

MILWAUKEE METROPATTERNS

Executive Summary

Center on Wisconsin Strategy and the Metropolitan Area Research Corporation

Wisconsinites have a love/hate relationship with Milwaukee. Regardless of where one falls on that spectrum, all would do well to recognize that Milwaukee is a great city that sets Wisconsin apart from the rest of the Midwest. It is a city rich in history and traditions falling at the very core of American values – hard work, innovation, community-mindedness. However, as a city, Milwaukee is also imbued with less celebratory characteristics of late twentieth century urban America.

The City of Milwaukee does not stand alone, however. The Milwaukee metropolitan area (Milwaukee City and its immediately surrounding counties) is Wisconsin’s principal source, as a state, of financial and manufacturing might, as well as our major population center – and of course the home of some of our greatest problems with falling wages and rising inequality. It is time to repair the Milwaukee region’s problems and chart a secure future – through innovative public policies and strategic regional cooperation that calls upon the region’s nearly two million residents, its businesses, labor and community-based organizations, elected officials, and public institutions to do now what has failed before.

Metropolitan regional reform is not a new idea. In Milwaukee, as elsewhere, well-intended, public-spirited efforts to address urban and metropolitan development issues dot the political and cultural landscape of the past sixty-five years. Some such regional efforts have been very successful, including several of recent origin – from the Wisconsin Regional Training Partnership to the Greater Milwaukee Committee’s Regional Cooperation Task Force, Southeastern Municipal Executives to redevelopment of the Menomonee River Valley. The lessons drawn from these efforts, and those from years past, reveal a present moment of opportunity. This report is not the prescription, but rather the blueprint for a sustained community-driven campaign aimed at making the Milwaukee metropolitan region a model for intelligent cooperation, efficient governance, sustainable development, and continued economic prosperity.

Our neighbor state of Minnesota has shown, faced with urban dynamics in Minneapolis and St. Paul similar to those in Milwaukee, that it is possible to repeal the so-called “iron law of urban decay.” Through more thoughtful targeting of transit monies, tax base sharing, the restoration of brownfields sites in urban areas, and fair housing policies, we could again harness the historic strengths of the Milwaukee metropolitan region while dramatically reducing inequality within it. Doing so is especially important to us, as a state, if we are to reclaim our manufacturing advantage on the nation (and all the economic prosperity and opportunities that brings), and reduce the hideous levels of poverty that are damaging a generation of central city children.

Recent talk of urban revival, investor “discovery” of untapped inner city markets and aggregate buying power, “new urbanism” and “smart growth” attests to the growing attention paid to our urban centers. What is most needed now, however, is a comprehensive application of good practices at all levels, coordinating public and private investment to generate far greater returns than those brought by recent fits and starts.

Despite some good news, America's urban centers are still far from thriving—unemployment, concentrated poverty, and wasted infrastructure continue. Current population and investment flows favor sprawl and wasteful growth on the edges of our metropolitan areas. And the resulting fiscal and other strains long registered in central cities have now spread to the “first suburbs” that comprise their inner ring.

Public policy plays a key role encouraging the kind of desirable growth we seek — growth that makes better use of existing infrastructure (roads, utilities) instead of extending them at public cost to what was previously valuable open space. At the federal level, spending on transportation and other physical infrastructure, modernization funds, training, and other economic development support continue to be dedicated to compounding sprawl and strongly favor exurban development. Not only does this hurt cities in investment that avoids them, it adds significantly to the future infrastructure maintenance costs — twice as many roads to maintain, twice as many utilities, etc. The burden on the public sector increases over time, while the existing infrastructure at the urban core goes underutilized. The resulting strain for our cities also occurs in the context of widespread devolution, forcing metro areas (including both county and municipal governments) to assume more responsibility for social and economic policies and programs.

Add to all this the impact on natural systems — run off into streams and rivers, increased flooding from those newly paved and built areas, the loss of the rural lifestyle under pressures to develop, the decrease in air quality with the increased car travel — and it becomes clear how our investments hurt the region as a whole, making it far less efficient and less competitive, eroding the overall quality of life.

Even recognizing all this, however, many conclude that our urban problems are inevitable — the result of an Iron Law of Urban Decay whose workings dictate that even successful cities must decline. As incomes rise, workers move to suburbia; when suburbs mature, they resist paying taxes to support the metro core; as the tax base declines and services deteriorate (or tax rates rise, or both), the middle-class and business flee, leading to further erosion; poverty concentrates among those left behind, and they become “different” — disconnected from labor markets, without role models for advancement, lacking the human or financial capital even for bootstrap-pulling. In this context, we are told, the best that can be hoped from central cities is peace, or at least a segregation of the violence. The best that can be hoped for suburbia is . . . more suburbia.

But further sprawl only erodes the tax base of inner-ring suburbs, wedging their residents between the spreading deterioration of the urban core and the new roads, sewers, and schools for their increasingly distant suburban “neighbors” on the edge. For their problems, angered inner-ring suburbanites tend to blame their more proximate neighbors in the central cities — overwhelmingly, of course, people poorer and darker than themselves. The wealthy meanwhile seek to insulate themselves, taking refuge in luxury urban high-rises, cloistered suburban communities, or exclusionist “favored quarters” of exurban development. Thus the familiar ugliness of American urban politics.

This is not simply political narrative, but rather the reality of development patterns in the Milwaukee metro region. These patterns of regional polarization, present in some form in all the nation's regions, can be divided into two pieces: the push of concentrated need and the pull of concentrated resources.

Regional polarization begins as poverty concentrates in certain central city neighborhoods. Increasing urban poverty has many causes, including the flight of economic opportunity from central cities, and many effects, including strains on local government resources, increased crime, and destabilized schools. In the city of Milwaukee, between 1980-1990, the number of census tracts in extreme poverty increased 210 percent. Unemployment remains stubbornly high in Milwaukee, while job openings exceed the number of available workers in Waukesha, Ozaukee and Washington counties. Forty-one percent of all Milwaukee children under five in 1990 lived in poverty; a 15.5 percent increase from 1980.

Contrary to popular impression, socioeconomic instability does not stop neatly at central city borders. As it crosses into inner suburbs, particularly into suburbs that were once adjacent to blue-collar and middle-class communities, it frequently intensifies and accelerates. Inner suburbs, lacking the central city's central business district and elite neighborhood tax base, its social and police infrastructure, and its network of organized political activity, often decline for more rapidly than central city neighborhoods. The number of jobs per 100 persons in West Milwaukee and Cudahy dropped 49.3 percent and 18.5 percent respectively from 1986-1996. Sturtevant and West Milwaukee lost significant tax base between 1986-1996, with property value per household declining 11.7 percent and 24.4 percent respectively. The region as a whole, however, witnessed a 15.4 percent overall gain. Many school districts with high percentages of students on reduced cost lunch programs are located in older inner-ring suburbs.

At the edges of metro regions, communities engage in as low-density and restrictive a pattern of land use practice as their present economic circumstances will bear. The pull of concentrated resources manifests itself as inefficient sprawled development. These communities strive to keep out "undesirable" residents and to build a broad rich tax base that will keep services high and taxes relatively low. Some urban fringe communities succeed; others do not. Those that do not succeed may develop without sufficient resources to adequately support public services, expanding patterns of need that further tilt the region out of balance.

In the Milwaukee region, job growth over the last two-decades has concentrated in suburban and exurban areas. Very recently, suburban Waukesha, Ozaukee and Washington counties have experienced pronounced shortages of workers. But, these communities also represent restrictive housing markets, priced well beyond the region's median income and offering few affordable options. Transportation investments heavily favor roads to accommodate population shifts, rather than transit options for those seeking economic opportunity. Infrastructure investments, as measured by road construction costs, concentrate in rapidly developing suburban counties.

We believe the "Iron Law of Urban Decay" is not made of iron but of political choice. It consists in a set of policies that can be changed. A "metro" strategy would seek to do so on a regional basis: fitting governance to the actual boundaries of the economy, equalizing the terms of development (and opportunity) within that economy, and harnessing the economy's collective strength to promote high-road practices of sustainable development.

Our policy recommendations encompass eleven broad areas of public policy, operating regionally, variously under state or federal direction. Importantly, they do not

operate independent of one another, but rather depend on linkages between them to perform optimally. Regional strategies accentuate those linkages and demand a broader look at the nature of problems, and the problem of solutions.

- *Equity in the Provision of Local Public Services*
- *Regional Reinvestment in the Central Cities and Older Suburbs*
- *Land Use Planning and Growth Management*
- *Transportation Reform*
- *Democratic Metropolitan Governance*
- *Fair Housing*
- *Changed Terms of Economic Development Assistance*
- *More Functional and Fair Labor Market Administration*
- *Regional Savings/Investment Pools*
- *Watershed Protection*
- *Public Works*

The prescription for metropolitan Milwaukee should be generalized to a statewide correction of residential, commercial, and industrial sprawl. We want, as a state, to discourage such sprawl. To do so means far more than joining the current “smart growth” bandwagon. It means examining multiple policy devices and political strategies that concentrate housing and production, that end the perverse regime of public subsidies for wasteful and inefficient development, and that reflect the reality of metropolitan regions as functionally integrated economic units

We recognize and embrace the long-term nature of this effort and are committed to it. COWS is working with the City and private organizations to promote high-road redevelopment strategies for the Menomonee Valley. Through the Milwaukee Jobs Initiative and the Wisconsin Regional Training Partnership, COWS is developing national models for training and workforce development.

We welcome all communities and constituencies to the effort and recognize the many implications of greater regional cooperation. We also recognize the advantages.

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