Downtown Revitalization & Management
City Planning 642-001

2000-2018: 26,195 new housing units built in CC
25% who moved to PHL between 2000-2018, moved downtown
12% moved into University City

9 straight years of citywide growth = 71,100 jobs

Overwhelming volume of new supply are apartments
Driven by people in 20s & 30s

Almost half residents in downtown are millennials
46% of residents in the core, ages 20-34
75% in core have a BA degree;
This age cohort nationally is currently tending to live alone, marry later, have smaller families and delay homeownership.

They constitute a major source of demand for Center City’s surging rental supply.

But the millennial peak is particularly pronounced in Philadelphia & the drop-off behind them is more dramatic than in the nation or surrounding region

Nation & region

Philadelphia has much higher rate of retention of college graduates who come from this region than those who come from other regions & from abroad.

As Philadelphia colleges & universities continue to compensate for declining national & regional demographics by increasing their enrollment from outside the region & from abroad, the challenge of retention becomes greater

18 year-old college freshman

Philadelphia benefits from the presence of many colleges and universities that draw a new class of 18 year olds to the city each year. We need to create more reasons for them to stay.

Graduate retention

(1) A brief history of U.S. downtowns

(2) Post World War 2: The story of decline

(3) Post-industrial resurgence & diversification of downtowns, anchor institution, research & innovation districts

(4) Post-2008 recession: the great divergence; income disparities, urban poverty & equity issues

(5) Current world of political polarization
To understand where downtowns are going, it is helpful to understand where they came from.

A history of original Downtowns

Origin of the term: “Downtown”

Downtown: American term invented after Civil War 1870s

“City Center” European term also applied to pre-civil war U.S. cities:

A mixed-use place, combining business & residential, usually adjacent to the port

Like all global cities founded before 19th century, American colonial cities began on the waterfront

Philadelphia began as a waterfront city

Earliest development along the Delaware River immediately adjacent to the port...
Market places; residences upstairs from shops

San Francisco, 1854

San Francisco, 1878

Term “downtown” originated in Manhattan
To describe the lower end of the island

Dense cluster of commercial property
Started to squeeze out residential
Particularly during industrial expansion after Civil War

A purely business & commercial center emerges
“Downtown” noisy & congested,
To avoid noise & congestion “Uptown” - north of Canal St. - is where the wealthy moved. Home & work begin to separate.

Most European cities were at least 1,000 years old. They inherited medieval forms & had height limits.

Uniform building code requirements. Residential & commercial remained mixed well after WW 2.

American cities in the 19th century were built for the first time before zoning; more of a free-for-all.

Philadelphia 1849: Wealthy move west away from port.

Mid 19th century industrialization occurs outside these boundaries in next ring of neighborhoods.
Philadelphia in 1900

Industries locate on waterfront for power & transport

Waterfront exported coal, 1910

A working waterfront

Railroads supplied factories

Minneapolis: Gold Medal flour mills
Carnegie Steel, Youngstown, Ohio 1910

Manufacturing was labor-intensive: Detroit

Manufacturing was skill-intensive

Large factories often developers of rowhouses

Mass produced working class neighborhoods

Milltowns: Manayunk: 1926
Urbanization & manufacturing went hand in hand

1790: only 5% of Americans lived in cities

1870: 25% of Americans lived in cities

In 1870, there were only 2 American cities with a population of more than 500,000.

By 1900, there were 6: New York, Chicago, & Philadelphia had over one million inhabitants.

1920: 50% of American population lived in cities

The emergence of “downtown” in 1870s

Rapidly expanding urban economy & migration from rural area to cities

Growth of professional & managerial functions not requiring physical labor

Intense competition between cities

Intense competition for space within cities

No height controls

Few historic buildings or crown properties that limit the push to go up

Technological innovation: Otis Elevator + Structural Steel

Elisha Otis introduced first elevator

Crystal Palace for Exhibition of the Industry of All Nations

1853 in NYC: current site of Bryant Park

Modelled on Crystal Palace in London, 1851

Installed first one at 488 Broadway in 1857, NYC

1860: Typical commercial buildings

4-6 story masonry load bearing structures

Elevator made taller buildings more feasible
Started in 1870, Philadelphia’s City Hall

Was world’s tallest masonry load-bearing building when it was completed in 1900

By contrast 15th-16th century bell tower in Bruges 278 steps

In the aftermath of 1871 Great Chicago Fire

Louis Sullivan designs structural steel frame building
Home Insurance Building, 1885

Structural steel + elevators Makes possible the skyscraper:
Housed banking, finance & insurance, management functions for manufacturing economy

As commercial uses squeeze out residential
Creates “Downtown” Technology enables greater height
European travelers astounded by the “High Sierra” of buildings “Urban Alps”
Existed no place else on earth

Lower Manhattan in 1900

1913: “downtown” = lower portion of Manhattan

37 years later

Marvel at transformation of China’s cities in 26 years

Urbanization: China and the World

The world is majority urban
54% of the world’s population are urbanites
70% of population will live in cities by 2050
86% of future population growth will occur in cities in the Global South

China’s fast-forward urbanization
59% of population lives in cities – 12% in 1970
260 million
Chinese have moved from rural areas to cities
1 billion people will live in cities by 2050
2020
Of the world’s 100 largest cities are in China

27,000 km (17,000 mi)
high-speed rail – longest in the world

Center City District

Center City District

Center City District

Center City District

Center City District
The same thing happened in NYC: 1876

In almost the same amount of time: 37 years
“Downtown” word generalized to other cities

Philadelphia’s skyline 1840s

Philadelphia’s first skyscraper: Land Title Building

City skyline in 1913

Live & work are separated
Electric trolleys accelerate dense development
Market Street, San Francisco, 1904

Created extraordinary crowds at street level

Sometimes major traffic jams

Creates market for 19th century urban shopping street

Lower Broadway, Manhattan: 1885 & 1907

State Street in Chicago
Era of great department stores begins

John Wanamaker (opened 1876)

Lit Brothers Department Store

Carson Pirie Scott on State Street in Chicago

Strawbridge & Clothier

Gimbels Department Store
In the era when people dressed up to go downtown

Market Street: prime shopping street in region

Subways & elevated lines followed: Broad Street line excavation under City Hall

Downtowns supported by hub & spokes transit systems

Contrast to London, England

Chicago Transit system & loop
Contrast to London, England:
Tokyo: web system, not built around one central business district.

Chicago Transit system & loop:
1920s downtown Chicago: 1% of city's land area = 20% of assessed value.

Center City Philadelphia:
1931: high density commercial, no residential.
1948: dominant workplace in the region

Philadelphia 1948

Single use office district with supportive retail
Concentrated assessed value for city taxes
contains the seeds of its own destruction

“Single Use” = Over-specialization

New transportation technology
The very first ad for a car

Car promises mobility, speed, none of the odors or manure produced by a horse

In the 1920s cars begin to be mass produced

Trucks follow shortly
Freeing industry from its dependency on rivers & railroads

Labor intensive Manufacturing age was also ending

Temporary delayed by World War 2

Immediately after World War II Factories were moving out the city

Steel plants losing market share to international competition

Same with auto industry in Detroit As European & Japanese economies rebound
Abandoned Packard manufacturing plant in Detroit

Sad, vacant ruins visible from Amtrak

1970 peak: Long-term manufacturing decline

Long-term loss of manufacturing jobs

Rates of decline vary

But all wound up in the same place
Shopping streets began to empty out in the 1960s

More downtown land devoted to car uses

Urban parking lots created as buildings lose value in Depression

Buildings left empty are demolished for parking lots

By the 1960s the car was king & fuel was cheap

Elvis’ car in Memphis

My first car in 1970: 1964 VW – Full tank = $3.10
Federal policies gave priority to the car

Those prices & policies fueled several decades of decentralization & sprawl

History of suburbanization & Redlining

Post WW 2: mass production of housing: Levittown

Aggressively marketed
Aimed at families with children

Federally insured GI Mortgages

Cross promotion of products

Significant new supply: Levittown

Residential abandonment: Kensington
Movement of middle class to the suburbs
Declining city population

Sequence of suburbanization
Synchronized with baby boom: without friction

Residential: 1946-47, accelerates through 1950s
1960: 31% population suburbs
2010: 51% population suburbs

Regional shopping centers, 15,000 - 1955-1977
Office parks

Completely auto-centric

17 regional centers surround Center City

Market Street lost market share to suburban malls

1969: largely single use; 9-5 activity centers
Just before decline
Declining share of regional jobs: 1970-2011

- 1970: 74% of commercial office space in CBD
- 2010: 65-70% commercial office space in suburbs

Push: urban decline; pull: auto-orientation

Highway oriented; ample parking

Landscaping; green amenities

“Campus” Selling tranquility

Greenfields as part of marketing strategy

This could be your back yard.
Cities left behind: Times Square goes down market

Place of porno shops, peep shows & prostitution

Squalid street scenes

1976

Subway cars lathered with graffiti

Frightening images of abandoned South Bronx
Streets devoid of activity

9 to 5 downtowns; empty streets at night

Neglected facades, solid security gates

Seattle: 1971

Between January 1970 & December 1971, Boeing laid off 65,000 people, almost 2/3 of its workforce.

1975 bankruptcy

1975 bankruptcy
Downtown Denver, 1976

The old story of decline from the 1960-1970s

A tale of cities emptying out

Shopping streets abandoned

Factories left empty

Urban housing falling down
Decade of movies: cities as dangerous places

It is 1997 & a nearly destroyed New York City has become a walled prison for over 3 million convicted criminals who have lost, but survived, a brutal war against the United States Police Force.

In this maximum security prison-city, escape has been made impossible – every bridge is mined and walled, the surrounding waters are filled with deadly electricity….

The premise

Here’s the challenge....(from promotional liner)

“Snake Plissken (Kurt Russell) is sent alone on a mission .... he must rescue the President of the United States whose plane crashes in NYC on its way to a world summit conference; the President is carrying papers that are crucial to the survival of the US.

Snake is pitted against roving street gangs of violent criminals & the crazies, the criminally insane, who live in the subways & break through the floors or pour out of manholes in hordes like sewer rats to attack whomever they can.”

A mild caricature of Manhattan in 1970s

After decades of movies like this...

Everyone now agrees that cities are back
Ever since Seinfeld, Friends & Sex and the City, we’ve know cities are safe & hip places to be. Because crime moved to the New Jersey suburbs.
Attracting young professionals & Millennials

Significant volume of returning empty-nesters

All conversation is about gentrification

Economic development becomes talent retention

The New York Times

Down and Out in San Francisco on $117,000

By Tiphanie Egan

July 6, 2018

It’s beyond laughable that a one-bedroom apartment can sell for $1.5 million in San Francisco — and get multiple offers within a day. Or that disheveled gentrification “for rent” signs. Or that the asking price for a side-order of brussels sprouts at many restaurants is $15.

Beyond laughable because such stories pass like a Bay Area breeze in the city named for a pumper from medieval Assisi. But the latest assessment of the out-of-reach quality of one of the world’s great places to live comes as a real job.

Google renovated traditional space in NYC

Comcast doubles downtown space

Supporting tech startups
Cities tripping over themselves to secure Amazon
How did we get here?

1950s urban renewal played major role in many cities

1953: the demolition of elevated train tracks

Penn Center

Removed industrial infrastructure
Resulted in new downtown office buildings

1960s & 1970s: all buildings connected to transit
1980s office boom:

1990: 38 million s.f. of office space

Renewal facilitated growth of health care & education

Creating a new employment base downtown

Similar process of renewal in University City
View across Walnut St bridge, 1920s

Transformed into major medical & education center
NYC early leader in clearing for arts & culture

Resulted in new downtown office buildings

With Lincoln Center, NYC begins to diversify Downtown land-use

Nearly all cities have followed; no longer just 9-5 centers Disney Center in Los Angeles

Adding music, theater & entertainment

Convention centers & new hotels

59% of expenditures of hotel guests Made outside hotel on shopping & dining
Downtown sports facilities

Urban retail has been rebounding Michigan Avenue, Chicago

New retail entertainment destinations: Fort Worth

Times Square is a totally family-friendly destination

Restaurants & outdoor cafes

Downtowns are active & animated after dark
Energy factor: costs have gone up & stayed up

Adjusting for inflation energy costs now 67% higher

People no longer laugh at this

Nor is this just for children

Energy costs relate to generational change in cultural values
Most coveted mode of transportation: 1964

A new generation values the live/work environment
Culturally rich, diverse & walkable cities
Most coveted mode 2019: sustainable life-style

Cities have not only rebounding as places to work

Emerging as vibrant places to live, Indianapolis

Energy has driven new development patterns

Older cities converting lofts to housing: Milwaukee

Very competitive form of urban transportation
New construction has diversified land-use: Minneapolis

New downtown housing: San Diego

Newer cities are increasing density of development
Filling in parking lots: Charlotte & Orlando

Parking lots have been filled in Denver, Colorado

Atlanta, Georgia

The original “downtown” has become a thriving, mixed-use, live-work setting
This didn’t happen over night

Economic change
Political change

Cities made the transition from manufacturing....

To post-industrial places driven by “clean” industries

Urban economy shifted from manual labor.....

To intellectual labor: knowledge industries
The form of the economy has changed

Public policy & political change

“Post-federal era”
- A suburban nation
- 52% of congress comes from suburban districts
- Beginning in 1970s & 1980s – federal disengagement
- Decline
- Self-help & entrepreneurial mayors
BIDs have played role creating well-managed places

Post 2000: Structure of the economy has changed

Moretti; the “great divergence”
Some place are pulling ahead, many falling behind
Growth is no longer uniform

High wage tech jobs are drivers of the new economy
San Francisco

Comcast has added over 2 million sf of office space

New tower has 4,000 high skilled tech workers
Generate many other jobs
Filling cities with young professionals

All downtowns attracting highly-educated workers
Which also means higher wage workers

Center City (42.2%) + University City (10.5%)
8% of land-area = 53% of all jobs in Philadelphia
Account for 37% of all in-movers to city 2010-2018

Core + Extended = Greater Center City
Average of 40% of employed residents work downtown; another 12% commute to University City.

Definition of residential Center City is based on growing national preference for live-work environments. It includes the core commercial area, now intermixed with housing & the surrounding neighborhoods.

Outside Greater Center City an average of 25% of working residents commute to jobs downtown.

Filled with young professionals & empty nesters
46% of residents in the core, ages 20-34
75% in core have a BA degree; 50% in extended

A live-work zone around Center City & University City
81% of new supply built in just 17% of city's geography. Clustered around centers of job growth; transit connectively.

61% of downtown residents get to work without a car.

The geography of car-free commutes: shown in blue & green; orange = car commute.

Many recent books celebrated downtown revival.

How statistically significant are new downtowns & anchor institution districts that have garnered much media attention?

Report quantified how many people work & live in & around these new 21st century downtowns:

- City & town centers
- Anchor Institution Districts
- Urban research & technology parks

Is this sustainable??
Downtowns are far more important as workplaces. Greater Center provides just 10% of downtown workforce.

**Figure 3: Where Downtown Workers Live**

33% jobs require only HS diploma; 30% require an Associates degree; 37% BA degree or higher.

**Table: Percent of Jobs by Level of Education, Workers 20 and Older**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School or Less</td>
<td>30%</td>
</tr>
<tr>
<td>Some College/Associate</td>
<td>40%</td>
</tr>
<tr>
<td>Bachelor’s Degree or More</td>
<td>30%</td>
</tr>
</tbody>
</table>

Transit makes them accessible to neighborhood residents. 50% of neighborhood residents can commute to Center City in 30 minutes or less.

**Figure 4: All jobs concentrated at center of regional transit system that brings 300,000 passengers downtown each day**

25% of residents from every city neighborhood work downtown; 52.5% of jobs held by city residents.

**Figure 5: 25% of residents from every city neighborhood. Work downtown; 52.5% of jobs held by city residents. Not a tale of downtown vs. neighborhoods. Downtown as the workplace for neighborhood residents.**

Despite success: cities have high rates of poverty.
Creates huge disparities in the city: poverty

Disparities in education levels

Significant disparities remain in labor participation rates: While 90% of Center City's adults are engaged in the workforce, drops to 49% in North Philadelphia & 59% in Lower Northeast.

Disparities: legacy of Incomplete Revival

Relationship between downtown growth & urban poverty? Exploited, excluded or economically superfluous?

(1) Is poverty a by-product of the failure to replace manufacturing jobs?

www.nytimes.com/newsgraphics/2014/01/05/poverty-map/?ref=business
Correspond to areas which lost manufacturing jobs

Historically poverty increased from 1970 to 2010
As we lost 286,000 jobs & 486,000 residents

Since 1970 number in poverty increased by 2,154/year
But the working & middle class declined by 10,173/year

(2) Is continued poverty related to slow growth?

Nationally, since 2009 we’ve been living through an urban led economic recovery

Since 2009, Philadelphia averaged only 1.5%/year

Faster growing cities saw larger poverty reduction
As Philadelphia lost ¼ of its jobs from 1970, surrounding suburbs saw jobs increase by 110%. As a result, the City lost 446,481 people (23%). That trend is still continuing outside downtown.

Many portions North, West & Northeast Philadelphia are still following old patterns of population loss. Despite success downtown, since 2010, 62,000 more residents of city neighborhoods left for homes in suburbs than moved in.

Local births & immigration kept us population positive.

81% of households that left Philadelphia 2010-2016 do not have children.

Loss of regional share of jobs & commuters since 1970: from 44.6% to 24.4% of regional jobs.

Outside Center City 211,000 Phila residents (40% of workforce) reverse commute to suburbs each day.

People follow jobs: By contrast, only 15.3% of NYC residents commute to suburbs.

(3) Is poverty a result of low-educational attainment in economy that shifted to knowledge-industries?

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(3) Is poverty a result of low-educational attainment in economy that shifted to knowledge-industries?
Solution: Invest in education to prepare workforce

Elevate high-school & college graduation rates
Invest in job training?

(4) Or a by-product of globalization?
A result of exporting unskilled jobs abroad

(5) Result of national tax policy?
Thomas Piketty, Capital in 21st century
Progressive income tax introduced in 1918
70% top tax rate highest income brackets between 1919-1922
Cut in the 1920s 25%
FDR -1933 63%; 79% in 1937
88% in 1942 - World War 2
90% thru 1950s, period of greatest prosperity in US

Presidential campaign contains many proposals at national level to raise marginal tax rates
To fund health care, education & housing

Tax rates: 1913-2019
Poverty in urban China is more like 19th century immigrant poverty in the United States in context of rapid urbanization.

United States: Rates of revival differ dramatically. Manufacturing decline uniform; post-industrial revival is not.

Houston, Seattle, San Francisco
How much local redistribution can local market support?

Significant different between former industrial cities

Local tax capacity for redistribution

Many cities are growing; many are contracting

One of the biggest challenges for the world this century is how to accommodate the hundreds of millions of people who will flock to cities, especially in emerging economies.

Coping with this human torrent will be fearsomely difficult—but at least the problem is widely acknowledged. That is not true of another pressing urban dilemma: what to do with cities that are losing people.

Median Household Income
- San Francisco $111,000
- Washington DC $82,000
- Boston $67,000
- NYC $61,000
- Chicago $55,000
- Philadelphia $39,759

May 30th 2015
Moretti; the “great divergence”
Some places are pulling ahead, many falling behind

How much of each city is engaged in new economy?

How much of the nation is engaged in new economy

Land Area
<table>
<thead>
<tr>
<th>Clother’s America</th>
<th>Trump’s America</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>330,000 square miles</td>
<td>2,000,000 square miles</td>
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</table>

Population
<table>
<thead>
<tr>
<th>Clother’s America</th>
<th>Trump’s America</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>178 million</td>
<td>151 million</td>
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Popular Vote
As of Wednesday, Nov. 15,
<table>
<thead>
<tr>
<th>For Clother</th>
<th>For Trump</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.4%</td>
<td>49.6%</td>
</tr>
<tr>
<td>61.0 million</td>
<td>58.9 million</td>
</tr>
</tbody>
</table>
Syllabus

Tax rate changes

First assignment

When people can work anyplace, the quality of a specific place matters even more
Placemaking has become part of economic development

220 blocks; 1,688 tax parcels in CBD: started in 1991 with $6.5 million operating budget. Grown in 28 years to $25.7 million

Parks for children: Houston, Texas

Santa Monica’s Third Street Promenade

BIDs have played role creating well-managed places

CCD 1.0 clean & safe; 1991

Landscaping, directional signs, lighting

CDD 2.0: 1997
Walk directly in from the street

Goal: Create first-class gateway to transit

Gateway to downtown office district

Unobstructed views: National historic landmark

Place where people come to read or work

See local performing artists
Attractive water feature

Rented for parties, conventions & weddings

Is this the privatization of public space?

Winter festival, 2016, 2017, 2018

IBX Deck the Hall Light Show

10.8 million visitors in 2018

51,000 ice skaters at Dilworth Park in 2018

127,000 visitors to Philadelphia at Dilworth Park in 2018

49,516 pedestrians at Dilworth Park in 2018
UCD is improving the quality of public spaces

Reclaiming barren places, creating the Porch

Public space evaluation

• Compare Penn Center office plaza, between 15th and 16th Streets, Market to JFK Boulevard with Commerce Square, north side of the 2000 block of Market Street

• Compare the beer garden at the Dow Building on the SW corner of 6th and Market Street with the public spaces surrounding the federal courthouse on the NW corner of 6th and Market

Compare Sister Cities & Aviator Park, east & west sides, Logan Square, Benjamin Franklin Parkway

Penn Center, 15th and Market Street
What lessons for the Federal Courthouse

Sister Cities Park:

Logan Square on the Parkway

Immediately in front of the Cathedral

2012: took a barren and forgotten space

Created a place for families with children
Discovery Garden with a pond

Climbing rocks

Actively programmed

Elements of Great Places

Sociability
Uses & Activities
Access & Linkages
Comfort & Image
### Evaluate the Place

#### Comfort & Image
- Aesthetic
- Fresh feel
- Cleanliness maintained
- Comfy place to sit

#### Access & Linkages
- Identifiable from a distance
- ‘Walls’
- Connect to adjacent areas
- Adequate information

#### Uses & Activities
- Mix of users and activities
- Community events
- Active adjacent areas
- Economic vitality of area

#### Sociability
- People in groups
- Evidence of interaction
- Sense of pride and ownership
- Children and seniors present

---

### Identify Opportunities

1. What do you like best about this place?

2. List three things that you would do to improve the place that could be done right away and that wouldn’t cost a lot.

3. What 3 changes would you make in the long term that would have the biggest impact?

4. Ask someone who is in the ‘place’ what they like about it and what they would do to improve it. Their answers:

5. What local authorities or local land-owning bodies can you identify that could help in completing any of your previous suggestions? Please be as specific as possible.