through the Twin Cities, and not around them. George Herrold, the St. Paul City Planning Engineer, favored using divided parkways in the city instead. He said that freeways would "muss up" and aggravate rather than alleviate traffic congestion. Herrold urged that if the federal government insisted on building a freeway through the city, it should follow the railroad corridor north of University Avenue to minimize disrupting residential areas (Herrold 1956).

By 1946, however, a different route was chosen for the freeway—that of the present I-94. This locational decision was based solely on civil engineering criteria and faced very little public discussion. Federal and state highway engineers simply ignored questions of social disruption, and countered Herrold's traffic studies with their own. Herrold lost this battle, but continued to criticize the freeway plan for more than a decade. (Altshuler 1965; Herrold 1956).

Together the state-directed Capitol Approach project, the federal freeway, and the new federal urban renewal program radically changed the Capitol area in the 1950s. The St. Paul HRA, created in 1947, began planning an ambitious renewal of the Capitol area in 1950, after first getting the McDonough and Roosevelt public housing projects underway. The HRA's Capitol plans were approved by the city government in 1952, and by the federal government in 1953. These plans specified two formal project areas: the Eastern Redevelopment, abutting the Capitol Approach area on the east, and the Western



Map 2. Capitol Approach Projects

Redevelopment, abutting the Capitol Approach on the west. These projects totaled seventy-one acres as originally planned, and were Minnesota's first federal urban renewal efforts (Phelps 1985).

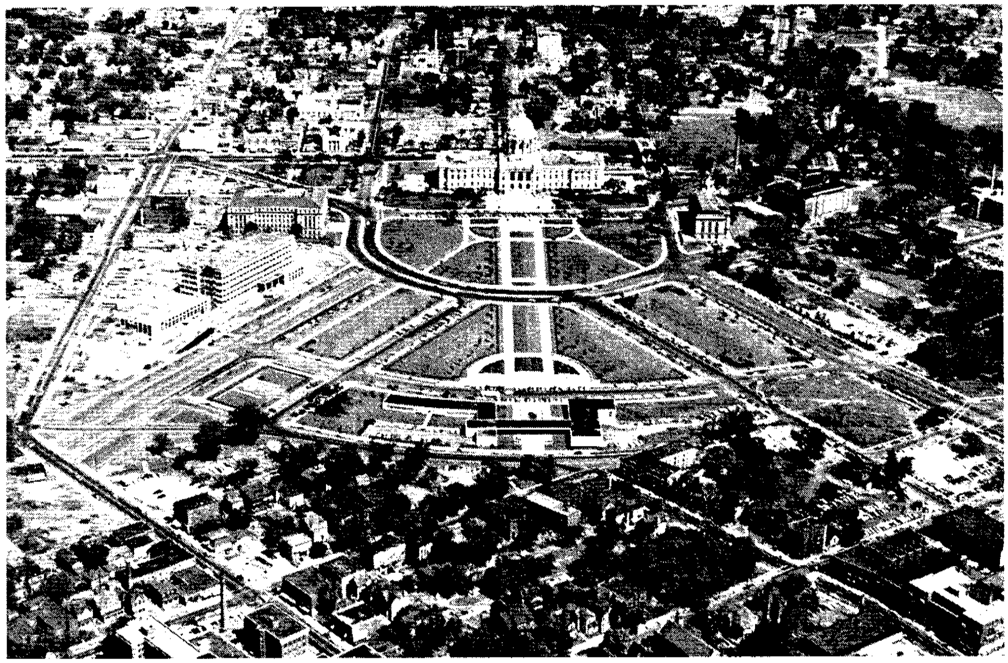
The freeway route had been decided before the HRA planning began, but the HRA cooperated with the state highway department in land acquisition and with the Capitol Approach Commission in planning. Contemporary newspaper accounts usually referred to the Eastern and Western redevelopments as the "Capitol area projects," a recognition that the two federal projects and the state project formed a coherent renewal area west, south, and east of the Capitol (Journal of Housing 1952a). The curve of the freeway separated the area from downtown, Ramsey Hill, and the east side.

The central and southern portion, planned as a formal grouping of public buildings and grounds, focused visually on the Capitol. The Veterans' Service Building, opposite the Capitol, separates the formal grounds from the freeway to the south. John Ireland Boulevard leads to the St. Paul Cathedral, the sole, truncated remnant of Gilbert's array of grand approaches to the Capitol.

The Western Redevelopment was planned as a mixed-use area, partly private multifamily housing and partly commercial. Eastern Redevelopment was planned as private multifamily housing. Neither

Aerial view of Capitol Approach, 1957.

The approach has been completely rebuilt, with new state office buildings replacing the former slums. Note that the freeway, I-94, has not yet appeared.



plan was realized exactly. The HRA's overconfidence in the desirability of the location and energetic opposition by the business community to HRA plans slowed the process of redevelopment dramatically, and altered some of the resulting land uses.

Clearance began in both HRA areas in early 1954, but some rehabilitation was implemented even in this early clearance project. Several blocks of homes at the northwest corner of the Western project were spared from clearance and rehabilitated privately because no public rehabilitation program yet existed. All the rest of the two areas were cleared. The first land sales were held in 1955, but generated little interest from prospective developers of private housing. The HRA's early enthusiasm for quick redevelopment was dampened (Shippee 1984).

Over the next several years the HRA encountered a series of obstacles that stalled renewal's progress. In 1956 the HRA secured bids for the largest commercial tract in the Western district, and chose Sears, Roebuck, and Co. for the site. Downtown St. Paul retail and property interests were distressed. Fearing the competition of a suburban-style retail development so near to the old retail core of the city, a consortium of downtown business interests filed two lawsuits challenging the constitutionality of the HRA's sale to Sears. The court did not support their claim (Altshuler 1959b). In 1957 the FHA refused to insure the mortgage for a proposed private apartment development in the Eastern district, having determined that there was no demand for private market-rate housing in that location. In 1958 the Urban Renewal Administration notified the St. Paul HRA that no new projects would be approved until the problems associated with the Eastern and Western projects were resolved.

Redevelopment efforts in the area did not stand still. The state continued with its improvements of the central portion. In 1954 the city council had approved the Mt. Airy site for public housing, just northeast of the Capitol and adjacent to the Eastern project. By 1957 the HRA had completed clearing the Eastern and Western districts. That same year the Mt. Airy site was added to the Eastern district and partially cleared; the Mt. Airy housing project—St. Paul's third—was built between 1957 and 1959.

By 1959 the renewal projects began to move forward again. Following a court's decision to uphold the constitutionality of the HRA's sale of land to Sears, the sale was completed. The problem of unsalable land in the Eastern district was also solved through the involvement of another level of government—that of Ramsey County. Ancker Hospital, the aged and deteriorated county facility on West Seventh Street, needed to be replaced, and the county had been looking for a new site for several years. Not surprisingly, the search process had degenerated into a heated, politicized squabble. In 1959 the county board finally solved its own problem, and the HRA's, by choosing the present county hospital site in the Eastern district (Altshuler 1965).

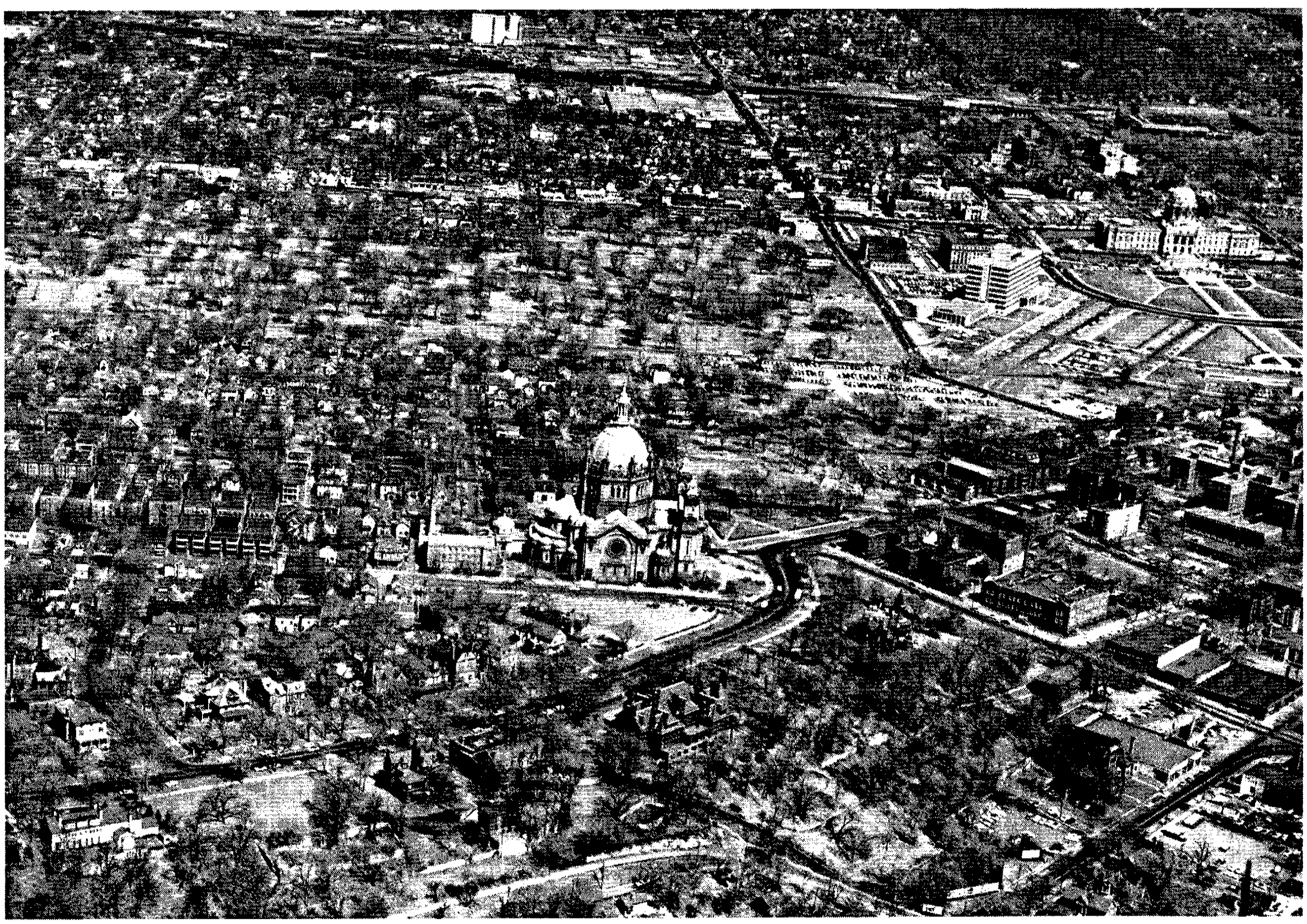
The project area filled in during the 1960s. In the Western district private developers built rental housing on much of the land that the HRA had set aside for this purpose. The Holiday Inn and the Summit State Bank were built on commercial sites. The Valley high rise for senior citizens was built in the Eastern district in 1963 and the Mt. Airy project was expanded in 1967. By the end of the 1960s the Capitol projects were completed and officially closed. One strip of land along the freeway in the Western district, planned for private housing, could not be sold and was finally used for a senior citizen high rise in 1970.

The residential neighborhood around and in front of the Capitol was almost completely obliterated by public action. The freeway cut a swath, other streets were rerouted, almost all of the houses were razed, and most of the land was converted to public, commercial, or multiple-dwelling use. Today only scattered bits of the old neighborhood remain: behind the Capitol in the Capitol Heights neighborhood which was not included in the project areas and was not cleared; north of the Mt. Airy housing project; and on Fuller Street in the Western district.

The Capitol Approach project was closed in 1958. The final public cost, including all state and local monies, was $9 million. The Eastern project, which cost $2 million, was closed in 1964, and the Western project, which cost $3.75 million, was closed in 1968. Two-thirds of both projects were federally funded. The monetary cost of renewal was not the only price paid. The clearance of the approach in the late 1940s displaced 1,620 people from their homes; the Eastern

St. Paul, looking from the Cathedral to the Capitol, 1959.

Above the curve of Summit Avenue one can see the density of what would become the Summit-University renewal area, land cleared for I-94, and the completed Capitol Approach improvements.



and Western clearance during the mid-1950s displaced 1,064 families and 253 individuals; and the freeway displaced 433 households between 1959 and 1961. A large number of those displaced, especially during the freeway construction, were blacks (St. Paul City Planning Board 1968b).

St. Paul's black residents were concentrated west of the Capitol around the Rondo Avenue commercial strip by 1920. By 1940, nearly 90 percent of St. Paul's black population lived in the general area of low-cost housing stretching from the Rondo area east to the Capitol environs. The Eastern and Western and Capitol Approach clearance efforts tightened the lower end of the rental housing market in St. Paul considerably. The new public housing projects helped, but did not solve the housing problems. Blacks and other minorities were especially affected because they were discriminated against in the housing market.

Open occupancy was a hot political topic in Minnesota in the 1940s and 1950s. Minorities were, without question, restricted in choosing where to live. Those displaced during the 1940s and mid-1950s, through state and HRA action, increased the concentration of blacks in the Rondo area. Rondo was not a textbook example of either a slum or a ghetto. A social survey in the 1930s found the housing to be in fairly good condition—far better than in Minneapolis black neighborhoods—except in the far eastern area, which the HRA's Western project later cleared (Schmid 1937). Rondo was a racially mixed area. It was home not only to a majority of St. Paul's blacks, but also to other minorities and many whites.

Freeway construction demolished the Rondo Avenue community, and more than 75 percent of the people displaced were black. The HRA provided relocation services to those displaced; as a strong advocate of open occupancy, it used its referral service to try to end segregation in St. Paul. Despite this effort, blacks displaced by the freeway tended to remain in the same part of St. Paul, either because they suffered prejudice in other parts of the city or because they feared that they would. Consequently, the black community expanded south and west into the Summit-University neighborhood, whose white residents were busy moving to the suburbs.

The official renewal plans for the Capitol area were largely realized as planned, though some changes were made, and the process took far longer than planners had envisioned. There was broad support for the proposed improvements. Proximity to the Capitol made these renewal efforts symbolic, and perhaps inevitable. Their location also meant that state funding was potentially available to augment local renewal resources. Moreover, civic leaders had long hoped for a closer connection between downtown and the Capitol, and HRA planners saw this area as vital to downtown St. Paul's rejuvenation.

Physical conditions in the Eastern and Western projects varied from run-down to fair, but the housing was not the worst in the city. Still, the age of the housing, the poor construction quality, and the mixed land uses dictated that great changes were likely. In the end the landscape of these areas was completely altered. Deteriorated houses were swept away and infrastructure improvements were made, though fewer units of private housing were built than civic leaders had planned. More public facilities appeared, including some that were a bit dissonant aesthetically. Although the Sears store and the Holiday Inn may seem jarringly out of place to contemporary eyes, their services were well used at the time and still function well today.

The Capitol area revitalization efforts had many traits typical of early renewal projects nationwide: long delays, constitutional challenges, resistance by the business community, drastic alteration of land use, overconfident early plans, and the displacement of minority residents. Real action did not begin until state and federal money became available to aid local efforts. The city simply could not afford to achieve its goals alone. With this assistance, the public agencies succeeded in transforming a decaying residential area into a mixed public, commercial, and multifamily housing district.

GLENWOOD

The largest slum clearance project in Minneapolis was called Glenwood. This was the only local project that could be considered a "classic" example of early renewal as practiced in cities like New York

City and Chicago. As defined here the Glenwood project includes both the Grant and Glenwood neighborhood portions of the near-north side of Minneapolis (see Map 3). Renewal began here in earnest in 1956, just one mile west of downtown.

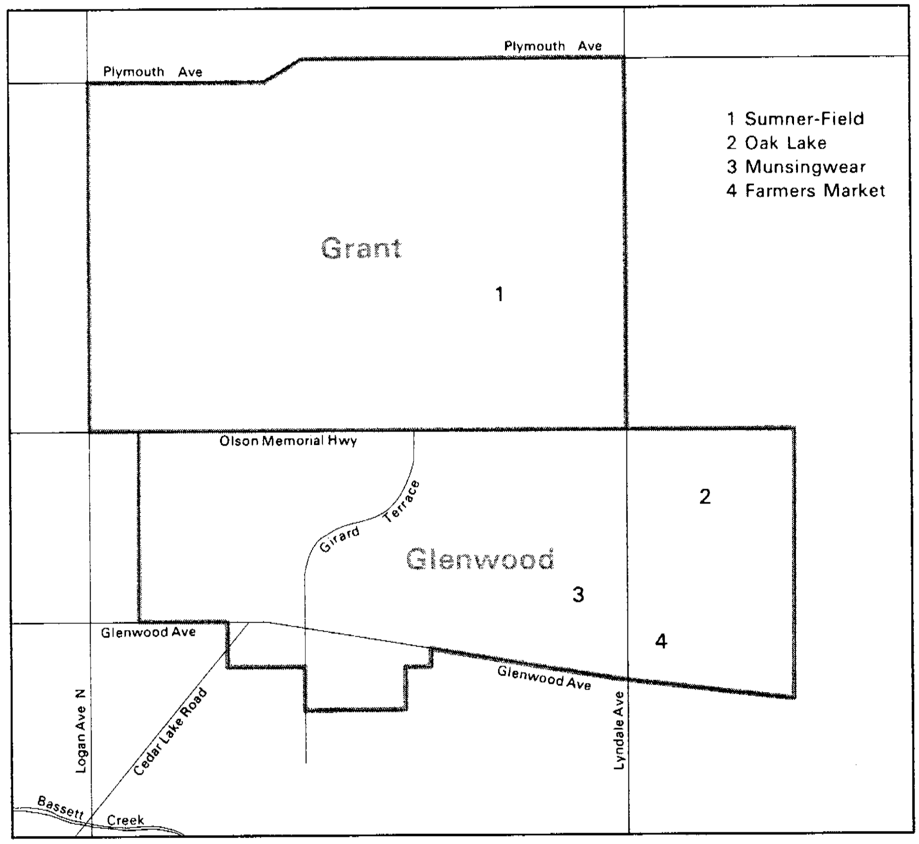
The Glenwood project area was not just an isolated area of need, nor was it the first time that this area had attracted the city's attention. As early as 1925, a study of the north side (which included the Grant area) identified a multitude of physical and social problems:

> The general appearance [of the Grant area] is one of poverty and neglect. The houses are dilapidated and unpainted...Porches sag, stairs are rickety. Streets are littered with papers and rubbish...In the summer the odors of the heated rubber, decaying garbage, and old mash from moonshine stills are vile. Due to this filth and decay the neighborhood is swarming with insects, rats and mice (Women's Cooperative Alliance 1925, 12).

Like many contemporary studies, this one focused on the social results of these living conditions. The lack of "positive" moral influences on children growing up in such circumstances posed the greatest concern for early reformers. They worried about the prevalence of drinking and prostitution, school truancy, and so many ethnic and racial groups in one small area. But their worrying produced few solutions.

The earliest redevelopment scheme for the near-north side occurred in 1933, when the city moved the municipal market from the downtown warehouse district to Lyndale and Glenwood avenues (see Map 3). This placement of the "farmers' market" in an extremely deteriorated residential area underscored the area's transformation. The Oak Lake neighborhood, once a fairly prosperous middle-class haven, had become a slum by the 1930s. The city's redevelopment efforts eliminated the area's housing; the two shallow lakes were filled in, and sites for industry were made available. A few years later, a nearby section of the near-north side community was selected for the first public housing project in Minneapolis. The Sumner Field homes, built in 1938, replaced thirty acres of slum housing around Bryant Avenue and 6th Avenue North (Olson Highway) with 600 new multi-family units (Minneapolis City Planning Commission 1936).

Map 3. Glenwood Renewal Area



By the 1950s it was once again apparent that housing in near-north Minneapolis required attention. The Glenwood and Grant neighborhoods, reaching from Lyndale Avenue west to Humboldt Avenue, and from Glenwood Avenue north to Plymouth Avenue, were designated as clearance projects in 1956 and 1960 respectively. (The Harrison neighborhood just to the west of Glenwood, and in somewhat better physical condition, was chosen in 1959 as a rehabilitation project.)

Glenwood presented both a problem and an opportunity to Minneapolis planners. To them it was a consummate example of blight, with few redeeming features. The city's survey of the area, taken after the renewal project was already underway, identified several areas with "poor environments." These included housing that needed major repair or rebuilding, adverse land use mixtures, a badly designed and inefficient traffic system, and environmental deterioration resulting from the poor drainage around Bassett's Creek (Minneapolis HRA 1964).

What the planners saw in Glenwood was an area in severe decline, and one that looked likely to deteriorate even further. The conditions of the area in the 1950s were probably the worst in the city, and there were few prospects for positive change in the near future. A 1949 survey taken by the HRA shocked the investigators who found that many of the houses in the area had been carved up into "a maze of sleeping rooms" (Minneapolis City Planning Commission 1950). Still, Glenwood's problems were not equal to those of well-known big city slum areas. Someone who looked at an identical area today would see a run-down neighborhood, but might envision some rehabilitation for the housing stock rather than total clearance. Even in the 1950s Glenwood was not without some distinct advantages, most notably a good location relative to downtown Minneapolis.

What most worried planners about Glenwood was not its physical condition alone, but the likely effect that it might have on the relatively

Glenwood area, mid-1950s.

This view, just behind the Olson Highway commercial strip, depicts some of the adverse environmental conditions found in the Glenwood area.

healthy surrounding areas. Some went so far as to label Glenwood "a cancer" that could threaten adjacent areas. A 1964 field survey of the near-north community above Olson Highway endorsed this view. Eighty percent of the housing fell into the "good" or "fair" categories whereas only about 8 percent was "very good." Only 10 percent was in the "poor" category and a minuscule 2 percent was "very poor." The Grant neighborhood, just north of Glenwood, was ranked as being in substantially worse shape, but even it was mostly in fair-to-good condition. The fact that a large amount of relatively good quality housing might be threatened by the deterioration evident in Glenwood was the factor that weighed most heavily in the decision to clear it (Minneapolis HRA 1964).

Glenwood was also an area that had been experiencing major social and racial transitions since the 1950s. Like some other older neighborhoods, it was losing residents at a faster rate than the city as a whole; between 1950 and 1960, the population in Glenwood declined nearly 15 percent (Minneapolis HRA 1977). For many years Glenwood had housed two of the city's minority groups: Jews had lived in the area since the 1890s, and blacks had begun to move into the community in the early 1920s. For the most part, the Jewish residents led the way in moving west through the north side—black residents followed in their wake. Following World War II, as suburban housing opportunities opened up for many north side residents, the black population of Glenwood increased substantially, reaching 44 percent just before renewal.

The Renewal Process

The Glenwood urban renewal project began comparatively early. Initial application was made in March 1950. But it was not until 1953 that Glenwood won a federal planning grant, and not until 1954 that the Federal Authority approved the project itself. Because of these delays, the Glenwood project was carried out under the 1954 amendments to the Urban Renewal Act (the first in a series of amendments that lowered the amount of residential reconstruction required of the renewal effort).

The Glenwood Homes site, mid-1950s.

This site, one of the city's "most blighted" and one of the first to be cleared, was typical of the surroundings in the Glenwood area before clearance.

The project area consisted of 180 acres, reaching from 12th Avenue North to Girard Avenue, and from Glenwood Avenue North to Olson Highway. Most properties in this area were slated for clearance. Acquisition and demolition of Glenwood properties began in March 1956; by the end of the next year acquisition and relocation were "substantially complete"—only 74 out of 661 structures to be acquired still stood at that point (HUD 1974; Minneapolis HRA 1957). The total cost of the Glenwood project was $8,530,845 ($11,522,071 less $2,991,226 in land sales—the city paid approximately $2.8 million and the federal government approximately $5.6 million). The city's contribution—a payment-in-kind contribution rather than cash—included the Harrison school addition and playground, a new fire station, and the rebuilt streets and utilities.

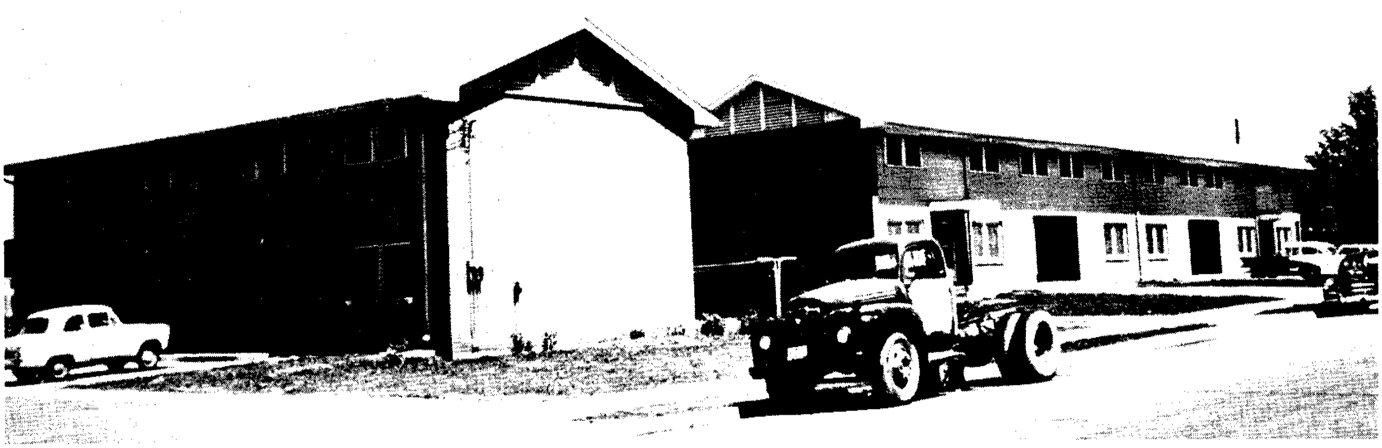
Before the renewal project began, 78 percent of all families in Glenwood had been living in substandard housing. The 1950 Census estimated that more than 40 percent of the dwellings in Glenwood were either dilapidated or lacked a private bath. (The comparable figure for the nearby Harrison neighborhood was 28 percent.) Throughout the project more than 700 units of substandard housing, valued at $6.5 million, were destroyed; these were replaced by 831 standard housing units, valued at $23 million. Glenwood's new housing stock contained a few fairly large apartment blocks, including some public housing units. The Glenwood Homes, completed in 1960, had 278 family units; Lyndale South Apartments, completed in 1959, had 104 family units and 88 units for the elderly. Also dating from this period was University Towers, a building with 361 units for families (Minneapolis City Planning Commission 1974).

Several public improvements were included in the Glenwood project: a new firehouse valued at $40,000, an eight-acre-playground attached to Harrison School, and an addition to the school valued at $900,000 (Minneapolis HRA 1966a). Before renewal about ninety-three acres of Glenwood's land were used for residential purposes, thirty-two acres for nonresidential needs and about fifty-five acres for streets. When renewal was completed, only about sixty-seven acres were residential, sixty-one acres nonresidential, and fifty-two acres streets. After renewal was completed tax revenues for this area increased to approximately four times what they had been. Renewal also increased the number of jobs in Glenwood. Businesses employing approximately 1,000 people remained throughout the renewal process, including large employers like Munsingwear and Northland Milk (Snyder 1973). By the completion of renewal there were 2,700 jobs in the Glenwood area.

A total of 1,000 families and 200 individuals were displaced by the Glenwood renewal efforts, including 269 minority households and individuals. The minority households dispersed in the following manner: 5 remained in the project area, 47 moved to the Hay neigh-

The Glenwood Homes site, 1960.

The same site after renewal. Blighted structures were replaced with these family units and with several high-rise towers.



Residential relocation was perhaps the notable aspect of Glenwood's renewal, but it was only one aspect of the program. Perhaps as interesting was the effect of renewal on businesses in the area. For Glenwood, creating more space for industry and increasing the number of jobs were prime components of the renewal process. But this did not always happen. One study of the commercial transitions on Plymouth Avenue—the northern boundary of the Grant project which was designated in 1960—yielded some very different conclusions. This study looked at the business closings and relocations stemming from the riots on Plymouth Avenue in 1967. Those interviewed were chiefly middle-aged or elderly Jewish merchants who had operated small retail or service establishments. Many told of suffering both vandalism and physical threats before the riots. Most indicated that the riots were the reason for their moves, but they also described a generally declining business climate and the loss of customers to the suburbs. Most of those who remained in business moved their operations closer to their homes in the suburbs, or to areas where they felt less threatened. However, few were happy with the moves they had made. They felt that they were financially better off when they were still on Plymouth Avenue, and that the suburban rents they were paying were much too high. Almost half of the group did not voice these complaints for they had simply retired (Palm 1969).

Glenwood was then the "classic" example of early residential renewal in Minneapolis. It had all of the physical preconditions that caused planners and others to consider the area blighted, and it also had a large concentration of politically powerless minorities. (This area was represented by white city council members through the late 1970s.) The result of these circumstances in Glenwood was massive and rapid clearance; for example, demolition began here only twelve days after the first acquisitions. The cleared land in Glenwood was reused partly for light industry, but largely for public housing. Political and civic support for the Glenwood project was widespread. Glenwood was changing from a predominantly Jewish neighborhood to one that was primarily black, and its location on the periphery of downtown (and along well-traveled commuter routes) made it quite visible. Glenwood

Glenwood area, early 1960s.

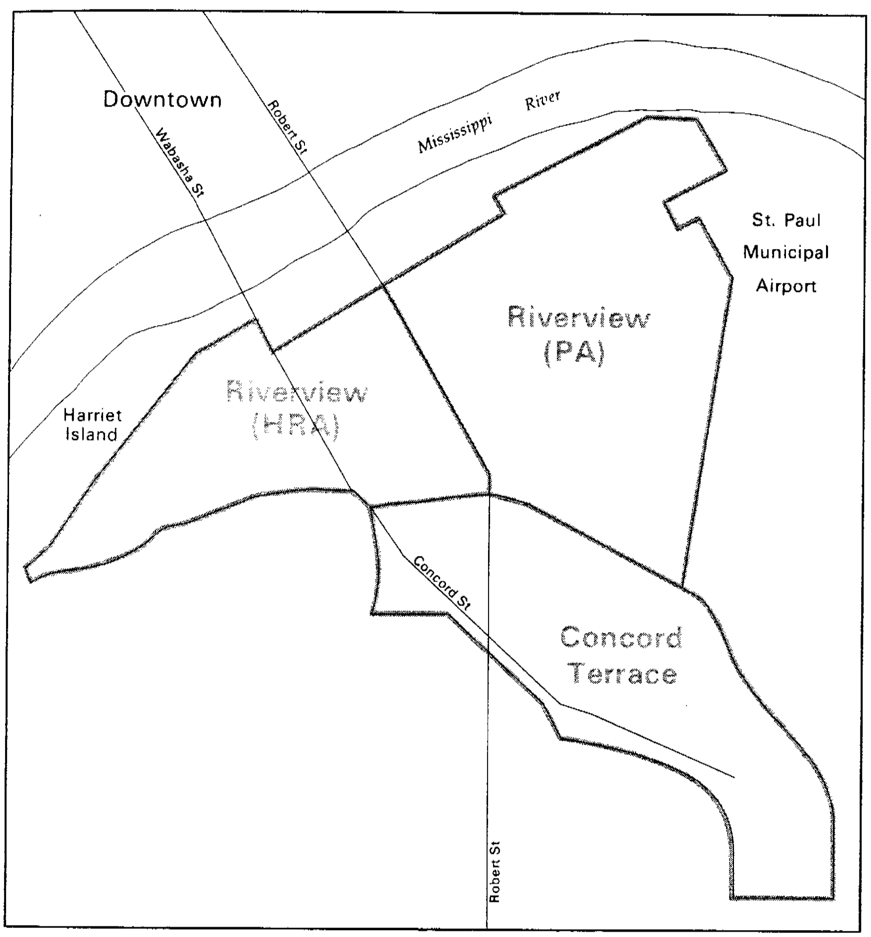
A view of the new Lyndale Homes project, looking toward the new Olson Homes. These buildings replaced the run-down commercial structures near Olson Highway.

borhood, 59 went to Grant, 20 to Harrison, and the remaining 128 households relocated predominantly on the near-north and near-south sides (in the historic areas of black settlement in Minneapolis). Within a few years of the Glenwood project, most of the rest of the near-north community became either a renewal or redevelopment area (the Grant area in 1960, and near north itself in 1968). Families who had been displaced from Glenwood had priority access to the new housing being built, but only 18 of the total 1,000 families who were displaced returned to live in Glenwood again (*Minneapolis Tribune* 1962).

was Minneapolis' opportunity to demonstrate that, like bigger cities such as New Haven, Pittsburgh, and Chicago, it too could redeem a lost part of the city.

THE WEST SIDE FLATS

For half a century, the worst living conditions in St. Paul were found in three separate areas: Swede Hollow, in the shadow of the Hamm Brewery on the east side; the Upper Levee, near downtown beneath the High Bridge; and on the West Side Flats, across the Mississippi River from downtown. Swede Hollow and the Upper Levee were probably the more decrepit—most houses in both areas had neither city water nor sewer, and many were little better than shacks—but it was the Flats that drew steady attention from the city fathers, civic improvers, and business leaders throughout the first half of the twentieth century. The Flats was a mixed area, with both sound and poor housing, and some adequate infrastructure (see Map 4). The area



Map 4. West Side Flats Redevelopment Projects

attracted attention because it was more extensive, had more people, and was more obvious than either Swede Hollow or Upper Levee. The Flats area was visible from the business district downtown, and represented a potential resource for a city eager to rejuvenate.

The Flats (now Riverview Industrial Park) was never a desirable residential location. The area's first settlers were poor French Canadians and Irish. During the 1850s and 1860s, the West Side Flats across the river was not even a part of St. Paul. The first bridge to the Flats charged a toll, effectively excluding working people from crossing regularly. In the 1870s the Flats was annexed by St. Paul, and a toll-free bridge opened (Pierce 1971). The St. Paul Chamber of Commerce, which had promoted the annexation and the bridge, envisioned the area as housing the workers needed by downtown's burgeoning commerce and industry. Its vision was accurate, and the Flats population increased. Railroad connections were improved, and commercial and industrial buildings were constructed, along with more housing, though the housing was usually not of high quality. The Flats was widely perceived as a bottom rung on the city's residential ladder.

In the 1880s a new ethnic group began to settle on the Flats. East European Jews, driven by pogroms in Russia and Poland, found their way to St. Paul. Most were destitute, and the Flats offered the lowest rents in town. By the mid-1890s the Flats was predominantly Jewish. A 1915 census of the portion of the Flats east of Robert Street showed that 71 percent of families were Jewish (Pierce 1971). Much of the housing was poor and deteriorating, and environmental conditions were often poor, but the Flats was a vibrant community. The neighborhood life has been vividly described by William Hoffman in *Tales of Hoffman* (1961) and *Those Were the Days* (1957). Many Jewish families eventually prospered and moved away from the Flats to other neighborhoods including Selby-Dale, the Midway, and especially the new development of Highland Park.

By the end of the 1920s, Jews no longer dominated the Flats, and by 1940 few were left. But the Flats was not deserted. Population and congestion increased during the 1920s, and worsened dramatically during the economic pressures of the 1930s. During these years a growing number of Flats residents were Mexican-Americans seeking a better life than the seasonal agricultural labor that had drawn most of them to Minnesota. By the 1940s the Flats had become St. Paul's primary Mexican-American neighborhood.

The physical condition of the Flats had concerned city officials since shortly after the turn of the century. Parts of the Flats were flood-prone or swampy, the housing had been inexpensively and poorly built, and urban services had not been extended to much of the area. Following his Wilder Charity survey in 1917, Carol Aronovici reported that much of the Flats were "wholly unfit for human habitation," and a "slum of the worst character" (Aronovici 1917). The years just after the first world war were the height of Americans' fear that the Red Menace might spread from Bolshevik Russia, and Aronovici feared that the despicable conditions of life on the Flats would "foster syndicalism, sabotage and other philosophies opposed to the present order." Aronovici collected impressive and depressing statistics on the condition of housing in the Flats area. More than half of the houses had no sewer connection; a third had no city water, forcing residents to carry water from wells of suspect cleanliness; 60 percent had no provision for garbage collection; and near the river a third of the houses had swampy yards.

Nothing actually happened as a result of Aronovici's study and recommendations. Two decades passed and, in 1937, a WPA-supported housing study was issued. The summary report gives no detailed analysis of the Flats but leaves little doubt that conditions were worse: "one and two room shacks literally in the shadow of industrial plants" and "homes inhabited by squatters; homes built from salvaged materials that present hopeless living conditions" (St. Paul City Planning Board 1937).

St. Paul officials thought that dramatic change was needed on the Flats: their inclinations had long been to sweep the area clean and rebuild it. The first St. Paul zoning ordinance, in 1922, imagined much of the area totally cleared of housing and used instead for industry. This vision of an industrial zone sparking the city's economic rejuvenation did not die, though it was not fully achieved for four decades. During the 1920s, 1930s, and 1940s sporadic public action ensued. In 1926 the city bought sixty acres for the municipal airport (later named Holman Field). In 1929 part of the levee was cleared for a city barge terminal, operated by the newly created St. Paul Port Authority (PA). The airport was expanded twice during the 1930s and again during World War II. But apart from these public actions there was little change on the Flats, and the area continued to decay. By the end of World War II, the condition of housing on the Flats was even worse than it had been thirty years earlier.

Conditions were still shocking in the early 1950s. East of Wabasha Street the Flats was primarily residential, with some industry along the river. West of residential Wabasha Street, the area was commercial and industrial. Much of the land was low-lying and frequently flooded. So much sand and debris had been deposited in some areas that many houses could only be reached by steps leading down from the street level. Most of the houses were dilapidated. Many had been illegally subdivided, and crowding was endemic. City water

Downtown St. Paul, the Upper Levee, and the West Side, 1952.

Flooding of the Mississippi River demonstrated why riverfront improvements were so necessary.

and sewer were still far from universal. Many yards were strewn with rubbish. The street grid was cramped, especially west of Robert Street. Though railroad tracks crisscrossed the Flats, and were quite prevalent west of Wabasha Street, much of the track was disused. The area's healthy commercial and industrial establishments were cramped and unable to expand, surrounded as they were by squalid housing units.

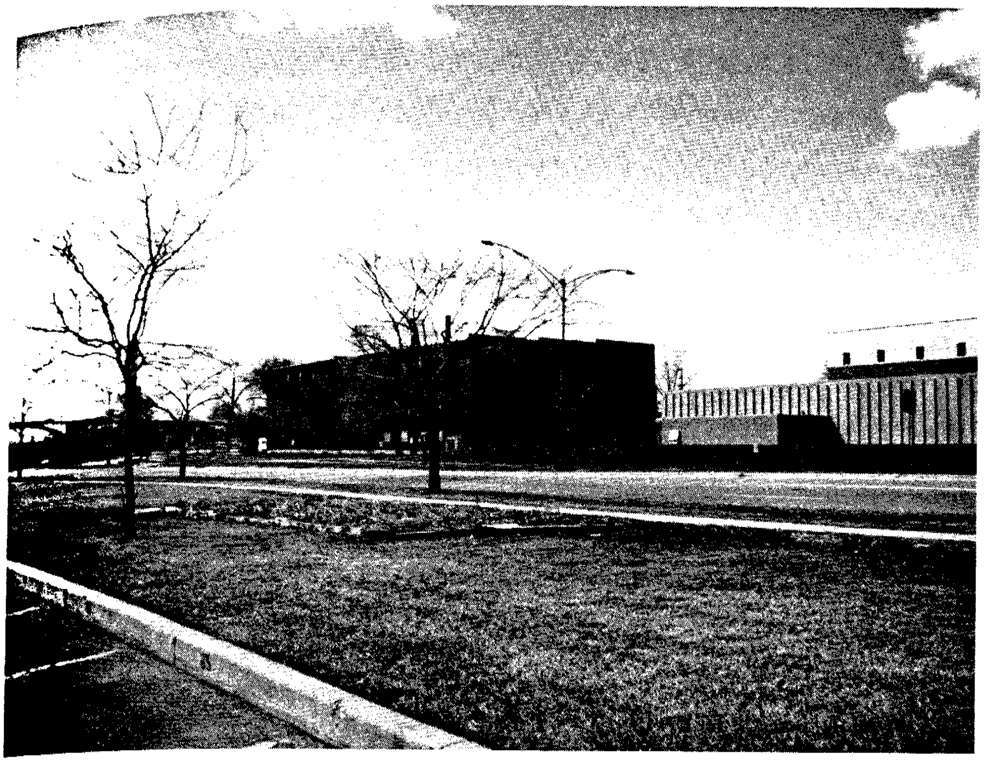
A serious flood in 1952, the worst of the century to that date, left 2,641 people homeless in St. Paul (not all of them in the Flats—the Upper Levee was the worst hit). The flood also caused $5 million in damages to the west side business and industry (St. Paul HRA 1959). Plainly, something had to be done. But, who would do it? And, more importantly, who would pay for it?

Urban renewal came to the rescue. In 1952 the HRA proposed a redevelopment project that would clear the Flats of housing and blighted industry and commerce and create an industrial park. HRA discussions about the problem of the Flats included another agency, the PA. In 1952 the city council asked the PA to condemn and acquire the floodplain on the west side and transfer it to the HRA for redevelopment. The PA executive director demurred, unsure that his agency had the authority to do so. In the end, the Flats was redeveloped by both agencies, acting partly in concert (*St. Paul Pioneer Press* 1957).

The project got underway only after several years' delay and a significant expansion of the scope and power of the PA. The first major obstacle was the old problem of flooding. The Urban Renewal Administration turned down the first HRA proposal, refusing to pay for a project in this flood-prone area. In 1955 an engineering study showed that flood-proofing was feasible (*St. Paul Pioneer Press* 1960). The agencies then only needed to find the money to pay for the project. They found it at the U.S. Army Corps of Engineers. By the late 1950s, the Flats project, christened Riverview, began. The Corps of Engineers built three-fourths of a mile of floodwall and two miles of levee at a cost of $6.5 million, finally securing the area from the river. Riverview was accomplished in two separate but related projects. The PA, with new powers authorized by the 1957 state legislation, redeveloped the entire portion generally east of Wabasha Street. Clearance began in 1961 and was largely completed by the end of 1962. The HRA cleared the area west of Wabasha Street. The street grid was changed, unnecessary railroad track taken up, and new urban services installed. Some existing healthy businesses, notably the American Hoist and Derrick plant, were excluded from the project area. The cleared land in both parts of Riverview was allocated to light industry, and the PA handled leasing both parts to the industrial tenants (St. Paul Port Authority 1962).

The HRA portion of Riverview cost $8.3 million (of which three-fourths was provided by the federal government), covered 146 acres, and displaced 97 families and 25 individuals. The PA portion covered 273 acres and displaced 436 families and 111 individuals (*St. Paul Pioneer Press* 1962). Federal relocation laws at that time applied only to displacement involving federal renewal funds. Residents displaced by the PA were not guaranteed the same relocation services and remuneration as were HRA-displaced residents. Much of the community harbored bitterness toward the PA and opposed its plans. At one public meeting a resident, Charles Peltier, said, "They don't need my property any more than they need a man on the moon" (*Minneapolis Star* 1964). A neighborhood group sought a delay in the clearance, but the PA stood firm. The PA did voluntarily pay the moving expenses of displaced residents who applied for help, and those people who lost their homes to the HRA also received relocation assistance.

The major difficulty for displaced residents in both parts of Riverview was the expense of other available housing. They had been living in some of the most inexpensive rental and owner-occupied housing in the Twin Cities. Owners were paid fair-market values for their property, but this was rarely enough to buy another home elsewhere. Few rental units were available in the city or metropolitan area at rents comparable to those that had prevailed in the Flats areas. Residents were displaced into a rental market tightened by freeway and renewal destruction of dwellings. Mexican-American residents also faced racial discrimination. The public housing on the west side that was intended to help alleviate the situation was not completed until 1965—several years after most people had been displaced. About two-thirds of the people displaced from the Flats moved up the bluff,



Riverview Industrial Park, 1988.

The former West Side Flats has now lost all traces of its residential character. The industrial park created here has continued to expand and fill up throughout the 1980s.

and remained on the west side.

St. Paul's West Side Flats was a problem created by short-sighted entrepreneurs in the last decades of the nineteenth century. The district was poorly designed and built, even by the standards of the day. The houses were inadequately maintained from the start. Neither the residents nor the city were able to maintain the area, much less improve it. The Flats was a drain on the municipal budget, costing more in services (even at a plainly inadequate level) than it could pay in property taxes. Business, government, and civic leaders had recognized, from the turn of the century, that a dramatic solution was necessary for the problem of the Flats. But that solution only appeared after decades of discussion, study, and hand-wringing, when the broad powers of the renewal agencies and massive federal aid finally swept aside the Flats to create the "prestige industrial park" called Riverview.

Despite its squalor and progressive decay, the Flats had been a community, and home to several generations of immigrants to St. Paul. Aronovici had seen "tar paper buildings which are sort of embryonic homes indicating in many instances a keen desire for home ownership without the necessary financial resources" (Aronovici 1917).

The Flats area was decrepit and unhealthful, and an eyesore, but it was also home to many people who had little money, but indomitable courage and a desire for a better life. To Polish and Russian Jews of the 1890s and to Mexican-Americans of the 1940s, the Flats was a way station. In the 1960s millions of federal dollars finally made their dilapidated, flood-prone neighborhood safe for industry.

Today the city is showing renewed interest in the river front area. In recent years the city established a Riverfront Commission to help redevelop underused land along both banks of the river near downtown. Ironically, some of the land converted from housing to industry twenty-five years ago may now be converted back to housing.

CONCLUSIONS

Even today it would be hard to disagree that all of the slum clearance areas described needed to be substantially rehabilitated. Most, in fact, deserved to be totally cleared. The housing had *never* been of much consequence (except perhaps in a small portion of Glenwood), and living conditions were, for the most part, quite awful. Through renewal all of these areas were changed enormously – most were no longer even residential areas. The planners' idea was to clean up "the slums" as quickly and efficiently as possible – get rid of blight and transform undesirable landscapes into something that might at least prove to be useful.

Most political analyses would contend that these examples of residential clearance and redevelopment were standard practice – that they exemplify the conventional ways that urban renewal was carried out nationwide. A leftist analysis might identify the presence of a pro-growth coalition, a dynamic political leader, and a dynamic business group, all pushing for clearance. Some of these perspectives were present in the Twin Cities. The pro-growth coalition – those with political connections – was more visible in Minneapolis than in St. Paul. Neither city really had a dynamic political leader throughout the 1950s and early 1960s, though both did have active business groups who lobbied for changes. These groups argued that the Twin Cities had to be jolted into a new era. For them, the surest way to demonstrate the modern and progressive nature of the two cities was to physically remove those structures that appeared to be old and worn-out, and replace them as fast as possible.

Some former urban renewal officials hold that this interpretation may be correct, but that it is also incomplete. They contend that renewal models that emphasize total neighborhood clearance do not adequately represent the urban renewal experience of the Twin Cities. For example, large amounts of existing housing were not removed to create public housing in the two cities. Former Twin Cities renewal officials also contend that the local programs were always balanced between downtown efforts and programs for the neighborhoods. In contrast to other cities, there was not the same tendency to decimate neighborhoods surrounding downtown to create more opportunities for business (Shippee 1984). This perspective has seldom been noted, because most national analyses of renewal have ignored distinctions between renewal practices in different cities.

3. DOWNTOWN RENEWAL

Slum clearance as carried out in the Twin Cities' downtowns did not differ significantly in its goals and objectives from that practiced in the two cities' deteriorated neighborhoods. In the 1950s and 1960s the downtowns had numerous opposing interests that had to be balanced against one another; downtown renewal was also quite complex due to the sizeable land holdings involved and the expense required to modify this land. It was one thing to remove people from unsafe and substandard homes in the name of equity and general welfare. It was quite another thing to tell businessmen that they had to go elsewhere – or indeed to reach a consensus about what downtown should be, and for whom it should be.

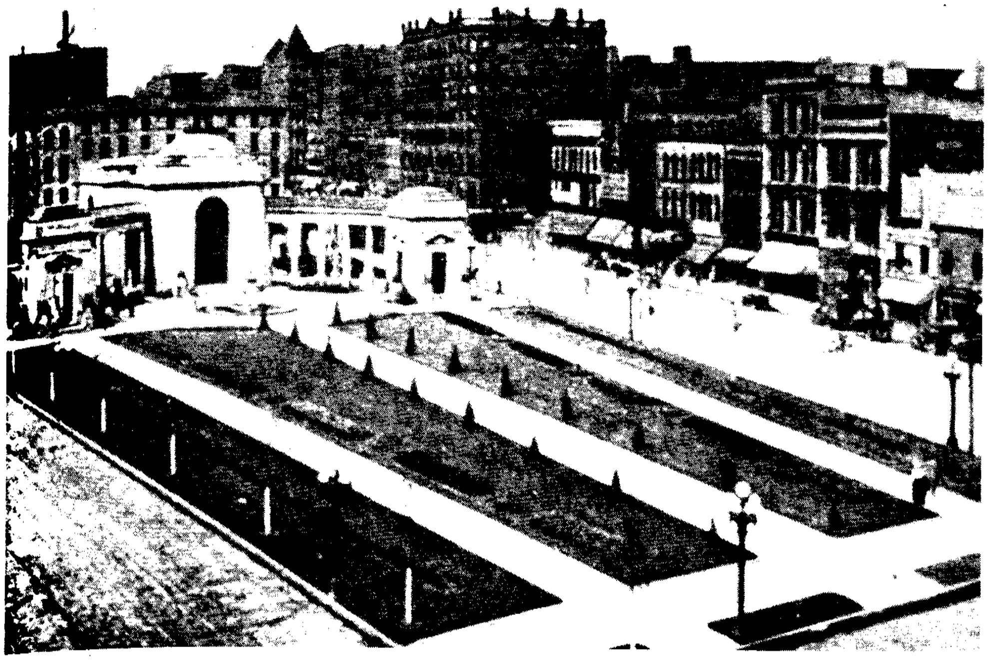
The downtown areas of Minneapolis and St. Paul have gone through many similar changes since they were first settled in the 1830s and 1840s. Both cities originated along a water transport route (the Mississippi River) like many other nineteenth century cities, and quickly evolved into centers of transportation, manufacturing, and wholesaling by the turn of the twentieth century. St. Paul, as the practical head of navigation on the upper Mississippi River, became an active port. Minneapolis, situated above the falls of St. Anthony, provided an attractive site for industries driven by water power. The industries that expanded with the two cities mirrored their physical circumstances: James J. Hill's Great Northern Railroad (now the Burlington Northern) was headquartered in St. Paul, and the Washburn-Crosby (now General Mills) and Pillsbury flour mills were upstream in Minneapolis. These businesses were larger than most in the two cities, but they are indicative of the most typical early industries.

As the downtowns of Minneapolis and St. Paul grew away from the river, their functions expanded as did the need to modify their landscapes. In the late nineteenth century both downtowns contained a full range of city activities. Many different businesses were present, as were various industrial, processing, and production activities. But many different kinds of housing as well as schools, churches, and other neighborhood support services were also available for all levels of the population. It was the "neighborhood" functions that were increasingly pushed out of the downtowns as land values increased, and businesses concentrated in the center. Downtown renewal was not an idea that blossomed forth suddenly in the 1940s. It was a process that had been underway in various forms for fifty years or more.

MINNEAPOLIS

Bridge Square, at the intersection of Hennepin and Nicollet avenues, had been the center of downtown Minneapolis in the city's early years. In the late nineteenth century Bridge Square was the focus of one of the country's largest seasonal labor markets. Lumberjacks, farm hands, and construction workers poured into this area in the off-seasons—and when there was no work—and new businesses grew up to cater to their needs. This meant that lodging houses, flophouses, pawnshops, bars, inexpensive restaurants, and inexpensive clothing stores appeared in large numbers—there were fifty "cage" hotels (literally containing rooms with stacked cage sleeping quarters) or lodging houses by 1895 (Rosheim 1978).

By 1900 city officials, businessowners and other upstanding citizens all acknowledged that Bridge Square was deteriorating. Retailers began moving south on Nicollet Avenue soon after the construction of Donaldson's Glass Block store at 6th Street in 1886. The old City Hall at Bridge Square was considered obsolete by this time, and work began on the new City Hall-Courthouse in 1888. When that building was finished in 1907, the city government and all of its attendant activities moved to 4th Street and 4th Avenue; the old City Hall and the entire block of buildings behind it were razed. The entire parcel (now the site of the Towers complex) was converted into Gateway Park in 1908, providing some much needed green space in the densely built-up downtown. A classical revival park pavilion containing tourist informa-



Bridge Square, 1915.

The Gateway pavilion (left) had been constructed on the site of the first City Hall. The block face on the right is Hennepin Avenue between Second Avenue and Washington Avenue.

tion and public toilets was built, and a few years later an ornate fountain was added to the park (Borchert et al. 1983).

During the early part of the twentieth century, city officials made continuous efforts to improve the Lower Loop area. In 1910 a new post office (now the Old Federal Courthouse) was built at Washington and Third avenues. A few years later the first mission appeared to serve area residents, now predominantly elderly transient laborers and alcoholics. In 1918 the state legislature outlawed the cage type of lodging houses, but this did not eliminate them from the Lower Loop. In 1924 the privately financed Nicollet Hotel was put up to stem the deterioration down Nicollet Avenue. Another effort was made in 1931 when yet another new post office was built across the street from Pioneer Square. (This is the current post office; the first one had been too small.) Both post offices were built by the U.S. government, not by the city of Minneapolis. Both structures were built well before the onset of urban renewal, but they fit the classic renewal pattern of local improvement efforts paid for by the federal government. Still, none of these improvements were sufficiently effective to stem the tide of decline in this part of downtown.

Minneapolis city officials usually rejected the idea of downtown improvement efforts. As Alan Altshuler described in his history of

Minneapolis planning (1965), the system (the city government) seemed designed to prevent anything from happening. The 1920 Minneapolis charter had created a weak mayor-strong council system based on wards. Political parties were weak, nonpartisan elections were the norm, the mayor had little power, and the aldermen generally avoided innovation. Altshuler described the style of most mayors through the 1950s as conciliatory—they never sponsored anything, never tried to coerce the city council, and worked on issues they cared about through citizens' groups.

When something *had* to be done, the city council usually appointed a civic committee to find a "nonpartisan" solution. The City Planning Commission, established in 1919, and the Capitol Long-Range Improvement Committee, formed in 1953, exemplify these civic committees designed to reach consensus and advise the city council while insulating council members from controversial decisions. In addition to these appointed committees, Minneapolis also had several independently elected boards that possessed tax-levying authority including the school board, the park board, and the library board. The city council's tax-levying power was limited by the Board of Estimate and Taxation, and its budget limits were set by state charter.

Meanwhile, the state of Minnesota had not been reapportioned since 1913. Both Minneapolis and St. Paul were greatly under-represented in the state legislature, where most city proposals were handled by the entire county delegation. (St. Paul's city government was deeply embedded in a syndrome of graft and corruption throughout most of the 1920s and 1930s; Minneapolis had only extricated itself from a similar situation about twenty years earlier.)

ST. PAUL

In St. Paul, improvement efforts had long focused on the area around the Capitol rather than on the heart of downtown. As mentioned previously, in 1906 the city had adopted proposals made by Cass Gilbert (the architect of the existing Capitol building) for major landscape improvements between the Capitol area and downtown. If implemented, Gilbert's grandiose and visionary plan would have cleared a densely built-up residential area just in front of the Capitol, and re-routed several major streets.

The vitality of the Capitol was crucial to the health of downtown St. Paul. The Capitol building and its functions were an important part of St. Paul's identity and economic role. But even though state and city officials alike recognized the problems in this area of the city, it would be another fifty years before significant changes were accomplished.

Some downtown St. Paul rejuvenation efforts did occur in the 1920s and 1930s. The earliest was the clearance of a deteriorating warehouse area along the Mississippi River, and the subsequent construction of Kellogg Boulevard. Next, several downtown streets were widened, most notably Robert Street, to reduce traffic congestion and open up the downtown visually. A few years later the new City Hall-Courthouse building was constructed on Kellogg Boulevard. But from the late 1930s until the 1960s, almost nothing new was done in St. Paul's downtown, and the older buildings continued to deteriorate.

The structure of politics and government in St. Paul from the 1910s through the early 1960s seriously hampered revitalization efforts. From 1912 until 1972 the city operated under a commission form of charter. Commission government had enjoyed a brief vogue during the "progressive era," but by the 1950s St. Paul was one of the last large cities in the country to cling to it even though many experts considered this system antiquated and unfruitful. The city council, or commission, combined legislative and administrative functions. Six commissioners were elected at large. Each was appointed by the mayor to head one of the city government's six bureaus. The mayor, also elected at large, held virtually no other executive authority. A voting member of the commission, and holding veto power, the mayor could be overridden by a majority of the commission. Another official elected at large, the comptroller, proposed and monitored the city budget. The commission had only limited power to alter the comptroller's budget. Major spending increases had to be approved by the voters in referendum; referendums were routinely defeated. The dual nature of the commissioners' offices forced them to act both as legislators representing the whole city and as advocates for one city bureau. The frequent result was vote swapping. Little public confrontation occurred, at least until the 1950s. The city-wide election of commissioners (the "alley" system) effectively prevented minorities from electing a representative (Altshuler 1959b).

St. Paul politics were dominated by organized labor. Labor and Democratic (later DFL) endorsement was usually essential for election. St. Paul Democratic politicians tended to be liberal on national and state issues but conservative on local government spending. Business lobbying favored local fiscal conservatism. The business-supported Municipal Research Bureau and Downtown St. Paul, Inc. worked actively to keep the city's budget low. The result by the 1950s was a comfortable system that provided minimal services at a low tax rate. St. Paul property tax rates were the lowest in the metropolitan area, and people got what they paid for. Dramatic change was quite unlikely in such a system.

Planning in St. Paul paralleled that in Minneapolis. In contrast to their usual obstruction of most public expenditures, local businessmen had favored improvements to the Capitol area. It was the City Club that in 1903 invited Cass Gilbert to submit a plan to rejuvenate the Capitol approach area, and business leaders continued to boost the Capitol project. Later, in 1911, the City Club secured a brief city plan from the noted planner John Nolen, but failed to get the commission to adopt it (Phelps 1980). In 1914, after further business and civic agitation, the commission created the St. Paul City Planning Board. The first *Plan of Saint Paul*, developed by another prominent planner, Edward H. Bennett, was adopted by the commission in 1922. The board, filled mostly by business leaders in its early decades, has continued to exist. Throughout the 1920s, 1930s, and most of the 1940s, the planning staff consisted of one man: City Planning Engineer George Herrold, who worked in the Department of Public Works. In the 1920s and 1930s an informal business-backed group, the United Improvement Council, was closely involved in the city's public works program.

After 1947 and the passage of state renewal legislation, interest in planning grew in St. Paul government. David Loeks was hired as a planner, and by 1950 was director of the City Planning Board. George Herrold, the long-time city planner, more than eighty years old at the time, was nudged aside. Although Herrold may have been willing to retire, some claim that he was forced out (Altshuler 1965). He did continue to publish in planning journals for several more years. During the early 1950s the budget and importance of planning in St. Paul grew significantly. Loeks cultivated elected officials, and secured a new comprehensive city plan.

The two independent St. Paul agencies concerned with renewal had quite different images and constituencies in the 1950s. The HRA aggressively promoted public housing and open occupancy, which made many business people suspicious of and hostile toward the HRA. This hostility flared during the lawsuits over the Western Redevelopment project. The PA, which acquired redevelopment powers in 1957, always had better relations with the business community. The PA was involved in industrial development, not in controversial social programs, and helped reduce the risk of private investment in St. Paul. Typically, the PA's board members and executive director were businessmen.

EARLY PLANS

Downtown improvement efforts in both cities were sporadic, at best, through the first half of the twentieth century. There was a constituency for improvement throughout this period, usually led by some progressive business group like the Minneapolis Civic Commission. Such groups in both cities raised money before World War I to commission plans for rebuilding both cities. These plans, like many others of the time, proposed a multitude of improvements, and not just for the downtown areas. The *Plan of Minneapolis* (Bennett 1917) and the *Plan of St. Paul* (Bennett and Parsons 1922) both depicted major corrections for the problems of the two cities. The problems addressed in these plans included poorly designed and difficult traffic patterns (especially around the downtowns) and the need to revitalize the centers of the two cities by constructing monumental civic structures.

The two plans owe much of their inspiration and their proposals to the massive reshaping of Paris accomplished by Baron Hausmann during the 1850s and 1860s. His success at chopping through densely built-up areas of Paris to create broad boulevards and grand vistas inspired many early city planners in the United States. Planners all over the country began to reshape their own cities in their heads, if not on the actual landscape. Because planners were all responding to uniform influences, today early twentieth-century Beaux Arts civic structures are found in cities across the country. St. Paul's Union Depot and the departed Burlington Northern Depot in Minneapolis were both part of this trend, as was the 1910 Minneapolis Post Office building (still standing across from the abandoned Milwaukee Depot).

Yet another plan for redeveloping downtown Minneapolis emerged in the late 1940s. The Civic Center Development Association (CCDA) had been formed in the late 1930s specifically to promote the redevelopment of the Lower Loop. Robert Cerny, a local architect, was the executive secretary of this group. In the late 1940s he proposed a plan to construct major public buildings and surround them with large open spaces—a civic center of sorts—in the Lower Loop.

In some ways it was almost ludicrous for officials in places like the Twin Cities—cities that were less than a century old—to consider rebuilding. That redevelopment plans such as the ones for Minneapolis and St. Paul were funded by private businessmen, who then worked hard to try to implement them (though with limited success), indicates something of the "progressive" nature of the early twentieth century. For contemporary urbanites, one quite illuminating aspect of American cities at this time is that private interests were in the forefront of civic improvements efforts. This was true in Minneapolis until 1934 when a violent truckers' strike ended the open-shop tradition in the city, and businessmen withdrew from city politics (Walker 1937). They would not reemerge as a development force for another twenty years.

If the city governments were cool to the idea of downtown renewal in the early part of the twentieth century, labor interests were positively opposed. By the early 1920s the economic bases of Minneapolis and St. Paul were already beginning to evolve away from agricultural processing and toward financial work and information processing, a transition that took another half century to complete. The lumber industry, for example, had completely disappeared from the Minneapolis waterfront by 1920, and the fur trading industry had long since fled downtown St. Paul. Downtown plans for civic plazas, impressive governmental buildings, and broad avenues were, in part, a turning away from the origins of both cities. Labor organizations were aware of the loss of jobs and changing nature of the job market, and they opposed any plans that would intensify this process.

The transition away from manufacturing (in Minneapolis) and wholesaling (in St. Paul), and toward creating a "corporate city" image for both, greatly accelerated after the Depression and World War II. The postwar downtowns were cramped and looked worn. With a few exceptions (the Minneapolis Post Office and St. Paul's City Hall), almost nothing new had been built in either downtown since the late 1920s. Clearly, if the Twin Cities were going to appear modern and progressive, major changes needed to occur. A new landscape for both downtowns – a completely new physical landscape – was in order.

Downtown renewal goals were different from those strictly associated with slum clearance. The primary focus was not on better housing or an improved social climate, but on *economic* redevelopment. Creating a corporate city required new, modern buildings to serve the needs of financial institutions and the emerging information

A portion of the Gateway area in the late 1950s.

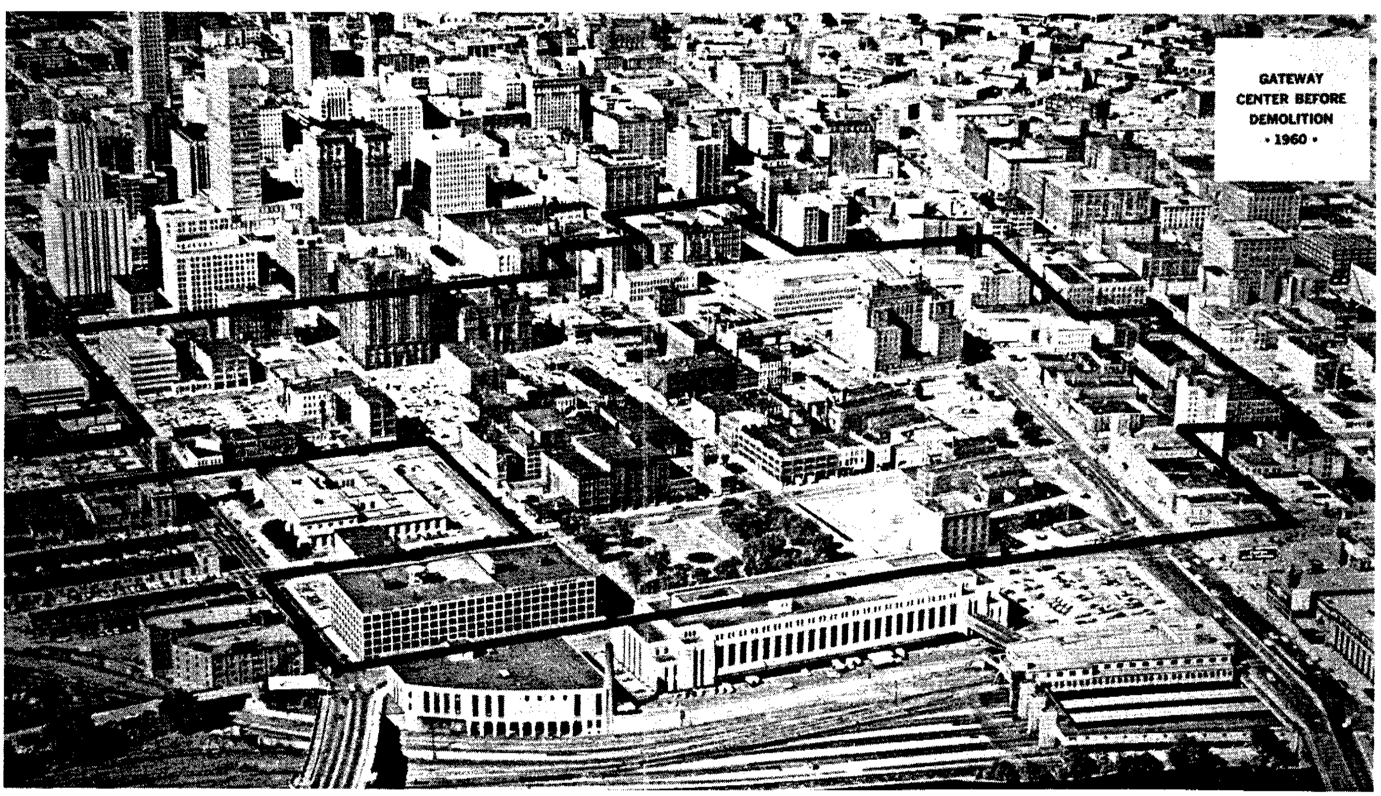
The strong 19th century character of the buildings is evident. This view is from Third Avenue South looking toward the Post Office; Marquette Avenue is the street running through the center. Most of these blocks are now devoted to high-rise apartments (the Towers and the Churchill) and to office buildings (Northwestern National Life and Washington Square).

industries. Planners argued that if downtown Minneapolis and St. Paul had to be completely rebuilt to accommodate these new functions, then that is what would be done.

THE GATEWAY PROJECT

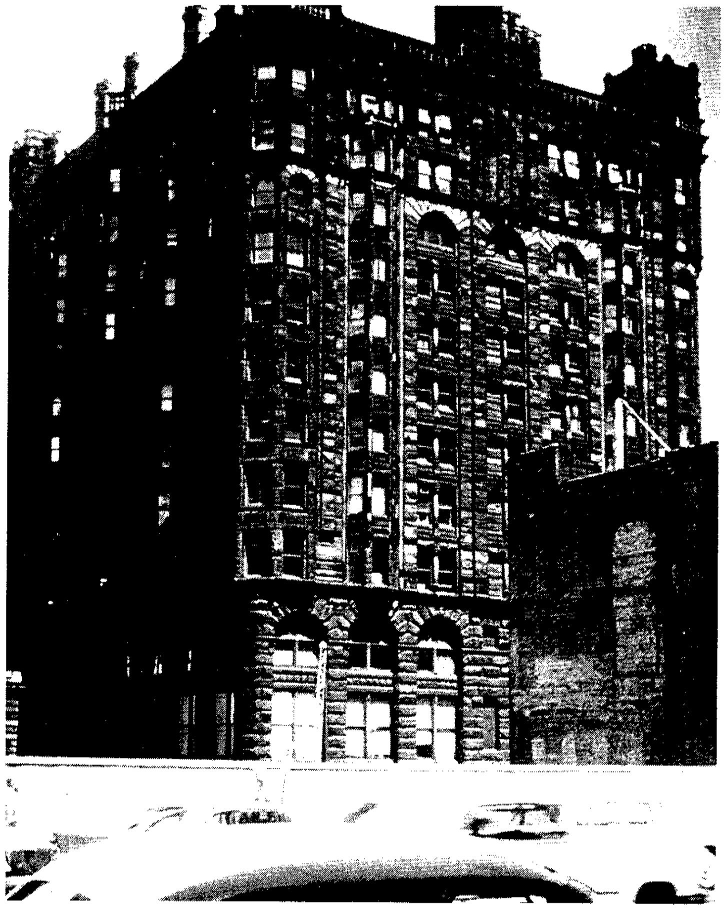
City planners assumed that the Gateway area, the old core of downtown Minneapolis, would qualify for federal urban renewal assistance when they proposed clearing and reconstructing about one-third of the entire downtown in the mid-1950s. Beginning in 1956, federal renewal officials raised serious questions about the size of the project: was what was proposed too big for the local real estate market? In 1957 a group of civic and government leaders, led by Mayor P.K. Peterson, went to Washington, D.C. to convince federal renewal officials that Minneapolis needed a project this size. They were successful, and returned with a commitment for the money (Naftalin 1970).

Not everyone found favor with the proposed redevelopment however. Several owners of condemned property tried to stop the Gateway plan. They sued the HRA, claiming that the condemnation action was "arbitrary and unreasonable." They also challenged the



The Gateway project in 1960.

The heavy black line marks the boundaries of the Gateway project. The new public library had been built, the Metropolitan Building was still standing, and little clearance had taken place. The large cleared parcel across from the Post Office (foreground) was the site of Janney-Semple-Hill, a large hardware wholesaler.



The Metropolitan Building, 1959.

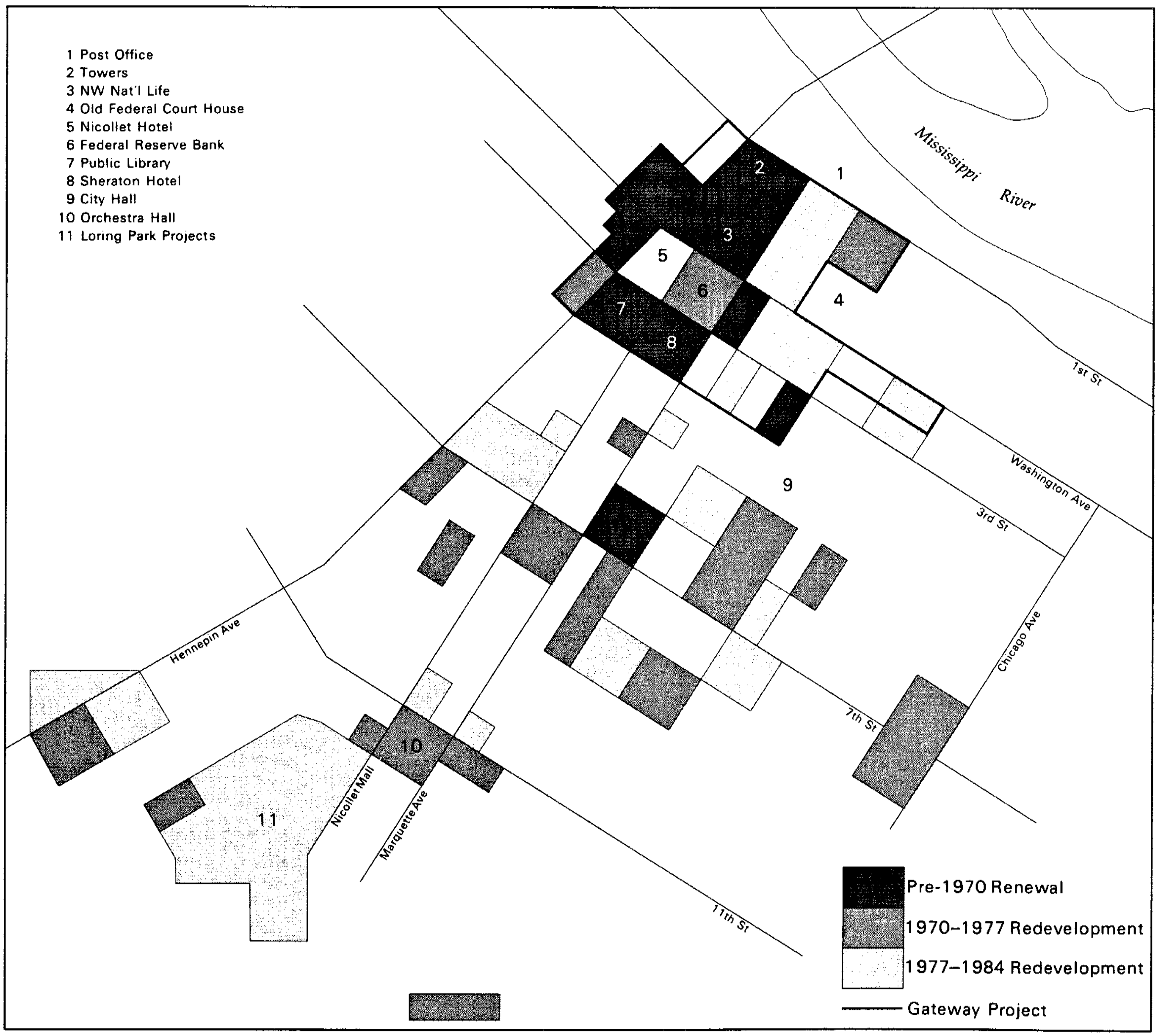
Designed by E. Townsend Mix, and originally called the Guaranty Life Building, this landmark was completed in 1890 and was for decades the tallest building between Chicago and the west coast.

legality of the overall development plan. The owners did not win any of these suits, nor did the preservationists who sued to stop the destruction of the Metropolitan Building (formerly the Guaranty Life Building). This last suit made it as far as the Minnesota Supreme Court, which upheld the HRA's right to condemn the Metropolitan Building. This decision essentially reaffirmed the "greater good" argument about eminent domain (*Buildings* 1961b).

The case of the Metropolitan Building was perhaps the most difficult one in all of the Gateway planning. The building, designed by E. Townsend Mix, was built between 1888 and 1890 and was, at the time, the tallest skyscraper west of Chicago. It was universally lauded by architects who visited Minneapolis as one of the most exciting architectural spaces in the country. The Metropolitan Building had a twelve-story interior atrium topped by a glass roof, glass-floored balconies with iron filigree railings, openwork iron elevator shafts, and a rooftop terrace.

Preservationists argued that the building was an architectural treasure and important to the city's heritage. The city building inspector contended that the level of maintenance required to bring the building up to code was prohibitively expensive; as much as $600,000 was needed to replace the plumbing, the heating plant, and the elevators. The fire marshall added to the list of problems with numerous fire code violations, including the need to enclose the stairways and elevators as well as the atrium (Palmer 1961). The HRA contended that the entire Gateway project would be jeopardized if the Metropolitan Building was retained, and that a company like Sheraton would not build a new hotel on a site across from such an outdated building as the Metropolitan.

Map 5. Minneapolis Downtown Redevelopment



The Supreme Court agreed with this view, saying that the Metropolitan Building would have an unfavorable effect on the value of surrounding property and lessen the amount of tax generated by the entire area. The building was finally torn down in 1962, after the condemned property owners' and preservationists' four-year effort to save it. Given the preservation activities of the past decade, there is little doubt that the Metropolitan Building would have become a Minneapolis landmark if it had only been left alone for another ten years.

By the early 1960s clearance was well underway as the old core of downtown Minneapolis was emptied out (see Map 5). The redevelopment was coordinated by the HRA, with the federal Urban Renewal Administration paying more than three-fourths of the $18 million renewal cost (primarily for clearance). By spring 1963 more than $60 million worth of new construction was either committed or completed. Existing contracts indicated that $80 million would have been invested within eight years of the start of the project (Minneapolis HRA 1962a). The Knutson Company, a local contractor, was selected by the HRA as primary developer for the Gateway project. Knutson contracted with the HRA to buy and develop thirty-four of the thirty-seven acres available for private development by 1971. The company

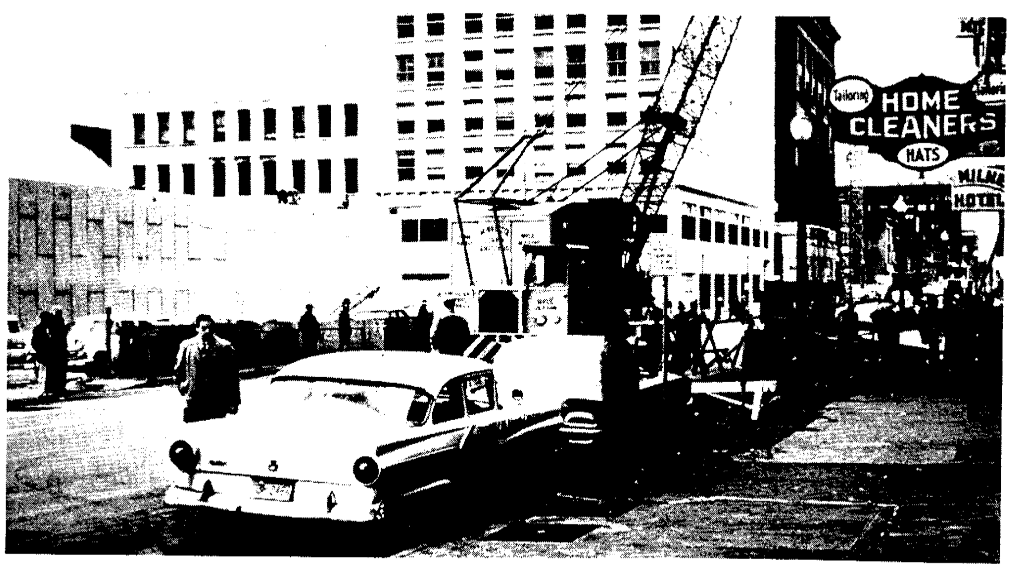
The Gateway project in 1962.

Demolition and clearance in the Gateway area was nearly completed. One block to the left of the bank sign are the first story remains of the Metropolitan Building; on the block opposite the sign, the Sheraton Hotel was being built.

agreed to submit plans and specifications for each new building to the HRA before construction.

The roster of investments made as part of the Gateway project included both public and private entities. Public agencies spent about $19 million on new structures for the Minneapolis Public Library, the Public Health Center, the State Employment Security Office, and a new federal courthouse. Private investment included: $12 million for Northern States Power's new office and downtown substation; $1.5 million for the Pure Food and Drug building that was owned by a private construction company; Northwestern National Life Insurance's $6.5 million home office; a $2.5 million office building built by the Knutson Company and leased to IBM; the $11 million Sheraton Center hotel and parking ramp; and the two Towers buildings containing 500 apartment units (another 1,000 units in four more tower buildings were proposed, but not built). There were also plans for a project called Scandia, which was to be the "open square commercial complex" that was number three on the list of Gateway goals (Minneapolis HRA 1965).

By early 1965 the last of 180 buildings in the Lower Loop had been cleared. City officials were pleased with the transition underway, although the HRA had difficulty selling cleared land after the initial burst of activity in the early 1960s. Instead, the HRA used much of this land for parking lots through the mid-1970s and derived substantial income in this way. Gateway renewal was essentially suspended in the late



In the Gateway, circa 1960.

On the left is the new public library. The tall buildings in the next block would soon be demolished to make way for the Sheraton Hotel.

In the Gateway, 1963.

The Sheraton Hotel was one of the earliest new projects.

1960s; only a couple of senior citizens' high rises would be built in the next decade. The Lower Loop area had paid $390,000 in real estate taxes in 1958. Estimates were that it would pay $1.8 million per year when completed, and even with only one-quarter of the project completed in 1964, Gateway was already generating more than the 1958 figure. Renewal activity in Gateway would not pick up speed again until the late 1970s, when other sources of funding would have to be used. By then, more than 1,000 units of housing had been constructed along with a great deal of new commercial and office space. But by the mid-1960s the primary goal of the Gateway project had been accomplished: a skid row slum had been erased, and a major part of downtown Minneapolis was being reclaimed.

The Gateway project was billed at the time as the nation's largest downtown development project (*Buildings* 1961a). It was so large that nothing about it was simple—including the task of relocating the population and businesses of nearly half of downtown Minneapolis. As the property owners' lawsuits indicated, not everyone was pleased with the prospect of relocation. Before renewal began there had been 454 different businesses in the project area. These ranged in size from individual service operations to a huge wholesale hardware establishment that occupied 720,000 square feet. Functionally, they ranged from lodging houses and liquor stores to offices, wholesale distributors, and light industrial enterprises.

When the court cases were decided, everyone had to leave whether they wanted to or not. The HRA was obligated to reimburse building owners at fair-market value, and they further assisted Lower Loop businesses with $815,000 in relocation claims (Minneapolis HRA 1962a). When the process was completed, 73 percent of all Lower Loop businesses had relocated within the city limits. Some businesses were liquidated as soon as they were acquired by the HRA (27 percent fell into this category). More than 50 percent of the businesses in this group were the "institutions" of skid row: the lodging houses, missions, secondhand stores, and pawnshops that had lost their clientele. Another 28 percent of the businesses ceased because the owners felt too old to begin again—these were primarily small services like one-man barbershops and tailor shops. Almost 10 percent of the Lower Loop businesses—mostly bars and liquor stores—stopped operating because they lost their licenses (Minneapolis HRA 1963b).

If the process of moving more than 300 businesses was a challenge, relocating Lower Loop residents proved even more difficult. The permanent population of this area before the redevelopment was 2,427, and nearly 600 voluntarily relocated before the acquisition. The remaining 1,839 Gateway residents were mostly single, elderly men; 24 percent were foreign-born and only 4 percent were either black, American Indian, or Oriental. A miniscule 75 persons were members of families and the other 1,764 were unattached individuals, only 40 of whom were female (Minneapolis HRA 1963b). Most of those relocated from Gateway did not move far away. More than 65 percent moved elsewhere in the downtown, to the Linden-Hawthorne area, to near-south Minneapolis, or to the Nicollet Island-East Hennepin Avenue neighborhood. Many of the rest went to Seven Corners (Cedar-Riverside) or to the area around Nicollet and Franklin avenues.

Many of the old men had lived in the Gateway part of downtown for four to six decades, and many were alcoholics. When the relocation was completed, the quality of housing for this group had greatly improved. More than 70 percent of these men had moved to private rental housing (sleeping rooms and housekeeping rooms). Another 9 percent were placed in institutions of some kind. The renewal of Gateway effectively eliminated "cage" sleeping accommodations in the city of Minneapolis. Although their housing situations were better, not all former Gateway residents were pleased with their new surroundings. Relocation workers told of men who tried to return to their former abodes and of others who missed the services provided in the area, especially the inexpensive restaurants (Minneapolis HRA 1963b).

In retrospect, Gateway's renewal must be viewed as a bold planning effort on the part of Minneapolis. It was by any measure a massive project for the size of the city. Some might argue now that a project of this scale was not necessary, especially given the tendency in the past decade to preserve older parts of the city. There *were* buildings worth preserving in the Gateway area—the Metropolitan Building was not the only one. Today different decisions might be made. In Seattle, for example, the old skid row has been rehabilitated into Pioneer Square, and is a major tourist attraction. Perhaps the same thing could have been done in Minneapolis. At the time, however, no one thought that was a likely possibility.

One can argue now that Gateway was too big and removed too much of the old city fabric. But this begs the question of whether downtown Minneapolis could have remained viable absent a major project of this kind. Planners at the time did not foresee that the city would lose 150,000 people between 1950 and 1980. Hindsight cannot tell us whether downtown Minneapolis could have been maintained through some other means. Certainly it would be a very different kind of city without the stimulation provided by the Gateway redevelopment. Together with the Nicollet Mall in the mid-1960s, the Gateway project helped to generate a progressive reputation for Minneapolis. In national planning circles especially, Minneapolis became known as a city willing to take big risks (Aschman 1971). Some might even argue that this willingness to innovate has proved attractive to the business community. Minneapolis now has a "corporate city" image; to a large degree this image is due to changes begun with Gateway's transformation.

Gateway was not an unqualified success. It was, by any measure, a very slow project. In the early 1970s much of the cleared land was still vacant, used only for parking lots; many observers wondered if this situation would ever change. The clearance effort in Gateway had been zealous and too rapid for the market to absorb. The rebuilding process, after the first flurry of structures in the 1960s, stopped almost completely until the boom of the late 1970s. In the intervening-years the hanging slab of the Federal Reserve Bank—architecturally the most daring and interesting building in the Gateway project area—was the only new addition. What came later, as the project area finally filled up after twenty-five years, were a group of fairly undistinguished office towers and some high rise residential structures ranging from luxury rental units to subsidized units for the elderly.

A portion of the Gateway project in 1963.

By this time the Federal Courts Building (foreground) had been built along with the IBM Building just opposite it (now razed). On the block to the left of the Federal Building is the Sheraton Hotel (now closed and about to be redeveloped) and a new parking ramp. The public library is to the left of these.

Interestingly, the lessons of Gateway, regarding both the problems of clearing and rebuilding, were not lasting. Minneapolis would repeat these lessons in the mid-1970s when the revitalization urge struck at the opposite end of downtown. The Loring Park project was not urban renewal in its traditional form, but its experiences would be strikingly similar to those of Gateway.

CAPITOL CENTRE

In the 1950s downtown St. Paul was clearly in trouble. Most downtown buildings dated from the 1880s. The building boom of the 1920s had affected St. Paul much less than Minneapolis; relatively few 1920s or newer buildings existed, and those that did were scattered throughout the central business district. Most block fronts were dominated visually by nineteenth-century buildings, so downtown *looked* old, especially since many of the older buildings had not been well maintained.

Moreover, the political and business leadership seemed unable to reverse the city's decline. Efforts to promote redevelopment typically dissolved into bickering among government, business, and labor leaders. In 1958 the St. Paul City Planning Board issued a study, *Saint Paul's Central Business District*, that documented the situation and called for action. The study covered 106 city blocks, roughly the area bounded by the rail yards on the east, the yet-to-be-built freeway on the north, the foot of Ramsey Hill, and the curve of Kellogg Boulevard on the west and south. The board's field survey rated 64 percent of the building facades in this area as "poor" or "very poor" in appearance.

Downtown's problems were not just superficial. Many of the older buildings were only two, three, or four stories high—low-intensity use for the city core—and were often vacant or underused in their upper floors. More than one million square feet of the central business district were vacant (8 percent of the total). Industrial, wholesale, and residential uses occupied 27 percent of the total land, and these were uses that planners considered inappropriate for a central business district. Downtown retailing had been declining steadily; from 1948 to 1954 more than $15 million in annual sales had been lost downtown (St. Paul

City Planning Board 1958).

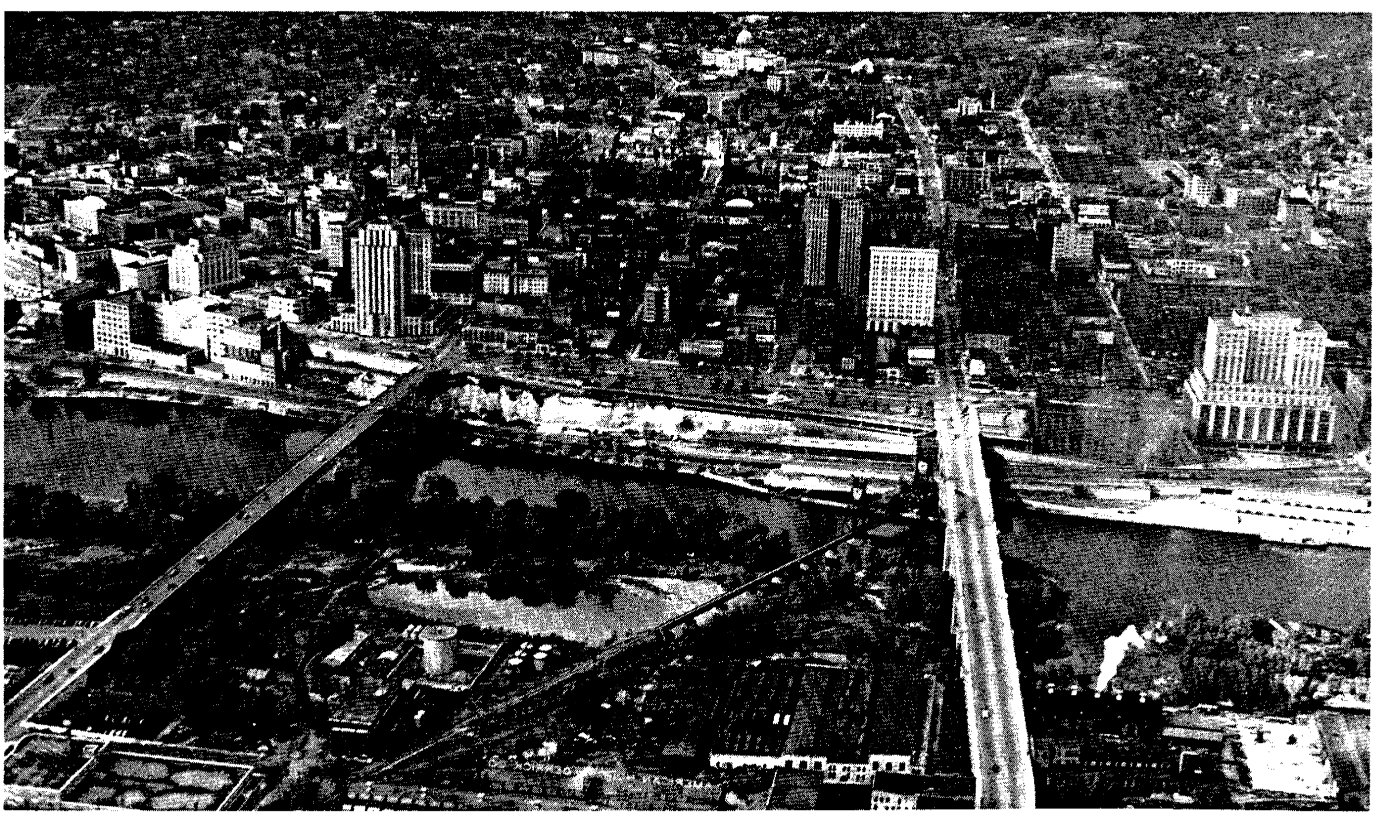
Worst of all, downtown St. Paul's assessed values were dropping. Taking inflation into account, downtown's total value declined by more than 50 percent from 1930 to 1956. Only six of the thirty-three blocks in the financial and retail core of the city were valued higher than they had been in 1930. An important part of the city government's tax base was eroding, and large private investments were threatened by the decline of downtown. An especially trying problem was the "hole in the doughnut," a four-block-area bounded by Wabasha, Minnesota, 5th and 7th streets, that was moribund (see Map 6). The life of downtown formed "a circular movement around this...void," according to the City Planning Board. This problem area was in the heart of the city, a constant, visible reminder of the sad state of St. Paul's business district (St. Paul City Planning Board 1958).

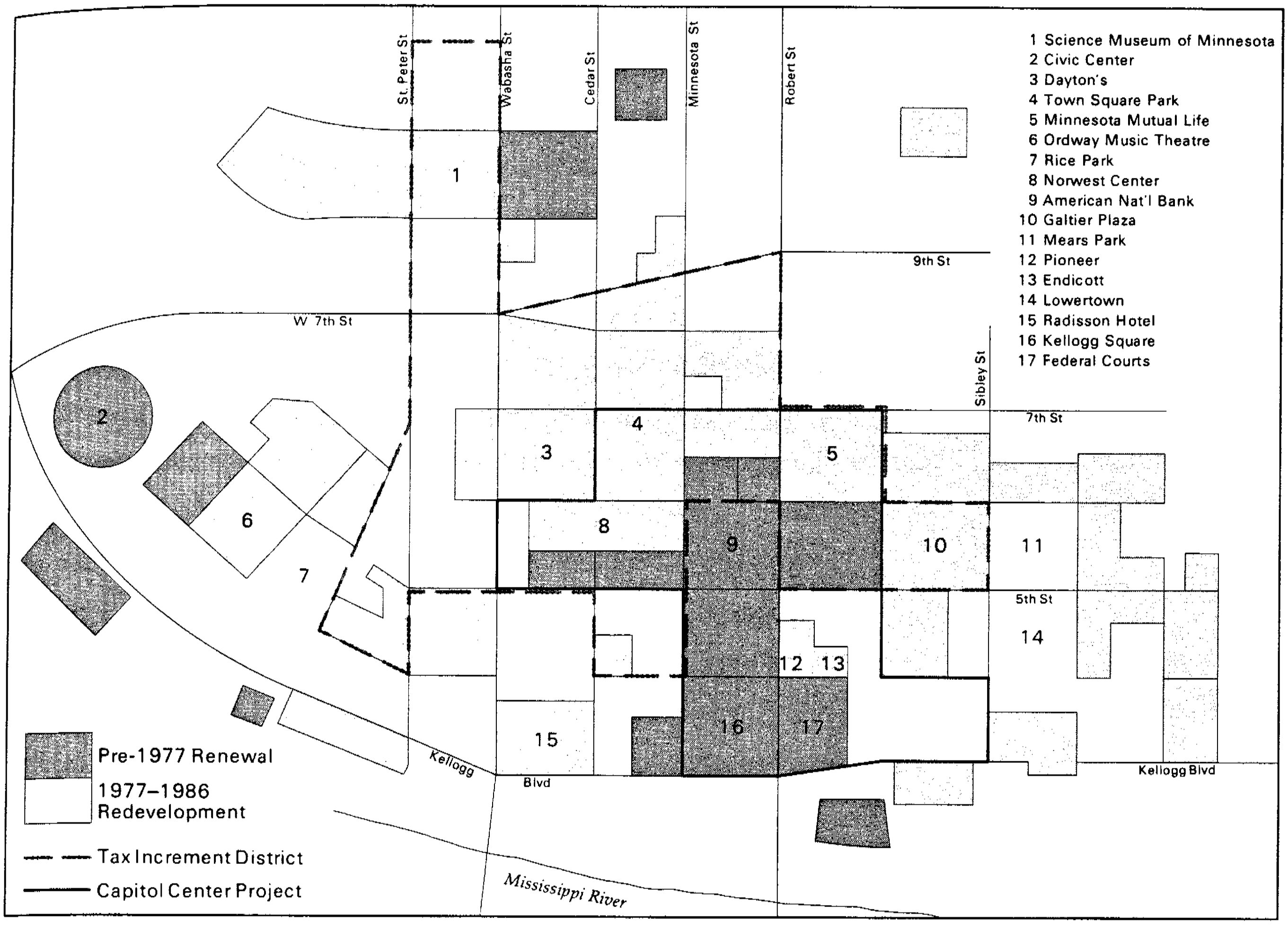
The Planning Board's proposal contained a number of elements:

- Rationalize land use: Establish group-compatible land uses; eliminate incompatible uses; concentrate the sprawling retail area along 7th Street.

Downtown St. Paul and the West Side, circa 1950.

Between the two bridges on the downtown side lies most of the land that would become the Capitol Centre project in the 1960s. The West Side contains many obsolete industrial buildings as well as some housing.





Map 6. St. Paul Downtown Redevelopment

- Open up downtown visually: Reduce building coverage on blocks; increase density with building height; provide open space.
- Improve circulation: Improve vehicular access to downtown; make routes into downtown more attractive; improve parking; remove surface parking from the core; rationalize vehicular circulation; separate vehicular and pedestrian circulation.
- Specific areas: Redevelop the "hole in the doughnut;" preserve Kellogg Boulevard (Wieland 1962).

Change began in 1960 when George Vavoulis was elected mayor of St. Paul. Vavoulis was the first Republican mayor of the city in several decades. A downtown florist businessman, he managed to stir the business and labor leaders and government agencies of the city to take action and, more importantly, to cooperate. The most visible vehicle of the new cooperation was the Metropolitan Improvements Committee (MIC), formed in 1961. The MIC was a volunteer, private group including prominent leaders from both labor and business. Philip Nason, president of the First National Bank, was the first MIC president, and probably the most influential member. Richard Radman was the most prominent labor leader. The MIC included an unusual number of corporate decision makers, men who were able to make commitments to redeveloping downtown. The MIC hired Robert Van Hoef, a planner from Michigan, as it's executive director. Together, Nason, Radman, Vah Hoef, and the MIC spearheaded successful downtown renewal in St. Paul (Metropolitan Improvements Committee 1962).

Despite philosophical reservations about government intervention into private property rights, the MIC saw the need to accept local government assistance and federal aid; downtown needed help and, plainly, could not be renewed privately. Mayor Vavoulis also made significant changes to the HRA board. As vacancies occurred, he filled the seats with commissioners who were more interested in economic redevelopment. The earlier strong HRA focus on public housing was tempered. In 1962 the state legislature approved the sale of city bonds for downtown redevelopment and added two city council members to the HRA board, strengthening the tie between the HRA and city government (Greenman 1984; Hesterman 1985).

From 1949 to 1960 St. Paul had been unable to *do* anything about its decaying downtown, despite acknowledging the need to do so. Within the space of three years of George Vavoulis's term as mayor, the elements needed for instituting improvements had come together: the HRA was more attuned to economic redevelopment, the various arms of government were cooperating more closely, and a phalanx of business and labor leaders stood ready to fight together for a revitalized downtown. The MIC hired a group of local architects to formulate a plan for downtown St. Paul in 1961. In 1962 the plan was released to the public; it became the basis of the official HRA plan, the Capitol Centre project (Van Hoef 1962).

The planning philosophy of Capitol Centre was to create a strong core in downtown, and to build outward from it. Capitol Centre was an unusual downtown project in two ways. Unlike Minneapolis' Gateway project and most downtown renewal projects of the period, the Capitol Centre project area was at the core of the downtown, rather than on the fringe. Capitol Centre included the city's financial and retail heart. Secondly, the project was compact, especially when compared to sprawling Gateway. It comprised only ninety-five parcels of land on twelve city blocks. Most of Capitol Centre's twelve blocks would be cleared and rebuilt (see Table 1). A few landmark buildings, notably the Pioneer and the Endicott, were saved. Several structures that would later have been considered architectural gems were razed: the Guardian Life and Manhattan buildings.

The principles of the Capitol Centre plan emphasized flexibility and echoed the City Planning Board's recommendations for the whole of downtown. The primary intention was to eliminate the jumbled land uses that were blighting the area, and rebuild at a higher density for financial and commercial use. The retail corridor along 7th Street was to be reinforced. The cramped, nineteenth-century feeling of the old downtown was to be banished through increased open space, plazas and courtyards, and building setbacks.

Block	Intended Reuse	Actual Reuse (c = commercial; r = retail)
A	retail or commercial	Town Square/Radisson (r/c)
B	retail or commercial	Twin City Federal (c/r)
C	retail or commercial	Minnesota Mutual Life (c)
D	retail or commercial	Economics Laboratory, Northern Federal (c)
E	retail or commercial	Northwestern Nat'l Bank, Skyway Bldg. (c/r)
F	retail or commercial	American National Bank (c)
G	retail or commercial	Farm Credit Bank State Employment Service (c)
H	commercial	First National Bank expansion (c)
I	commercial	Jackson Ramp (parking)
J	residential	Kellogg Square Apts., YWCA (resident/service)
K	commercial	Federal Courts (public)
L	commercial	development now in progress

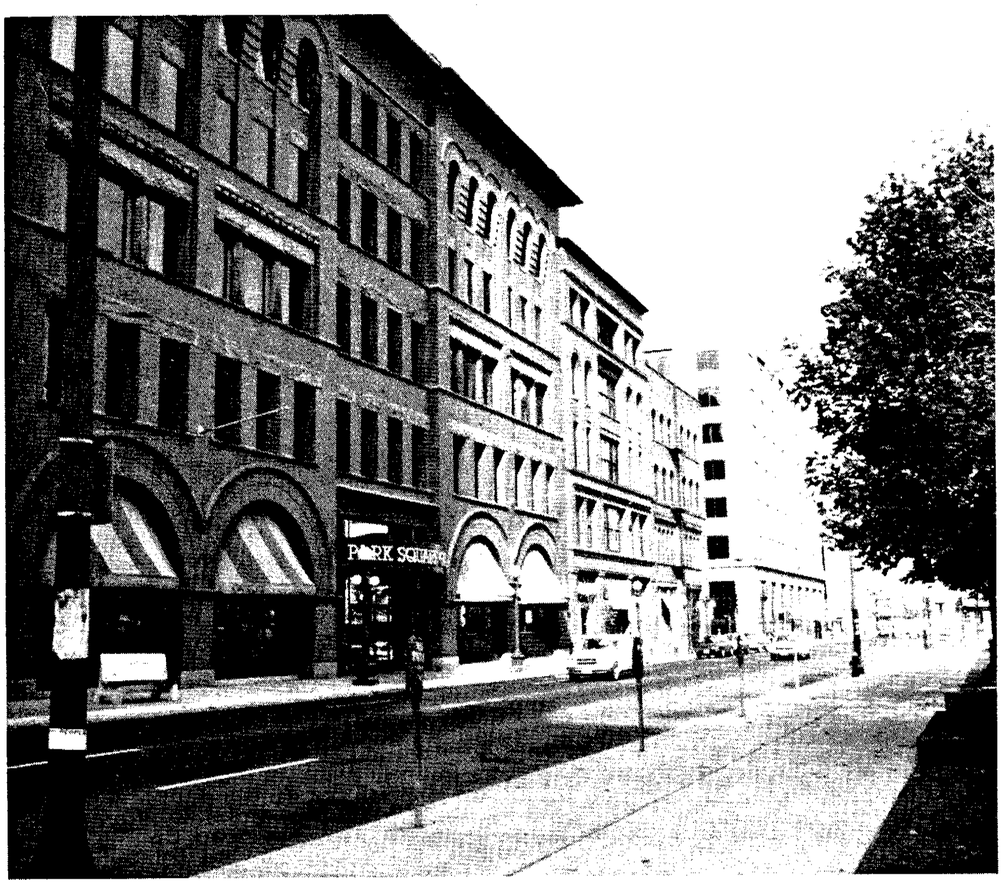
Table 1. Reuse Plan for Capitol Centre

The plan, complete with several design innovations, called for a middle-class housing development smack in the heart of downtown, not on the fringe as in most downtown renewal (the Towers in Minneapolis, for example). Capitol Centre also included an ambitious plan for enclosed pedestrian movement through and between buildings. The first skyway in the Twin Cities was built as part of Capitol Centre in 1966, connecting the Federal Courts Building and the Endicott building. The skyways are all owned by the city, enabling St. Paul to enforce design standards and accessibility.

Renewal in downtown St. Paul functioned as it did in other cities. The HRA was the local agency that did the planning, received federal grants, acquired land through negotiation or condemnation, sold the cleared land to developers, and enforced compliance with the plan; the city government made the public improvements; and the MIC found companies to build on the cleared land. Often, decision makers of firms that built in Capitol Centre were MIC members, and major developers were committed even before proposals were advanced. Before Capitol Centre got underway, two supporting developments just outside the project boundaries were built. Dayton's bought up an entire block of the "hole in the doughnut" and built a new department store, and the St. Paul Hilton Hotel (now the old Radisson) was built at Kellogg Boulevard and Wabasha Street. The first commitment within the project was from the federal government. In 1961 the General Services Administration agreed to erect a new federal courts building on Robert Street between Kellogg Boulevard and 4th Street.

The Capitol Centre project was successful in at least two ways. First, the project area was redeveloped in a manner approximating the plan, although it took longer than was first supposed. The planned concentration of retail uses along 7th Street failed. Instead, retail uses have spread throughout the downtown, and most commercial buildings have at least some retail space, especially on the skyway level. Many of the cleared blocks were rebuilt fairly quickly, and only one remains underused today. After more than twenty years, Block L (bound by Kellogg Boulevard, and Jackson, 4th and Sibley streets) is finally being developed. Construction on the first phase, a large municipal parking ramp, began in early 1987. An office tower for the local public television station will be added later, and uncertain long-range plans include a hotel.

Secondly, and perhaps more importantly, the Capitol Centre project gave downtown St. Paul a strong economic core and a strong social/physical base for continued revitalization. By 1966 property tax revenues had increased by $6 million (St. Paul HRA 1972). The project demonstrated that government-aided redevelopment, in partnership with the business community, could succeed in improving downtown. It showed what could be accomplished by diverse interests working together with a lot of public and private investment. The public agencies have continued to work for downtown redevelopment, and the MIC (which in 1979 changed its name to Operation '85) has continued to lobby business and government. The revitalization of downtown St. Paul has spread east into Lowertown, west into the Rice Park-Civic Center area, and north into the Science Museum-St. Joseph's Hospital area. The Capitol Centre project established a strong core from



St. Paul's Lowertown area, 1984.

Similar in some ways to the Bridge Square area that was cleared in Minneapolis, this section of downtown St. Paul survived some battles over clearance to become a restored residential and entertainment district.

which the renewal of downtown has spread as planned.

The project's public costs totaled $29.9 million, $19.9 million of which was federally provided. The Capitol Centre project area was not vacant before renewal, of course, and people and businesses were displaced. Unlike the Gateway area, the Capitol Centre area did not house many residents: a total of 12 families and 126 individuals were displaced (St. Paul Ctiy Planning Board 1968b). As in Gateway, all of these people were poor. Many of the businesses in Capitol Centre that were displaced were probably never reestablished. The conditions in the project area meant that rents and taxes were low, so that marginal businesses could stay afloat. It was hard to find similar conditions elsewhere in the city. Certainly, those businesses purchased by the HRA were fortunate. The building owners received a fair price for property that had only a limited market otherwise.

The Capitol Centre project was architecturally a product of its times, but today the redevelopment does not always find an appreciative audience. Recently Larry Millet, the architectural critic of the *Pioneer Press-Dispatch*, included six Capitol Centre structures on his list of the ten ugliest buildings in downtown St. Paul, quite an accomplishment for only twelve blocks (*St. Paul Pioneer Press-Dispatch* 1985). The six buildings included the Holiday Inn Town Square ("late modern dreck"), Kellogg Square ("bland and banal"), Minnesota Mutual Life ("a corporate fortress, aloof and insulated from the life of the city"), Northern Federal ("simply boring"), Norwest Crossing (a "glorified parking ramp"), and Town Square ("the anonymous shopping center architecture of the 1960s").

Though Capitol Centre was an important first step for downtown renewal in St. Paul, the initiative was short-run. By the mid-1970s downtown faced troubles again. The original Capitol Centre project was replaced by a larger Neighborhood Development Program (NDP) project – the Central Core – and then became Development District #1, one of the Twin Cities' early tax increment financing efforts (St. Paul PED 1985). Throughout these changes development remained stagnant, failing to produce enough new growth to pay off the public debt.

But downtown St. Paul managed not to relapse into the inertia of the 1950s, and a series of interconnected events finally produced a dramatic turnaround in the late 1970s and early 1980s. First, a new city charter, effective in 1972, streamlined the municipal government and created the potential for strong leadership from the mayor. Second, the end of project renewal in 1974 began a new era in development finance, making creative solutions by city officials possible and, perhaps, necessary. Third, the election of George Latimer in 1976, and his continuous re-elections, gave the city a strong mayor to wield the power implicit in the new charter. Latimer has proven immensely successful at mobilizing city government and business interests to rebuild downtown St. Paul. Lastly, the creation of the Department of Planning and Economic Development (PED) in 1978 combined and reorganized several disparate agencies. Formerly, planning and development activities were fragmented, with the City Planning Board, the Community Development Agency, and the HRA all playing a role. PED finally gave St. Paul a coordinated, efficient, and creative development agency. By the late 1970s, with a vigorous development agency, firm business support, and an influential leader, downtown St. Paul was poised to take advantage of all prospects for growth.

NEW TOOLS

In 1972, through a moratorium, President Richard Nixon ended project-based renewal and the construction of public housing for families, although projects that were already approved were completed. It was soon clear that new approaches to redevelopment, and especially new financial tools, had to be devised. When the moratorium finally ended, federal aid resumed, but in a changed form. As part of the doctrine of reducing federal control over local government, aid was no longer tied to particular, spatially defined projects. A wide variety of federal loan and grant programs have been tried over the years to stimulate housing rehabilitation and to spur further revitalization.

In the years since the end of project-based urban renewal, the Twin Cities have both adapted to their changed circumstances. They have grown sophisticated in using new financial tools, devised citizen participation structures that bring significant numbers of residents into the decision-making process, and streamlined the structure of the agencies that do the work of redevelopment.

Community Development Block Grants

Begun in 1974, the CDBG program replaced project-based renewal of the 1950s and 1960s. The federal government transfers money to city (and county) governments, but with far fewer restrictions than under previous urban renewal programs, and with far less monitoring than under project renewal. CDBG money must be used primarily to benefit low- and moderate-income people and to prevent blight. This program gives cities greater redevelopment flexibility, but it also effectively erodes the role of comprehensive planning in city redevelopment.

CDBG money has been used in various ways, sometimes concentrated in census tracts with enough people to meet the income guidelines, sometimes to benefit poor people city-wide. CDBG money is entitlement money; cities do not have to compete for grants but instead are allocated amounts determined by population and poverty levels. Allocations of CDBG funds have declined steadily under the Reagan administration, which wishes to eliminate the program totally.

Urban Development Action Grants

Another federal urban program, UDAG, was begun in 1977. The UDAG program is not based on entitlement, but on competition. HUD awards grants to cities with the most promising proposals. The idea was that a small amount of federal money could be used to foster iminative solutions to urban problems. If a project worked in one city with federal subsidy, the idea could be adopted in other cities without federal aid.

From a federal perspective the program had a serious flaw. The money tended to go to cities with the best development staffs and not to cities with the worst urban problems. Both Minneapolis and St. Paul did well under the UDAG program until Congress discovered that money was not going to the most distressed cities. Since 1982 the rules have been changed to give preference to the most needy cities and UDAG awards to St. Paul and Minneapolis have declined.

Both cities will continue to benefit from the earlier years, however. The UDAG awards went to the agencies, not to the private developers who actually did the projects. The developers were loaned the UDAG money, which must be repaid. Both cities have set up UDAG repayment pools that will represent significant income streams which can be used for future development.

Revenue Bonds

The variety and use of *local* financial tools dramatically increased beginning in the early 1970s. Revenue bonds had been used throughout the renewal process to raise funds for the local share of project expenses. Since 1974 the amount of indebtedness in St. Paul and Minneapolis has increased tremendously. The Industrial Development Revenue Bond (IDRB) and the Housing Revenue Bond (HRB) are issued by a governmental unit and sold to investors who benefit from the tax exemption of the interest paid on their investment. The proceeds of the bond sale are used by a private developer to complete a development or housing project. The developer repays the principal and interest from the project's profits. tax increment financing works somewhat differently. Bonds are sold by the government unit and are tax exempt, but are tied to a defined geographic area rather than a specific project. The interest and principal payments are made from the increased tax revenue generated in the project area. State legislation during the late 1960s and 1970s gradually expanded the authority of Minnesota cities to engage in the new forms of development finance.

Revenue bonds are tied to individual, privately developed projects. The bonds are sold by state or local governments and the proceeds (minus fees) are loaned to the private developer. The buyers of the bonds are repaid by the revenue from the developer's project (hence the name). Unlike general obligation bonds that local governments sell to raise money for their own projects, Industrial Revenue Bonds (IRBs) are not backed by the "full faith and credit" of the issuing government. This means that the taxpayers are not responsible for any default (Minnesota House of Representatives' Research Department

1978). As a practical matter, the issuing agencies are concerned about defaults because their bond ratings, and therefore their ability to sell bonds in the future, would be affected. When private developers default, and a few have in the Twin Cities, the public agency involved usually salvages the project. Bond holders are still paid.

Although often thought of as tied to industrial development, bonds are used today for commercial, housing, and mixed-use developments too. Housing revenue bonds, though somewhat more complex, have been used heavily in both St. Paul and Minneapolis. Often a housing bond will have a social goal added to its basic economic development purpose. Developers who receive housing revenue bonds are usually required to make some number of the dwelling units produced available to low- and moderate-income households.

People buy IRBs to shelter income from taxation, so each bond represents lost revenue to the federal and state governments. Because of the advantages of sheltering income, buyers are willing to accept a lower rate of return on an IRB than they would from a taxable investment. This interest rate differential allows the developers who receive IRB money to borrow at below-market rates. Estimated loss to the federal treasury for fiscal 1985 was $9.3 billion; to the Minnesota treasury, $77 million (Citizens League 1985).

The money raised through the sale of IRBs is an indirect subsidy from the federal and state governments. The developers who receive IRB proceeds and the agency officials who use the bonds as tools tend to regard the money as private because it is repaid by the developer. The fundamental point, however, is that without the governmental subsidy no money would be available. The interest paid to the buyers of the bonds is exempt from taxation by the federal government and, if the bonds were sold by a Minnesota agency, by the state government also.

In 1984 the U.S. Congress voted to end the tax exemption for IRBs at the end of 1988 and placed a cap on the total issued by each state in the interim. Minnesota set limits for each issuing agency. Congress may change its mind in response to vigorous lobbying by

TIF has been controversial in Minnesota for more than a decade, and state tax increment legislation has steadily evolved. Use of TIF was relatively uncontrolled until 1979 when the legislature passed a major tax increment law. The 1979 act was amended in 1980, 1981, 1982, and 1985, and county governments and the Citizens League are agitating for more amendments.

In 1985 and 1986 the Minnesota State Auditor, the Citizens League, Hennepin County, the Program Evaluation Division of the Legislative Auditor, the League of Minnesota Cities, and the Minnesota House of Representatives' Research Department all put out major research publications on TIF. Major issues these publications addressed include the following:

1. The cost of TIF to the state government through increased school and local government aids.
2. The effect on overlapping jurisdictions of tying up assessed-value in TIDs.
3. Alleged "abuses" or at least rule bending in the use of increments. Some cities, the legislative auditor says, are using increments for purposes that violate at least the spirit of the 1979 act.
4. The "but for" questions. A crucial element of the 1979 act allows the creation of a TID only when no development would take place "but for" public action. The law leaves the determination of "but for" up to the creating government unit.
5. Excessive use. Some critics of TIF charge that it is risky to have too much of a city's assessed value captured by TIDs because it reduces fiscal flexibility. Minneapolis' and St. Paul's assessed values are near the top of the list in terms of total captured value, but are relatively low in percentage. Minneapolis has about 8 percent of total value captured by TIDs and St. Paul only about 4 percent. The city of Chanhassen, by comparison, has 17 percent.
6. Use of excess increments. Sometimes a TID produces more increment than expected, or more than is needed for improvements or debt service. Critics say that the only

municipal officials, but the prospect of life without IRBs depresses many city development agencies.

Tax Increment Finance (TIF)

TIF was invented in California in the 1940s, but Minnesota municipal governments have adopted the technique wholeheartedly. At least 214 Minnesota cities were using TIF in 1985, up from just one in 1968 and four in 1974 (Minnesota Legislative Auditor 1986). About thirty states allowed TIF, but Minnesota municipalities seem to be among the most avid users (though good comprehensive statistics do not exist).

The purpose of TIF is the same as that of other development tools: to induce private investment by providing public aid. The differences are that TIF works in spatially defined areas called tax increment districts (TID) and public expenditures are financed by borrowing against future tax receipts.

The authorizing government unit (usually a city) designates the TID with specific geographic boundaries. For the life of the district (which varies from eight to thirty years depending on the purpose of the district) all increases in assessed property value and the taxes flowing from the increase are dedicated to the TID. The increase in value is termed the *increment* and is *captured* by the TID. The captured value is not available to any of the jurisdictions that levy taxes on real property—municipal government, county government, school district, and (in the Twin Cities) metropolitan authorities. These "overlapping" jurisdictions receive less tax revenue for the life of the TID.

The controlling unit of government may or may not issue tax increment bonds—bonds that are guaranteed by the tax increment of the district. The district's public expenditures may instead be paid from other sources—CDBGs, UDAGs, or revenue bonds in most cases. The TID captures all increased value of the district, not just those that directly result from public expenditure. As the assessed values in the TID rise over the life of the district, the tax increment is devoted to paying for public improvements and paying off the principal and interest of any public bonds issued.

rush of building in America's downtowns in recent years has been boosted, in part, by the tax advantages of accelerated depreciation: as a result, all taxpayers help to subsidize the construction of these new buildings. St. Paul even found a way to overcome restrictions on depreciating public facilities—which exist because public agencies do not pay income taxes. The city sold its new civic center to a group of private investors who could depreciate the facility; the investors then leased it back to the city to operate. St. Paul gained a new (and significant) income stream; the investors got tax breaks. Everyone was pleased, except perhaps the federal government. Historic preservation tax credits have worked in a similar way, funneling federal indirect subsidy to rehabilitate historic buildings and districts.

The disadvantage to all of this imaginative activity falls upon the federal government. The federal government did not actually withdraw its massive aids to urban revitalization. It simply gave up control over how much aid it provides, and how and where it is spent.

Some downtown projects have been subsidized directly by local and federal money. Others were helped through planning and land assembly. All were assisted by federal tax incentives. The formal renewal programs of the 1950s and 1960s provided the foundation and impetus for this growth:

- The local development agencies in both cities have grown adept at using available financial tools to spur growth, and have aggressively used public bonding authority, TIF districts, UDAGs, and tax abatement to leverage private investment.
- Business organizations in both cities have been willing to spearhead projects and to foster economic growth in the central cities.
- Public cooperation and support in both cities have remained strong.
- Political leadership, notably from George Latimer in St. Paul, has promoted downtown development.

The Twin Cities' economy has remained healthy, and that health has been the primary force behind continued downtown development.

legitimate use of this extra money is to retire the district early by paying off the debt ahead of schedule. Some cities, including Minneapolis, have instead pooled excess increments to create new development funds. The legislative auditor has suggested curtailing this type of activity.

TIF is likely to continue as a political issue for some time. It is an important tool for cities that have been continually stripped of intergovernmental aid since the early 1970s. Affected overlapping jurisdictions (notably Hennepin County since Minneapolis is a relatively heavy user of TIF) are cautious about TIF because they fear a long-term erosion of the tax base. Cities counter that the benefits of development and redevelopment accrue to the county and the schools, but are generally subsidized only by city government. TIF is a means of sharing the public expense of development among all benefiting local governments. Some legislators view TIF as a state subsidy whose use is controlled by local government and prone to abuse, or at least overuse.

IMAGINATIVE APPROACHES TO DOWNTOWN DEVELOPMENT

Changes in urban development methods over the last decade have transformed a massive program of direct federal aid into a massive array of indirect federal aids. Minneapolis and St. Paul have benefited extraordinarily under the new rules. Both cities have efficient, imaginative, and active development agencies which have become quite sophisticated about financial matters. The agencies have learned to use other people's money—indirect federal and state aid in the case of IRBs, and leveraged private investment—to augment local tax resources and remaining federal aids. Equally important to these agencies' success may be the fact that both cities exhibit relatively few economic and social problems, and may therefore be more appealing as investments.

The driving force behind many of the imaginative techniques is federal tax policy. During the early 1980s the amount of depreciation allowed on real business and investment property increased dramatically, thereby raising the economic appeal of new construction. The

THE LAST DECADE DOWNTOWN

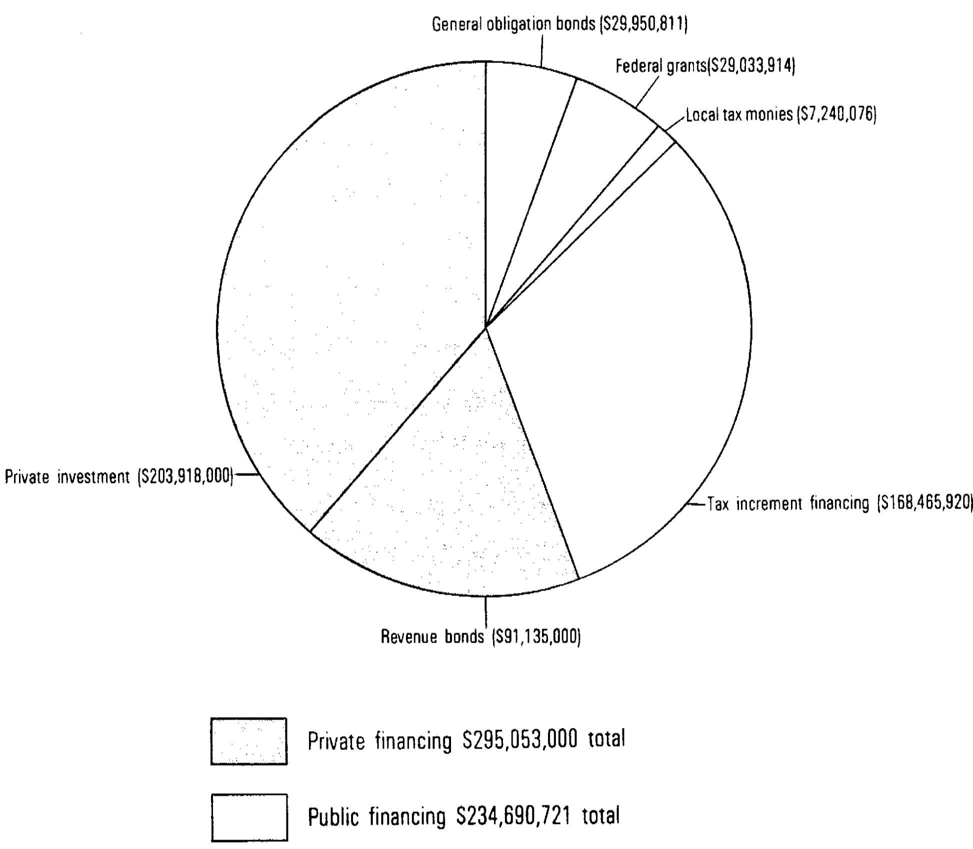
The downtowns of Minneapolis and St. Paul have experienced substantial development ranging from offices to housing since the mid-1970s, despite the end of federal project renewal, a deep recession, and a general flight of economic activity from the midwest and northeast to the sunbelt. To a high degree, the planners' visions of the 1950s and 1960s have now been realized in the two cities. Recent developments have not usually followed the letter of the old plans, or even of newer ones, but the *ideas* of the plans are being realized. Both cities have new downtowns – not only new buildings, but new functions. The old downtowns of warehouses, light industry, and slum housing are gone. The new downtowns have middle- and upper-class residential developments; expanded professional, managerial, and service employment; and some highly successful cultural facilities. Much of this growth has been publicly facilitated, though the great majority of the investment has been private.

Some aspects of downtown development in Minneapolis and St. Paul have decidedly improved; others have not fared so well. Retailing, for example, was present in the old downtowns and it continues today, though in a somewhat diminished state. Minneapolis' Nicollet Mall generated high hopes for saving downtown retailing in the face of competition from suburban malls, and for a time it seemed to work. But in recent years, downtown Minneapolis has become more specialized. Many stores have acquired an "up-scale" image, and marginal retailers located on large project sites have been forced out. At the same time, two department stores (Powers and J.C. Penney) have closed since 1985. Downtown seems to have less to offer to moderate- or low-income shoppers, who are more likely to use discount stores in any case. St. Paul, with less retailing than Minneapolis, had a fairly moribund period during the 1960s and early 1970s. The city pinned its retail hopes on a downtown mall, and Town Square did bring new stores to St. Paul. But none of the three downtown malls (Town Square, Galtier Plaza, and Town Center) have been able to generate a night-time shopping presence.

Entertainment has been another problem. In the 1950s most of

But the public agencies have fostered downtown development and made complementary public improvements, such as parking ramps, to ensure that it continues.

St. Paul can demonstrate how all of these factors have worked together. The heart of downtown St. Paul is included in the Downtown and Seventh Place Tax Increment District which comprises twenty-two city blocks, including the largest of the new developments of the last decade—Town Square, Galtier Plaza, and the World Trade Center. The only significant growth area not included is Lowertown, the revived historic area. Because the TID approximates the active post-Capitol Centre growth of downtown St. Paul, the *Tax Increment Financing* report to the state is a convenient summary of public and private investment since 1974 when the TID was created (Minnesota House of Representatives' Research Department 1986c). More than $500 million has been invested, roughly 56 percent private (including revenue bonds) and 44 percent public (see Figure 1).



Source: Minnesota Legislative Auditor, 1986.

Figure 1. Financing for St. Paul's Downtown and Seventh Place Tax Increment District

the first run movie theaters were downtown; now they are largely in the suburbs. For a time in the 1970s downtown St. Paul had no legitimate movie theater, although there were some X-rated options. Important cultural facilities, including Orchestra Hall in Minneapolis and the Ordway Theater in St. Paul were planted in both downtowns, in 1974 and 1985 respectively. Both downtowns have supported the development of "artistic" historic areas featuring restaurants and art galleries—Lowertown in St. Paul and the warehouse district in Minneapolis—with limited success. Other major projects, the newly-opened World Trade Center and the still-to-be-constructed new convention center, remain an unknown quantity. Both downtowns are still struggling to compete with suburban shopping malls, multiplex movie theaters, and potentially, Bloomington's "Mall of America" featuring a wave lake, submarine rides, and 800 stores. In many ways those concerned about downtown development are fighting battles similar to those that planners waged in the 1960s. Perhaps the stakes have even increased.

CONCLUSIONS

Cooperation has been the hallmark of renewal efforts in downtown Minneapolis and St. Paul—cooperation between public agencies, political and labor leaders, and certain business interests. Some people lost out in this process, especially small business owners who were squeezed out by glittery new office development. Some were undoubtedly quite happy to be bought out. Others resisted to no avail, and they were moved away in favor of more desirable uses—and higher tax bases. Low-income residents were also pushed aside as both cities decided to promote downtown living for the middle class. This trend has, if anything, accelerated in recent years, as single room occupancy hotels continue to be replaced by new downtown development.

Downtown revitalization has been, first and foremost, a process of *economic* development, and that is how it must be understood. The profusion of expensive condominium and rental housing in both downtowns during the past decade is not primarily a housing policy. These units reflect an effort to revitalize the commercial function of the city and to help anchor white collar jobs. Attracting middle- and upper-class consumers is the name of the game, and it has been played aggressively in both cities. Redevelopment has clearly aggravated the rental crunch at the lower end of the downtown housing market. Developers may not have intended this, but it has been one of the most obvious consequences. The corporate city, it seems, does not have much room for those who participate only marginally in economic activities.

Minneapolis and St. Paul have dramatically refurbished their downtowns during the past three decades. Each has begun or completed projects that have brought national attention and awards: for twenty years Nicollet Mall was touted as the savior of retailing in downtown Minneapolis; the Lowertown project in St. Paul is a national model for creating a residential community within a virtually abandoned downtown. These successes, to be sure, have not come without a price. Yet, those who oversaw these redevelopment efforts would probably argue that having a lively (and livable) downtown is worth whatever costs have to be borne. This was, after all, the goal of all of the early downtown plans. After many years it appears that most of the planners' goals have been attained.

more and more political. Plans could no longer simply be drafted, approved, and implemented. If much of the housing in the newer renewal areas was going to remain, renewal officials would have to deal with the people in the houses, many of whom were owners. As the quality of the areas being renewed improved, the challenges to the planners became more complex. Increasingly, renewal plans incorporated larger neighborhood concerns such as traffic, obsolete schools, and decaying commercial areas. Planners had to start listening to what the residents wanted, and respond to those interests as well as their own.

The story of neighborhood renewal in the Twin Cities, unlike the sagas of slum clearance and downtown redevelopment, is largely a story of resident involvement. In the early years renewal plans were drawn up and implemented fairly quickly. Residents were not consulted at the start because the need for improvements was so obvious and so great, and most residents were renters. As neighborhood renewal became more routine, residents became more willing to fight about what was planned for their neighborhoods. People had observed the renewal process being carried out in the slums, and decided that their neighborhoods deserved better treatment. As long as renewal was equated with total clearance and public housing construction, planners could expect habitable low-income neighborhoods to resist urban renewal.

The federal government in effect invited this resistance by mandating (first with respect to the Model Cities programs of the mid-1960s and later for almost any project involving significant public aid) that citizen input be sought and incorporated into renewal plans. This decision gave rise to the formation of organized and quite powerful neighborhood groups in many cities (usually called PACs, or project area committees, as mandated by Congress in 1968). These groups provided a counterbalance to renewal proposals that most planners and city officials had never imagined possible. Increasingly, discrepancies arose between the plans for a particular area's renewal, and how those plans were implemented.

4. NEIGHBORHOODS AND HOUSING

The slum clearance and downtown projects were important parts of Minneapolis' and St. Paul's renewal plans. These projects took a good deal of time and enormous sums of money to complete. But these efforts were only a portion of what each city wanted to accomplish. Officials in both places were as interested, and sometimes more interested, in neighborhood improvements, and these efforts often went far beyond housing problems alone. Subsequently some of the most challenging, innovative, and rewarding renewal work was done in the neighborhood programs. Here the goal was not simply to exchange one landscape for another, but to improve existing residential areas aesthetically, economically, and structurally.

Planners in the Twin Cities approached the problem of neighborhoods with the attitude "get rid of the worst things first." The slum clearance efforts were largely a neighborhood renewal program taken to the extreme—the very worst places that people lived in simply had to be destroyed and replaced. Once that was accomplished, other areas could begin to receive some attention. But even after the worst of the slums were eliminated much remained to be done. As one report noted, "Minneapolis is a city of few slums and widespread blight. Neighborhood decay has been masked by the good quality of the original development, mostly on uncrowded lots, by handsome mature street trees, and by individual efforts to preserve property values." (Minneapolis HRA 1977).

As the renewal program matured and officials gained more experience, renewal methods began to change. Throughout the early and mid-1960s the emphasis of renewal efforts shifted steadily toward rehabilitation rather than clearance. At the same time, renewal became opposing renewal schemes, although the very poorest areas were usually cleared early on. In what remained as the least-well-off parts of both cities, post-slum clearance, residents in many areas were able to resist or reformulate renewal proposals. Ethnic solidarity also seems to have been an imprecise variable: some ethnic neighborhoods were totally cleared (the Upper Levee in St. Paul) whereas others (like northeast Minneapolis) were able to control the shape and form that renewal took.

THE LEGISLATIVE BACKGROUND

The private housing market in the United States has never been able to provide decent, affordable housing to the poorest residents of our cities. Governments at various levels have made many efforts to alleviate this market failure over the last 100 years. The most prodigious efforts were through urban renewal. Since the early 1980s governmental efforts to create housing for the poor have decreased dramatically. Throughout the Reagan administration federal aid for such housing has declined as the federal government has increasingly questioned its own involvement in the housing field. The burden of providing housing for people unable to afford decent shelter on their own seems to be devolving on local government, non-profit developers, and private charities.

Until the 1930s public involvement in housing in America meant local governments trying to control undesirable aspects of the private market. By the 1880s most city governments, including Minneapolis' and St. Paul's, had acquired the authority to issue building permits and administer inspections. These two programs were established to maintain the structural quality of the building stock, and thereby to promote fire prevention, public health standards, and a vital tax base. No public housing was constructed at this time, but both cities' governments had tentatively entered the housing market. Federal and state governments remained uninvolved. This was a time of charitable concern for the urban poor of America, and private groups worked for better housing, though with little concrete result.

Zoning, a means of controlling the land and housing markets by

The response that any particular area might have to renewal proposals, and the success that any neighborhood could have in resisting the proposal, were largely a product of two factors: luck and timing. Luck became a factor in determining how slowly or how quickly a particular area was identified for treatment. The issue may have been as simple as where most planners lived and what routes they traveled every day – and consequently what deteriorated areas they were most frequently exposed to. Timing was an even more important factor because the mechanisms and requirements for citizen review changed over time. Before 1966 citizens had no opportunity to be involved in the renewal process. But after 1966, people who lived in areas that were designated for renewal became vitally important and had much more to say about their futures than those who experienced the program's earlier phases.

The original quality of the housing in any neighborhood being considered for renewal was crucially important. If the housing was structurally sound enough to escape a verdict of total clearance, residents had at least some time to argue about the fine points of the proposal. The neighborhood's social and economic composition seems to have been less important in determining responses to renewal. The poorest neighborhoods did not always fare the worst in

Near-south Minneapolis, late 1950s.

Another example of a block that was cleared for public housing.

dictating acceptable uses for particular parcels of land, was "invented" during the 1910s and spread to most American cities by the end of the 1920s. St. Paul and Minneapolis passed their first zoning ordinances early in the 1920s. The goals of zoning were similar to those of the building permit and inspection programs: to promote public health and safety, and to preserve property values. Zoning is an effective control mechanism, but it is essentially a preventive tactic. It allows local governments to prohibit undesired land uses but not to dictate desired uses. Local governments continued to control housing, but not to create it; the first direct action to create public housing was federally sponsored in 1937.

U.S. Housing Act of 1937

During the 1930s the federal government's agenda tried to respond to needs created by the Depression. One of the new federal programs was public aid to ensure decent quality housing for all people. Although the federal government had briefly expressed interest in worker housing during World War I, and in veterans housing directly after the war, the disbursement of direct public funds for low cost housing was the first real indication that it felt a responsibility toward those who lived in substandard housing.

The Public Works Administration (PWA) built a number of housing projects in cities across the nation. These projects, federally owned and administered, were intended to serve people who today would be called the *working poor*—people who are unable to afford decent housing despite honest and regular employment. The intent of this seemingly radical departure from American governmental policy was dual, and not so radical after all: to help house some distressed workers, surely, but also to stimulate local economies by providing jobs for unemployed construction workers.

Both Minneapolis and St. Paul lobbied for a PWA housing project. In each city a private, ad hoc group with official approval worked with the city planning commission to apply for a PWA project. Minneapolis was successful, but St. Paul was not. The proposed St. Paul site was later used for the Mt. Airy public housing project in the

1950s. The PWA project in Minneapolis, Sumner-Field, was built between 1936 and 1938, and remains occupied today (after several remodelings). No more public housing was built in the Twin Cities for more than a decade despite serious overcrowding following World War II.

The federal commitment during the 1930s was quite limited. Some public housing was built and a few "greenbelt" towns were federally supported (three out of a dozen or more that were originally projected). In many ways the experiences of the United States during the 1930s provided a rationale for the federal government to step into the housing arena, even though it had yet to establish a programmatic commitment to real intervention.

U.S. Housing Act of 1949

In the last years of World War II and into the late 1940s, the U.S. Congress debated a housing bill. The final version was passed in 1949 as the U.S. Housing Act, after strenuous politicking. The bill included the disparate elements of a compromise, which it was: slum clearance, economic redevelopment, and the construction of public housing. It was not a pure housing bill, as its proponents had intended. The 1949 act included massive aid, and stipulated that all low-cost housing destroyed by slum clearance projects be replaced. It held some promise as a solution to the housing problems of urban America, which had worsened during a decade of depression, and the diversion of resources to the war effort in the 1940s. The housing act also provided aid for America's downtowns to meet the challenge of a changing economy and to provide jobs for thousands of unemployed construction workers.

Minnesota had already (in 1947) passed legislation that created the Housing and Redevelopment Authorities (HRAs) and allowed them to take advantage of this new federal aid. The Minnesota law also authorized a small property tax levy, which gave the HRAs a fair degree of independence from federal planning grants. The Minnesota HRAs were consequently able to plan projects in advance of federal assistance.

By 1949 the necessary elements were in place for a large-scale experiment in public housing: local agencies, semi-independent from city government, empowered with the right of eminent domain, and bankrolled by massive federal aid, could for the first time create decent housing for poor people.

MINNEAPOLIS NEIGHBORHOOD RENEWAL GOALS

The goals for neighborhood renewal in Minneapolis were set by 1958 when the HRA made public an overall program for the city. The renewal program was ambitious: it specified nothing less than the redevelopment of the entire central section of the city. A detailed survey outlined the extent of blight in Minneapolis. The whole of the city between Lowry Avenue North and 36th Street on the south (except for the core of downtown, the Kenwood area, the western reaches of Willard-Homewood, far eastern Seward, Prospect Park, and an area just south of Loring Park) was identified as needing either major or minor rehabilitation or complete redevelopment (Minneapolis HRA 1958a and 1958b).

One of the most interesting aspects of the Minneapolis neighborhood renewal program was the plan to link these efforts with scheduled freeway construction wherever possible. The proposed freeways (I94 and 35W) were routed through many of the neighborhoods identified as needing improvements, including some of the worst parts of near-north and near-south Minneapolis. (This did not work out as well as the planners may have hoped. Large parts of the freeway system were delayed until the mid-1980s, or never built, although land for the system was acquired in the early 1960s.)

The HRA had a hierarchy of neighborhood renewal goals by the time the plan was published. The list of highest priority projects included (see Map 1): Harrison, slated as a pilot rehabilitation project and labeled a "twilight zone between clearance and good housing;" Riverside, scheduled for clearance and rehabilitation in conjunction with the proposed University of Minnesota expansion; the near-north area, where clearance and upgrading were identified as a necessary holding action to prevent the further spread of blight; Loring Park, "once fashionable (but) deteriorating rapidly" and presenting "the most attractive inlying area for residential purposes;" and the area around the Minneapolis Auditorium.

The projects listed as medium priority were: Elliot Park south to Franklin Avenue, a mixed clearance-rehabilitation area slated for mostly non-residential use; the Holmes neighborhood near the University of Minnesota, identified as having large sections of structurally unsound housing (and next to a planned freeway); Stevens Square, thought to be "rapidly deteriorating;" the area north of the Farmer's Market, full of "badly deteriorated housing and many junk yards" and slated for future industrial use; northeast Minneapolis, where the portion nearest the river was slated for clearance and future industrial use and the rest, which showed "signs of sociological cohesion" was to be stabilized through spot clearance and rehabilitation work; and Nicollet Island, which was to be cleared and "made into an asset for the city."

Finally there were the low-priority projects, primarily in places that needed some work, but not urgently. For the most part these areas were next to those identified for high- or medium-priority renewal treatment. This list included neighborhoods such as Como, Seward, Powderhorn, and the Nicollet-Lake area (all of which would eventually receive some redevelopment aid) (Minneapolis HRA 1958a and b).

As these groupings indicate, the HRA had a good sense of how different areas were to be treated by 1958 when the Urban Renewal Program was published. This may be one of the reasons that Minneapolis and St. Paul successfully obtained federal renewal funding—much of the hard work of surveying the landscape and deciding what remedial measures were appropriate was completed by a fairly early date.

ST. PAUL NEIGHBORHOOD RENEWAL HOUSING GOALS

Planners for the St. Paul Planning Board and the HRA felt that the city was at a critical juncture in the 1950s when federal renewal became available. St. Paul was different from older eastern cities; only about 75 percent of the land area of the city was built up. Most of the vacant land was vacant for good reason, however. It had poor soil conditions or difficult topography. Planners felt prospects for the city's future were grim unless continued development could be "orderly." The city faced two critical problems. The first, as in Minneapolis, was substandard housing and neighborhoods. Between one-third and one-half of St. Paul's population lived in areas that planners considered "blighted." The second problem was the need for open space. City land was filling up, and the booming suburbs beyond the city limits threatened to separate urban dwellers from nature. City redevelopment had to balance the correction of blight, the need to enhance the city's tax base, and the need for open space (St. Paul City Planning Board 1955).

The strategy for renewing neighborhoods had three tiers, depending on physical conditions. The first tier was redevelopment: clearing blighted areas and replacing them with better designed residential neighborhoods or some more appropriate land use. The second tier was rehabilitation: spot clearing blighted properties and improving salvageable ones. Rehabilitation, however, was a new and unsure idea in the 1950s as the St. Paul HRA noted "probably the most unproven and uncharted...part of the urban renewal program" (St. Paul HRA 1959, 9). Conservation of sound neighborhoods was the third tier, and the best deal economically. Saving solid neighborhoods made sense because the public expenditure prodded private owners to invest. Later generations of planners would refer to this idea as *leveraging*.

By the time the City Planning Board issued its *Proposed Renewal Areas* in 1957, there were already two renewal projects operating in St. Paul—the Eastern and Western Redevelopment projects around the Capitol. The 1957 plan identified three types of neighborhoods as priorities for the next round of renewal. The first were significantly deteriorated areas (see Map 2): the Upper Levee, the West Side Flats, Seven Corners, and East 7th Street-Minnehaha Avenue. Planners found conditions in these areas bad enough to warrant extensive, if not total, clearance. Commercial or industrial reuse was to be considered for all of them. One of the plan's reasons for including the East Seventh-Minnehaha area was to promote "geographic balance" in the city's redevelopment program, since balance was not really achieved during the project renewal era. The HRA board had adopted an internal policy of not forcing renewal on unwilling neighborhoods and the east side was never treated in the way the planners intended.

The Riverview area on the city's west side above the Flats along Concord Street was a priority for another reason. It was in danger of deteriorating and needed a mixture of redevelopment and rehabilitation to stabilize it. Summit-University was the last priority neighborhood, and for an entirely different reason. A formerly desirable housing district experiencing decline in the late 1950s, it wasn't quite a detriment to the city but it could become more of an asset.

The planners identified a series of other neighborhoods for the next wave of renewal after the projects already underway, and after the priorities listed previously. Pockets of undeveloped land, mostly on the east side, needed correction of soil and topography problems. A number of older working-class districts scattered around the city also needed attention: several in the north end, several on the east side, and south of Lake Como. Merriam Park and south St. Anthony Park were also included in this third group.

The implementation of St. Paul's renewal strategies was tempered by the opportunities that presented themselves. Local resources were limited. The ambitious rebuilding of the city could only be accomplished with federal aid, and St. Paul planners were creative in meeting federal requirements. The Eastern and Western redevelopment projects underway in 1957 used the Capitol Approach project expenditures as the local share of project expenses. The Upper Levee project used improvements to Shepard Road—already planned and intended to provide better access to downtown—as the local contribution. Essentially, the whole project was financed federally.

THE NEIGHBORHOOD APPROACH

The most common critical views of urban renewal hold that attention and resources were focused on downtown projects and on nearby blighted areas that could be incorporated into the downtown

(Fainstein 1983). This criticism views urban renewal as an economic development tool that was used unevenly and unfairly. Renewal efforts are said to have ignored neighborhoods, or only paid attention to them when a particular site was desired for another (usually nonresidential) use.

This criticism of renewal as practiced in some cities may be fair and accurate, but it seems not to be true for either of the Twin Cities. The very earliest renewal projects proposed for both cities were in neighborhoods, not for either of the downtowns (Hi-Lo, Glenwood, the Eastern and Western redevelopment projects). The Minneapolis areas were not even particularly close to downtown. The downtown projects were important to both cities, but no one thought that a renewed downtown was enough.

Minneapolis planners defined their thinking about neighborhoods as a prelude to a comprehensive program of neighborhood renewal. "A sound neighborhood is one in which people want to live or into which they would like to move...Conversely, a blighted neighborhood contains people who have to live there" (Minneapolis Community Improvement Program 1965, p. 5). The city's task then was to discover all the blighted neighborhoods and take "corrective action."

In 1962 Minneapolis began a comprehensive survey known as the Community Improvement Program (CIP), funded by a grant from the Housing and Home Finance Agency. The goal of this $1 million effort was to discover and compare the physical conditions of every Minneapolis neighborhood. When it was completed in 1965 the CIP contained information about the age, use, and condition of every block in the city, as well as information about the economic and social conditions of almost all city residents. It was a massive undertaking, and remains today the best index of exactly how much change has occurred in the past quarter century.

In the introduction to the comprehensive plan, Lawrence Irvin, the Minneapolis planning director, defined the scope of the job ahead of the planners. He wrote:

> ...We must recognize too that there is probably no neighborhood in Minneapolis which is as good--as safe, stable, convenient and pleasant--as it could or should be....No more than two or three neighborhoods in Minneapolis were actually planned to withstand present day problems... It has been estimated that over one-fifth (11 square miles) of the residential area of the city needs and would be eligible for a formal, publicly-aided renewal program. Actually, a much greater proportion is being touched by decay and blight...In ten years of operation, less than a half square mile of blighted area has been renewed. At this rate, it would take over 200 years to renew presently blighted areas...Comprehensive planning is designed to speed up the modernization and maintenance process... (*emphasis added*, Minneapolis Community Improvement Program 1965, p. 2-3).

Although the task before them was immense, Minneapolis planners set about remaking the neighborhood landscape of the city; St. Paul was not far behind.

Both cities discovered early that one particular factor was crucial for implementing neighborhood renewal efforts: the ability to merge projections for capital improvements into the renewal process. The federal government required localities to contribute one-third of the cost of renewal projects. For many cities (including Minneapolis and St. Paul) this requirement would have been prohibitive if it had to be met with dollars. However, the renewal legislation allowed "normal" capital budgeting activities—street construction, the building of new schools and fire stations—to be used as the local contribution, or "grant-in-aid." This meant that renewal could be thought of as long-range planning, and that desired capital improvements could become part of the renewal process. It also meant that the cities did not have to raise extra revenues to achieve renewal. At the level of an individual project, the dedication of capital improvements was a positive sign to developers, investors, and residents. It demonstrated that the city was serious enough about renewal to divert its own resources toward making it happen.

CASE STUDIES

Surveying the range of neighborhoods in the Twin Cities that were directly affected by urban renewal yields two major conclusions: (1) the number and extent of renewed neighborhoods takes in most of the central portions of both cities, covering a much larger area than most people might imagine; and (2) what was proposed and accomplished under the banner of urban renewal varied enormously. The following selected examples represent the whole effort. We have created four categories to help describe the different neighborhood experiences. These categories are based on the ease with which the renewal proposals were implemented, and the degree to which they changed when opposition arose.

1. RENEWAL AREAS THAT WORKED AS PLANNED OR IMPROVED OVER TIME

This category includes renewed neighborhoods that varied greatly in the types of housing they contained, and in the socioeconomic backgrounds of their inhabitants. What these neighborhoods have in common is that they appeared in much better physical shape after the renewal process than when they began, largely due to the local residents' dedication. Residents generally viewed renewal plans in these areas with a combination of relief and skepticism, but worked with renewal officials to make improvements.

Summit-University

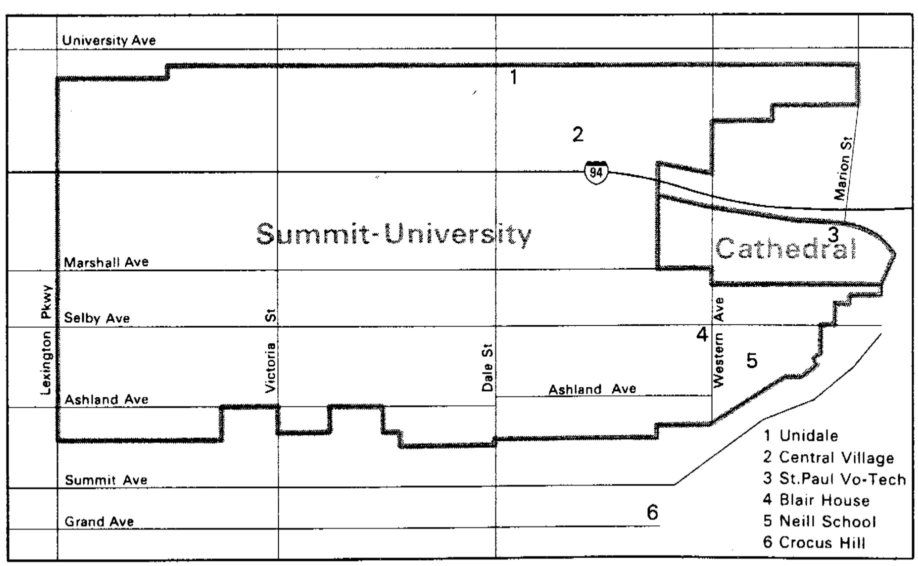
Summit-University, Selby-Dale, St. Anthony Hill, Cathedral Hill, Woodland Park, Crocus Hill, Ramsey Hill, Hill District, Historic Hill District, Uni-Dale, North Quadrant, Thomas-Dale, and Central Village — all of these names refer to parts of the community that is now called Summit-University. Some of the names are historic neighborhood names. Others are bureaucratic, resulting from urban renewal projects, historic preservation districts, or community participation districts. The latter have (or had) definite boundaries, the former do not.

Summit-University is a "natural" residential area bounded by the

University Avenue commercial corridor (or perhaps by the rail corridor a few blocks away) on the north, and the steep bluff running southwest and then west from downtown. The area is unusual in St. Paul because it is not cut into pocket neighborhoods by rail lines, topography, or the river. Although the construction of I-94 in the 1960s across the length of Summit-University sliced off the northern section of the community, connections between the two sections persist.

Summit-University has always been a special neighborhood in St. Paul. In the city's earliest days the steep slopes of Summit and Ramsey hills deterred much residential development. By the 1880s a part of Summit-University had become *the* neighborhood in St. Paul, after streetcar service made it accessible. The lower end of Summit Avenue remains a magnificent example of a monumental Victorian boulevard. Many American cities had similar monumental boulevards, including some grander or more extensive than Summit Avenue. Most of these have since been destroyed by expanding downtowns or extreme decline. Summit Avenue is perhaps the best surviving example of this special nineteenth-century urban landscape.

Not all of Summit-University was populated by the rich, of course, but the neighborhood was always middle class or better. The best housing was along the southern and eastern edges. Closer to University Avenue the housing was less grand. The whole area was predominantly residential. Neighborhood stores were located along



Map 7. Summit-University Project Area

the streetcar routes, but little industry intruded. The area's housing stock is still unique in the Twin Cities—Minneapolis has nothing quite comparable in quality and extent.

For decades Summit-University was protected from downtown encroachment by the physical barricade of the bluff, and by the fitful pace of downtown development. Still, with the advent of easy automobile travel in the 1920s, the city's elite began moving away. But Summit-University did not lose all of its middle- and upper-class residents. The great mansions along Summit Avenue and in Crocus Hill declined somewhat, but were not subdivided and allowed to decay as were similar areas in many American cities. This genteel area of the neighborhood's southern and eastern fringe helped preserve it. In the early 1930s the *Pioneer Press* could still claim that the Hill District was the "largest solid home community" in the country (*St. Paul Pioneer Press* 1931). The claim may have been partly wishful thinking, but parts of Summit-University did remain healthy. Summit Avenue itself and the well-preserved southern edge along the bluff acted as an anchor for the whole area.

The northern fringe provided another sort of anchor. Since the 1880s, St. Paul's small black community had lived along the railroad corridors slightly north of Summit-University. By the beginning of urban renewal, "the black ghetto" was still small by big city standards, but concentrated. Expansion to the north was effectively blocked by the rail corridor, and the dislocations of the Eastern and Western redevelopment projects and freeway construction in the 1950s and 1960s drove blacks into the Summit-University neighborhood. Parts of Summit-University remained unaffected by these changes, but other parts declined rapidly. Houses were subdivided and fell into disrepair as their owners moved west into newer city neighborhoods or to the suburbs. Some houses and businesses were abandoned. Selby Avenue, the commercial heart of the district, grew increasingly seedy.

By the early 1950s Summit-University clearly had many of the classic signs of urban decay and disinvestment. Late in that decade Summit-University residents began to petition the city government for renewal. Those displaced in the renewal areas to the north and from the freeway construction placed pressure on the area, and the ensuing deterioration obviously required some action. Planners, politicians, and residents knew that Summit-University needed help, and considered urban renewal the answer. The community was the HRA's top priority after the slum clearance projects then in progress were completed (see Map 7).

For more than a decade, major problems plagued renewal efforts in Summit-University despite the city's and residents' determination to improve the area. Considerable conflict over renewal arose between the city and HRA leaders on the one side, and community leaders on the other. These conflicts were intensified by the fact that community leaders came from three different sources. First there were the "professional" leaders—ministers and social agency workers. During the years of decline, Summit-University acquired a number of social agencies including the Hallie Q. Brown Community Center, and local chapters of the Urban League and the NAACP, that continued to play an important part in the life and health of the area. Traditional black organizations and black ministers resisted the city's efforts to conduct renewal without substantial resident involvement.

Businessmen comprised the second leadership group through their commercial clubs. The third group of leaders came out of indigenous citizen organizations. Often these groups formed in response to some unwanted city action. The Dale-Selby Action Council, for example, formed in the early 1960s to protest HRA plans to construct a public high rise for the elderly on the abandoned Neill School site. Residents felt that the Neill playground was vital play space in a crowded neighborhood. The HRA built the high rise despite protests, but the organization survived and formed one core of resident power (Torstenson 1966). Some of these organizations were funded by "War on Poverty" money from the federal government. Other citizen groups were formed by the middle-class residents who were beginning to try to restore old homes in the area.

The Cathedral I project of the early 1960s was to have been the first stage of renewal of Summit-University. The HRA received a planning grant in 1962, partly in response to those displaced by the

construction of I-94. The project area covered 282 acres and was to have been renewed in three stages, but only the first stage, comprising forty-eight acres, was achieved. Cathedral I had a specific client, the St. Paul School Board, which proposed an unusual method of renewal. The board was looking for a site for a technical school, so the HRA cleared an area alongside the St. Paul Cathedral. The housing cleared was a mixture of aging single-family and multi-family dwellings that were not, by 1960s standards, worth saving. A decade later, with the rehabilitation craze in full swing, much of this housing stock would probably have been salvaged. The remainder of the Cathedral project was later incorporated into the Summit-University project.

Selby Avenue, west of Dale Street, 1967.

When areas like Summit-University had a high population density, commercial streets like Selby Avenue could survive. When this neighborhood began to lose population, many businesses closed. The street later became ripe for redevelopment.

The first application for a planning grant for Summit-University (called Selby-Dale at that point by the HRA) was denied by HUD. The federal officials felt that the HRA was unable to handle more projects until the Eastern and Western redevelopments were complete. By 1964 planning had finally begun under conventional renewal rules (and with federal money). In 1966 an impressive covey of St. Paul business, religious, labor, and governmental notables made a trip to Washington, D.C. to lobby for approval. They were successful. At the time of its approval in 1969, the Summit-University project, as it was called by this time, was the largest neighborhood development project in the country. It totaled 1,035 acres and housed 21,700 residents (*St. Paul Dispatch* 1966).

But the divisions of the last decade had not been healed by the mission to Washington, D.C., and another legislative change provided a powerful mechanism for resident activism. No sooner had Summit-University been finally approved when the Model Cities Act was passed, which delayed the project. The act proposed to cure the perceived ills of urban renewal – already in much public disfavor – by giving residents a strong voice in the process and progress of renewal. St. Paul planners considered Summit-University a logical place for this kind of Great Society social experiment given the wide mix of social groups, a history of effective community politics, and enough social and physical decay to interest the bureaucrats in Washington, D.C. The availability of more federal money provided a big incentive for an area to be declared a demonstration project for the Model Cities program. In St. Paul this idea was pushed from two quarters: city government, under the direction of St. Paul Mayor Tom Byrne, and community groups, led largely by black organizations and religious leaders, black and white.

Another hiatus delayed renewal of Summit-University while officials from the HRA and Model Cities program fought over control of the renewal effort. They struggled over control of the federal money and the professional staff who would carry out renewal in the area. For more than two years, successive vituperative public meetings did little to resolve differences. Meanwhile Neighborhood Development Program money was used to selectively clear substandard housing in the neighborhood. In late 1969 HUD issued an ultimatum: the city had thirty days to decide how it would operate its Model Cities district. A compromise was worked out; the Model Cities Neighborhood Planning Committee would have some control over both money and staff, and the city government, through the HRA, would retain a share of the power. An uneasy, but functioning, partnership ensued.

By late 1970 the project was finally implemented, and redevelopment began in 1971. Arguments continued over clearance and relocation, especially within the black community. During the decade that the renewal project was being contested Summit-University became home to most of St. Paul's black population, and now renewal efforts threatened many with another displacement. But renewal could not be stopped. By 1978 more than $32 million in direct aid had been spent on Summit-University. The Model Cities program ended in 1974, but the tradition of citizen involvement continued.

Summit-University is the Twin Cities' best, and perhaps only, example of extensive gentrification. The considerable public expenditures during and after renewal formed the base for gentrification and rehabilitation in this area, and the city is still investing in it. Even the deteriorated commercial strip along Selby Avenue is finally being revived with new commercial and residential development, aided by the city government.

The renewal of Summit-University had (and has) a dual focus: preserving the historic landscape and creating a cosmopolitan community. The two thrusts have often worked at cross-purposes. Both have been at least partly achieved, though the preservation effort is more secure. The HRA did extensive house moving within the district to promote its historic ambience—an innovation that troubled HUD auditors for years. The preservation of the physical character of the area was clearly important to keeping and attracting middle-class households to the area. Summit-University provides an elegant urban setting that suburbs cannot match.

It is not as evident that the goal of maintaining a healthy (in 1970s urban planning ideals) mix of different racial, social, and economic groups has been realized. The mix does exist, but poorer people are still being pushed to the west and north. The tensions between the dual goals of renewal persist. A 1984 WTCN broadcast video, "Nuthin's the Same Anymore: The Gentrification of a Neighborhood," though not a balanced view of renewal, poignantly evoked the resentments and fears

The Summit-University renewal area, 1983.

Though some Victorian housing was cleared in the late 1960s and early 1970s, most survived, and was eventually renovated. In this area, the renovation process that began fifteen years ago still continues.

of many black residents. They were pushed out of the Rondo area by the freeway and now fear being pushed out of Summit-University by rising property values. They think that too much of the money spent in Summit-University has been spent to attract middle-class people and not enough to help poor people. Conflicting goals have plagued renewal and improvement efforts in this community from the start.

These mixed agendas produced some landscape oddities. The Urban League office sits across from the meticulously restored Blair House condominiums on Selby Avenue. A few blocks away, a tattered (and currently closed) soul food restaurant faces a nattily restored Victorian firehouse, now turned into a fern-bar restaurant; the two eateries probably never serve the same clientele. In recent years some of the more run-down commercial buildings have begun to sprout Southeast Asian businesses as a new group starts to climb the socioeconomic ladder.

Summit-University is a large area whose renewal results have not been uniform. North of the freeway, in the north quadrant of the original project area, is Central Village, a bit of suburb-in-the-city designed to retain St. Paul's black middle class. Next to it, at the corner of University Avenue and Dale Street, Unidale Mall has been less successful. Ideally, this project was to create a suburban shopping mall in the heart of the city. Even by generous standards, it has failed. Forced on city planners by neighborhood activists, the mall suffered the perennial problem of finding suitable tenants. Some that it did attract, such as a welfare office, are scarcely the stuff of suburban dreams.

A 1980 assessment of Summit-University's public efforts prepared by a left-leaning planning organization said,

> It is generally recognized that the acquisition and demolition practices of the city's Housing and Redevelopment Authority have had tragic consequences... severely reducing the housing stock, displacing a large percentage of its population and contributing to a general ambience of decline (Community Planning Organization 1980, p. 2).

This analysis clearly encompasses habitual views of renewal rather than thoughtful analysis; urban renewal did not cause the decline of Summit-University. The neighborhood was already deteriorating in the 1950s and required substantial public investment to alter the decline. Much has been accomplished in the neighborhood, especially physical improvements. Most streets in the area have been repaved (not true elsewhere in much of St. Paul); there have been extensive public improvements and massive private investment in housing.

The Summit-University renewal area, 1983.

Some parts of Summit-University, like this block in Selby Avenue, were totally cleared. A blighted commercial area was razed and replaced with coop housing units, sponsored by a non-profit housing developer.

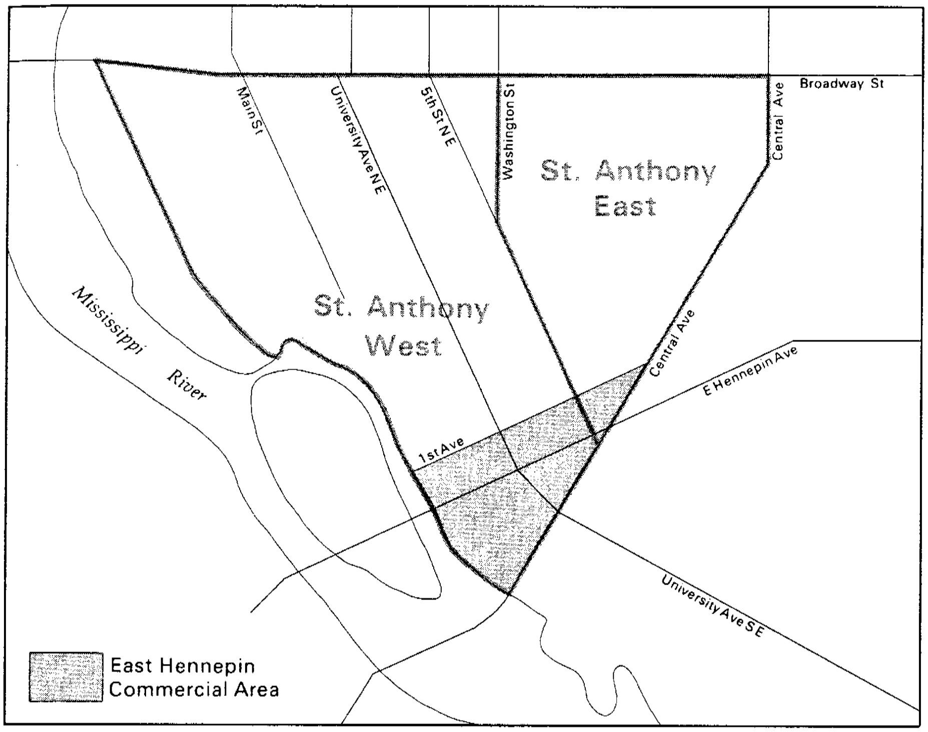
Summit-University is certainly better than it was. It is also better than it would have been without renewal and without the accompanying public and private expenditures. Twenty years of urban renewal have not solved all the area's problems. The question of how to provide decent housing for low-income residents remains important, and it is an issue infinitely more difficult to solve without the assistance that renewal funds provided.

St. Anthony

The St. Anthony East and West projects are widely regarded as the most successful renewal effort in Minneapolis (League of Women Voters 1976). Located in lower northeast Minneapolis in an area that had experienced continuous settlement by Eastern European immigrants since the 1890s, the St. Anthony projects were first proposed in 1964 (after the big "problem" neighborhoods had received HRA's attention). Like many other central-city areas, the St. Anthony area population decreased in the 1950s, and was beginning to show its age. Northeast's ethnic homogeneity and essential stability prevented most planners from thinking of it as a slum. But they did recognize that much of the aging housing stock needed substantial improvements, and that some of it desperately needed to be removed.

Parts of the northeast community confronted renewal even before 1964. The Hi-Lo redevelopment was the first project completed by the HRA in the early 1950s. It was an effort to regrade some unusable land on the far northern boundary of northeast and create a semi-suburban landscape on it (Minneapolis HRA 1977). More than a decade later the residents of the Beltrami Park area in lower northeast rejected a renewal plan for their neighborhood, claiming that it would mean an infusion of public housing. The northeast community seemed to want some of the obvious physical improvements that renewal could bring, but also wanted to control what the final product would be.

The St. Anthony projects differed substantially from Summit-University. The housing stock in St. Anthony had always been serviceable rather than stylish. The area was a classic working-class landscape with houses, churches, schools, stores, bars, and factories.



Map 8. St. Anthony Renewal Projects

It never attracted the upwardly mobile social set so the problems presented by the loss of wealth or status were not an issue. What St. Anthony did face were problems with deferred home maintenance, and a housing stock that had become less and less acceptable to middle income households over time. Planners and area residents both perceived that renewal of some sort was the only way to prevent young residents in the northeast area from moving to the suburbs.

The objectives for St. Anthony's renewal were varied. Planners wanted to create a balance of residential, commercial, and industrial uses, and to improve the area's physical characteristics. Residents wanted to reroute heavy traffic around the community. They also wanted to preserve the neighborhood's identity and heritage as the oldest part of the city.

The urban renewal agenda that city planners first proposed for St. Anthony differed markedly from what was actually implemented. The standard renewal practice of clearing and rebuilding was proposed, as it had been in other neighborhoods, but at a greatly reduced scale. Still, the community was outraged. Don Risk, the area's alderman, proposed that the city council hold its hearings on the renewal plan at a church in the community. For the first time ever this

St. Anthony West renewal area, mid-1960s.

This deteriorated block near Broadway, was slated for clearance.

was done. One thousand residents confronted the mayor and the HRA director, booing the renewal plans. Residents had strong concerns about the way in which public improvements would be assessed against them, and some were not even convinced that all this improving was necessary.

Ultimately, the residents' fierce opposition convinced the HRA that the original renewal proposal should be modified. The northeast area renewal would proceed largely as a rehabilitation project. Clearance would be limited to the area of shanty housing near the river

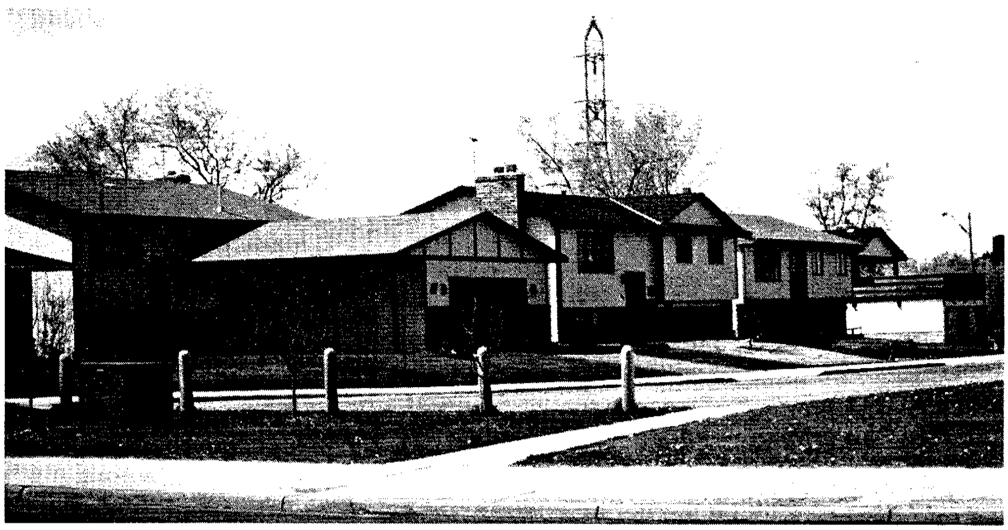
St. Anthony West renewal area, late 1960s.

The same block now, after clearance and reconstruction, has low-rise housing.

on land west of University Avenue, but everything else south of Broadway and west of Central Avenue would be rehabilitated. Spot clearance would occur only when structures were beyond salvation, or not worth the rehabilitation investment. Residents would receive grants and loans to carry out rehabilitation work. New public improvements were targeted to reinforce the rehabilitation efforts—streets and curbs would be rebuilt and a new school constructed. And a comprehensive code enforcement program was begun to ensure that plumbing, heating, and wiring throughout the area were brought up to modern standards.

The St. Anthony project was divided into two parts by Washington Street N.E (see Map 8). The area east of 5th Street improved incrementally as some houses were torn down, others were newly built, and most were re-sided or repainted. On some streets, lots that had been cleared were sold to the neighbors on either side to decrease the feeling of crowding in the neighborhood. A total of 500 units were rehabilitated and 300 were removed after renewal in St. Anthony East began in 1968. In the western part of the project area, renewal work was more dramatic and started earlier (in 1964). Here, entire blocks of substandard housing were removed and replaced with new ranch houses and split-levels. A total of 300 houses were removed and 1,000 brought up to code (Minneapolis HRA 1963a, 1966b).

Local residents' influence was visible in this decision. A PAC



St. Anthony renewal area, 1979.

In another part of the renewal area substandard dwellings were totally cleared and replaced with single family suburban style units.

was formed in 1972, in accordance with federal regulations requiring citizen commentary on renewal plans. A successful petition to prevent construction of a low-income high rise inspired the PAC to be active. From then on, whenever a large block of land became available, the PAC held a community meeting and voted to have single-family housing built on the parcel. This tactic was the community's way of compensating for the already large amount of multi-family housing in the area. By the time that renewal was completed in both areas in 1979, 869 units had been substantially rehabilitated, nearly 200 new houses had been built, and the most deteriorated areas were completely revamped. The federal government had spent $10.2 million, while the city had spent $3.4 million (Minneapolis HRA 1979a).

After the federal phase of the St. Anthony West project closed, the project reopened as a tax increment district and another $900,000 was spent. The intent was to complete some projects that were not part of the renewal program: to acquire the Little Sisters of the Poor Home for the Aged and rehabilitate it as a rental complex with some low- and moderate-income housing; and to finance the development of land acquired for an interstate freeway link (I-335) that was never built (Minnesota State Planning Agency 1978). Today the St. Anthony renewal area appears to exude residential pride for having steadily improved through the years. Newer and older houses stand side by side, most of them well maintained. Aside from the stock of suburban style houses along the river, there are no obvious hints that this neighborhood has weathered some dramatic transitions in the past twenty years.

There are many possible explanations for St. Anthony's rather positive renewal experience. Certainly the social-ethnic-religious cohesion of the area and its inherent stability were a factor. Neighborhood residents were united about what they expected from renewal — a physically improved version of the community serving the same residents who had always lived there. But the politics of the neighborhood and of the city provide another clear reason for the area's successful renewal efforts. Residents got involved in the renewal process early and stayed involved throughout every stage. Moreover, they had

Main Street NE, 1986.

This site, in the St. Anthony West renewal area, was cleared in the late 1960s for a freeway segment that was never built. Finally, in the mid-1980s, the right-of-way was given back to the city and used for affordable housing.

political clout that few other Minneapolis residents could match.

From the early 1960s to the late 1970s the aldermen representing St. Anthony and the rest of northeast (Don Risk, Sam Sivanich, Al Hofstede, and Dick Miller) were among the most powerful in the city. Hofstede even served several non-consecutive terms as mayor throughout the 1970s, and Sivanich has served on the Hennepin County Board since the late 1970s. In the years since urban renewal formally ended in Minneapolis, the St. Anthony area has consistently received a healthy share of city resources available for various improvement projects.

Another factor that distinguished the St. Anthony projects from their contemporaries was the attention paid to commercial improvements. Efforts to improve St. Anthony's business climate eventually expanded far beyond what the renewal planners' proposals had envisioned. Since St. Anthony's southern boundary encompassed part

East Hennepin Avenue, 1986.

Renewal here emphasized helping this commercial area remain competitive. Not surprisingly, the primary issue was parking. Parking bays and sizable parking lots were created.

of the historic Hennepin Avenue commercial strip, this attention to commercial activity is perhaps not so surprising. When renewal for St. Anthony was proposed, the Hennepin Avenue commercial area in northeast was severely deteriorated. Neighborhood services such as restaurants, bars, and funeral homes existed alongside businesses that drew customers from farther away, including a large discount furniture operation and one of the area's largest liquor retailers. All of these enterprises were housed in antiquated facilities and shared the major problem that plagued all older streetcar strips: too little parking. Retailers here also had to deal with the daily concentration of derelicts from the nearby tenements on Nicollet Island.

Improvements of Hennepin Avenue's commercial area began in the early 1970s in connection with a long-planned traffic project. Reconstructing the approach to the Hennepin Avenue bridge turned 1st Avenue N.E. and Hennepin Avenue into a paired set of one-way streets, thus reducing the number of lanes on Hennepin Avenue. Parking bays were installed, and a few older structures were removed to create parking lots. Some successful businesses that wanted to remain in the area constructed new buildings (Surdyk's liquor store and West Photo) and a new branch of Northwestern Bank was also built. These improvements occurred slowly over a ten-year period. The Hennepin Avenue East strip is in better physical shape today, but is not yet a completely vibrant commercial area. The recent addition of the mixed-use Riverplace project at the foot of Hennepin Avenue has made the situation even more complex. Riverplace's advertising emphasizes its nightlife-entertainment opportunities rather than Hennepin Avenue's more basic services.

2. RENEWAL AREAS WHERE PLANS WERE CHANGED OR STOPPED DUE TO CITIZEN ACTIVISM AND OPPOSITION

Neighborhoods in this category were almost exclusively in Minneapolis and geographically fairly close to one another. Each had a large quantity of substandard housing populated by low-income individuals (rather than families). University students (or ex-students) who were politically active and knowledgeable about government programs composed a substantial subset of the population in each of these neighborhoods. This group often led the opposition to renewal, and usually was successful in altering the original plans.

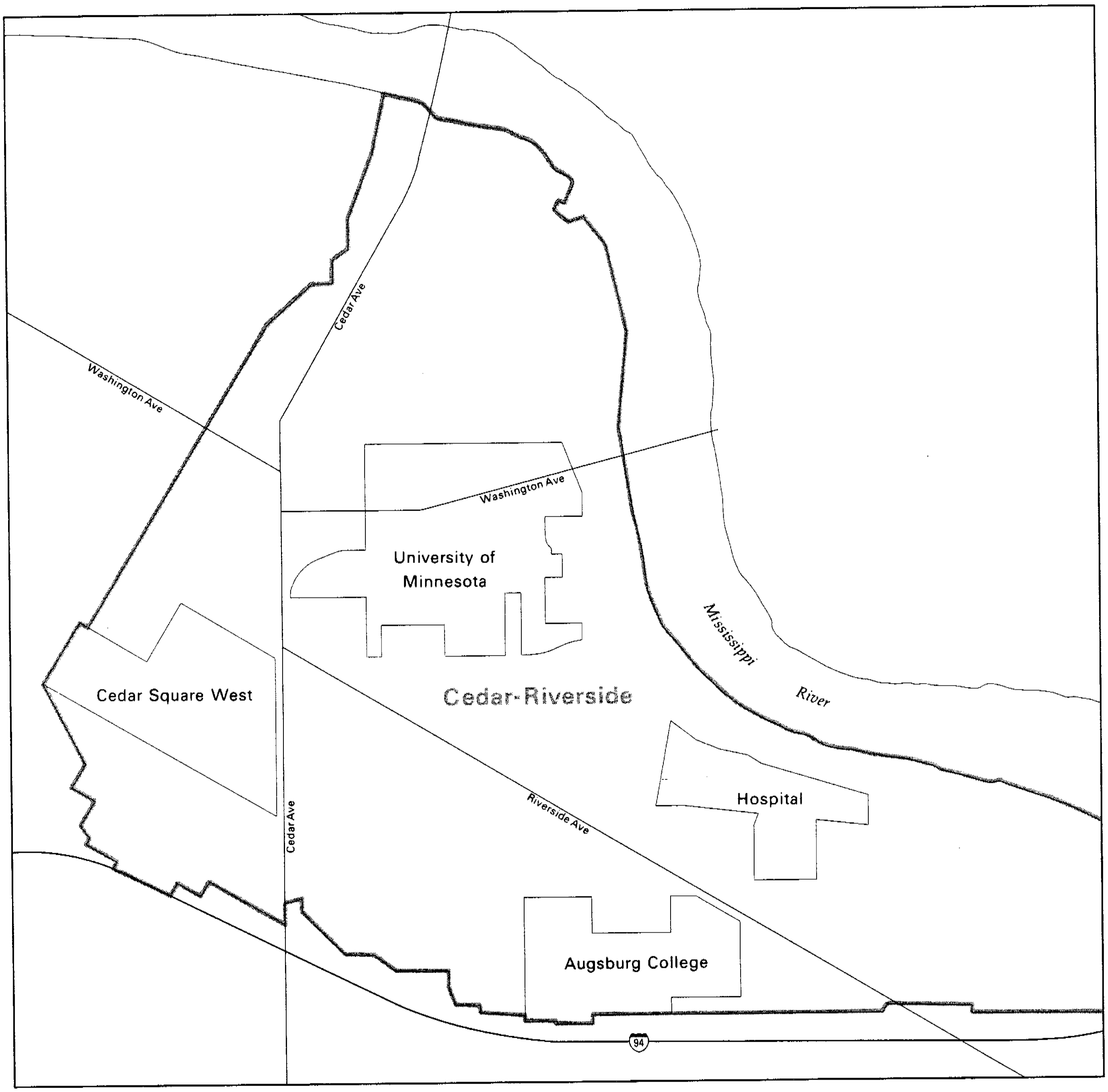
Riverplace, 1985.

Located between East Hennepin and First Street NE, this project sits on a prime piece of renewal land. Assembly of the land began in the late 1970s, and the mixed-use project (housing, office, and retail) opened in 1984, following a great deal of community concern about the height of the towers.

Cedar-Riverside

If any part of the Twin Cities is widely recognized for its belief in and support of citizen activism, it is surely Cedar-Riverside. This is the Minneapolis community that played David against a corporate Goliath, and won. The renewal plan proposed for Cedar-Riverside was ultimately turned upside down. Residents here fought to conserve the stock of inexpensive housing instead of having it cleared. The people who led the battle against the city's vision of renewal in this community

Map 9. Cedar-Riverside Renewal Area



have since served as advisors and consultants to community groups in both cities. Arguably, their actions have given many people some reason to believe that they can indeed control what happens in their own communities.

Cedar-Riverside was on the city's high priority list for renewal not because of its physical conditions, but primarily because the area had been chosen by the University of Minnesota for its new campus (Martin 1978). No one doubted that Cedar-Riverside needed improvements of many kinds. Like other areas of the Twin Cities, it had a stock of old and poorly maintained housing. In the western portion of the community, aging industries competed with housing for space. The area had more bars than any other part of the city except downtown. The population had been declining since 1920, and those remaining were elderly or fairly transient, and generally without financial resources.

Although some small private developers had been buying land in Cedar-Riverside since the late 1950s, in general, most of them were reluctant to build anything. Every developer was aware of the possibility of renewal and no one wanted to be caught owning structures that were about to be condemned when renewal finally occurred. Serious interest in Cedar-Riverside flared up when the University of Minnesota expanded to the west bank of the Mississippi River in 1962. The new campus area was connected to the main campus by a pedestrian bridge across the Mississippi River. This was a clear signal to investors that many changes were inevitable, though the exact dimensions of change were still unknown.

By the early 1960s, Cedar-Riverside's elderly Scandinavian residents were being replaced by young students who were attracted to the convenient and inexpensive, if substandard, housing. The new residents took little interest in the formal renewal designation—many were busy protesting the Vietnam War. It would be some time before their attention was diverted to their own neighborhood, but when that happened it would have a lasting impact.

Cedar-Riverside was designated an urban renewal area late in 1968. The major opposition to renewal came from local business

Cedar-Riverside, late 1950s.

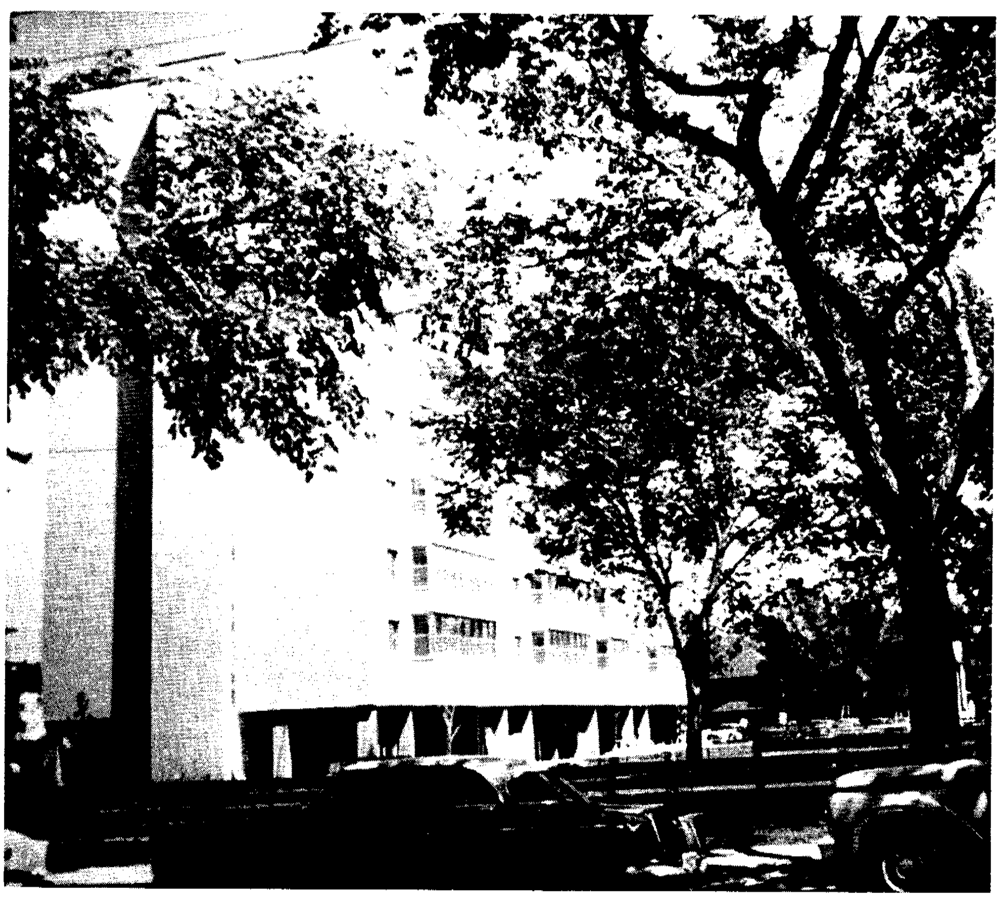
These buildings were located on what the HRA considered one of the "most blighted" sites in Minneapolis. Structures such as these were removed to make way for senior citizen high-rise units.

people, who saw no place for themselves in the redevelopment process. Some residents argued for a commitment to low-income housing in the renewal plan—to no avail. Older residents tended to support the idea of renewal. They knew that the community could not remain as it was, though some were also distressed at the prospect of losing their homes. The latter concern was eased somewhat by the construction of three high rises for the low-income elderly in the area between 1961 and 1962. At least long-time residents would not have to leave the neighborhood.

The renewal plan that the Minneapolis City Council approved for Cedar-Riverside was somewhat unusual. It explicitly recognized the interests of the private developers by excluding their property from acquisition, provided that a redevelopment agreement between all parties was reached within five years. Property belonging to the University of Minnesota, St. Mary's and Fairview hospitals, and Augsburg College was also exempt from acquisition (see Map 9). The HRA would acquire little land in Cedar-Riverside but would oversee, and have to approve, whatever the private developers proposed. By the end of 1968 most of the privately held land in Cedar-Riverside was controlled by one developer, Cedar-Riverside Associates (CRA), who proposed some grand plans for the area.

CRA's notion of renewal in Cedar-Riverside involved rebuilding the entire community—spot clearance would not do. It envisioned a "new community" with strong links to the University of Minnesota and to the arts facilities it was trying to attract to the area. Its vision was ultimately enshrined in a proposal for a "New Town-In Town;" a place that would house 30,000 people in a high rise, high-density urban environment. This plan was accepted not just by the city, but was also endorsed by the federal government when Cedar-Riverside was named the first urban new town under the New Communities Program in 1971. Construction began on the first phase of the new town in 1972, and nearly 1,300 units of rental housing ranging from publicly subsidized to higher income were occupied starting in 1973 (Martin 1978).

Renewal planning for Cedar-Riverside reached its peak with the "New Town" designation and the high rise construction of Cedar Square West. Even while the first stage of construction was still underway, the young, activist residents of Cedar-Riverside began to oppose further



Cedar-Riverside, mid-1960s.

One of the first senior high-rises to go in was Cedar-Hi Apartments. These first towers were east of Cedar Avenue and south of Sixth Street and they paved the way for more to come.

development. In December of 1973 they instituted a legal challenge to the Environmental Impact Statement that CRA filed for the second stage of the project. Their suit charged that the proposed development did not adequately assess how high rise, high-density construction would affect the neighborhood's environment. The plaintiffs had particular concerns about relocation, the lack of sufficient low-income housing, and the deleterious effects of high rise housing on children. By 1973 hostility to the development proposed for Cedar-Riverside was widespread within the community.

The lawsuit initiated a series of events that resulted in the rejection of the "New Town-In Town" renewal proposal. While the suit was underway, CRA could not continue construction on the second phase. This injunction coincided with the nationwide recession of 1973, and the forced delay seriously crippled CRA's financing. At one point the court decided the lawsuit in favor of the resident plaintiffs. Although immediately appealed, this decision laid the groundwork for a very different brand of renewal in Cedar-Riverside.

After a long series of court battles and many years of arguing about Cedar-Riverside's future, the activist residents finally got what they wanted early in 1980. The old renewal plan calling for high-density development was abandoned; the neighborhood's revitalization efforts would now emphasize rehabilitation and spot

Cedar-Riverside, 1974.

Cedar Square West was part of the new town-in town chosen for Cedar-Riverside. Located just north of the Cedar-Hi Apartments, this project continued the process begun earlier of removing older run-down buildings and replacing them with new units.

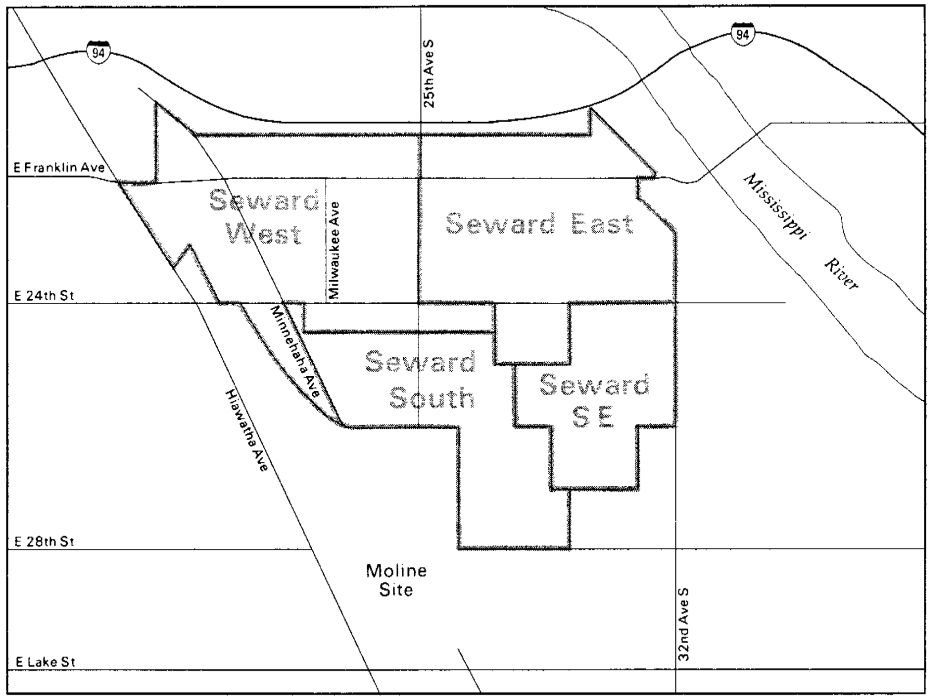
clearance. Minneapolis officials also had to recognize that neighborhood activists would play a major role in the redevelopment process, because they had been so instrumental in bringing about these changes. The activists were quick to respond with ideas and plans for what they wanted their community to become. Their goal, above all, was to prevent Cedar-Riverside from slipping too far away from its beginnings—to maintain the sense of community and the low-income housing opportunities.

Ironically, organized opposition to Cedar-Riverside's renewal came out of the PAC that the federal government mandated as a mechanism for resident review. In Cedar-Riverside, as in St. Anthony, PAC members became politically astute and learned how to work the system. By 1975 the Cedar-Riverside PAC had even set up its own development arm: the West Bank Community Development Corporation (CDC), which is still the local organization that other groups try to emulate. Their first creation was a co-op grocery, and later a co-op pharmacy. Within a short time, having found a way to link the funding of low- and moderate-income housing to the construction of a new hotel, the CDC became involved in a complicated partnership with the city and the Carlson Company. The West Bank CDC is now firmly in the development business. Area residents, in their capacity as CDC members and employees, decide which houses in Cedar-Riverside will be demolished or rehabilitated, and who will move in when the work is complete. The community group has now taken the place of the old HRA, and is performing many of its former functions.

Seward

When first proposed in 1959, the Seward renewal project in south Minneapolis did not seem difficult or controversial. This was one of the city's low-priority areas; it was run down, but not in desperate straits. In 1950, city planners considered 25 percent of the housing in Seward dilapidated (this included all dwellings without private baths). HRA officials proposed renewal for Seward earlier than they expected because it bordered the proposed I-94 freeway (Minneapolis HRA 1959). Highway clearance would begin a process that the HRA could

Map 10. Seward Renewal Projects



then continue.

City officials had other improvements in mind for Seward as well. Several small, outdated elementary schools were to be replaced by a larger new school, and playground facilities were to be improved or constructed. A new fire station was to be located in the area, replacing the old Station Number 7 in Cedar-Riverside. Planners were also concerned about the area's traffic patterns—there were too many accidents, too many area streets were cut off or crossed by rail lines, and generally too much traffic for the size of the area. In Seward, planners associated blight with the presence of railroad shops and yards, conflicting land uses, and the deteriorated housing.

The renewal program that planners proposed for Seward included all of these proposals, but it focused on housing improvements. Almost all of the housing south of the I-94 route was to be upgraded. From Hiawatha Avenue to 25th Avenue, new residential development was proposed while rehabilitation would be used from 25th to 31st avenues. The only part of Seward left untouched by renewal would be the far eastern corner nearest the Mississippi River (see Map 10). The need for renewal in Seward was proclaimed by HRA in language that did little to clarify what was being done and why: "The market demand for land in the neighborhood is presumed to be insufficient to overcome obstacles in the assembly and clearance of land on anything more than a token basis." (Minneapolis HRA 1959, p. 67). By saying that the reason for clearance was the lack of a strong demand for land in Seward, the planners did little to assure residents that the need was real.

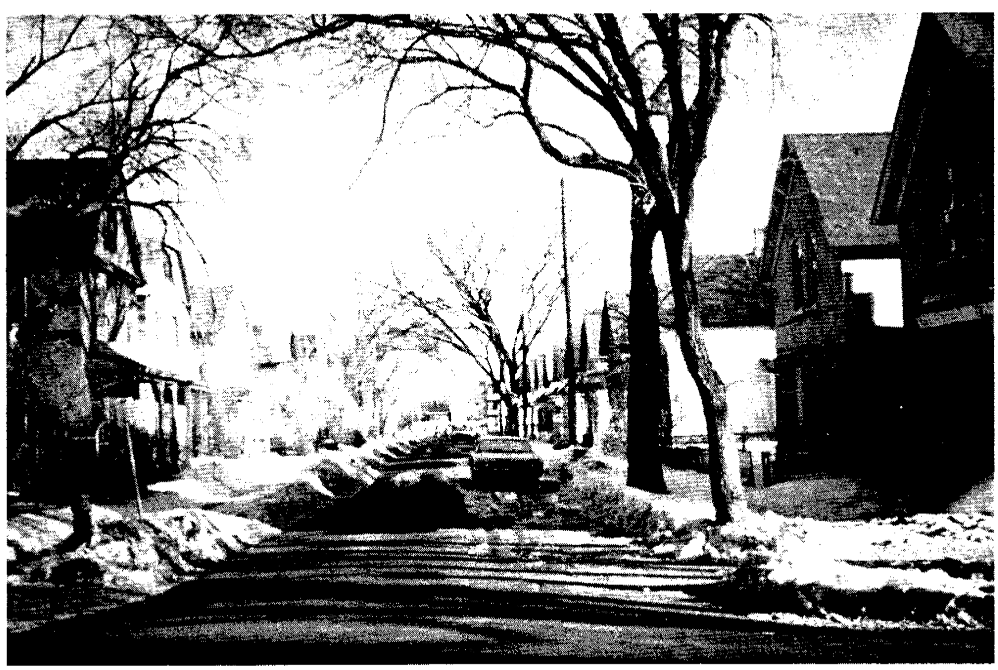
Throughout the 1960s renewal proceeded slowly in Seward. The rehabilitation of eastern Seward was the first part of the renewal project. This work began in 1963 and was completed in 1974. As in eastern St. Anthony, code enforcement and spot clearance were used. The freeway was built, traffic improvements were made, and the new school was constructed. Work in southern Seward, which transformed an area of mixed housing and rail-related industry into a light industrial area, was also well underway by 1974. Here the biggest question was the Minneapolis Moline site near East 27th Street and Minnehaha Avenue. When the giant farm-machinery factory was torn down in the early 1970s, conflict over the reuse of the site flared. Area residents supported industrial redevelopment while the city insisted on retail use. Because the conflict occurred when Dayton-Hudson happened to be choosing a site for its first central-city discount operation, new industrial use was overruled by city officials. With the 1976 opening of a Target store, large-scale discount retailing made its first appearance outside of the Twin Cities' suburbs. A small shopping mall connected the Target store to a Super-Valu grocery store. This initial experiment in suburban-style shopping for the central city would ultimately prove so successful that it would be repeated several more times in the Twin Cities.

As renewal work was well underway in eastern Seward and in the southern industrial section, HRA's attention turned toward western Seward. But some things had changed since the original renewal designation, most specifically the population of western Seward. Some of the elderly residents had been replaced by students who moved here because of the low rents and the proximity to the West Bank campus of the University of Minnesota. As in other renewal areas, a PAC formed, and was soon battling the proposed clearance of western

Seward. Residents of the area, particularly the younger ones, could not see the sense in removing a habitable stock of inexpensive housing. That residents' notions of habitable housing were somewhat at odds with the planners' definitions is an understatement.

The PAC fought the proposed clearance, asking that the form of renewal in western Seward be changed to rehabilitation. The PAC had conducted its own survey of the area, using local architects, and found merit in the old houses of western Seward. The PAC argued that these houses should be saved and preserved, especially a two-block area of workers' housing on Milwaukee Avenue dating from the 1880s. The PAC contended that these houses derived historical significance for their role in sheltering early immigrants, and that they should be considered an asset rather than a liability. These preservation sentiments struck a response in the broader community; the broken-down houses of Milwaukee Avenue even drew media attention since they were such unlikely candidates for preservation. In the end the residents won.

In 1972 the HRA resurveyed the neighborhood and agreed to consider rehabilitation for 180 of the 330 homes scheduled for demolition. The PAC did not end its activity with this agreement, however. It



Milwaukee Avenue, early 1970s.

This block was slated for clearance because the housing was too old to be salvaged and the street too narrow.

continued to argue for the area's historic significance, proposing that the Minnesota Historical Society study Milwaukee Avenue as a possible candidate for historic district designation. This designation was finally accomplished in May 1974 when Milwaukee Avenue was added to the National Register of Historic Places as one of the earliest "vernacular" districts—its restoration would be a living memorial to unnamed and unknown railroad workers and their families. (Most of the national historic districts designated before the early 1970s reflected a definite elitist notion about what was worth saving and restoring.)

The Seward PAC pursued the historic angle as the only way to save its neighborhood. Its goals were only slightly different from those of the HRA. The PAC was intent on saving the architectural heritage of the community, in addition to maintaining home ownership. The PAC also expressed a strong interest in preserving the area's economic mix, so few opposed the construction of senior citizen high rises or scattered subsidized housing. (One specific PAC goal was to rehabilitate existing housing and keep it affordable for area residents. To accomplish this a local architectural group, Seward West Redesign, took on the job of rehabilitating vacant houses that the HRA sold to it.)

The role that historic preservation played in the renewal of

Milwaukee Avenue, mid-1980s.

Instead, the block was renovated and the street converted to a pedestrian mall. The houses were improved beyond their original conditions and the area was declared an historic district.

Seward was an important one. It gave area residents a tool to express their displeasure with the HRA's visions for their community. The initial renewal activity in western Seward happened to coincide with the federal mandate for resident review of renewal plans, as well as with a burgeoning interest in saving and restoring old houses. The residents who were active in the PAC were not as well off as those fighting for the preservation of Summit-University. But their interest in the artifacts of the past was just as strong. The argument they made in favor of preserving a nineteenth-century working-class landscape was telling—they were helping to extend the public understanding of what Minneapolis' history was all about, as well as making the historic landscape of the city more inclusive.

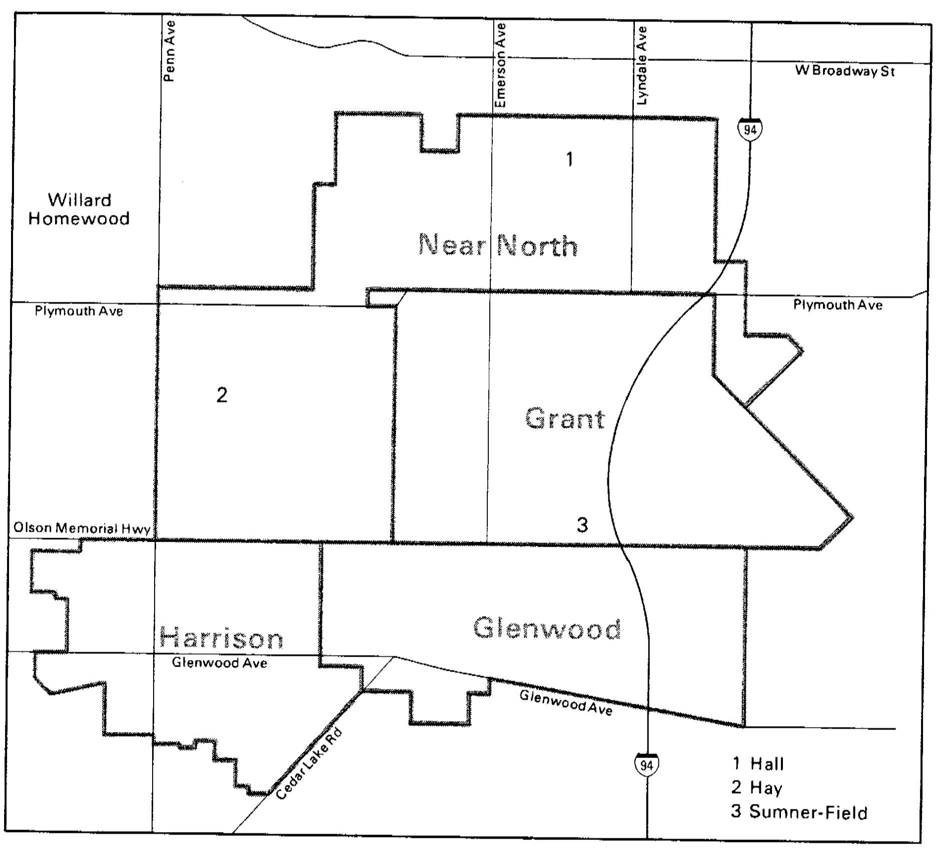
It turned out that preservation was a viable alternative for western Seward, though at the time few could have imagined how successful it would be. In the decade or so since Milwaukee Avenue's historic district designation, this area has changed rather substantially. Milwaukee Avenue itself has been fully restored, and the narrow street down the middle has been transformed into a landscaped pedestrian strip. Surrounding streets are full of restored houses, many of them the work of individuals who had little to invest but their sweat and dedication. Some newer in-fill houses have been built on lots where spot clearance occurred, along with some low-income housing that blends into the area rather well. Today, it would be very difficult for anyone encountering Seward for the first time to believe that sections were once deemed in need of almost total clearance.

3. RENEWAL EFFORTS THAT WENT ASTRAY—PROJECTS THAT WERE PLANNED, NOT ALWAYS CARRIED OUT, AND SELDOM SUCCESSFUL

Lest we assume that every renewal project in the Twin Cities was at least a qualified success, there were also projects that never quite worked out as planned. The problem in these neighborhoods was not citizen opposition so much as citizen apathy. These neighborhoods tended to be off the beaten path, and had no organized voice to speak for them. Renewal in these places has been an on-again, off-again process—improvements would be made, but not enough to cause significant changes.

Near-North

The near-north side of Minneapolis has been the object of government planning and improvement efforts for more than fifty years, as the Glenwood profile previously demonstrated. But Glenwood was not the only part of the near-north side to receive aid; in fact it was a relatively small part of the total picture. By the late 1970s the entire area from the Mississippi River to the western city limits, and from the Burlington railroad tracks to north of Broadway had been part of one improvement program or another. More than fifty years of diverse programs have certainly changed this area. Nearly all of the industries are now gone and some sections, like Lyn Park, have improved dramatically. Although success stories here do exist, they are limited, and there has been little to compare to the south Minneapolis community control experiments which have done much to improve those



Map 11. Near North Renewal Projects

neighborhoods.

Since planners had begun programs by the late 1950s to clear the Grant and Glenwood neighborhoods and to rehabilitate nearby Harrison, they had hoped to stall deteriorating conditions in this part of the city. This proved to be impossible, for the very process of renewing these areas had repercussions on the rest of the near-north community. The relatively healthy areas that surrounded Glenwood when clearance was first proposed in 1950 had, by the late 1960s, begun to change. The Plymouth Avenue riots in 1967 spurred the Jewish community to flee to the suburbs, leaving the near-north community without its most stable and financially able residents (Palm 1969). Left behind in this process was a large stock of abandoned housing, most of which was in rather good condition. Parts of the north side traditionally had large numbers of homeowners, but they were increasingly being replaced by renters without the resources or skills to maintain the houses they rented.

The cycle of near-north renewal efforts can perhaps be summarized in the experiences of the Harrison neighborhood (see Map 11). Immediately west of the Glenwood slum clearance project, this area was chosen in 1959 as the city's first overall rehabilitation effort. Planners hoped that the effort would extend the impact of Glenwood improvements even farther and allow the city to upgrade an area that did not need total clearance (Minneapolis HRA 1966a). To the city planning staff, neighborhood rehabilitation seemed to hold more positive potential than clearance, and its effects could be spread more widely throughout the entire community.

At the start of the rehabilitation project, Harrison was a crowded area of small dwellings (mostly duplexes) developed before 1900; it was populated largely by Finns and those of Finnish descent. The first planning study in 1959 indicated that housing was not residents' biggest concern. In the 1964 CIP survey, five years after the rehabilitation program began, Harrison's housing was uniformly rated in fair-good condition. Residents complained about issues other than housing however: the lack of nearby stores, the lack of good north-south bus service (to get them to Plymouth Avenue and to Broadway where the stores were), too much traffic in the area, and the smell of Bassett's Creek.

The proposed renewal program did not respond to these concerns directly. Its purpose was to improve and upgrade the housing and the surrounding environment. In clear contrast to Glenwood, the Harrison program was a rehabilitation project. At the most, only 150 houses would be acquired (out of more than 700), primarily for expected freeway development to the north and the south of Harrison. The planners' major complaint was that houses were too close together (only five to six feet between houses), and many yards had an old shed. Because most houses did not meet the zoning requirements for lot sizes, planners encouraged owners of nonacquired properties to purchase adjacent cleared properties as part of the upgrading effort (Minneapolis HRA 1966a).

As the rehabilitation of Harrison proceeded, a neighborhood advisory group was closely involved. Their role seems to have been merely advisory, not intrusive, as some of the later neighborhood groups would be perceived. This difference may stem from the fact that Harrison residents were invited to participate in the planning effort while later neighborhood groups were mandated by law to participate in the planning process. The end result, however, was the same: neighborhood residents worked with official planners. But those neighborhood groups whose presence was mandated had the force of law behind them and generally felt more in control of whatever happened.

The Harrison rehabilitation project was nearly completed when the Plymouth Avenue riots broke out. Although Harrison was not immediately affected, its residents had to face ongoing negative perceptions of the entire near-north side. By the late 1970s, housing in Harrison was in average condition for the city, though ten years earlier it had been better-than-average. Perhaps this indicated that earlier rehabilitation efforts did not have a long-term effect. Still, more than 80 percent of the single-family homes and more than 60 percent of the duplexes were owner-occupied in 1978, in dramatic contrast to neighboring Glenwood where almost all units were rental (Minneapolis Office of the City Coordinator 1978).

In 1968 an even more extensive portion of the near-north area was designated for renewal. This new project included a neighborhood just north of Harrison, called Hay, and another area north of the old Glenwood-Grant clearance project, called Hall. Both areas still contained some good quality housing. As the city-wide survey noted, "The western edge of the neighborhood is as fine a residential area as can be found in Minneapolis" (Minneapolis Community Improvement Program 1967). City planners identified Hay's problems as social rather than physical, noting the large number of "for sale" signs, the large proportion of elderly people, and the progressive movement of blacks into the formerly Jewish neighborhood. The situation in Hall was somewhat different. Planners considered Hall the most seriously deteriorated portion of the north side outside of already designated renewal areas. Most of the housing here, they felt, needed a significant amount of repair.

The renewal plans for these areas addressed several other concerns. Both neighborhoods were affected by nearby commercial decline. Each bordered on Plymouth Avenue, which by 1968 contained several blocks of burned-out commercial structures. Both had obsolete school buildings that needed to be replaced. And each was affected by programmed highway improvements: Hay abutted Olson Highway which was about to be upgraded to a freeway, and Hall was adjacent to the projected extension of I-94. Officials conceived the renewal plan as a way to address these myriad concerns in a coherent fashion.

Renewal in the near-north area has been a slow and continuous process. It was not until the late 1970s that new rental housing was finally built on Plymouth Avenue's empty lots. The I-94 project was stalled until the early 1980s, though land was cleared for it in the 1960s. Portions of the near-north area were later selected for special city programs: West Broadway became a tax increment district in 1973 to promote economic development; Willard-Homewood, which included the Hay renewal area, became a neighborhood development program (using CDBG money) in 1975. Additionally, a new shopping area, anchored by a Target store, opened on West Broadway in 1982. The

WHO (Willard-Homewood Organization) vigorously supported urban homesteading efforts. Consequently, the number of owner-occupied homes on the western edge of the near-north neighborhood has increased, and the decline of this area has been reversed. Even some changes that were unthinkable ten or twenty years ago have occurred, such as the construction of market-rate housing developments like the Boardwalk project just south of Broadway near Lyndale.

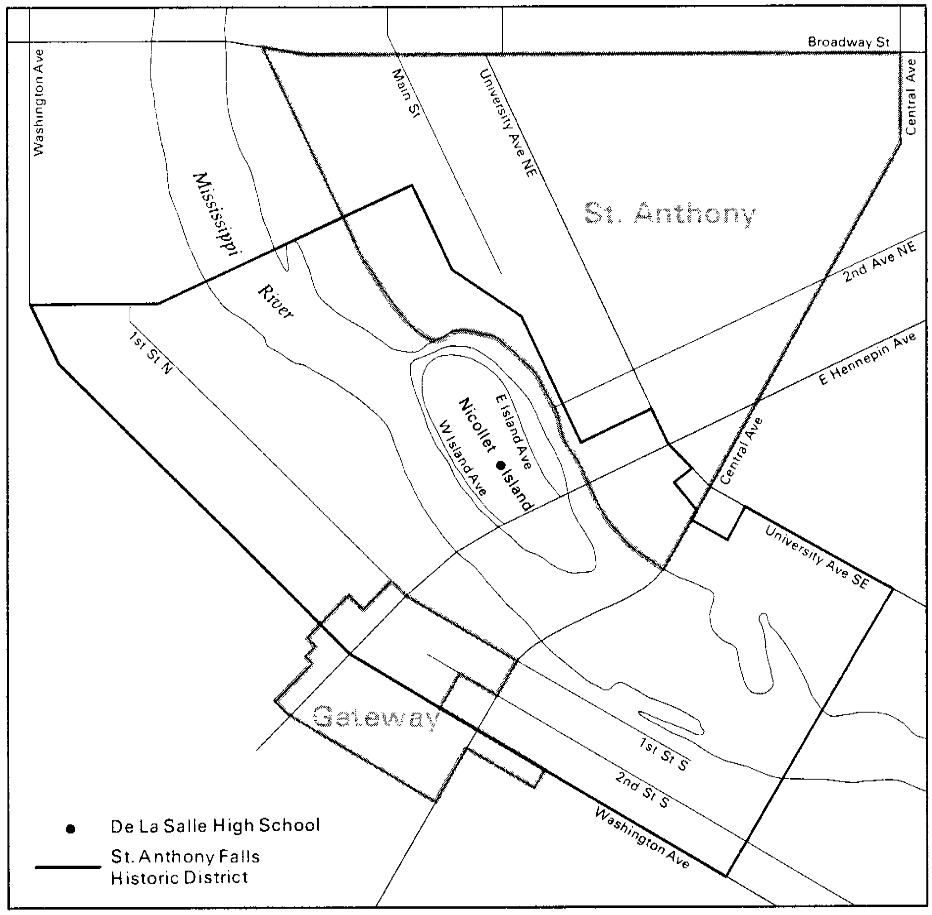
Despite all of these programs and all of the successes, the near-north area still suffers from negative public impressions. This is partly due to the concentration of public housing and subsidized housing in this part of the city, largely in the Glenwood, Grant, and Hall renewal areas. Much of this housing is for the elderly, and other neighborhoods (notably Phillips) also have large amounts of low-income housing. But the *concentration* of this housing stock on both sides of Olson Highway, a major suburban commuter route, sustains many peoples' quite negative impressions of near-north.

Nicollet Island

The Nicollet Island renewal project has been around for so long and gone through so many different transformations, that few people remember what was originally supposed to happen here. The island today has a kind of romantic, nonconformist mystique about it. But twenty years ago most planners thought of it merely as a slum that had to be removed. In some ways Nicollet Island could be considered another story of citizen opposition. As in Seward and Cedar-Riverside, Nicollet Island residents managed to stave off the forces of improvement. But the island's renewal experience was not so much a matter of residents countering the evil forces of renewal as it was the story of public agencies competing for the privilege of reshaping the island, each in their own way.

Nicollet Island had been an odd hodge-podge from its first development in the late nineteenth century. The southern part of the island had always been industrial in character; the mid-section contained upper-middle class row houses and, after 1900, a Catholic high school; the northern end was a mixture of working-class housing and

Map 12. Minneapolis Riverfront Redevelopment, Including Nicollet Island



a few substantial Victorian structures (see Map 12). Every part of the island had been deteriorating since the early twentieth century. By the mid-1960s, when the Gateway renewal project was well underway, the Minneapolis HRA turned its attention to nearby Nicollet Island as part of the agency's neighborhood renewal efforts. The island's population by this time was very mixed: transients occupied the middle and southern portions (some had moved from Gateway), and elderly working-class people and some young "hippies" lived on the northern tip.

HRA planners considered much of the island a skid-row environment. By the mid 1960s, a row house that had originally contained eight units was divided up into eighty-eight sleeping rooms. The city planned to remove most of the existing housing, but the ultimate reuse of the land was unclear. The clearance initiative was complicated because HRA planners recognized that the island was a repository of many historic buildings, some of which could prove to be significant. Still HRA's plan to clear the island was approved by the city council without significant opposition in the late 1960s, though funding for the project was delayed.

By 1970 the HRA was ready to begin work on Nicollet Island. As part of the federal renewal guidelines, the agency had to find a group of island residents to review the plans and their implementation. Reaction to these efforts was not enthusiastic. But after some Minneapolis HRA community organizers convinced a small number of residents to get involved, a citizen participation group eventually began. A young man named Fred Markus who had learned his politics in the radical atmosphere of Madison, Wisconsin in the late 1960s emerged as a leader of the citizen group (Henig 1981). Along with the other young island residents, Markus thought that total clearance was inappropriate, but they seemed powerless to prevent it. The HRA was already cooperating with the state highway department to rebuild the east bank approach to the Hennepin Avenue bridge. In the process all of the tenement housing on Hennepin Avenue was removed, and more housing nearby was destroyed when De LaSalle High School expanded.

Almost accidentally, Markus had learned that historic designation afforded some protection to areas affected by federal spending. He quickly joined forces with the Minnesota Historical Society to have the island included in the proposed St. Anthony Falls National Register district. This effort was successful, and in 1971 the historic district was designated. Complete clearance would now be more difficult and would, moreover, be subject to both state and city agency approval.

The Nicollet Island PAC membership was never large, but it was committed to maintaining the residents' fragile stake in the island. By 1976, Markus had managed to get the PAC some CDBG funding—about $30,000 per year—and the PAC promptly spent some of this money to begin island improvements. Residents were hired to clean up empty lots and plant community gardens. The island's physical environs were improving slightly just as the Minneapolis Community Development Agency (MCDA, the successor agency to HRA) was buying up all the houses—still it seemed, with the intention of tearing them down. Meanwhile the Minneapolis Park Board had been planning to designate the island a regional park, and it too was acquiring land. Residents opposed both ideas, but they did not control any of the land.

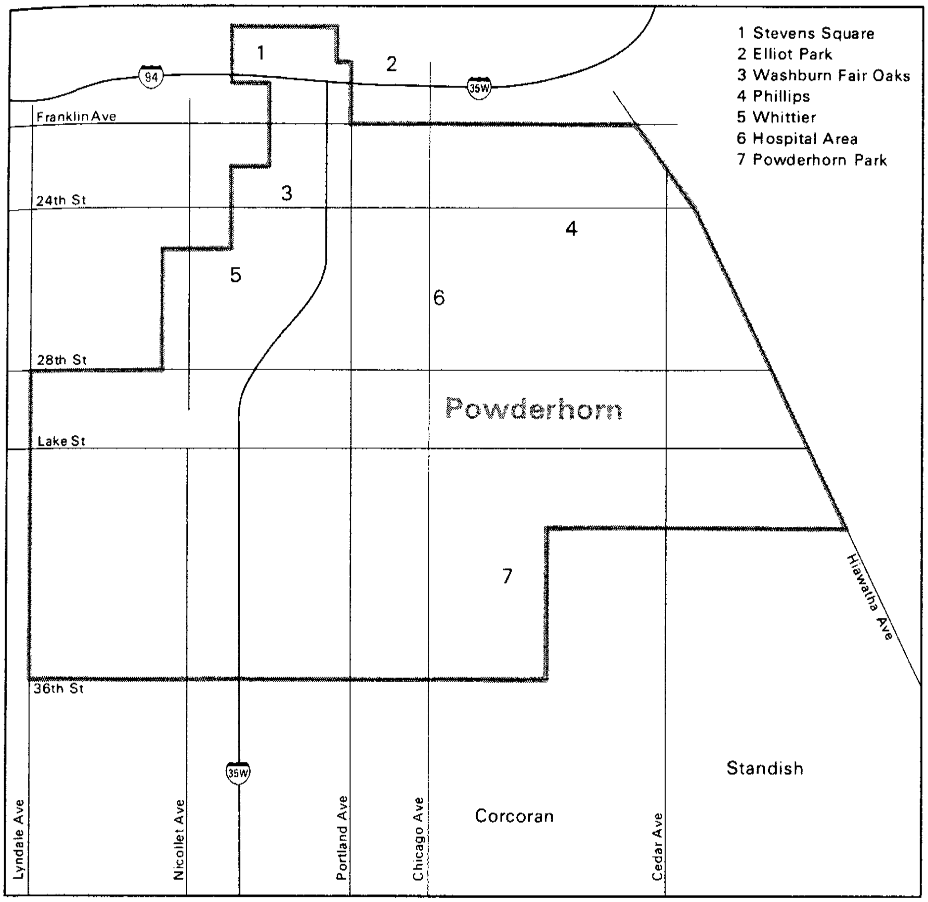
The indecision and conflicts surrounding Nicollet Island's redevelopment continued for nearly another decade while the remaining houses continued to deteriorate. In 1985, all interested parties finally reached a compromise about the island's future. Most of the land (excepting De LaSalle High School and two private residential developments) was turned over to the park board, which would clear the remaining industrial sites, begin park improvements, and hold long-term leases for the housing parcels. In an arrangement similar to one made with Cedar-Riverside residents, MCDA agreed to rehabilitate the housing on the island, working through a community development corporation to insure resident control. MCDA also agreed that current residents would have first claim on the renovated units.

In late 1987, nearly twenty years after renewal was proposed for the island, the landscape remains remarkably unchanged. Most industrial structures and the worst tenements have been removed, and some areas have been turned into community gardens, but Nicollet Island still seems a bit out of sync with the rest of Minneapolis' renewal efforts. It is an idiosyncratic place that resists easy categorization. Improvement efforts here, in contrast to almost every other part of the city, were complicated by the presence of semi-independent and competing agencies (MCDA and the Minneapolis Park Board) trying to reach different, and sometimes incompatible, goals.

4. THE COMPREHENSIVE PLANNING APPROACH

Powderhorn

No place in the Twin Cities has had a more complex renewal experience than that of the Powderhorn area, in part because the area is so large and diverse. In the 1960s the Powderhorn community encompassed all of south Minneapolis between Lyndale and Hiawatha avenues. It extended from I-94 to 42nd Street on the east side of 35W and from Franklin Avenue to 36th Street on the west side of the freeway (see Map 13). It was the largest area in Minneapolis to undergo renewal



Map 13. Powderhorn Model City Area

efforts. Within Powderhorn's boundaries were some of Minneapolis' poorest areas as well as some formerly luxurious sections on Park Avenue and near the Institute of Arts.

Excepting several blocks around Lake Street, Powderhorn has been spared total clearance. This is perhaps the only consistent element in the community's overall renewal experience. Spot clearance and scattered-site housing construction have been used widely in Powderhorn. One section (Washburn-Fair Oaks) was designated a historic district. Private reinvestment has been a hallmark of this particular area, as in Whittier and in the area surrounding Powderhorn Park. Elsewhere (Phillips in particular) community-controlled development has been prominent. Major Twin Cities' corporations have also played a role in renewing the Powderhorn community.

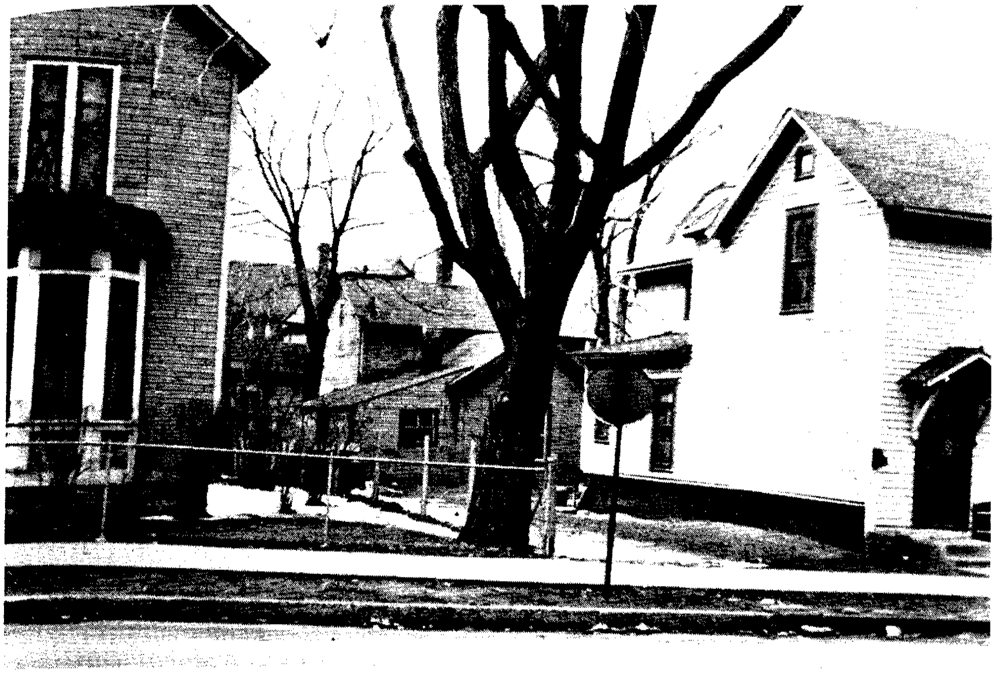
The one constant element in this area's twenty years of renewal efforts has been citizen participation. This portion of south Minneapolis has been a nursery for activism on a level unknown elsewhere in the

Twin Cities, except in the nearby Cedar-Riverside and Seward neighborhoods. This was due, in part, to the presence of activist students and ex-students in Powderhorn during the mid to late 1970s. Powderhorn's response to renewal can be viewed in part as an extension of the activist-interventionist renewal stance of Cedar-Riverside and Seward. But nonstudent, non-political (i.e., older) residents also played a large role in Powderhorn's redevelopment.

The Powderhorn community was a candidate for renewal from the beginning but planners never considered it a critical area. In the HRA's 1958 program it was one of the low-priority projects. Powderhorn had the usual problems: an aging housing stock, including many dwellings that had been converted to rooming houses; a mixture of industry and housing, especially along the 29th Street corridor; and schools that needed replacing. In addition, the neighborhoood needed to respond to three projected interstate freeways: I-35W was to be built through the middle of Powderhorn, the Hiawatha freeway on its eastern edge, and a crosstown freeway parallel to 28th Street.

But Powderhorn also had unusual assets for a renewal area, including cultural resources such as the Minneapolis Institute of Arts and the Swedish Institute which attracted people from all around the region. Several hospitals helped to provide jobs and an identity for the community. A few of the hospitals, notably Abbott-Northwestern and Mount Sinai, were anxious to expand their facilities and services. A struggling, but still viable, shopping area focused around the Sears store at Chicago Avenue and Lake Street was also present. By the mid-1960s the Lake Street strip, long the dominant commercial center of south Minneapolis, had to compete with suburban malls. The Powderhorn Business Association, intent on achieving parity through parking ramps, sometimes was opposed by resident groups with different concerns.

As in other renewal areas, evidence of blight in Powderdorn was widely dispersed, but generally the most significant deterioration was close to Franklin Avenue. Continuing south through the community, the physical environment improved, so much so that neighborhoods like Corcoran and Standish were to be conserved. In contrast, the



Phillips neighborhood, early 1960s.

Housing like this was cleared to make way for low rent public housing.

Phillips neighborhood (bordering Franklin Avenue) was designated by planners for immediate action, to slow down the widely recognized deteriorating conditions. For the most part, the focus of renewal in Powderhorn was to improve the *existing* housing stock. This strategy recognized that the community would continue to provide housing opportunities for low- and moderate-income city residents.

Powderhorn residents were among the first in Minneapolis to organize, long before large numbers of students appeared. They were not opposed to renewal, but they were skeptical about it. The first local advocacy group, the Phillips Neighborhood Improvement Association (PNIA), was formed in 1962, even before Powderhorn was targeted for renewal. Like their counterparts in northeast Minneapolis, Powderhorn residents realized some of the implications of renewal. Having observed the near-north side renewal project, they were firmly opposed to clearance. Fortunately, the city agreed with this assessment, so little conflict occurred in the early years.

Powderhorn's renewal commenced in the mid-1960s when the area became Minneapolis' Model Cities demonstration project. As such, it had access to special revenues and special opportunities such as programs for job training, economic development, elderly care, and chemical dependency among many others. The Model Cities approach to improving low-income communities was more comprehensive than what was typically achieved through urban renewal. Where renewal programs generally assumed that physical improvements to the landscape would encourage social improvements, the Model Cities approach assumed that funding for social programs had to be specified, and that these funds should accompany, or even precede, whatever landscape improvements were planned. The Model Cities program was one of the classic "Great Society" efforts of the mid-1960s. Like the Headstart and food stamp programs, it addressed complex problems in a scattered-shot way, not knowing what would succeed.

The Minneapolis Model Cities project was slightly ahead of its time—local discussion of the idea preceded the federal program by a year or more. Based on information in the city-wide survey, local planners saw a need for simultaneous programs in the areas of education, housing, health, and social services (Minneapolis Community Improvement Program 1965). Improving these aspects of city life, planners thought, would ensure an attractive alternative to suburban living within Minneapolis. Planners would concentrate their efforts on heavily deteriorated areas (such as the near-north and near-south sides), but they also wanted to spread the effect of these programs throughout the entire core of the city. Local thinking (articulated by Robert Jorvig, then the Minneapolis City Coordinator) held that such a broad approach could work here because local problems were more manageable than in other cities (Jorvig 1985).

For the next eight to ten years, until the Model Cities program was phased into the CDBG process, many incremental improvements transpired in the Powderhorn community. A number of senior citizen high rises were built; neighborhood parks were expanded and improved; a large new elementary school replaced several old school buildings; and a new high school was created, with magnet programs to draw students from the entire city. By the late 1970s the housing stock had visibly improved as well, but this only occurred sporadically, as in a small section of Whittier. Other parts of the community, most

Phillips neighborhood, mid-1960s.

The same site now holds a high-rise building that provides public housing for seniors.

notably the Phillips area, had not improved much at all.

Despite all the projects made possible through the Model Cities program and through private investment, some of Powderhorn's old problems persist. Planners and residents alike remain concerned about the Lake Street and Franklin Avenue commercial strips, which now must compete with central city shopping malls, as well as suburban ones. Powderhorn citizens' groups have tried, with some success and abetted by the VCR boom, to eliminate the X-rated movie theaters and massage parlors from these streets to make them more appealing to area families.

The housing stock in Powderhorn has improved some, yet substandard units remain since much of the housing is among the oldest in the city. Still, housing improvement efforts in Powderhorn have been of heroic proportions: by the late 1970s, after more than a dozen years in the Model Cities program (including the use of CDBG money), 1,875 dwellings units had been rehabilitated. The rehabilitation cost more than $25 million, with most of it federally provided (Minneapolis HRA 1979b). Rehabilitating this number of units was a major undertaking, accomplished primarily through the use of grants and low-interest loans to homeowners. One quite innovative approach to housing problems blossomed throughout the Powderhorn community in the 1970s when more rental units were transformed into cooperatively owned units than in any other part of the Twin Cities. This shift created a need for residents who were capable of managing their own housing, and greatly increased the amount of owner-occupied housing as well.

Throughout the 1970s the Phillips neighborhood experienced more changes than the rest of Powderhorn. The minority population, primarily composed of blacks and Native Americans who had long been present, was increasing, although 74 percent of the residents in 1978 in Phillips were white. But a new group, Southeast Asian refugees, was becoming visible in the community. The Asians competed with other low-income households for low-cost housing, and sometimes taxed the housing supply by crowding several families into a single unit.

PNIA, the neighborhood group, was the best organized citizens' group outside of Cedar-Riverside by the late 1970s. It tried to respond to the varied changes occurring in the community by lobbying city council members for assistance, suggesting zoning changes, and helping to decide how CDBG money should be spent. PNIA also developed its own neighborhood plan, focusing on maintaining affordable housing and creating additional units. To ensure community control a local development corporation was formed, as was a credit union and a neighborhood land trust (Lauria 1980). The latter was a particularly unusual effort: with funding from Honeywell, the trust purchased houses from nearby Elliot Park that would otherwise have been destroyed and moved them into Phillips.

PNIA was so successful in its various efforts, and so convinced that its situation was unique, that by 1980 it refined the notion of community power even further. It asked the city to create a new planning district exclusively for the Phillips neighborhood. Geographically the neighborhood was one of the largest in the city, but it would become the smallest planning district. The city agreed to this change, in effect ratifying the political acumen of this one citizens' group. (In

Minneapolis' system, several neighborhoods constitute a community, and the larger community area functions as a planning district.)

Urban renewal in general required citizen involvement in a way that few other federal programs did before or have since. In the Twin Cities, citizen participation was one of the keys to a successful renewal experience—from the neighborhood's perspective, if not always from the city's. In the cases of Minneapolis and St. Paul, planners viewed the prospect of citizen involvement positively from an early point. For example, in the early 1960s the Minneapolis HRA opened field offices even before it was clear that federal dollars would support them. By 1968 there were twenty-five offices with 250 to 300 employees (Minneapolis HRA 1977). As early as 1965 the resident councils were at the center of rehabilitation efforts city-wide.

One can, of course, be cynical and say that nothing different occurred even when citizens did participate in the renewal process. One analysis has in fact taken this view, arguing that, in practice, citizen participation meant participation by existing local leaders (McKay 1969). It further argues that citizen involvement in the renewal process was minimal until the Model Cities programs of the mid-1960s, and after that point it was the same "preachers and paid staff members" who were represented, not ordinary citizens.

This may have been the case for some renewal projects, notably those on the near-north side of Minneapolis. But it does not explain or account for the high degree of citizen participation (and later of citizen control) in many of the near-south side projects in Minneapolis (Lauria 1980). The experiences of these projects support the argument that urban renewal empowered residents, altered the relationship between citizens and their local governments, and ultimately, even changed the local governing process.

NEIGHBORHOOD RENEWAL: THE SOCIAL AND POLITICAL CONTEXT

Minneapolis and St. Paul had consistent goals in carrying out neighborhood renewal projects. The most important were to stabilize neighborhoods, promote home ownership, and retain or attract middle-class families. Most of the rehabilitation efforts within the renewal programs centered on owner-occupied dwellings. Consequently, in part, the bottom end of the rental market has been squeezed tightly, and a burden placed on the public housing and subsidy programs that were to address this problem.

Three issues have generally characterized local city involvement in the maintenance, renewal, and promotion of neighborhoods and housing.

1. Local governmental authority in this area has grown gradually, but steadily, and now plays a significant role. In the 1880s, city governments imposed and enforced building codes; by the 1920s both cities had zoning, and the idea of public planning, however ineffective in those years, took root. During the 1930s local authorities and leaders of both cities sought federal aid for public housing, though only Minneapolis succeeded. In the 1950s the semi-independent HRAs acted to clear slums and build public housing. Recently public efforts of this kind have been deflected a bit, but not ended. In the late 1960s the HRAs tried new strategies: subsidized housing, scattered-site public housing, systematic code enforcement, selective clearance. In the 1970s there were further innovations, including St. Paul's aggressive programs to boost neighborhood commerce. Municipal involvement in housing and neighborhoods has now been institutionalized. People may debate the city's proper role in these activities, but there is no question that the city should be involved.
2. At the same time, federal responsibility for, and direct involvement in, neighborhood and housing issues has decreased. The federal government ventured into this area with its first construction of public housing in the 1930s. After a long hiatus federal efforts resumed in the 1950s, largely through transferring money to local operating agencies. Although the federal government continues to make money for housing available to developers, households, and public

agencies, local housing efforts now take precedence over anything that the federal government is doing in this area. This shift involved other factors, of course, including federal tax policy, federal and state housing programs, local nonprofits and foundations, and the emergence of community-based political leaders.

3. Tensions continue to exist between the social and economic objectives of local housing efforts. Every city needs to pay attention to both social and economic issues, but in a particular location these objectives can be quite incompatible. With respect to neighborhood development, local governments have two major goals: to improve the lives of the city's poor, and to maintain or enhance the city's tax base by retaining or attracting middle-class families. In the past decade these tensions regularly surfaced in debates over *gentrification*, the label used when middle-class households invest in and settle in poor neighborhoods. Such debates are of public interest because middle-class in-migration has usually had some inducement, even possible governmental assistance. City governments need to mediate between lower-income residents' legitimate needs and middle-class newcomers' demands.

In the previously described case studies there are some factors that, taken together, begin to explain why neighborhood renewal efforts worked as they did in the Twin Cities. These factors also begin to explain why renewal in the Twin Cities often looked significantly different from what was done in other cities.

Class-Status Issues

The role played by social class and status has always been crucial in analyzing urban renewal. This is as true in the Twin Cities as elsewhere, but there are some important distinctions. In some cities local activists criticized the urban renewal program for being a program of "Negro removal." The thrust of this criticism was that well-sited minority neighborhoods were emptied to provide sites for higher income developments (Hartman 1964). In the Twin Cities two black neighborhoods were dispersed not by renewal per se, but by freeway construction. Throughout the period of urban renewal the minority population of both cities was so low (4 to 5 percent) that renewal programs to move this group around could not have been very effective.

An interesting pattern emerges in looking at local responses to renewal in class-status terms in the Twin Cities. Neighborhoods with well-educated, low-income residents fared much better throughout the renewal process, as did ethnic communities with strong political clout. In such areas residents were consistently able to stop or change renewal plans and often gained a large measure of control over the process. Student residents of these areas had the necessary knowledge to "fight city hall"; they, along with elderly residents, had time to spend in the often tedious process of community organizing.

Areas that house large numbers of students, however, are not low income in the usual sense, even though the student residents may not have much disposable income. The student population brought skill and ability to these low-income communities, as well as fairly middle-class attitudes about people's ability to control their own destiny. Part of the difference between levels of citizen involvement in Minneapolis and St. Paul may be explained by their differing student populations. St. Paul's large contingent of college students tends to be "traditional"—they finish school in four years and usually live on campus. Students at the University of Minnesota, in contrast, spend more than five years in college and normally live in the community rather than on campus. This is especially true for the graduate students who come from outside Minnesota and spend five to ten years working toward degrees. The two cities' respective housing stocks may suggest another reason for their different levels of citizen involvement: Minneapolis had a large stock of inexpensive rental housing concentrated around downtown and the university; St. Paul's supply of similar housing was not especially close to downtown, and quite far from most of the colleges.

Citizen participation in community activities became even more important in 1975 when the state legislature provided funds for community development corporations. Grants for these projects were quite specific: groups receiving grants had to be nonprofit organizations attached to a specific geographical area; 60 percent of the board members had to be poor residents of the community; nonprofessional hiring had to be done among defined low-income groups (Lauria 1980). Residents who were students were not the only ones to note the significance of this opportunity, but neighborhoods that housed activist students (and former students) had an advantage in this process. The activist student groups' organizational skills, and knowledge about how to get things done, gave these neighborhoods a head start in the community development business. Areas like Cedar-Riverside, with its experienced community organization, were consequently able to implement their own, rather than the city's plans.

The Private Sector

In the Twin Cities another aspect of urban renewal differed markedly from the norm. This was the role played by private investors in certain renewal areas. The classic urban renewal role for private investors was to acquire land at low prices and then proceed with whatever project they had planned. This was certainly one role that investors played in Minneapolis and St. Paul, as they did elsewhere. But private investors, and especially large local corporations, had an even greater involvement in the Twin Cities' renewal.

Although it did not become obvious until much later, the success of certain renewal projects depended heavily upon the Twin Cities' business interests. As a matter of course, the business community was quite involved in downtown renewal efforts in both cities. But businessmen also supported certain neighborhood renewal efforts, notably on the near-south side of Minneapolis in some of the most politically active parts of the city. Corporate involvement was, in many ways, one of the distinguishing characteristics of the Twin Cities' renewal experience. Corporate involvement with renewal was symptomatic of the strong role that corporations play in the Twin Cities' nonprofit organizations. Led by Dayton's (later Dayton-Hudson) in the

1960s, many of the large corporations joined what was called the "5 Percent Club," pledging to donate 5 percent of their pre-tax profits annually to nonprofit organizations (Bemis and Cairns 1981).

The corporations that participated in this process had mixed motives: some were interested in overall social improvement efforts, some were trying to protect investments they had already made in somewhat marginal areas, and some wanted to prove that business could create housing and jobs cheaper and more effectively than government could. Their approaches differed as well. Some corporations intended to make money from their neighborhood activities; others wrote it off as a worthwhile social investment. Regardless of the motives or the tactics devised, an epidemic of corporations "adopting" neighborhoods in Minneapolis ensued during the early 1970s.

Within the spectrum of corporate activity, both positive and negative experiences occurred. Honeywell's involvement was one of the most positive. The company made a commitment to the Phillips neighborhood, one of the poorest in the city, following a decision to expand the corporate headquarters and remain in the neighborhood. Honeywell's efforts focused on improving the housing stock. Money was provided to fix up houses and keep them available for the low- and moderate-income residents of the area, especially those who had been displaced. Honeywell also encouraged its corporate staff to work on neighborhood issues, and made one executive available on a full-time basis to the community. The company made no pretense that it would make money in this effort. The management seemed to believe that investing in the local community was good business sense (Cox 1978).

Dayton-Hudson also had a positive neighborhood experience with its choice to invest in the Whittier area. Like Honeywell, it had a clear rationale for choosing this particular neighborhood. The Dayton family had long been one of the strong supporters of the Minneapolis Institute of Arts, located in the center of the Whittier area. In the early 1970s the institute made a commitment to expand its space. Soon after, Dayton-Hudson began to assist the neighborhood with a $5 million, five-year grant for planning and physical improvements (Brooks 1984). The money was funneled through the local residents group, Whittier Alliance, and the residents participated in debates about how the money should be spent.

Other corporate ventures into neighborhood improvement were somewhat less successful. General Mills made a commitment to the Stevens Square area, just south of downtown Minneapolis. It planned to rehabilitate the older apartment buildings, generally upgrading the quality of the housing stock, but it gave no commitment to retain local residents. General Mills created a for-profit subsidiary to support work already begun by a local developer. Within a short time, friction erupted. The neighborhood group objected to General Mills' making the area less affordable, and organized labor objected to its use of unskilled laborers for the rehabilitation work. By the end of 1979, General Mills had spent $10 million in the area, and a great deal of physical improvement had been accomplished. But the company decided to end its special relationship with this area. The return on investment it had expected simply was not there (Cox 1978).

Control Data had an even less favorable experience when its foray into neighborhood improvement was actively and vocally opposed by local residents. Control Data had chosen the Elliot Park area as one of the sites for its "City Venture" job creation and housing program. From a corporate standpoint, the choice was an unfortunate one. This area was already engaged in fighting City Hall and various corporate powers over the nearby construction of a domed stadium. The very idea of a corporation coming in to "improve" Elliot Park was anathema to the area's already beleagured low-income residents. They fought back, making it clear that they needed no corporate assistance to bring about their vision of the future. After several years of frustration, Control Data finally ended its involvement in Elliot Park.

These various strains of corporate community involvement describe a complex pattern. Corporate involvement in local areas was not the only kind of private investment during these years. Private individuals, through their independent decisions about where and how to live, were just as important. And there were other kinds of philanthropic neighborhood efforts, most notably the McKnight Family Housing Fund. The fund was not tied to a specific community, but sought to make home ownership affordable throughout the Twin Cities area.

The corporate agenda for any particular neighborhood had to compete with residents' own ideas, and the corporations did not always win. In fact, corporations were seldom able to direct activity in any given community. Usually the corporation found itself supporting residents' groups, or working with them once a plan of action was formulated. What is most interesting and instructive is that the corporations tried to become involved in neighborhood affairs at all. The message that might be derived here is an interesting one in light of prior urban renewal efforts. The corporations' view seemed to be that grand urban design, as practiced through urban renewal, was unnecessary; perhaps the time had come for them to focus on smaller, more feasible projects.

Political-Structural Issues

In the years since neighborhood renewal began in the Twin Cities, striking changes in some neighborhoods, as well as in the renewal process, have occurred. Renewal per se is, of course, now a dead issue. This has been recognized by renaming what would have been called renewal, *redevelopment*.

In the late 1970s both cities instituted rather far-reaching changes in their handling of redevelopment projects. The old renewal agencies, the HRAs, were eliminated. In 1978 St. Paul chose to merge its HRA directly into the new Department of Planning and Economic Development. This agency combined the functions of project planning, financial-technical assistance, and project management. It works directly with the mayor to centralize and speed up development decisions. St. Paul also has a port authority, which can choose to assist various development projects by providing financing. Most developers find this an efficient system. It may even be that the recent turnaround in St. Paul development can be partly attributed to the ease of conducting development business there.

Minneapolis chose a slightly different tactic by creating the Minneapolis Community Development Agency (MCDA). This change appeared to be a streamlining of the process, but in fact planning and development were maintained as separate functions. City planners reported to the city council, but development was implemented by the MCDA. Not surprisingly, many found this a cumbersome process. In effect, three city agencies administered development: the city council; the MCDA, which handled tax increment financing, oversaw commercial and industrial properties as well as housing; and the Minneapolis Industrial Development Commission (MIDC), which managed industrial revenue bonds as well as buying and selling industrial land.

In this framework the city had split goals for redevelopment. MCDA adopted an interventionist stance whereas the MIDC followed the lead of market forces. Agencies were pitted against one another and lengthy fights ensued, notably over the Burlington Northern land on the downtown riverfront, and over the use of cleared land in northeast Minneapolis when plans for an interstate freeway were abandoned. The MCDA and the city council were often at odds because CDBG money required council approval. The old HRA staff, now within MCDA, defined themselves as the protectors of the citizen participation process, which they feared the politicians did not sufficiently respect. One long-time city employee summed up the city's development process as "screwed up and chaotic" (Mack 1980, p. 67). This assessment was ratified early in 1986 when the city council voted to abolish the MCDA and fold its functions back under the wing of the council.

The political-bureaucratic framework for making development decisions became quite complicated when urban renewal formally ended. What was formerly handled by a moderately sized staff now requires a large staff, and financial specialists occupy the roles formerly filled by city planning generalists. With no commitment from the federal government to support city improvement, cities themselves have had to become more sophisticated and creative to generate development.

EFFORTS ON BEHALF OF PUBLIC AND SUBSIDIZED HOUSING

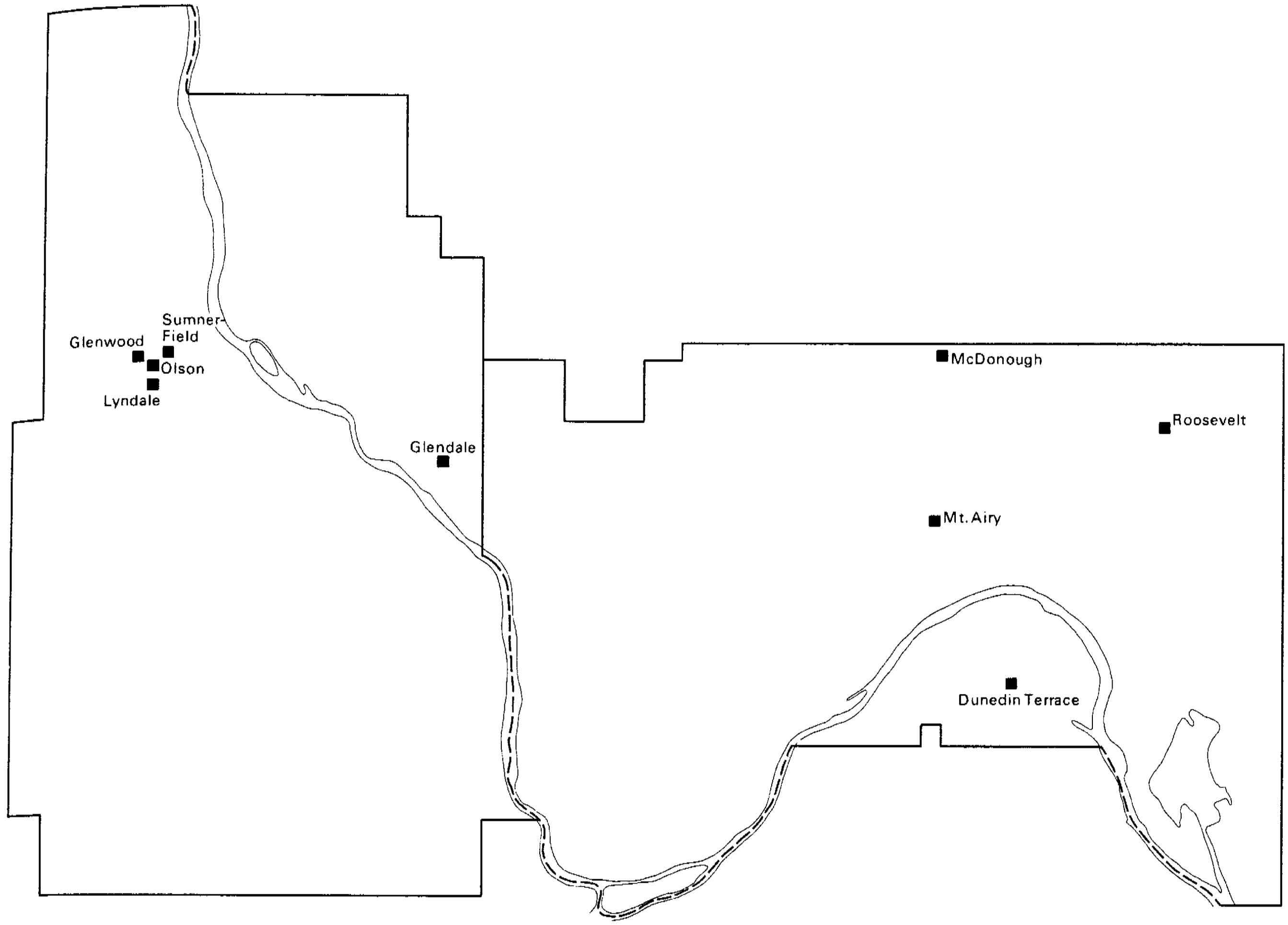
Providing decent, affordable housing was one of the two main thrusts of urban renewal when it began in 1949. In the early years local housing agencies made a concerted effort to create a broad spectrum of public housing, though these efforts were often constrained by available sites. The renewed slums of both cities were where the first highly visible public housing projects were built. In the public mind, public housing and slum clearance efforts were inextricably linked even though, by the end of the 1950s, the first active period of public housing construction had ended. Over the years, public efforts to build low-income housing have wavered, and finally have become a local, rather than a federal, initiative.

Throughout the first stages of urban renewal, massive federal aid allowed local authorities to construct substantial quantities of public housing. The first housing built under these programs was concentrated in large projects, often with high rise buildings, and mixed elderly residents with families. Many of the design elements associated with these projects have since been discredited, including site planning that left little usable open space, and the usual provision of double loaded corridors. Constructing high rise units for households with children—not a characteristic of Twin Cities projects—was roundly criticized by some scholars and community activists beginning in the early 1970s, but these units remain in use in many cities.

During the early stages of urban renewal the HRAs also had to contend with the fears of private landlords, worried that public housing would glut the lower end of the housing market and drive down rents. These fears were unrealistic since the HRAs could barely afford to replace units lost to slum clearance, but they made the politics of public housing quite difficult. The 1950s projects are still the bulk of the Twin Cities' stock of public housing for families (see Map 14). The projects include:

Minneapolis

- Glendale—completed in 1952; 158 family and 25 elderly units.
- Lyndale—completed in 1959; 86 family and 87 elderly units.
- Olson—completed in 1960; 66 family and 186 elderly units.
- Glenwood—completed in 1960; 220 family units.
- Sumner-Field—ownership transferred from the federal government in 1958; 240 family and 210 elderly units.



Map 14. Minneapolis and St. Paul Family Public Housing Projects

St. Paul

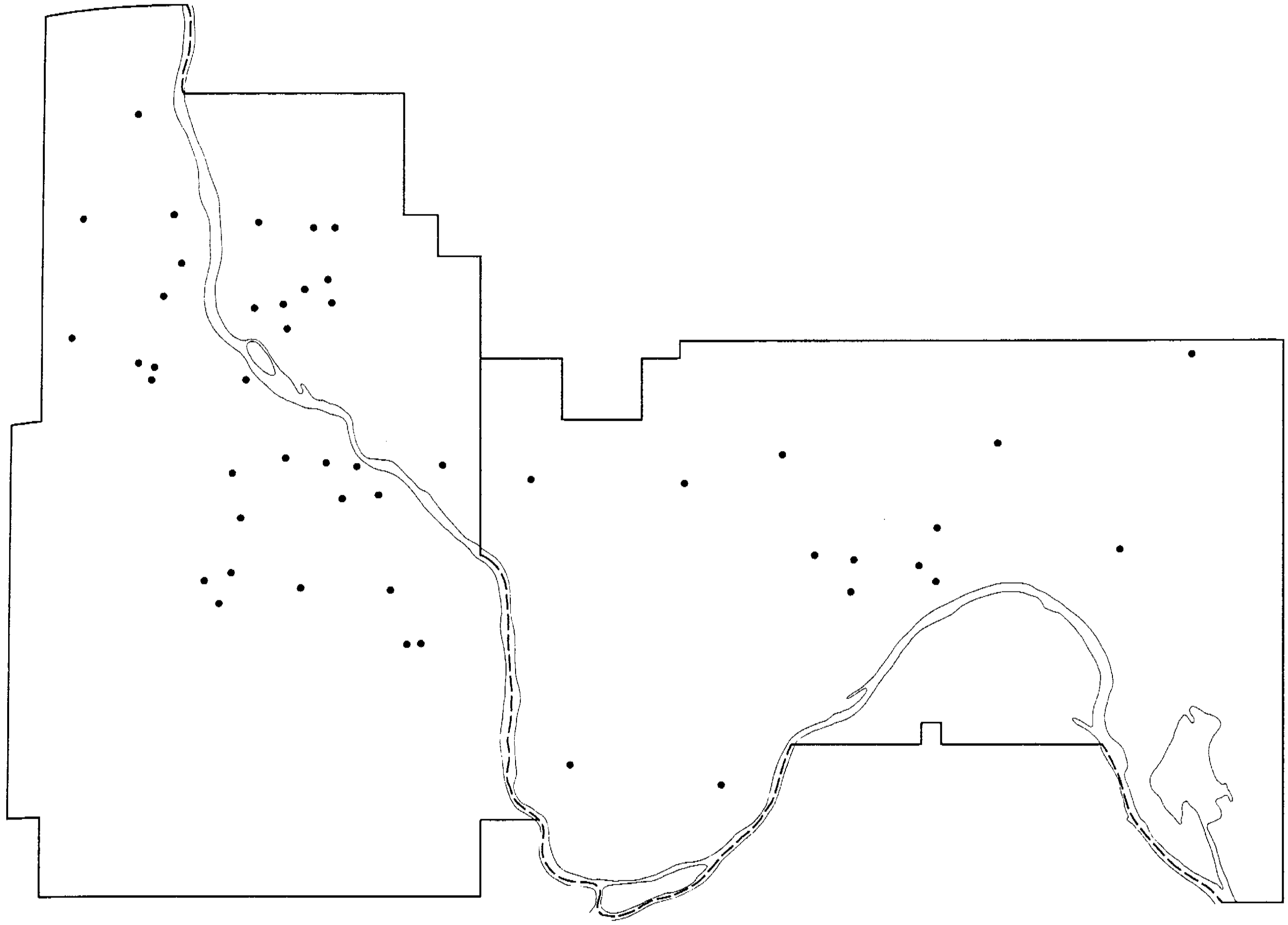
- Roosevelt—completed in 1952; 320 family units.
- McDonough—completed in 1952; 520 family units.
- Mt. Airy—completed in 1959; 272 family and 176 elderly units.

The sometimes difficult politics of public housing construction clearly reflected national debates over the public housing issue. At the outset, political parties and organized labor both favored building such projects. Opposition came from the real estate industry and from those who opposed government interference in the housing market on principle. During the early 1950s these groups organized several unsuccessful attempts to stop the public housing effort. Still, such opposition generally affected the location of most public housing projects in the Twin Cities.

Few Minnesotans were against the idea of building public housing, especially if the cost was borne largely by the federal government. But as in most states, locating public housing projects was always a problem—no one wanted a project next door. Solutions in St. Paul and Minneapolis mirrored those in other cities. Most projects were built either on land that had been vacant and remote from other neighborhoods, or on land cleared specifically for urban renewal. Roosevelt, McDonough, and Glendale were all built on previously unused land. Mt. Airy and all the Minneapolis projects except Glendale were built on partially cleared land. McDonough and Roosevelt border a middle-class neighborhood and Glendale is adjacent to an upper middle-class area, Prospect Park. The residents of this area had an especially active DFL group that, in a fit of liberal enthusiasm, lobbied their alderman to have a housing project nearby. The Glendale site was formerly a gravel pit.

When neighborhood renewal efforts were at their peak in the 1960s, federal money was still available for public housing. But by this time, public support for public housing, and for family projects in particular, had vanished. The HRAs had learned that mixing family and elderly units did not work well, and that most neighborhoods objected to the location of family projects nearby. Neighborhood opposition, along with some well-publicized failures in some cities, finally undermined the local housing authorities' abilities to provide the range of public housing units that were needed. Both the Minneapolis and St. Paul HRAs used money in the late 1960s to build what was politically possible in each city: high rise public housing for the elderly.

Few city residents opposed the idea of high rises for the elderly, nor were their locations problematic. Providing housing for everyone's needy "grandma" was a politician's dream issue. Many early projects of this type were built on parcels of cleared land that had not been taken by developers. Additional elderly high rises were later built in middle-class neighborhoods, often on abandoned school sites. By 1974, when President Nixon declared a moratorium on the construction of public housing, Minneapolis had thirty-one high rises for the elderly and St. Paul had sixteen (see Map 15). Projects in progress were completed



Map 15. Minneapolis and St. Paul Subsidized and Public Housing for the Elderly

in the mid-1970s, but the big push was over, and this particular housing effort often did not resume when the moratorium was lifted.

Political support for the concept of broad-spectrum public housing had largely evaporated during the 1960s. By 1960 most of the project-style family housing to be built in the Twin Cities was already standing. Still, local efforts on behalf of low-income housing continued in three distinct forms: (1) public high rises for the elderly continued to be built; (2) family public housing units were no longer grouped together but built on scattered sites, reducing local political opposition; and (3) public agencies increasingly supported privately owned subsidized housing over publicly owned housing. The public effort to improve the low cost housing stock has clearly shifted over the years. Where public agencies previously built and owned low cost housing, we now have a mixed system of public inducements for private construction and ownership, and some aid to households. The federal government has also reduced its participation in housing efforts, leaving the states, and especially local governments, to take up the slack.

Federal Subsidy of Housing Developers

Loans, grants, and mortgage guarantees to developers of new or rehabilitated housing have been a part of federal urban aid since the 1950s. The earliest programs helped nonprofit developers to build low-cost housing. Later the same idea was extended to for-profit developers. The operating principle is the same: a government agency helped a developer to charge less for new or rehabilitated housing through grants, below-market loans, or a mortgage guarantee that makes a private loan possible. Most units built or rehabilitated with this assistance were rented, but in recent years the same methods have been used to promote home ownership for low-income households.

Federal housing subsidies were provided under numerous different programs, usually known by their legislative shorthand: 202, 221(d)(3), 221 (d)(4), 235, 236, 312, and various portions of Section 8. Different provisions of these laws help developers build different kinds of housing with varied methods of assistance, but all share two important characteristics. They induce private production of subsidized housing, and contractually oblige owners to keep the units at a subsidized rate, usually for a stipulated period of time.

An outstanding example of this type of government assistance is the Liberty Plaza project on Dayton Avenue in St. Paul's Summit-University neighborhood. Liberty Plaza is a 173-unit complex built between 1967 and 1969 with a HUD-guaranteed mortgage. Dayton Avenue Presbyterian Church, a neighborhood institution, was the developer. The project was remodeled in 1983 with a $843,000-HUD renovation grant. Initially, 90 percent of the Liberty Plaza residents were black; today 85 percent are Hmong. Although the neighborhood and its residents have changed, Liberty Plaza has been consistently regarded as a successful development and a good place to live (*St. Paul Dispatch* 1984).

State and Local Subsidies

In recent years, federal subsidies for developers have been augmented by state and local government. The Minnesota Housing Finance Agency (MHFA) began making loans and grants for housing in the early 1970s. Municipal housing agencies were authorized to make similar loans and grants in the mid-1970s. The primary source for state and local funding of housing subsidies has been tax-exempt bonds – some general obligation bonds and numerous revenue bonds. In both cases this local effort conceals an indirect federal and state subsidy. Because the interest paid on these bonds is exempt from income taxes, they can be sold at below-market rates.

How housing revenue bonds have influenced the production of affordable housing can be seen in two Minneapolis apartment buildings: Symphony Place and The Pinnacle at Riverplace. In 1986, the rents for one bedroom apartments started at $460 per month at Symphony Place, and $645 at The Pinnacle. Efficiencies at The Pinnacle started at $535 per month. The *average* rents charged in Minneapolis at this time were under $300 per month for efficiencies, and under $350 for one-bedrooms. Rents charged in these buildings reflected the costs of construction, not the needs of the clientele intended to be helped by revenue bonds. It seems unlikely that the neediest people in Minneapolis could rent at either building. Housing revenue bonds have served as a useful means of financing market-rate housing in downtown neighborhoods. They have also produced some moderate-income units, but have not created housing that the poorest urban residents can afford.

Direct Aid to Households

The Section 8 program provides subsidy to developers of low-cost rental housing, but it has another component, also a subsidy, that operates in a different fashion. Section 8 provides direct assistance to low-income households. This assistance pays roughly three-fourths of the household's monthly rent costs, subject to some limitations. The law specifies entitlement criteria, and also limits the number of people who can receive Section 8 certificates in each city. Exact figures do not exist, but the number of eligible households in the Twin Cities (and in all cities) far exceeds the number of available Section 8 certificates. Currently, households with an adjusted income of less than 50 percent of the metropolitan median are technically eligible if they pay more than 30 percent of their income for rent. Housing units that are eligible for Section 8 subsidies are determined through a formula that calculates the fair-market rental ratio for a given metropolitan area. The Section 8 standard is a rough measure, but it is the closest available to a federal definition of housing affordability.

Relying on the Private Market

Since the withdrawal of large-scale direct federal aid in the mid-1970s, public policy regarding affordable housing has experienced a philosophical shift. Now the inclination is to rely on the private housing market—at a time when construction costs have escalated so much that it is difficult to build affordable standard-quality housing. Federal and state loan and grant programs have encouraged the construction of a fair quantity of subsidized housing locally because the MHFA has been more active than most state governments. And the Metropolitan Council has actively promoted a more equitable distribution of public and subsidized housing across the metro area. City governments are now closer to the issue of public and subsidized housing than other levels of government. They build what little public housing there is being built (through the scattered-site program), are the main facilitators of subsidized construction, and own and maintain the existing stock of public housing.

Still, not enough public and subsidized housing is available to meet the need. Both St. Paul and Minneapolis have long waiting lists of people who are eligible for existing units, and they sometimes wait months or even years to occupy them. The supply of low-cost housing in the Twin Cities is inadequate, as in most major cities. The situation is especially bad for large families (those needing three, four or five bedroom units). Waiting lists are longest for these rental units, which are the most difficult to find.

A spatial imbalance in the distribution of family units also exists.

The politics of the 1950s allowed "projects" only in certain kinds of areas, remote from "nice" neighborhoods. Planners in the 1950s clustered family housing units in large numbers and, since the 1950s, not much money has been allocated for these kinds of units. Today, public housing for families is clustered in large projects in areas that are generally undesirable for residential development. The situation is worse in Minneapolis where most of this housing is largely concentrated on either side of Olson Highway, just north and west of downtown. St. Paul's family projects are located in four widely separated parts of the city.

Prospects for Affordable Housing

Efforts to add affordable housing units in Minneapolis and St. Paul have been more successful than in most American cities. Still, the following problems remain:

- America has a persistent population of people (although not always the same people) who simply cannot afford adequate housing, and local governments lack the capacity to address housing issues at this scale. Producing housing for low-income people is not really a housing problem in any case; it is an income problem. And in our system only the federal government can effectively attempt income redistribution. Local efforts in this area have been considerable and imaginative. But they cannot increase or match the stock of low-cost housing that federal efforts of the 1950s created.
- Our policy of relying on the private market for affordable housing means that most of it will still cost too much. With some exceptions, most subsidized housing is accessible to moderate-income households (using HUD definitions). Low-income households cannot afford these units, and that is not likely to change.
- Most existing federally subsidized projects are bound by contracts that will begin to expire late in 1989 and through the early 1990s. After these contracts expire and the

mortgages are paid off, owners are free of any obligation to rent their housing at below-market rates, a situation that may breed an even worse crisis in our urban housing alternatives.

MANAGEMENT ISSUES

One of the crucial elements in the discussion of public and subsidized housing has to do with the role of the HRAs. In the early days of renewal a major goal of each city's HRA was to get inexpensive housing built. This implied activities of all kinds: acquiring and clearing properties, actually constructing units, and moving in tenants. Through most of this time momentum was focused on getting as many units built as possible. There was not time, nor much perceived need, to focus on management problems. The HRAs' working assumption seemed to be that people needed better housing and would be grateful for whatever they were given.

With time this situation changed. The stock of subsidized and public housing expanded greatly in the 1950s and 1960s, and the HRAs were soon faced with the problem of *managing* a stock of housing rather than just adding to it. There may be some glory attached to creating a needed social good like housing, but there is only constant aggravation in the daily process of overseeing what was created. Recently national efforts have been made to turn the management of public housing over to the tenants. In part, this is an aspect of current budget balancing efforts—to have the private sector assume formerly public responsibilities, and save government money in the process. But it also belatedly recognizes that people living in public housing may be better managers of their own homes than paid outsiders.

One other distinction should be made about housing for low- and moderate-income people in the Twin Cities: the dominance of scattered-site housing, in contrast to the large public housing projects that are typical of many cities. This is not to say that the subsidized housing stock in the Twin Cities is without problems. But problems associated with low- and moderate-income housing in both cities have been more manageable than those in headline-grabbing projects like Pruitt-Igoe in St. Louis, and Cabrini-Green in Chicago. For example, the most serious difficulty with public housing in Minneapolis in recent years has been its underuse, not racial warfare or escalating violent crime as in many other cities.

Minneapolis and St. Paul have not found some magic solution to the problem of managing low-income housing. Because most of the Twin Cities' population is white and middle class, the social problems that other cities have with this housing stock are not so obvious here. But some credit must also be given to those who argued persuasively for not concentrating the low-income housing stock in only a few geographic locations.

CONCLUSIONS

Neighborhood renewal efforts in the Twin Cities have been judged largely successful in the years since these programs began. The worst parts of Minneapolis and St. Paul in the 1950s have improved dramatically—most of the old housing has been removed, and new housing and new commercial and industrial structures have been built. Still, a question can be raised about the extent of these successes, particularly in geographical terms.

In the 1958 Urban Renewal Program, 20 percent of the land in Minneapolis was judged in need of total redevelopment or substantial rehabilitation (Minneapolis HRA 1958b). Mapped out, this amounted to most of the older sections of the city, and this is where most expenditures for neighborhood improvement occurred, whether under urban renewal or under later programs. If these areas are compared with a more recent analysis of housing conditions in Minneapolis, an interesting pattern emerges. The 1980 "State of the City" report delineated areas where 25 percent or more of all units were substandard, and with few exceptions the areas identified were the same as those chosen for renewal or rehabilitation. The exceptions are also instructive: downtown and the St. Anthony area of northeast Minneapolis stand out as the places where significant improvement has occurred.

In hindsight then, what may we say about the process of neighborhood renewal in the Twin Cities? Clearly the strategies and goals changed over time, in part accommodating citizens' wishes and desires. One study underscored this situation by observing that clearance declined and rehabilitation increased through the late 1960s and the 1970s, even when it cost more (Minnesota State Planning Agency 1978).

Arthur Naftalin, mayor of Minneapolis during the 1960s, has described the complex process of renewal in Minneapolis as largely successful, particularly when one considers the large number of agencies that were involved—a dozen or more. He especially noted the following: the presence of a high-quality, dedicated HRA staff; HRA commissioners who avoided patronage and acted as a bridge to the community; aldermen who changed their attitudes about renewal when the successful projects convinced them it could work; a supportive local press; a business community that was interested and supportive, even of such radical proposals as that of city-wide public housing; and residents who were involved and willing to donate their time to community improvement. Above all, Naftalin credited the fact that housing and renewal efforts were combined in one agency, and that their work was linked to a comprehensive city planning effort (Naftalin 1970).

In light of recent proposals from St. Paul and Minneapolis for a state-funded neighborhood revitalization program, urban renewal clearly did not erase all deprived neighborhoods from the urban landscape—even in such relatively well-off places as the Twin Cities. One might well question whether that was even the programs' intent. Given funding limitations, the lobbying needed to get projects approved, and the need to mesh neighborhood projects with external forces like freeway construction, it is not surprising that renewal was not a uniform success. Two facts stand out in all of this: (1) some extremely deteriorated neighborhoods in both cities were so thoroughly eradicated that no one now remembers how bad they were, or that some of them even existed; and (2) many of the neighborhoods that composed the poorest parts of both cities in the 1950s remain in similar straits today despite some of the best efforts of renewal programs. Neighborhood renewal turned out to be no match for loss of jobs, lack of education, and major population shifts. It succeeded in neighbor-

hoods where residents understood the process and took charge, but no amount of renewal could help neighborhoods where residents had no reason to hope for or expect improvements in their lives.

5. INDUSTRIAL DEVELOPMENT

Downtowns and residential areas are not the only components of city life. The fiscal health of most cities requires balanced economic activities, and this usually means some kind of industry. Industry provides jobs—though not always for city residents—and also pays greater property taxes than other activities. City governments and city business organizations have always sought to attract new employers and retain existing employers to bolster the property-tax base.

Since the late 1940s, two sweeping changes have favored new kinds of industrial buildings and new industrial locations. New technologies of production and warehousing made extensive, one-story buildings more efficient than old-fashioned multi-story buildings. And significant public subsidies for freeways made trucking dominant over railroad transportation, thus favoring fringe locations on highways, away from congested city streets. Fewer industries are now tied to railroad service, and are consequently free to locate away from older industrial areas.

In the Twin Cities these changes had two major effects. The first was that areas for warehousing and light industry near the two downtowns became obsolete. What was left of these in the 1970s was used less and less intensively until historic preservation consciousness arose, and tax legislation subsidized the conversion of the old, newly picturesque buildings. Lowertown in St. Paul and parts of the area west of downtown Minneapolis are now being refurbished, but no longer serve as industrial districts. The nineteenth-century structures in these areas are also being converted into commercial and residential use, and remaining industries are being driven out by rising rents.

The second result was the institutionalization of industrial development as a function of city government. Before World War II the business of attracting new employers was carried on by business groups acting in a public relations capacity. These business groups advertised each city as a good location for whatever reasons seemed plausible. City governments were not closely involved in this process. Little public or private money was spent to attract new employers, and there were no sustained efforts of this kind. But since the 1950s Minneapolis and St. Paul have both created large and effective industrial development agencies.

Cities try to maintain a supply of available industrial land for two reasons: to attract new employers and to accommodate present employers who wish to expand. From a national perspective, Minneapolis and St. Paul have been peculiar because neither has had a significant amount of abandoned industrial land. The difficulty in the Twin Cities has been finding ample land that is suitable for industry.

Cities have two sources of land for industry: clearance and redevelopment of land previously used for some other purpose, or developing land that has never had any urban use. Minneapolis has little unused land; St. Paul, however, is in a better position because of its supply of river front land south and east of downtown. Both kinds of "new" land usually require some public investment to attract a private user. Redeveloped land must be acquired and cleared, often at considerable expense. Vacant land usually must be acquired, though some may already be publicly owned. Additionally, vacant land often requires an investment to correct shortcomings that inhibited prior use—poor drainage, for example. Both kinds of land need new urban services—water, sewer, roads, and utilities, and both kinds can only be offered to industrial users if some public subsidy absorbs part of the cost of site preparation.

St. Paul and Minneapolis have both had several public agencies involved in industrial development and redevelopment since World War II. At various times in each city, the HRA, planning departments, and specific development agencies have been involved. In Minneapolis during the 1950s the Minneapolis Industrial Development Commission was in the development business, but the most successful local development agency has been the St. Paul Port Authority. Both cities have experienced periods of interagency competition, but in the last decade efforts in each city have become better coordinated. Today, the MCDA is the prime development agency in Minneapolis. The Port Authority and the Department of Planning and Economic Development both are still involved in industrial development in St. Paul, and their efforts are coordinated by the mayor and the council.

THE ST. PAUL PORT AUTHORITY

The most remarkable local financial innovation of the postrenewal years has been the St. Paul Port Authority, often referred to as "the Port." Although other municipalities in Minnesota have all of the legal powers of the Port, and theoretically all of the same possibilities, the Port is unique and likely to stay that way. Its position in St. Paul, and its economic strength, are the product of almost fifty years of development under quite varied conditions. The agency that resulted from this process is not easily reproducible.

Since its inception the Port has gone through several developmental stages, outlined as follows:

- Limited purpose industrial development, 1929 to about 1960. The Port was created in 1929 for the limited purpose of building and operating a barge terminal downstream from downtown St. Paul. For almost thirty years the Port did little else. Beginning in 1929, the barge terminal finally was filled in the 1970s, and the Port ran it (Midwest Research Institute 1981).

  In the mid-1950s St. Paul business and political leaders saw the need for an industrial development agency. The HRA might have filled this role, but it already had a sour relationship with some of the city's business community, largely because of its aggressive championing of public housing. In addition, an industrial development agency needed to be able to own and operate its own industrial parks, as the Port did, but the HRA could not.

  In 1957 the legislature granted the Port, and ultimately other municipal port authorities, much broader powers.

Such agencies could now condemn land and issue bonds to raise capital for development.

- Large-scale industrial development, the 1960s and early 1970s. By the early 1960s the Port was ready for a greatly expanded role: the construction of a number of industrial parks. The first projects replaced the dilapidated housing opposite downtown. Later parks used pockets of vacant or blighted land in poor condition away from the river.

  During the start of this period the Port's activities were largely financed with general obligation bonds—debt that must be repaid by city taxpayers if a development does not succeed. Most of the Port's developments did succeed, and the risk has certainly been rewarded. Throughout this period the Port's assets grew substantially along with its skills, and the agency's ties to St. Paul's business community grew accordingly.

  By the start of the 1970s the Port had to face a major problem: very little land was left to convert into industrial parks. In a sense, the Port had accomplished its development purpose, though of course it still administered the industrial parks.

- Industrial development finance, the 1970s. In the mid-1970s the Port's role changed again. In addition to operating industrial parks, the Port began to finance "off-site" development of industrial and commercial firms on land it did not own. Before 1970 all Port projects were on-site; from 1975 to 1980, more than half of its projects were off-site. Initial off-site projects were largely industrial in keeping with the Port's traditional emphasis. But, increasingly, the scope of its investments broadened. The Port has become a major factor in financing service-sector job growth in St. Paul. The financial tool that powered the great spurt of Port investments was the industrial revenue bond. The use of general obligation bonds ceased almost completely in this period.

During the 1970s the Port's assets grew tremendously, in part due to its wise use of temporary investments. The Port made money not only from its development projects and industrial parks, but also from capital "parked" in productive investments between projects.

- Investment banking, the 1980s. The Port's industrial parks are now 90 percent full, and it has total assets of more than $600 million—far more than is needed to operate industrial parks. The Port's role is now two-fold: to maintain the city's system of industrial parks and act as a full-spectrum development finance arm for the city. In 1983 the Port began the newest industrial park, the Empire Builder, which opened in 1985. But its industrial park business is mostly a maintenance business now (Midwest Research Institute 1981, 1984).

  In recent years the Port's off-site investments have covered the full range of city projects, including several of the biggest: Galtier Plaza, the World Trade Center, and Energy Park. At one point in 1986, following a series of defaults, the Port owned most of the hotels in the city. The Port's good bond rating and immense assets make it useful as a packager of development deals, and its imagination seems to know no bounds.

The St. Paul Port Authority has been the most stable of the industrial development agencies in the Twin Cities, retaining the strong support of the St. Paul business community for several decades and avoiding the periods of confusion and misdirection that have periodically afflicted other development agencies. During the past half century the Port has responded to new city needs, new financial tools, and its own developing aptitudes and assets. Its original brief was quite simple: develop vacant land to add jobs and a tax base to St. Paul. The Port has been wildly successful in its original task—so successful that it has had to find new projects to use its current assets of more than $90 million.

The way in which the Port works is different from the Department of Planning and Economic Development, St. Paul's planning and development arm. The Port behaves more like a private investment banking firm than like an arm of the municipal government. Always close to the city's business community, the Port has studiously avoided the social issues that tarnished the old HRA's image in some businessmen's eyes. The Port acts as an important link in public-private partnerships because of its "business-like" image and massive assets devoted almost entirely to business development.

But the Port differs from a bank in several important respects: it is under the city's political control; its investments are confined to the city's geographic bounds; it owns the industrial parks from which it derives income; and it enjoyed (through 1986) an indirect tax subsidy through its industrial revenue bonds. If the Port is less than a bank, it is also less public than other agencies. It operates more like a business, with a much narrower purpose (jobs and tax base) than other agencies. And because of its phenomenal success, the Port has not been closely supervised by St. Paul's elected officials.

ST. PAUL INDUSTRIAL PARKS (see Map 2)

St. Paul got into the industrial development field earlier than Minneapolis with its 1960s' projects. Minneapolis did not start to actively develop industrial jobs until the early 1970s.

- Barge Terminal Number 1. This project, the Port's first, opened in 1929. Seven industrial projects have been established to date on the site. The latest, in 1982, comprises thirty-five acres. The land was an unoccupied floodplain before the Port acquired it, and it was usable only after a levee was built.
- Riverview Industrial. A large area across the river from downtown was actually the site of two adjacent projects: one run by the HRA, and the other by the St. Paul Port Authority, roughly contemporaneous.

  The Port portion, the eastern section, comprised 273 acres of substandard, flood-prone housing. The Port began clearance in 1960 and displaced 436 families and 111 individuals. Since 1963, it has financed fifty-one exclusively industrial projects in its portion of Riverview.

The HRA portion, the western part of the west side flats, comprised 146 acres of deteriorated housing and some industry. The area was cleared of most buildings beginning in 1964, and flood-proofed with the U.S. Army Corps of Engineers' assistance; ninety-seven families and twenty-five individuals were displaced. The total cost was $8.3 million, three-fourths of which was federally funded. The reuse was industrial. The HRA project was closed in 1972, but some of the sites were still vacant. The Port subsequently funded twenty-one projects in the HRA part of Riverview.

- Red Rock Lake. This huge (1,700 acres) site was vacant, marshy land the St. Paul Port Authority acquired in 1960. Parcels are improved when a tenant is available. Since 1965 five projects have been undertaken.
- Northport. The St. Paul Port Authority acquired a thirty-five-acre site north of Holman Field in 1962. It was an unoccupied floodplain that required filling and improvements. To date only one project has been achieved; Northport is in a flight pattern of the airport and there is a restriction on building height.
- Southport. The St. Paul Port Authority acquired this sixty-five-acre site south of Holman Field in 1963, and cleared the few scattered houses for heavy industry requiring barge slips. To date nine projects have been undertaken.
- Midway. The St. Paul Port Authority opened a fifty-two-acre park in the West Midway-St. Anthony Park area in 1976. It did not issue any bonds to purchase the land since it had enough cash. It did issue bonds to finance individual tenants. The largest tenant is the Amtrak depot. Now full, Midway's prior land use was a railroad classification yard.
- Arlington-Jackson. The Port opened this industrial park in North St. Paul in 1978. Located just west of I35E and a mile

south of Larpenteur Avenue, there have been two projects to date.

- Empire Builder. The St. Paul Port Authority acquired this disused railroad land in 1983. The site comprises thirty-two acres and includes the old Jackson Street car shops, which are historically significant and will be partly preserved.

MINNEAPOLIS INDUSTRIAL PARKS (see Map 1)

- Seward South. HRA planning for the Seward area began in 1963. The area was ultimately redeveloped in three stages: Seward South, Seward East, and Seward West. Seward South was an area of mixed commercial, industrial, and residential land uses, most of it in poor condition. The largest share of the original project area of 104 acres was cleared and converted to industrial use. The park was substantially full by the early 1970s, by which time $4.5 million in federal funds had been spent. Later expansion was made possible with other funding sources.
- Broadway I-35W. The HRA declared this area of 139 acres a tax increment district in 1977. A half million dollars in CDBG money was used to start development.
- Kasota. The Minneapolis Industrial Development Commission opened this park in 1973 on sixty-nine acres of filled swampland, and sold three million dollars in bonds. The park is now full.
- Northgate. This HRA project is a tax increment financing district within the former Grant renewal area.
- North Washington. The HRA declared this area a tax increment district in 1973, and sold $4 million of bonds in 1974 and $7.7 million in 1975. The 275-acre-area included mostly unstable soils with a few obsolete buildings and several scrap yards.

During the last two decades public development agencies have subsidized the creation or retention of thousands of jobs. The question of how many of the jobs would be here today if there had been no subsidy cannot be answered exactly. It is safe to say that St. Paul and Minneapolis would not be as vital as they are today without the development agencies. Exactly what their condition would be is impossible to answer. St. Paul and Minneapolis, however, are gaining jobs, unlike many older cities. St. Paul, especially, has an impressive number of manufacturing jobs. The St. Paul Port Authority's aggressive promotion, substantial investment, and judicious portfolio management certainly is part of the reason for the continuing strength of manufacturing in the city. The concentration of corporate headquarters and a varied, flexible local economy in the Twin Cities also help to sustain manufacturing jobs.

Few city-owned industrial sites are now being developed, partly due to a lack of suitable sites of sufficient size. The most likely source of new land in large parcels is disused railroad land, and both cities have extensive tracts of railroad-owned land that is no longer used for railroad operations. Some of this land might have industrial park potential, but there are several difficulties, the major one being that the railroad companies own the land and often have their own ideas about development. The use of some parcels is restricted due to site problems. For example, the large area east of downtown St. Paul that is no longer used for classification yards is swampy and not suitable for large buildings. Much of the disused railroad land is located where new nonindustrial uses may seem more desirable. This includes river front land near both downtowns, and various interests are competing to convert this land to open space or residential and commercial uses.

ENERGY PARK

A good example of the pitfalls and potentials of redeveloped railroad land is Energy Park, a large mixed-use project in St. Paul's Midway district that began in 1982. Energy Park does not fit any of the neat categories the table of contents suggests; it is simultaneously industrial, commercial, and residential. Though not typical of any other projects in the Twin Cities, Energy Park is a quintessential 1980s development activity. Begun long after renewal formally ended, it owes a clear debt to the skills and attitudes that evolved throughout renewal.

Energy Park personifies the new aptitudes and objectives of municipal government in the Twin Cities.

St. Paul managed to turn a liability—more than 200 acres of largely disused railroad land in the heart of the city—into an ambitious opportunity and, if the current trend continues, a glittering success. Having burst forth in the heat of the mid-1970s' energy crisis, the Energy Park project was intended as a model urban environment. Energy conservation was its theme: people would live and work within the area, most jobs would be energy related, and all buildings would be energy-efficient. Little of this actually came to pass, and some critics consider Energy Park a failure.

The first few years were certainly not encouraging. Planning and start-up took much longer than municipal officials anticipated. The energy crisis appeared to have ended—or so many Americans have chosen to believe—thus undermining the whole premise behind the "model urban environment." At the beginning Bandana Square, the project's retail center, seemed to be a bust. The condominiums didn't sell well. Job growth, industrial tenants, housing construction—nothing went according to plan.

By 1985 Energy Park's future began to look brighter and today the project is plainly a success, even though it is not exactly what was planned. The first two phases of housing construction are now complete and largely occupied. The industrial space is filling in, though not all employment is energy related. Ambitious job goals are being pursued and some have been met. The commercial and retail space is also filling in—Bandana Square now seems prosperous. Energy Park might not be what city officials envisioned, but it is certainly far better than an abandoned railroad yard.

Energy Park seemed to be a radical new idea, and it was an ambitious venture in scale and theme. But it is really the logical result of changing municipal government through thirty years of renewal. Fundamentally, municipal officials have now accepted development as a local function. Probably no one questions any longer *whether* city governments should be involved in economic development, only *how* they should be involved. Other factors that contributed to Energy

Park's success were the St. Paul Port Authority's economic strength and industrial marketing skills; the Planning and Economic Development's staff creativity in packaging the deal and obtaining substantial and extraordinary federal aid; the involvements of the nonprofit Wilder Foundation in the housing and retail development, in cooperation with the Department of Planning and Economic Development; the inclusion of representatives from several district councils in the project's planning; the various agencies' flexibility—including their ability to adapt to the loss of the project's original theme; and finally, George Latimer's leadership as mayor.

Energy Park, 1986.

Land that had been used for heavy industry and railroad repair shops was converted to a large mixed-use project (office, retail, and residential). The housing shown here is high density, but designed to take maximum advantage of the site.

CONCLUSION

Industrial development activity has not abated over the years, just changed in style. Since the late 1970s most has been "off-site" away from agency-owned industrial parks. This trend has allowed the development agencies to expand their operations and to influence more employers.

The financial tools used by the agencies have been refined and the management of development has become more sophisticated.

The St. Paul Port Authority, especially, has aggressively used revenue bonding to finance new and expanded industry. It pioneered the use of small-issue bonds that group a number of small development projects into one issue. This method provides below-market financing to smaller companies than would have been possible before, and makes financing off-site employers easier.

The industrial development agencies are no longer only industrial. The Minneapolis agencies were combined in 1980 into the Minneapolis Community Development Agency, which promotes development of all kinds in the city. In St. Paul, the Port has branched out into non-industrial financing also, and the Department of Planning and Economic Development promotes all types of development as well. The industrial landscape of both cities has been transformed in recent decades with the assistance and planning of these public agencies.

6. RE-EVALUATING URBAN RENEWAL

In 1964 the urban renewal program was labeled *the federal bulldozer* in the most often-cited conservative attack on the program (Anderson 1964). In recent years it has been subjected to various leftist critiques (Fainstein 1983; Mollenkopf 1983). Both approaches tend to categorize and analyze urban renewal as a time-bound effort and, arguably, both miss something in the process. If nonacademics and nonpractitioners think of renewal at all, they likely consider it one of those 1960s programs that didn't work very well. None of these approaches is helpful in trying to analyze the ongoing effect of urban renewal.

It is important to distinguish among the various strains of urban renewal as it was practiced in America's cities. What was done under the banner of urban renewal in Philadelphia, Chicago, and New Haven was not exactly comparable to what occurred in Minneapolis and St. Paul. Urban renewal was not a *national* program directed by Washington, D.C. in the usual sense. Federal officials had to approve projects to make funding available. But officials in Washington, D.C. did not choose what would be proposed. The role of local governments was crucial to urban renewal, and with this came local political considerations and local constraints. As local officials worked out local renewal decisions, the program assumed distinctive characteristics. So a devastating critique of, or high praise for, any single renewal experience does not necessarily say much about anyplace else.

Major urban renewal efforts of the 1950s to 1970s must also be recognized as part of a continuum of city improvement ventures. Urban renewal cannot be understood if it is viewed as an isolated effort. The 1950s and 1960s renewal programs were direct descendants of the

"City Beautiful" plans of the 1910s and 1920s. As previously described, the "clean-up" process in the downtowns of Minneapolis and St. Paul had been underway more or less for forty years before renewal officially started. Nor was the role of business in this effort anything new. Selling land to developers at "bargain basement" prices was a new twist on an old theme. In earlier decades businessmen organized themselves and produced plans to increase the value of land they already owned. The federal government's role in all of this was new, but the process was quite familiar in many ways.

Urban renewal of the past few decades can also be philosophically linked to the recent explosion of interest in public-private partnerships. The idea of cities involving themselves as limited partners in development projects seems new. But this is essentially the same role that cities played under urban renewal when they acquired parcels of land and cleared them. Economic revitalization of the city was, and still is, the focus of all such efforts. Methods to accomplish this goal differed under urban renewal (for example, funding formulas were exceedingly generous from the city's perspective), but the goal was still the same. Federal urban renewal programs, in the Twin Cities and elsewhere, were just another manifestation of ongoing efforts to improve America's cities. And these efforts have been underway more or less continuously at least since the early part of the twentieth century.

The urban renewal program stands out from earlier and later improvement efforts, in part, because of the explicit "social" goals that federal renewal programs were thought to contain. The social agenda of the 1949 housing legislation was candid – it called for decent housing and a decent residential environment for all Americans. But the renewal legislation that ensuing sessions of Congress approved never took this agenda seriously. The front-end costs of providing decent housing for all would be high, though the social costs of not doing so have never been adequately measured. In a democractic system, where people are expected to work for what they have (or inherit it or win it in a lottery), it probably is and always has been politically untenable for the government to think about "giving" good quality housing to people who need it.

The usual critique of urban renewal holds that it provided new office buildings, luxury housing, and civic centers at the expense of affordable housing (Hartman 1964, Fainstein 1983). The evidence for this view is strong, particularly in the case of New York and other large cities. But it is an incomplete description of the renewal experience of the Twin Cities. New office buildings did result from renewal, although in the case of Gateway in Minneapolis, it took twenty years for this process to be completed. A small amount of "luxury" housing was created, but the amount was miniscule and the quality prosaic when compared to what has been built in recent years with UDAGs (Urban Development Action Grants) and revenue bonds.

The social agenda of the urban renewal program was part of its downfall. Renewal was criticized by conservatives for providing housing for poor people, and by liberals for not providing enough. This bipartisan criticism is one measure of how difficult it has been to meet the housing goals of the original legislation. Another aspect of urban renewal's downfall was the widespread public perception that the housing built through this program was inferior even for people with few options. The well-publicized failure of the Pruit-Igoe project in St. Louis undoubtedly contributed to this belief. Planners learned a great deal about low-income housing through the renewal process, including what worked and what didn't. Surely one of the basic lessons was that Americans did not want their tax dollars spent on bad housing.

Housing improvement was certainly a goal of urban renewal, both as envisioned and as practiced. But the overarching economic and political agendas that could be accomplished were usually more important. The positive benefits of downtown redevelopment could be easily demonstrated, and there was a reliable constituency for projects of this sort. Public housing was harder to sell, and it benefited the "wrong" people—those who were economically and politically powerless.

URBAN RENEWAL AND RECENT IMPROVEMENTS

In the Twin Cities, urban renewal efforts have had an interesting and somewhat peculiar relationship to the most recent city improvement efforts. This is the case for projects associated with historic preservation as well as for brand new development. If one simply maps the newest developments, the physical proximity of the renewal projects to current investment efforts is striking.

One could argue, for example, that most of the acknowledged local preservation successes would have been impossible without the renewal efforts that preceded them. Let's take two examples. The restoration of houses in St. Paul's Historic Hill was, in part, a clear response to renewal activities in Summit-University. But Historic Hill's redevelopment was also explicitly linked to downtown improvements. The assumption was that a renewed downtown would stimulate white collar workers' interest in living nearby. In the early 1970s, people in the neighborhood began to realize that the houses were worth saving and repairing. But a substantial investment of both federal and local money ($34 million) had been made before the preservation instinct really took hold. Under urban renewal, the worst housing had been cleared; many other houses were improved at least slightly; a new school, playground, and community center had been built; and streets were repaved, sidewalks replaced, and the sewer system modernized (Old Town Restorations 1975). It is not surprising that after all this was achieved, parts of the community seemed worth saving.

A similar link can be made between the salvation of Milwaukee Avenue and the renewal done in the Seward area. Here again, the preservation effort followed closely after the renewal decision that would have cleared much of western Seward. The argument in favor of preservation was more difficult here, for the housing stock was decidedly proletarian. Once the historic district designation was established, the city found that people were willing to purchase and fix up the area's old houses. Soon serious investment (both financial and sweat equity) was very apparent. The major renewal work here changed a nearby area from a heavy industrial area to a light industrial and commercial area—and in the process provided the western Seward area with a strong southern boundary. In recent years there has been substantial private investment in the area surrounding Milwaukee

Avenue. If anything, the improvements there have far exceeded what planners originally envisioned through renewal.

One can also argue that there is a clear link between renewal and more recent development—that renewal in the 1950s and 1960s enabled certain kinds of projects to become possible in the 1980s. Such an argument holds that renewal is part of a long-term urban redevelopment strategy—perhaps even a crucial part. Speculation about these issues is problematic, of course. But it does seem that without the renewal efforts of the 1950s and 1960s, the recent construction booms in both downtowns would have been considerably less fervent. Without the enormous Gateway project, which removed more than one-third of the existing downtown, Minneapolis would have presented a far different potential to investors in the 1970s. The whole thrust of downtown development in Minneapolis—of creating a new and modern core—essentially depended on having eliminated the troublesome areas that might scare off potential investors. In St. Paul, where a smaller downtown renewal project was carried out in the 1960s, the effects of limited renewal helped forestall new investment for almost a decade.

In this context it is useful to consider a development like Riverplace in Minneapolis and its relationship to the renewal of lower St. Anthony in the late 1960s. First proposed in the mid-1970s, Riverplace's several hundred luxury high rise rental units and condominiums, its retail center and offices finally opened in 1983. Could anyone have seriously argued that a development of this size and complexity might have occurred on the river front without the prior renewal of St. Anthony? The East Hennepin Avenue business district is not the first location that most investors would choose for upscale shops. In its formerly decayed state such a locational decision would have been impossible. Not even the most avid boosters of the St. Anthony community expected to have something like Riverplace as a neighbor. Now that they do, the impact of the renewal in this area seems even more dramatic.

Urban renewal is not a quid pro quo in the analysis. Some cities that had many urban renewal projects still had a stymied environment for new development throughout the 1970s (such as St. Louis until the early 1980s). Conversely, some cities with small amounts of urban renewal have had intensive and steady amounts of redevelopment (San Francisco, for example). Obviously the location, migration pattern, and economic and social base of any city is critical in determining whether investment will occur. The pattern in the Twin Cities might suggest, though, that a positive relationship exists between urban renewal and newer development stategies. Perhaps the link between these two stems from community leaders' and local investors' attitudes. If the climate for a city's improvement has been positive for several decades, it is likely that such a city would have used whatever tools were available, including urban renewal, to achieve its goals.

EFFECTS, AND SIDE-EFFECTS, OF URBAN RENEWAL

The urban renewal program evolved over time before it was finally eliminated. And though new redevelopment tools came into play, the essential goals of urban renewal remained reasonably intact. In summary, what urban renewal accomplished in the Twin Cities (and probably elsewhere) went far beyond what officials originally intended and planned. Although Twin Cities planners ultimately envisioned rebuilding the whole city, their immediate objectives were more limited when urban renewal began in Minneapolis and St. Paul. The earliest goals were to revive and modernize the downtowns and clean up some especially visible slum areas nearby. At the start no one envisioned that resident-responsive community development would become a normal and accepted process. Certainly no one thought that the very meaning of the term *blight* would be altered so that an area that planners perceived as slums could be saved by being designated *historic*.

At the most basic level urban renewal changed the way that public business was conducted in the Twin Cities. For example, now no one asks whether planning and economic development should be a function of government at the city or regional level. It is assumed that this is appropriate. In 1945, planning in both cities was quite limited: one planning engineer in each city. Each planning engineer was an program began in the 1950s. But a close examination of the Twin Cities' experience shows that this phenomenon is more complex. Neighborhood advocates have to expand and extend their views when elected to city office. They can certainly be partisan on behalf of their constituents, but they also have to consider the overall city perspective on many issues.

Minneapolis, for example, currently has several city council members who were elected because they were "neighborhood" types: they opposed certain kinds of development, and opposed downtown development at the expenset of the neighborhoods. Two have recently been criticized by their supporters for "selling out" to downtown interests, for supporting projects they would have been expected to oppose from a neighborhood perspective. It will be instructive in the coming decade to see how representatives of the neighborhood movement fare in city politics as the immediacy of their opposition to planning efforts fades.

Minneapolis and St. Paul currently differ in the area of citizen participation. The citizen participation system in St. Paul is very active and effective. Minneapolis' citizen participation mechanism, on the other hand, is more obviously political. Though ostensibly quite distinct, citizen efforts in both cities tend to work best for middle-class neighborhoods. In some ways it is ironic that processes instituted to give poor people a voice in city politics have largely gained power for middle-class women. Only in the few blue collar ethnic enclaves are the traditional avenues into politics—parties or unions—still evident.

Another aspect of planning and development changed in response to renewal. Entirely new, or at least more effective, informal power groups emerged. Business organizations had always had a voice in city decisions, but now they became real partners with local government in determining what improvements would occur, especially in the downtowns. The Minneapolis Downtown Council has been quite effective in this regard. In the 1950s the downtown business community focused attention on the retail competition coming from the first suburban shopping malls. The business community worked with city officials to identify downtown improvements that could make a difadjunct to public works engineering, and neither could effectively influence public decision making. Today, hundreds of professionals work in the areas of planning and economic development (150 in St. Paul alone). Their agencies have become an indispensable and accepted part of municipal government.

One clear outcome of renewal efforts in the Twin Cities has been to alter the way in which community redevelopment is conceptualized. Planners can no longer simply decide what to do and then implement their decision. Now planners must follow complex procedures for soliciting resident opinion about a given project and for involving residents in planning from the start. Neighborhood organizers have learned how to fight city hall, and some have even become developers in their own right.

This rearranging of the usual process can be directly attributed to urban renewal. It is unlikely that local governments would have asked residents to review renewal decisions if the HUD legislation had not required it. Once this process was legitimated it was impossible to stop it or to predict how far it would go. In the Twin Cities, and particularly in Minneapolis, this decision has had far-reaching effects, and has dramatically changed the conduct of city affairs. Citizen participation is now a legitimate and often crucial part of the planning process, though it still does not work with equal efficiency for all groups.

Citizen involvement in planning has taken many forms; sometimes it has been combative, sometimes conciliatory. Unexpectedly, it has produced a new crop of city leaders. People schooled in neighborhood politics, who got their feet wet by taking on city hall, now hold elected office in those same city halls. More than half of the current Minneapolis City Council members, for example, were schooled in such situations, as were several St. Paul City Council members. Many of these politicians got their start in politics by opposing city-proposed planning efforts. Several prominent big city mayors (Henry Cisneros of San Antonio, Raymond Flynn of Boston) are also veterans of the neighborhood movement.

This pattern suggests that politicians in many cities now view neighborhood interests more favorably than when the urban renewal ference. And they were willing to back their ideas with money, as the creation of the Nicollet Mall (financed largely through private assessments) demonstrated (Aschman 1971).

The St. Paul business community's involvement in downtown development has been more sporadic until fairly recently. St. Paul had a businessman mayor, George Vavoulis, during the late 1960s, and prominent businessleaders like First Bank President Philip Nason, were quite active in downtown projects. But the impetus for downtown redevelopment in St. Paul has come largely from the city government. This has been especially apparent since 1976—during George Latimer's past dozen years as mayor, much of the inspiration for downtown projects has come directly from the mayor's office.

Still, both downtown business communities have worked with officials since the early 1960s to build and extend the skyway systems. (In Minneapolis the skyway system is privately financed and maintained; in St. Paul it is a public system.) The downtown councils in both cities now have a strong presence in local decision-making circles, and their influence cannot be discounted.

City governments had to learn new responsibilities and new ways to reach decisions in response to pressures created by urban renewal. New agencies were created to handle the renewal business; some were later disbanded or reshaped, and some still wrestle with elected officials for political control and power. In response to the success that certain agencies had with renewal efforts, city governments themselves have had to become more effective. This was most obvious in St. Paul: Capitol Centre was a substantial start on downtown redevelopment in the 1960s, but further work was soon stymied; it took a 1972 charter change that provided for a strong mayor, combined with Latimer's 1976 election and the formation of the city's Department of Planning and Economic Development, to finally energize downtown redevelopment. Alone, none of these would have been sufficient to accomplish the task.

Local government attention to economic development may be the only really new function for cities in recent memory—and both Minneapolis and St.Paul have become expert in this field. Because urban renewal was the foundation for entirely new functions within city government, it altered the financial workings of cities. New sources of federal funding became available through renewal and other "Great Society" programs, but cities had to compete for these resources. Minneapolis and St. Paul fared far better than either should have expected to in this effort, given the relative lack of need compared to other cities. From the beginning both cities have successfully used every new federal financial tool that was made available. One indication of their success can be seen in recent discussions about eliminating UDAGs: both cities have received the largest possible amount of UDAG money, even though they are among the group of cities judged to be least in need.

One can argue that Minneapolis and St. Paul have independently arrived at characteristic styles of urban development. Both cities are noted for their high rate of bonded indebtedness, but this is coupled in both cases with quite good bond ratings. Both cities have, and always have had, good city staffs, a large amount of cooperation from the business community, and ongoing support from the voters. This style seems to work well here, but may not be widely transferable.

It is important to remember that the Twin Cities have a number of special circumstances that make this style possible: a homogeneous population base; a mixed economy that is not over dependent on heavy industry; a much larger number of corporate headquarters than the population base would predict; a high level of state aid to municipalities; a political tradition of intervening in problems before they get out of hand; and the presence of numerous foundations that take an active interest in community problems.

THE LANDSCAPE LEGACY OF URBAN RENEWAL

The urban renewal program was invented to alter the face of America's cities, to erase what was old, worn-out, and no longer useful. This it did with abandon, though not without substantial assistance from the federal highway program. In 1949, not very many planners, or even the members of congress who supported it, imagined that urban renewal would eventually transform the look of United States cities. What existed in the 1920s only in the minds of visionary architects like Le Corbusier—cities of skyscapers and high-speed highways—became a real possibility, even for medium-sized cities like St. Paul and Minneapolis. As cities across the country simultaneously grew taller and spread out, they lost some distinctive visual elements. City landmarks were sacrificed to progress and modernity as the historic cores of most cities were reconstructed.

Like most other American cities in the late 1940s, Minneapolis and St. Paul still harbored large fragments of their nineteenth-century pasts. Office functions were concentrated in the downtowns, as were most opportunities for entertainment and shopping. Downtown residents were predominantly those who could not afford someplace better. To the extent that tall buildings existed, they too were downtown. But American downtowns, apart from New York City and Chicago, were not the "tall" places that many are today. The Northwestern Bell building and the Foshay Tower defined the Minneapolis skyline, as the First National Bank building did for St. Paul. With few exceptions—Rand Tower and the Medical Arts Building—most other structures in both cities were between two and twelve stories high, and none were connected by skyways.

Photographs of downtown Minneapolis in the late 1940s reveal the changes most vividly since St. Paul has retained more of what was originally built. To contemporary eyes, downtown Minneapolis with its collection of masonry buildings would look dark, though not without some charm. Lower Nicollet Avenue was a treasure chest of nineteenth century commercial architecture. Two railroad stations were in use; restaurants and theaters, legitimate and otherwise, were numerous. Hennepin Avenue was a continuous ribbon of brick and stone buildings, none over eight stories high.

Urban renewal started transforming the Twin Cities' downtowns and the process continues today. Tall office buildings dot the skylines of both cities now, and luxury condominiums, built in the heyday of UDAG appropriations, stand where low-income people used to live. The very borders of both downtowns have been extended. The core area of Minneapolis today extends from the Mississippi River to Loring

Park to the Metrodome, and central St. Paul encompasses everything from the Civic Center to Lowertown, and connections to the State Capitol are planned.

Landscape changes stemming from urban renewal were not restricted to the downtowns. Entire neighborhoods of nineteenth-century houses disappeared or were dramatically altered through renewal efforts. Neighborhood grocers have vanished in most areas of Minneapolis and St. Paul, and have been replaced by the ubiquitous gas station-food shop. Today it is not surprising to find high rise buildings in neighborhoods of single-family homes, though nothing like this existed as recently as 1960. Twin Cities residents now generally take freeways, speed and mobility for granted, though in 1950 many did not even own a car.

Today Minneapolis and St. Paul, like most other American cities, look far different than when the urban renewal program began—they look newer, shinier, and taller. They are also far less densely populated and the distances between buildings are much greater in many parts of both cities. Because urban renewal coincided with the international style's influence on American architecture, there was a uniformity about what got built, in office towers as well as housing projects. One of the costs of cleaning up our cities has been a lessening of the visual distinctions between cities in different parts of the country. As the first national program directed exclusively at American cities, urban renewal's landscape legacy has, at best, been mixed.

CONCLUSION

Terminology, definitions, and the basic discussion about cities have all changed since the advent of urban renewal. Situations that resemble urban renewal are now called something else: "tax-increment districts," "enterprise zones," and "intensive-treatment areas." The assumptions that long ruled urban development have been almost completely transformed. Slums were once the exclusive scourge of big cities; now slum conditions can be found in inner suburbs and in rural areas. *Blight* is a passé concept; the idea has been reduced to a technical qualification for tax-increment and other financing. Issues that focus on economic improvement and investment tactics now hold center stage. For cities like St. Paul and Minneapolis, urban renewal made this transition possible. It succeeded in addressing the concerns of the time in a way that made those particular concerns no longer relevant. No one could responsibly argue that these two cities have solved all of their social and physical problems. But current concerns are far different (and possibly more difficult) than those at the forefront in the late 1940s.

The urban landscape has been forever altered since the heyday of the urban renewal program, largely through the tools it provided. If few people can recognize downtown Minneapolis of 1950 in the current landscape, that is one measure of how successful urban renewal and its successor programs have been. Many of our basic ideas about cities have changed, partly as a result of urban renewal. The idea of the "corporate city" is now firmly established; most people's images of "city" begin with corporate office towers, and many of these towers began with urban renewal decisions. Most of our notions about physical mobility now encompass an entire metropolitan area. The interstate freeways, linked to neighborhood renewal efforts, enabled many people to move beyond the city's previously restricted boundaries.

Lifestyle changes cannot be directly attributed to urban renewal, but they constitute some interesting and influential changes in our cities. During the much touted "return to the city" in the 1970s, selected, architecturally distinctive, neighborhoods were revived. To some degree this constituted a repudiation of 1950s values and ideas—the "life can only be lived in the suburbs" mentality. The rediscovery of the city reflects decisions made by the baby-boom generation at a particular point in its development, and it may be a short-term phenomenon. Absent the reinvestment in downtowns brought about through renewal, it is unlikely that this residential commitment to central cities would have been so vigorous, or even possible.

Urban renewal alone was not responsible for any of these changes. Throughout the 1960s and early 1970s, rising levels of real personal income generated improved housing conditions across the country, and people's expectations rose along with their incomes. The residential environment of cities in the United States *was* improved through renewal efforts; most of what officials identified as the worst housing in the early 1950s was removed throughout the next twenty years. But individual expectations about the size of dwelling units, the provision of private bathrooms, and separate bedrooms for each child probably had more to do with improving the residential landscape of cities than did all of the renewal regulations taken together.

Still, the effects of urban renewal have been substantial. For many people, urban renewal's impact on the landscape has colored our perceptions of American cities. Many Americans came to expect that older, worn-out urban areas would simply be removed and replaced—and that it was up to the government to do this. Renewal severed long-standing ties within certain neighborhoods, and arguably, had a negative effect on many people as a result. Because the urban renewal program was about physical improvements, irrespective of people's feelings, residents who felt an attachment, even to blighted neighborhoods, were often forced out. This approach didn't always improve the image, or the environments, of these neighborhoods. In some odd ways, the simple acknowledgment of the city's physical problems and the efforts to address them, made some people permanently afraid of the city.

Urban renewal was a public policy, just like many others, that had some positive as well as negative aspects, and these were not uniformly distributed. Through a complex set of circumstances, Minneapolis and St. Paul survived urban renewal better than some other cities and prospered, in part, because of their experiences with renewal. This statement should not be taken as an unconditional endorsement of the renewal process. It simply indicates that urban renewal was a more complex program than many people have thought. Though the urban renewal program itself has ended, it continues to affect our urban landscapes, and city residents continue to feel the consequences of long-ago urban renewal decisions.

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