


City Planning 642-001
 Spring 2025, University of Pennsylvania
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 3rd class

<https://centercityphila.org/bidclass>



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**Center City's emergence as a post-industrial diversified
 24-hour downtown**




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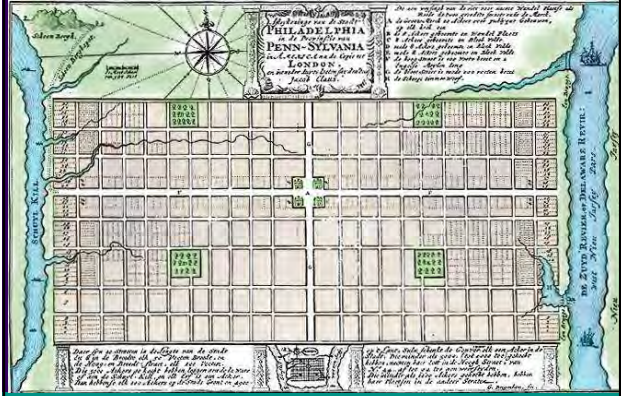

Start by looking back at history
How city responded to prior challenges

- (1) 300 years of Philadelphia history in 10 minutes
- (2) Legacy of post World War 2: Decline & Renewal
- (3) Transformation/diversification of Center City since 1990
- (4) Role of the Center City District (CCD)
- (5) Income disparities



3

Story starts with William Penn's 1682 Plan

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Positioned city at narrowest point between 2 rivers



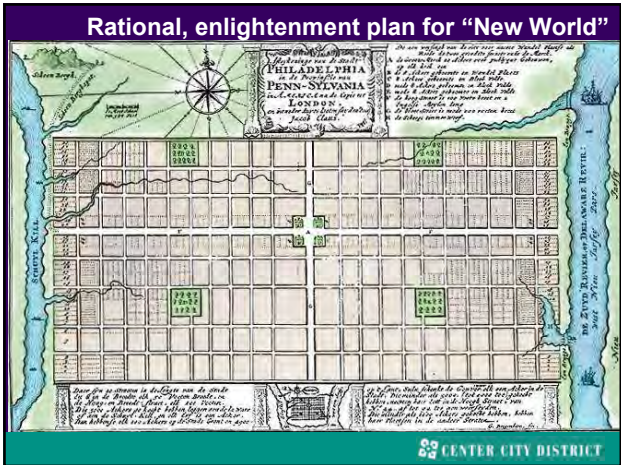


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Bruges, Medieval city

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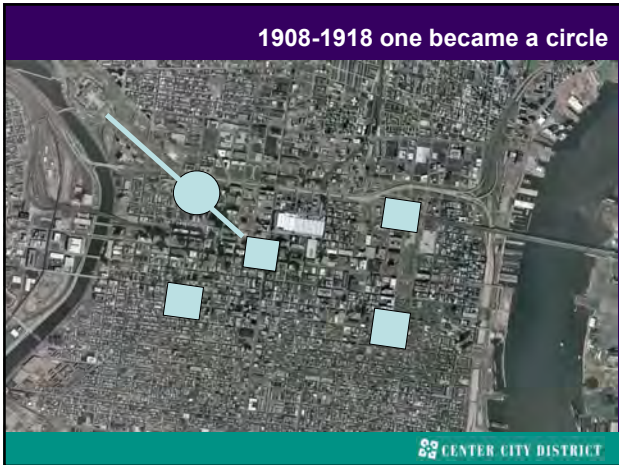
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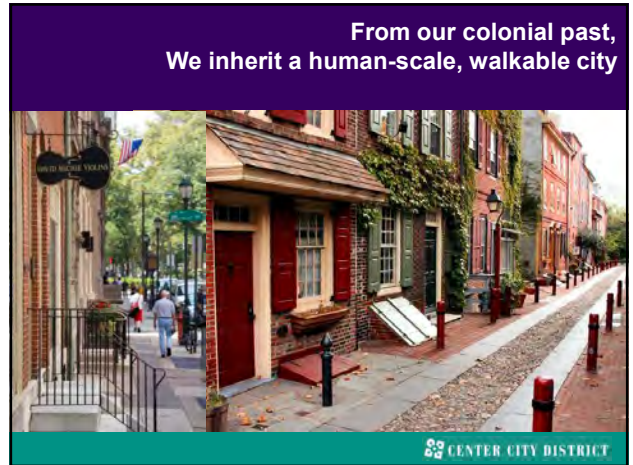
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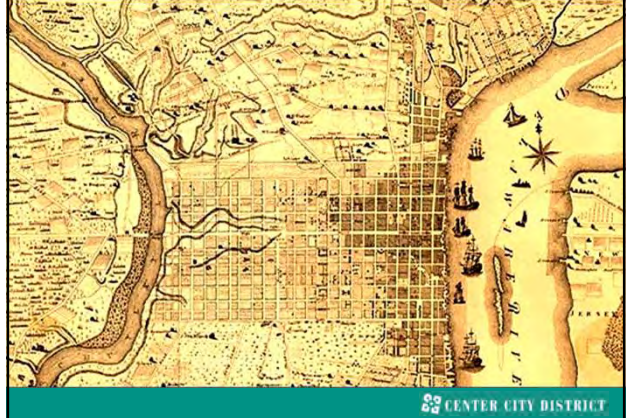
Walkability: basic building block of the City's DNA
Key component of competitiveness today



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19

Original settlement clustered close to Delaware



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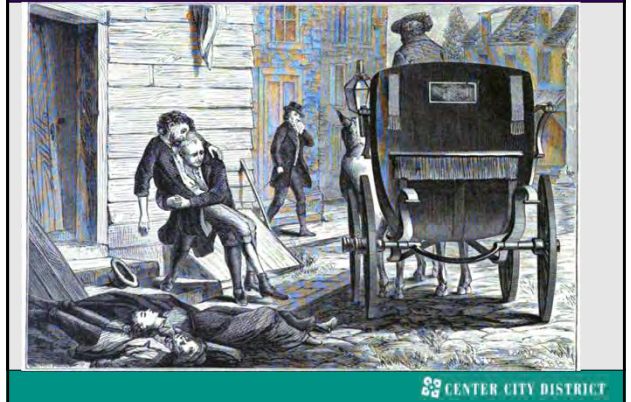
Imported a huge number of things thru the port
Including refugees from yellow fever epidemic in Caribbean



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21

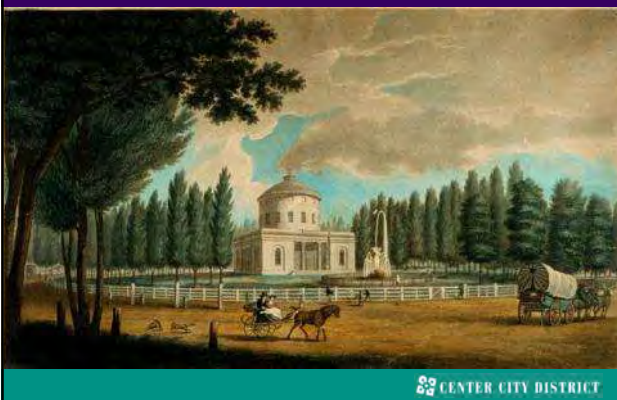
1793: Yellow fever pandemic killed 10% of population
"Bring out the dead"



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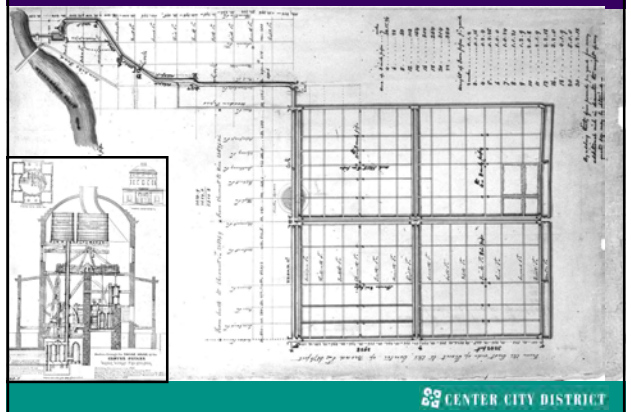
Response: technological innovation to provide fresh water:
First steam pumping station in North America in Center Square



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Drew fresh water from Schuylkill River

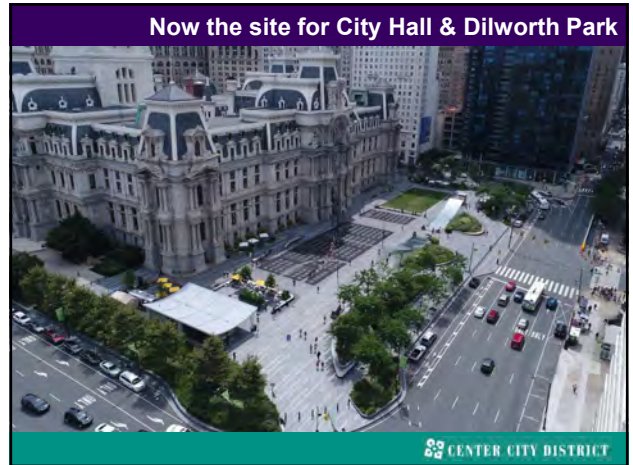


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24



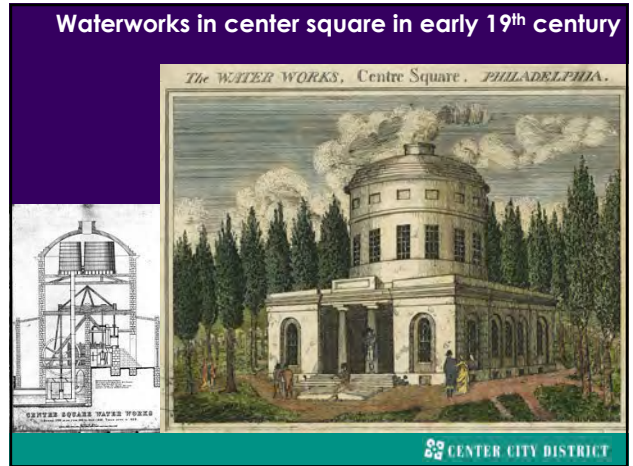
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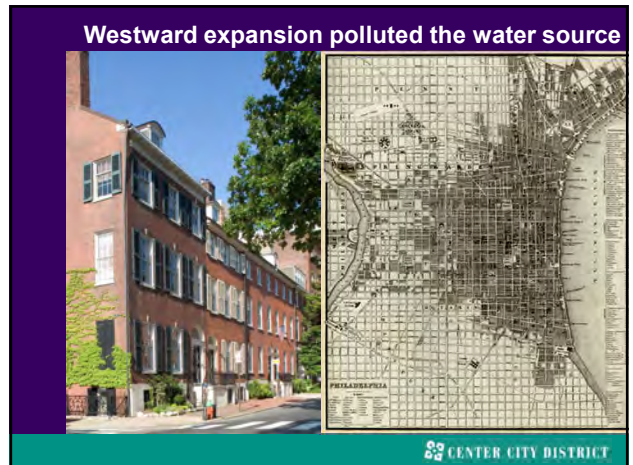
27



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30

1828: Creation of the Fairmount waterworks



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31

Pumped water from the Schuylkill River



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32

Up the hill to Fairmount



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33

Into a reservoir elevated above the city



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34

Philadelphia Museum of Art



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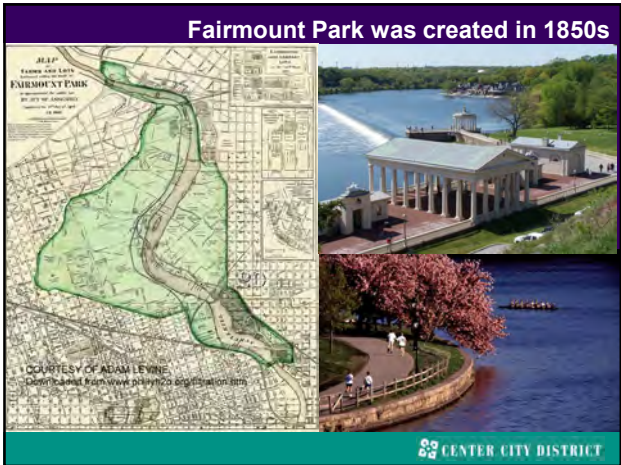
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To protect the watershed....

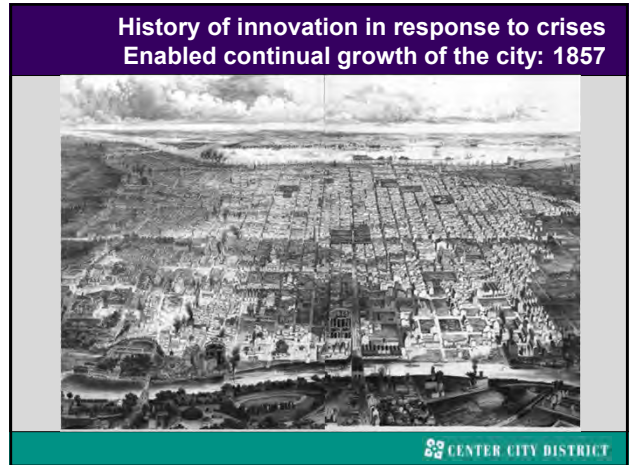


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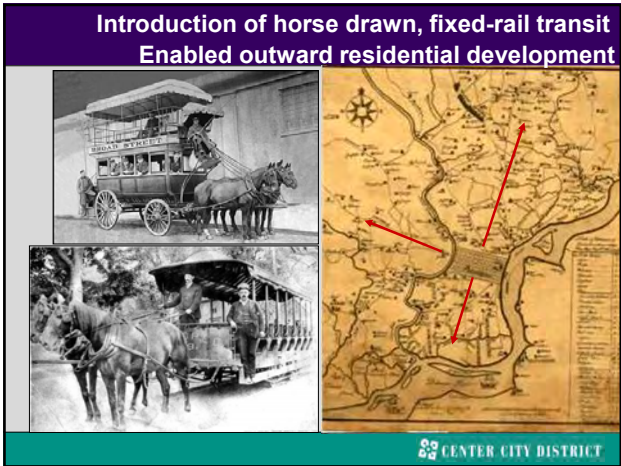
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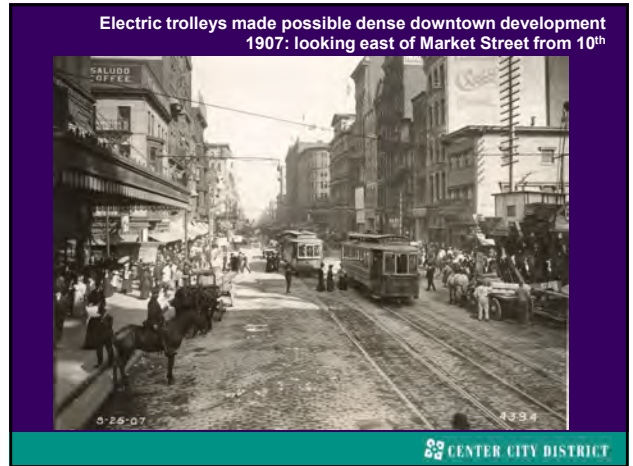
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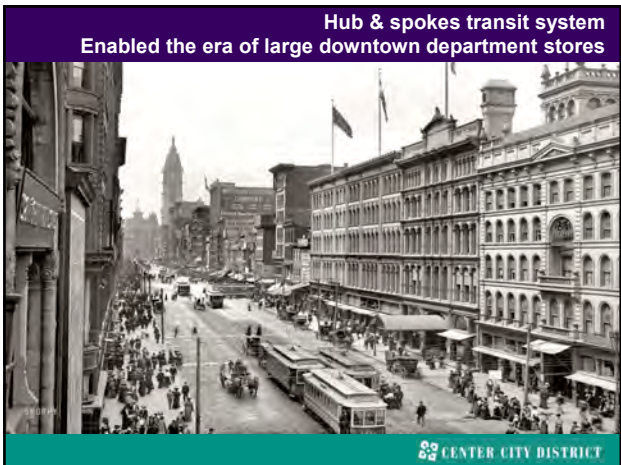
38



39



40



41



42

Original John Wanamaker store: 1876



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43

In time for 1876 centennial



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44

Supported by public transit



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45

Lit Brothers Department Store: 1891



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46

Reading terminal opened 1893



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47

Brought volumes of workers & shoppers downtown



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48

Gimbels Department Store: 1893



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49

New Wanamaker Store opened in 1908



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50

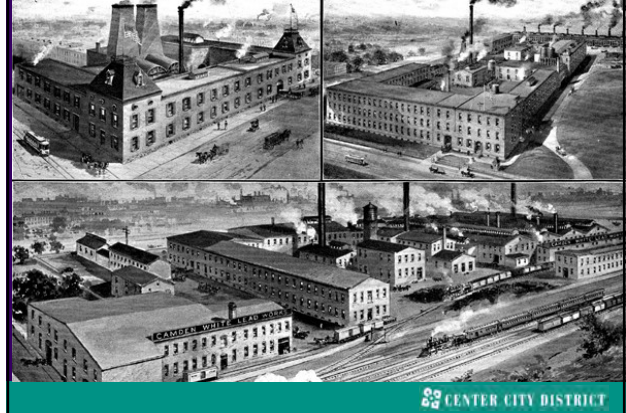
Market Street: prime shopping street in region



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51

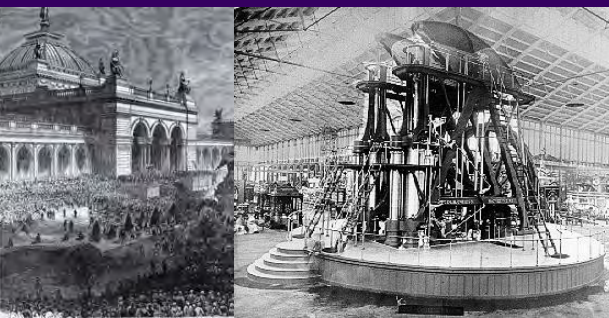
Civil War accelerated manufacturing growth



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52

1876 Centennial: Celebrating industrial prowess
Held in Fairmount Park: Memorial Hall



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53



THE CENTENNIAL - BALLOON VIEW OF THE GROUNDS

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54

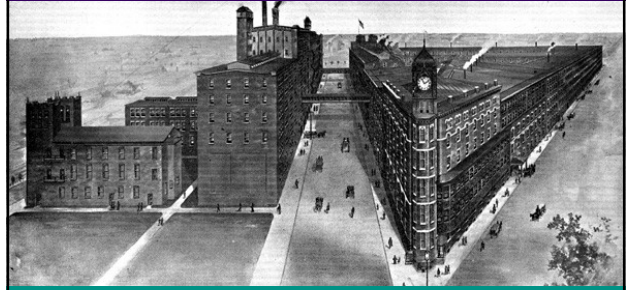
Became largest 19th century industrial city in North America
With major industries: Stetson Hat Factory



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55

Operated 1865-1970: Germantown & Columbia Avenue



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56

Hundreds of thousands of hats each year



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57

Baldwin Locomotives



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58

Dominated North Broad: Callowhill to Spring Garden



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59

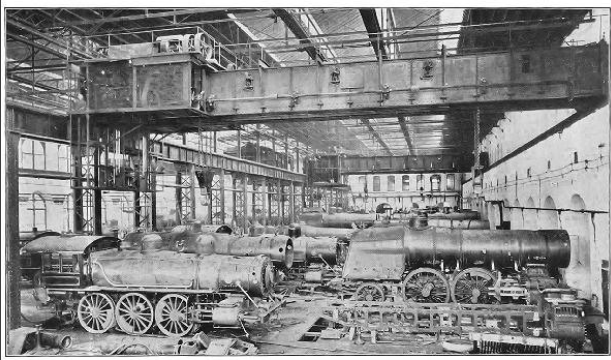
Stretching west to 19th Street



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Largest railroad train manufacturer in U.S.



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Closed in 1925; view in 1938



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62

Atwater Kent Radio



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63

Military equipment at the Frankford Arsenal



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64

Huge garment industry



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Book publishing: now condos at Washington Square



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66

Curtis Publishing & Public Ledger



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67

Refined Jack Frost Sugar



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68

**Manufacturing was the primary source of jobs in the city
Real Estate tax was primary source of municipal revenue**



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69

**Philadelphia in 1900: industrial neighborhoods spread
north, south & west of the colonial & federal city**



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70

Large factories were developers of rowhouses



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71

**Mass produced working class neighborhoods
Housed immigrants from Europe & migrants from the South**



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72

1908: Huge importing and exporting city



73

Central waterfront: center for importing & exporting



74

Delaware Ave. dominated by trucks & trains



75

Manual labor intensive jobs



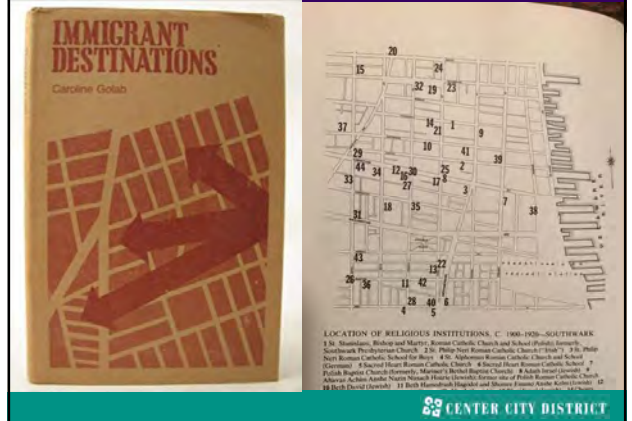
76

Working class neighborhoods adjacent to port Southwark: Immigrant & African American neighborhood



77

46 different churches/synagogues 1920




78

Industrial productivity: 1916

Poor Richard's DICTIONARY of PHILADELPHIA

Prepared for Presentation to the ASSOCIATED ADVERTISING CLUBS of the World on the Occasion of their Visit to Philadelphia in June of the good year 1916




Done by Order of the Poor Richard Club in their Little Home at Number 239 South Camac Street

PHILADELPHIA'S TIME-TABLE

Every working day Philadelphia in its 8,379 industrial plants produces articles to the value of Three Million Dollars. Of the 264 industries classified in the United States Census, all but 53 are represented here and their products can bear the mark "Made in Philadelphia."


When Philadelphia gets into its working togs it strikes a gait like this:


- Every second, 15 cigars.
- Every second, 10 loaves of bread.
- Every second, 10 pairs of stockings.
- Every second, 15 bushels of wheat loaded.
- Every second, a new saw.
- Every second, 1 1/2 yards of carpet.
- Every second, 50 daily papers printed.
- Every two seconds, a new hat.
- Every three seconds, a pair of lace curtains.
- Every twenty minutes, a new house erected.
- Every hour, a new trolley car built.
- Every two-and-a-half hours, a new locomotive constructed.—See *Manufactures*.

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79

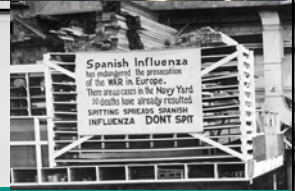
Toward end of World War 1 Liberty bond parade: 1918 Influenza Epidemic






Wear a Mask







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16,000 deaths; 1/2 million cases in Philadelphia 1% of the population died (2020-2023 = 0.25%)



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Yet by 1921 the economy had rebounded 1920s period of extraordinary economic expansion



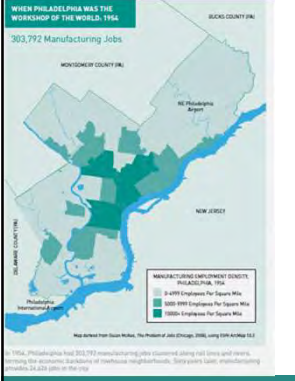
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82

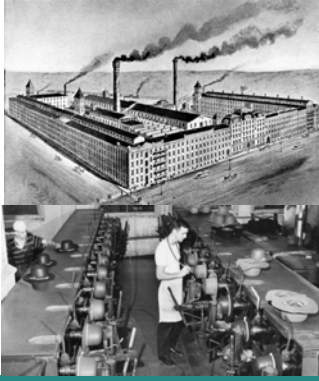
As recently 1954: 304,000 manufacturing jobs


WHEN PHILADELPHIA WAS THE WORKSHOP OF THE WORLD, 1954

303,792 Manufacturing Jobs



Map Adapted From Susan M. Patai, The Industrial Job Challenge, 1980, using USIA & Census BLS.

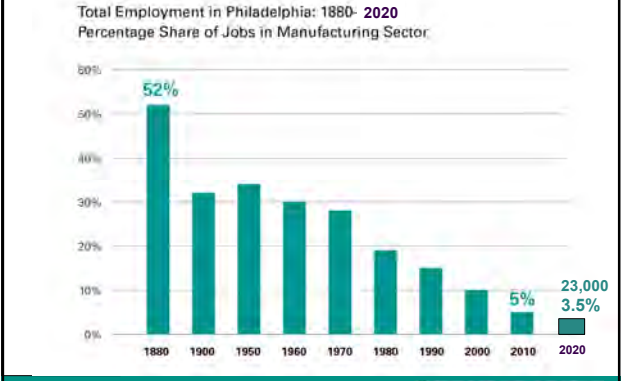


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83

Decline of manufacturing profoundly impacted city

Total Employment in Philadelphia: 1880- 2020
Percentage Share of Jobs in Manufacturing Sector



Year	Percentage Share of Jobs in Manufacturing Sector
1880	52%
1900	~32%
1950	~34%
1960	~30%
1970	~28%
1980	~20%
1990	~15%
2000	~10%
2010	5%
2020	3.5%

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84

Accelerated immediately after World War II
Factories were moving out the city



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Containerization of cargo:
moved function away from central waterfront



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Packer Marine Terminal



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Dramatically reduced the demand for labor



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88

1950s: working waterfront was in decline



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Finger piers became obsolete



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Left to deteriorate



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Density on Market East: 1948



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92

De-industrialization coincided with America's attachment to inexpensive energy & cars



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Purchased first car 1970 - 1964 VW - Full tank \$3.10



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94

Dense compact grid made us obsolete: 1950s-1970s



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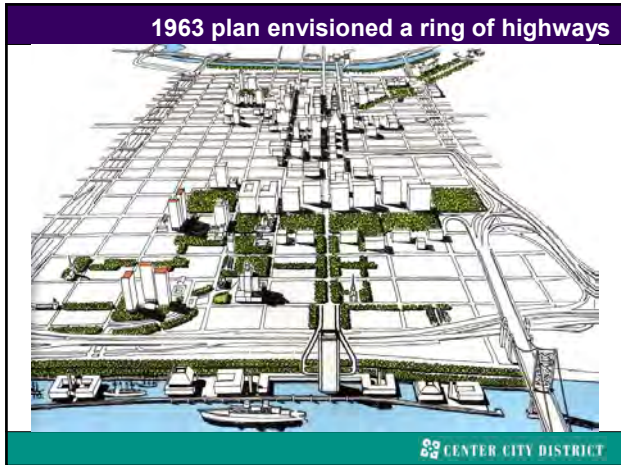
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A city without major highways



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96



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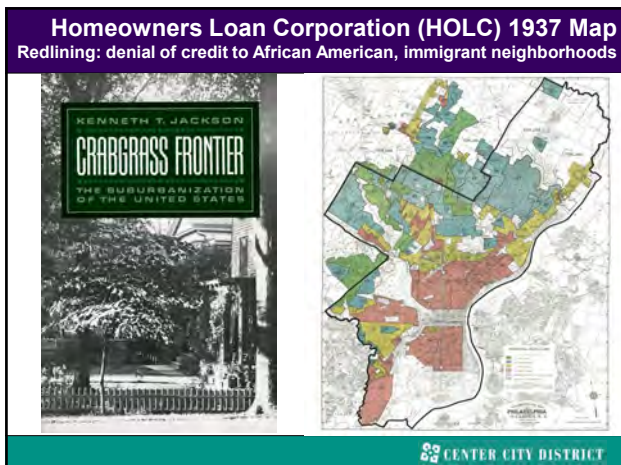
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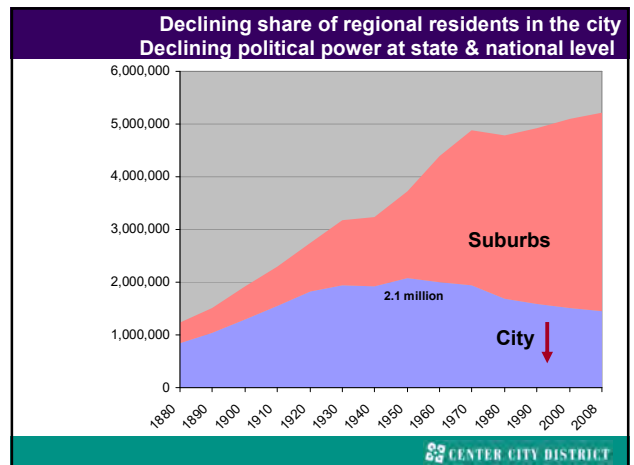
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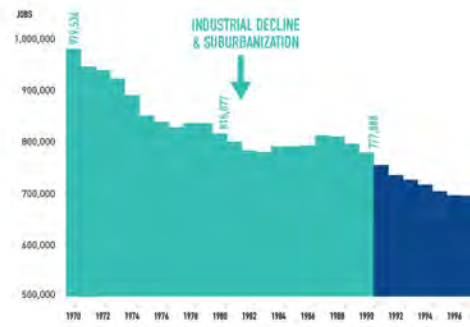


101



102

From 1970 through 1990s we hemorrhaged manufacturing jobs



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103

Response to industrial decline: 1950s renewal



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104

Began downtown revitalization program that built a post-industrial city



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105

1956: 567 properties designated for preservation



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106

Urban renewal began at the river



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107

Historic Dock Street



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108



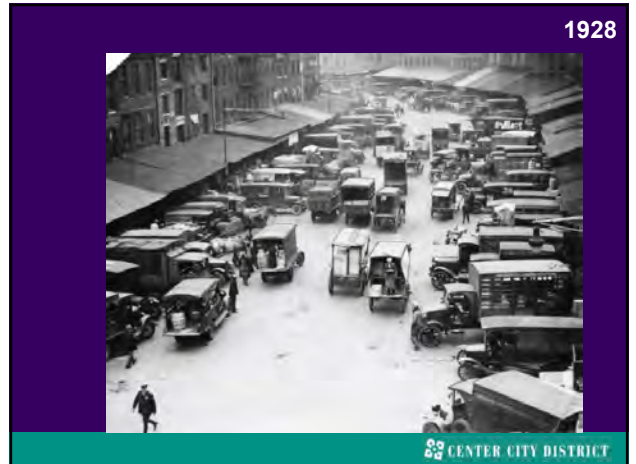
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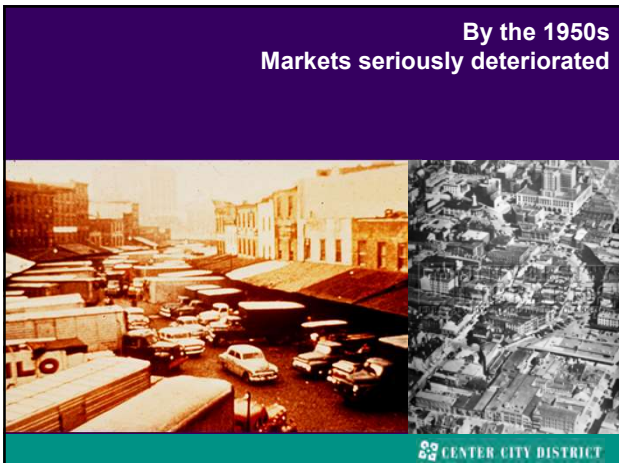
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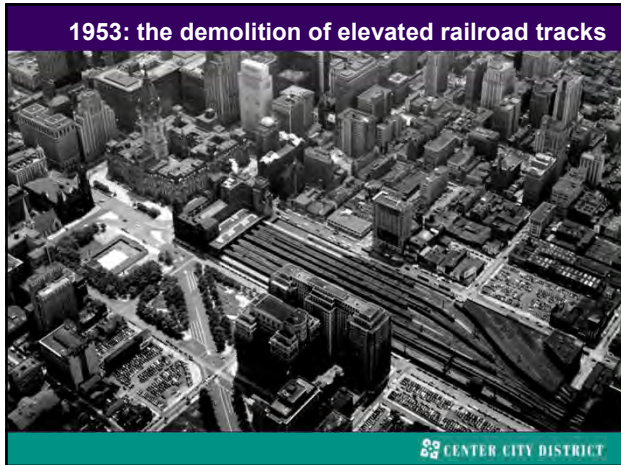
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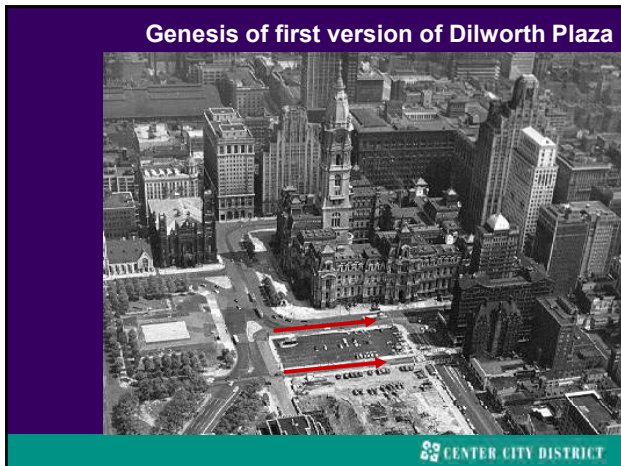
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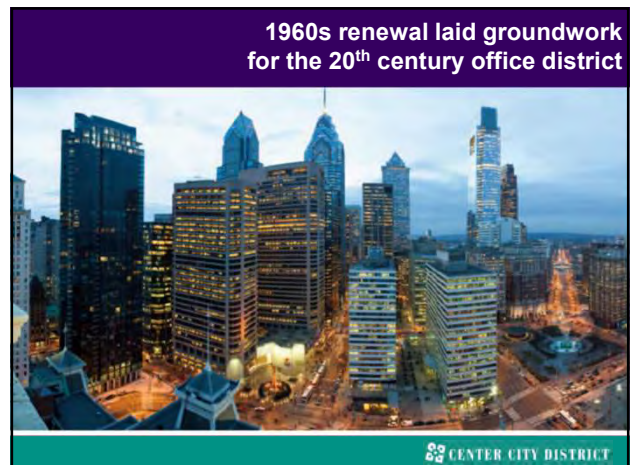
123



124



125



126

**1980s: Linked Pennsylvania & Reading Railroad into integrated regional rail system
Center City commuter tunnel**

SEPTA Railroad & Rail Transit

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127

**Employers: easy access to 360 degree labor market
300,000 riders/day take transit into downtown**

Regional transit lines provide downtown employers with 360° access to a highly skilled workforce.

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128

1980s office boom:

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129

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

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130

Facilitated growth of education & health care

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131

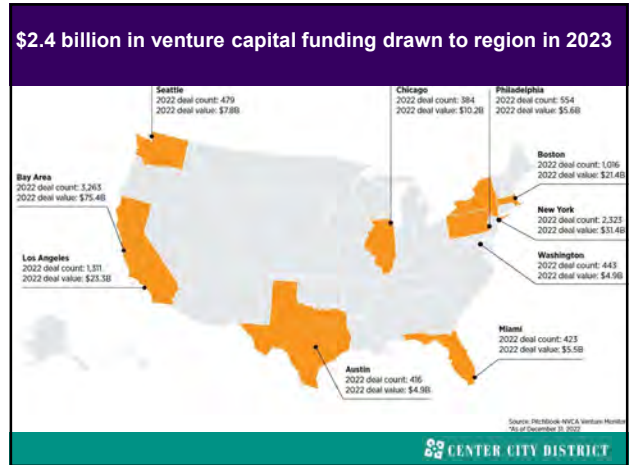
Transformed into major medical & education center

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132



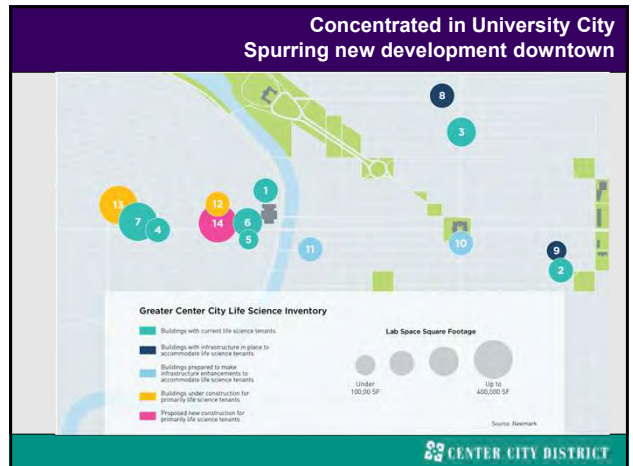
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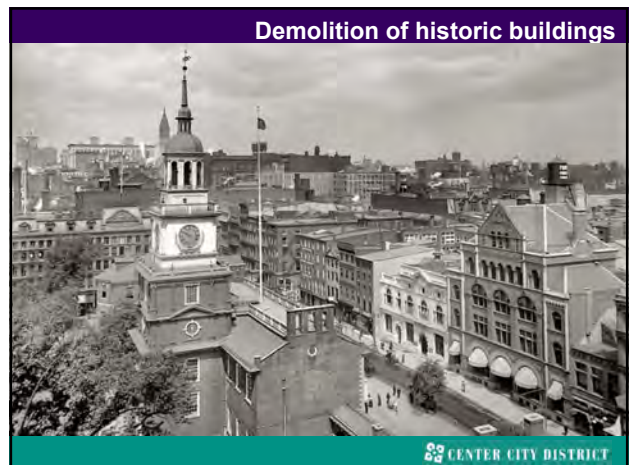
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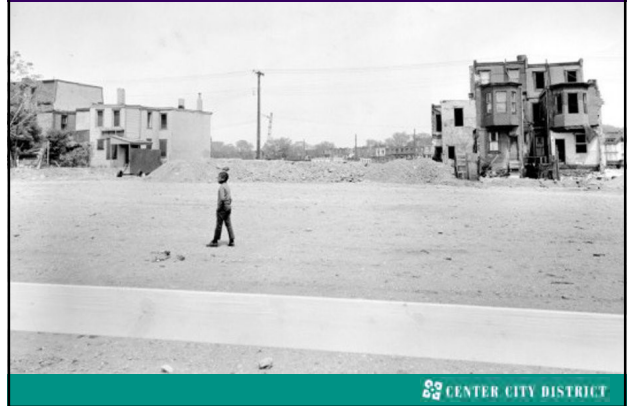
Destruction of commercial areas



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145

Clearance of residential communities



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146

Disruption of highway building



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147

Central waterfront before I-95



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148



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149

Demolition of hundreds of homes



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150



151



152



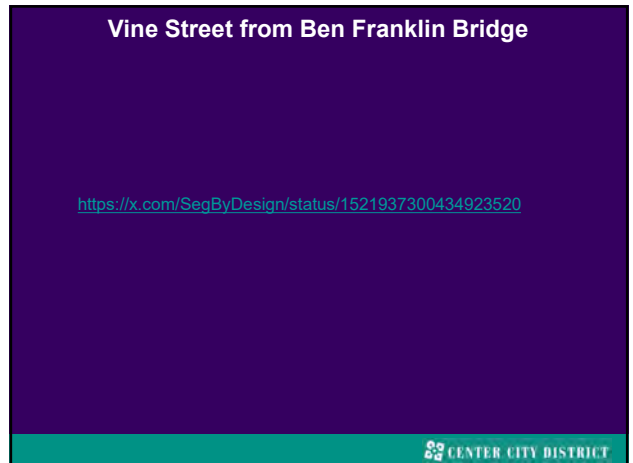
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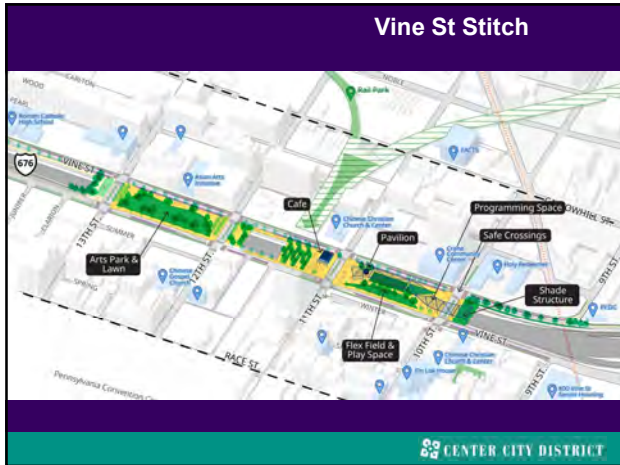
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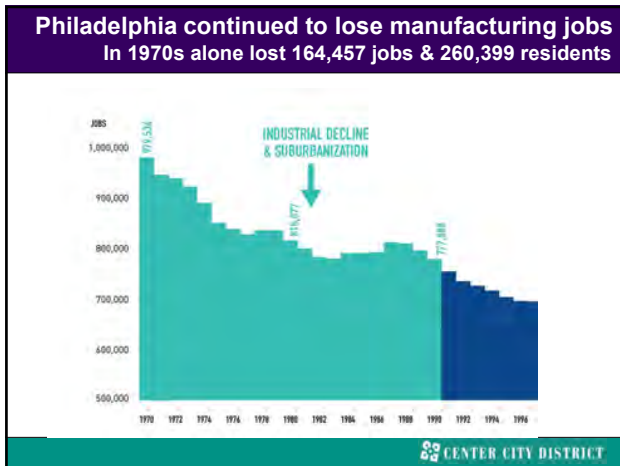
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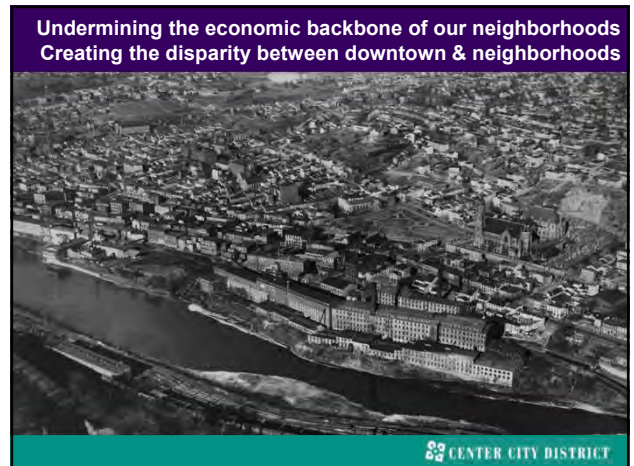
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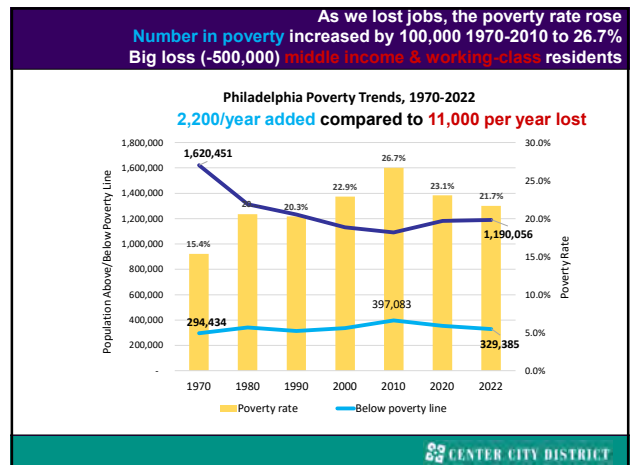
159



160



161



162

**In 1980s, Philadelphia also experienced federal budget cuts
Meant less funds for cities**

NEW REAGAN PLAN INSISTS THAT CITIES SAVE THEMSELVES

NEW REAGAN PLAN INSISTS THAT CITIES SAVE THEMSELVES

The Reagan administration's reduction in federal aid to cities is a major policy report that will, the administration says, force cities to make choices about their future. The report, signed by Assistant Secretary of Housing and Urban Development Robert G. Parsons, is a review of a draft report recently published by the Urban Institute and the Brookings Institution. It contains a number of recommendations for cities to make choices about their future.

Sixth Annual Community Development Block Grant Report

Last Carter 1980 CBDG budget for Philadelphia = \$72 million

First Reagan 1981 CBDG budget = \$59 million

18% reduction

163

**During Depression, 1939, to compensate for falling RE Taxes
Phila got state permission for 1.5% "temporary" wage tax**

164

**As we lost jobs & tax revenue in 1970s & 1980s
City more than doubled wage tax from 2% to 4.96%.**

Wage and Earnings Tax Rates, 1952-1996

Year	Resident Tax Rate	Non-Resident Tax Rate
1952	1.5%	2.0%
1956	1.5%	2.0%
1960	1.5%	2.0%
1964	1.5%	2.0%
1968	2.0%	2.0%
1972	3.0%	2.0%
1976	3.5%	2.0%
1980	4.0%	2.0%
1984	4.313%	2.0%
1988	4.313%	2.0%
1992	4.313%	4.960%
1996	4.313%	4.960%

We invented the doom loop: People & jobs departed, tax base shrank, rates were raised to keep revenues up with no efficiencies achieved for a smaller city, pushed more employers & workers out of town

165

**1990: fiscal crisis, near bankruptcy
This is why PICA & CCD were created**

166

**1990: loss of jobs, residents & declining federal resources for cities
A degraded public environment**

167

Substantial ground & upper floor vacancy

168

Neglected facades, solid security gates



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169

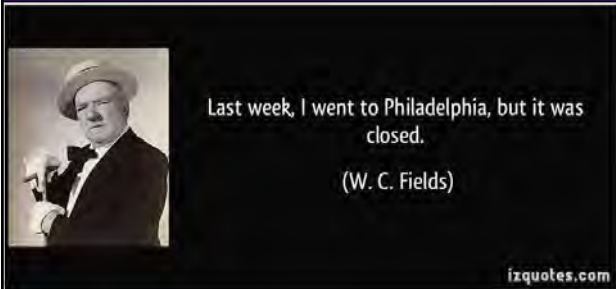
9 to 5 downtown; empty streets at night



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170

Object of jokes



Last week, I went to Philadelphia, but it was closed.

(W. C. Fields)

ixquotes.com

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171

Low self-image

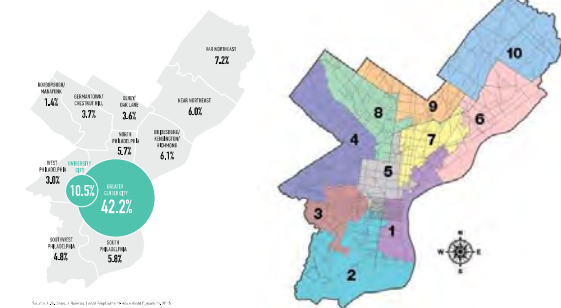


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172

42% of the city's jobs & 10% of city's population
Citywide: housing deterioration and a 20% poverty rate
You are an elected official;
How do you allocate scarce public tax dollars?

PHILADELPHIA EMPLOYMENT BY AREA



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173

CCD Business improvement district created in 1990
Commonwealth's Municipality Authorities Act



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174

220 blocks in CBD: started with \$6.5 million operating budget
Grown in 34 years to \$32 million
Supplement but not replace city services



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175

CCD bills & collects directly from property owners

Where the Money Comes From



Center City District:
142 Office Buildings
128 Condominiums
46 Hotels
42 Apartment Buildings (100+)
14 Apartment Buildings (51-100)
151 Apartment Buildings (5-50)

Office buildings are 8% of tax parcel & 50% of CCD's budget

- Commercial Office & Other
- Capital Budget Reserves
- Single Family Residential & Condos
- Fees for Service
- Interests, Grants & Other Revenue
- Exempt Property Contributions
- Hotels
- Apartment Buildings
- Parks & Plazas

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176

1991 Focus on basics: manual & mechanical cleaning
Pressure washing & graffiti removal



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177

Public safety
Community Service Representatives

- 40 CSR's
- 6 Supervisors
- 7 days per week



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178

A welcoming presence
& source of information on the street
Eyes & ears for the police



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179

Unique partnership with Philadelphia police
Police & CSRs stand joint roll call



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180

1992: Diversifying downtown land-use
Rendell: Public investments: arts & entertainment



181

1990: Our original skyscraper district South Broad
40% vacant



182

Renovated historic theaters



183

Built new theaters



184

2002: Kimmel Center for the Performing Arts



185

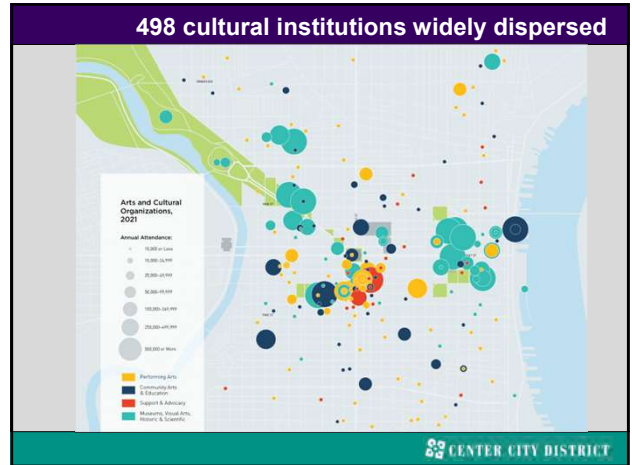
South Broad transformed into a mixed use district



186



187



188



189



190



191



192

Major public investment in hospitality industry



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193

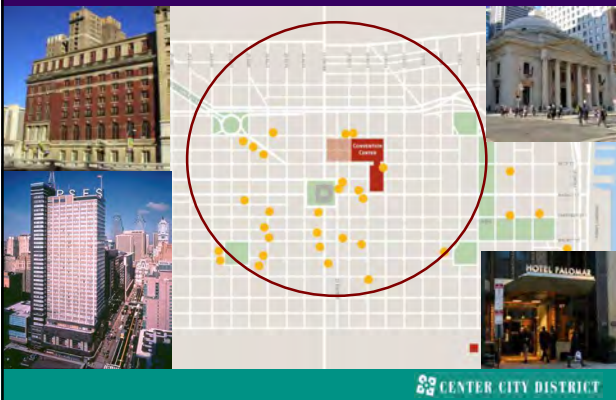
Prompted private investment in new hotels: reused vacant buildings



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194

Nearly all within 15 minute walk



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195

2001: New Independence Visitors Center



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196

2003: New home for Liberty Bell



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197

New Constitution Center
Diversifying the hospitality industry



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198



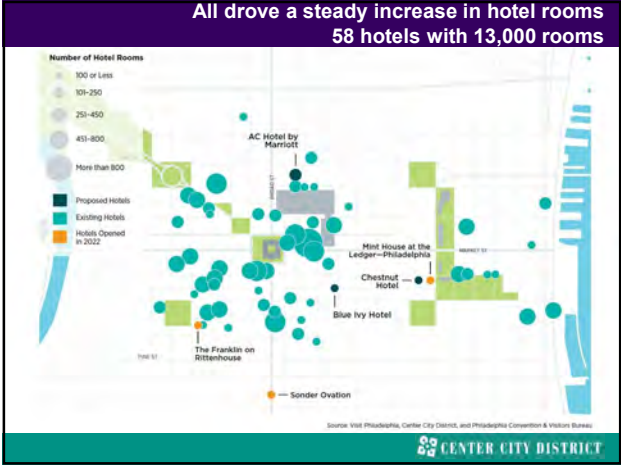
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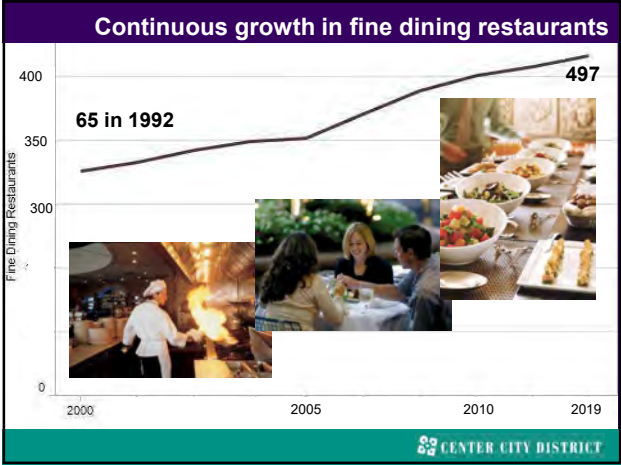
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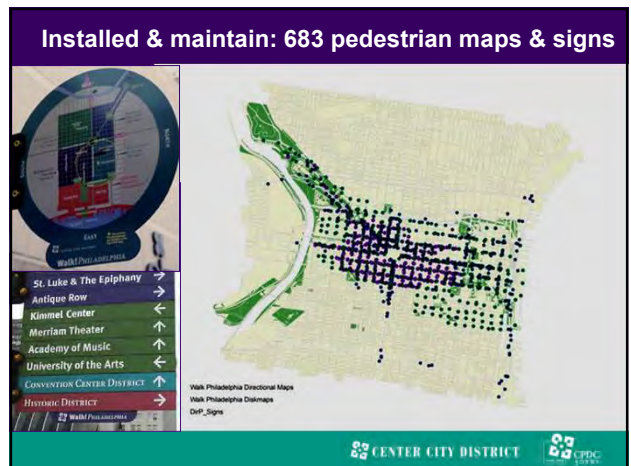
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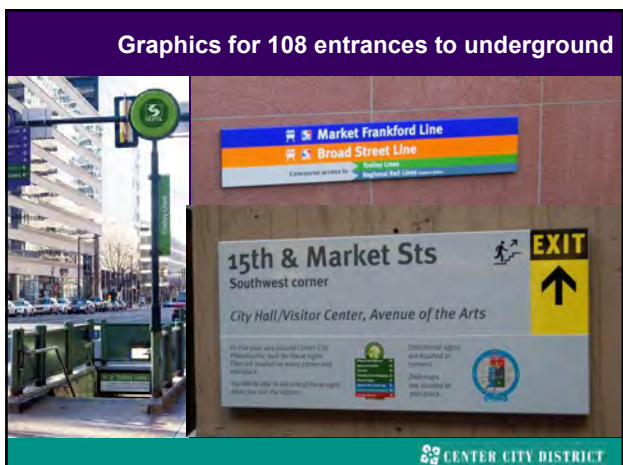
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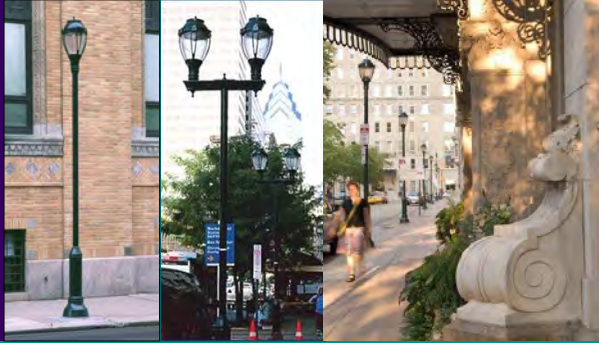


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210

2,900 Pedestrian-scale lights
Doubled nighttime illumination



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211

Creates a sense of evening safety



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212

Benjamin Franklin Parkway



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213

Building façade lighting on South Broad Street



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214

Continue to illuminate in new & different ways



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215

CCD 3.0: 2008 Improving public spaces: Cret Park



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216

Started with neglected empty space
Leased from the City



217

Created a thriving gateway to the Parkway



218

Collins Park, 1700 block Chestnut Street



219

Took a barren and forgotten space



220

And transformed it



221

Into a place for families with children



222



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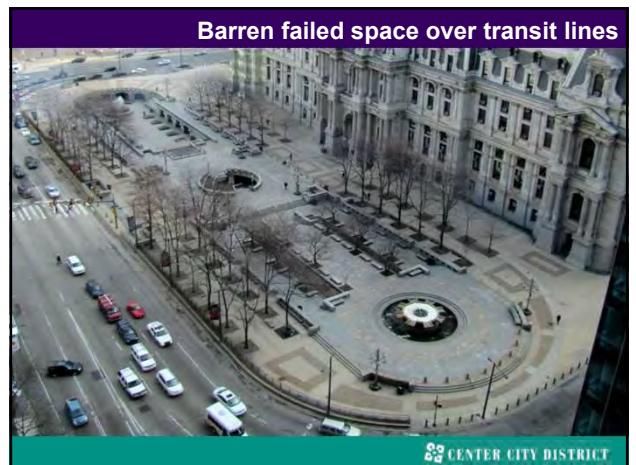
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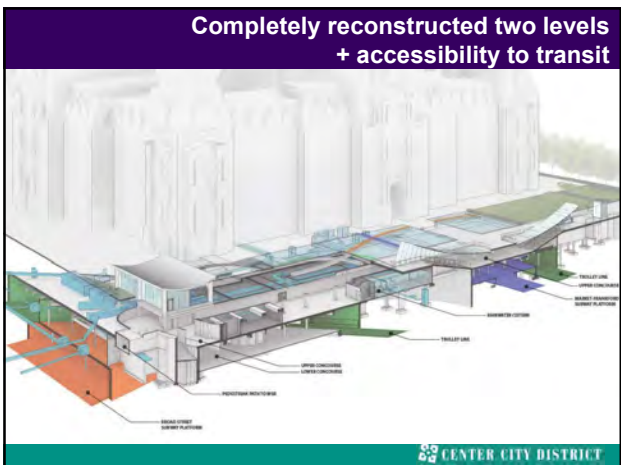
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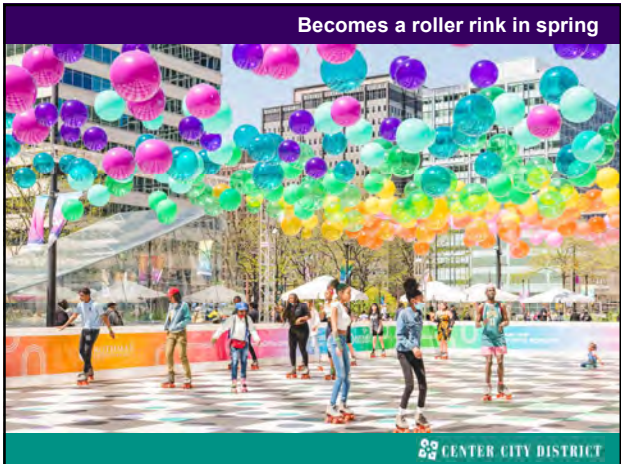
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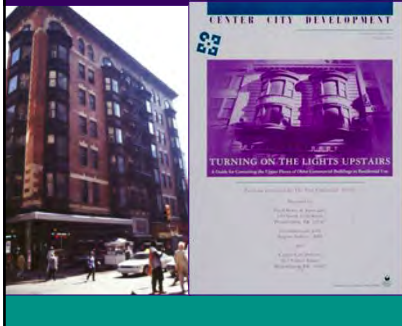


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246

**1996: 4.5 million sf. Vacant Class “C” office space
Numbers didn’t work for conversion to other uses**



- Retained architect & developer to evaluate 10 buildings
- Survey to determine best buildings; floor layout, window size & exposure
- Detailed economic analysis of 10 buildings: evaluation for code compliance, cost-estimate, pro-formas.
- Retained an attorney to review state’s LERTA

247

**Passed a 10-year tax abatement for conversions in 1997
From 1998-2023, 40 major buildings converted downtown to
Residential, hotel or educational use: 10 mil sf of office space**



248

Everything below the red line is back on tax rolls

Buildings Converted to Residential Use, 1997-2024

Year	Building Name	Address	Size (square feet)	Status	Conversion Type
2024	Nelson Building	220 Market St.	300,000	Proposed	Apartments
2024	The Bellman	200 S. Broad St.	835,345	In Progress	Apartments & hotel
2020	Walt Lange Building	161 S. 4th Mar West	412,176	Completed	Apartments
2020	One City Plaza	401 Arch St.	225,909	Completed	Apartments
2020	Head Building	328 N. 13th St.	96,000	Completed	Apartments
2019	Franklin Tower	401 Arch St.	107,014	Completed	Apartments
2019	The Atlas Building	900-Columbal St.	20,576	Completed	Apartments
2018	3000 Cultural	3000 Cultural St.	123,713	Completed	Apartments
2017	The Beacon	427 Market St.	115,000	Completed	Apartments
2018	Farmhouse at Brewerytown	450 N. 7th St.	275,000	Completed	Apartments
2018	The Curtis Center Phase II	516 S. 8th St.	98,000	Completed	Apartments
2012	The Atlantic Building	208 S. Broad St.	322,000	Completed	Apartments
2012	Former State of Pennsylvania Building	300 Cultural St.	242,000	Completed	Apartments
2011	1919 Walnut St.	1919 Walnut St.	150,000	Completed	Apartments
2011	2040 Market St.	2040 Market St.	120,000	Completed	Apartments
2011	600 Chestnut St.	620 Chestnut St.	100,000	Completed	Apartment
2008	Robert Morris Building	800 N. 7th St.	300,000	Completed	Apartments
2007	The Residence at York Liberty Place	840 Chestnut St.	200,000	Completed	Condominiums
2007	Art's	1418 Locust St.	98,000	Completed	Condominiums
2007	Western Union Building	109 Locust St.	42,200	Completed	Condominiums
2007	Eye	218 W. Washington St.	50,000	Completed	Condominiums
2007	1401 Walnut St.	1401 Walnut St.	105,400	Completed	Apartments
2000	Genes	111 S. 9th St.	28,200	Completed	Condominiums
2000	Nepon Building	691 N. Broad St.	200,000	Completed	Apartments
2000	920 Chestnut St.	920 Chestnut St.	170,000	Completed	Apartments
2000	Snowy Hill Building	115 S. 7th St.	105,000	Completed	Apartments
2000	1801 Arch St.	1801 Arch St.	70,000	Completed	Apartments
2000	Phoenix	900 Arch St.	450,000	Completed	Condominiums
1996	Phoenicia House (Now the Elmgrove)	850 Chestnut St.	24,000	Completed	Condominiums
1998	Centoria Building	1419 Market St.	100,000	Completed	Apartments
1997	229 S. 8th St.	229 S. 8th St.	98,000	Completed	Apartments

249

**Converting vacant office buildings to residential is
an important & necessary step to remove surplus**



250

**Since 2000 added 38,000 housing units in Greater Center City
Population grew to 207,000 up 38%**

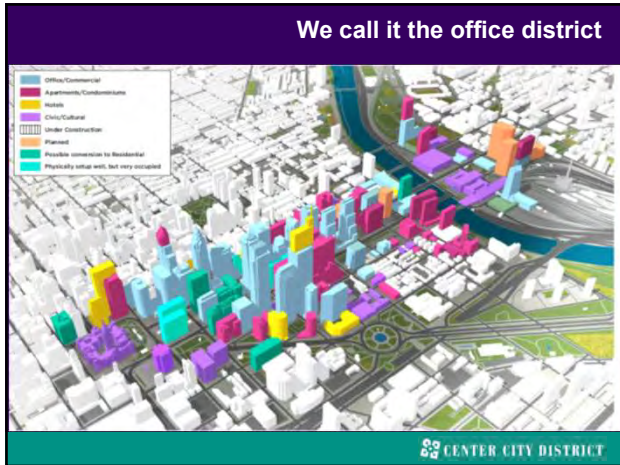


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**Prompted in part by expansion of 10-year abatement
in 2000 to include all new construction**



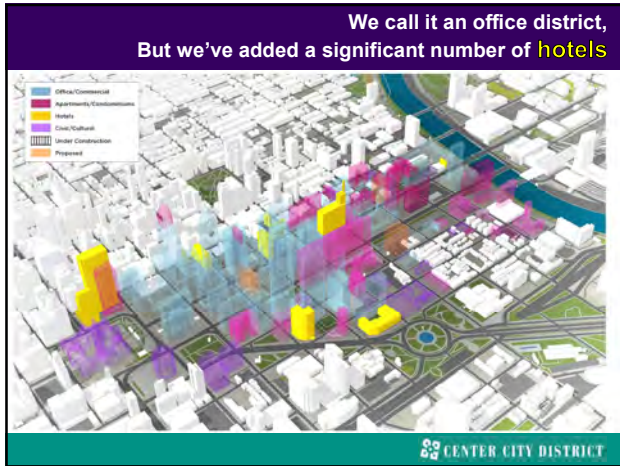
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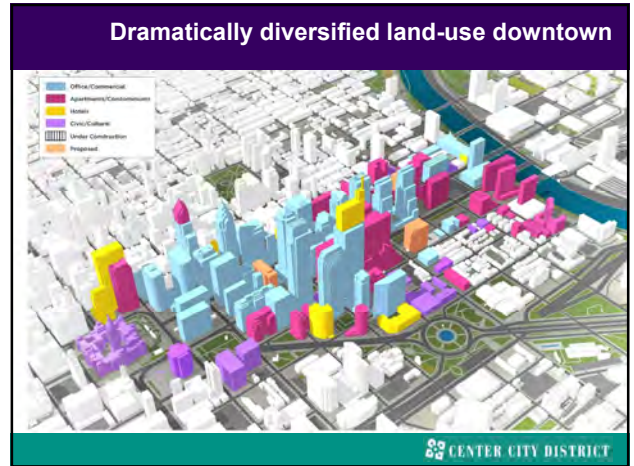
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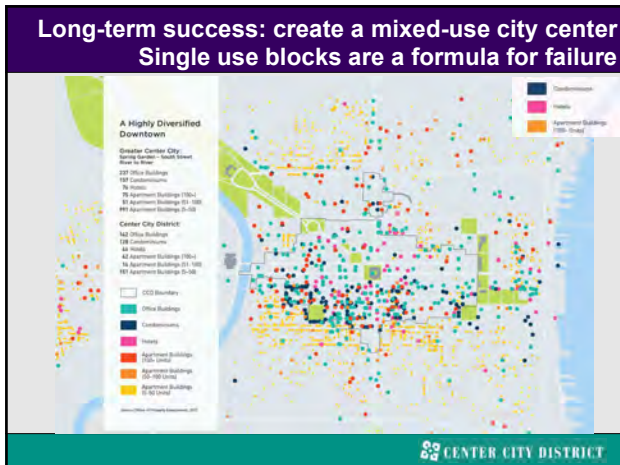
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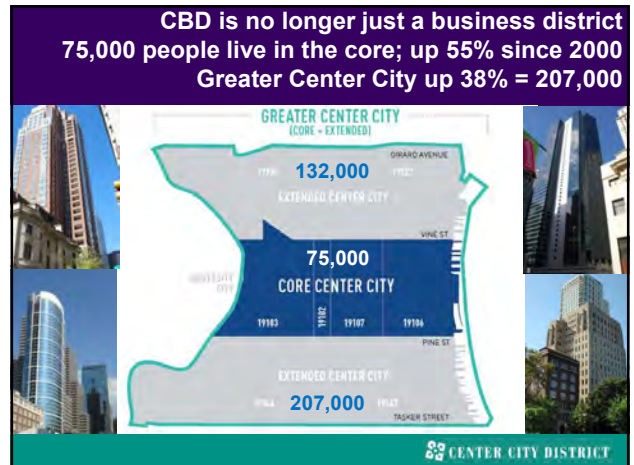
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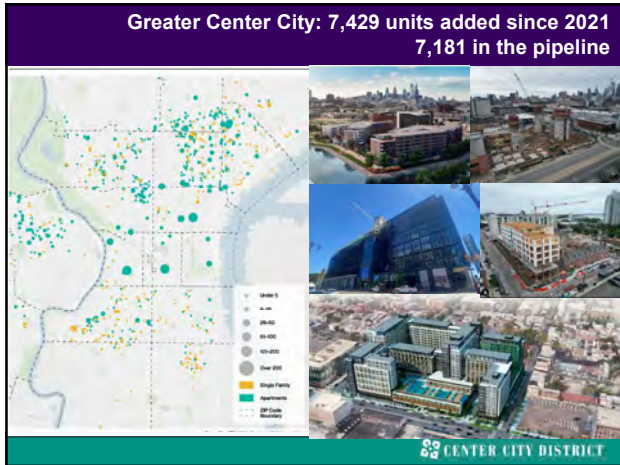
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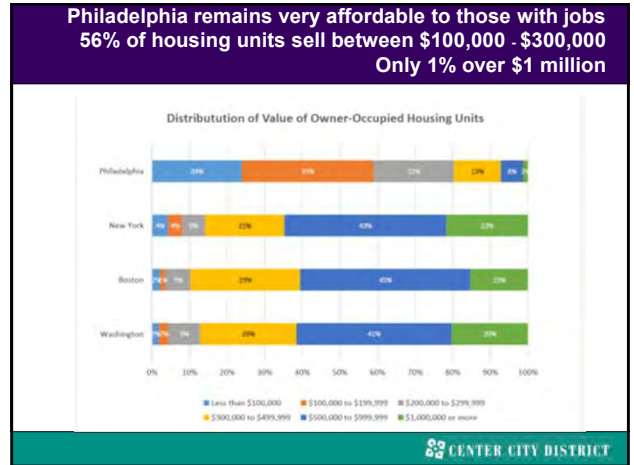
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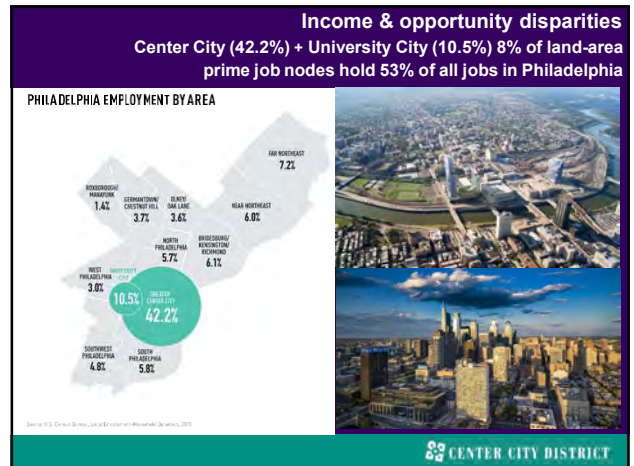
261

Challenge concentrated among households <\$35,000 36.4% of all city households;

TOTAL HOUSEHOLDS	TOTAL HOUSEHOLDS	COST BURDENED	PERCENT COST BURDENED
Total Households with Income	401,337	228,227	38%
Less than \$20,000	127,325	108,493	85%
\$20,000 to \$34,999	91,972	61,001	66%
\$35,000 to \$49,999	75,160	32,638	43%
\$50,000 to \$74,999	93,805	18,782	20%
\$75,000 or more	184,240	7,313	4%
Zero or Negative Income	17,913	17,913	100%
No Cash Rent	10,902	0	0%

Source: US Census Bureau, American Community Survey, 2013 five year estimates

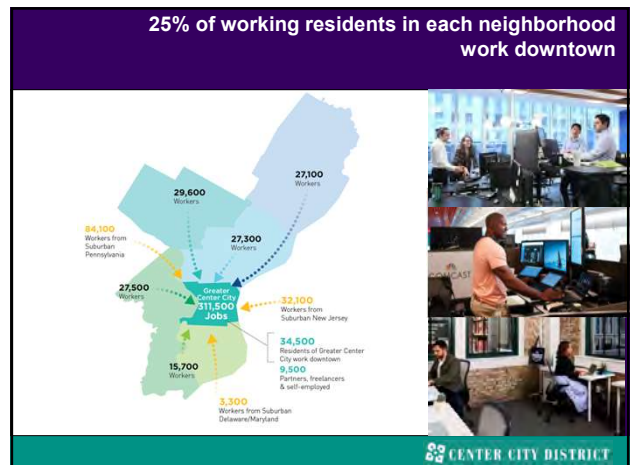
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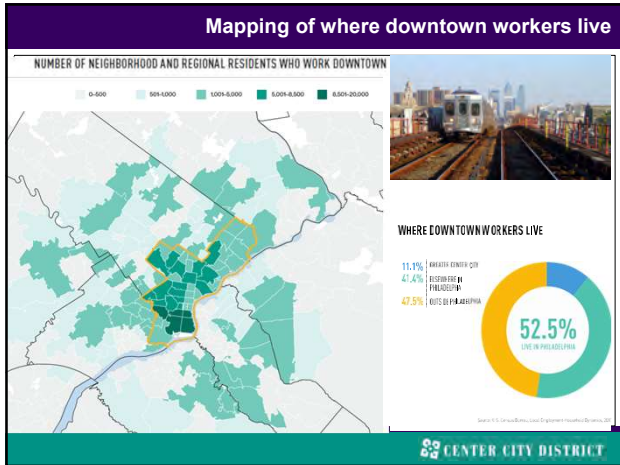
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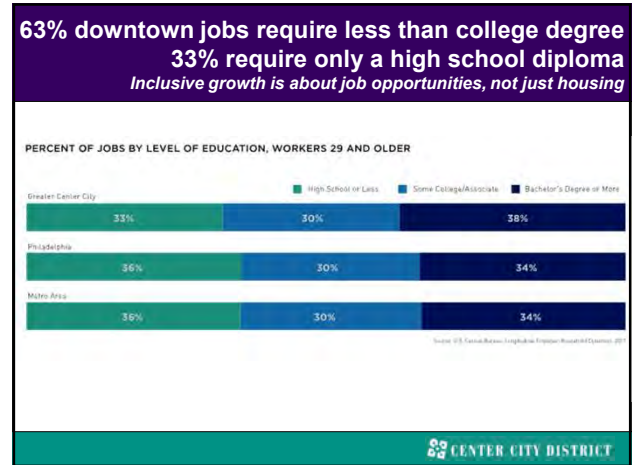
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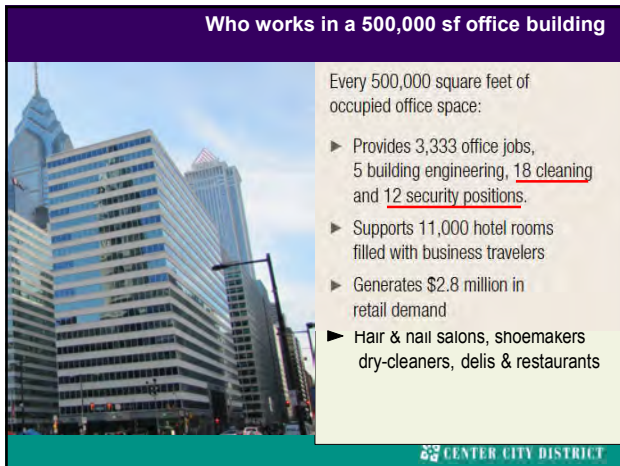
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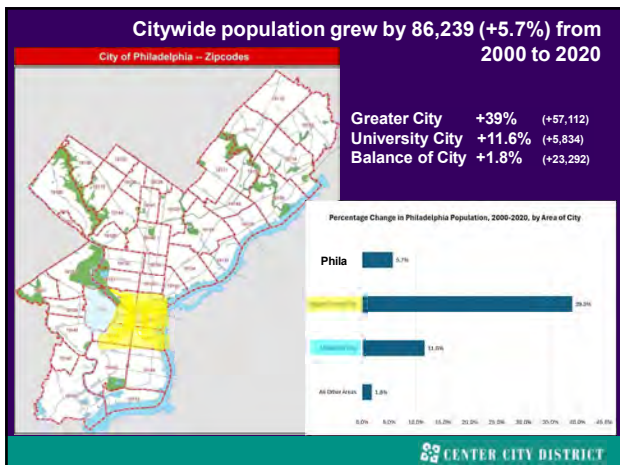
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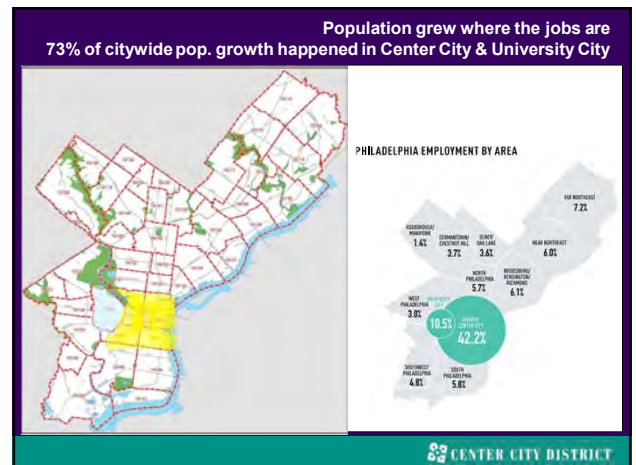
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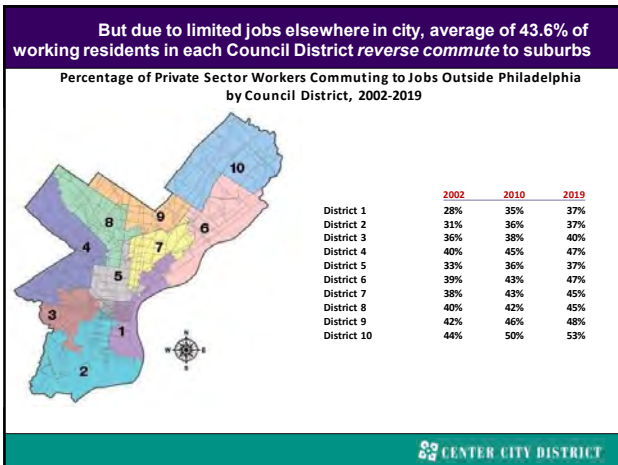
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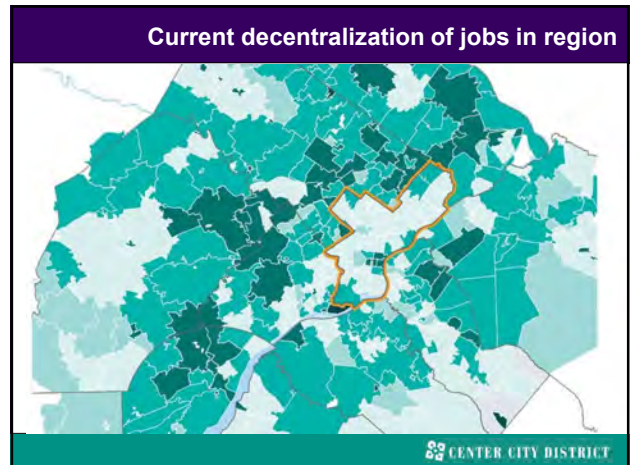
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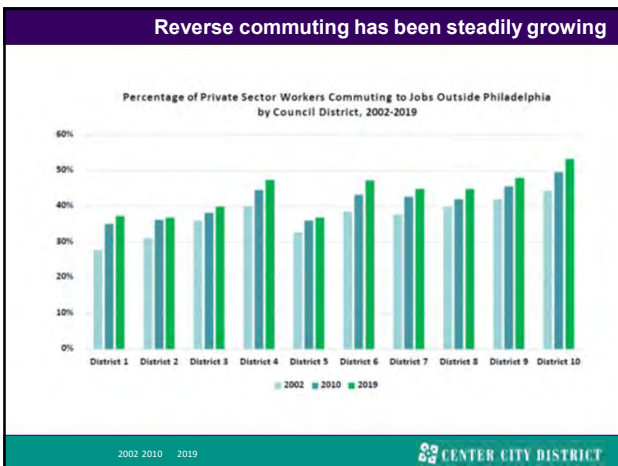
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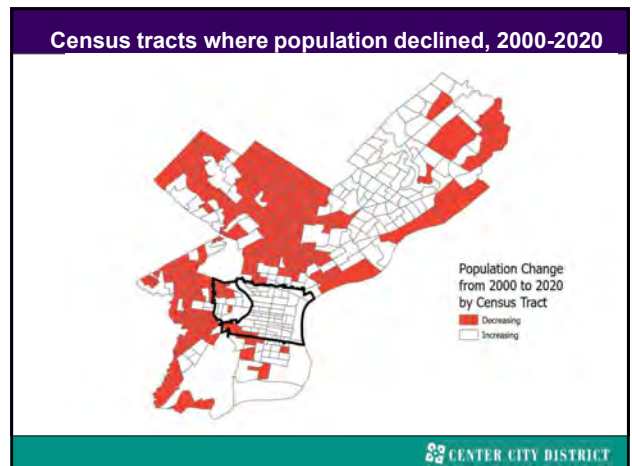
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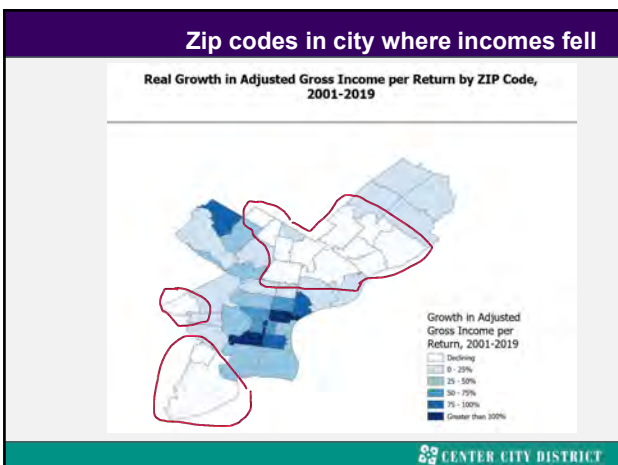
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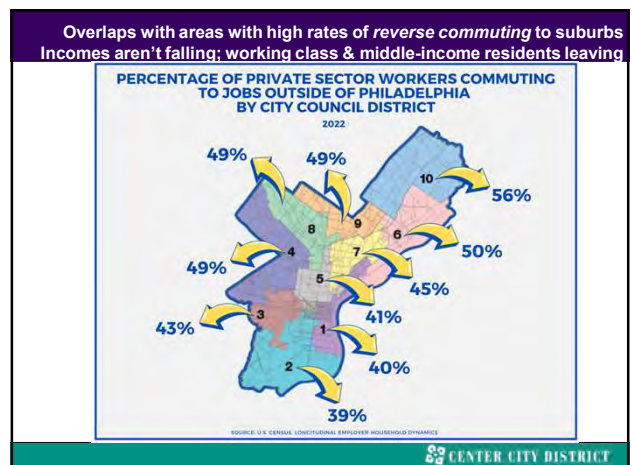
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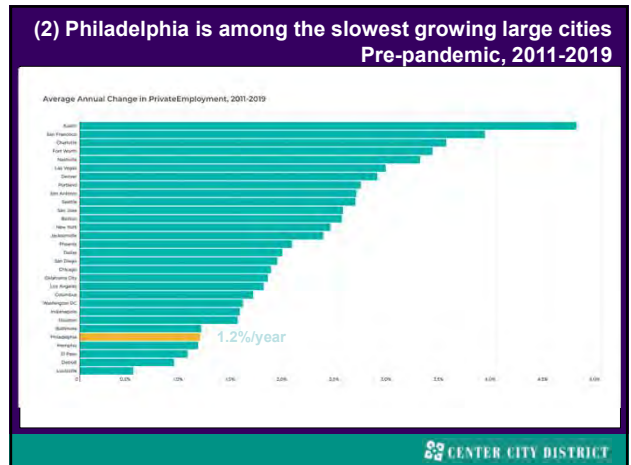
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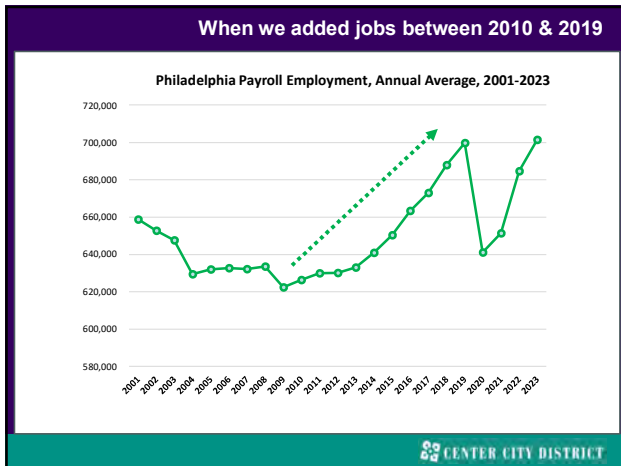
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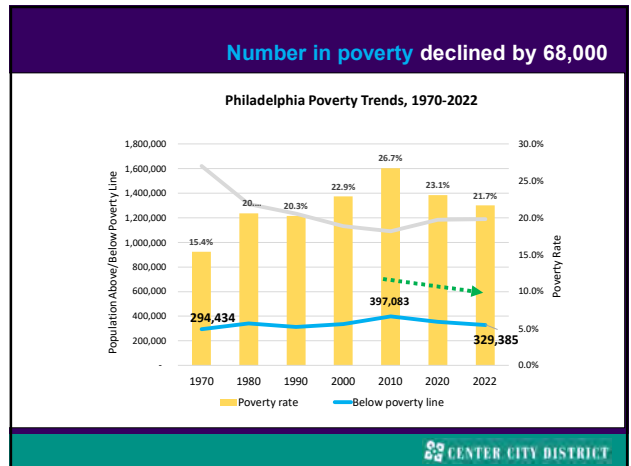
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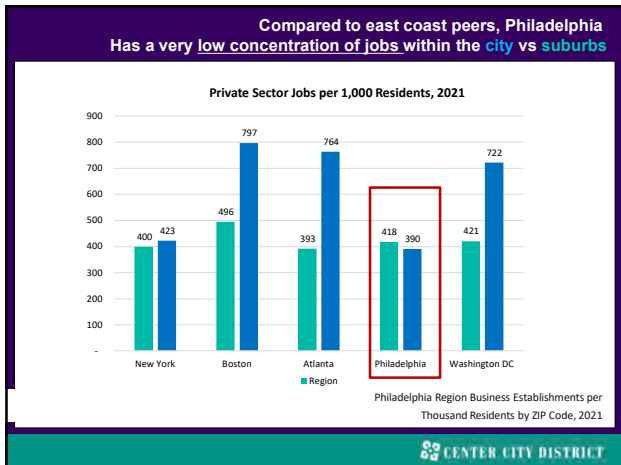
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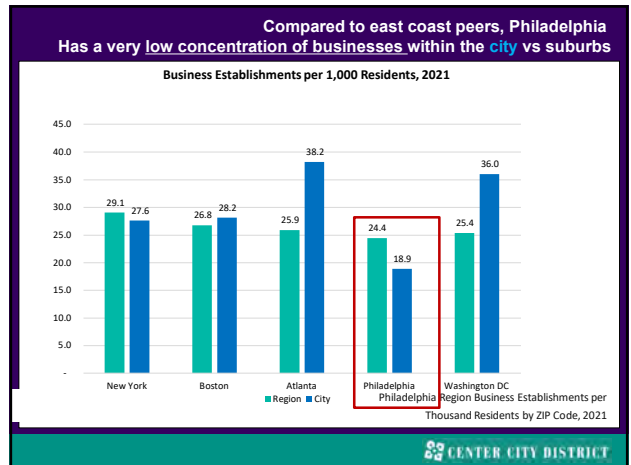
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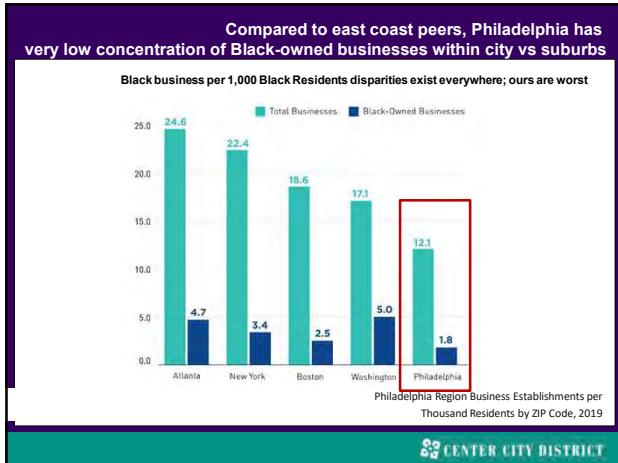
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283



284



285



286

Part 2
Moretti: The New Geography of Jobs; the Great Divergence
Put Philadelphia narrative in a larger context

- (1) Transition from manufacturing to post-industrial economies
- (2) Cities that succeeded & those that have failed (Edward Glaeser)
- (3) Implications of global free trade
- (4) Brexit; revolt against globalism; from left & right
- (5) What can be done at the local level

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287

THE NEW GEOGRAPHY OF JOBS

ENRICO MORETTI

In the 19th & early 20th century, when North American & European cities were centers of production for steel, oil refineries, locomotives, boats, cars, radios, military equipment, the garment industry & food processing, they were *maker* cities & *exporting* cities, dependent on ports & rail lines.

Manufacturing was driving edge of innovation. Selling manufactured goods both regionally & nationally was the source of wealth for cities.

Office buildings in those original downtowns housed the management functions for the industrial city. Corporate headquarters were tied to place, overseeing their manufacturing infrastructure.

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Detroit—early 20th century emergence of auto industry

TRIUMPH OF THE CITY
How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier and Happier
EDWARD GLAESER

Innovation emerges from a densely clustered, competitive environment – lots of inventors & entrepreneurs all crammed into small area of Detroit

Automobile emerged by combining 2 existing ideas/technologies:
horse-drawn carriage
the gas engine

both of which were made in Detroit –

Skilled workers ready to adapt; lots of small firms frantically competing with each other to innovate, break through & capture market share.

That's the essence of what cities do well

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289



290



291



292



293



294



295

Detroit becomes a booming city



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296

Cities become magnets for semi-skilled labor



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Huge assemblies of workers Creating products sold nationally



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298

In last century, strong currents of nativism, anti-immigrant sentiment

- Rising in the 1880s and 1890s
- World War 1: immigration shut down
- Formalized in 1924 restriction of immigration; didn't end until 1965
- Cut off foreign supply of industrial labor

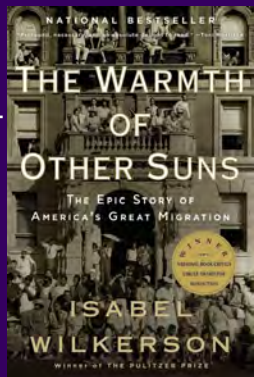


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299

African American migration north & to California

- starting in WW1 & growing thru 1920s & 1930s migration of African-Americans from south to north
- Recruited by northern industry; leaving segregation & rural share-cropping for opportunities in northern cities



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300

Downtown Detroit office buildings: 1930 Hold all the management functions for auto firms But also law & accounting firms, banks



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301

Glaeser: Implications of mass production



As Henry Ford introduced mass production on assembly line, it lowered the cost of production, sold cars at lower cost & it reduced the need for knowledge intensive workers & innovation.

To compete, factories no longer relied on hand craftsmen, who designed, redesigned & built between 10-50 cars/year.

Instead, capital & labor intensive factories, mass production; routinization of function.



302

Drove mergers: reduced field to just 3 large companies



Ford, General Motors & Chrysler

They dominate global markets (40 years)

Few domestic upstarts to challenge big 3 (American Motors)

Lack of competition drives out creativity



303

There was continued expansion after World War 2 for a decade until late 1950s, as the US had few global competitors for auto production

But by 1963 – half the cars in the world were made outside of US

By 1964: 500,000 imports were sold in US

1970s & 1980s German & Japanese auto producers began to undercut the domestic market providing smaller, more fuel-efficient cars as energy prices rose

Detroit fails to respond to changing market conditions goes into decline – population drops from 1.7 million to 688,000



304

Packer Motor Plant Detroit: 1903-1958



305

Abandoned Packer Motor Plant Detroit: 1980s



306

Downtown Detroit 1925



307



308



309



310



311



312



313

Lower Manhattan today: center of global business
Professional & business services, tech, finance, insurance



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314

The same changes in transportation technology,



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Same changes in containerization of cargo
that moved loading & unloading
away from central waterfront



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316

To the packer Marine Terminal



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317

And eliminated all the finger piers
& the need for manual labor



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318

The same changes in San Francisco



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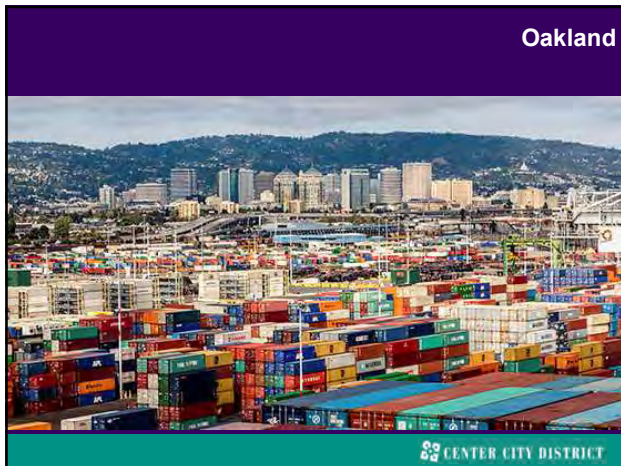
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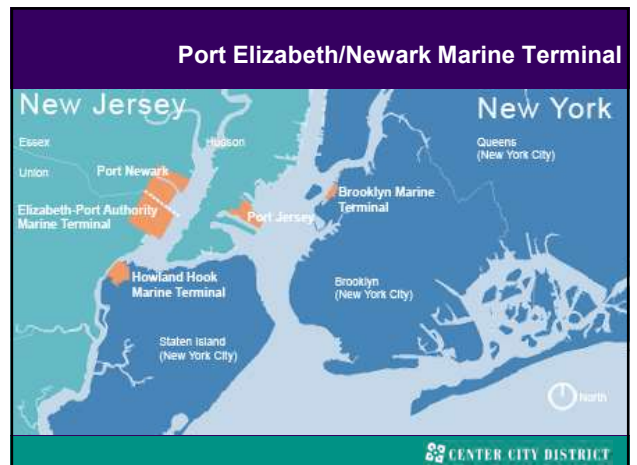
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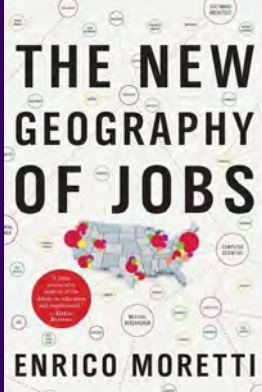
**Opened the waterfront for quality of life amenities
For industries & workers with choice**



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326

2nd part of Moretti argument



THE NEW GEOGRAPHY OF JOBS
ENRICO MORETTI

By contrast, knowledge-intensive jobs form the driving edge of innovation in post-industrial cities. They are not necessarily tied to place. But they draw toward them a solid base of knowledge-workers who are attractive to other firms.

This triggers a process of mutual reinforcement and attraction as knowledge-intensive industries cluster in "geographic agglomerations."

Moretti suggests that a small number of innovation jobs within start-up, medium & large firms draw at least 6-7 other jobs into their orbit – from other high skilled to moderate skilled to building maintenance and transit jobs.

If environment is competitive & attractive

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Success of London, England, contrasted with Detroit

a city of production & exporting for first ¾ of the 20th c
Manufacturing decline & containerization of cargo made ports obsolete

City lost **25%** of population by 1980

New innovative cycle: 1986 deregulation of financial services, opening up to global competition

Good international connections-
investment in Heathrow Airport
Excellent position in global time zone:
do business with Asia in AM; North America in PM



TRIUMPH OF THE CITY
How Our Greatest Invention Made Us Richer, Smarter, Greener, Healthier, and Happier
EDWARD GLAESER

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328

London's attributes

A trusted legal system, stable politics, a trusted bureaucracy; no need for bribery to do business

Less regulated business environment than European continent

Becomes a global financial capital; attracted huge influx of immigrant entrepreneurs – from former colonies

Global wealth poured in, driving up housing prices –

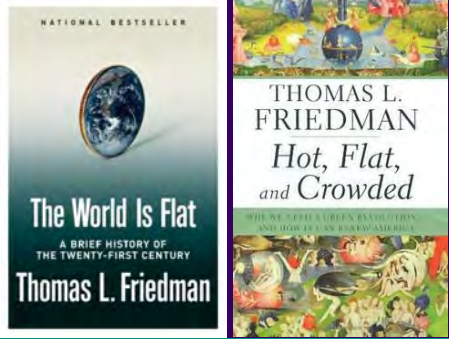
Lower skilled immigrants come for opportunity; often going directly to some suburbs; wealth concentrates at the center

1/3 of Londoners & 1/3 of New Yorkers born outside of these countries

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329

**This world was described best
Thomas Friedman, World is Flat in 2005
Subsequently Hot Flat & Crowded, 2008**



NATIONAL BESTSELLER
The World Is Flat
A BRIEF HISTORY OF THE TWENTY-FIRST CENTURY
Thomas L. Friedman

THOMAS L. FRIEDMAN
Hot, Flat, and Crowded
WHY WE FEEL A BUREAU CRISIS
AND HOW TO SURVIVE IT

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330

The world of global free-trade

Data & money move digitally around world at touch of finger.

outsourcing began in manufacturing
(foreign labor inexpensive enough to overcome costs of transportation)

Moved from low skilled services –call centers & then slowly moved up the skill ladder to outsourcing of high-skilled professional services

"outsourcing" is parochial term
Internationally owned firms & globalization of capital able to contract for labor & carry out production in lower cost markets

Corporations no longer tied to place

- NAFTA & free-trade (Clinton)

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331

In Friedman's view: competitive cities & regions, the places that will thrive & increase prosperity for their residents have minimum barriers to entry;

these are places that make it easy to start businesses, raise capital & become entrepreneurial; places with simple, equitable & transparent regulations;

they have an educated, energetic & versatile workforce workforce that thrives in a competitive, rather than sheltered environment.



332

Writing about Bangalore India; Glaeser, Triumph of the City

"These cities create a virtuous cycle in which employers are attracted by the large pool of potential employees & workers are drawn by the abundance of potential employers. Firms come to Bangalore for the engineers & engineers come for the firms.

Urban scale also makes it easier for workers to move from job to job. In highly entrepreneurial industries, workers get ahead by hopping from firm to firm. Young people become more productive and better paid as they switch employers and acquire new skills." Thick labor markets (1 architect firm)

In the presence of competition, everyone improves their game
Example: Tennis, squash, & other competitive sports



333

In this global context, the urban economic environment characterized by turbulence, responding to forces beyond local control

over 10 years any given place is likely to lose one-half its jobs.

"Great divergence"
places that don't respond to these challenges
"places in trouble"
places that lose market share
places that decline with high poverty rates
Patrick Sharkey, chapters 1-3 (public safety implications)

Successful places continually innovate & grow new businesses; expand market share



334

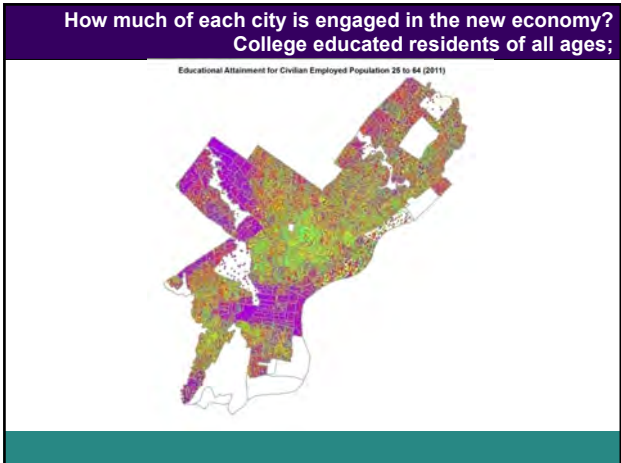
Moretti: Knowledge intensive jobs = higher wage jobs,

so that even as American cities have desegregated from the perspective of race,

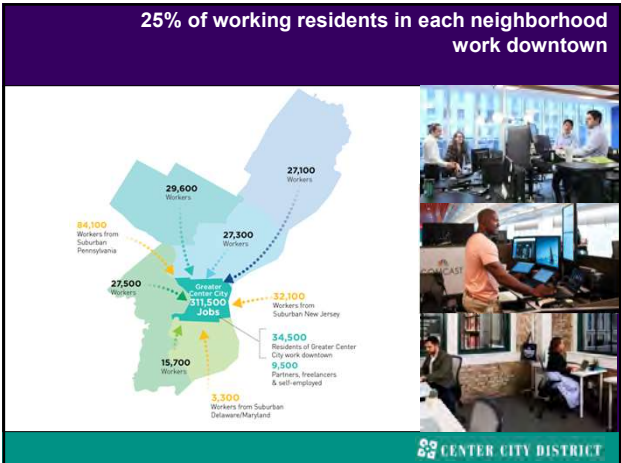
they are sorting themselves by income;
smart cities get smarter; smart cities get richer
smart cities get less affordable, absent public policy



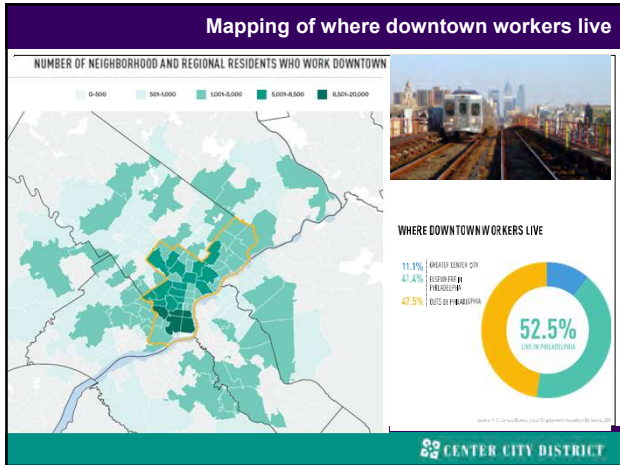
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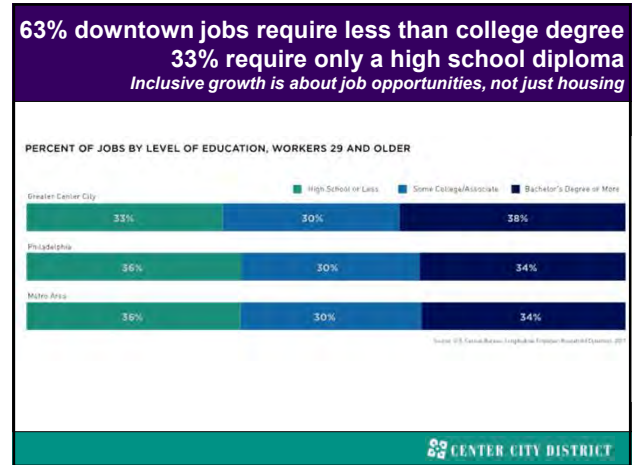
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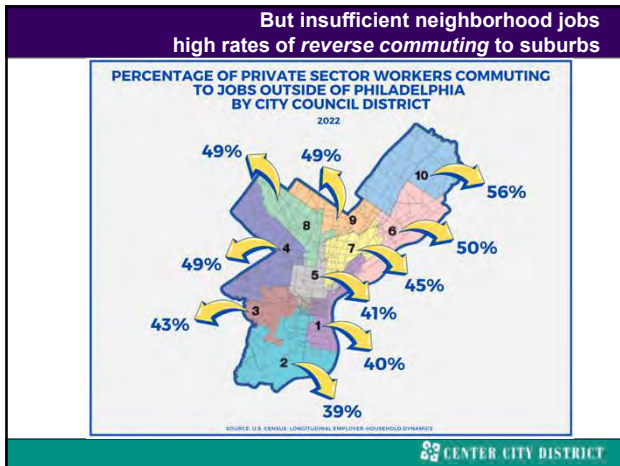
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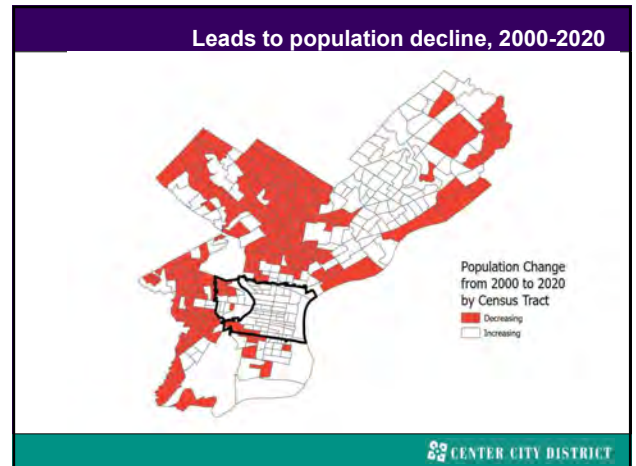
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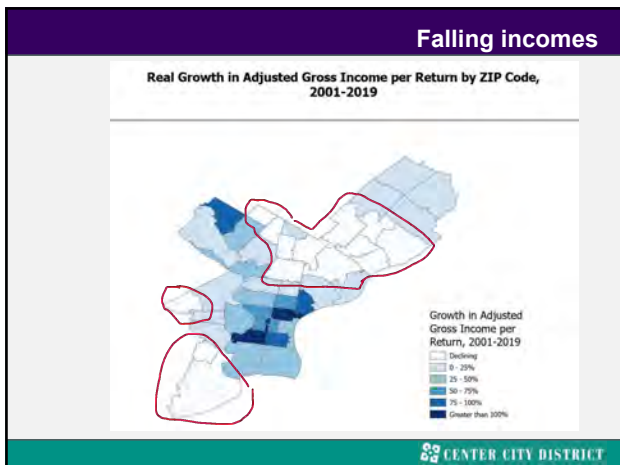
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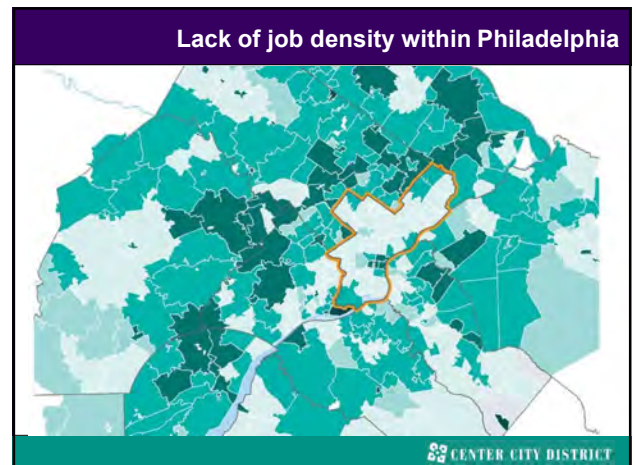
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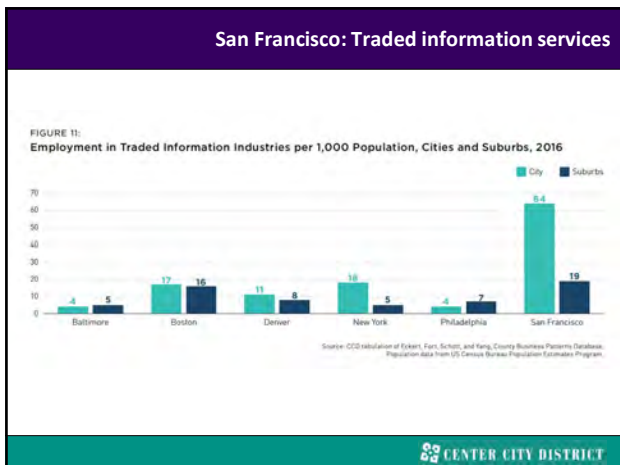
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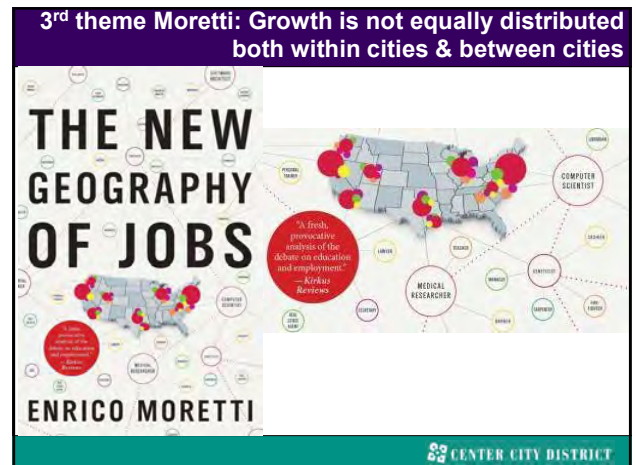
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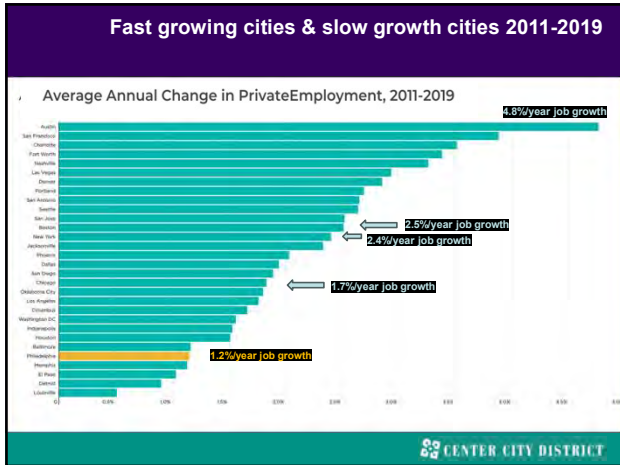
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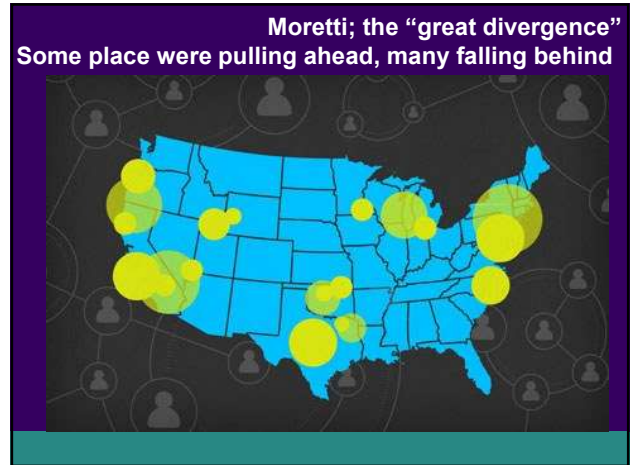
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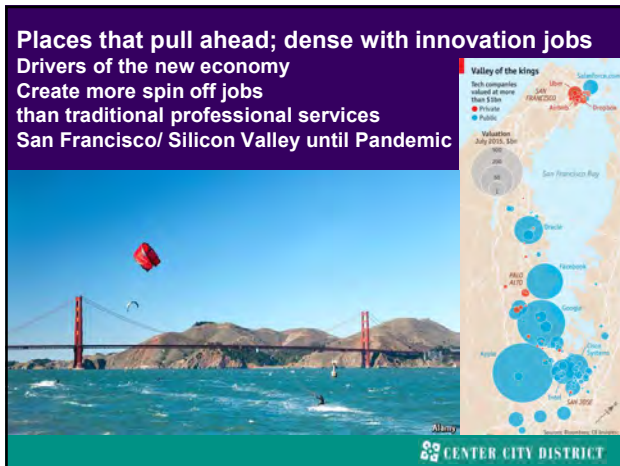
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350



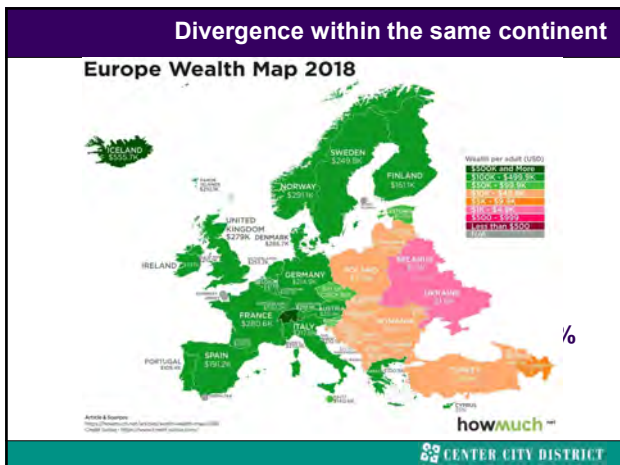
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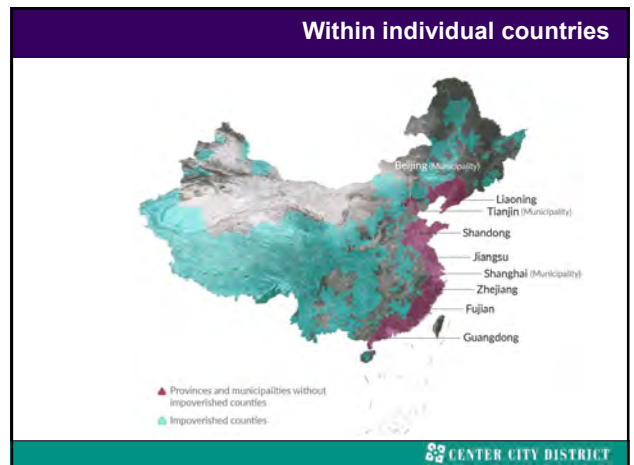
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353



354



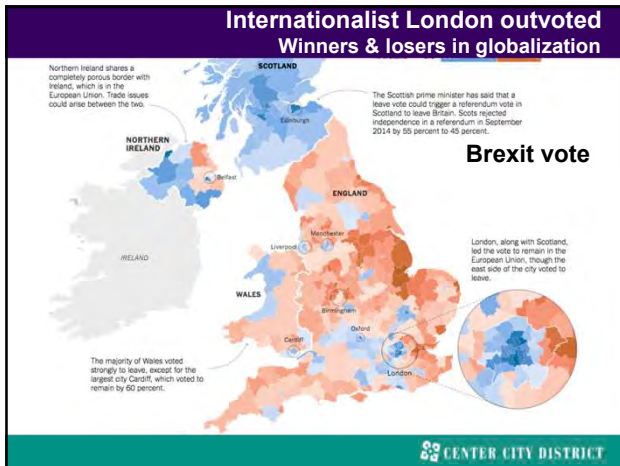
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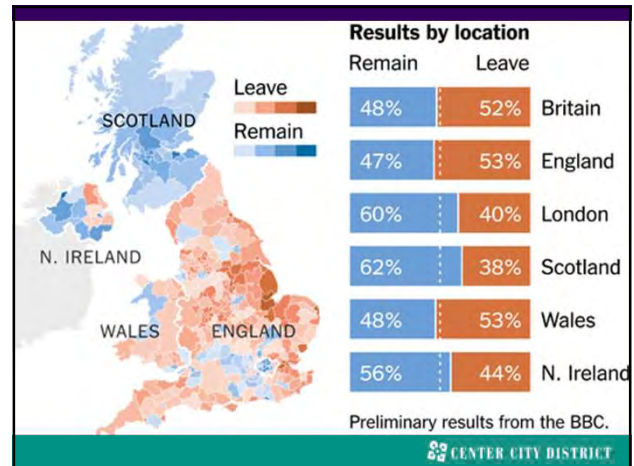
356



357



358



359

Moretti “secular” change – long term & structural & not “cyclical” (ups & downs of the business cycle)

part of long-term transition from manufacturing to service manufacturing employment in the US peaked in 1978-1979 and then began a steady decline; Pre-Nafta

Factors

Rise of economies of Japan, Korea, China with lower cost labor as a manufacturing powerhouses in garment industry, cars, home appliances, computers, personal electronics, sportswear;

free-trade can facilitate but this is embedded structurally in the knowledge economy

Center City District

360



361

Create a competitive setting for small & large businesses
Accelerate job growth & reduce poverty
Competitive tax policies, business investment & job training
Not either/or, but both/and



 CENTER CITY DISTRICT

362