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**From naptown to sportstown: Growth politics, urban development, and economic change in Indianapolis**

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The University of North Carolina at Greensboro, 1994

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# FROM NAPTOWN TO SPORTSTOWN: GROWTH POLITICS, URBAN DEVELOPMENT, AND ECONOMIC CHANGE IN INDIANAPOLIS

by

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The purpose of this study was to explore the construction and implementation of Indianapolis' urban growth strategy and to assess its impact on the local employment and wage structure. An analytical case study encompassing the years from 1960 to 1990, was developed to provide an integrated view of the historical, social, and political forces that defined the conditions in which this strategy was embedded. Information gathered to develop this case study included planning documents, minutes from public hearings, consultants' analyses and reports, newspaper accounts, and numerous miscellaneous texts. In addition, the author conducted formal interviews with key Indianapolis government, business, and community leaders. Covered employment and wages data were utilized to assess the ways in which Indianapolis' economic and wage structure evidenced change from 1980 to 1990. Location quotients were calculated to compare Indianapolis' economic structural change to that of the nation. Wage data were analyzed to ascertain the annualized average wages associated with the jobs created or lost in the Indianapolis economy between 1980 and 1990.

Indianapolis growth politics emerged in the mid-1970's when the city was in the grips of an urban crisis. The city's bellwether industries--in heavy manufacturing--especially those related to the auto industry, made the city vulnerable to capital disinvestment spurred by national economic downturns and foreign competition.

Realizing the city's vulnerability, and fueled by a desire to (a) shed their Naptown image, and (b) be in greater control of their economic destiny, a coalition of corporate elites and skilled Republican mayors structured an agenda designed to harness the service industries for economic growth. The coalition's strategy involved using sport as a vehicle to build an amenity infrastructure, enhance the quality of life for middle-class residents, and turn Indianapolis into a mecca for tourists and conventioneers. The coalition's strategy was aided by the bureaucratic resources of the local state and the considerable financial resources of the locally based Lilly Endowment, Inc. The tradition of secrecy connected with negotiations among political and financial leaders helped to insulate planning activities from popular pressure. From 1974 to 1984 a total of $1.4 billion was invested in inner city construction, and between 1980 and 1984 over $126 million in public and private resources was invested in downtown state-of-the-art sports facilities. Between 1970 and 1990, coalition leaders were successful in altering the city's geographic boundaries, political complexion, national image, and economic structure. The growth strategy's most noticeable employment gain occurred in lower-paying service sector jobs. This fact, when coupled with the sociospacial impact of the "back to the city" movement, suggests that while the coalition's strategy enhanced the collective consumption privileges of the white middle-class, it did little to relieve the social and economic burdens of lower-class and ethnic minority residents.

APPROVAL PAGE

This dissertation has been approved by the following committee of the Faculty of The Graduate School at The University of North Carolina at Greensboro.

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A dissertation is more than a manuscript. Its significance far outweighs the research endeavor contained within its pages. This dissertation is dedicated to my mother and my brother.

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# CHAPTER I

# INTRODUCTION

> Under the cover of darkness and downpour, the Baltimore Colts galloped to Indianapolis early yesterday in a caravan of Mayflower trucks to end the city's 31-year era in the National Football League.
>
> Reneging on a promise, the team's controversial owner, Robert Irsay, did not even call the mayor to say good-bye. (Baltimore Sun, March 30, 1984, p.1)

The Colts' move from Baltimore, March 29, 1984 ended eight years of threats from Colts' owner, Robert Irsay to relocate his franchise to another city. However, not until February 1984 did the people of Baltimore genuinely fear they might lose the Colts. The franchise had existed in their city since 1953, and in only a few short years a relationship which Baltimore residents referred to as a "love affair" (New York Times, April 8, 1984, p.22) ensued between the community and "its" team. Many times throughout this era the Baltimore press referred to the franchise/community relationship in nuptial analogies. That the Colts would end this 31-year marriage and sneak off to a little-known suitor city in the Midwest seemed to Baltimore residents as not only disloyal, but mean spirited as well. Baltimore's Mayor Donald Schaeffer, who's tearful picture appeared on the front page of the city's newspaper lamented:

> I'm trying to retain what little dignity I have left in this matter. If the Colts had to sneak out of town at night, it degrades a great city....I hate to see a man cry. (Baltimore Sun, March 30, 1984, p.1)

For the Baltimore community, Irsay's clandestine move added insult to injury. Not only did Irsay's disinvestment decision threaten Baltimore's business image (an issue more fully explored in Chapter IV), Colts' fans charged that the franchise's night time gallop was intended to "humiliate and degrade" them. In fact, two Baltimore Colts fans filed a $30 million law suit ($5 million for compensatory damages and $25 million in punitive damages) against Irsay on behalf of all Colts' season-ticket holders. The plaintiffs alleged the Colts' move caused them "to suffer severe depression, severe physical and emotional disability, severe disturbance of mental and emotional tranquility and mental distress of a very serious kind" (Indianapolis Star, April 3, 1984, p.35). Irsay's flight, however, was undoubtedly precipitated by more lucrative motivations.

The Colts' departure from Baltimore captured the attention of the media and sports fans across the nation. The taken-for-granted assumptions held by many sports supporters regarding the sentimental nature of the relationship between professional sport franchises and their host communities began to be more seriously questioned. By their departure, the Colts had deeply violated the "norms of reciprocity" assumed to exist between franchises and communities (Ingham, Howell and Schilperoort, 1987). The cities of Baltimore, Indianapolis and Phoenix were in direct competition for the Colts' franchise. It was a competition from which both winners and losers would emerge. It was a competition which dramatized the relationship between the modern sport industry and the modern city -- a relationship between capital and community.

The bonds that exist between professional sport franchises and their host communities are not held together by sentiment, loyalty, or tradition. Further, a community's endearment to a professional sport team is not of primary import to franchise owners when they review their location/relocation decisions. When owners consider relocation their dialogue is with city governments or city "authorities," not with fans. As sport studies scholars Ingham et al. (1987) point out, the ties that exist between professional sport teams and communities have become attenuated by the prevailing economic arrangements of professional sport leagues. These authors tell us that the modern professional sport industry is a capitalistic enterprise that operates in an ongoing quest for capital accumulation. But while invoking the capital logic thesis helps to demystify the sport/community relationship, it oversimplifies (perhaps ignores) the myriad of factors that condition the investment decisions of capitalists -- be they owners of manufacturing firms or sport firms. There is much more to the game.

That both Phoenix and Baltimore offered the Colts' owner more lucrative contracts than did Indianapolis indicates that it was not the profit principle alone that wooed Robert Irsay. That the city of Indianapolis had risen from relative obscurity, in terms of a national identity, to successfully corralling the footloose Colts' franchise, suggests some intensive efforts on the part of city leaders in this mid-sized, midwestern town. Judging by the response of Indianapolis civic authorities to the Colts' relocation, it is evident that even a professional football franchise was just part of a much larger civic story. The Mayor of Indianapolis, William Hudnut, wasted no time in publicly framing the Colts' relocation as being an indication that his city is moving in the right direction:

> Yes sir, we're going all the way now. It's a wonderful thing for our community. It's a boost to the city's image nationally and to local morale as a symbol of major league status .... We want people to sit up and say "By God, that city has a lot going for it." (New York Times, March 30, 1984, p.22)

Successfully luring the Colts from Baltimore provided tremendous support for a pro-growth campaign that was initiated in Indianapolis in the 1970's. Robert Irsay's capital investment decision helped to legitimize this strategy. Further, local boosters publicized the strategy's successes in hopes of attracting the attention of future capital investors. Paying less in relation to the other cities' offers helped Indianapolis growth advocates to argue that the team's financial impact to the community would be as "noticeable as the domed stadium" (Indianapolis Star, March 30, 1984, p.31).

Likewise, civic boosters scurried to use the publicity surrounding the Colts' move to advertise Indianapolis' climate to other capital investors. The Indianapolis Project, Inc., a public relations firm hired by growth advocates, sent letters to 33 publications explaining that the Colts' move should be included in financial sections and general news stories concerning Indianapolis' growth (Indianapolis Star, June 23, 1985, p.10). In 1984, four major firms (Purolator Courier, Hudson Institute, Overland Express, and Dana Corporation) moved their national headquarters to Indianapolis. The Hudson Institute received a $1.5 million grant from the Lilly Endowment, a $100,000 state grant and $700,000 from the business community to defray relocation costs (Indianapolis Star, May 17, 1984, p.A1). The Lilly

Endowment's role in the city's growth initiative is a crucial one and will be explored in Chapter IV. Overland Express' financial incentives included a $9.5 million low-interest industrial development bond to assist the construction of a new terminal and office (Indianapolis Star, May 19, 1984, p.31). Interestingly, the Dana Corporation required no financial incentives before relocating to Indianapolis. According to Bamberger and Parham (1984), the firm was attracted to the city by its central location, "by Indiana's generally good business climate and by Indianapolis' image as progressive, affordable and free of many typical urban problems" (p.17). This "image" was achieved through considerable effort on the part of Indianapolis' growth advocates.

Sports and Urban Development Policy

That sport would enhance the city's business image and attract capital was a driving force behind Indianapolis' growth strategy. Building a new domed stadium and acquiring a professional football franchise was only one, albeit significant, item on a lengthy agenda. Prior to its growth strategy, Indianapolis had no distinct identity or "image" and no natural geographic assets from which it could draw to compete for capital investment. Indianapolis had no harbors, no major waterways, no mountains, and no lakes. Indianapolis was not known nationally by a nickname like "The Bluechip City," "The City of Brotherly Love," or "The Big Apple."

In fact, the only thing Indianapolis was really identified with was it's annual 500-mile auto race -- an event novelist Kurt Vonnegut, Jr., a native son, said the city awoke for one day and then fell back to sleep for the other 364. Such besmirchments earned the Indiana capital nicknames like "Naptown" and "India-no-place."

If the city was to successfully entice capital investment, civic leaders argued, it would be necessary to build and promote a distinct Indianapolis image. City leaders decided to transform Indianapolis from a sleepy town into a white collar tourist and corporate headquarters center. They decided to target the nation's expanding service sector economy in an attempt to redevelop the city. Perhaps realizing the city's aesthetic limitations, public officials and private entrepreneurs collaborated in using sport as a foundation on which to build an amenity infrastructure. Turning Indianapolis into "Sports Capital of the USA" would, argued growth advocates, bring national reputation, capital investments, and jobs.

The transformation of Indianapolis into a magnet for tourists and white collar industry was no small task. Prior to these newly slated economic objectives, the backbone of Indianapolis's economy was heavy manufacturing. Especially prominent were plants related to the automobile industry. This made the city vulnerable to capital disinvestment spurred by national economic downturns and foreign competition. Consequently, Indianapolis was not spared from the effects of the postwar recession that transformed Midwest cities into a declining "Rustbelt".

In fact, preliminary analysis (Schimmel, 1987) shows that in the 1960's and 1970's downtown Indianapolis was dying. The core of the city was dirty and filled with vacant, dilapidated buildings. Businesses and residents were fleeing from the central business district leaving behind a city with a weak tax base from which to draw revenues. A 1976 planning guide (see Bamberger & Parham, 1984, p.13) concluded that if Indianapolis' strategy was to encourage residents to move away, it had achieved its objective very successfully. At one point, the central business district lost 20 residents per day; from 1970 to 1979, 45,000 citizens fled the city. In fact, the downtown was so desolate that on Sundays, Jaycees roamed the streets with shotguns picking off pigeons (Indianapolis News, 1987, Nov. 13, p.A7). Pigeon eradication was perhaps the least of the city's worries.

When city officials reviewed Indianapolis' development patterns they discovered an almost total mismatch between where development was supposed to occur and where development was in fact occurring. According to the city's 1980 growth policy review, people were moving away from areas where substantial public and private investment (e.g., in the form of schools, thoroughfares, shopping) existed. A population increase had occurred in areas where services, facilities, jobs, and tax bases were limited. This lead the city's Department of Metropolitan Development to conclude: "The result is the underutilization of developed areas of the county leading to abandonment, isolation of low-income groups, and a reduced tax base" (Department of Metropolitan Development, 1980, p.4). At the same time, the national economic recession of 1974-75 forced many Marion County residents out of their jobs. In one year, the county's employment rate dropped 5% with manufacturing employment declining by almost 11,000 workers. The pattern of unemployment continued throughout the 1970's. From 1978 to 1982 an additional 35,000 private sector jobs were lost in Marion County. Close to 20,000 of those jobs were from the manufacturing sector (Bamberger & Parham, 1984). Circumstances in Indianapolis were not unlike those that existed in many other urban areas where capital and middle- and upper-class residents fled from city cores. Referring to this trend, Fainstein and Fainstein (1983) observe that central cities had become places where ethnic minorities and low-income whites were encapsulated in "obsolete sectors of the economy and deteriorating physical environments" (p.4). "Urban crisis" is the term used by urban political scientists to describe the myriad of social and economic problems associated with these conditions. In the mid-1970's, Indianapolis was facing an urban crisis of great proportions.

Stadium Construction and Urban Development

Although Indianapolis may be distinctive in its explicit and broad scale attempt to harness the sports industry for its growth strategy, there are a number of cities in the United States that are building new sports stadia. In fact, research by Baade and Dye (1988) indicates that in 1988 one-half of the nation's 60 largest metropolitan statistical areas (MSA's) had plans for a new stadium. Nine of the top 20 MSA's had such plans despite the fact that a stadium already existed within its geographical boundary. Three of these areas, Atlanta, Baltimore and Chicago, were considering plans to build two new stadia each. Although the research presented here does not focus upon stadium construction per se, it is through an examination of the relational issues involved in stadium construction that the problematics for the present research began to be formed. It is necessary, therefore, to consider this issue more fully.

Currently, the analysis of stadium construction has been dominated by a micro-economic perspective. The focus has been limited to studying issues such as the economic rationale for subsidizing stadia, the assessment of stadia as "wise investments," and the impact of a new stadium on a local economy (variously operationalized). While these studies are invaluable to understanding the specifics of stadium development and have aided in separating economic myth from reality where stadium impact is concerned, they are insufficient in that they do not always address the political economy of urban development of which stadium construction is a part. In short, micro-economic analysis often provides a text that lacks a context. These types of analyses rarely frame for us the larger social, historical, economic, and political issues related to the cities in which these edifices are located. In order to provide this context, a reading of the urban studies literature is necessary.

But here too, one finds the extant knowledge to be insufficient in fully elucidating the articulation between the urban political economy and the culturally specific manifestation of the United States sports industry. What the urban studies literature does provide is a paradigmatic map with which we may explore this articulation (an issue addressed in Chapter II). What it does not provide are details concerning what we might expect to find on our intellectual journey. Comprehending the problematic of urban development and the role that sport facility construction may play in it requires a concern for the logic of capitalist relations and a concern for how that logic is experienced, understood and acted upon by individuals and collectivities in the historical period in which events take place. Presently an intellectual gap exists between the narrow specifics of sports facilities economics and the broad theorizing about urban political economics. What is called for is connected knowledge which helps us to understand the ways in which capitalist relations can enable and/or constrain the social actions of economic and political actors. For example, Cynthia Horan (1991), in calling for a new agenda for analyzing urban growth coalitions, points out that the "connection between the politically active and the economically dominant remains largely unexplored" (p.123). Perhaps we may begin to provide connected knowledge by pursuing research questions such as: Who comprises local growth coalitions? In what ways is sport stadium/facility development related to local development strategy? Who finances it? In what ways is the development strategy articulated to the public? And, what factors hinder or facilitate the success of the development strategy? In the the following chapters, I aspire to answer such questions.

Research Exemplars

Two studies that deal specifically with sport stadium construction stand out as exceptions to the research trends identified above. These exemplars, one from sport studies and one from urban studies, both focus upon stadia that were constructed in the 1960's and provide a more complete picture of the broader, relational issues involved in stadium construction. In both of these studies, the authors highlight the ways in which economic and political factors shape urban development. The seminal nature of these studies and their import to the problematics formed and explored in the research presented in the following chapters warrant their consideration in some detail.

In a 1984 paper, George Lipsitz analyzed the ways in which three cities (St. Louis, Houston and Los Angeles) made stadium construction a tool for promoting public and private spending aimed at solving problems of civic development. In all three cities, promoters of stadium construction presented themselves as proponents of the city-as-a-whole while understating the extent to which specific local interests either profited or lost by their plans. Lipsitz places this analysis against a backdrop of broader trends which he says defined the parameters of decision-making concerning stadium construction in the 1960's. The first trend, the "Warner Model," explains the patterns of urban spatial development in older cities in the United States exemplified by decimated central business districts ringed by circles of slums with elite populations residing in periphery locations -- similar to the case of Indianapolis as briefly sketched above. The second trend is related to the first; it involves the entry of the public sector into large scale private development projects, such as urban renewal and sports facility construction. The residual effects of the Warner Model created opportunities for private entrepreneurs to capitalize on blighted zones and low real estate values. The state, through various incentive packages, began to play an important role in subsidizing private capital accumulation. Entrepreneurs in both the public and private sectors sought to reclaim the built environment in ways that biased finance capital, service sector capital, and affluent populations.

Lipsitz notes that in St. Louis the post-war exodus of population and industry left behind a city core of dilapidated housing and crumbling economic infrastructure. As was the case in many post-industrial cities (including Indianapolis), the low-income population trapped within the city shell could not provide the tax base required to attend to their many needs. Corporate leaders organized in an attempt to find a solution to St. Louis' urban question. With the approval of Mayor Joseph

Darst, these executives formed a group called "Civic Progress" and set forth an agenda designed to reshape the downtown area into an attractive center for shoppers, tourists and executives. As Lipsitz notes, they "also sought to direct slum clearance, urban redevelopment and government spending along lines conducive to their own interests" (1984, p.3).

Perhaps the Civic Progress member whose interests were best served was August A. Busch, Jr. owner of the St. Louis Cardinals baseball team. The new Busch Stadium was to be the key to downtown redevelopment. With Busch's participation, Civic Progress supported urban renewal that demolished slum neighborhoods just west of the central business district. Almost 30,000 poor people were left homeless with no city plans to relocate them. The demolition created a cleared out protection zone between the new downtown area and poor residential areas. Civic Progress and other civic boosters succeeded in a campaign to garner public support (bond money and tax subsidy) to rebuild the downtown and construct the stadium. In nearly two decades (circa 1960-1978) of publicly funded urban development, corporations represented by Civic Progress netted tax-free or tax reduced profits of $892 million per year. This sum was eight times larger than the city budget. Lipsitz observes: "For Anheuser-Busch, a new stadium increased the value of the Cardinals baseball franchise, offered the prospect of more attendance and better revenues, and transferred costs of stadium construction, parking garages, street construction and lighting to other parties" (p.4). The brewery gained control of the stadium, parking, concessions, and adjacent offices and hotels as an inducement to keep the Cardinals in St. Louis. In this city, the development of an amenity infrastructure and subsequent capital accumulation did not trickle-down to the lower classes. Homeowners' taxes rose despite a cutback in public services. The city's housing stock was reduced by 24,500 units and almost one fourth of the remaining housing had serious deficiencies.

Houston, Lipsitz argues, skipped the industrial stage of development because it could not easily tap large markets in nearby population centers or readily obtain raw industrial materials. Consequently, it remained a regional trade center until the late 1960's. Chamber of Commerce members self-preferentially directed the city by calling for low taxation and minimal government spending. The poor and minority populations were confined to undesirable areas and the working class could not produce much resistance since it lacked union representation. Downtown businessmen enjoyed the advantages of low taxation and concentrated economic development.

Federal spending helped boost Houston to become the first great American post-industrial city. The location of the National Aeronautics and Space Administration propelled local research and development operations. Federal flood control measures, the highway program and home loan policies catalyzed economic growth and the oil industry flourished. Seemingly, all that Houston lacked was professional sport. As Lipsitz (1984) states:

> Securing an expansion franchise (in major league baseball) became an important goal for local boosters eager to publicize the spectacular growth of their city. Attracting new capital and encouraging relocation of corporate headquarters could be made easier if the rest of the country acknowledged the "big league" status of Houston. So they launched plans to build a stadium capable of securing a team and of symbolizing the city's identity. (p.11)

Speculative capital and promotional skill combined to build the Houston Astrodome -- the first domed stadium in the United States. Similar to Busch Stadium, the Astrodome was the anchor of a convention and hotel complex and was used in a campaign to capture tourist dollars and lure corporations contemplating disinvestment/reinvestment decisions. Roy Hofheinz, entrepreneur and onetime mayor and county judge and H.E. Bob Smith, a local oil magnate and real estate investor provided $6 million in private capital to initiate construction of the dome. Houston voters approved $25.3 million in bond money for the stadium. The bond's provisions gave Hofheinz and Smith controlling interest in the Astrodome for a $750,000 annual rent and an operating expense fee. Other provisions allowed Hofheinz and Smith to develop the real estate surrounding the stadium and subsidized the Houston Astros baseball franchise (and later the NFL Oilers). In 1971, the Astrodome lost $569,000 and it has lost money ever since. Lipsitz observes: "The city that refused to subsidize school lunches voted to risk $27 million of direct public spending on a private profit making venture" (p.12). Once again the public gave its vote of confidence to urban development schemes which in the final analysis only subsidized the development of private capital accumulation.

Lipsitz argues that in Los Angeles, like in Houston, post-war federal spending provided the impetus for economic and population growth. The aerospace and related industries, as well as highways and home loan programs, helped Los Angeles experience spectacular growth. Five hundred new residents per day moved to Los Angeles between 1945 and 1955 and settled in a city with widely scattered housing, industry and commerce. The discriminatory policies of local realtors and federal home loan agencies excluded minorities from prime real estate locations. With the help of the Regional Plan Commission, zoning laws encouraged the concentration of minorities into old, less desirable districts. By 1950, almost 95% of the African-American population lived in the central district. Urban sprawl and lack of government concern over the conditions of the minorities encouraged uneven patterns of urban growth. In their unwillingness to more evenly distribute the cost of urban growth, city voters rejected a 1952 referendum that would provide federally sponsored housing in the Chavez Ravine area on the basis that it portrayed "creeping socialism."

After the defeat of the 1952 referendum, Lipsitz notes, the city government of Los Angeles purchased over three hundred acres of the Chavez Ravine from the Housing Authority for $800,000. During the same time, Walter O'Malley was growing increasingly unhappy with Brooklyn's Ebbetts Field as a home for his Dodgers baseball franchise. When the construction of a new Brooklyn stadium fell through, O'Malley began to ponder relocation. Realizing that inducements could facilitate a disinvestment/investment decision, the city of Los Angeles offered O'Malley the Chavez Ravine real estate (worth at the time $2 to $6 million). Additionally, O'Malley received mineral rights under the land, all parking concessions and ticket revenues, $4.7 million in land preparation costs and $5,000 towards the cost of surveying. In return, he agreed to provide capital for a $20 million dollar stadium project. The critical issue here is the way in which the city of Los Angeles chose to use its land. As Lipsitz sees it: "The Los Angeles electorate that voted against public housing in 1952 as 'creeping socialism', six years later turned over a huge chunk of downtown real estate, \$4.7 million in services and mineral rights to allow a millionaire to make even more money" (p.9). The homes of the Chavez Ravine residents were replaced by a stadium that housed no one. The continued growth of the Los Angeles market area and the ideal location of Dodger Stadium made O'Malley the dominant economic force in baseball. The city of Los Angeles has reaped tax revenue generated by the stadium. Lipsitz contends, however, that had the land been put to other use it could have generated even more tax income.

The second exemplar of the study of the relational issues involved in sport stadium construction is provided by urban studies scholars Michael Peter Smith and Marlene Keller (1983) and focuses on the city of New Orleans and the construction of the Superdome. Like Lipsitz, these authors explore the state's role in furthering private capital accumulation objectives as well as the distribution patterns of the benefits and burdens of stadium construction. Smith and Keller tell us that despite its southern location, New Orleans shared much in common with the declining cities of the Northeast and Midwest. Calling New Orleans "the city that industrial investors in the Sunbelt forgot," they describe the ways in which construction of the Superdome was connected to the city's broader attempts to deal with declining manufacturing jobs and to diversify the city's economy. In fact, the Superdome was built because of "a state and local political structure rooted in the politics of jobs and local contracts" (Smith and Keller, 1983 p.134). This and the combined forces of national finance capital (i.e., out-of-state financial backing) and local real estate development capital, combined to develop the Superdome as a focal point of a tourist-based growth strategy in downtown New Orleans. The distribution patterns of the costs and benefits of this growth agenda are similar to those uncovered by Lipsitz. In the words of Smith and Keller (1983):

> In selling the Superdome to the public, progrowth forces argued that the project would pay for itself within a few years, causing no drain on state or local economy. The Dome would be a benefit to the community as a whole; displacing no one and providing such spinoff effects as more tourist money, greater tax revenues generated by tourism and a boost to the regional economy that would create many new service jobs. In this context of costless growth, the project was approved by state voters 2 to 1 in 1966. (p.135)

The nature of New Orleans' local economic structure and the employment problems inherent in it are an important aspect of the context in which the Superdome's construction is embedded. Lipsitz provides a description of these employment issues. Highlighted is the segmented nature of the labor market characterized by an urgent subemployment problem -- large numbers of New Orleanians who lacked education and job training who existed in grave poverty and outside of the labor market. The political response to this problem, outlined by Mayor Ernest Morial, was to utilize public incentives to support economic growth that would absorb secondary workers. Publicly the Mayor promoted this economic growth as "urban salvation" (Smith and Keller, 1983, p.145). The railroad yards on which the Superdome was to be constructed were once the site of a low-income neighborhood. The megastructure project might not have been deemed politically or economically feasible if this residential area had not been bulldozed fifteen years earlier to construct the city's Civic Center. From the perspective of James Jones (see Smith and Keller, 1983), the national banking executive who assembled the finance capital for the Dome, the low-income neighborhood torn down to build the Civic Center

> ...was a downtown gray area where a late and visionary postwar Mayor--de Lesseps (Chep) Morrison--successfully exorcised a wretched, festering slum and replaced it with a civic center complex, thereby raising the value and the attractiveness of adjacent land. The subsequent addition of office buildings, apartments and hotel structures confirmed the wisdom of municipal regeneration....(with the addition of the Dome) Poydras, once a drab and forgotten street, may now become one of the great thoroughfares of America.... The protection this will give the central business district....is, naturally, beyond measure. (pp.134-135)

The underlying logic of capital accumulation in New Orleans' urban development strategy was marshalled to advance the political ambitions of New Orleans' mayors and Louisiana governors, and the real-estate profits of finance capitalists. Here, public officials and private entrepreneurs sought legitimacy for their actions through the ideology of pro-growth. Trickle-down effects of the Dome were supposed to benefit the "community-as-a-whole." This was a debatable supposition. According to Smith and Keller (1983), the main beneficiaries of the Superdome project were the private entrepreneurs. These entrepreneurs included developers who constructed an office-hotel-shopping complex adjacent to the dome, the Hyatt Corporation, the Illinois Central Railroad and James Jones' Bank. In return for their support, the public (state taxpayers) was rewarded with the responsibility of absorbing the "cost and all of the risk of a deficit-ridden project that may never become self-financing" (Smith and Keller, 1983, p.136). It is interesting to note here the accuracy of Smith and Keller's dire prediction. In research published in 1990, Dean Baim categorizes the Superdome as a "chronic money loser." According to this research, the Superdome's net accumulated value shows a loss on the investment of over $70 million. Baim states that "the loss worsens each year as the facility cannot earn enough to even pay it's operating expenses" (Baim, 1990, p.9). Louisiana taxpayers are underwriting the profit margins of private capitalists in their effort to transform downtown New Orleans into a "great American thoroughfare."

Taken together, these case studies of stadium construction in the 1960's provide great insights concerning the patterns of urban development and the role that both economic and political actors play in them. How might this research be summarized and what is left unaddressed? In all these instances, stadium construction was a part of a larger plan to change the built environs of cities. In all four cases, influential capitalists and members of the local state combined to direct urban development along lines conducive to capital accumulation within the private sector. Also, in each case, public approval was necessary before the planned development could be initiated. However, in each city the method of financing stadium construction and the particular sites chosen for stadium location grew out of the specific local legacy of urban history (a point made explicit by Lipsitz). Public discourse about stadium development was then couched in issues addressing the nature of each metropolis, and the new stadium was presented as part of an urban development solution to various problems that each city faced. In other words, though the "problems" may have varied in these cities, the "solution" to them was very similar. Similar too was the ideology which buttressed them. This ideology, described here in the context of the 1960's, still persists.

The Problematic Growth Model

It is the growth model and its assertion of a trickle-down effect that underlies public and private support for urban redevelopment (see Judd & Collins, 1979, Smith & Judd, 1982). Because capital is mobile it can disinvest from a city that does not provide for its specific needs. Mobilizing public incentives in order to compete for private resources, city officials now call themselves "entrepreneurs in the public interest" (Hill, 1983, p.116) and espouse the pro-growth model as beneficial for the community-as-a-whole. According to this model, private investment necessarily produces an increase in tax revenues and jobs, this in turn produces an increased per capita spending that results in less citizen dependency on government funds. The premise that growth is the social tide that lifts all boats has been used in the attempt to co-opt the support of subordinate groups. In the long run, so this ideology proclaims, private capital accumulation will yield benefits for all, especially in the provision of jobs (Smith and Keller, 1983). The efficacy of the growth model, however, remains contentious and unresolved (Swanstrom, 1985). In the absence of more research that empirically assesses this model, debate about it will remain ideological.

Smith and Keller (1983) conclude that not only is the efficacy of the growth model questionable, but that growth premised on this model may alter the economic base of a city in such a way as to make life more difficult for low-income residents. Obviously, those residents who are displaced from their homes with no civic plans to reabsorb them will be faced with hardships (see especially, Lipsitz, 1984). But also, these authors reject the solace that growth produces jobs which manifest in raised spending and are beneficial for the entire community. This evaluation rests on an argument that the distribution of the costs and benefits of this growth model have regressive effects. Swanstrom (1985) also takes issue with the claim, aggressively promulgated by developers, civic boosters and political officials, that this model of growth necessarily benefits the working-class. Swanstrom points out in his case study of Cleveland's growth politics that civic leaders avoid speaking of growth as useful for profits. Instead, growth advocates iterate the necessity of growth for "making jobs." But, says Swanstrom (1985), "local growth does not, of course, make jobs: It distributes them" (p.137). Job quantity, not job quality, often becomes a key rhetorical element in the articulation of a growth agenda. As Beaumont and Harvey (1985) express the point, the only underlying economic theory that many economic development policies seem to contain is "that more jobs are good and less jobs are bad" (p.328). While it is difficult to dispute the point that <u>any</u> job is better than <u>no</u> job, it can be pointed out that policy-making is always decision-making. It always involves choice. That these choices are not trivial, Stone (1987) reminds us, is "what is meant by the phrase 'politics matters'" (p.6). The distributive aspects of job creation were addressed by Smith and Keller in their analysis of New Orleans growth strategy. They claim that what usually occurs is an expansion in the service-sector and tourist related economy. These jobs, they lament, are typically low-paying, part-time and often dead-end. Choosing policies that rely on this type of job creation can exacerbate existing structural problems in the local economy (Smith & Keller, 1983). However, because they do not provide us with a detailed analysis of the types of jobs created (or lost) in New Orleans, this claim, too, rests largely on assertion.

Analyzing Growth Strategies

More recently, a number of urban scholars (see for example, Feagin, 1988; Horan, 1991; Leitner, 1990; Logan & Molotch, 1987) insist that an analysis of the growth model must not only examine the issue of employment opportunities, but it must also include an investigation of the coalition involved in planning and implementing growth strategies. It is not to be denied that local governments are dependent, to some degree, on economic growth occurring within their jurisdictional boundaries. Yet, neither the precise nature of that dependency, nor the specific growth strategies are generalizable to all geo-historical contexts. Jonas (1991) states clearly, "[u]rban growth policies and strategies also vary according to local conditions and the political and economic interests in places they are intended to help protect and reproduce" (p.197). There are, according to Horan (1991), three strands of variation among cities as they make development policy: (a) the composition and agenda of the growth coalition, (b) the institutional resources of the local government, and (c) the structure of the local economy. The ways in which the coalition is organized and the manner in which it defines urban problems and their solutions may substantially influence economic outcomes in a city. Dialectically, existing economic conditions and dynamics (both national and local), as well as political alliances, will shape a city's development policy. This perspective in conceptualizing urban growth policy will be presented more fully in Chapter II.

It has become broadly accepted that the impact of urban public policy should be evaluated. Leitner points out that there have been very few detailed analyses of the degree to which development strategies meet the goals of creating jobs and securing a more healthy urban fiscal environment. In Leitner's words

> ...coalitions have been highly successful in propagating a pro-growth ideology and in determining the course of economic development initiatives...the paucity of studies by the local state empirically assessing the impact of these policies and the neglect of academic research critical of urban development strategies, illustrate how the discourse about these policies reflects the relative power of their proponents and critics. (Leitner, 1990, pp.158-159)

The research presented in the following chapters responds to the urgings and challenges presented by Leitner. It treats as problematic the assertions captured in the growth ideology. It attempts to elucidate our understanding about growth coalitions and to examine the extent to which political forces condition economic structure in urban areas. Further, this research attempts to bridge the intellectual gaps that exist between the disciplinary knowledge generated in sport studies and urban sociology by exploring the ways in which the modern sport industry has been used in constructing an agenda for urban economic development. It therefore situates the modern sports industry within the broader context of urban politics -- politics which are contoured by inter-city competition for capital investment. In this context, winners and losers emerge both between and within cities.

In the days just prior to losing the Colts franchise to Indianapolis, the Baltimore Sun addressed the curiosity that had been sparked about the midwestern city. In an editorial titled "How Indianapolis Does It," the Sun printed:

> Two jaded old cities with declining populations and industrial bases took stock of themselves in the late sixties. Baltimore decided to become a tourist Mecca. Indianapolis a sports capital....Indianapolis, considerably smaller than Baltimore, is healthier economically and with more downtown development in relation to what it was....Baltimore for all its heartwarming progress, has done relatively less in relation to its resources. (March 2, 1984, p.A14)

The research presented in the following chapters is an attempt to identify more specifically "What Indianapolis Did" and to satisfy more fully the curiosity about "How Indianapolis Did It."

## Statement of the Problem

The emerging understandings and challenges presented by urban studies and sport studies scholars sketched above provide a framework for the development of a series of problematics that will be pursued in the following chapters. The following research focuses upon the city of Indianapolis, a city that was facing a major urban crisis in the mid-1970's. Using sport as a foundation on which to build an amenity infrastructure, from 1974 to 1984 a total of $1.5 billion was invested in inner-city construction (Indianapolis Project, Inc., March 8, 1986). From 1980 to 1984, over $126 million in public and private resources was invested in downtown state-of-the-art sports facilities. Although Indianapolis has been heralded as the "Cinderella of the

Rustbelt" (Berry, 1990, p.50) by business leaders, no systematic empirical analysis assessing either the growth agenda or its impact has been conducted. The local economic, social, and political context for the emergence of a growth coalition will be addressed. The composition and objectives of this coalition will be presented. Highlighted will be the role that sport played in the local growth agenda. The ways and extent to which the coalition included local employment issues in the growth strategy, as well as the institutional and bureaucratic resources that enabled or constrained the implementation of this strategy will be presented. Finally, an attempt will be made to ascertain the extent to which the local growth coalition conditioned change in the local economic structure.

## Research Questions

Specifically, the following research questions will be explored relative to the construction of Indianapolis' growth policy and the changes that occurred in the local economic structure:

1. What was the context in Indianapolis, from 1960 to 1990, in which growth politics emerged and evolved and in what ways and to what extent were issues involving local employment opportunities included in the agenda for growth?

    A. What were the local economic and social conditions that gave rise to growth politics?

    B. What was the composition of the local growth coalition?

    C. What were the characteristics of the local growth agenda and to what extent and in what ways was sport included in it?

    D. If local employment issues were included in the local growth agenda, in what ways were they included, and was there any explicit distinction made concerning what types of jobs constituted desirable additions to the local economy?

E. What hindered or facilitated the initiation and implementation of the coalition's agenda for growth?

2. In what ways and to what extent did Indianapolis' economic structure and local wages evidence change from 1980 to 1990?

A. What were the employment positions, expressed in number of jobs, from 1980 to 1990, of Indianapolis' major industrial groups vis-a-vis those of the nation?

B. What were the characteristics of employee wages, from 1980 to 1990, of Indianapolis' major industrial groups?

C. What were the employment and unemployment rates, from 1980 to 1990, of Indianapolis' labor force vis-a-vis those of the nation?

# CHAPTER II

## REVIEW OF LITERATURE

Fainstein and Fainstein (1983) have stated: "Cities have an air of permanence which is both real and illusory" (p.1). Their permanence is portrayed by their built environments which are made from bricks, concrete, and steel. But closer inspection of these built environments reveals the impact of dynamic social, economic, and political forces. Some cities (or sections of a city) may lie in decay, while in others old structures are renovated, razed, and replaced. A city's demographics also may be changed as part of its population leaves and is replaced by different social groups. Changing patterns of production continually affect the character of urban economic and social life. In capitalist societies the forces that contour physical, social, and economic structures are dependent upon a complex interaction between public and private decisions (Fainstein and Fainstein, 1983). The ways in which these interactions are to be conceptualized have generated, particularly within the last 20 years, a massive amount of scholarly attention and debate. Indeed, the heretofore accepted paradigmatic structures that have buttressed the study of urban development have become vulnerable to the increasing stress of intellectual scrutiny. The intellectual landscape, like that of cities, evidences the dynamic forces of change. A survey of this terrain reveals both the remnants of outmoded theoretical structures and the blueprints for emergent frameworks of understanding.

The purpose of this chapter is to chart a course through this terrain. Like any journey, the path that is plotted is selected from a host of possibilities: The traveller decides which routes to take and which landmarks to visit. The literature reviewed in this chapter is not an inclusive reading of all the work that constitutes the urban studies terrain. Rather, it is selected based upon critical evaluation and a value-referenced response to the question, "which path is the best to follow?" The goal of the chapter is to familiarize the reader with a critical theory perspective to the study of urban development -- the intellectual neighborhood in which this dissertation is housed. The chapter begins by identifying the historical roots of the critical urban paradigm, continues by examining some themes that are common to scholarship conducted from within this perspective, identifies some broad variations on these themes, and concludes at a point of departure that serves as a gateway to subsequent chapters.

## Urban Development as an Area of Inquiry: The Critical Paradigm

The critical urban paradigm emerged in the United States in the 1970's as a challenge to mainstream urban social science. Readers of Marx, Weber, and more recent European sociologists Henri Lefebvre, David Harvey, and Manuel Castells criticized the dominant perspective which was heavily influenced by the ideas of Herbert Spencer and was ultimately linked to Social Darwinism. Lefebvre's book La re'volution urbaine (1970), Harvey's critical articles published in Social Justice and the City (1973), and Castells' book The Urban Question (1977) have been identified as landmarks in the incipient development of a paradigmatic alternative to traditional urban sociology in the United States. Both Harvey and Castells moved to the United States from Europe in the 1970's and continued to publish in the area of urban development, thereby stimulating other scholars who joined them in producing new urban work (Feagin, 1988).

In the late 1970's and early 1980's critical urban scholarship flourished in the United States as investigators influenced by the work of Lefebvre, Harvey, and Castells began to articulate a paradigm that was built upon the groundwork laid by these pioneers. Emphasized in this new perspective was the importance of analyzing particular features of capitalism in any assessment of urban life. The dynamics of urban structures and space were seen to be contoured by state involvement in capital investment patterns, class conflict, and unequal resource distribution (Feagin, 1988). Political scientist Michael Peter Smith, for example, published a highly influential book The City and Social Theory in 1979. In this book, Smith critiques mainstream urban sociology by providing an analysis of an activist state and corporate capital in shaping urban form. Urban planning is a "value-laden" activity, says Smith, and urban planners serve a political function which is to "cloak the major private beneficiaries of land-use and investment decisions that have shaped contemporary American society, justifying profit seeking behavior as beneficial to the larger public interest" (Smith, 1979, p.253). Through a case study of Houston's economic development policies, Smith provides evidence that the state "contributed directly to the tragedy of desperate poverty amidst opulence" (p.248). Subsequent critical scholarship focused on the capitalist state has resulted in a variety of different theoretical approaches to the analysis of the state's role in urban development.

In the mid- 1980's, David Harvey and Manuel Castells were again at the forefront of critical urban analysis. Both published ground breaking books that sought to place urban political phenomena within the context of the universal tendencies of contemporary capitalism. For example, the problematic explored in Harvey's books The Urbanization of Capital (1985) and Consciousness and the Urban Experience (1985) is, "Can we derive a theoretical and historical understanding of the urban process under capitalism out of a study of the supposed laws of motion of a capitalist mode of production?" (Feagin, 1988, p.22). For Harvey, the answer is yes. Similarly, Castell's impressive book, The City and the Grassroots (1983), generalizes to a capitalist system in searching across cultures and through history for the commonality of urban social movements. In five lengthy case studies, Castells' concern is to demonstrate that urban social movements are "collective actions aimed at the transformation of the social interests and values embedded in the forms and functions of the historically given city" (Castells, 1983, p.xvi). Throughout the 1980's many leftist scholars in the United States including Stephen Elkin, Susan and Norman Fainstein, Joe R. Feagin, Mark Gottdiener, Richard Child Hill, Clarence Stone, and Alan Whitt among others, continued to contribute to a growing body of critical urban literature that included sophisticated theoretical discourse and empirical case study research.

As this body of knowledge grew, so too did the diversity of the specific perspectives taken by adherents to the broader critical urban paradigm. Because of the fecundity of Marxist thought and the variety of its interpretations, a number of different approaches to urban analysis developed. Paradigmatic refinement has lead to wide variation over the relative weight of the economy, the social production of space, the significance of political processes, and the role of the state in urban development.

Nevertheless, there remains rough consensus concerning the main themes that emerge from much of this work. Feagin (1988, p.23) has provided a short listing of these common concepts and arguments. I will borrow from Feagin's outline and illustrate with brief examples of critical urban scholarship pertinent to local urban development policy formation, the central topic of this dissertation. I will also identify two contrasting theoretical perspectives within critical scholarship on urban development, describe the main differences between them, and point out why one of them is more useful for informing the research reported here.

Common Themes in the Critical Study of Urban Development

An underlying concept of most critical perspectives on urban development is the interrelatedness of economic, political, and social/cultural aspects of capitalist societies. Particular scholars weight these differently in importance, but none separates them completely. Therefore, in the discussion that follows any demarcation between these constitutive aspects of critical urban thought is presented for heuristic purposes and is not intended to imply that they exist in isolation from one another.

The role that class and race relations play in capitalist urban development has received considerable attention from critical urban scholars. However, to date, little attention has been paid to the ways in which gender relations in capitalists societies conditions the patterns and functions of urban communities (for an exception, see Rose, 1993). Therefore, in the discussion that follows, the omission of gender relations is merely reflective of the fact that urban scholars have not included it in their work.

Importance of the Capitalist Mode of Production.

In the first broad theme the emphasis is on the importance of the capitalist mode of production in shaping Western societies. Class and race relations play a fundamental role in the organization of these societies which are structured by various social institutions responsive to the logic of capital accumulation. Both class and race relations generate and unequally distribute material resources. This structures the conventional patterns of social, cultural, and political practice that reproduce bourgeois hegemony. The writings of Harvey (1973, 1975, 1978, 1982) and the early work of Castells (1977, 1978), for example, focus on the logic of capital accumulation in American urban contexts. Their work embodies the principles of Marxist structuralism -- also referred to as "economism" (Swanstrom, 1993) -- in which economic processes or the "laws of motion" of capitalism are paramount. In his case study of Baltimore, Harvey (1975) attempts to illustrate how the key financial institutions' capital determined changes in the city's spacial structure. According to this analysis, commercial banks and savings institutions, life insurance companies, private pension funds, credit unions, and real estate investment trusts channeled their investments in ways that helped segregate Baltimore along race and class lines. To

Harvey, patterns of sociospatial inequities are the result of economic processes whereby the banking system unevenly structures access to social resources and determines land use (Smith, 1988).

This structuralist perspective came under increasing attack throughout the 1980's. Smith (1980, 1984, 1988) and other "urban praxis" theorists argue that the logic of capital accumulation can never fully determine specific social, political, and cultural formations. As Smith (1988) puts it, "in actually existing societies, economic activities are necessarily embedded in culturally specific social processes and political relations" (p.3). Instead of the logic of capital accumulation, what these theorists emphasize is the duality of social structure and human agency (see Giddens, 1984). Rather than focusing only on the ways in which structures constrain opportunity, these theorists also recognize their enabling features. By duality, then, the urban praxis theorists conceptualize structure and agency not as opposites, but as different aspects of a single mutually constituting phenomenon. Social structures both reflect and guide the flow of human agency and thus are ever changing (Smith and Tardanico, 1987). For example, while Smith (1988, p.13) largely agrees with Harvey's assessment that the urban housing supply has been unevenly organized by institutional forces of capitalism, he argues that it is inappropriate to interpret them as merely economic processes.

In a pointed criticism to Harvey's Baltimore study, Smith (1988), following Tomer (1980), asserts that the "housing market ideology" in American society which shapes the actions of lending institutions can not be reduced to a simple calculation of profit rates. Rather, they are contoured by interactions with real estate brokers and appraisers, home builders, life and fire insurance companies, and public regulatory agencies that share common assumptions about "less desirable" residents and desirable land use. In a direct criticism of Harvey's approach, Smith (1988) says, "therefore, if any logic at all is operating in this context, it is the logic of social, organization, and political processes rather than the logic of capital accumulation or market efficiency" (p.14). The choices available to mortgage lenders are not structurally determined, says Smith, they are "socially produced" and "politically mediated" by interactions within the institutional milieu which comprises everyday social environments. For Smith and other urban praxis theorists, the duality of structure and agency is paramount for, as Allen Whitt (1984) puts it, "to focus on the structural principles alone is to see only the tent, and miss the circus going on inside" (p.77).

In summary, both structuralist and urban paraxist theories emphasize the capitalist mode of production in shaping Western societies. Both perspectives emphasize the ways in which power in social relations reproduces class and race inequalities that have sociospatial consequences. They disagree, however, on the degree of importance to place on economic structural forces when analysing social and spatial patterns of urban development. Structuralists argue that the logic of capital accumulation <u>determines</u> the ways in which urban areas are organized. In this view, unequal patterns of urban development "unfold" in accordance with the general laws of capitalism. Urban praxist theorists, on the other hand, contend that capitalist economic structures enable and constrain social practices. The capitalist mode of production conditions the ways in which urban areas are organized. In this view, urban development occurs as human beings, posessing varying amounts of power, intervene into ongoing economic processes.

This disagreement between structuralist and praxist positions in critical urban scholarship manifests itself in competing conceptualizations of the underlying causes of change in urban form and function. Each of these positions will be explored in the themes presented below.

Sociospatial Patterns of Production, Distribution, and Consumption.

A second major theme in the critical analysis of urban development is the articulation of class relations and the capital accumulation process with space to create sociospatial patterns of production, distribution, and consumption. This articulation produces the built environments of our urban areas. The urban scholar who most centrally and thoroughly analyses the issue of space in an urban capitalist context is American sociologist Mark Gottdiener. Influenced by the work of Henri Lefebvre, Gottdiener develops a theoretical framework in which space is as essential as are the concepts of class and capital. In his book The Social Production of Urban Space (1985) Gottdiener's fundamental argument is as follows:

> Spacial forms are contingent products of the dialectical articulation between action and structure. They are not pure manifestations of deep-level social forces; instead, they constitute a world of appearances which must be penetrated by analysis. (p.199)

Gottdiener recognizes the importance of Castells' and Harvey's work but criticizes their structuralist perspective for its deterministic features.

Although few critical urban studies scholars place the concept of space at the center of their analyses, as does Gottdiener, most all would agree that the uneven nature of sociospacial patterns is a particularly important problematic in urban development analysis (Feagin, 1988). A key dimension of this uneven development in the American urban context is the wide diversity between (and within) growing and declining cities and a general increase in capital investment in southern Sunbelt cities as compared to those in the northern Snowbelt. The dynamics of uneven growth patterns are exemplified in the changing conditions of our urban areas. Before continuing with the discussion of the competing interpretations regarding the causes of urban change, let's examine the facts of these spacial and economic developments about which urban analysts agree.

In the postwar period, the condition of (especially older) central cities changed sharply. A national trend toward decentralization resulted in a shift in both population and industry from the central cities to the suburbs. Suburban population growth increased at first relatively and then absolutely to that of central cities (Fainstein and Fainstein, 1983, p.4; see also Marcuse, 1981). As was mentioned in Chapter I, this population shift has been described by Warner (1962, 1972) and is referred to in mainstream sociology as the "Warner Model". During the 1960's, in the nation's ten largest cities 70% of all new jobs were located in suburban areas. In that same decade, American suburbs as a whole accounted for three-quarters of all new manufacturing and retail jobs. This central city to suburban job shift was nationwide (Smith, 1979).

Finally, by the 1970's whole metropolitan regions began contracting as the population shifted from the industrial north to the southern Sunbelt. Because of what has been termed "white flight," the central cities became poorer and more concentrated with racial and ethnic minorities. Middle and working-class whites moved out and were replaced by minority households. Between 1960 and 1978, central cities lost 9% of their caucasian populations and increased their African-American populations by 40%. By 1980, 55% of African-Americans and only 24% of caucasians lived in central cities. On the whole, central cities had become places where minority groups and low-income whites were encapsulated in "obsolete sectors of the economy and deteriorating physical environments" (Fainstein and Fainstein, 1983, p.4).

The largest growth sector of the U.S. economy since the 1960's has been in service industries. According to Fainstein and Fainstein (1983), in fourteen cities that showed an increase in total private employment between the years 1969 and 1978, services were the most rapidly expanding industry. Even in cities where private employment contracted, service employment expanded. These cities lost an average of 404,000 jobs in manufacturing, retail and wholesale trade while gaining 47,000 service jobs. For example, New York lost more than 500,000 jobs (334,000 in manufacturing alone) but gained 74,000 jobs in service employment, banking and finance.

By the mid-1970's, capital accumulation priorities included expansion of white-collar industries, high-technology manufacturing, and consumption services. An integrated vision of the new city emerged as being a corporate headquarters center with a central business district of office buildings, specialized shops and restaurants, hotels and luxury apartments. Although cities have used various incentives and have experienced varying amounts of success in their capital accumulation objectives, there has been remarkable consistency in the sociospacial aim of redevelopment policies: to reestablish business and middle-class control of urban territory (Fainstein & Fainstein, 1983). Fainstein and Fainstein (1983) contend:

> This objective is realized through a set of interlocking efforts: Bring back the white middle class.... Remove lower-income and minority households.... Maintain and reestablish racial and class territorial segregation.... Encapsulate the lower classes in peripheral locations. (p.253)

Moving beyond a general description of these trends to an interpretation of them illustrates the wide diversity among critical scholars in the ways in which Marxist approaches are applied to urban analysis. Returning to the broad conceptual differences between structuralists and urban praxis theorists provides one brief example. That is, exponents of a structuralist (e.g., Beauregard, 1989; Bluestone & Harrison, 1982; Castells, 1985; Harvey, 1989) perspective believe several national trends are the result of <u>inevitable</u> economic developments. These include decline of older manufacturing cities, high suburban growth and metropolitan deconcentration, rapid growth in the south and west, and deterioration of urban public services (see Marcuso, 1981; Smith, 1988). "Restructuring" is the term most often used to refer to these changes. The associated sociospacial consequences of these developments are seen as stemming from the unavoidable restructuring of the U.S. (and global) capitalist economic system. The byproducts of the logic of economic growth, though unfortunate, are inevitable manifestations of economic investment patterns that are flowing away from older central cities. Changing sociospacial patterns within cities are seen to evolve from the "spacial needs" of a national economy that has evolved from a manufacturing to a service base. The rapid growth of Sunbelt cities is likewise seen as deducible to the logic of the economy (from Smith, 1988). Political issues that accompany urban fiscal crisis, such as conflicts over social services or infrastructural demands, are the unavoidable results brought on by the motion of the economy and its inexorable demand for greater efficiency.

Urban praxist theorists criticize this "capital logic" perspective for introducing politics only <u>after the fact</u> as an urban reaction to the forces of the economy. According to Smith (1988, p.15), this ignores several distinctively American political processes contributing to current patterns of urban growth and decline that enter the picture <u>before the fact</u>. In other words, an urban praxis critique of economism focuses on the socio-political processes that have been important in producing the historically specific patterns of uneven urban and regional development in the U.S. economy. These interrelated processes highlight the uniqueness of the U.S. capitalist state (vis-a-vis European contexts, for example) and underscore the importance of social and political processes in explaining uneven development patterns. These social and political aspects are analyzed by Smith (1988) and extend beyond the scope of this dissertation. The important point here is the urban praxis argument that changing urban development patterns can never be fully explained by the global and generalizing logic of capital accumulation. Smith (1988) says succinctly, "in the last instance, technical and economic developments have no imminent logic apart from their relationship to politics and society" (p.3). This argument will be more deeply pursued in subsequent sections of the dissertation.

Competition Between Places for Capital Investment.

A third broad theme addresses the competition between places for capital investment. This competition is widespread and aggressive and is focused, for the most part, on corporations that calculate profit and loss at the firm level (Feagin, 1988). The quest for capital accumulation and the mobility of capital vis-a-vis cities and communities means that cities must compete with each other and often with their own suburbs for capital investments. Capital that promises investment and growth can also threaten disinvestment and decline. As capitalists make their investment and disinvestment decisions, both winner and loser communities emerge (Fainstein & Fainstein, 1983).

Two important points must be made about this. First, American cities are heavily dependent upon locally generated revenues to provide services. This differs from many European contexts (see Smith, 1988) where there exists more unitary and centralized urban finance structures. Some social critics have concluded that the fact that cities must compete against one another for fiscal well-being is evidence that the United States has no urban policy. But in fact it does. Critical urban scholar Harvey Molotch counters: "The U.S. urban policy is to create structures and ideologies that intensify competition among cities in what they will provide investors" (Molotch, 1993, p.35). This system of finance compels local government to maintain its revenue base by enticing investment that increases the market value of real property. Second, it is the local state (i.e., city government) that takes responsibility for the functioning and outcome of the urban economy even though capital effectively controls production of most goods and services. This point has been made quite explicity by the national government. According to the President's National Urban Policy Report of 1982 (U.S. Department of Housing, 1982, p.14) "the state and local governments have primary responsibility for making their urban areas attractive to private investors" (quoted in Leitner, 1990, p.155). Capital's domination establishes a social dependency on private investment (e.g., profit) for the provisions of employment and the built environment (Fainstein & Fainstein, 1983). The importance of job creation, both materially and symbolically, cannot be overstated. The U.S. economic system is essentially a "Doctrine of Home Rule" meaning that cities must handle "their own" problems (Molotch, 1993, p.34). While the nation may be undergoing economic restructuring (i.e., declining manufacturing employment) or while there may be regional differences in employment patterns (e.g., Sunbelt vs. Snowbelt), the impacts of unemployment are felt most intensly at the local level. Local politicians must appear to be "doing something" about these problems or risk losing reelection. Therefore, the local state acts to aid firms to remain and expand, encourages other firms to relocate or open branch facilities, and creates a sociospacial environment that stimulates the formation of new businesses.

A poignant illustration of the effects of this U.S. system of finance is provided by Hill (1983) in his case study of Detroit. Hill analyses Detroit's development strategy against the backdrop of national social and economic trends as sketched previously in this chapter. The auto industry -- Detroit's raison d'etre - is reorganizing and decentralizing on a global scale. Detroit's factories are being abandoned as industrial and commercial capital flows to the suburbs, the Sunbelt and overseas. Once the largest factory town in the world, Detroit has lost 27% of its population, 50% of its industrial firms, and 70% of its manufacturing jobs (Hill, 1983). As Hill (1983) describes:

> Bluntly put Detroit's plight is that of a city which is no longer competitive within the institutional rules of the game. Private corporations accumulate and reinvest capital, Detroit does not. Capital is mobile, Detroit is not. In the absence of national and regional development planning and coordination, Detroit's own strategy had been shaped through bitter rivalry with other (city) governments for corporate smokestacks and skyscrapers. (p.116)

That localities are dependent upon and have become preoccupied with economic growth occurring within their geographic boundaries is a point not debated by critical urban scholars. Nor is it contested that the U.S. economy is undergoing a general process of restructuring (i.e., the decline of manufacturing, the growth of the service sector, and the polarization of the wage structure in cities). Indeed, the issue of economic restructuring has recently dominated the discourse of urban political economic analysis. However, conceptualizing economic restructuring and the ways in which is it reflected in and/or fueled by the changing conditions of local urban areas is a matter of wide disagreement.

On the one hand, economic restructuring is conceptualized by structuralists as being driven by the logic of the market which is independent of particular political or cultural contexts. Capitalism is undergoing a global transition and this restructuring has a direct geographical implication by altering the function of cities. The world capitalist system has a "logic independent of the elements that constitute it" (Beauregard, 1989, p.221). Economic interests are the driving force of change in this general theory of economic restructuring, and these interests are viewed as being "fundamentally the same no matter what the politics, culture, language, or religion of the particular locality" (Swanstrom, 1993, p.56). The term "economic restructuring" is aptly applied in this perspective to a process in which economic imperatives are paramount and structures exist independent of human will or agency (Swanstrom, 1993). Local urban policy makers, says Beauregard in Economic Restructuring/Political Response (1989), cannot shape economic change; they can only respond to it.

On the other hand, urban praxis scholars argue that public policies are not just reactions to economic forces; they are integral to the very process of economic restructuring itself. In this conceptualization, cultural contexts are central to the process of economic change, including restructuring. For example, Swanstrom (1993) demonstrates how economic restructuring is rooted in cultural practices and how this process is manifested in different ways from one nation to the another and from one region to the another. He argues that urban economies are loosely coupled with global forces, leaving room for cultural variety and political leadership. From this perspective the focus is not on the economics of political relations. What is examined instead is the politics of economic relations (Swanstrom, 1993; see also, Fainstein, Fainstein, Hill, Judd, and Smith, 1983; Logan & Molotch, 1987).

Role of the State in Capitalist Development.

The fourth broad theme deals with the role of the state in capitalist development. The effort to conceptualize the relationship of the state to modern capitalist development has generated some of the most creative and discordant discourse in the social sciences. Generally, critical urban theorists recognize that the state is linked, in historically shifting ways, to capitalists and the capital accumulation process. There is rough consensus among critical urban theorists around the view that the state is involved in fostering capital accumulation, in mediating conflict between classes and fractions of classes, and in enhancing the legitimacy of the established political-economic system (Feagin, 1988). Beyond these broad generalizations, however, there exist widely disparate conceptualizations regarding a variety of state/capital/class problematics including: On behalf of whom does the state act? How much atonomy does the state have from the capitalist economic structure? How is class conflict managed? And, what is the role of class struggle in shaping state action? Once again, the structuralists and urban praxis scholars hold very different views. A review of these competing conceptualizations within the state theory literature is presented elsewhere (see Feagin, 1988; Smith, 1988) and need not be repeated here. In the next section, however, one aspect of this debate will be presented. It involves the forces influencing the creation of local state (i.e., city-level or urban) development policies.

What has been fleshed out in the beginning portion of this chapter are the broad, general themes of a critical paradigm of urban development around which critical urban scholars generally adhere. Beyond these superficial agreements, however, are vastly different conceptualizations of the underlying causes of change in urban form and function. Highlighted here has been the differing degrees to which these scholars regard either broad structural forces or local human action to be of primary import. Two contrasting views have been presented: one which is more structuralist in orientation (also referred to as economism) and focuses on the ways in which the economic forces of capitalism determine urban development; and another which is more praxis oriented and focuses on the dialectic relationship between social structure and human agency.

The next section examines the theoretical and empirical implications of this debate in scholarship concerning local urban development policy.

## Conceptualizing Local Development Policy: Issues of Structure and Agency

In the last two decades, the agenda of urban politics and planning has been overly dominated by growth-promoting public-sector development policies (Leitner, 1990). In contrast to the local public policies of the 1950's and 1960's that stressed providing social services and public goods, more recent policies have been preoccupied with accelerating growth or reversing decline in local economies in order to create jobs and improve the tax base (Gottdiener, 1987). Investigating these policies -- their creation, their biases, their relationship to global and national restructuring, their efficacy -- has become the central theme of urban research. Continuing the strategy developed in the beginning of this chapter, this section highlights the theoretical debate between economically determined (structuralist) versus politically generated (urban praxis) explanations of local development policy. Both of these schools of thought recognize that local policy is shaped by forces which extend beyond their geographical boundaries, however they differ dramatically in their ontological and epistemological approach to explaining the processes at work (Leitner, 1990).

Emphasizing Structural Constraints: Economistic Paradigms

In this perspective the structure and dynamics of the capitalist system determine the policy options available to local governments. Local state development merely reflects broader (i.e., national and global) structural developments. The titles of prominent books reflect their authors' deterministic orientations. For example, Captive Cities (Harloe, 1977), City Limits (Peterson, 1981) and The Dependent City (Kantor with David, 1988) depict a pessimism regarding a local government's ability to invent creative policy. In an attempt to understand the broad, underlying economic forces, the politics of local place are devalued. The focus, from an economistic perspective is on: (a) structure, rather than agency; (b) economics, rather than politics; and (c) global factors, rather than local ones (Swanstrom, 1989).

The tenets of economism are upheld by both rightwing market-oriented analyses and leftwing structural Marxist urban scholarship (Smith, 1988; Swanstrom, 1993). The most basic of these principles is that urban economic restructuring, population redistribution, and uneven patterns of growth and decline are the products of "economic processes operating in an autonomous sphere called 'the economy'" (Smith, 1988, p.5). The theoretical traditions of both these perspectives, neoclassical economics on the right and the capital logic school of structural Marxism on the left, are basicly determinist and fundamentally functionalist. For example, to devotees of right-wing market capitalism unevenly developed cities and regions are the inevitable outcome of an economic system that readily adapts to innovation and technological change (Gottdiener, 1985, chap.7). This implies that spatial and economic development patterns emerge as natural and immutable products of a system that is progressing toward efficiency. In other words, changes in the form and function of urban areas are viewed as healthy adaptations to new market conditions and to new technologies. Locational choices of people and firms, in the long run, become beneficial to society as a whole by facilitating greater economic efficiency (Smith, 1988, p.4). Government intervention into the forces of the free market are viewed as unnecessary, wasteful, and possibly even harmful to the general welfare of society (Kasarda, 1980; 1981, p.341). For example, Swanstrom (1985) points out that the right-wing version of this perspective was incorporated into national urban policymaking in 1980 by President Jimmy Carter's Commission for a National Agenda for the Eighties. This report, Urban America in the Eighties, argued that as a necessary by-product of a national transition from an industrial to a post-industrial economy, many urban areas would experience economic decline. The report recommended that the federal government should stop trying to stem urban decline, especially in the cities of the north, because it would only result in encouraging population and businesses to remain in inefficient locations. Therefore, market imperatives determine urban development and should drive policy, not visa versa (see Feagin,1988, p.21; Swanstrom, 1985, p.15).

Another example of a rightwing economistic perspective to the study of American urbanism is Paul Peterson's book City Limits (1981). This book was winner of the 1982 Woodrow Wilson Foundation Award as the best book published in the United States on government, politics, or international affairs. The book has been so influential that any review of the study of U.S. urban development politics would be remiss to exclude it. The direct scholarly response to Peterson's work comprises a substantial body of literature (see especially Sanders & Stone, 1987a, 1987b; Stone & Sanders, 1987). Peterson's book is enormously ambitious. Comments about it here will be limited to major points that relate to the current discussion.

Peterson views cities as essentially market entities that "compete with one another so as to maximize their economic positions" (p.29). Simplifying Peterson's theory greatly, a city's economic goal is clear because development benefits "all members of the city" (p.147). Policy is an outgrowth of the market driven competition between localities. Policies that make the city more attractive for residents or investors are in the whole city's interest. The local state has little control over the flow of capital and labor, therefore mandating that it operate efficiently. It can show little concern for redistributive policies because they are believed to worsen a city's economic position vis-a-vis that of other cities. Redistributive policies would discourage investors and residents who contribute most to the local revenue base causing both to locate elsewhere (Leitner, 1990, p.150).

Peterson assumes a neutrally operating market as well as a neutrally operating political system (Leitner, 1990). According to Peterson, neither contain domination or conflict. Business participation in development policy is "apolitical" (p.142), support for developmental policy is "broad and continuous" (p.132), and political leaders are able to "give reasoned attention to the longer range interests of the city taken as a whole" (p.109). Politics are dismissed because local policy is constrained by market forces leaving little room for choice. Peterson (1981) states that "ordinarily, local politics are...very dull indeed. Because cities have so few policy options open to them, partisan political life becomes one dimensional" (p.112). In the final analysis, suggests Swanstrom (1985), what Peterson produces in City Limits is a "market theory of urban politics" (p.16).

Leftist oriented urban political scholars offer a direct challenge to Peterson's consenual model of urban development. Structural Marxists, for example David Harvey (1986), uphold the basic tenants of economism while stressing the conflictual nature of social class struggle for the control and enhancement of conditions of their own existence. In Harvey's book, The Urbanization of Capital (1986), unequal patterns of U.S. urban development are argued to result from the internal contradictions of a capitalist economic system. The laws of motion of capitalism are seen to be the basic engines of urban change. Harvey agrees with Peterson that cities must compete with one another for jobs and investment but stresses that this is not a competition between equals. Harvey also argues that power is structured hierarchically within urban areas resulting in the local state having to assume the role of manager of class conflicts and economic contradictions. Due to the necessity of maintaining capital accumulation, the local state favors the capitalist class. Therefore, class alliances often form (with the local state) which use their political and economic power to enhance economic growth. According to Harvey's capital logic view, the preoccupation with the growth agenda is a political manifestation of the needs of capital accumulation. The logic of capital accumulation largely circumscribes the relation between the local state and its managers and the structure and dynamics of the economic system. Like Peterson, Harvey argues that there is little autonomy for localities from broader economic structures. Similarly, both Harvey and Peterson imply that a single theory is capable of explaining local state actions in different capitalist cities (from Leitner, 1990, p.150-152).

The single theory approach in analyzing the phenomena of urbanism is most heavily emphasized by those economistically oriented Marxist scholars who focus on global forces in their interpretation of local urban development. These researchers emphasize the effects of global restructuring of the capitalist economy on cities and regions. For example Beauregard (1989) argues that capitalism is now a worldwide system "with a logic independent of the elements that constitute it" (p.221). The capitalistic world economy periodically requires global economic restructuring which has an immediate effect on any city's built environment (Smith, 1988, p.5). This is the perspective of Hill (1983) who's research on Detroit was discussed in an earlier section of this chapter. In a continuation of this research, Hill and Feagin (1987) collaborated in an investigation focused on Houston. This was a comparative analysis of the two cities "in the light of a changing world economy" (p.155). Hill and Feagin state:

> Houston...was to experience an economic crisis in the 1980's not unlike the one which began to confront Detroit a decade earlier. Ironically, by the mid-1980's, it was the two cities' similarities, not their differences, that were most obvious...Cities are spatial locations in a globally interdependent system of production and exchange. That global system is in crisis and transition. So the path a city follows in the future will depend on the niche it comes to occupy in a changing international division of labor. (p.155)

The results of global economic restructuring will not be to make all cities the same. Rather, according to this view, the urban hierarchy will be reshaped with some cities having higher functions than others (Swanstrom, 1993). But while "economic restructuring and technological change" are the "major underlying cause" of the changing structure of American cities (Castells, 1985, p.32), pessimism regarding a city's ability to determine its own economic destiny prevails. The increasing mobility of capital and foreign investment sharply limit cities' "conscious and concerted efforts to control and direct growth" (Glickman, 1987, p.80). The emerging "international division of labor" results in cities that are less able to deal with their financial problems. Glickman (1987, p.81) cites Friedmann and Wolf (1982) on this topic:

> A major loser is the local state. Small, isolated without financial power, and encapsulated within the world economy, it is barely able to provide for even the minimal services its population needs. And yet, instead of seeking alliances with neighbouring cities and organized labour, it leaves the real decisions to the higher powers on which itself is dependent....(p.327)

In summary, despite their policy differences, both rightwing market capitalists and leftwing structural Marxists share the view that uneven urban and regional development is a mechanical reflection of the national and global productive system. Cities change as a result of the requirements of economic logic. Urban politics is largely irrelevent to the "laws of motion" of economic development. "Politics and society are reduced to 'bearers' of inexorable economic and technological forces" (Smith, 1988, p.4). The structural features of the capitalist economic system leave little (or no) room for local agency.

There is, however, an alternative view to that of cities held "captive" within a determinist economic imperative. The next section of this chapter will highlight this other argument: one that recognizes the influence of broader economic processes but asserts that politics matters in the development of local urban policy. This perspective gives more allowance to local autonomy and places much more emphasis on the need to include "place-specific" contingencies in the study of local development policy (Leitner, 1990). It is a perspective that attempts to validate the role of economic factors in urban policy development without falling into economic reductionism.

Emphasizing Local Agency: Regime Paradigms

A number of scholars have emphasized the importance of local politics in their studies of development policy. Whether labelled as "growth machines" (Logan & Molotch, 1987; Molotch, 1976), "growth coalitions" (Mollenkopf, 1983; Swanstrom, 1985), "governing coalitions" (Stone, 1987), or "urban regimes" (Elkin, 1985;

Fainstein & Fainstein, 1983), the basic premise about local political groups is similar: Local level U.S. policy development is not an inevitable result of broad structural forces; rather, it is produced through the proximate actions of interested actors. As an empirical matter, adherents to this paradigm assert that local development policy has real consequences for cities which may be problematic (Molotch, 1993). Local economic development may produce "winner" and "loser" social groups. Thus, contra Peterson, these researchers argue that there is no unitary interest called "the city" that benefits from economic development. In a direct challenge to Peterson, Stone (1987) paraphrases the National Rifle Association to make his point: "Cities don't make development decisions; people do. And these people have neither uniform material interests in the decisions that are made nor a common understanding of the risks involved in and the probable consequences of those decisions" (p.8). While emphasizing the need to examine policy choices in specific places, analysists of urban regimes have also attempted to situate local policy against broader national economic and political struggles (Horan, 1991). Sanders and Stone (1987) state clearly:

> Our aim is not to deny the importance of economic competition among localities. That such competition is mediated through the governing coalition does not mean that it is absent. It means that concrete response to economic competition is shaped by more than one consideration and that participants may well disagree about how best to meet the need for development. All of this suggests to us that causation is manifold. (p.550)

In other words: politics matters. Cynthia Horan (1991) has recently written a description of the urban regime research that emerged in the 1980's. In this description, she points out that development policy is viewed as political in at least three ways. First it involves choice. Because of the divergent interests that exist within cities, policy often involves compromises. Putting together and maintaining a dominant governing coalition is one of the most important (and distinctly political) objectives of development policy. Second, development policy is influenced by the organization of at least some of the city's economic elite. In so doing, they become political actors. Third, the investment decisions of those willing to contribute capital from the private sector are influenced by public sector policies. This point has been less frequently examined than the first two. Rather, it has been assumed, based on the fact that businesses attempt to influence policy decisions. Presumably businesses would not be involved in policy development if its consequences did not matter to them (Horan, 1991).

Two of the most influential examples of the politics-driven model of development policy within the United States can be found in the writings of John Mollenkopf and Clarence Stone. Both authors in varying degrees insist on the relative autonomy of local political processes. In The Contested City (1983), Mollenkopf reviews the development data of two cities, Boston and San Francisco, and focuses on the influence of "political entrepreneurs" who put together progrowth coalitions. He defines a political entrepreneur as "one who gathers and risks political capital or support in order to reshape politics and create new sources of power by establishing new programs" (p.6). Many different kinds of political entrepreneurs have helped forge many versions of progrowth coalitions. In Boston and San Francisco, four mayors and two public administrators (with assistance from national political entrepreneurs) broke through climates of economic and political stagnation. The result was the construction of huge redevelopment programs. Without reducing his argument to federalism, Mollenkopf argues that national policy makers do influence local state action. But he insists that this influence is not uniform. Growth coalitions can be more or less successful, depending on the political skill of their actors.

Stone (1987) adopts a position similar to Mollenkopf but places even more emphasis on local political practices and argues for an even greater degree of local political autonomy. Stone and his co-authors in the book The Politics of Urban Development, present evidence that local government officials do make real choices which do not simply follow the imperatives that emanate from the national political economy. Local policy makers must interpret the national economic situation, apply it to their local conditions, and act on it in a way that does not jeopardize the political arrangements they have built. In this respect, these authors share with Swanstrom (1985) the view that:

> No one puts a gun to the heads of local policy makers; there is simply not one "national" policy to follow. Policies are always a choice between competing values. (p.22)

Stone (1987) insists that the interests and preferences of the governing coalition determine urban policy formation. Thus, says Stone, "the city's governing coalition is the agent through which conceptions of the interest of the whole community are mediated" (p.6). These interests and preferences are not necessarily the interests and preferences of the remaining urban residents. This, of course, is a direct retort to Peterson's conception of a unified city interest.

## Summary

Highlights have been presented of an ongoing epistemological debate among urban studies scholars over the ways in which the development policies and actions of the local state are to be conceptualized. Much too simply stated, the debate centers around the scope and extent of local political autonomy from broader economic structures. This discourse arose largely in the 1980s and is exemplified in the U.S. context in the writings of Paul Peterson (1981), David Harvey (1985b), John Mollenkopf (1983), and Clarence Stone (1987).

Why was this review necessary? In the United States the field of critical urban studies is relatively new. In order to understand this subdiscipline it must be viewed as an ongoing project. The intellectual arena is replete with competing interpretations of urban phenomena. Paradigmatic conflicts account for most of this diversity. As Stone (1987) reminds us (following Kuhn, 1970), paradigms compete not over which has the best evidence, but also, over which has the best questions. An academic discipline develops as scholars respond to the questions which have been raised and the issues they highlight. This dissertation is positioned within the nascent subdisciplinary perspective referred to as the urban regime paradigm. This perspective grew out of the theoretical debates that occurred in the 1980's. The questions explored in this dissertation build upon the arguments presented in these earlier analyses and respond to more recent calls for further elaboration of the paradigm.

Analyzing Urban Regimes in the 1990's

Recently, a number of scholars have revisited the theoretical debate regarding issues of structure and agency that characterized the urban studies literature of the 1980's (see especially Horan, 1991; Leitner, 1990; Molotch, 1993; Swanstrom, 1993). According to Leitner (1990), "the dispute about whether the formation and implementation of urban development policies is determined by 'economic necessity', or whether 'politics matters'" has not been adequately addressed (p.167). Both Leitner (1990) and Horan (1991) call for a new agenda in critical urban research. They contend that urban regime research of the 1980's tended to over-estimate the importance of local political arrangements in forming development policies. These scholars argue for an expanded conceptualization of the ways in which both political and economic forces contour local development policy. Both scholars place emphasis on issues associated with economic restructuring. Leitner (1990) calls for more case study research that compares local-context variables in order to understand differences in policy outcomes between cities. She provides an example of this comparative method by presenting data on two cities, San Francisco and Minneapolis, highlighting the ways in which their respective local economies influenced the nature of their development policies. Horan (1991), while not specifically advocating comparative case study methods, agrees with Leitner that the nature of the local economy must not be overlooked when analyzing local growth politics. She outlines a research strategy for the future.

Urban studies research in the 1990's, says Horan, must continue the challenging task of disentangling the political aspects of economic processes. Recognizing the dialectical relationship between political actors and economic structures, Horan asserts that the local growth coalition may influence the local economy, and likewise, that economic conditions (both local and nonlocal) will shape a city's development policy. In her work, Horan presents an alternative to the image of cities captured by the economic imperative (the structuralist position) and calls for a new research agenda that explores this perspective. In Horan's words:

> This alternative view emphasizes the diverse politics of local situations, whatever the global forces at work. Thus, as they survey the globe, corporations encounter a variety of local conditions including, but not limited to, governing coalitions with different development agendas and differing abilities to implement those agendas ... Adopting this perspective permits us to analyze whether, and under what circumstances, local responses are effectively organized or whether these differences among localities are irrelevant to the process and outcomes of restructuring. (pp. 122-123)

There are, according to Horan, three strands of variation among cities as they make development policy: (a) the composition and agenda of the local growth coalition, (b) the structure of the local economy, and (c) the institutional resources of the local state. The first strand, the growth coalition's composition, has been discussed throughout this section. Horan, like other urban praxist theorists, asserts that political actors influence economic processes. She calls for a continued examination of the make-up of the growth coalition and a detailed assessment of ways in which the coalition's composition influences the agenda for urban development.

With respect to the second strand of variation, the city's economic structure, Horan suggests (following Feagin, 1988; and Soja, 1987) that it is useful to conceptualize the local economy as a configuration of sectors or firms. A promising way to analyze it, she says, is to view these sectors or firms as "vital in terms of their employment, tax revenues, etc., in varying conditions of growth and decline and with varying links to the city or region" (p.126). Some of the linkages between industry and locality may depend directly upon local government policies and actions, as for example, the garment industries' dependence on lax regulatory environments (Soja, 1987). Other linkages may be bonded or broken by nonlocal policies, as for example the oil industry's ties to Houston (Feagin, 1988). There are differences between localities in the extent to which their economic structures are made up of mobile industry and the degree to which their governments can influence capital mobility. Further, this variation in economic structure must be viewed in historical context. Past policies (for example, attempting to create jobs by enticing mobile capital) may constrain future choices. Because there exists such a range of variation in the structure of local economies, and because there are many possible combinations of economic factors and strategic human responses, the "development possibilities and choices facing any particular governing coalition cannot be assumed but must be investigated" (Horan, 1991, p.127).

Horan's conceptualization of a local economy has a very similar counterpart in the economics literature. The importance of this work to the research presented in this dissertation necessitates mentioning it here. In the Proceedings of the Midwest Economic Restructuring Conference of the Federal Reserve Bank of Cleveland (Bingham & Eberts, 1990), case studies of 10 different researchers conceptualized local economies to consist of configurations of sectors with varying conditions of growing and declining employment positions. The central problematic concerned the extent to which these economies had evidenced economic restructuring between the years 1979 and 1986. This research represents a unique effort to utilize similar databases to analyze local economies throughout the midwest. These researchers conclude that "the Midwest has undergone significant economic restructuring since the late 1970's" (Bingham & Eberts, 1990, p.309). The commonalities that emerged from these case studies included employment declines in high-wage manufacturing industries and employment gains in low-wage manufacturing industries. The service sector showed similar trends with employment gains located in low-wage industries and employment declines in high-wage industries. This research focuses only on economic trends and ignores political factors. It does, however, provide a methological exemplar that is consistent with Horan's conceptualization of a local economy.

The third issue Horan urges us to examine is the effectiveness of the local state. This issue has been explored by Elkin (1985, 1987) but remains largely unaddressed by empirical studies. Whether or not the governing coalition can in fact "govern" is greatly influenced by (a) the economic processes in a city and (b) the bureaucratic and financial resources they have at their disposal (Horan, 1991). Horan exhorts us to include an assessment of these factors in our research. For example, a city must have the means to induce investment. This is accomplished through agencies, programs, and funding mechanisms that lower the risk for capital investors. Also, the governing coalition must be able to manage conflict. Elkin (1987) suggests that this may be accomplished by insulating development policy from popular pressure. At times, the coalition may create "institutional arenas ... free from extensive public scrutiny" (p.42). At other times, the electorial system itself becomes a target of reform (see Horan, 1990). These local institutional factors may hinder or facilitate the ability of growth coalitions to put their development policy into action (Horan, 1991).

The research agenda called for by Horan (1991) is an attempt to elucidate the relationship between political actors and economic forces in urban areas. Her approach builds upon theoretical concepts in the urban studies literature concerning governing coalitions. Like the other urban praxis theorists whose work has been highlighted through this chapter, she argues that "politics matters" in urban development. But Horan argues that we must broaden our focus on political coalitions to include an examination of the local economic structure and the resources of the local state. Both the constraining and enabling characteristics of social structures are important to her argument. There is ample room for human agency in this version of urban political economy. The research presented in the following chapters is embedded within the context of an urban regime paradigm. In many ways it can be viewed as a response to Horan's exhortations.

# CHAPTER III

# METHODOLOGY

An analytical case study, encompassing the years from 1960 through 1990, of the city of Indianapolis and its civic leaders' explicit attempt to use sport as a vehicle for economic growth is developed. Throughout this analysis an attempt is made to provide an integrated view of the historical, social, economic, and political forces that define the conditions in which economic development decisions are embedded. The case-study technique, with its goal of in-depth understanding of a particular situation, requires flexibility as to the amount and type of data that will be collected (Thomas & Nelson, 1985). The variety and types of data gathered in the case-study reported here necessitated more than one analytic strategy.

The data are presented within a broader analytic framework, buttressed by the theoretical perspectives explored in Chapter II. Specifically, the present study is developed within an urban regime paradigm as described by Horan (1991). While the data utilized in this investigation are necessarily "context-embedded," the author also recognizes the reciprocal relationship between data and theory. This relationship has been described by Lather (1986) as follows:

> Data must be allowed to generate propositions in a dialectical manner that permits use of a priori theoretical frameworks, but which keeps a particular framework from becoming the container into which the data must be poured. (p.267)

The methodological complexity of studying urban politics has been addressed by Stone (1987, pp.18-21). In attempting to investigate issues considered important, says Stone, political scientists are often drawn (even if fearfully) to big questions. At this level, evidence is not unambiguous and inquiry often undergoes processes of refinement, contextual qualification, and reformulation. Neither is evidence necessarily conclusive. Determining what the evidence means and how valuable it is to the questions being explored is a matter of judgement. Further, any historical interpretation, Stone reminds us, is something of an abstraction from reality. In Stone's (1987) words, this abstraction is,

> ...a selective reporting done in the service of telling what is important. It is subject to dispute on the ground that there is contradictory evidence and also on the ground that it hides rather than reveals what is important. Both, but especially the latter, can be a matter of judgement about which there is no universal agreement. But the absence of universal agreement does not make the issue any less important. (p.20)

In other words, what Stone suggests is that this type of inquiry is less like the process of hypothesis testing and more like the process of a legal proceeding where an attorney must argue the appropriateness of various legal doctrines as well as the soundness of evidence (Stone, 1987, p.19).

The case-study developed here revolves around the two research questions presented in Chapter I. This chapter describes the data that were gathered, and the procedures used in analyzing the data to answer these questions. Because the types of data used to examine each of the questions are so different, the questions will be addressed separately: the first section describes the mostly qualitative data gathered to address research Question 1; the second section describes the quantative data gathered to address research Question 2.

Research Question 1: What was the context in Indianapolis, from 1960 to 1990, in which growth politics emerged and evolved and in what ways and to what extent were issues involving local employment opportunities included in the agenda for local growth?

Data Collection Procedure

Information gathered to address this broad question and its related subquestions (see pp.26-27) was gathered from a variety of primary and secondary sources requiring a number of strategies for access and retrieval. This information includes federal, state, and local government documents; minutes from public hearings; consultants' analyses and reports; newspaper accounts; interviews; and numerous miscellaneous texts in addition to scholarly literature (see Table 3.1). These data are subject to value-referenced decisions concerning the ways in which they are synthesized and the manner in which they are presented in the case study. Decisions about inclusion and exclusion must be made even while attempting to provide a thorough and detailed analysis. The procedures used in obtaining the data are described below.

Table 3.1

Author's Data Base for Research Question 1

| Data Type | Quantity |
|---|---|
| Newspaper Articles | 559 |
| Newspaper Sources | 19 |
| Magazine Articles | 22 |
| Magazine Sources | 19 |
| Press Releases | 20 |
| Planning Division Documents | 12 |
| Reports/Analyses | 10 |
| People Formally Interviewed | 7 |
| Interview Hours | 10 |
| Speech Texts | 2 |
| Videotape Transcriptions | 2 |
| Published Autobiography | 1 |

## Library Holdings

The United States government is the largest publisher in the world. The Government Printing Office sends documents to over 1,400 depository libraries located throughout the nation. The Indiana State Library, located in Indianapolis, receives all of the documents distributed through the depository system. In addition, Indiana state agencies are required by law to provide copies of their publications to the Indiana State Library which distributes these materials to 12 state depository libraries. These libraries are required to make these materials available to the public. During the summer of 1992, the author conducted a database search through the computer catalog at the Indiana State Library. A subject search using descriptors such as "planning," "growth," "employment," and "sports" yielded 46 local-level and 50 state-level publications and materials. The Indianapolis-Marion County Public Library also holds numerous materials related to local-level concerns. Many of these materials are not held at the State Library. For example, this library holds minutes from the Indianapolis City-County Council meetings and has an extensive collection of locally based magazines, newsletters, and business journals. A search through this library was also conducted by the author during summer 1992. Due to the circulation limitations of some of these materials and the circulation policies that prevented the author (an Ohio resident) from borrowing them, some of the most relevant documents were purchased from the publishers and others were accessed through the inter-library loan department at Miami University, Oxford, Ohio.

Indianapolis Planning Documents

The City of Indianapolis, Department of Metropolitan Development, makes available for public purchase the many maps, plans, reports, and ordinances that it produces. The Division of Planning publishes A Compendium of Maps and Publications which lists the materials and their prices. The author was granted access to these materials, and was permitted to peruse them before making purchase decisions.

Newspaper Articles

Revelant newspaper articles were obtained in a variety of ways. First, the author conducted a subject search at the Allen County Public Library, located in Fort Wayne, Indiana. This library has a computer database of many articles from Indiana newspapers. Second, the author searched newspaper articles that had been collected by the staff at the Indianapolis-Marion County Public Library. These articles are not accessible through computer catalog. Indexes to these sources are located in each adult subject division of the library. Third, the author contacted the Indianapolis Project, Inc., a quasi-public agency that exists to assist media personnel in reporting and/or writing stories related to Indianapolis. This agency provided the author with numerous articles and press releases. Fourth, the author received microfilm copies of entire newspapers and conducted an independent search for articles related to events that occurred in Indianapolis within the timeframe of 1960 to 1990.

Formal Interviews

Formal interviews were conducted by the author with key Indianapolis civic leaders. These interviews were conducted between August and November, 1992. The interviews were semi-structured and included open-ended questions pertaining to local economic development planning and implementation. Interviewees were active in either of the following domains: (a) public agencies, including locally elected officials and/or members of local government agencies; (b) private organizations, including members and consultants of local civic bodies who represent business, finance, or local development; and (c) members of independent, not-for-profit groups.

Each formal interview was recorded on cassette tape. The tapes were then transcribed.

Miscellaneous Materials

A number of miscellaneous materials, including informational packets, brochures, financial statements, and surveys were obtained by contacting various agencies in the Indianapolis area. Specifically, the following agencies provided the author with information: (a) Capital Improvement Board, (b) Indiana Convention Center and Hoosier Dome, (c) Indiana Convention and Visitors Association, (d) Indiana Sports Corporation, and (e) Indianapolis Economic Development Corporation.

All of the above materials were read and re-read by the author. Their use and interpretation was determined after considerable deliberation regarding their accuracy and representation of the issues and individuals discussed in Chapter IV.

Research Question 2: In what ways and to what extent did Indianapolis' economic structure and local wages evidence change from 1980 to 1990?

Description of the Data

The Indiana Employment and Security Division's Unemployment Insurance (UI) ES-202 database was used to measure change in the Indianapolis economy. ES-202 records are designed for the purpose of administering the Unemployment Insurance (IU) System and are a part of the Bureau of Labor Statistics (BLS) program to enumerate employment and payroll by industry for each U.S. county. Employers who are subject to State IU laws submit to their state employment security agency a quarterly tax report which is then edited and sent (on an ES-202 form) to the BLS in Washington, D.C. The BLS uses ES-202 data furnished by the states to publish annual descriptions of the number of reporting units, employment counts, and payroll by industry. The ES-202 series are the most complete universe of monthly employment and quarterly wage information by industry at national, state, and county levels. They have broad economic significance in evaluating labor market trends and major industry developments, in time series analyses and industry comparisons, and in special studies such as analyses of wages by size of employers (BLS, 1990, p.533). National level data were obtained from the BLS series publication Employment and Wages Annual Averages for 1980 and 1990. This publication presents a composite of the data reported by each State agency in accordance with ES-202 regulations. As Bingham and Eberts (1990) point out, these BLS data have become increasingly popular with researchers interested in analyzing employment and structural change. The popularity of this data source vis-a-vis other sources (e.g., Dun and Bradstreet) is in large part due to the fact that IU Covered Employment includes virtually all workers. Over the years, many states have legislated IU protection for workers in categories above the base established through federal legislation.

The author was able to obtain local level ES-202 data from 1980 through 1990 directly from Indiana state administrative records (ES-202 reports) through the Office of Employment and Training Services located in Indianapolis. These data represent the reporting units (or establishments), covered employment, and wages in the Indianapolis Metropolitan Statistical Area (MSA). The Indianapolis MSA is defined as Marion County plus the seven surrounding counties of Boone, Hamilton, Hancock, Hendricks, Johnson, Morgan, and Shelby. The data are organized by Standard

Industrial Classification (SIC) codes. A more specific description of these data is included below.

UI-Covered Employment

ES-202 covered employment data represent the number of workers earning wages during the pay period including the 12th day of the month. Covered private industry employment includes most corporate officials, executives, supervisory personnel, professionals, clerical workers, wage earners, and part-time workers. Persons on paid sick leave, paid holidays, and paid vacation are included. Excluded are proprietors, the self-employed, unpaid family members, and certain farm and domestic workers. The employment count excludes workers who earned no wages during the entire applicable pay period because of work stoppage, temporary layoffs, illness, or unpaid vacations. Persons on the payroll of more than one firm are counted each time they are reported (BLS, 1990, p.531). In other words, the data represent counts of jobs rather than counts of workers. This count is also called Establishment Employment. An establishment is generally defined as a single location at which one, or predominantly one, type of economic activity is conducted.

Wages

Under most state laws wages include bonuses, the cash value of meals and lodging, tips and other gratuities, and, beginning in 1986, employer contributions to certain deferred compensation plans (e.g. 401(K) plans) in a majority of states. Covered employer contributions for old-age, survivors, and a disability insurance, workers' compensation, and private pension and welfare funds are not reported as wages. Employee contributions for the same purposes as well as money withheld (e.g., union dues, income taxes) are reported even though they are deducted from the workers' gross pay. Average annual wages per employee for any given industry are computed by dividing total annual wages by annual average employment. Annual wage data only approximate annual earnings because a worker may work for more than one employer or may not be employed by the same employer all year (BLS, 1990).

Industrial Classification

The ES-202 program has classified employment and wage data by industry since 1938. State agencies assign each establishment to an industrial code based on responses to questionnaires in which employers indicate their principle product or activity. The data used in this case-study were classified in accordance with the 1987 Standard Industrial Classification Manual. The manual is organized into 11 industry divisions (e.g., manufacturing, services) and assigns 2-, 3-, or 4-digit codes to categories within each division. There are 1004 4-digit codes, referred to as "industries," which represent the smallest level of analysis (e.g., SIC 2082 Malt beverages). There are 416 3-digit codes which are termed "industry groups" (e.g., SIC 208 Beverages) and 82 2-digit "major industry groups" (e.g., SIC 20 Food and Kindred products). In order to insure the highest possible quality of data from the ES-202 program, the BLS verifies and updates, if necessary, the SIC, location, and ownership classifications of all units on a 3-year cycle. The Bureau of Labor Statistics withholds publication of IU covered employment and wage data for any industry level that (a) consists of fewer than three establishments, or (b) in which a single establishment accounts for 80 percent or more of the industry's employment. States also restrict access to data if the confidentiality of the cooperating employers cannot be maintained (BLS, 1990). For example, in some cases a classification level may include only one establishment, and thus this establishment could be recognized and its employment and payroll information would be disclosed.

## Procedure

Research Question 2 part A: What were the employment positions, expressed in the number of jobs from 1980 to 1990, in Indianapolis' major industrial groups vis-a-vis those of the nation?

The procedure for analyzing economic structural change in the Indianapolis MSA closely follows the models used by Bingham and Eberts (1990) to analyze economic restructuring in 10 midwest metropolitan areas. These researchers utilized ES-202 data to present case studies of each of these areas documenting the economic changes that occurred between 1979 and 1986. Of these case studies, the procedures utilized by Shanahan and Goe (1990, pp.9-45) in their research of Akron, Ohio is most influential to the Indianapolis analysis presented in the following chapters.

### Employment Trends Overview, 1980 to 1990.

First, the number of jobs is presented in 1980 and 1990 in each industry division in the Indianapolis MSA. Included are the net and percentage change figures for 1990 as compared to 1980 in each of these industry divisions. In other words, this description address the question: What were the employment positions (average annual employment) in 1990 of Indianapolis' major industrial divisions and how do those figures compare the employment positions of 1980? This description illustrates the structure of the Indianapolis MSA economy categorized by industrial division in 1990 as compared to 1980.

Second, the structure of the Indianapolis MSA economy, categorized by industrial division, is compared to the structure of the national economy in 1980 and 1990. This description utilizes location quotients (LQS) for both 1980 and 1990 to present a basic overview of the relative concentration of industrial divisions within the Indianapolis MSA economy in 1980 and the changes through 1990. The LQ is a technique used to compare the structure of a local economy relative to the structure of the national economy. Location quotients measure the concentration of industries by relating an industry's share of local employment to its share of national employment. In other words, LQs describe how closely a local economic structure resembles that of the national economic structure. The relationship between local and national employment shares is expressed as a ratio. An LQ exceeding 1.00 indicates that a local employment share in the industry is greater than the national share of employment in the same industry. This can be interpreted to mean that the local economy specializes in that industry (Bingham & Eberts, 1990). The formula for calculating an LQ is as follows: (local industry employment/local total employment)/(national industry employment/total national employment). Indianapolis' 1990 LQs in the major industrial divisions are compared to those of 1980. As Bingham and Eberts (1990) explain, the nation as a whole has undergone economic restructuring (from manufacturing to services). Changes in LQs illustrates how the Indianapolis MSA's economy restructured relative to the national economy. In other words, this procedure addresses the question: How closely did the economic structural changes that took place in the Indianapolis MSA from 1980 to 1990 resemble the changes that took place in the national economic structure during that same time?

A Closer Look at Covered Employment.

The above procedures are repeated at a closer level of detail. First, the number of jobs in each of the Indianapolis MSA's major industry groups (2-digit SIC) in 1980 and 1990 is presented. Included in this description are the net and percentage change figures for 1990 as compared to 1980 in each of these major industry groups. This description locates more specifically employment gains and losses within the Indianapolis MSA's industrial division. Second, the LQs for each of the Indianapolis MSA's major industry groups (2-digits) in 1980 and 1990 are presented. Addressed is the issue of whether the Indianapolis MSA's growth and/or decline in these major industry groups simply reflects the nation's growth and/or decline in these same industry groups.

Research Question 2 part B: What were the characteristics of employee wages, from 1980 to 1990, of Indianapolis' major industrial groups?

Employee wage data are utilized to provide a more complete illustration of the Indianapolis MSA's economic structure changes. Following Bingham and Eberts (1990) the average annual wages associated with the Indianapolis MSA's growing and declining industry groups are presented. Highlighted is the comparison between the manufacturing and services divisions.

Indianapolis MSA's Manufacturing Division.

First, average annual wages per job in the Indianapolis MSA's growing and stable major industry groups (2-digit SIC) in the manufacturing division, 1980 to 1990, are presented. Second, average annual wages per job in the Indianapolis MSA's declining major industry groups (2-digit SIC) are presented. This procedure addresses the question: How do the wages of the jobs that were created in the manufacturing division compare to the wages of the manufacturing division jobs that were lost?

Indianapolis MSA's Service Division.

The above procedure is repeated for the service division. First, average annual wages per job in the Indianapolis MSA's growing and stable major industry groups (2-digit SIC) in the service division, 1980 to 1990 are presented. Second, average annual wages per job in the Indianapolis MSA's declining major industry groups (2-digit SIC) are presented. This procedure addresses the question: How do the wages of the jobs that were created in the service division compare to the wages of the service division jobs that were lost.

Research Question 2 part C: What were the employment and unemployment rates, from 1980 through 1990, of Indianapolis MSA's labor force vis-a-vis those of the nation?

Labor force data obtained through the Department of Workforce Development in Indianapolis, Indiana are utilized to examine the rate of unemployment in the Indianapolis MSA. Labor force data represent the number of workers who are either currently employed or are unemployed and identify them by place of residence. Comparisons of the unemployment rates for Marion County, the Indianapolis MSA, and the nation from 1980 to 1990 are presented. Implicit in this analysis is the notion that the impact of economic growth policy should be measured not only by how (or whether) it influences the structure of the local economy, but also by whether it effects the size of the local economy. In other words, labor force data are utilized to address the questions: If covered employment increased (i.e., more jobs were created) in Marion County and the Indianapolis MSA, was this expansion accompanied by a decrease in the unemployment rate (i.e., fewer members of the labor force in Marion County and Indianapolis MSA looking for a job)? Was Marion County's and the Indianapolis MSA's labor force better off in this regard than workers in the rest of the nation?

The results of these analyses were examined carefully by the author. The interpretations presented are buttressed by the theoretical literature presented in Chapter II.

# CHAPTER IV

# RESULTS

This chapter contains an analytical case study, encompassing the years 1960 to 1990, of the city of Indianapolis and its civic leaders' explicit attempt to use sport as a vehicle for economic growth. The chapter provides an integrated view of the historical, social, economic, and political forces which define the conditions in which economic development decisions are embedded. The chapter is divided into two main sections; each corresponding to the two broad research questions which appear on pages 25-26 of this dissertation. The first section contains a chronological examination, from 1960 to 1990, of the issues and events that shaped growth politics in Indianapolis and contoured the ways in which a strategy for growth was planned and implemented. Because these issues and events are intertwined, the subquestions in Research Question 1 cannot serve as a framework for this section. Instead, this section is subdivided by decades and a historical account of the emergence and evolution of Indianapolis' growth strategy is presented. A brief description of the key individuals and planning groups referred to in this section is provided in Appendix B. The second section examines changes in Indianapolis' economic and wage structure from 1980 to 1990. This section is organized around the subquestions that are contained in Research Question 2.

## The Emergence and Evolution of Growth Politics

A clear and aggressive growth agenda did not emerge in Indianapolis until the late 1970's. However, cornerstones to the foundation on which it would be built began to be laid in the 1960's. At the beginning of the decade Indianapolis was a fiercely anti-federalist city and a Democratic party stronghold. By the end of the decade, urban renewal strategies and a succession of formal and informal organizations -- all involving a core of largely the same people -- would alter both the built environment and the political landscape. The first section below examines the early context that contoured growth politics. The federal highway program and the growth of the state university campus coupled with a campaign to remove poor people, the formation of elite alliances, a Republican take-over of city politics, and the restructuring of the city government were important to the ways in which growth politics would emerge and evolve in Indianapolis.

### Precursors to Growth Politics

Indianapolis city leaders entered the Post-World War II era with an extremely conservative, anti-federal government attitude. This posturing was expressed by the chairman of the Indianapolis Postwar Planning Committee in 1944: "Indianapolis is big enough and has wealth enough to provide for its own needs. We don't want to pay out the back door to Washington only to get back a small part through federal charity" (Knack, 1978, p.23). In the early 1950's, Readers Digest published an article describing the conservative nature of the city. In it was a discussion about Indianapolis leaders' attitudes about federal aid. These leaders had made it quite clear that they felt federal aid was "wrong" and that cities should be able to handle their own problems. The Indianapolis Chamber of Commerce was so elated with the article that for the next five years they included it in all their boosterism packets to proclaim, "we do it our way!" (S.Weedman, personal communication, October 20, 1992).

Perhaps overestimating is own resources, in 1958 the city designed a $500 million proposal for central business district development. The proposal included projects such as a center-city shopping mall, skywalks, and parking garages (Indianapolis Star, May 23, 1984, p.E10). The plan never materialized. As late as 1963, the city still refused to accept federal money for aid to public housing or school lunches. The tide began to turn, however, in the mid-1960's when the city realized the prospect of joining the federal highway program. In 1964, Democrat John Barton won the mayoral campaign on the still controversial issue of obtaining federal funds. According to David Carley, Director of the Indianapolis Department of Metropolitan Development from 1982-1989 (personal communication, October 20, 1992), in order to be included in the highway program the federal government mandated that Indianapolis institute a public housing program. That was, according to Carley "the crack in the dike. A year later came school lunch money loans." The interstate system would become an ironic feature of Indianapolis urban development history. In the 1960's, it ushered in what is widely recognized as the most divisive era in the city's past. Then, in the 1980's, it was leveraged as a city asset in a political strategy which attempted to construct consensus behind a banner of pro-growth.

Removal of Poor People

As was the case in many cities, Indianapolis' "urban renewal" programs in the 1960's would have long lasting sociospacial consequences. Two events led to the displacement of low-income residents in Indianapolis: the federal highway system and the development of a state university campus (Indiana University and Purdue University at Indianapolis - IUPUI). The federal government's highway program planned for the construction of four interstates that would meet in Indianapolis' downtown. In 1965, Mayor Barton formed the Greater Indianapolis Progress Committee (GIPC) an organization of corporate CEO's whose charge was to assist city government in planning the agenda for downtown development. The formation of the GIPC is significant because it was the first (and one of the most powerful) of a number of committees composed of private citizens that would eventually help advance the city's pro-growth campaign in the 1980's. Frank McKinney, Sr., who was then chairman of the board of American Fletcher National Bank and former chairman of the national Democratic Party was appointed as president. A study conducted by the Southern Christian Leadership Conference (1973) concludes that McKinney, Sr. had great influence on the eventual location of the highways. He carried great clout with the Kennedy and Johnson administrations, the latter appointing him to be the Ambassador to Spain. Additionally, his family had marital linkages to former Indianapolis Mayor, Alex Clark. One of the first meetings of the GIPC featured a film showing the economic impact of the federal highway system. Following the film, McKinney's speech focused on the possibility of the system for stimulating downtown development. This was an interesting focus given the fact that, in Indianapolis, the 100-mile system displaced approximately 28,000 households from the downtown area in a decade (D. Carley, personal communication, October 20, 1992).

Though not as extensive as the interstate program, the expansion of the IUPUI campus on the near westside of downtown also had great social and physical impact (Walls, 1978). According to David Carley, these displacements of low-income, mostly African-American residents, caused caucasian residents to overestimate the size of Indianapolis' ethnic minority population. It also caused them to be concerned over whether they could maintain racial segregation in the neighborhoods.

> What this [displacement] did was give Indianapolis, at the time of their school segregation case, this image that this black population was going to be expanding forever. In fact, what the white community was seeing was an involuntary displacement of that black community over a short period of time...these people did not want to move. (D. Carley, personal communication, October 20, 1992)

This perception of minority population growth would prove to have important political consequences later in the decade.

As chairman of the Indiana University Board of Trustees, McKinney, Sr. was also involved in IUPUI's expansion. In this case, however, the city government's procedure for land use did not suit his liking. The city's Metropolitan Development Commission created a special zoning district, called "university quarter zoning," that was utilized to designate the areas which the city wished to control in this project. Al Edelson, President of the Commission, designated an area (all residential) that was four times larger than Indiana University had indicated that it needed. McKinney, Sr. was not pleased over his lack of control over the commission's actions. According to David Carley:

> Frank McKinney got so mad by this action that when Al Edelson went to renew a line of credit for operating business, they said 'no we're not going to renew your $300,000 credit.' So he went to every bank in Indianapolis and no one would loan him money. He went to New York City and there someone told him that 'Frank, Sr. has put out the word that no one is to loan you money as long as you're CEO of this company.' And Al Edelson had to leave town. He now works for an advertising company in Washington, D.C. (personal communication, October 20, 1992)

Elite Coalitions

Al Edelson's mistake, it seems, is that he did not consult ahead of time with McKinney, Sr, an important private-sector leader who had an interest in this action. A coalition-supported style of planning and implementation has been extremely important in Indianapolis urban development politics. Beginning in the 1960's and continuing through the 1980's, tight, highly interactive coalitions of public officials and corporate elites were formed that determined the course of urban development. In referring to the case of Al Edelson, David Carley explains the process:

> Indianapolis is a non-confrontational town. The way you get things done in this town is you go around to anyone who might have an interest, not who is directly effected, who might remotely have an interest. And you go sit down and you talk with those people one-on-one or with the organization. Reporters hate it because by the time it becomes a fact, the deal is done. But that's the way it's done. You try a confrontational attitude and you'll lose your ground. (personal communication, October 20, 1992)

Mayor John Barton's Greater Indianapolis Progress Committee was the first institutionalized expression of such a coalition. As Carley describes, much of this coalition-building was informal and highly private. Small numbers of influential individuals gathered to devise strategies to carry out projects that represented their interests. Some of these projects affected large numbers of city residents. However, "sitting down and talking to anyone who might have an interest" in the project rarely included citizens whose lives would be most immediately impacted (e.g., the poor and ethnic minorities). On other occasions, these coalitions were more formal: They were expressed as "civic organizations" whose charge was to assist public officials in planning urban development projects. The institutionalized nature of these organizations helped to legitimate projects by suggesting that they had been devised in a public forum. In Barton's words:

> Shortly after I went into office, we had a meeting of all the business and civic leaders in the city. The purpose of that meeting was to feel the pulse of the people and see exactly which direction they wanted to go...the result of that was the GIPC. And with the private sector and the government working together, the ball started rolling. (Department of Metropolitan Development, 1984a)

From the time of its creation in 1965 until 1978, the GIPC was composed of an elite group of citizens. Bank and insurance CEO's were heavily represented in its officers and chairmen (Downtown Developmental Research Committee, 1980). This group did represent the businesses who "had an interest" in urban plans. However, it is difficult to believe, especially amidst such rapid and aggressive residential displacement, that it represented "the pulse of the people."

Soon after the basic plan for removal of low-income households was adopted, a number of downtown renewal projects began. These projects included the construction of the State Life and the Indiana Bell buildings, the remodeling of the First Federal Savings and Loan building, the development of the Indianapolis Hilton, and Riley Towers. The Hilton, Indianapolis' first luxury hotel, was the undertaking of the Indiana National Bank. One of the bank's board members, F.C. Tucker, would continue to be a key figure in downtown development projects. Riley Towers, a luxury apartment complex, was constructed on land that had been cleared of low-income housing under Urban Renewal Project H. The land was purchased from the city by Riley Center Corporation with a $9 million loan from American Fletcher National Bank. This bank's chairman (Frank McKinney, Sr.) had strong business and social associations with the President and Secretary of the Riley Center Corporation (Downtown Development Research Commission, 1980).

Not only were Indianapolis' banks and insurance companies brought together by Barton's GIPC, they were also connected to each other by interlocking directorates. For example, Thomas W. Binford, Director of the GIPC from 1964 to the present, has also served as CEO of Indiana National Bank and Director for Jefferson Corporation and the Jefferson National Life Insurance Company. In addition to the GIPC, Binford's 1992 resume lists membership in 88 other civic organizations and 28 business concerns. Jack E. Reich, GIPC Chairman before Binford, served as Director and CEO of American United Life and Director of American Fletcher National Bank. A 1963 government study (cited in a publication of the Downtown Development Research Commission, 1980, p.6) illustrates the fact that this elite networking extended beyond interconnecting directorates. This study, Chainbanking: Stockholder and Loan Links of 200 Largest Member Banks, conducted by the federal House Select Committee on Small Business, documents ownership of Indianapolis banks by insurance companies and bank trusts. For example, insurance companies were the 2nd, 4th, 5th, 6th, 11th and 16th largest shareholders of American Fletcher National Bank. All three of Indianapolis' major banks had more than 5% of their stocks owned by their board members. Because of the wide dispersal of the rest of the stock, this figure represents substantial control. Not insignificant is the fact that all three major banks were locally owned and located downtown.

During John Barton's mayoral term (from 1964 to 1967) an aggressive, class- and raced-biased pattern of urban renewal was implemented. For the first time in its history Indianapolis accepted federal money. These federal resources were leveraged to remove low-income and African-American populations from the downtown area and place them in publicly assisted housing. The GIPC further strengthened this close network of business elites and provided them with an institutional structure through which they could influence the actions of the local state. Referring to this era in the city's development history, Thomas W. Binford said: "The attitude at that time was, 'how do we control the city, control the blacks?' It was a plantation attitude" (personal communication, October 6, 1992). The legacy of Indianapolis' campaign to remove poor people would remain through the 1980's.

Republican Take-over

Voting patterns in Indianapolis in the 1960's were not unlike many other metropolitan areas of the north and east. Residents who emigrated from the city to the suburbs typically voted Republican. Residents who lived in the city typically voted for Democratic candidates. This made Indianapolis, a traditionally Democratic city, ringed by a Republican county (Owen & Wilbern, 1985). In the 40 years prior to the 1967 election, only two Republicans had held the Mayor's office. In 1967, Democratic incumbent John Barton was defeated, in part, because of the response by the African-American community to his support of Interstate construction (Walls, 1978). The election of Republican Richard G. Lugar would prove to be one of the most significant political events in the city's history. Lugar's election signaled the beginning of an activist local-state era, leading to a restructuring of the local government, and keeping Republicans in the Mayor's office for the next two decades.

When Lugar took office, Marion County contained over 60 identifiable governmental units located within the county itself, nine townships, and 23 cities and towns. This Indianapolis-Marion County governmental structure was characterized by overlapping jurisdictions with each of the 60 units duplicating some of the executive and legislative offices of the others. The result of this governmental structure presented voters with a "bewildering list of elected and appointed officials" (Owen & Wilbern, 1980, p.32).

Within a couple of months of Lugar's election, a small number of Republican party representatives (including Mayor Lugar) and civic/corporate leaders began a series of unofficial meetings to discuss governmental restructuring. This group, later to become known as the "policy committee," met monthly from February to October

1968 at cocktail-dinner gatherings at the house of John Burkhart. Burkhart was at that time president of the College Life Insurance Company and president of the Capital Improvement Board (one of the ad hoc agencies that would play a major role in capital facilities construction throughout the 1970's and 1980's). According to political scientists, Owen and Wilbern, (1980):

> The flexible attendance and the cocktail-dinner format suggest the informal atmosphere prevailing at these meetings, for which no chair was selected or secretary appointed. No agendas were prepared, nor were minutes kept. (p.50)

To label these meetings a "clandestine political plot" would be an oversimplification, according to Owens and Wilbern (1980). However, these authors explain that there were two factors that kept the discussions of the policy committee from becoming public. First, the public was focused on the immediate tasks of the new mayor which included assembling a staff and responding to economic and racial problems. Second, it was the strategy of the policy committee to keep their proposal for government restructuring "under wraps until the concept was well-developed." As Owen and Wilbern explain: "This strategy would prevent the opposition from marshaling its forces early and perhaps, more important, keep its proponents from killing it with interminable debate and delay" (p.50).

In addition to the political skill of the policy committees' members, there was one other critically important factor to getting their plans adopted: timing. In 1967, the GOP swept the Marion County state-legislature contingent. The state legislature was controlled by Republicans, and the governor, Edgar Whitcome, was a

Republican. This party dominance coupled with the legislative structure in Indiana assured the take-over of the city by the Republicans. In Indiana there are no provisions in the state constitution for city or county charters. State law prescribes all local government structures, powers, and processes. The state constitution allows the legislature to classify localities according to size and pass general laws that pertain to these classifications. Indianapolis has long been the only locality in its class; therefore the state legislature can pass laws that apply only to Indianapolis (Owen & Wilbern, 1980).

As a result of these factors, the policy committee's plan for city-county consolidation (Unigov) passed the 1969 Indiana state legislature and was signed by the governor without public referendum. All that was required to redefine completely the city of Indianapolis was a majority vote in the state house and concurrence of the Governor. Indianapolis' Unigov remains as the only consolidation to occur in the United States without popular vote since the creation of Greater New York City in 1898 (Levathes & Felsenthal, 1987). Referring to this fact, political scientist Robert Kirch (1980) commented: "Obviously, the Republicans did not want to risk loss of their potential 'prize' by adhering to the principles of self-government, public opinion, and participatory democracy" (p.104).

The Politically Redefined City

The Unigov system combined the city and county governments into one body and made the mayor of Indianapolis the undisputed political chief executive of the entire area. The reorganization was done, according to Lugar, in order to "unstick the gears of an archaic, expensive, and overlapping Model T form of government" (quoted in Levathes & Felsenthal, 1987, p.240). Unigov replaced 56 separate governmental departments with six major executive departments. According to Owen and Wilbern (1980), one of these departments, Indianapolis' Department of Metropolitan Development (DMD) is among the strongest and most comprehensive such agencies in the county. The DMD provided the city with tremendous institutional and bureaucratic resources for implementing development policy. The director of the DMD (who, beginning in 1972, was mayor-appointed) would become a key figure in growth politics. As David Carley (former DMD director) described:

> Anything having to do with economic development and land development was in the DMD. Whether it was the acquisition of land or...tax abatement or industrial revenue bonds or historic preservation or public housing or city planning or code enforcement or running the city market, all the public/private financing, all that occurred within one department. So there was great accountability for who was supposed to be working on an issue. (personal communication, October 20, 1991)

Unigov extended the city's geographical boundaries out to those of the county, increasing the population to approximately 750,000 people, and immediately propelling the city to the 12th most populated city in the United States (Wall Street Journal, July 14, 1982, p.1). The new suburban voters would be credited to the Republican party. This fact led many local Democrats to refer to this new form of government as "Unigrab." The newly-configured city also diluted the African-American population from 25 - 30% of the total to 15 - 18% of the total. African-American community leaders argue that this drastically deduced their effectiveness in the political process (S. Jones, personal communication, October 30, 1992). William Schreiber, former Marion County Democratic Party chair expressed it this way:

> Consolidation dilutes minority group, especially black, voting power. Whether it does so as a side effect or primary purpose is difficult to determine, although there is cogent evidence that it may be the latter. In the case of Indianapolis, at least, the crucial dimension of this dilution relates to minority influence not in the total community but in the dominant political party. Insofar as consolidation dilutes the power of the dominant political party in the pre-consolidation city, that party is the primary victim of consolidation. (quoted in Owen & Wilbern, 1980, p.198)

The sentiment remains in the African-American community that the major impetus of the Unigov movement was the desire to gain political control over a growing minority population that was beginning to mount political resistance to the city's urban renewal strategies. Julia Carson, an African-American woman who served in the state legislature for 18 years and who is currently Marion County Trustee for Center Township, expressed this sentiment quite directly:

> When Mayor Lugar brought the idea of Metropolitan government, he said that he didn't want Indianapolis to become another Cleveland or Gary. At that time, Stokes was the mayor of Cleveland and Hatcher was the mayor of Gary. (personal communication, September 24, 1992)

Lugar addressed the urban problems that existed at the time of Unigov's passage in a 1984 video produced by the DMD and broadcast on local public television:

> Unigov came about at a time that most cities in America were in danger. It was a time of great divisiveness...it offered a framework for planning....Unigov brought a sense of pride that Indianapolis was going to be excellent, that we had the ability to buck all the trends that had hit northern American cities in particular and would provide full employment and more opportunities for people. (Richard Lugar in DMD, 1984a)

This framework for planning was an important enabling factor in implementing the city's growth agenda. In addition to expanding the mayor's political powers, Unigov expanded the office's geographical jurisdiction dramatically by increasing the old city limits from 62 square miles to 402 square miles. It also circumvented the flight of jobs and middle-class citizens to the suburbs. Though Indianapolis would have to compete with other cities, it would not have to compete with its own suburbs for capital investment. Unigov assured that all Marion County residents would have some interest in the economic viability of the downtown. However, due to some quite complicated political maneuverings, the Unigov system allowed suburban area residents to keep control of their school systems and local police and fire protection. Because business leaders have a stake in maintaining this arrangement, they have remained highly active in Indianapolis politics.

Indianapolis entered the 1960's as a city that "as a matter of principle" (D. Carley, personal communication, October 20, 1992) steadfastly refused to accept federal funds. It exited the decade with a completely reorganized governmental structure and a Republican Mayor who would use his policies and political connections in Washington to solicit aggressively for federal resources. After Unigov's establishment, Lugar used the prestige of its new organization to become one of the few mayors of a large city to obtain both increased federal funds and increased discretion in using them. Indianapolis was named by the federal government as one of the 20 cities in the Model Cities program (in 1972) and was the recipient of the largest single grant. The DMD was responsible for administering a very large proportion of the grants received, but because of the unified planning program established by Unigov, the mayor's office held significant administrative control over operating and budget procedures. Most importantly, the local chief executive was required to "review and comment" on all grant applications submitted to the federal government. Every federal grant request had to go through the mayor's office. This gave the mayor's office much additional leverage and influence over the type of projects that received funding (Owen & Wilbern, 1980, p.126).

Passage of the Unigov system by the Indiana legislature in 1969 gave Indianapolis the bureaucratic capacity to implement urban development plans. It provided that the mayor (supported by the institutional structure of the DMD) would become a powerful agent in the local growth regime. That same year, and mostly unnoticed in Indianapolis, was testimony before the federal House Ways and Means Committee that began with Texas congressman Wright Patman saying the following:

> Today I shall introduce a bill to end a gross inequity which this country and its citizens can no longer afford: the tax-exempt status of the so-called privately controlled charitable foundations, and their propensity for domination of business and accumulation of wealth.
>
> Put most bluntly, philanthropy--one of mankind's more noble instincts--has been perverted into a vehicle for institutionalized, deliberate evasion of fiscal and moral responsibility to the nation .... (quoted in Nielsen, 1985, p.26)

The resulting Tax Reform Act of 1969, combined with Unigov legislation, would determine the nature of Indianapolis' growth agenda in the 1980's.

The next section examines the decade of the 1970's. First, the economic and social conditions that gave rise to growth politics are explored. Second, political developments relating to the city's "image problem," the organization of the growth coalition, and the beginnings of implementation of the growth agenda are presented.

A City in Search of Direction

In the 1970's downtown Indianapolis was dying. The core was dirty and filled with vacant, dilapidated buildings. As in many old, industrial cities, businesses and residents were fleeing from the central business district. Reflecting upon this time, Jim Morris, a Lugar aide (later to become a key figure in planning and implementing the growth strategy) stated:

> You had all these dumpy old buildings along Illinois Street, the Atkinson Hotel was virtually history, and bums and winos living in Union Station. The city had a real problem on its hands. (Indianapolis News, November 13, 1989, p.A7)

The emptiness of the city led to some rather interesting Sunday afternoon excursions for local Jaycees (escorted by police). Robert N. Kenney, Director of the DMD in the late 1970's recounts;

> They were downtown with shotguns and bags, shooting pigeons. If you can imagine a downtown so desolate, there were roving guys with shotguns. We had nothing downtown. If our goal was to create a city nobody wanted to live in, we'd done it. I used to make the comment that the mayor would mortgage his mother-in-law to get jobs in downtown Indianapolis. We couldn't get anything down there. Any project that created jobs got approved. (Indianapolis News, November 13, 1989, p.A7)

The Mayor's concerns regarding employment were well founded. Not only was job creation problematic, job retention was difficult as well. Employment loss, particularly in the city's bellwether industries associated with automobiles, was accompanied by population loss and increasing levels of poverty; Indianapolis was left in the midst of an urban crisis.

Economic and Social Conditions of the 1970's

Covered Employment data presented in the Indianapolis News indicates that in 1970 the Indianapolis MSA's (Marion County plus the seven surrounding counties) economic structure was well diversified with 29.3% of total employment located in the manufacturing sector, 29.2% in services, and 21.6% in trade (Indianapolis News, May 1, 1982, p.B1). However, Indianapolis' manufacturing jobs were generally labor intensive and reliant on the auto industry. As Robert Kirk, economist at IUPUI explained,

> As long as the auto industry was doing well, we had our day in the sun. When things started going badly, we became vulnerable because we were a branch town. We didn't control our own destiny. (quoted in Levathes & Felsenthal, 1987, p.234)

The 1974-75 national economic recession forced many Marion County residents out of their jobs. In one year, the county's employment rate fell 5% with manufacturing employment declining by almost 11,000 workers. This pattern of unemployment would continue throughout the 1970's as civic and business leaders searched for ways to "control their own destiny." From 1978 to 1982, an additional 35,000 private sector jobs were lost in Marion County. Close to 20,000 of those jobs were from the manufacturing sector as the number of firms fell from 17,021 to 16,654. Moreover, the number of large establishments (those employing 1,000 or more workers) dropped from 35 to 25 (Bamberger & Parham, 1984). A study published in the Indiana Labor Market Letter (1981, July) shows that 5,000 of the lost manufacturing jobs were located in the auto and parts industries.

The out-migration patterns of the Indianapolis population (see Appendix A) would also continue throughout the decade. In 1970, the Indianapolis MSA's population was 1,109,882. The vast majority (792,229) resided in Marion County. Marion County is divided into nine townships with appropriately named Center Township representing the area in which the central business district is located. In 1970, Center Township's total population was 273,598. African-American residents comprised 38.8% (106,124) of Center Township's population and 17% of Marion County's population. Comparing these figures to those of 1980 reveals the magnitude of the city's centrifugal migration. For example, from 1970 to 1980, Center Township lost 23% (65,010) and Marion County 3.4% (26,996) of their populations. In Center Township, the percentage of the total population that was made up of African-Americans rose to 40.4% (from 38.8 in 1970) even though the area lost 19,797 of its African-American residents. This is accounted for by the fact that 47,177 Anglo-American residents left the area. Marion County was the only county in the MSA to experience population decline. By far, the greatest increase occurred in Hamilton County (Marion's northern neighbor) which experienced 51.1% population growth and, not surprisingly, also contained the MSA's highest median family income ($24,407 in 1980). Marion County and Center Township median family income in 1980 was $17,400 and $14,098 respectively (Department of Metropolitan Development, 1981a, 1981b, 1984b). A series of studies conducted by the Committee on National Urban Policy, under the auspices of the National Research Council, provide additional insight into the social and economic trends that existed in

Indianapolis in the decade of the 1970's. The publication Inner-City Poverty in the United States, reports the findings of a study that examined ghetto poverty. In this study, a ghetto was defined as an area in which the overall census tract poverty rate is greater than 40 percent. The ghetto poor were defined as people of any race or ethnic group who live in such high-poverty census tracts. The data for the Indianapolis MSA indicate that the number of ghetto tracts rose from four to five between 1970 and 1980. The number of ghetto poor increased from 4,885 (3,899 were African-American) in 1970 to 6,483 (5,107 were African-American) in 1980 (Lynn & McGeary, 1990, p.61). Because the study does not include the identity of the ghetto tracts listed, it is not possible to know their location in the city. However, these data, combined with those presented previously illustrate the social and economic conditions which gave rise to growth politics.

In the 1970's, Indianapolis was facing an urban crisis of great proportions. Its reliance on heavy manufacturing and prominence of automobile-related firms made it vulnerable to capital disinvestment spurred by national economic downturns and foreign competition in the auto industry. The loss of jobs and population from Marion County threatened the economic viability of the city's central business district. At the same time, the low-income population that was left behind became increasingly entrapped in a downtown core filled with many structures that were rapidly becoming obsolete. In other words, as Robert Kennedy stated succinctly, "the richer they are, the farther out they live" (Policinski, 1978, p.14). Although the city had many of the institutional mechanisms in place to respond to these conditions and a history of coalition-building with local corporate elites, a clear and aggressive urban development strategy would not emerge until the late 1970's.

Political Developments

The 1971 election was the first under the new Unigov system and Republican candidates again experienced sweeping success. In this first year of the 29-member city-county council, Republicans captured 21 of the seats. Incumbent candidate Richard Lugar, who was opposed by a young Democratic attorney with limited party service, easily won re-election (Kirch, 1980). Lugar's top aide, Jim Morris, who had moved to Indianapolis in 1965 to work for American Fletcher National Bank, joined Lugar during the 1967 mayoral campaign. When Lugar won, Morris became his administrative assistant and chief of staff. Because of Lugar's political life outside of Indianapolis, the two travelled together extensively. According to Lugar:

> Jim literally was with me hour by hour during the days, during the travels. We were seeing the best of cities all over the world as well as our own country, dealing with everybody who was in the city business...and he saw all the same people I saw. (Indianapolis News, November 14, 1989, p.r. )

The importance of Jim Morris and his experiences with Lugar will be illustrated in due course.

A significant event in Indianapolis' (yet to be determined) growth strategy occurred shortly after Lugar was elected to his second term. In August, 1972 he met with Eli Lilly (at Lilly's invitation) to discuss the city's future. Lilly, who was 87 at the time, was the son of J. K. Lilly, Sr., co-founder of Eli Lilly & Company, one of the largest pharmaceutical concerns in the world. The company was founded in 1876 in Indianapolis (where it remains). Eli Lilly, his father, and his brother (J. K. Lilly, Jr.) established a private family endowment in 1937. According to James H. Madison, an Indiana University historian who wrote Eli Lilly's biography:

> The Lilly brothers knew their father was not going to live forever, and they knew that upon his death, they would pay large inheritance taxes. Putting stock in the foundation was a way for many families to keep outsiders from controlling the business. (quoted in Indianapolis News, November 13, 1989, p.A7).

The Lilly Endowment, Inc. was founded with $280,000 worth of stock, and by the early 1970's would contain assets of $1.2 billion, making it the 2nd largest (behind the Ford Foundation) charitable foundation in the United States (Nielsen, 1985). Eli Lilly was still president of the Lilly Endowment, Inc. in 1972 when he met with Mayor Lugar.

The Lilly family had always been active in philanthropy, making frequent and generous contributions to Indianapolis charities. However, the Tax Reform Act of 1969 requiring that foundations pay out at least 5% of their assets meant that the Lilly Endowment, Inc. would have to begin making much larger contributions (up to $50 million per year). Lilly family donors believed strongly that the endowment should focus on Indianapolis and Indiana. Recalling his meeting with Lilly, Lugar told the Indianapolis News: "He told me that he was prepared to recommend a sizable benefaction to the city of Indianapolis and looked forward to my counsel on what it might be" (November 13, 1989, A1). Lugar suggested the restoration of the city market to which the endowment eventually donated $5 million. According to the

Indianapolis News, Lugar and Lilly did not meet again after 1972. However, in 1973, Jim Morris left Lugar's administration to become an officer in the endowment's community development division.

City Image Problems.

As early as 1947, Indianapolis had been the target of taunts from outsiders. Expressing his perception of the city's appearance and proclivities, John Gunther wrote in Inside USA:

> Indianapolis is an unkempt city, unswept, raw, a terrific place for basketball and auto racing, a former pivot of the Ku-Kluxers, and in it you may see the second ugliest monument in the world. (quoted in Owen & Wilber, 1980, p.1)

Though the besmirchments would soften over the years, they would not disappear. One of the comments that particularly incensed local leaders occurred during the passage of Unigov. A reporter for the Hartford Times wrote:

> It seems a little strange that a city like Hartford, with its reputation for progress in so many areas, could be so far behind in its approach to local government. You have to go to some corn pone town like Indianapolis to find innovation in government....(quoted in Owen & Wilbern, 1980, p.2)

A year later, the corn theme emerged again, this time in an article in HUD Challenge:

> Some time ago an urban magazine story on innovation in Indianapolis asked the question, 'Why Indianapolis of all places?' The implication was clear: why should urbanologists and others concerned with the plight of cities turn to Indianapolis, allegedly surrounded by a cornstalk curtain and commonly believed to offer little beyond the Indianapolis 500? (quoted in Owen & Wilbern, 1980, p.2)

In 1972, the endowment donated $10,000 to the Indianapolis Chamber of Commerce. The purpose of the gift was to hire an industrial consulting firm to analyze the city's appeal to potential capital investors and to suggest improvements. The Fantus Company, from Chicago, was selected and in their presentation to Indianapolis political leaders in 1972, a spokesperson said:

> Gentleman, the good news is your city does not have a bad image. The bad news is it doesn't have a good image. In fact, to many people in the country, Indianapolis has no image at all. (quoted in The Cincinnati Enquirer, July 27, 1993, p.A1)

Business and political leaders point to the Fantus Report as a significant event in the city's history. Civic leaders had grown increasingly defensive about the ways in which others viewed the city. They did not feel complemented when others referred to Indianapolis' "small town qualities." Additionally, nicknames such as "Naptown" and "India-no-place" drew their ire. These leaders were well aware of the stigma attached to the rural state of Indiana and desperately desired a way to distance themselves from it. The state's image was perhaps best expressed in a study funded by the Indiana Economic Development Council, Inc. (1986):

> The traditional family based, rural value orientation of the state make it attractive and friendly to regional visitors. However, those qualities are sometimes seen as non-cosmopolitan, risk aversive and anti-intellectual to many foreign and business leaders. (p.51)

The study concluded that the "fundamentally good values of the hard working rural Hoosier" had a negative effect on the state's economic growth. Not surprisingly, to political and business leaders in Indianapolis, "Hoosier" was a pejorative term applied to "anybody that resided in Indiana and lived outside of Marion County" (D. Carley, personal communication, October 20, 1992).

The Fantus Report confirmed civic leaders' worst fears: that Indianapolis' lack of "image" was bad for business. According to Sidney Weedman, Vice President and Director of Governmental Relations, Merchants National Bank & Trust, after the Fantus Report:

> There was a lot of discussion about 'what are we going to be when we grow up?' The City Chamber was trying to figure out how to attack this problem, the Mayor's office was trying to figure it out, the GIPC was trying to figure it out and I suppose a half dozen other groups were too. We were discussing how to come up with a strategy.

Addressing Indianapolis' predicament, Weedman continued:

> Sure this is a nice place to raise a family but visiting people from corporations went nuts because there wasn't anything to do except eat at St. Elmos Steak House...What could we hang our hat on? We had no seashores, the 500-mile race was almost a stigma, Sports Illustrated had come out with an article calling it a 'snakepit' and saying it was a horrible event, filled with crashes, drunkenness, and mayhem. And there was an article that really ticked everyone off about cornfields. That one really drew blood! (personal communication, October 20, 1992)

Creating a "good image" for the city was to become a crucial aspect of growth politics. That the growth coalition would eventually "hang their hats" on sports may seem somewhat surprising given the city's experiences with its first major sports facility--Market Square Arena.

Planning for Market Square Arena began in 1970. The owners of the American Basketball Association's (ABA) Pacers asked Mayor Lugar for city resources to construct a new facility. The Pacers had been housed in a coliseum at the fairgrounds, located at the outer edge of the county. The franchise had been highly successful, winning three consecutive ABA championships, and consistently filling the small (8000-seat) facility. Not surprisingly, the owners desired a larger stadium and had originally planned to locate it in the suburbs. Recognizing the popularity of the team and desperately wanting some activity in the central business district, Lugar agreed to assist in the construction of a new facility only if it were located downtown (S. Weedman, personal communication, October 20, 1992). Construction on the project began in 1971 on a site located at the eastern edge of the downtown. The arena was financed through a $12 million bond issue, and after three years of construction it opened only after the city officials authorized $4 million in federal revenue sharing funds to absorb cost overruns. The public debate surrounding this method of financing assured that the city would have keen interest in making the Arena profitable (Policinski, 1978). When the 17,000-seat arena opened, it was the sixth largest in the United States. Market Square Arena would not prove to be much of a downtown revitalization tool however. The arena stood alone in a virtually vacant city throughout most of the 1970's. With no other downtown activities, few shops and fewer restaurants, the arena attracted but could not hold people in the downtown area. Nor did it solve the city's image problems either. The arena was beset with financial difficulty from the beginning and attendance figures began to drop in 1976 when the Pacers joined the National Basketball Association -- and started losing games. The man who would eventually champion Indianapolis' image-making campaign arrived on the scene in 1974.

That year, Republican William Hudnut, a Presbyterian minister and former one term member of the U.S. House of Representatives (who was defeated in his re-election attempt), was elected Mayor of Indianapolis. His election illustrated the effectiveness of the Unigov system for Republican candidates. Hudnut won the mayoral contest by 14,300 votes. However, he lost in the old city boundaries by 18,200, indicating that the 32,500 vote margin he received from the county areas was the deciding factor in the election. Without Unigov, Democrat Robert Welch, a member of the American Fletcher Corporation's Board of Directors, would have become Indianapolis' mayor in 1975 (Kirch, 1980). Hudnut's campaign received generous financial backing from Eli Lilly Board members (including Thomas Lake, who was then chairman of the Lilly Endowment, Inc.) and Indiana National Bank and American Fletcher National Bank political action committees (based on Hudnut's 1975 Campaign Financial Report, in Downtown Development Research Committee, 1980, p.6). Hudnut's political style is best expressed in his 1987 autobiography Minister/Mayor:

> The mayor should be cheerleader, to pursue the basketball metaphor so popular in Indiana, of course, the mayor also acts as the coach, sitting on the sidelines to strategize, and as a player, out there on the court hustling and staying involved with one project after another. But there is no substitute for enthusiasm and a can-do spirit to galvanize the forces of progress.... (Hudnut, 1987, p.167)

Hudnut would go on to serve four consecutive terms as Indianapolis' mayor and receive the vast majority of public credit (or blame) for the city's growth strategy.

The city's second experience with sports facility construction occurred in 1977. Like the Market Square Arena project, this one was conceived under the pressure of a deadline. However, this one, though not financially successful either, is significant because of the coalition that formed to build it. In 1977, officials of the U.S. Clay Courts Tournament indicated that they intended to move their annual tournament from Indianapolis to Chicago. Civic officials scrambled to find ways to prevent the tournament from pulling out of the city. In reference to the tournament, real estate developer, Michael G. Browning, commented to the Indianapolis News: "How can we expect our community to grow and attract people from the outside when we can't keep the things we have" (November 15, 1989, p.A11). The product of their efforts was the development of a $7 million, 24-court tennis complex and stadium located on the campus of IUPUI. The "Indianapolis Sports Complex" was funded, in part by a $4 million public bond. In a closed-door caucus, then-Deputy Mayor David Frick convinced the Republican majority at the city-county council to support the bonding. Frick showed the councilmen a copy of a 10-year contract with Coca-Cola that would pay for the stadium through advertising revenue. According to Councilman William A. Dowden, "It took us a couple of years to find out that Coca-Cola didn't sign that contract" (Indianapolis News, November 15, 1989, p.A12). According to Mayor Hudnut, by the time the deal fell through, construction on the facility had already begun. Ten years after it opened, the tennis complex still had not generated enough revenue to pay back the $4 million taxpayers borrowed to construct it. During that time, bond payments cost the city $2.6 million (Indianapolis News, November 15, 1989, p.A12).

Half of the remaining $3 million in initial construction for the tennis complex costs was donated by private business people. The other $1.5 million was donated by the Lilly Endowment, Inc. The financial commitments of public, private, and philanthropic investors assured that the Clay Court Championships would remain in Indianapolis until 1987. That year, the tennis facilities were converted to hard courts (with portions of a $2 million Lilly Endowment, Inc. grant). The GTE Hardcourt Championships have been played there from 1987 to the present. The tennis stadium was the first Indianapolis sports facility to receive financial backing from the Lilly Endowment. This project established the pattern for the development of future sports facilities. A coalition of individuals representing public, private, and philanthropic resources, working under the pressure of tight deadlines would be enormously successful in realizing their goals. Public-private partnerships are not unusual. The philanthropic aspect of this coalition, however, was uniquely that of Indianapolis. It is to this philanthropic resource that we now turn our attention.

The Lilly Factor.

In 1977 Thomas H. Lake, former president of Eli Lilly & Co., was named president and chairman of the Lilly Endowment, Inc. Though the two organizations are legally separate, there have always been close connections between them. For example, the company's chairman has always been on the endowment's board of directors. Over the years former company employees, like Lake, have joined the endowment. According to Waldemar Nielsen, author of The Golden Donors (1985), a member of the endowment's board once questioned former Eli Lilly & Co. CEO Eugene Beesley about the propriety of exchanging members back and forth between the company and the foundation. Beesley is reported to have replied, "I know its questionable and can't last but we will keep on doing it as long as it is legal" (p.289). During his years with the company Lake's known enthusiasm for sports balanced his reputation as a staunch buttoned-down executive.

At the same time as Lake assumed his new position with the endowment, Lugar's (now a U.S. Senator) former aide, Jim Morris, was promoted to vice president with increased responsibility for community development projects. Morris had witnessed the political machinations of urban development from the inside and had forged important corporate community connections through his experiences with the emminently skilled Lugar. Morris, too, had earned a reputation as quite a sports enthusiast. Through his travels with Lugar, he had the occasion to see the role that sports played in other cities. Morris would continue to rise in the ranks at the foundation, eventually becoming president in 1984, replacing Lake who became chair. Jim Morris would become the single most influential member of the city's growth coalition.

In the late 1970's board members of the Eli Lilly & Co. had become increasingly concerned over the condition of Indianapolis. As one of the city's largest employers (7,442 in 1989) and a Fortune 500 company, Eli Lilly & Company's interests in the community were quite keen. As expressed by Harris Ulman, runner-up in the 1984 Indiana gubenatorial election, and publisher and editor of the Indiana Letter:

> There was a concern by the Lilly company about the quality of life and the ability to attract people to Indianapolis. Executives, scientists, technicians, are highly mobile and can go anywhere. (personal communication, September 24, 1992)

Ulman's comments are accurate. The Fantus Study, commissioned by the Chamber of Commerce in 1972 with a Lilly Endowment, Inc. grant, read in part:

> Living conditions are a factor of increasing importance in corporate location decisions...A company located in a community offering superior living conditions enjoys a significant advantage in recruiting and retaining executive talent...Executives may refuse to transfer to a location where it is likely that their standard of living or style of life will undergo a change for the worse.

Apparently, Lilly's interest in the Fantus study's conclusions was well known among civic insiders. Sidney Weedman offered the following details:

> Eli Lilly Company was recruiting some of the best minds to work for them and there was a high number of them that said 'no'...in the exiting they would ask them why [the recruits] turned them down...the city did not have the quality of life these people were looking for. So Lilly had a vested interest in the city having a quality of life, altruism aside...The company and the endowment are two separate entities but there are conversations I'm sure. The endowment was on a mission to revitalize downtown. (personal communication, October 20, 1992)

Weedman should know. He would become director of a small group of corporate elites whose organization became a tool through which the endowment could funnel capital resources. This mechanism is discussed in a later portion of this chapter.

Being well-versed in the style of Indianapolis politics, Morris met informally with public officials and corporate elites who would be likely to have an interest in and who could be of assistance in planning and implementing a strategy designed to enhance the city's "quality of life" for middle- and upper-class populations. According to the Indianapolis News, one important meeting occurred in the late 1970's. Morris and Robert Kennedy, director of the DMD, met privately to discuss the city's direction. During the meeting, Morris handed Kennedy a one-page list of "big ticket" projects that Morris said the endowment would consider funding. He offered Kennedy the advice to "think bigger" on projects than the city had in the past. Morris told the Indianapolis News that he did not recall handing anybody a list of projects, but he recalled talking to a number of people about ideas. According to Kennedy, the list provided,

> the scope and breadth of things they [the endowment] would like to see happen in the town. It shed a whole new light on how you think about the possibility of getting some things done. Things that you never thought possible before. All of a sudden...you think 'My God, we can really get some things done'. (quoted in Indianapolis News, November 13, 1989, p.A8)

With the realization that the endowment's considerable financial resources were available to "get things done," discussions concerning a growth strategy became more enlivened and more frequent. In the late 1970's, an informal but exclusive, group of young executives began meeting regularly with Jim Morris to discuss the ways in which downtown revitalization and economic development should proceed. The group called themselves the "city committee"; it was active throughout the 1980's.

The City Committee.

Like the "policy committee" that met to plan Indianapolis' Unigov system, the city committee was a membership-by-invitation-only gathering of mostly private citizens who met to plan public policy. Similar to the policy committee, their plans were "kept under wraps" until implementation was virtually assured. Moreover, their group did not become public knowledge until after the products of their strategies were in place. Existence of the city committee did not surface until 1989 when the Indianapolis News published an investigative series that made public the committee's roster. Then, each person on the committee confirmed to the newspaper the group's membership.

Though in large part it was comprised of second-tier executives, the most powerful local corporations were represented on the city committee. Not surprisingly, that included local banks, insurance companies, law and architectural firms, and Eli Lilly & Co. Also represented were the mayor's office, the DMD, and the state legislature. No members of the locally elected 29-seat city-county council were ever extended invitations to the exclusive club. Downplaying the influence of the city committee, one of its members, Dr. E. H. Lamkin, Jr. (former state representative and Republican House majority leader) told the News: "It's just like a ladies bridge club. Just as some people have dinners and play bridge, we had dinners and talked civics" (November 14, 1989, p.A3). Lamkin, Jr.'s description of the committee is curious given the fact that no "ladies" were included among the membership. According to Jim Morris:

> I remember the session about whether or not there ought to be ladies involved, and I think the overwhelming thought of the group was this was a social getting together.
>
> They thought it was just like a group of guys getting together in college to spend the evening together in a bar or something. (Indianapolis News, November 14, 1989, p.A5)

Robert N. Kennedy, city committee member and Director of the DMD in the late 1970's offered the interpretation, "The old boys didn't want girls" (Indianapolis News, November 14, 1989, p.A5).

Also not wanted by the city committee was significant representation of Indianapolis' ethnic minorities. Democratic state representative, William A. Crawford was the committee's only African-American member. Crawford told the News that his inclusion on the committee put him in the position of making sure issues important to African-Americans "hit the table." Nevertheless, the urban development strategies that were devised for Indianapolis, in part by the city committee, evidence clear class and race bias. The ways in which the "city's problems" were defined and the solutions aimed at solving them were shaped by the interests represented in the coalition. Improving the "quality of life" in the downtown was clearly seen by the coalition to be of great concern. The question begs: improvement for whom? In reference to the city committee, Louis J. Mahern, Jr., Democratic state representative and early city committee member said:

> These were by and large white middle-class males who view the world a bit differently. If you say, 'What are the problems in downtown Indianapolis?'

> inadequate housing might not be the first thing that occurs to them. The need to ensure that we have good public schools might not be the first thing that occurs to them, because their kids may be at Park Tudor or they're at North Central or they're at Carmel [suburban schools]....(Indianapolis News, November 14, 1989, A5)

The city committee existed, said many of its members, to "dream" about what Indianapolis might become. The city resident identified as being the most visionary was Jim Morris, of the Lilly Endowment, Inc. Not insignificant is the fact that Jim Morris sat on the city committee. He was joined by the vice president of finance and chief financial officer (James M. Cornelius) and the Director of financial development (Ronald D. Henriksen) of Eli Lilly & Company. Referring to his activities with the city committee, Morris stated:

> One of the central themes of my work there was the importance of downtown. Indianapolis is a city of about 300 neighborhoods, but the downtown is one neighborhood that belongs to everybody.
>
> The idea of the endowment's involvement was to be supportive and helpful to good [emphasis added] ideas that would cause Indianapolis to become that special community." (Indianapolis News, November 13, 1989, p.A8).

Between 1978 and 1988, when the city committee was most active, the endowment spent $140 million on "good" downtown construction project ideas. I would like to suggest that not only did these gifts hasten the implementation of development projects (e.g., constructing sport facilities), they also served as a "foot-in-a-door" technique for legitimizing these projects. In other words, large philanthropic gifts to (what is presented as) state-proposed development may help to construct consensus by implicitly suggesting that the projects are "worthy" or will be good for the "community-as-a-whole." The public may therefore be more compelled to support such projects, especially when they feel they have the opportunity to obtain them at a discount price (i.e., minus the sum of the gift).

This does not mean, however, that the other members of the city committee or their corporate bosses determined the way the endowment spent its money. Thomas Lake (of Lilly Endowment, Inc.) expressed this point quite clearly:

> It may be that this was a group of people that communicated easily together and talked about things and it may be that, yes, we funded some of the things that came out of the ideas of the city committee. But as far as the city committee setting our agenda, no way. (Indianapolis News, November 14, 1989, A3)

In fact, more evidence suggests that the city committee was one vehicle by which the endowment implemented its agenda. Although local public relations campaigns were successful in attributing the city's growth strategy to Mayor Hudnut, growth coalition insiders say that it was Jim Morris who determined that sports should be used as an urban growth vehicle. His vision got fleshed out through the city committee and other public (i.e., visible) organizations -- some of which were born out of city committee meetings.

As early as 1973, the year he joined the endowment, Morris was talking about his vision for the city. Former Deputy Mayor Thomas C. Hasbrock recalled,

> I remember having lunch with Morris, and he was telling me about his dreams of having this be the sports capital and talking about having an Olympics here. And (I said), 'Jim, you're crazy. You're never going to pull that off.' But he's gotten an awful lot of that done. (Indianapolis News, November 14, 1989, A4)

A major catalyst for Morris to pursue his dream occurred in 1978 with the passage of the Amateur Sports Act which effectively broke up the Amateur Athletic Union (AAU). The AAU had been housed in Indianapolis since 1970, relocating there from New York with the financial support of Frank McKinney, Jr. -- a former Olympic backstroker (bronze, 1956; silver, 1960). The Amateur Sports Act required the individual sports that had been housed by the AAU to form individual governing bodies. The resulting National Governing Bodies (NGB's) were free to relocate anywhere in the United States. As Ted Boehm, a city committee member and attorney at Baker & Daniels law firm (Indianapolis' second largest, and legal counsel for Lilly Endowment, Inc. since its founding in 1937), expressed, "A whole new major national industry was all of a sudden up for grabs" (The Philadelphia Inquirer, November 11, 1984, p.15A). According to Boehm:

> I'd have to give Jim Morris credit for coming up with...the idea that this was a real opportunity. And as far as I know, Indianapolis was the only community in the country that figured this out and did something about it as a community. (Indianapolis News, November 14, 1989, p.A3)

Morris, in association with the city committee, devised a way to entice NGB's to Indianapolis. The committee created a not-for-profit group called the "Indiana Sports Corporation" whose charge was to encourage NGB's (and future sports-related organizations and events) to locate in Indianapolis. The Indiana Sports Corporation was funded by a $200,000 initial grant from the endowment. Sandy Knapp, an employee of the Pacers, was hired as the first executive officer. The first 27-member board of directors included Jim Morris and 20 other city committee members. From

1979 to 1989, the Indiana Sports Corporation received $10 million from the endowment (Indianapolis News, November 14, 1989, p.A4). With the formation of the Sports Corporation, the growth initiative began to find direction. A clear strategy would not begin to be articulated to the public for another couple of years. However, 1978 would not draw to a close without members of the growth coalition realizing some "progress" on the downtown's quality of life problem.

Downtown Beautification.

Soldiers and Sailors Monument stands in the heart of Indianapolis' central business district. The monument that was the target of John Gunther's taunt in 1947 was treated with reverence by the State of Indiana. State statutes prohibited buildings of heights taller than the statue to be built within close proximity. In order to conform to this law and still build high-rises, architects planned multitiered structures that resembled stairsteps, sloping downward toward the monument. In order to make the monument area an attractive gathering place, growth advocates planned a "monument beautification" project that called for the planting of trees and shrubs and the addition of lighting and park benches. The $1.8 million project marked the beginning of the downtown beautification process. To encourage citizen participation, residents were given the opportunity to "purchase" one of the bricks used in the project and have their names placed on them for $25.00 Though no large sums of money were raised, it did give some citizens the impression that they were involved in urban development. In 1979, Indianapolis was named the "Cleanest City in the United States" by Keep America Beautiful, Inc., a national organization. The award aided the efforts of local boosters who were eager to publicize the city's new image.

Funding strategy for the project called for a three-way partnership to be formed. The State of Indiana, which owned the monument, provided one third of the capital. The city of Indianapolis provided another third of the capital. The remaining resources were donated by the "private" sector. According to Sidney Weedman:

> The Lilly Endowment was very big and very instrumental in wanting this [monument beautification] to happen. But Lilly couldn't give [money] to the state and couldn't give money to the city. In order to form a conduit for the Endowment money, it has to go through a 501-C3 organization. They talked about putting it through the Chamber of Commerce but they had membership from all over the city and this was focusing on [only part of it]. So they had to form this not-for-profit organization and that organization was The Commission for Downtown. (S. Weedman, personal communication, October 20, 1992)

Sidney Weedman (from Merchants National Bank & Trust), city committee member, was named first Executive Director of the Commission for Downtown. He served in that capacity from 1978 to 1983. Not only did downtown beautification get underway, but an important vehicle for endowment money was created. While this 1978 effort to distribute resources succeeded, another failed.

In 1978 a bill was introduced before the General Assembly to change relief for poor people in Marion County. The bill's intent was to establish a county-wide property tax to pay the cost of local poor relief administered by the townships. In Indiana, "poor relief" provides short-term assistance for food and housing. Applicants are given no money but given orders, provided by the township trustee, for necessities. The bill called for tax to be levied equally throughout the county. The revenue generated by tax dollars was to go to Center Township -- an attempt to relieve the township of the serious financial hardships of providing to the majority of Marion County's poor and unemployed. The bill was an obvious attempt to redistribute resources in the county. Townships around Center and others statewide opposed the bill. The bill did not pass. Another attempt to provide poor relief, this one providing state financing, was presented in the 1979 General Assembly. This one died in committee (Owen & Wilburn, 1985).

At the same time as downtown beautification was initiated and Center Township poor relief efforts were thwarted, another corporate group was being formed to assist in the growth campaign. In 1978, Mayor Hudnut expanded the GIPC to include a wider range of interests. According to its brochure the GIPC became a "volunteer, not-for-profit, 300-member, bi-partisan organization, representing both public and private interests." It existed to provide a coordinated effort at "problem-solving and planning programs for all Indianapolis residents." This represented quite a change from the agenda of the Barton and Lugar administration GIPC. According to Thomas Binford, the expanded GIPC was,

> better for communication but less powerful. The CEO's quit coming. That's the reason we [the CEO's] decided to form the Corporate Community Council. I was chairman of that committee so I ought to know. [The Corporate Community Council] was formed to create a more exclusive group. (personal communication, October 8, 1992)

Whereas the city committee represented the young establishment, the Corporate Community Council (CCC) was the group with the real power. When a recommendation for a project was developed, "if the Mayor liked it and Lilly liked it, the business community would get involved." (T. Binford, personal communication, October 8, 1992). As explained in the Wall Street Journal, CCC was composed at "the chief decision makers" of the largest firms in Indianapolis and was founded to place corporate resources behind "selected projects" (July 14, 1982, p. A1). Despite the existence of so many formal civic groups (e.g., GIPC, Indiana Sports Corporation, Commission for Downtown, Corporate Community Council) the formation of a growth agenda proceeded quite efficiently. During a discussion about "how things got done" in Indianapolis, Thomas Binford explained,

> A lot of it was held together by people who were wearing different hats. There were a number of us that were on most of those committees and you knew what you wanted and it got done, not because of the structure of the system but because of the individuals' knowledge of what was going on. (personal communication, October 8, 1992)

In Indianapolis, growth politics was steeped in a 30-year tradition of coalition building between corporate interests and key political figures. Referring to Indianapolis politics, Frank McKinney, Jr. (Chairman of American Fletcher National Bank) offered: "Some people say an elite runs this town. I don't like that word. I prefer leadership". (Wall Street Journal, July 14, 1989, p. A1). The city's "leadership" formed a highly effective growth coalition whose interests would determine the nature of urban development.

The next section presents an overview of Indianapolis in the 1980s. First, the economic conditions about which local officials were concerned is described. Second, the characteristics of the local growth strategy, and the role that sport played in it, are discussed. Third, highlights of growth agenda implementation are presented.

## Building an Amenity Infrastructure

In the 1980s, Indianapolis became the site of one of the most intensive and successful pro-growth coalitions in the nation. Public and private entrepreneurs collaborated to advance a revitalization campaign with the stated objective to turn Indianapolis into a mecca for tourists and conventioneers. Despite its central geographical location this would pose a formidable challenge for a city that has no mountains, seashores, or major rivers. Perhaps realizing the city's aesthetic limitations, these entrepreneurs attempted to construct public consensus by using sport as a foundation on which to build an amenity infrastructure.

### Economic Conditions in the Early 1980's

In 1983, the Indianapolis Star published a lengthy article titled "Area Jobs Becoming More Service Related" (August 22,, 1983, p. B1). The article, written by the newspaper's business editor, was the second in a series on employment related trends in the city and state. The article presented results of a study conducted by Robert J. Kirk, economist at IUPUI, showing that from June 1979 to June 1983 the Indianapolis MSA had lost 40,300 jobs from its total employment, 28,000 of them in manufacturing. However, during that same period (which also corresponded to a national recession, see Figure 1), the local service division grew by 11,000 jobs. According to the newspaper's business editor:

> Much of the city's political leadership, business community and the public has become convinced that the community must take action to promote

> economic growth rather than just allow the local economy to take care of itself. (Indianapolis Star, August 22, 1983, p. B1)

Also according to this article, an Indianapolis consulting firm, Central Research Systems, Inc., had documented the changes taking place in the local economy prompting "public/private efforts" aimed at retaining, expanding, and attracting firms.

The Central Research Systems Study to which the Star referred was a report commissioned by the DMD in 1980. The project was assisted by Dan Birch of the Massachusetts Institute of Technology and in its "Background Briefing for Mayor William H. Hudnut, III" it stated:

> The character of U.S. industry is changing... our analysis shows that Indianapolis also has been undergoing its own dramatic transaction. Within the past twenty-five years, employment shares within manufacturing and service-related sectors have literally exchanged places. (no page numbers included)

The report recommended the city emphasize innovative technologies by development of business and industry in such areas as industrial automation, telecommunications, instrumentation, health care, and computer software.

The GIPC formed an Industrial Growth Task Force to study the Birch report. In December 1982 it presented "An Economic Development Proposal" which began:

> Indianapolis and the nation are in the midst of a transaction that is every bit as fundamental as those who [sic] followed the introduction of electricity. That change is rapidly gaining momentum. If it has not done so already, it soon will touch every one of our lives. Old industries are being eroded and new ones forged. The metals industries and autos -- both important to Indianapolis -- are being severely buffeted. The results are obvious. Heavy manufacturing is in a serious structural decline in terms of investments and jobs. (p. 1)

In a discussion regarding Indianapolis' reliance on heavy manufacturing, David Carley (DMD director 1982-1989), underscored the significance of these two reports. Carley offered the following insights:

> We were very conscious about the shift to a service economy. There was a great deal of debate in Indiana about whether we should go with that flow or chase smoke stacks. The state chose to chase smoke stacks, the city chose to chase services... In the early 80's when the rest of the country, particularly the Midwest, was so hard hit, we decided we were going to use public money to continue our growth... We got a real jump on other cities. We spent a lot of taxpayer's money. We spent a lot of the Endowment's money, but we kept our progress. (D. Carley, personal communication, October 20, 1992)

City leaders entered the 1980's with a determination to put Indianapolis "on the map." Over the next decade, growth strategies would require large-scale public and private investment. Responding to the coalition's agenda for growth, Harrison Ulman said:

> Oh, sure it's all framed in terms of jobs. I suspect that someone will even argue in court one day that the reason they robbed the bank was to create jobs in the justice system. (personal communication, September 24, 1992).

The Growth Strategy

If the city was to successfully entice capital investment, growth advocates argued, it would be necessary to build and promote an Indianapolis image. They decided to take advantage of a growing economy and transform Indianapolis from a sleepy Rustbelt city into a white collar tourist and corporate headquarters center. Although the city lacked "natural" attractions, it was certainly not without geographical assets. First, Indianapolis' location puts it near the geographical center of the nation. The city is therefore quickly and inexpensively accessible from both coasts. Second, five U.S. Highways and four Interstate Highways converge on the city placing it within a day's drive of 60% of the nation's population. Hence, millions of potential tourists either drove through (or flew over) the city yearly. Finally, because Indianapolis had no seashores, mountains, or large neighboring cities, it had plenty of land for development. Its downtown area alone covers seven square miles and Marion County covers about 400 square miles. With these factors in mind, an ambitious growth strategy was initiated to develop an amenity infrastructure aimed at enticing private capital and luring large conventions, affluent tourists, and residents to the downtown area. Concurrent with this growth initiative, Hudnut launched a massive image-making campaign to portray Indianapolis as a gleaming city.

Growth and image-making campaigns proceed hand-in-hand. If successful, they are mutually reinforcing and self-perpetuating. To wit: to stimulate development (growth) the local state (public entrepreneurs) provides incentives (i.e., land, tax abatements, grants, revenue bonds, among others) which ease the financial burden and minimize the financial risk to private capital. By absorbing some of the costs of investment, the local state either increases private capital accumulation (profit) or reduces private capital loss. Image-making campaigns and boosterism strategies are designed to legitimate the actions of growth coalitions by expressing them as being necessary for the betterment of the "community-as-a-whole." They also suggest to private capital that the local state is actively seeking to promote the material interests of the dominant class. Thus, boosterism not only symbolically constructs consensus behind the banner of pro-growth, it also markets the local state's business climate to private capital thereby encouraging future capital investment. When capital investment occurs, especially if it is relocated capital, it fuels boosterism campaigns by suggesting to the public that the local state's actions are in fact working. It also captures the attention of other investors who may be contemplating disinvestment/reinvestment decisions.

Thus, boosterism is a calculated activity -- a campaign that not only seeks to promote the interests of the dominant class but also seeks to legitimize political solutions to urban "problems" by symbolically constructing consensus (i.e., by blurring conflict in the redevelopment process). Civic "authorities" propagandize their visions of a "good business climate" and "quality of life" throughout the population and seek to portray their cities to capital investors as "clean, orderly, new, and expanding, with lower classes that are hidden, quiescent, and shrinking" (Fainstein & Fainstein, 1983, p. 252). In Indianapolis, the building of new sport facilities, the attempt to lure professional and amateur sports organizations, and the hosting of sports events articulated with these broader strategies of progrowth and urban redevelopment.

Implementing a Growth Agenda

In 1980 an updated version of the GIPC's 1965 revitalization plan was published. The document (Regional Center Plan), prepared for the DMD by Hammer, Siler, George Associates outlined to the year 2000 the city's revitalization objectives. The 300 page report focuses exclusively on the downtown.

> The image of the downtown area serves as constraint to some market groups. Crime is perceived to be a major problem, as is security of private personal property. Also, the predominance of lower income households in the central area creates an overall image [emphasis added] of poverty households living in substandard and overcrowded housing. Most downtown neighborhoods are not safe, pleasant, and attractive neighborhoods that most new [emphasis added] homeseekers would consider. (p. 165)

This segment of the Regional Center Plan suggests that problems related to Indianapolis' downtown had to do with the perceptions that outsiders have of it, rather than the reality of life for its residents. Often forgotten in discussions concerning the "emptiness" of the central business district, is the fact that people do live there. In fact, in 1980, a community of 208,624 people lived in Center Township (DMD, 1984b). According to Jim Morris, "the sports strategy was a part of community development, of helping to build an infrastructure for a community" (Indianapolis News, November 15, 1989, p. A12). This type of legitimating argument was not well received by large segments of the city's racial and ethnic minority populations. According to Sam Jones, president of Indianapolis' Urban League:

> Infrastructure for us means sewers, transportation... I'm not sure that we in the black and minority communities had very much input into the sports strategy... (personal communication, October 30, 1992).

Nevertheless, between 1980 and 1984 over $126 million was invested in downtown state-of-the-art sports facilities. Among the most expensive were: (a) a $21.5 million, 5,000-seat swimming and diving complex, (b) a $6 million, 20,000-seat track and field stadium; and (c) a $2.5 million, 5,000-seat velodrome. Consistent with the "partnership" ethic, funding for these projects was provided by public and private sources. The local state provided grants, tax abatements, and industrial revenue bonds. The Lilly Endowment, Inc. contributed $10.5 million to the swimming and diving facility, $4 to the track, and $700,000 to the Velodrome (Indianapolis News, November 13, 1989, p. A8). However, the largest investment (in terms of physical size and financial cost) would come to town through the backdoor.

The Hoosier Dome.

In 1979, Indianapolis architect James E. Browning and banker William K. McGown Jr. traveled to Syracuse, New York to measure the dimensions of the Carrier Dome. Upon returning, they penciled the dimensions onto a map of Indianapolis' downtown. As reported by the Indianapolis News (November, 14, 1989, p. A1), Jim Morris paced off the site selected to verify the fit. Deputy Mayor David Frick helped determine the potential for land assembly. Browning's architectural firm was eventually hired to design a domed stadium exactly where he had sketched it, and Frick, as treasurer of the public agency in charge of the stadium project, helped oversee the work. All three men were members of the city committee.

Interestingly, the Indianapolis Hoosier Dome was something of a "Trojan Horse" sports facility. David Carley explained:

> You see we wanted to [build] a stadium and it met with resounding negativism everywhere. So, about that time we were looking to expand the Convention Center. So we said O.K., we're going to expand the Convention Center, we're going to add 200,000 square feet of meeting space on, and oh, by the way, it's going to have this multi-purpose room attached, which has this inflatable

> ceiling, seats 60,000 -- but the floor can be used for exhibits. And honest to God, we sat around the table at the Mayor's office and took a vow that we would never call it anything but the Convention Center Expansion. (personal communication, October 20, 1992)

The "Convention Center Expansion" like Indianapolis' other sport complexes, is a state-of-the-art facility. The 60,300-seat structure is one of only six air-supported domed stadiums in the United States. It contains 99 luxury suites that each accommodate up to 16 guests and a projection screen with instant replay capabilities. Final costs of construction in 1984 totaled $77 million.

On February 8, Hudnut announced that the Lilly endowment would contribute $25 million and the Krannert Charitable trust another $5 million to the stadium/convention center expansion. Six weeks later the Indiana legislature passed a bill authorizing the City-County Council to enact a 1% food and liquor tax on all restaurants and taverns in Marion County to back the revenue bonds. Announcement of the new tax prompted law suits from local citizens who opposed the stadium project. Their sentiments were likely expressed by Julia Carson, Center Township trustee:

> I had difficulty supporting a stadium [the Hoosier Dome] when our schools are woefully underfinanced and other city services are inadequate. The mayor and the Lilly Foundation wanted the stadium, so it was built. That's the way things get done here. (personal communication, September 14, 1992)

The bonds were not offered for another 13 months (and sold out in five days). By the time the bonds were bought, construction on the stadium had been underway for approximately six months and the law suits had all been either settled or dismissed

(Indianapolis Sun, February 16, 1984, p. A1).

Because of the large final price tag, funds ran low near the end of the project. To reduce costs, the 31,000 seats on the lower level were padded, the 29,500 seats on the upper level were not. When converted to an exhibit hall, the 7 1/4 acre building expands the connecting convention center's total area to one million square feet.

Not surprisingly, the Hoosier Dome was promoted by Mayor Hudnut as a wise investment for "the community". The growth ideology that justified such a conclusion was clearly articulated by him:

> In Indianapolis, we are trying to leverage amenity infrastructure for economic advantage. Our commitment to sports facilities, for example, is not an end in itself. The Hoosier Dome is a job generator. It creates new business opportunities. As a result of its construction, new convention business is coming to town, new restaurants and hotels are opening up, new national organizations are moving to Indianapolis, and new people are interested in investing in our city. (Hudnut, 1987, p. 22)

According to Hudnut and other civic boosters, the "Indiana Convention Center and Hoosier" (its official name) symbolized the rebirth of downtown. Whether or not it and the other downtown amenities would serve as a magnet to "new people" did not seem much solace to some of the city's established residents. Shadeland Avenue, on the city's east side, where working-class communities once thrived on manufacturing jobs, began to be referred to as "Memory Lane." When Chrysler and RCA announced they would be closing Indianapolis branches, 800 people lost their jobs. When Western Electric closed in 1985, 8,000 people were left jobless. On the west side of the city, 2,000 employees at General Motor's Detroit Diesel plant were victims of a 1982 cutback. A former Chrysler employee, who lost his $28,000 per year forklift job, told Levathes and Felsenthal (1987) that after 24 years with the company, "its alarming to think about having to scratch at this point in my life. But I'll think of something" (p.24). This worker's optimism was not shared by all. Quoting from Lethrathes and Felsenthal (1987):

> "I don't know what I'll do," said Tim Fout, 33 "The only thing I know is that I don't want my son working here."
>
> To many workers the downtown development is like a mirage in the desert. "Who are they bringing the city back for? Not for us," said Ted French, 42, a job setter, "I pay tax on restaurant food and beverages in the city to help finance the Hoosier Dome, but I've never been it it." (p.241)

Presumably, the Hoosier Dome/job generator, would in some way ease these residents' burdens. Perhaps this was the intention of the Lilly Endowment's $25 million check to "the community." Perhaps belief that the convention center's "expansion" would benefit people in need somehow vindicated the actions of a philanthropic institution whose traditional concerns had been related to education, science, health, religion and social services.

Waldmar A. Neilsen does not think so. In 1985, Neilsen published The Golden Donars, a historical analysis of American philanthropy. In his analysis of the Lilly Endowment, Inc., he makes the following statement about the Lilly/Hoosier Dome connection:

> In the history of American philanthropy, there has never been a foundation expenditure of equivalent size given on weaker economic justification, more questionable grounds of social benefit, and more dubious distribution of benefits among local politicians, profit-seeking entrepreneurs, and the needier elements of the population. (p. 295)

Creating an Image.

A year after the Hoosier Dome project was announced, Indianapolis increased the intensity of its boosterism strategy by hiring a New York public relations firm to implement a nation-wide image campaign. The firm was called the Indianapolis Project, Inc. It consists of a five-member group whose primary responsibility is to assure national coverage of the city's development successes. In addition to writing press releases, the firm functions as a resource center to give interested people the names of people to interview to get "the other side of the story" (B. Carr, personal communication, August 17, 1992).

Along with capturing the attention of potential tourists and capital investors, city officials have used the results of the firm's efforts when competing with other cities for capital investment. For example, in 1985 when Indianapolis was vying with Charlotte, North Carolina for the services of an "unidentified company" that planned to relocate, John Krauss, Deputy Mayor for Indianapolis asked the Nexus Data Bank how many times in the prior two years each city had appeared in major national media (excluding sport references). As a part of an inducement package, Krauss informed the company's owner of the results: Indianapolis had appeared 797 times; Charlotte had appeared 18 (Indianapolis News, January 9, 1985).

The impact of Indianapolis's zealous self-promotion campaigns in some cases spurred controversy. For example, a June, 1984 article titled "WHITEWASH" appearing in the Indianapolis Star lambasted the city's Convention and Visitors Association for it's tourism publication. According to the Indianapolis Star:

> [the brochure] gives glowing descriptions of the city's culture and other amenities. It talks about the continental cuisine and exotic menu offerings... There are numerous pictures of city residents dining, socializing and enjoying Indianapolis ambiance, none of them black. Only in one picture is there a black person. He is playing basketball. (p. C1)

Also that month the Star published an investigative report concerning allegations that city officials were trying to deny the existence of youth gangs in the city. The article, subtitled "NOT COUNTED IN CITY'S IMAGE," headlined the newspaper's front page and detailed the location, nicknames, and activities of what the investigator considered to be "gangs" in the city's low-income neighborhoods. The article emphasized that city officials acknowledged their concern over what appeared to be gang-related crime, but refused to refer to the groups responsible as "gangs." Instead, police officials called the groups "youth groups," "juveniles with big league criminal records," and "mobs with names" (Indianapolis Star, June 2, 1984, p. 1). The article brought to public attention problems such as unemployment, crime, and lack of social activities in the city's minority neighborhoods. The article underscored one of the main criticisms of the city's growth strategy voiced by community leaders -- that city officials were so consumed with efforts to revitalize the downtown that the needs of the residents' (particularly minorities) had been neglected. To quote Sam Jones, the executive director of the Indianapolis Urban League:

> I'm not knocking the growth, I can show you relative progress here for blacks. But we have not really been financial recipients from the massive development that has occurred, and the feeling in the black community is that while we're building a city with bricks and mortar, the inclination is to forget the human side. (personal communication, October 30, 1992)

Urban Development for Whom?.

In the downtown area, the growth scheme branched out from sport facilities to include other types of development to attract middle- and upper-class populations. By 1984, the DMD had assembled enough financial incentives to convince developers to break ground on a $180 million Circle Center Retail mall. A consortium of three Indianapolis Banks provided $32 million in "favorable terms" to developers to renovate Union Station--(i.e., to turn an underused structure into a hotel/retail project adjacent to the Hoosier Dome). Moreover, a host of large luxury hotels, including a $40 million Convention Center hotel adjacent to the Hoosier Dome, were either being planned or constructed. From 1980 to 1984, 16 new restaurants were added to the downtown (Bamberger & Parham, 1984) and a total of $1.7 billion was invested in inner-city construction between 1974 and 1984 (Indianapolis Project, Inc., March 8, 1986).

According to a press release from the Indianapolis Project, Inc. (September 20, 1985), for example, U.S. Census Bureau figures showed that from 1980 to 1984, Indianapolis had the fastest population growth of any of the 10 largest midwest cities. In fact, Indianapolis (1.4% increase) and Columbus, Ohio (0.2% increase) were the only two cities that exhibited a positive growth rate. Indianapolis' population increased from 700,807 in 1980 to 710,280 in 1984. The Indianapolis Chamber of Commerce suggested that the population increase may have been partially attributed to the nearly 1,600 new businesses and 19,294 new residential units that opened within those four years (Indianapolis Project, Inc.). Residential growth had been extensive in the downtown area. Bamberger and Parham (1984) note: "Providing housing had become a key focus of the Hudnut administration and the private sector" (p. 16). The types of housing that were encouraged (and financially supported) command closer investigation.

The vacant downtown structures that were left in the wake of centrifugal migration produced an abundant inventory of buildings suitable for conversion into condominiums and luxury apartments. From 1980 to 1984, nearly 40 buildings totaling over 750 units were purchased for such conversion (Bamberger & Parham, 1984). In 1981, an ambitious inner-city condominium project sold all of its 120 partially-constructed units in 11 business hours (Indianapolis Project, Inc.). Public and private entrepreneurs assisted the implementation of luxury apartment, townhouse, and condominium construction projects that proliferated throughout the city. Securing upper-class residents in the downtown area was encouraged to provide support for the local consumer/service economy. Further, upper-class residents assisted civic boosters by enhancing the city's "quality of life" appearance. Ironically, while upper-class housing was being supported, a program to assist lower-class home buyers was being denied and public housing was suffering from neglect.

In May of 1984, the Indianapolis Star revealed that the city was in danger of losing millions of dollars in federal mortgage money because no local bank could be found to loan the mortgages. The funds were available through a nation-wide program designed to assist low-income residents in buying a house. The program was backed by $100 million through the Federal National Mortgage Association, or Fannie Mae. The National Association of Real Estate Brokers (a trade group whose members are mostly black real estate agents) was coordinating the program through 30 of its chapters. The Indianapolis chapter was represented by a group of predominantly black real estate agents called Realists. According to J. Herbert Williams, the national coordinator for the program, the Indianapolis chapter was the only one of the 30 that was unable to locate an in-state bank to offer the Fannie Mae loans.

Under the proposed program residents who qualified would have been granted up to 30-year mortgages (averaging $50,000) at a 9.5% starting interest rate. Rates were guaranteed not to rise more than 5% over the life of the loan. The program was specifically designed so that it would not compete with existing bank mortgage programs. The president of the Realist group, Edna L. Johnson, charged that racism was behind the local banks' refusal to cooperate. Without such cooperation hundreds of inquiring residents were denied the program's benefits. Johnson stated that when she attempted to involve local banks in the program, she faced a network of resistance focused around feelings that the program would not look good for Indianapolis" (May 6, 1984, p. 11). Local bankers gave various reasons for not participating. However, the important point here is that the same financial community that was willing to "shave their profits" (Bamberger & Parham, 1984, p. 16) to help fund capital investment projects was unwilling to participate in a non-competitive program to assist low-income residents.

In June of 1984, a federal official for the Department of Housing and Urban Development (HUD) sharply criticized Indianapolis' housing policy, calling their efforts to provide low-income residents with adequate housing "atrocious." The Department of Housing and Urban Development announced that because of federal budget cuts the Indianapolis Housing Authority's budget would be slashed by approximately 10% because 547 of the city's 2,622 public housing units were standing vacant and being neglected. In what the Star called a carrot-and-stick approach to improving lower-class living conditions, HUD offered to award the Housing Authority $800,000 if it agreed to a county-wide commitment to provide "cost-effective, decent, safe and sanitary public housing." The funds could only be used to construct new housing that was to be operated by a private firm -- not by the city Housing Authority (Indianapolis Star, May 16, 1984, p. 1). The Department of Housing and Urban Development's censure of the Indianapolis' public housing efforts unveiled the stark realities of the class-biased attempts at urban rehabilitation.

Finally, on May 27, 1984 the city announced a positive step toward improving the living conditions for some of it's lower class populations. Revitalization efforts were to be extended to a deteriorating downtown residential area, known as Midtown, that had been decimated since the early 1950's. According to the Indianapolis Star, directors of the revitalization plan explained that the purpose of the project was to improve housing for existing residents and to change the image of the neighborhood so new residents would move in. Announcement of the city's plans sparked both hope and skepticism from Midtown residents who had seen whole neighborhoods removed to make way for urban development projects.

Paving the way for Midtown's revitalization was a study conducted by Indiana University-Purdue University at Indianapolis. The study declared the area "blighted" after finding 71 vacant lots within a six-block area. Once an area has been declared blighted, Indiana state law provided Indianapolis' DMD with legal access to the private property contained within it. The city may then proceed with redevelopment plans. Indianapolis' use of the blight label was the source of considerable conflict (see also, Bamberger & Parham, 1984). Inherent in this conflict was a class struggle for urban territory.

Conflict surrounding the blight zone labels centered on three issues: inconsistencies between publicly stated plans for, and eventual use of, blighted areas; methods used by the city to designate blighted areas; and the city's practice of designating as blighted larger areas than it actually needed for development. For example, in 1974 businesses on an entire block of downtown property were removed when the city announced plans to build a hotel. As of April 1984, the land was being used as a parking lot.

In May of 1984, the Metropolitan Development Commission declared a large downtown site a "redevelopment area" to make room for the Convention Center Hotel. The redevelopment area included the property of business owners who were located blocks away from the approved hotel site. The area had been declared blighted when a study conducted by the city's Division of Housing and Economic Development found 84% of it's buildings to be deficient and substandard. However, a study paid for by the Indianapolis Taxpayers Association found 84% of the building to be sound. The conflict led to a hearing before the City-County Council in which the president of the taxpayers association recommended nine changes in the law that allowed non-elected officials to designate blighted areas. After the 90-minute hearing, more studies involving the hotel site were ordered (Indianapolis Star, April 19, May 6, 17, June 8, 1984).

The blighted/redevelopment zone controversy was played out in the city's newspapers and generated a great deal of controversy. David Carley (former DMD director) offered the following illustration:

> The Indianapolis News ran an editorial that said '30% of the downtown is a redevelopment [hence blight] zone and that this is unconscionable that it's gotten this far and there ought to be curbs on this kind of growth.' So I said to my staff, 'I want every square foot we have under a redevelopment district measured... I want to write a letter back to these people.' [My staff] came back and said, 'Mr. Carley, we have 42% of our downtown labeled a redevelopment district.' Oh Geez! Forget the response! (personal communication, October 20, 1992)

City-County Council minutes document that the Council wanted "to find a way" to accomplish urban development purposes without having to use the "blight term" because it was "too emotional" (Indianapolis-Marion County Council, Proceedings, 1984, p. 342). The DMD eventually assembled all the redevelopment powers, except eminent domain, under a new label called "economic revitalization" (D. Carley, personal communication, October 20, 1992).

By securing representation from the Taxpayers' Association and attracting mass public attention via the local newspapers, the business owners in and around the proposed hotel site were able to mount a resistance to the local regime's redevelopment strategy. This was an extremely rare occasion in Indianapolis. As has been illustrated, the local regime's redevelopment strategy up until 1984 was powerfully legitimated and explosively effective.

However, by 1984 a number of problem areas arose that, if left unchecked, might have threatened the regime's growth strategy with a legitimation crisis. The Department of Housing and Urban Development's criticisms and the blight controversy have already been discussed. In addition, despite growth advocates' insistence that development would have a pay-off for everyone, the county found it necessary to adopt a 0.2% local option income tax (with a 0.6% maximum), along with a local property tax increase of up to 5 cents. These taxes, like the Hoosier Dome tax, were imposed without going before the voters (sited in Bamberger & Parham, 1984). But perhaps none of these problems were as glaringly eye-catching as the empty Hoosier Dome.

The mushroom-shaped structure now dominated the Indianapolis skyline. Although litigation aimed at blocking it's construction had been terminated, critics abounded. When construction began in 1981, many people in the city had been convinced it would capture an NFL expansion team. But when the roof was inflated in 1984, neither Indianapolis nor any other city had made great strides toward being awarded a new franchise, and the National Football League made no indication that it planned to expand. Indianapolis thus was forced to lure an existing team--it looked to Baltimore.

Corralling the Colts.

Inter-city competition for professional sport franchises produces both winner and loser communities. For winning communities (e.g., Indianapolis) sport franchises are portrayed as being symbols of the community's economic and social health. Losing communities (e.g., Baltimore), on the other hand, are left to assess their damages and plan strategies with which to overcome the economic and political battering.

Growth coalition members in Indianapolis had desired to obtain a professional football team even before the Hoosier Dome had reached the drafting board. Members of the city committee met with various National Football League owners to find out what types of things they desired in a domed stadium. Well before the first offers to the Colts' owner, Robert Irsay, were made public, Indianapolis "authorities" had been negotiating a contract with him. In fact, Irsay had signed a deal with Indianapolis three days prior to making his midnight escape from Baltimore. Mayor Hudnut would be identified by news reporters as the Indianapolis spokesperson during the competition for the Colts. The actual chief negotiator was David Frick, a former Deputy Mayor, Capital Improvements Board treasurer (the Hoosier Dome's authority), city committee member, and confidante of Hudnut (Indianapolis News, November 14, 1989, A5).

After Indianapolis made Irsay a public offer on February 27, 1984, a virtual bidding war took place between "public entrepreneurs" who hoped to lure the football franchise to their respective cities. The headlines of the cities' newspapers revealed the drama of the contest as inducements were offered and then countered. For his part, Irsay remained noncommittal throughout the month, encouraging the cities to stay in the battle. Even when presented with offers that met his specific demands, he took time to "study" the deals or made himself unavailable, giving competitors a chance to counter.

The conditions under which Irsay had been operating his franchise in Baltimore prior to 1984 proved vulnerable to attack by rival cities. The Colts paid $600,000 annually, directly to the Baltimore city government, in stadium rental, taxes on admission tickets, parking fees, concessions revenues, and scoreboard advertising commissions (Baltimore Sun, March 6, p. C7). Moreover, Irsay's 1980 Owings Mills training complex placed him under financial burden. Finally, Irsay was still paying on an 8% interest loan he acquired in 1972 when he bought the Colts, a loan which was due to expire in 1984. On March 2, it was reported (Baltimore Sun) that the key to obtaining the Colts was to meet Irsay's demand of a multimillion dollar replacement loan at the 1972 interest rate (3% below the 1984 prime). Indianapolis had reportedly offered such an inducement in its February 27 package. Baltimore, on the other hand, had not included a low-interest loan in its lease proposals. When Irsay took time to study the Indianapolis package, Baltimore's Mayor Schaeffer hoped that the city's banks and business executives would come forward to match the Indianapolis incentive. His hopes, however, did not materialize and he told the Baltimore Sun, "It's an amazing thing... I haven't heard from any banks in Baltimore" (March 1, 1984, P. A8).

Two days later the proposal still was not matched by Baltimore and the Indianapolis community anticipated the arrival of the Colts. Public and private entrepreneurs seized the opportunity to legitimate the Hoosier Dome project and advance the pro-growth ideology. The Indianapolis Star reported:

> Again and again, Indianapolis city officials point to this financial gain -- rather than entertainment value -- to justify dishing out tax money to build the Hoosier Dome and lure a franchise.
>
> If Indianapolis lands the Colts or any NFL team, "It's going to do some amazing things for the city-in terms of prestige, economic development, in terms of enticing companies to locate in Indianapolis," says Alan J. Armstrong, project director of the Hoosier Dome. (March 4, 1984, p. 2D)

By contrast, two days later, the lead story in the Baltimore Sun's business section addressed how losing the Colts could possibly harm Baltimore's "business image." The story also revealed how Baltimore's "leaders" planned to explain the loss of the Colts. Sam Fulwood wrote:

> ... [losing the Colts might] inflict a painful blow to the city's renaissance image that could slow economic development. "Outside of Baltimore, no one knows about the problems with Irsay" says Robert Kunisch, executive vice president of the PHH Group, Inc., a Baltimore firm that assists companies, to relocate its operations and employees. "All they know is that the Colts left. The question, in their minds, is why?" (Baltimore Sun, March 6, 1984, p. C8).

An inducements war between Baltimore, Indianapolis, and Phoenix would continue throughout the month of March. Although Irsay made no verbal indication that he had reached a decision, on March 28 a fleet of moving vans arrived at the Colts training complex in Owings Mills. The vans remained at the complex all day as rumors of an impending move spread throughout the Baltimore area. Carloads of fans, reporters, and photographers drove to the complex. Police were dispatched to the area to keep order and to keep traffic from blocking the streets. Around midnight, March 29, Irsay ordered the packed vans to Indianapolis. The Baltimore Sun's morning headline read: "BALTIMORE'S COLTS ARE GONE: IRSAY

ENDS THE 31-YEAR MARRIAGE."

The day the Colt's relocation was publicly announced, the Indianapolis Star published an article that highlighted the financial rewards the Colts would bring the city. According to the Star:

> To the business community, news of the Colts coming to Indianapolis ranks with a stock market surge or a cut in corporate taxes. The football team's presence will mean an annual inflow of $21 million to $25 million to the city... Businesses large and small will benefit, ranging from the kid who sells pennants outside the Hoosier dome to the radio station that lands the prestigious broadcasting rights. (March 30, 1984, p. 31)

To reiterate an earlier point, the logic of the pro-growth model equates business interests with the interests of the community-as-a-whole. In Indianapolis, pro-growth advocates wasted no time using the Colts arrival to refine the ideology that contends private capital accumulation trickles-down to benefit the entire city.

Amateur Sports Capital of the United States.

That sports would enhance the city's business image and attract capital was driving force behind Indianapolis' growth strategy. Though a professional franchise, the Colt's relocation aided and abetted this campaign that sought to transform Indianapolis into the "Amateur Sports Capital of the United States." The Colts' move attracted considerable attention to the city, and civic boosters made sure that the city's desire to become known as a sportstown was made explicit. The Colts' move advertized their sports strategy across the nation and confirmed their city's "big league" status. The addition of professional football to the city's repertoire of athletic events suggested that the local regime had indeed created a business climate conducive to sport. Due to the considerable efforts of the Indiana Sports Corporation and other boosters, a multitude of sports events took place in Indianapolis over the decade of the 1980's. Bringing these events to the city would serve to create a forced timetable for getting sports facilities constructed. The political skill of the growth coalition combined with the considerable financial support of the Lilly Endowment assured that events could be obtained and supporting facilities could be in place on time.

For example, after traveling to U.S. Olympic Headquarters in Colorado Springs to meet with Olympic officials, Jim Morris (and others) decided to seek the 1982 National Sports Festival. Olympic officials informed him that, in order to be selected, Indianapolis would need a world-class track and swimming pool. Backed by $14.7 million from the endowment, the facilities were built and the U.S. Olympic Committee's National Sports Festival was located in Indianapolis in 1982. Following this initial success, Indianapolis would become a regular venue for sporting events.

In 1983, the city was the site of the USA Track and Field Championships. In July of 1984, the Hoosier Dome hosted the largest crowd ever assembled to witness a basketball game (67,000 spectators). That same year, Indianapolis' natatorium hosted three U.S. Olympic trials and Market Square Arena hosted the Four Continents Rhythmic Gymnastics Championships. In 1985, Indianapolis was the site of the Synchronized Swimming World Cup Championships, the USA Track and Field Championships, the National Track Cycling Championships, the largest crowd ever assembled to watch a National Basketball Association All-Star Game (43,146), and the American Cup International Gymnastics Meet. These special events are additional to the four sport events that Indianapolis traditionally hosts annually; (a) the Indianapolis 500-mile race; (b) the U.S. Open Hard Court Championship; (c) the LPGA Mayflower Classic; and (d) the Amateur Athletic Union's James E. Sullivan Memorial Award Dinner.

In 1987, Indianapolis hosted the first World Indoor championships of Track and Field and the Pan American Games. The 1987 Indianapolis Pan American Games marked only the second time since the games were formed, in 1951, that a U.S. city served as host. The 1987 games brought athletes and coaches from 37 countries to compete in 27 sports. In preparation for this event, the city constructed Pan Am Plaza, a structure that includes an ice rink and a parking garage. The building was used to house the 5000 athletes who competed in the games. Later it was converted to an office building and public square that would serve as a "Monument to the Indianapolis Sports Industry" (Indianapolis News, November 16, 1989, A9). The $34.5 million facility was partially financed with $5 million of public resources and a $7.85 million from the Lilly Endowment, Inc.

Civic boosters publicized the event as "the city's coming out party" as a time when people from around the world could see the city's virtues and its commitment to amateur sports. When visiting media asked Mayor Hudnut how "his" city managed to turn around its fortunes he replied:

> We made a conscious decision that it would be sports -- and specifically amateur sports -- that would leverage our economic development opportunities. (Cincinnati Enquirer, July, 1993, p. A1)

To local citizens, the Pan Am games, like the Hoosier Dome, were boosted as a job generator. Unfortunately, says Sam Jones, executive director of the Indianapolis Urban League, the Pan Am Games did not distribute job opportunities equally.

> We [racial minorities] had some very powerful jobs in the Pan Am games, management level. Once the games had come and left we were left without employment comparable [to during them]. I can remember writing Jim Morris a letter listing 14 people who were prominent in management, who were African-American, highly-trained people who did not have jobs. I could also point to whites who worked as team members with those same folk who got picked up by Lilly this and Lilly that. (personal communication, October 30, 1992)

Undoubtedly it was experiences like this that prompted local African-American residents to purchase bumper stickers which read: "Lilly Endowment is Making Indianapolis Lilly White."

The 12-story Pan Am Plaza, would eventually house the Indiana Sports, Corporation and 13 other agencies associated with amateur sports. In addition to securing sport events, Indianapolis' sport facilities have also drawn one international and seven national sport governing bodies. It was announced early in 1986 that the International Baseball Association (IBA) had chosen to locate in the city. The IBA has a total membership of 63 federations, and a 14-member executive committee which includes 13 nations. The IBA is only one of four international sports federations to be located in the United States (Indianapolis Project, Inc.). The Seven National Governing Bodies are now located in Indianapolis, including the United States track and field, diving, gymnastics, rowing, and synchronized swimming organizations. All received financial inducements to locate in the city. Other sport-related organizations that have chosen to be based in Indianapolis include the American College of Sports Medicine, the International Institute of Sports Medicine, and the National Institute for Fitness and Sports.

Indianapolis' growth politics emerged in the 1970's when the city was in the grips of an urban crisis. A history of coalition-building among corporate elites and public officials facilitated the development of growth politics. Realizing the city's economic vunerability and fueled by a desire to shed their "Naptown" image, a growth coalition of corporate elites and skilled Republican mayors implemented a strategy which used sports as a vehicle for economic growth. The next section of this chapter examines the influence of this strategy on the local economy.

## The Growth Strategy and Economic Change, 1980 to 1990

Many local "officials" in many cities put their images, strategies of boosterism, and business climates against one another to secure sport-related firms and events. The presence of them, officials argue, supports strategies of boosterism, other capital investment, real estate development projects, and service sector growth. The premise that growth is the rising social tide that lifts all boats has been used in the attempt to co-opt the support of subordinate groups. In the long run, so these ideologies proclaim, capital investment will yield benefits for all, especially in the provision of jobs. Such ideologies fuel the "pro-growth" policies of public officials. Such trickle-down effects of growth, however, often require public subsidy and the residential relocation of the poor. Here, the collective consumption privileges of the middle class are enhanced at the expense of the impoverished or ethnically marginalized.

Many urban theorists argue that growth premised on this model may alter the economic base of a city in such a way to make life more difficult for low-income residents. Obviously, residents who are displaced from their homes will be faced with hardships. But additionally, the solace that growth produces jobs which manifest in raised social spending that is beneficial for the community-as-a-whole is a problematic assumption. The contention is that the service sector and tourist-related economy expands, but typically jobs are low-paying, part-time, and often dead-end (see Smith & Keller, 1983). Those who benefit from this type of growth usually include finance capitalists and developers. It is toward these economic issues that we now turn our attention.

The next three subsections examine changes from 1980 to 1990 in Indianapolis' economic and wage structure. First, an overview of aggregate changes in the employment structure vis-a-vis those of the nation is presented. Second, a more detailed level of covered employment change is provided. Third, an assessment of the wages associated with the jobs created and lost in the Indianapolis economy is conducted.

## Employment Trends Overview

Covered employment data show that while Indianapolis' economic structure was well diversified in 1980, the manufacturing division no longer held sway among the city's employment ranks (see Table 4.1). The Indianapolis MSA offered an annualized average of 122, 971 jobs in the manufacturing division, representing 24.4% of the local economy. Industries representing the services division employed a somewhat larger number of workers (127,219), accounting for 25.2% of the local economic base. Covered employment data for 1990 shows that the Indianapolis MSA added 150,132 jobs to its 1980 level employment base. This net job growth existed despite large employment loses in the manufacturing division. The trend toward manufacturing sector decline appears to have accelerated during the 1980-1990 decade. As presented previously, this decline was of concern to Indianapolis officials as early as the late 1960's. Employment in the manufacturing sector declined sharply during 1980-1990 as a net 12,181 jobs were lost. These losses, when coupled with the fact that by 1980 the sector's total employment base was smaller than that in services, were quite noticeable. The manufacturing sector lost 9.9% of its 1980 level employment. Comparing only 1980 and 1990 data prohibits an analysis of business

Table 4.1

Nonagricultural Covered Employment in the Indianapolis MSA, 1980 to 1990

| | 1980 (%) | 1990 (%) | Net Change 1980-1990 | % Change 1980-1990 |
|---|---|---|---|---|
| Construction | 20,787 (4.1) | 35,665 (5.5) | 14,878 | 71.5% |
| Manufacturing | 122,971 (24.4) | 110,790 (17.0) | -12,181 | -9.9% |
| Trans & PU | 26,793 (5.3) | 40,159 (6.1) | 13,366 | 49.9% |
| WR Trade | 125,661 (24.9) | 168.661 (25.8) | 43,000 | 34.2% |
| FIRE | 37,302 (7.4) | 49,889 (7.6) | 12,587 | 33.7% |
| Services | 127,219 (25.2) | 196,722 (30.1) | 69,503 | 54.6% |
| Government | 39,022 (7.8) | 45,964 (7.0) | 6,942 | 17.8% |
| Total | 502,888 (99.1) | 653,020 (99.1) | 150,132 | 29.9% |

cycle fluctuations (i.e., periods of decline and recovery). However, considering the fact that 1980 is widely considered to be a recession year, it is not likely that this division's losses were simply a reflection of unusually high levels of employment in 1980. Regardless of the cyclical fluctuations that occurred over the course of the decade, fewer manufacturing jobs existed in Indianapolis in 1990 than in 1980. This sector represented the third largest employment percentage in 1990 (17.0%), considerably behind Services (30.1%). Additionally, this division was the only one in the local economy to experience net job loss.

Manufacturing sector employment losses were offset, however, by growth in the other divisions. That is, total net growth represents an absorption of manufacturing's losses (12,181) and the creation of 150,132 additional jobs. A dramatic increase of 69,503 jobs located in the services division accounted for almost half (46%) of these positions. The employment position of the services division in 1990 (196,722 jobs) represents a 54.6% increase from 1980 (127,219 jobs). This percentage increase is more impressive considering that services offered the largest number of jobs in 1980 as well. One might conclude, based on this service sector increase, that the local regime's campaign to "chase the services" was effective. However, it has been well documented that service sector employment growth and manufacturing sector decline is a national phenomenon. Another way to view the Indianapolis MSA's employment change is to examine them relative to those of the nation. Location quotients (LQ') may be utilized for such a purpose.

The 1980 LQ' shown in Table 4.2 are presented to compare Indianapolis industries' share of total employment to those of the nation. In 1980, Indianapolis' LQ for manufacturing (1.06) indicates that the city's share of manufacturing employment was greater than that of the nation. As described in Chapter III, an LQ above 1.00 indicates that a certain industry contributes more to the local economy than it does to the national economy (which can be interpreted to mean that the locality specializes in that industry). An LQ below 1.00 indicates that a local employment share in the industry is less than the national share. Indianapolis' 1980 LQ in manufacturing indicates that the city did have a slight competitive advantage over the rest of the nation in this broad division. The city's shares of employment in the other broad industry divisions show that, here too, the city was doing quite well vis-a-vis the national economy. What these figures indicate is that Indianapolis, traditionally a manufacturing town, still outpaced the nation in relative share of manufacturing division jobs. However, the city's highest "specialization" was in service related jobs. A closer inspection of these divisions, however, reveals the fact that the city still relied heavily on its bellwether industries.

Comparisons of LQ' for the Indianapolis MSA in 1980 and 1990 illustrate that not only did the Indianapolis MSA lose manufacturing jobs, it lost them to a greater extent than did the nation (see Table 4.2). In 1980 the Indianapolis MSA still enjoyed a greater share of manufacturing employment relative to the nation (LQ=1.06). In 1990, however, the local economy had fallen behind the nation in terms of the relative share of its jobs located in manufacturing (LQ=.96). By 1990, the

Table 4.2

LQ' for Major Industry Divisions in the Indianapolis MSA, 1980 to 1990

| | 1980 | 1990 | Change + - |
|---|---|---|---|
| Contruction | .84 | 1.17 | .33 |
| Manufacturing | 1.06 | .96 | -.10 |
| Trans & PU | 1.03 | 1.22 | .19 |
| WR Trade | 1.09 | 1.08 | -.01 |
| FIRE | 1.17 | 1.26 | -.09 |
| Services | 1.36 | 1.24 | -.12 |
| Government | .43 | .43 | --- |

Indianapolis MSA's LQ had fallen by .10 indicating that the local economic structure no longer specialized in this industry division. Given the focused efforts of the growth regime's agenda, this structural change is perhaps not surprising. What is surprising is the fact that the Indianapolis MSA's greatest relative structural loss occurred in the services division. The locality retained a larger relative share of services related employment (LQ=1.24). Although it was still ahead of the nation in services employment in 1990 (LQ=1.24) this level shrank in size compared to 1980 (LQ=1.36). The LQ drop in the service sector (-.12) is slightly larger than that in manufacturing (-.10). More insight into the changes within each of these industry sectors vis-a-vis the national economy is provided by examining higher-level SIC categories.

<u>A Closer Look at Covered Employment</u>

A closer look at covered employment change is provided by higher-level SIC classifications (see Appendix C). Two-digit SIC categories enable us to view distribution of employment within industrial divisions. In 1980, the Indianapolis MSA's leading major industry group within the manufacturing division was SIC 37 Transportation Equipment. After this, the next three largest employment positions in manufacturing were SIC 36 Electronics, 35 Industrial Machinery, and 34 Fabricated Metal. Together, these four major industry groups accounted for over half (59.9%) of all manufacturing employment in the Indianapolis MSA in 1980. All of these top four manufacturing division SICs evidenced job loss. By 1990, only 48.8% of the division's employment was held by these major industrial groups. The two that lost the greatest numbers of jobs are examined in more detail here.

In 1990, SIC 37 Transportation Equipment retained its position as the largest employing major industry group within the manufacturing division. In 1980 this industry group contained 28,791 jobs. Even with the subtraction of 6,811 jobs (23.7% of its 1980 base) it offered more positions than any other in its division. A major portion of manufacturing employment decline occurred in SIC 36 Electronics. This, incidentally, is one of the industries that the 1982 Birch report (commissioned by the GIPC) emphasized. In 1980, 19,443 jobs were located in SIC 36, but in 1990 only 7,690 remained (-60.4%). In 1983, the Western Electric Plant closed its doors in Indianapolis throwing 8,000 employees out of work. Apparently, the industry group has not been able to recover. One wonders if the employees ever did.

A perusal of the two-digit SICs located in the services division reveals that most of its employment growth occurred in two major industry groups (SIC 73 Business

Services, and SIC 80 Health Services). Together, these industry groups accounted for 38,783 additional employment positions. Business Services' increase represented a 129.7% growth rate. The industry group contained 14,982 jobs in 1980, but in 1990 the figure ballooned to 34,409. Health Services' increase represented a 48.7% growth rate. This industry group contained 39,762 jobs in 1980, but in 1990 59,118 jobs were located in this major group. The rest of the net growth was distributed throughout the division. Only one SIC experienced "decline" (SIC 89 Services Other). This decline merely represented the 1987 the Bureau of Labor Statistics reorganization of Standard Industrial Classifications. A new SIC was created (SIC 89 Engineering & Management Services) and most of the positions in SIC 89 were moved into it.

Once again, it is instructive to view these changes in relation to the changes that occurred in the rest of the nation. Location quotients (see Appendix D) indicate that not only did SIC 37 Transportation Equipment contain the largest employment (28,791) in the manufacturing division in 1980, it also had the highest (excluding SIC 82 Education) LQ in the Indianapolis MSA economy -- 2.68. The Education industry LQ of 5.61 is simply reflective of the fact that the Indianapolis MSA is a metropolitan area and therefore has a higher concentration of schools than is represented in the nation's economy. After Transportation Equipment, the next three largest employment positions in manufacuturing (36 Electronics, 35 Industrial Machinery, 34 Fabricated Metal) all had speciality-indicating LQ' greater than 1.00. Such heavy reliance on these industry sectors had become a concern of civic officials as early as the 1970s. It will be recalled that the national recession of 1974-75 forced many Marion County residents out of their jobs. In one year, the county's employment rate fell 5% with manufacturing employment declining by 11,000 workers. This pattern of unemployment continued throughout the 1970s, and by 1982 the GIPC and it's Industrial Growth Task Force had begun to search for ways to make Indianapolis less of a "branch town" and more in control of it's economic destiny.

The Indianapolis MSA's 1990 LQ' in the manufacturing division show that the city's loss of Transportation Equipment and Electronics jobs was not simply a reflection of national industry group decline. The LQ in SIC 36 Electronics fell from 1.62 in 1980 to .76 in 1990 (-.86). The Indianapolis MSA no longer remained an economy that specialized in the production of electronics products. Although it did retain relative strength in Transportation Equipment (LQ=1.83), this LQ dropped almost a full point (.-85) by 1990. The most significant LQ gain in the manufacturing division occurred in SIC 28 chemicals (.23). More will be said about this division in a section to follow.

A look at the LQ' in the services division reveals that the Indianapolis MSA's large employment gain in SIC Business Services (19,427 jobs) outpaced the growth that occurred in this industry group in the rest of the nation. This industry group's LQ grew to 1.10 in 1990 indicating that the Indianapolis MSA had done well to attract these jobs to it's economy. On the other hand, the addition of 19,356 SIC 80 Health Services jobs did not even keep pace with nationwide job growth in this group; it lost .09 compared to the LQ in 1980. This indicates that employment growth in this industry group was merely reflective of the fact that the group was experiencing economic expansion nationwide.

These data indicate that the exodus of heavy manufacturing jobs from the Indianapolis economy that began in the early 1970's continued throughout the 1980's. The vulnerability of the local economy suggested by economists in the early 1980's took on realistic features as major job losses occurred in Indianapolis' branch manufacturing firms. These net job losses were hidden, however, by the employment expansion of the service sector. The growth strategy's greatest influence appears to have been the addition of a large number of business services jobs. This is an industry group that is fueled by growth in other areas. That is, there were more businesses that required services in 1990 than in 1980. However, the mere addition of jobs to the local economy does not necessarily mean that the economy has become more robust. In other words, even a substantial increase in the quantity of jobs may not create a more vigorous metropolitan economy if the quality of these new jobs is poor. One of the ways to assess the quality of a job is to examine the wage associated with it. This type of assessment lends further insight into the impact of the coalition's strategy for urban growth.

## Connecting Wages with Trends

In this section, the growing and declining industry groups are categorized by industry division. Employee wage data are utilized to more fully understand the types of jobs (as determined by how well they paid) that were gained or lost in the Indianapolis economy. First, the manufacturing division is analysed. Second, the services division is analysed and a comparison with the manufacturing division is presented. Finally, other changes in employment and wages that relate to the local coalition's strategy for growth is presented.

In the manufacturing division, the 1990 average annual wage per worker for growing and stable major groups was $27,490 (see Table 4.3). This average was greatly influenced by the addition of 1,782 SIC 28 Chemicals jobs which paid an

Table 4.3

Average Annualized Wages in the Indianapolis MSA's Growing and Stable Major Groups in the Manufacturing Division, 1980 to 1990

| SIC Code | Industry Title | 1980 | 1990 | Net Change | % Increase | A.A. Wage |
|---|---|---|---|---|---|---|
| 27 | Printing/Pub | 9,376 | 11,565 | 2,189 | 23.3% | 24,752 |
| 28 | Chemicals | 9,570 | 11,352 | 1,782 | 18.6% | 50,336 |
| 30 | Rubber | 4,096 | 5,745 | 1,649 | 40.3% | 23,400 |
| 38 | Instruments | 2,754 | 3,717 | 963 | 35.0% | 32,500 |
| 26 | Paper | 2,933 | 3,651 | 718 | 24.5% | 26,104 |
| 23 | Apparel/Textile | 1,163 | 1,768 | 605 | 52.0% | 17,680 |
| 25 | Furniture/Fix | 379 | 892 | 513 | 135.4% | 19,812 |
| 39 | Misc. | 1,236 | 1,440 | 204 | 16.5% | 20,696 |
| 33 | Primary Metal | 3,015 | 3,193 | 178 | 5.9% | 28,184 |
| 29 | Petroleum/Coal | 514 | 565 | 51 | 9.9% | 38,792 |
| 24 | Lumber & Wood | 2,219 | 2,259 | 40 | 1.8% | 19,656 |
| 32 | Ston/Clay/Glass | 2,529 | 2,535 | 6 | .2% | 27,976 |
| Total | | 39,784 | 48,682 | 8,898 | 22.4% | 27,490 |

average annualized wage of $50,336. The lowest paying of the growing manufacturing groups was SIC 23 Apparel and Other Textile Products, which averaged a $17,680. However, there simply are not very many jobs in the growing and stable major groups in the manufacturing division. Overall, only 8,898 jobs were added to the local economy over the 10-year period out of a total growth of 150,132 jobs.

Major industry groups in manufacturing that evidenced decline from 1980 paid an annualized average wage of $26,797. The difference between the wages in growing and declining categories is virtually non-existent ($27,490 versus $26,797).

Table 4.4

Average Annualized Wages in the Indianapolis MSA's Declining Major Groups in the Manufacturing Division, 1980 to 1990

| SIC Code | Industry Title | 1980 | 1990 | Net Change | % Decrease | A.A. Wage |
|---|---|---|---|---|---|---|
| 36 | Electronics | 19,443 | 7,690 | -11,753 | -60.4% | 26,572 |
| 37 | Transp. Equipt. | 28,791 | 21,980 | -6,811 | -23.7% | 40,248 |
| 20 | Food & Kindred | 7,934 | 6,326 | -1,608 | -20.3% | 25,584 |
| 35 | Ind. Machinery | 15,549 | 14,853 | -696 | -4.5% | 30,420 |
| 34 | Fabricated Metal | 9,942 | 9,538 | -404 | -4.1% | 25,792 |
| 31 | Leather | 100 | 7 | -93 | -93.0% | 12,168 |
| Total | | 81,759 | 60,394 | -21,365 | -26.1% | 26,797 |

However, the declining manufacturing category represents 21,365 jobs -- jobs that existed in 1980 and that would be paying an annualized average wage of $26,797 per worker if they still existed in 1990.

All major groups in the services division were in the growing and stable category. These groups contained 73,555 additional employment positions in the 1990 Indianapolis MSA economy (as compared to 1980). The jobs that were created in these groups (see Table 4.5) paid an average annualized wage of $18,071 per worker. These varied from $32,448 in SIC 81 Legal Services, to $9,880 in SIC 88 Private Households. Though the range is wide, on average these jobs paid $9,419 less than did those in the growing and stable groups in the manufacturing division.

Table 4.5

*Average Annualized Wages in the Indianapolis MSA's Growing and Stable Major Groups in the Service Division, 1980 to 1990

| SIC Code | Industry Title | 1980 | 1990 | Net Change | % Increase | A.A. Wage |
|---|---|---|---|---|---|---|
| 73 | Bus. Serv. | 14,982 | 34,409 | 19,427 | 129.7% | 17,160 |
| 80 | Health Serv. | 39,762 | 59,118 | 19,356 | 48.7% | 27,196 |
| 87 | Engineer/Mgt. | 0 | 12,105 | 12,105 | E | 29,744 |
| 83 | Social Serv. | 5,792 | 9,422 | 3,630 | 62.7% | 12,584 |
| 70 | Hotels | 4,989 | 7,930 | 2,941 | 58.9% | 10,816 |
| 82 | Educational Serv. | 34,568 | 37,496 | 2,928 | 8.5% | 18,720 |
| 79 | Amusement/Rec. | 3,448 | 6,362 | 2,914 | 84.5% | 17,004 |
| 75 | Auto Rep/Parking | 3,480 | 6,181 | 2,701 | 77.6% | 17,628 |
| 81 | Legal Serv. | 2,217 | 4,079 | 1,862 | 84.0% | 32,448 |
| 72 | Pers. Serv. | 5,596 | 7,279 | 1,683 | 30.0% | 12,376 |
| 86 | Membership Orgs. | 5,102 | 6,309 | 1,207 | 23.7% | 17,004 |
| 78 | Motion Pictures | 829 | 1,821 | 992 | 119.7% | 10,504 |
| 76 | Misc. Repair | 1,331 | 2,126 | 795 | 59.7% | 22,984 |
| 88 | Priv. Households | 419 | 963 | 544 | 129.8% | 9,880 |
| 84 | Museums etc. | 347 | 817 | 470 | 135.4% | 15,028 |
| Total | | 122,862 | 196,417 | 73,555 | 59.9% | 18,071 |

*All major industrial groups in the services division evidenced employment growth.

Further, nine out of the 15 major industry groups in the service division paid below the division's $18,071 annualized average wage. What these data indicate is that while service sector growth created a large quantity of replacement jobs, these new jobs were considerably lower paying than the ones lost in manufacturing. Employees who held the lost 21,394 manufacturing sector jobs would most likely not be able to retain an equal standard of living if they obtained new employment in the service sector of the economy. The assertion (common in growth politics) that an increase in jobs manifests in raised social spending is at best problematic and at worst wrong. Residents who cannot maintain their standard of living cannot be expected to increase their discretionary spending. Job quality is at least as important as job quantity to the local economy.

Comparing only the Manufacturing and Service divisions masks some interesting changes that occurred in other areas of the Indianapolis MSA economy between 1980 and 1990. Of importance here are the changes that relate to the focus of the local regime's growth strategy. One such change occurred in SIC 58 Eating and Drinking Establishments, part of the Wholesale and Retail Trade sector of the economy. Eating and Drinking Establishments ranked second in 1980 (behind Health Services and ahead of Transportation Equipment) in net employment, offering 29,031 jobs. In 1990, the positions of these three major industry groups, by net employment, were the same. However, Eating and Drinking Establishments accounted for 16,175 new jobs in 1990, compared to 1980. This is the third largest net increase within all the major industry groups. As previously discussed, Business Services and Health Services had the largest employment gains. Given the focus of Indianapolis' growth strategy, the Eating and Drinking Establishments industry is important. A large increase in this industry may indicate that the strategy was successful in attracting tourists and conventioneers to the city. The 16,175 jobs created in this one major industry group are almost twice the number of jobs (8,892) created in the entire manufacturing sector. Moreover, annualized average wage data show that the average wage per job in Eating and Drinking Establishments is $8,164, the lowest average wage in all the major industry groups. Because of the way the Bureau of Labor Statistics computes wages, industries characterized by high proportions of part-time workers show average wage levels appreciably below the weekly earnings levels of regular full-time employees in these industries. This seems likely to be the case quite often in Eating and Drinking Establishments. In other words, the 16,175 jobs that this major industry group contributed to the net employment increase (150,132) in the Indianapolis MSA economy are not only low-paying but may also be part-time.

After Eating and Drinking Establishments, the four industry groups with the next lowest wages in the entire economy (see Table 4.6) all experienced net employment gains. Together, these five major industry groups added 22,789 jobs to the local economy in 1990. This is quite a large net employment gain considering the entire local economy only grew by 150,132 jobs. However, the average wage of these jobs was $10,046; this would not be considered well paying by any standard. Conversly, the five highest paying major industry groups in the Indianapolis economy in 1990 evidenced a net loss of 3,588 jobs. The large employment loss in Transportation Equipment washed out employment gains in the other four major industry groups. The average wage of these jobs was $40,591. Once again, these data lend support to

Table 4.6

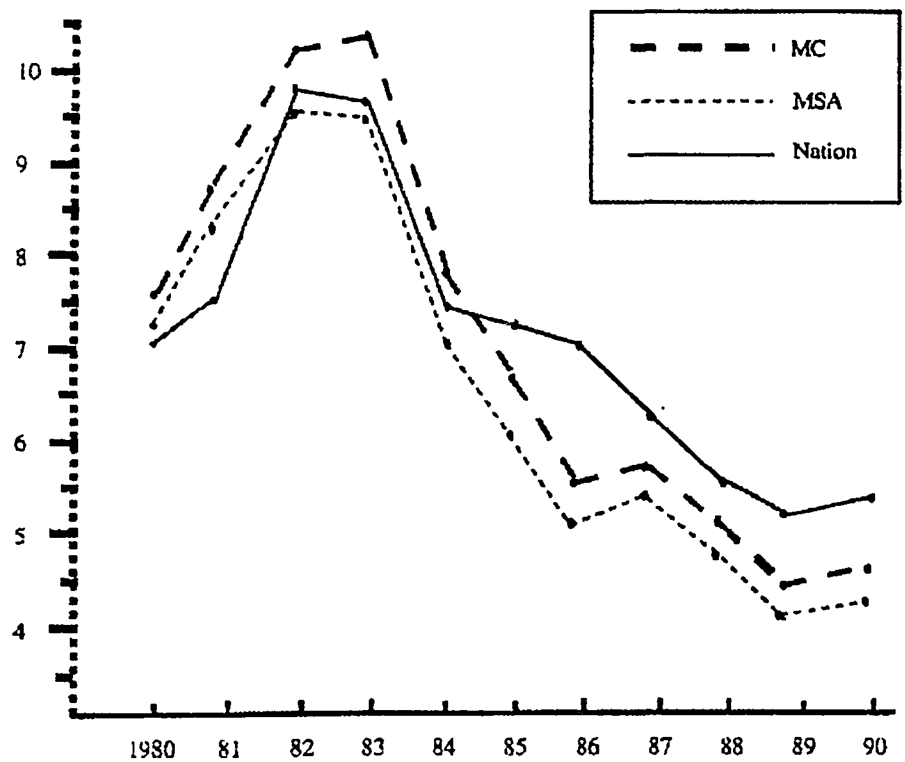
Average Annualized Wages in the Indianapolis MSA's Five Lowest and Five Highest Paying Major Industry Groups, 1980 to 1990

| SIC Code | Industry Title | 1980 | 1990 | Net Change | A.A. Wage |
|---|---|---|---|---|---|
| | Highest Paying Major Industry Groups | | | | |
| 58 | Eating & Drinking | 29,031 | 45,206 | 16,175 | 8,164 |
| 88 | Private Households | 419 | 963 | 544 | 9,880 |
| 78 | Motion Pictures | 829 | 1,821 | 992 | 19,504 |
| 70 | Hotels & Lodging | 4,989 | 7,930 | 2,941 | 10,816 |
| 56 | Apparel & Acces. | 4,537 | 6,674 | 2,137 | 10,868 |
| Total | | 39,805 | 62,594 | 22,789 | 10,046 |
| | Lowest Paying Major Industry Groups | | | | |
| 28 | Chemicals | 9,570 | 11,352 | 1,782 | 50,336 |
| 37 | Transportation Equip. | 28,791 | 21,980 | -6,811 | 40,248 |
| 67 | Hold./Invest. | 211 | 221 | 10 | 40,040 |
| 29 | Petroleum | 514 | 565 | 51 | 38,792 |
| 48 | Communications | 8,475 | 9,855 | 1,380 | 33,540 |
| Total | | 47,561 | 43,973 | -3,588 | 40,591 |

the contention that growth promised on the service sector and tourist-related economy is low-paying, part-time, and often dead-end. This is not the type of employment gain that can generate higher levels of spending from local residents. Nor is it the type of growth that local economies require to remain competitive and robust in the long-term.

Indianapolis' net employment gain appears to have contributed to the "health" of its economy as indicated by rates of unemployment (see Figure 1). Throughout most of the 1979-1983 national recession the Indianapolis MSA and Marion County

Figure 1. Unemployment Rates for Marion County, the Indianapolis MSA, and the Nation, 1980 to 1990




out-paced the nation in rates of unemployment. Marion County experienced the highest rate, peaking in 1983 at 10.4%. All three economies rebounded drastically beginning in 1984. While Marion County's and Indianapolis' unemployment rates generally reflect the same slopes, in recent years both have managed to remain at rates below the national rate. In 1984, Marion County's unemployment rate dropped below the national rate for the first time in the decade. These are often the types of data the growth advocates mobilize to when asserting that their strategies are good for the community-as-a-whole. It is not to be denied that keeping down unemployment rates is important. However, here again, these figures tell us nothing about the types of jobs residents are securing. They also tell us nothing about the people who remain unemployed. For example, are they unemployed because their skills do not match the types of positions that are created in the economy? Are they unemployed because the jobs exist in geographically distant locations? In other words, do the jobs that are being created match the charateristics of the people who are out of work? Also hidden by unemployment rates are the numbers of people who have given up looking for a job and are therefore excluded from labor market data altogether. I shall return to these issues in the concluding chapter.

U.S. census data show that Marion County recovered from the population loss it experienced in the 1970's decade. As presented in an earlier section of this chapter, the county lost 3.4% (27,006 residents) of its population from 1980 to 1990. However, from 1980 to 1990, 31,926 people moved back into the county bringing the population total to above the 1970 level. Unfortunately the same growth did not occur in Center Township. From 1980 to 1990 an additional 26,484 residents moved out of the Township. The 182,140 people who remained represent a figure that is only 67% of Center Township's 1970 population. Apparently, the coalition's strategy to attract residents back to the city, or at least selected parts of it, was successful.

However, Center Township's continued population decline suggests that this most needy community continued to bear the burdens of unequal spatial development. Its remaining residents are excluded from the most vibrant sectors of the economy and their neighborhoods are declining and in need of infrastructural repair (personal communication, Julia Carson, September 14, 1992; Sam Jones, October 30, 1992).

Summary

From 1974 to 1984 a total of $1.4 billion was invested in inner-city construction, and between 1980 and 1984 over $126 million in public and private resources had been invested in downtown state-of-the-art sports facilities. Between 1970 and 1990, coalition leaders had been successful in altering the city's geographic boundaries, political complexion, national image, and economic structure. However, the growth strategy's most noticeable employment gain occurred in lower-paying service sector jobs. This fact, when coupled with the sociospacial impact of the "back to the city movement," suggests that while the coalition's strategy enhanced the collective consumption privileges of the white middle-class, it did little to relieve the social and economic burdens of lower-class and ethnic minority residents. Given these circumstances, perhaps we can understand the cynicism of Judson F. Haggerty, former Marion County Democratic Party Chairman:

> If the point is to make a city appear to be beautiful, prosperous, functioning, no matter what the real underlying problems are, then of course the Hoosier Dome and all the other things have been a success. (Indianapolis News, November 15, 1989, p.A1)

# CHAPTER V

# CONCLUSION

The theoretical approach I have employed throughout this dissertation is a critical one. The underlying theme has been the interrelatedness of economic, political, and social/cultural aspects of capitalist urban development. Consistent with an urban praxist perspective, I have emphasized the importance of capital accumulation in the shaping of urban areas and highlighted the ways in which human beings, possessing varying amounts of power, intervene in ongoing economic processes. I have also addressed the articulation of class and race relations, and the capital accumulation process, with space that creates uneven patterns of built urban environments. I have drawn attention to the fact that the mobility of capital vis-a-vis cities and communities means that cities must compete with one another for capital investment. Finally, I have provided an examination of the ways in which the local state is linked to the capital accumulation process.

## Revisiting the Regime Paradigm

My analysis of growth politics in Indianapolis is situated within the nascent subdisciplinary perspective referred to as the urban regime paradigm. This perspective grew out of the theoretical debates that occurred within the critical inquiry tradition in the 1980's. The questions I have explored in this dissertation build upon the arguments presented in these early analyses and respond to more recent calls for further elaboration of the paradigm. In this closing chapter, I want to return to these arguments and demonstrate the ways in which my work responds to these calls. The last section of the chapter includes suggestions for future research.

It is not to be denied that local governments are dependent, to some degree, on economic growth occurring within their jurisdictional boundaries. Yet, neither the precise nature of that dependency nor the specific growth strategies are generalizable to all geo-historical contexts. As Jonas (1991, p. 197) instructs us, local growth policies and strategies will vary according to local conditions and the political and economic interests in places they are intended to help and reproduce. It will be recalled that Horan (1991) identifies three strands of variation among cities as they make development policy. Investigating these strands, Horan explains, could serve as a framework for urban regime research in the 1990's. According to Horan, research on urban development must look more closely at (a) the composition and agenda of the local growth coalition, (b) the institutional resources of the local government, and (c) the structure of the local economy. I have been mindful of Horan's framework in my investigation of Indianapolis' growth politics. I will use this framework to structure my closing remarks. First however, I will briefly revisit the regime perspective and the local context out of which Indianapolis' growth politics emerged.

My research, when combined with that of Fainstein and Fainstein (1983), Elkin (1985), Stone (1987), Leitner (1990) and other urban praxist theorists, lends support to the contention that while broader economic processes influence local development, politics matters in the creation of development policy and implementation. In emphasizing this, I have focused on the activities of Indianapolis' growth coalition and its attempts to direct local development along lines conducive to its own interests. Indianapolis' growth agenda was produced through the proximate actions of interested and powerful local actors. This coalition's actions, while similar to those in some other cities, did not simply emanate from the imperatives of a broader-level (e.g., national or regional) political economy. Rather, these actors interpreted broader trends, applied them to their local conditions, and made real choices concerning how best to pursue local economic growth. In so doing, they became integral to the very processes they were interpreting. In other words, local and national political economies exist in a dialectical relationship--one of ongoing tension where each has the ability to shape the other.

Indianapolis' growth politics emerged out of the historical context of the 1970's. This was a time when, like many old, industrial cities, business and middle-class residents were migrating outward toward suburban areas. The loss of jobs and population from Marion County threatened the economic viability of the city's central business district. At the same time, the low-income population that was left behind became increasingly entrapped in a dirty downtown core. Center Township was rapidly becoming a place where ethnic minorities and low-income whites were relagated to obsolete sectors of the economy in a deteriorating physical environment. The city was faced with a myriad of social and economic problems. The response to this "crisis" was political: It involved choices and these choices embodied class and racial interests. In other words, as Stone has shown us, the question about how best to pursue growth does not answer itself. The answer, says Stone, comes out of the city's political arrangements. However, the interconnections between development policy and the political arrangements of the people who shape it needs further exploration (Stone, 1987).

The composition of the growth coalition is one of the three aspects of local growth politics that Horan (1991) urges us to explore. As I have shown, growth politics in Indianapolis emerged and evolved from a long tradition of alliance-building between corporate elites and eminently skilled mayors who were able to combine their financial, bureaucratic, and political resources behind "big ticket" development projects. Designed to enhance the city's quality of life for middle and upper-class residents, these projects were presented to the community as job generators--a way out of urban crisis. As I have demonstrated, these public and private elites, fueled by a desire to shed their small-town image, mobilized behind a banner of pro-growth that not only sought to promote the interests of the dominant class, but also sought to legitimize political solutions to urban problems by symbolically constructing consensus (i.e., by blurring conflict in the redevelopment process). Concerned that Indianapolis' "Naptown" image put them at a competitive disadvantage for specially skilled labor and capital investment, corporate elites were highly influential, if not determinant, in fashioning a growth agenda that propagandized their visions of a good business climate and "quality of life" throughout the population. They sought to portray their city as clean, orderly, new, and expanding, with lower classes that were hidden, quiescent, and shrinking (from Fainstein & Fainstein, 1983, p. 52). In

Indianapolis, the building of new sport facilities, the attempt to lure professional and amateur sports organizations, and the hosting of sports events articulated with these broader strategies of progrowth and urban development.

A sports strategy for spurring economic growth is not unique to Indianapolis. Many cities across the United States have built new stadia and arenas in an attempt to lure professional sport franchises, stimulate economic development, and validate the "big league status" of their communities. Some cities have been successful in their quest, Charlotte comes to mind (Schimmel, 1988); others have floundered, St. Petersburg serves as a case in point. Not only is this attempt wide spread, it is not new. Lipsitz' (1984) and Smith and Keller's (1983) research show that using sport facility construction to anchor urban development characterized the renewal strategies of Houston, St. Louis, Los Angeles, and New Orleans in the early 1960's. What does my research on Indianapolis' growth politics add to these insights? The answer lies in the ways in which my research advances the elaboration of the urban regime paradigm.

I suggest that the ambitiousness with which the growth coalition pursued this strategy, and the success it experienced in implementing it, is unique to Indianapolis. The explanation for this "success" lies in the second strand of variation identified by Horan that exists among cities as they make development policy: <u>the institutional resources of the local state</u>. This issue has been explored by Elkin (1985, 1987) but remains largely unaddressed by empirical studies. For example, in arguing that institutions are important to governing coalitions, Elkin (1985) distinguishes urban regimes by,

> the manner in which the land use alliance organizes itself, in [the] sorts of legal powers and resources it requires to realize its intentions and the scope of the intentions themselves;... the manner in which the electorate is organized; and... the degree to which the heads of functional bureaucracies are amenable to taking directions from the land use alliance. (quoted in Horan, 1991, p. 128).

As Horan points out (1991, p. 128-129), each of Elkin's dimensions has a distinctly institutional aspect. It is important to note that Elkin, due to his praxis-oriented perspective, does not conceptualize these institutional structures as being fixed constraints on governing coalitions. Instead, these institutional underpinnings constitute a central aspect of growth politics itself whereby the coalition actively seeks to construct and maintain institutional arrangements for promoting development. It is instructive to remember, following Stone (1987), that the governing arrangements are not limited to who wins elections. They entail a capacity to guide and "reshape various forms of interaction, to alter the rules of decision making" (p. 273). Stone suggests that growth coalitions may be able to recast the terms on which key social transactions occur. Elkin informs us that growth coalitions sometimes form effective institutional frameworks with the assistance of upper level government agents, sometimes not. Horan urges us to include an empirical examination of these processes in our research.

For example, a city must have the means to induce investment. This may be accomplished through agencies, programs, and funding mechanisms that lower the risk for capital investors. Also, the governing coalition must be able to manage conflict. Often large-scale development projects trigger popular opposition. This is the case because they frequently impose a highly visible, unequal distribution of costs and benefits. Such is often the case in the development of large sports stadia and arenas, especially when they entail relocation of businesses and residents. Elkin suggests that conflict management may be accomplished by insulating development policy from popular pressure. At times, the coalition may create "institutional arenas... free from public scrutiny" (p. 42). At other times, the electoral system itself becomes the target of reform (see Horan, 1990). These local institutional factors, predicts Horan, may hinder or facilitate the ability of the growth coalition to put their development agenda into action (Horan, 1991, p. 132).

As I have shown, Indianapolis' growth coalition had a number of highly effective institutional arrangements working in its favor. First, beginning in the 1960's and continuing through the 1980's, tight, highly interactive coalitions of public officials and corporate elites formed to determine the course of urban development. Much of this coalition-building was informal and highly private. Indianapolis' culture for decision-making is embedded in a history of caucuses rather than primaries: It is a tradition of secrecy. This informal style sacrifices accountability in the name of efficiency. Because of the other institutional resources and circumstances in the city, it has been highly effective. The two most powerful examples of this type of organization are the "policy committee," which planned the city's governmental/political restructuring, and the "city committee," which helped to devise the city's sports strategy. Both were membership-by-invitation-only gatherings of mostly private citizens who met to plan public policy. Both committees kept their existences and their plans shielded from public scrutiny. The success these groups had in realizing their plans is quite remarkable. However, the impact that the policy committee had on the city's institutional framework for promoting development is nothing short of astounding.

In 1970, when the city's government was restructured into its current, unusual city-county system, the mayor became the chief political executive of the entire area. With enactment of Unigov legislation, Richard Lugar's political status was increased both in Indianapolis and in Washington, D.C. Lugar used his new status to obtain increased federal funds and increased discretion in using them. Partially because it drastically reduced the effectiveness of the African-American community in the political process, the Unigov system assured that a Republican would remain in the mayor's office from 1970 through the 1980's. These mayors, Lugar and Hudnut, loyally courted corporate business cooperations in designing the city's economic future.

After the adoption of Unigov, a number of business-based committees were organized to join Mayor Barton's Greater Indianapolis Progress Committee (GIPC) to influence they ways in which public funds were used. The most significant of these committees was the Corporate Community Council which was a CEO-only group representing the largest firms in Indianapolis and was founded to place corporate resources behind selected projects.

Thus, the power of the local state and the influence of private capital merged to form political "solutions" to Indianapolis' urban "problems." The Unigov system greatly reduced the bureaucracy involved in implementing these solutions by combining 46 former city and county agencies into six departments with one chief executive (the mayor). Therefore, under the bureaucratic structure of the Department of Metropolitan Development (DMD), building permits, zoning and housing codes, land assembly, mechanisms, financing arrangements, and planning authority were vastly streamlined. Publicly provided financial support could be secured, in most cases, without voter approval. When private capital adds its financial backing to selected projects development can occur very rapidly.

In addition to the uniqueness of Indianapolis' city government structure, there was another institutional resource that facilitated the initiation and implementation of the coalition's agenda for growth. This one too was unique to Indianapolis: the Lilly Endowment, Inc. According to the Indianapolis News (November 13, 1989, p. 1A), since its formation in 1937 this philanthropic source has so far granted $425 million to Indianapolis projects. As I have shown, the influence of this institution extends beyond supporting the local growth strategy. In fact, I have suggested that the endowment, through its leader Jim Morris, set the agenda for local growth. Fueled by a concern that the Eli Lilly Company could not attract top executive recruits, the endowment lent its considerable financial resources to local brick-and-mortar projects designed to turn the city into a mecca for tourists and conventioneers. The sociospacial consequence of this strategy was to reestablish business and middle-class control of urban space. "Bringing back the downtown" meant the development of office buildings, specialized shops and restaurants, hotels and luxury apartments. That sports could serve as a vehicle for the development of an amenity infrastructure was Jim Morris' idea. This broad vision got played out through the efforts of the city committee which served as a springboard for development projects. The endowment spent $140 million on downtown construction projects between 1978 and 1988. I have suggested that not only did these gifts hasten the implementation of these projects, they also served as a "foot-in-the-door" technique for legitimizing them.

The large philanthropic gifts to foster development were presented as state-proposed and possibly helped to construct consensus by implicitly suggesting that the projects were "worthy" or would be good for the "community as-a-whole." It is likely that the public was therefore more compelled to support such projects, especially when they had the opportunity to obtain them at a discount price (i.e., minus the sum of the gift). This is not to suggest that the backers of the endowment were devoid of altruistic motives. Rather, what I am asserting is that there is no community-as-a-whole upon whose behalf the growth coalition worked apart from its own members (from Stone, 1987). "The city" is simply not a unitary community that benefits uniformly from high levels of capital investment in the central business district. What I have shown in my research, following the lead of Stone (1987), is that the city is a highly political entity. Along with the fact that politics matters, comes the recognition that political arrangements have normative consequences.

The final aspect of local development policy that Horan urges us to explore is the structure of the local economy. Urban regime research in the 1980's, she contends, tended to over-estimate the importance of local political arrangements in forming development policy. Research must do more, says Horan, than assert that development policy is constructed by coalition members in ways that serve their own political interests. While this is an important area of inquiry that deserves continued attention, research in the 1990's must broaden its focus to include an examination of how policy is shaped by, and influences, the local economy. In other words, we must continue the challenging task of disentangling the political aspects of economic processes in ways that do not overlook the very economic factors which we insist are so important. Horan reasons that the ways in which the coalition is organized and the manner in which it defines urban problems and their solutions may substantially influence economic outcomes in a city. While it has become broadly accepted that the impact of urban public policy should be evaluated, there have been very few detailed analyses of the degree to which development strategies meet the goals of creating jobs or of securing a more healthy fiscal environment. In the absence of such assessment, the efficacy of the growth model remains contentious and unresolved: Debate about it remains mostly ideological.

Horan suggests (following Feagin, 1988 and Soja, 1987) that it is useful to conceptualize the local economy as a configuration of sectors "vital in terms of their employment, tax revenues, etc., in varying degrees of growth and decline and with varying links to the city or region" (p. 126). There are differences between localities in the extent to which their economic structures are made up of mobile industry and the degree to which their governments can influence capital mobility. Because there exists large range in variation in the structure of local economies, and because there are many possible combinations of economic factors and strategic human responses, the "development possibilities and choices facing any particular governing coalition cannot be assumed but must be investigated" (Horan, 1991, p. 127).

Following Horan's charge, the questions I have explored relative to Indianapolis' growth politics have provided an opportunity to ascertain the extent to which members of the growth coalition were concerned about the local economic structure and whether or not the policies they pursued had an influence on it. As I have shown, Indianapolis officials had been concerned about whether or not they would be able to "control their own destiny" as early as the 1970s. The city's reliance on labor intensive manufacturing jobs, especially those related to the auto industry, made it vulnerable to capital disinvestment spurred by national economic downturns and foreign competition in the auto industry. Members of the growth coalition, well informed about the manufacturing sector's structural decline in terms of investments and jobs, made the decision to "chase the service industries." City leaders entered the 1980's with a determination to put Indianapolis "on the map" by investing public and private capital in an amenity infrastructure.

According to my analysis, in the decade of the 1980's Indianapolis' manufacturing division was the only one that experienced employment loss. Further, it outpaced the nation in manufacturing division decline. The greatest employment gain in the local economy occurred in the service division, which by 1990 accounted for 30% of the local economic structure. Surprisingly, despite the coalition's efforts to harness this sector for job creation, the city's service sector expansion lagged behind that which occurred in the nation. The growth strategy seemed to have most influence in the creation of low-wage jobs (e.g., Eating and Drinking Establishments, and Apparel and Assessories in the Wholesale and Retail Trade sector; and Motion Pictures, Business Services, and Hotels and Lodging in the Service sector). These industries accounted for huge employment gains both relative to the local economy and vis-a-vis the rest of the nation. Job creation in these areas is consistent with the growth agenda established in the early 1980's. Unfortunately, none of these industries contained particularly well paying positions. Jobs located in business services, on average, were certainly much better paying than in eating and drinking establishments, however. It is highly likely that many of the latter were part-time positions.

My findings lend support to the assertions made by many critical theorists (e.g., see Fainstein et. al., 1983; Leitner, 1993; Smith & Keller, 1983) that pursuing economic growth premised on the trickle-down model of capital accumulation may alter the economic base of a city in such a way as to make life more difficult for low-income residents. Part of this contention is that an expansion of the service sector and tourist-related economy typically includes low-paying, part-time, and often dead-end jobs. Another aspect of this contention, however, lies in the spatial and social issues involved in the agenda for redevelopment.

Central to this argument are the decisions made by "entrepreneurs in the public interest" concerning the use of public funds and urban space to induce capital investment. As long as the political solution to urban crisis is merely to add to the collective consumption privileges of the white middle-class, then the needs of the poor and/or ethnically marginalized will continue to go unaddressed. As long as the agenda for urban revitalization is to reestablish business and middle-class control of urban territory by encapsulating lower class and ethnic minority communities in peripheral locations, then the social and economic stresses on these communities will be exacerbated. And as long as these spatial and social fault lines remain, they will continue to be mystified by civic boosterism campaigns that seek to equate the interests of the dominant class with the interests of the "community-as-a-whole."

In summary: Indianapolis growth politics emerged in the mid-1970's at a time when the city, like many others in the midwest, was experiencing massive manufacturing employment losses and centrifugal population shifts. A growth coalition of skilled Republican mayors and corporate elites structured an agenda designed to harness the service industries for economic growth. The coalition's strategy involved using sports to enhance the city's quality of life for middle-class residents and affluent tourists. Enabling factors, including the bureaucratic structure of the local state and the considerable financial resources of the locally based Lilly Endowment, Inc., facilitated the implementation of the coalition's agenda which called for massive public and private investment in brick-and-mortar development projects. Although this investment was touted as being beneficial for the community-as-a-whole, development objectives evidenced a clear class and race bias. The sociospacial aims of the "back to the city" movement, combined with large increases in low-paying service sector jobs, suggests that the benefits and burdens of the growth strategy had regressive effects.

## Suggestions for Future Research

Horan's (1991) suggestions for urban regime research in the 1990's have been influential in framing the problematics explored in this dissertation. The issues discussed and the suggestions for future research offered in this section are meant to supplement Horan's work. As is often the case in incipient fields of inquiry, the research presented in this dissertation has generated more questions than it has answered with regard to the extent to which political forces condition economic change. Horan's framework has been instructive for this dissertation and remains instructive for future researchers who wish to continue these lines of inquiry. I suggest, following Leitner (1990), comparative analyses of similarities and differences between cities regarding local context issues and economic development strategies. Horan's framework provides a way to examine this systematically. Comparative analyses of localities with respect to their governing coalitions, institutional resources, and economic structures would shed light on local varieties of development policies and strategies. Beyond this general framework, however, are a number of issues and questions that future investigators--doing either comparative analyses or in-depth single case studies--may wish to consider; these are addressed below. The issues presented here loosely conform to the two broad research questions explored in this dissertation: One relates to sociopolitical context; the other relates to economic context.

Stone (1987) argues that the "public interest" which is supposedly addressed in development policy cannot be determined objectively. He contends that the public interest is defined by members of the growth coalition and the relationship between these members. In other words, differences between localities in development policy are not reflective of differences in technical calculation about what a community needs to grow and prosper. Differences in policy orientations reflect differences in politics. More empirical research is needed to explore the ways in which these political arrangements are formed, who is involved, and how the public interest is defined. For example, in Indianapolis the growth coalition was comprised of a small number of highly interactive corporate elites who had similar interests and concerns. The composition of this coalition and the ways in which it operated shielded it from public scrutiny and assured that agenda setting for urban development would proceed with minimal conflict. People whose interests or "needs" differed from those within the coalition were excluded from the planning process. Therefore, the coalition's needs (determined by Lilly exit surveys, Chamber of Commerce studies, GIPC reports, and so forth) became mobilized as the needs of the community-as-a-whole. As I have shown, this arrangement was highly efficient. One can only wonder how Indianapolis' agenda for urban development would have been altered if the coalition had been more broad-based. What effects would tilting the balance toward more accountability in planning have had on efficiency or on accomplishment of development objectives? Future research might examine governing coalitions that are more broadly representative in an attempt to provide insight into issues related to defining public interest and the balance between accountability and accomplishment.

Future research might also consider how the size (by population) and demographics of a city contours growth politics. Because Indianapolis is a mid-sized city, a few corporate elites wielded considerable political power. Historically, there has been very little conflict between these elites. In addition, African-American influence in the political process was weakened by the Unigov structure. To what extent do different types of electoral systems affect growth politics? Do cities that are similar in size to Indianapolis have growth coalitions that are similarly elitist in their composition? If so, are they equally able to govern? And, do cities much larger than Indianapolis have governing coalitions that represent a wider range of interests within the hegemonic fractions of the dominant class? If so, what affect does this have on the amount of conflict involved in the formation of development policy?

In addition to exploring these sociopolitical issues, future research must include more empirical assessments of the ways in which urban growth policies meet the objectives of creating jobs and fostering more robust urban fiscal environments. There have been numerous economic studies that have attempted to assess the economic impact of different municipal <u>projects</u>, but very few which endeavor to assess the impact of city growth <u>policy</u>.

The proponents of large-scale development projects such as convention centers, urban malls, office buildings, or sports stadia often argue that these projects will stimulate local economic activity. Economists refer to this increase as the "multiplier effect" when they attempt to measure the economic activity that is generated by these individual projects. The multiplier effect is determined by summing the economic activities associated with these projects. For example, if a stadium attracts a sports franchise, calculating the multiplier effect would include (but is not limited to) the jobs created directly (ticket takers, ushers, vendors, ect.); revenue produced by the taxes on tickets and sales of souvenirs; advertising revenue for local game broadcasts; and increased spending in local restaurants by fans who attend games. Although there exists a multitude of multiplier effect studies, the results of these studies are highly controversial. Project proponents tend to overestimate multiplier effects and project opponents tend to underestimate them or eschew them altogether (for a review of these issues see Euchner, 1993). Nevertheless, the multiplier effect remains as a central issue in the assessment of the benefits of individual municipal projects.

Large scale critical assessments of economic change associated with development policies or strategies may be more fruitful in the future than continued research on specific projects. The focus of this dissertation suggests a number of possibilities for such investigations. For example, if the local economic structure is conceptualized as the number of jobs located within industrial divisions (as I have done), future research may provide more insight into economic change by utilizing higher-level SIC classifications. It will be recalled that examining the jobs created or lost beyond the major industry group level was beyond the scope of this dissertation. This precluded an assessment of the range of jobs included within these classifications. This was especially problematic in groups that evidenced large employment change (e.g., Business Services and Eating and Drinking Establishments). For example, the Business Services group (whose 19,442 new jobs represented the largest employment increase in the Indianapolis MSA) includes a diverse mix of industries whose only similarity is that they tend to market their services to other businesses. The average wage of jobs located in this major group was low ($17,160). However, within the Business Services group there is a wide range of occupational patterns and pay scales. Three-digit SICs would reveal a range between, for example, SIC 734 Services to Buildings (which includes janitorial services) and SIC 732 Advertising (which includes a large number of executives). Thus, higher-level SIC data would provide a more detailed description of the types of jobs created in the local economy. Additionally, utilizing three-digit SICs would enable researchers to conceptualize the service industry differently than the framework provided by the Bureau of Labor Statistics (shown in Appendix C and D). Browning and Singlemann (1978) offer a typology for the service industry that categorizes jobs according to the services they provide. These categories (e.g., producer services, consumer services, personal services, transportation services, and wholesale and retail services) cut across the divisions established by the Bureau of Labor Statistics. The Browning and Singlemann typology requires three-digit SIC data. This typology presents a more detailed representation of the service sector, and therefore it would have yielded more specific results relative to the wages of the jobs created or lost in the service sector of the Indianapolis economy.

Another tool that future researchers might wish to consider when assessing local economic structural change is shift-share analysis. It will be recalled that one of the main themes in critical inquiry where there is theoretical disagreement is the extent to which localities can control their economic destinies or whether local economic change is merely reflective of national trends. One of the important aspects of this dissertation research was the use of location quotients to compare Indianapolis' economic change to that of the nation. Location quotients examine the local economy and the national economy as separate entities and compare them to one another. Shift-share analysis attempts to ascertain the extent to which change in the local economy is affected by change in the national economy. Standard shift-share analysis includes three components: (a) the regional share, which is the amount by which total employment in the local economy would have grown if it grew at precisely the same rate as that of total employment in the nation; (b) composition shift, which is the extra amount by which local employment has grown or declined as a result of its specializing in nationally fast-growing or declining industries; and (c) the differential shift, which is the amount of employment growth from employment in each industry in the local economy that is growing at a faster or slower rate than its national growth rate (Stilwell, 1968). In theory, shift-share analysis may be useful for researchers who wish to pursue the local autonomy versus national economic structure debate. However, the practice of computing shift-share components is highly controversial. In fact, in a critical review Stevens and Moore (1980) conclude that the "shift-share literature is difficult to decipher, and various studies are hard to compare, because there does not appear to be a standard set of mathematical definitions or terms for the components of regional employment change, including shift" (p. 420). These authors suggest that there does appear to be some value in shift-share analysis for making post hoc analyses of components of regional employment change. Future researchers should be aware of the controversy surrounding such analyses and be especially judicious in their interpretations of it.

There is an alternative, however, to assessing the impact of development policy by only examining change in the economic structure. Future researchers may also include an analysis of city labor markets. That is, instead of examining only positions in the employment structure, research should consider the people who are either included or excluded in employment changes. The mere acquisition of job opportunities may have little impact on the current population. For example, bringing high-tech jobs to a manufacturing community might not assist those blue-collar workers who are unemployed even though it may broaden the local economic base and increase per capita income. As Blakely (1989) has stated, attracting firms is not the same as improving the circumstances of the people who live in the area. Researchers might attempt to ascertain how many new jobs are filled by current residents and how many are filled by newcomers. Also, it would be important to know how many jobs are likely to be filled by unemployed residents, by women, or by racial minorities. Exploring such issues requires that local labor market characteristics be identified. Then, an attempt could be made to assess the extent to which the agenda for growth matches the needs of the people who live in the city. And, if the agenda does not bring jobs to the people who need them, is there any attempt to bring the people to the jobs that are created? That is, does the growth strategy include job training or other types of assistance aimed at helping local residents secure quality employment (e.g., child care services, public transit to work sites, technical school or community college aid)?

A promising way to examine how changes in the local economic structure fit the characteristics of the local population is to assess local employment change by occupation. Future research could utilize the Occupational Employment Statistics

(OES) survey. The OES surveys follow a 3-year cycle and utilize a sample of nonfarm establishments to obtain wage and salary employment by occupation. The OES classification system is compatible with the 1980 Standard Occupational Classification (SOC) system. The classification of occupations, with some exceptions, follows SOC principles which group occupations by their function, industry, and skill. Utilizing such data would provide additional insight into the types of jobs created and lost in the local economy. This assessment, when combined with an analysis of the local labor market (e.g., educational level, work history, and job skills of the unemployed) would help researchers evaluate the extent to which job creation strategies address the needs of local residents.

The theme throughout this dissertation has been that politics matters. The focus has been on the ways in which politics conditions economic structural change in urban areas. What should not be lost in this perspective is the fact that politics and structural transformation have real consequences on the lives of people who reside in cities. We should also be mindful (following Stone, 1987, pp.294-297) that human action does not emanate from a structurally clean slate, but that we are purposive and reflective creatures capable of modifying the situations in which we find ourselves. Politics, says Stone, is ultimately about how we conduct our lives together. Political arrangements therefore have implications for social justice. Research into these arrangements is not a self-contained reward, undertaken only for its own sake. As we pursue the particulars of urban politics, let us not forget the capacity for humans to adopt a better course.

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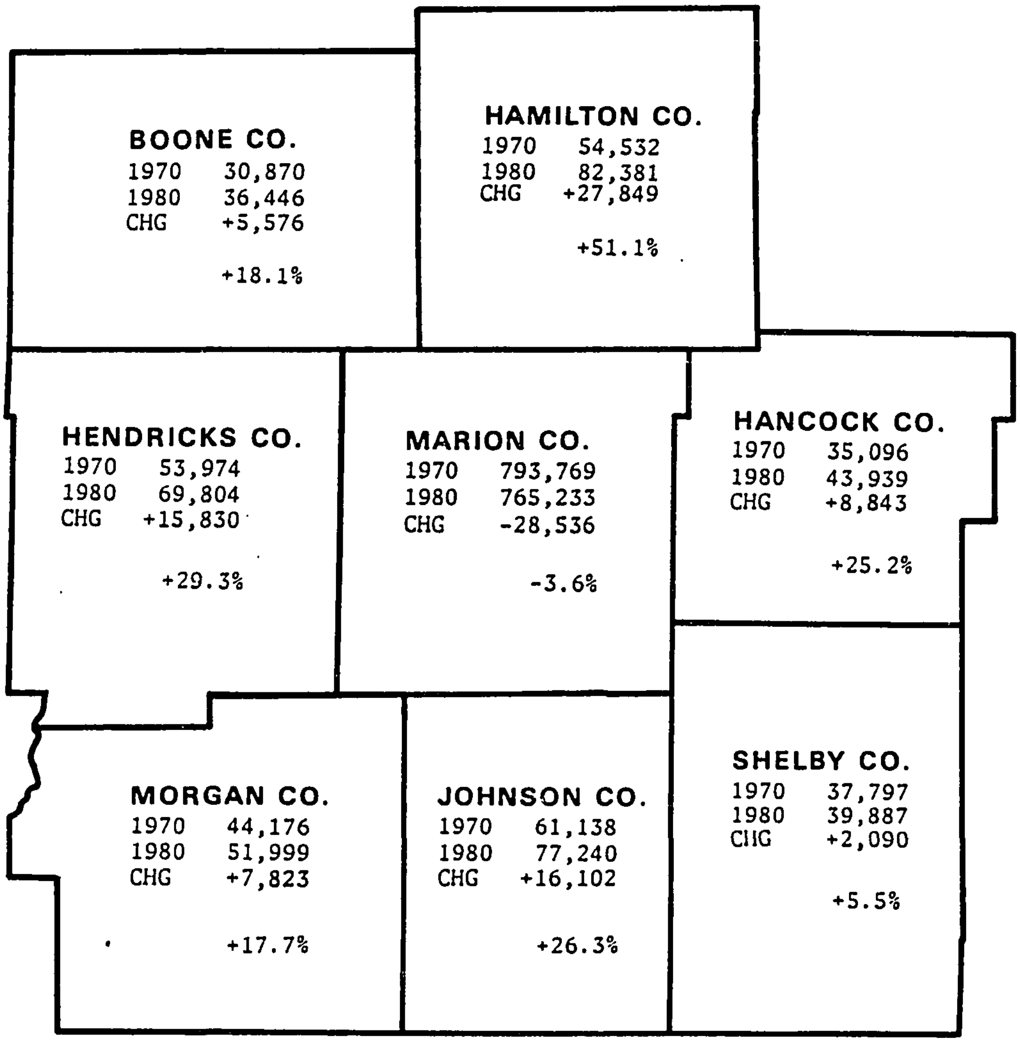
# APPENDIX A

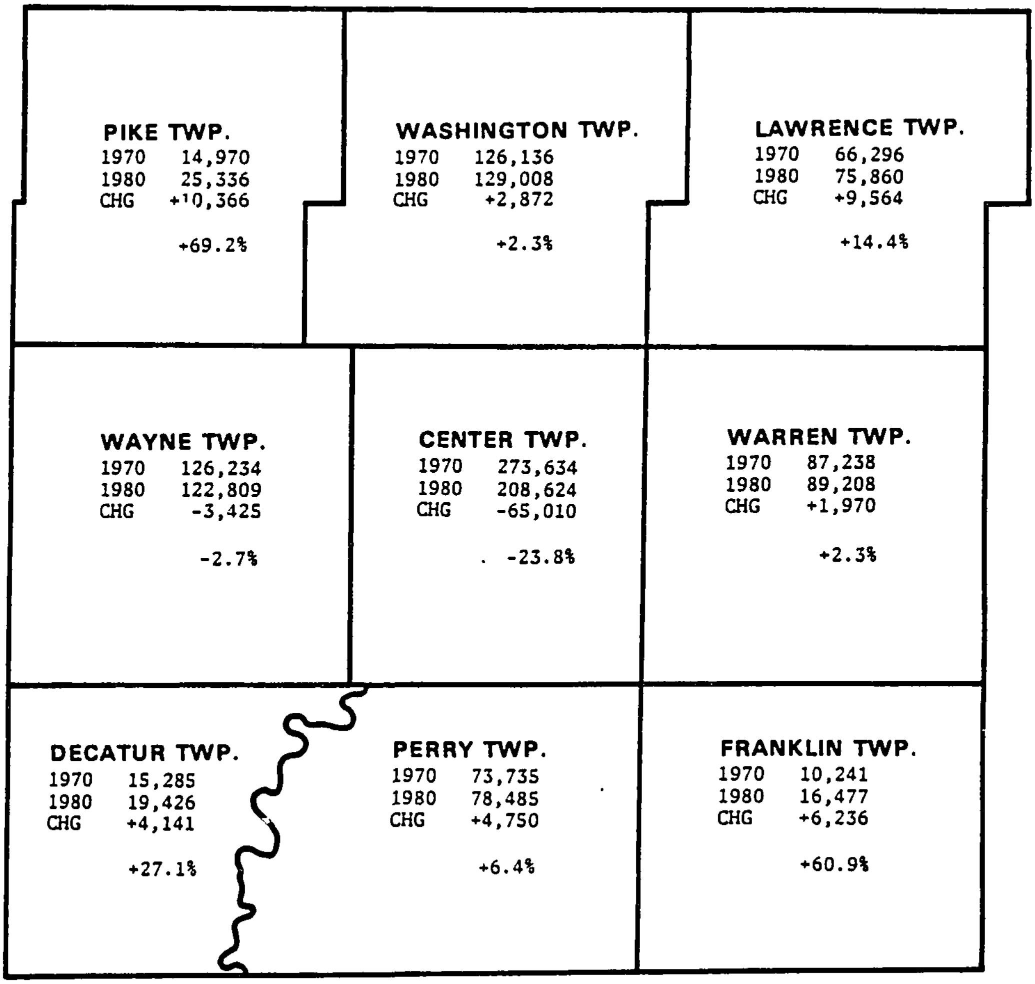
Population Change in the Indianapolis MSA and Marion County Townships, 1970 to 1980

The Indianapolis MSA




SOURCE: Department of Metropolitan Development. (1981a). Marion county's black population from 1970-1980. Indianapolis; IN: Author.

Marion County Townships




SOURCE: Department of Metropolitan Development. (1981a). <u>Marion county's black population from 1970-1980</u>. Indianapolis; IN: Author.

# APPENDIX B

## Key Individuals and Groups Referred to in Chapter IV

### Individuals

John Barton
    **Mayor of Indianapolis, 1964-1967

*Thomas W. Binford
    Chairman, Binford Associates
    Chairman of the Board, Heritage Venture Group
    Chairman CEO and President, Indiana National Bank Financial Corporation
    Director, Jefferson Corporation
    Director, Jefferson National Life Insurance
    Director, Corporate Community Council
    Director, Greater Indianapolis Progress Committee
    Chairman of the Board, Greater Indianapolis Progress Committee
    Member, GIPC - Industrial Growth Strategy Task Force

*David E. Carley
    President, Demars Development
    **Director, Department of Metropolitan Development
    **Principal Planner, Division of Planning and Zoning

*William H.A. Carr
    President & CEO, Jack Raymond and Associates Public Relations
    **Council, Eli Lilly and Company
    **Director, Indianapolis Project, Inc.
    **Correspondent, New York Times

*Julia M. Carson
    Center Township Trustee of Marion County

David R. Frick
    **Deputy Mayor of Indianapolis
    **Treasurer, Capital Improvements Board
    **Negotiator for Indianapolis with NFL's Colts Franchise

William H. Hudnut, III
    **Mayor of Indianapolis, 1974-1990

*Sam H. Jones
Executive Director Indianapolis Urban League

Robert N. Kennedy
**President, Kennedy Brown architectural firm
**Director, Department of Metropolitan Development

Eli Lilly
The eldest son of J.K. Lilly, Sr., who was the co-founder of Eli Lilly & Company in 1876.
Co-founder, with his father and brother (J.K. Lilly, Jr.), of the Lilly Endowment, Inc. in 1937.

Richard G. Lugar
U.S. Senator
**Mayor of Indianapolis, 1968-1973

Frank McKinney, Sr.
**Chairman of the Board, American Fletcher National Bank
**Chairman of the Board of Trustees, Indiana University

James T. Morris
President, Indianapolis Water Company
**President, Lilly Endowment, Inc.
**Chief of Staff, Richard T. Lugar Mayorial Administration

*Harrison Ullmann
Editor and Publisher of the Indiana Letter
**1984 Indiana Gubernatorial runner-up

*Sidney Weedman
Executive Director Commission for Downtown
Vice President and Director of Governmental Relations, Merchants National Bank and Trust

* granted formal interviews to author
** former positions

Groups

Greater Indianapolis Progress Committee (GIPC)
- Formed by Mayor John Barton in 1965
- Membership included corporate CEO's
- Assisted government in setting an agenda for urban development
- Membership expanded in 1978 by Mayor Wilham Hudnut

Policy Committee
- Formed February, 1968
- Membership included a small number of Republican party representitives, Mayor Richard Lugar, and civic/corporate leaders
- Met privately to plan city-county consolidation

Department of Metropolitan Development (DMD)
- Established in 1970 when Unigov was enacted
- Organized into five divisions: planning and zoning, housing, urban renewal, buildings, and code enforcement

Commission for Downtown
- A non-profit organization formed in 1978 to oversee Monument Circle beautification
- Was founded to serve as a conduit for Lilly Endowment, Inc. funds

Corporate Community Council
- Formed in 1978 in response to expanded GIPC membership
- All members are CEOs

Indiana Sports Corporation
- Founded in 1979 with a $200,000 grant from Lilly Endowment, Inc.
- Exists to attract sports events and organizations to Indianapolis

City Committee
- Formed in the late 1970s
- Membership included a small number of second-tier corporate executives
- Met privately to discuss urban development

Indianapolis Project, Inc.
- Founded in 1984
- A public relations firm which exists to promote Indianapolis to the media

# APPENDIX C

Covered Employment for Major Industry Groups in the Indianapolis MSA, 1980 to 1990

| SIC Code | 1980 | 1990 | Net Change 1980-1990 | % Change 1980-1990 | Annualized Average Wage |
|---|---|---|---|---|---|
| MANUFACTURING | 122,971 | 110,790 | -12,181 | -9.9% | 27,259 |
| 20 Food & Kindred | 7,934 | 6,326 | -1,608 | -20.3% | 25,584 |
| 23 Apparel/Textile | 1,163 | 1,768 | 605 | 52.0% | 17,680 |
| 24 Lumber & Wood | 2,219 | 2,259 | 40 | 1.8% | 19,656 |
| 25 Furniture & Fixtures | 379 | 892 | 513 | 135.4% | 19,812 |
| 26 Paper & Allied | 2,933 | 3,651 | 718 | 24.5% | 26,104 |
| 27 Print/Pub | 9,376 | 11,565 | 2,189 | 23.3% | 24,752 |
| 28 Chemicals | 9,570 | 11,352 | 1,782 | 18.6% | 50,336 |
| 29 Petroleum/Coal | 514 | 565 | 51 | 9.9% | 38,792 |
| 30 Rubber & Plastics | 4,096 | 5,745 | 1,649 | 40.3% | 23,400 |
| 31 Leather | 100 | 7 | -93 | -93.0% | 12,168 |
| 32 Stone/Clay/Glass | 2,529 | 2,535 | 6 | 24.0% | 27,976 |
| 33 Primary Metal | 3,015 | 3,193 | 178 | 5.9% | 28,184 |
| 34 Fab Metal | 9,942 | 9,538 | -404 | -4.1% | 25,792 |
| 35 Indust. Mach. | 15,549 | 14,853 | -696 | -4.5% | 30,420 |
| 36 Electronics | 19,443 | 7,690 | -11,753 | -60.4% | 26,572 |
| 37 Trans. Equip | 28,791 | 21,980 | -6,811 | -23.7% | 40,248 |
| 38 Instruments | 2,754 | 3,717 | 963 | 35.0% | 32,500 |
| 39 Misc. Manuf. | 1,236 | 1,440 | 204 | 16.5% | 20,696 |
| TRANSPORTATION & PUBLIC UTILITIES | 26,793 | 40,159 | 13,366 | 49.9% | 23,368 |
| 41 Local, Pass, Trans | 610 | 1,274 | 664 | 108.9% | 13,520 |
| 42 Trucking & Whare. | 10,834 | 17,330 | 6,496 | 60.0% | 25,792 |
| 45 Trans. Air | 1,225 | 5,226 | 4,001 | 326.6% | 24,284 |
| 47 Trans. Services | 595 | 988 | 393 | 66.0% | 19,708 |
| 48 Communications | 8,475 | 9,855 | 1,380 | 16.3% | 33,540 |

| SIC Code | 1980 | 1990 | Net Change 1980-1990 | % Change 1980-1990 | Annualized Average Wage |
|---|---|---|---|---|---|
| WHOLESALE & RETAIL TRADE | 125,661 | 168,661 | 43,000 | 34.2% | 17,238 |
| 50 Whole Trade-Dur. | 23,322 | 29,348 | 6,026 | 25.8% | 30,680 |
| 51 Whole Trade-nondur. | 10,121 | 11,978 | 1,857 | 18.3% | 28,236 |
| 52 Building/Garden | 3,832 | 5,436 | 1,604 | 41.9% | 16,952 |
| 53 General Merch. | 15,036 | 17,336 | 2,300 | 15.3% | 12,168 |
| 54 Food Stores | 12,525 | 15,951 | 3,426 | 27.4% | 12,636 |
| 55 Auto Deal/Service | 10,139 | 13,386 | 3,247 | 32.0% | 19,760 |
| 56 Apparel & Acces. | 4,537 | 6,674 | 2,137 | 47.1% | 10,868 |
| 57 Furniture | 3,020 | 4,784 | 1,764 | 58.4% | 18,460 |
| 58 Eating & Drinking | 29,031 | 45,206 | 16,175 | 55.7% | 8,164 |
| 59 Misc. Retail | 14,098 | 18,563 | 4,465 | 31.7% | 14,456 |
| FINANCE, INSURANCE & REAL ESTATE | 37,302 | 49,889 | 12,587 | 33.7% | 30,445 |
| 60 Depository Inst. | 8,387 | 13,036 | 4,649 | 55.4% | 21,788 |
| 61 Non Deposit. Inst. | 2,763 | 3,123 | 360 | 13.0% | 25,688 |
| 62 Security/Commodity | 660 | 1,083 | 423 | 64.0% | 47,008 |
| 63 Ins. Carriers | 15,351 | 16,960 | 1,609 | 10.5% | 26,496 |
| 64 Ins. Agents/Brokers | 2,980 | 4,767 | 1,787 | 60.0% | 29,276 |
| 65 Real Estate | 6,840 | 10,323 | 3,483 | 50.9% | 20,852 |
| 67 Holding/Invest. | 211 | 221 | 10 | 4.7% | 40,040 |
| SERVICES | 127,219 | 196,722 | 69,503 | 54.6% | 19,535 |
| 70 Hotels/Lodging | 4,989 | 7,930 | 2,941 | 58.9% | 10,816 |
| 72 Personal | 5,596 | 7,279 | 1,683 | 30.0% | 12,376 |
| 73 Business | 14,982 | 34,409 | 19,427 | 129.7% | 17,160 |
| 75 Auto Repair | 3,480 | 6,181 | 2,701 | 77.6% | 17,618 |
| 76 Misc. Repair | 1,331 | 2,126 | 795 | 59.7% | 22,984 |

| SIC Code | 1980 | 1990 | Net Change 1980-1990 | % Change 1980-1990 | Annualized Average Wage |
|---|---|---|---|---|---|
| 78 Motion Pictures | 829 | 1,821 | 992 | 119.7% | 10,504 |
| 79 Amusement | 3,448 | 6,362 | 2,914 | 84.5% | 17,004 |
| 80 Health | 39,762 | 59,118 | 19,356 | 48.7% | 27,196 |
| 81 Legal | 2,217 | 4,079 | 1,862 | 84.0% | 32,448 |
| 82 Education | 34,568 | 37,496 | 2,928 | 8.5% | 18,720 |
| 83 Social | 5,792 | 9,422 | 3,630 | 62.7% | 12,584 |
| 84 Museums/Bot./Zoo | 347 | 817 | 470 | 135.4% | 15,028 |
| 86 Member. Orgs. | 5,102 | 6,309 | 1,207 | 23.7% | 17,004 |
| 87 Engineer/Mgt. | 0 | 12,105 | 12,105 | E | 29,744 |
| 88 Private Households | 419 | 963 | 544 | 129.8% | 9,880 |
| 89 Services, other | 3,786 | 118 | -3668 | 96.9% | 41,496 |

## APPENDIX D

LQ* for Major Industry Groups in the Indianapolis MSA, 1980 to 1990

| SIC Code | 1980 | 1990 | Change + - |
|---|---|---|---|
| MANUFACTURING | 1.06 | .96 | -.10 |
| 20 Food & Kindred | .81 | .63 | -.18 |
| 23 Apparel/Textile | .16 | .28 | .12 |
| 24 Lumber & Wood | .57 | .51 | -.06 |
| 25 Furnature & Fixtures | .14 | .29 | .15 |
| 26 Paper & Allied | .75 | .87 | .12 |
| 27 Print/Pub | 1.32 | 1.23 | -.09 |
| 28 Chemicals | 1.50 | 1.73 | .23 |
| 29 Petroleum/Coal | .43 | .59 | .16 |
| 30 Rubber & Plastics | .99 | 1.07 | .08 |
| 31 Leather | .07 | .01 | -.06 |
| 32 Stone/Clay/Glass | .67 | .76 | .09 |
| 33 Primary Metal | .46 | .70 | .24 |
| 34 Fab Metal | 1.09 | 1.11 | .02 |
| 35 Indust. Mach. | 1.11 | 1.18 | .07 |
| 36 Electronics | 1.62 | .76 | -.86 |
| 37 Trans. Equip. | 2.68 | 1.83 | -.85 |
| 38 Instruments | .68 | .62 | -.06 |
| 39 Misc. Manuf. | .51 | .63 | .12 |
| TRANSPORTATION AND PUBLIC UTILITIES | 1.05 | 1.22 | .17 |
| 41 Local, Pass, Trans | .38 | .63 | .25 |
| 42 Trucking & Whare. | 1.5 | 1.78 | .28 |
| 45 Trans. Air | .47 | 1.18 | .71 |
| 47 Trans. Services | .54 | .48 | -.06 |
| 48 Communications | 1.11 | 1.25 | .14 |

| SIC Code | 1980 | 1990 | Change + - |
|---|---|---|---|
| WHOLESALE AND RETAIL TRADE | 1.09 | 1.09 | -- |
| 50 Whole Trade-Dur. | 1.32 | 1.34 | .02 |
| 51 Whole Trade-nondur. | .83 | .77 | -.06 |
| 52 Building/Garden | 1.08 | 1.17 | .09 |
| 53 General Merch. | 1.18 | 1.15 | -.03 |
| 54 Food Stores | .92 | .82 | -.10 |
| 55 Auto Deal/Service | 1.05 | 1.08 | .03 |
| 56 Apparel & Acces. | .83 | .92 | .09 |
| 57 Furniture | .88 | .97 | .09 |
| 58 Eating & Drinking | 1.12 | 11.47 | 10.35 |
| 59 Misc. Retail | 1.29 | 1.24 | -.05 |
| FINANCE, INSURANCE & REAL ESTATE | 1.31 | 1.26 | -.05 |
| 60 Depository Inst. | .94 | .96 | .02 |
| 61 Non Deposit. Inst. | .85 | 1.39 | .54 |
| 62 Security/Commodity | .52 | .43 | -.09 |
| 63 Ins. Carriers | 2.34 | 2.03 | -.31 |
| 64 Ins. Agents/Brokers | 1.17 | 1.19 | .02 |
| 65 Real Estate | 1.28 | 1.32 | .04 |
| 67 Holding/Invest. | .39 | .20 | -.19 |
| SERVICES | 1.36 | 1.24 | -.12 |
| 70 Hotels/Lodging | .81 | .80 | -.01 |
| 72 Personal | 1.10 | 1.09 | -.01 |
| 73 Business | .86 | 1.10 | .24 |
| 75 Auto Repair | 1.07 | 1.12 | .05 |
| 76 Misc. Repair | .80 | .91 | .11 |
| 78 Motion Pictures | .66 | .75 | .09 |

| SIC Code | 1980 | 1990 | Change + - |
|---|---|---|---|
| 79 Amusement | .80 | .94 | .14 |
| 80 Health | 1.35 | 1.26 | -.09 |
| 81 Legal | .79 | .74 | -.05 |
| 82 Education | 5.61 | 4.65 | -.96 |
| 83 Social | 1.06 | .92 | -.14 |
| 84 Museums/Bot./Zoo | 1.85 | 2.02 | .17 |
| 86 Member. Orgs. | 1.28 | 1.17 | -.11 |
| 87 Engineer/Mgt. | -- | .80 | .80 |
| 88 Private Households | .53 | .59 | .06 |
| 89 Service, other | .67 | .48 | -.19 |