The Local Government Dating Game: Metropolitan Development and City-County Merger

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THE LOCAL GOVERNMENT DATING GAME:
METROPOLITAN DEVELOPMENT AND CITY-COUNTY MERGER

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INTRODUCTION

Local governments are looking to "date," or collaborate with, other governments, and sometimes they even contemplate marriage, i.e., merger. As with the dating game, however, local governments almost always want to partner up in socioeconomic status. They usually reject partnering with governments they view as lower on the socioeconomic totem pole.

My thesis is that trends in urban or metropolitan development are rapidly shifting the terrain on which the local government dating game is played in St. Louis. On the one hand, the shifting terrain makes city-county merger (or the city entering the county) more likely because the two parties are becoming more equal in status. The primary fault line in the region, however, is shifting from an east-west, urban-suburban axis to a north-south one that cuts across the border between St. Louis City and St. Louis County. The recent turmoil in Ferguson highlights this division. We should not let the civic dialogue about city-county merger distract us from addressing this emerging divide.

I. THE SHIFTING STATUS OF THE CITY AND COUNTY: A HISTORICAL PERSPECTIVE

The "Great Divorce" between the city and the county occurred at the dawn of the industrial age roughly spanning the period from 1850 to 1950.[1] Industrialism and the technologies associated with it had a tremendous centralizing impact on metropolitan development. Emerging technologies of mass manufacturing had to be located close to rail lines. As Douglas Rae colorfully expressed it, "[m]anufacturers swarmed over urban railheads much as ants swarm over a dollop of jelly on a summer afternoon, crowding one

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1. The decentralizing impact of automobiles and trucks actually began earlier, around 1920, but did not get full traction until after World War II.

another for each sweet particle of economic sugar."[2] Large factories also required large workforces and before the automobile this meant factories had to locate in central cities where employees could walk to work or take a trolley.

The debate over whether St. Louis City should separate from the county occurred in the context of this great centralizing period of American metropolitan development, when economic forces were pushing people and investment toward the center. In 1875, city businessmen opposed paying taxes for expensive infrastructure in rural St. Louis County. In the words of Terry Jones:

> The rich City cousins would be forever taxing themselves to pay for the upkeep of their poorer County relations. Instead of investing in the prosperous core to reap even superior returns, funds would be diverted to the periphery.[3]

City residents did not want to send their tax dollars to what they considered to be rubes in St. Louis County when the future clearly lay with the dense urban core. City businessmen essentially made a bet; they were willing to assume the county's debt in order to achieve independence from the county on the assumption that urbanization would generate a strong tax base to pay for all the improvements St. Louis needed as a growing industrial city. For many years, the bet paid off as the city became a major center of industrial production, driving growth in population and tax base. By 1900, St. Louis was the fourth largest city in the nation.[4]

Trends dramatically reversed later in the twentieth century when decentralizing forces, known as suburbanization, siphoned wealth and population from the city to the county. Massive public investments in highways and the dominance of the automobile and trucking fed centrifugal forces that drained central cities of population and investment. Race also played a large role as "white flight" drained the city of middle-class families. In the second half of the twentieth century, the population of the City of St. Louis fell by over half a million, from 856,796 to 348,189. Indeed, St. Louis declined at a faster rate than any other large city in the nation.[5]

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2. DOUGLAS RAE, CITY: URBANISM AND ITS END 13 (2003). *City* is a penetrating analysis of the myriad effects of the centralizing and decentralizing forces of technology in one city, New Haven, Connecticut. For an alternative view, that it was not so much economic forces but public policies biased toward unregulated corporations that favored mass production in large cities, *see* GERALD BERK, ALTERNATIVE TRACKS: THE CONSTITUTION OF AMERICAN INDUSTRIAL ORDER, 1865-1916 (1994).

3. TERRY JONES, FRAGMENTED BY DESIGN: WHY ST. LOUIS HAS SO MANY GOVERNMENTS 3 (2000).

4. *Population of the 100 Largest Urban Places: 1900*, U.S. CENSUS BUREAU (June 15, 1998), https://www.census.gov/population/www/documentation/twps0027/tab13.txt.

5. On average, St. Louis City declined 16.5% for each decade from 1950 to 2000, a faster rate than Detroit, Cleveland, and other older industrial cities. Jordan Rappaport, *U.S. Urban Decline and Growth, 1950 to 2000*, FED. RESERVE BANK OF KANSAS CITY, *available at*

As a result of the decentralization of metropolitan development, the debate about city-county merger today is a mirror image of the nineteenth-century debate. Voters in the county do not want to join with what they perceive as their poor cousins in the city.[6] As a South County opponent of merger put it in the *St. Louis Post-Dispatch*, "I gotta [sic] believe the City is looking for a rich uncle to pay their bills."[7] Terry Jones's original quote can be tweaked to capture the terms of the contemporary debate:

> The rich *County* cousins would be forever taxing themselves to pay for the upkeep of their poorer *City* relations. Instead of investing in the prosperous *suburban periphery* to reap even superior returns, funds would be diverted to the declining *urban core*.

Underlying the debate today is the perception by county residents that the city is a kind of urban sink hole and if they join with the city, resources will be drained away from the county.[8] Along with class concerns, race also clearly plays a role in the reluctance of county voters to join with the city. Many whites perceive blacks as lower status and therefore shun partnering with them.

II. REURBANIZATION: THE CHANGING STATUS OF CITY AND COUNTY

In the second decade of the twenty-first century, metropolitan development trends are once again moving back to the center. Compared to many other cities, like Boston, Chicago, and Seattle, St. Louis is in the early stages of reurbanization, but clearly the terrain on which the city-county merger debate is being conducted is shifting. After a century of outward movement of people and resources to the suburbs, cities are enjoying a renaissance. In 2012, the Brookings Institution reported that, for the first time in ninety years, the central cities of major metropolitan areas of over a million people grew faster than

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https://kansascityfed.org/publicat/econrev/PDF/3q03rapp.pdf. It should be noted, however, that St. Louis stands out from most other cities in that it did not annex any suburban areas as population decentralized.

  6. According to a 2012 survey, 77% of city voters would consider supporting a state amendment that would unify St. Louis City and County but only 44% of county voters would consider supporting such an amendment. *Executive Summary, September 2012 Poll*, ST. LOUIS PUB. RADIO, http://www.scribd.com/doc/114951175/Executive-Summary-September-2012-Poll.

  7. Steve Giegerich, *Group Opposed to City-County Merger Gains Momentum*, ST. LOUIS POST-DISPATCH, Jan. 26, 2014, at B1.

  8. I realize that the reality is more complex than perceptions. If the city reenters the county, that is not going to have any direct effect on the tax base of municipalities. The average voter does not have a sophisticated sense of what the city reentering the county would mean. Many see it as a kind of Trojan Horse that could be used to transfer resources from the suburbs to the central city.

their combined suburbs.[9] Alan Ehrenhalt calls the recentralization of jobs and population the "great inversion," a reversal of the long-standing trend of the affluent moving to the suburbs and the poor remaining behind in central cities.[10] According to Ehrenhalt, "[t]he massive outward migration of the affluent that characterized the second half of the 20th century is coming to an end."[11]

Demographic trends point to a nationwide urban revival.[12] The growing number of single households, households without children, and empty nesters are less attracted to large, single-family homes in auto-dominated suburbs. Young single professionals especially prefer a pedestrian-friendly, urban lifestyle.[13] Richard Florida makes the case that "creative class" workers, highly educated and innovative knowledge workers, favor experience-rich, pedestrian-friendly urban environments.[14] The location of businesses also drives city living because, other things being equal, people prefer to live close to where they work. College-educated professionals are more productive and creative, and they earn higher salaries, when they live and work around other educated professionals. Thus, knowledge-based, creative industries tend to cluster in central cities.[15]

St. Louis is following the nationwide trend toward greater centralization—albeit lagging well behind hot market cities on the two coasts. St. Louis neighborhoods have an advantage over most suburban neighborhoods. Developed before zoning codes separated land uses into residential, retail, and commercial zones, city neighborhoods allow a mixing of uses that supports a pedestrian-friendly urban environment. Areas like the Central West End, the Grove along Manchester, and South Grand have restaurants, coffee shops, and bars that people can walk to from their homes. In addition, architecturally significant buildings and urban amenities, such as museums, parks, universities, and theaters, make St. Louis City neighborhoods attractive, especially to younger, educated knowledge workers. Research on

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9. William H. Frey, *Demographic Reversal: Cities Thrive, Suburbs Sputter*, BROOKINGS INST., June 29, 2012, *available at* http://www.brookings.edu/research/opinions/2012/06/29-cities-suburbs-frey.

10. ALAN EHRENHALT, THE GREAT INVERSION AND THE FUTURE OF THE AMERICAN CITY 7 (2012).

11. *Id.*

12. *Id.* at 7, 8.

13. According to a recent survey, the percentage of teens getting driver's licenses has fallen significantly in recent years. AAA FOUND. FOR TRAFFIC SAFETY, TIMING OF DRIVER'S LICENSE ACQUISITION AND REASONS FOR DELAY AMONG YOUNG PEOPLE IN THE UNITED STATES 2012 (July 2013).

14. RICHARD FLORIDA, THE RISE OF THE CREATIVE CLASS 68, 218 (2003).

15. EDWARD GLAESER, TRIUMPH OF THE CITY: HOW OUR GREATEST INVENTION MAKES US RICHER, SMARTER, GREENER, HEALTHIER, AND HAPPIER 28 (2011).

neighborhoods in the older parts of the St. Louis metropolitan area that have rebounded from urban decline shows that they tend to have significantly higher percentages of young people (ages 18–34) and single-person households.[16]
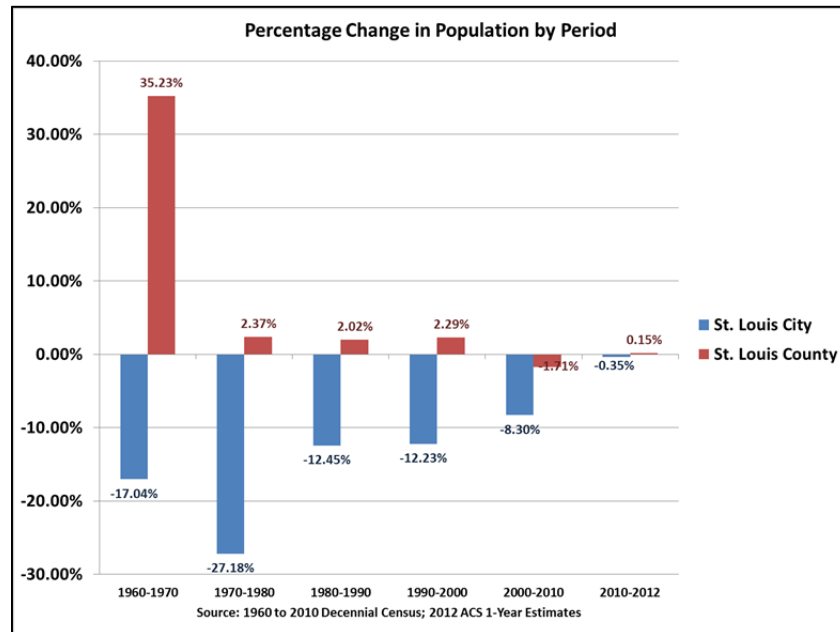

Figure 1. Percentage Change in Population, City of St. Louis and St. Louis County, 1960–2012

As Figure 1 shows, the county's population grew rapidly in the 1960s and continued to grow until 2000, when the county's population actually began to fall. The city's population was in free fall in the 1960s and 1970s, but since then the rate of population decline has slowed to the point that the city's population today is close to stable. However, the city's population stability masks the fact that population is still declining in South St. Louis and especially North St. Louis at the same time that the "Central Corridor" is gaining population.[17] The growth of young, educated professionals is driving population growth in the Central Corridor. According to a recent study, the number of young (25–34) college-educated people living within three miles of

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16. HANK WEBBER & TODD SWANSTROM, UMSL PUB. POLICY RESEARCH CTR., REBOUND NEIGHBORHOODS IN OLDER INDUSTRIAL CITIES: THE STORY OF ST. LOUIS 41 (Aug. 2014), *available at* http://pprc.umsl.edu/files/pdfs/rebound2014-final.pdf.

17. Alex Ihnen estimates that the Central Corridor, generally the area between Delmar and I-64 from the river to downtown Clayton, enjoyed an 11% increase in population from 2000 to 2010. Alex Ihnen, *Understanding Population Change and Density in St. Louis*, NEXT STL (Sept. 17, 2014), http://nextstl.com/2014/09/pxstl/.

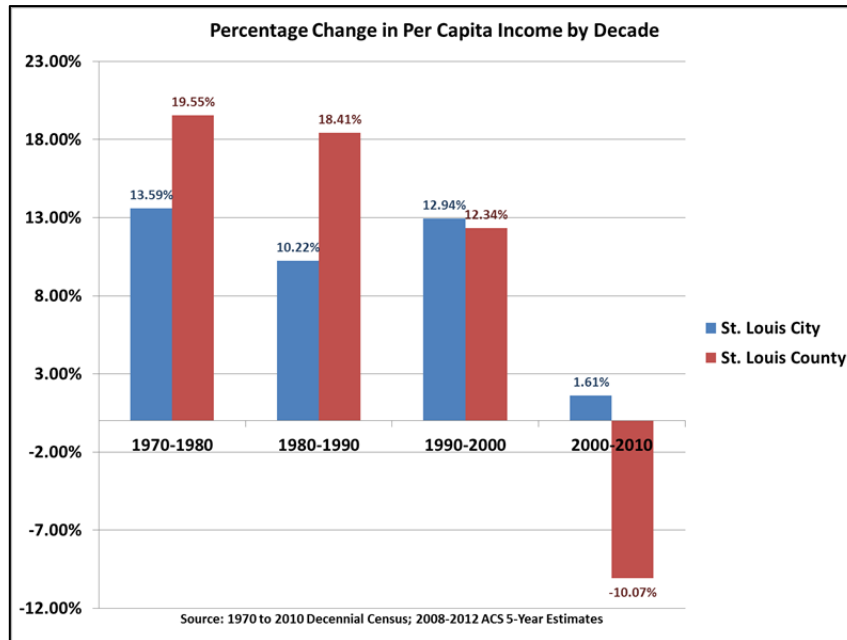the city center increased 26% in St. Louis, higher than the average for the fifty-one largest metros.[18]

Figure 2. Percentage Change in Per Capita Income, St. Louis City and
St. Louis County, 1970-2010

Per capita income is regarded as the foundation of the fiscal capacity of local governments.[19] In 2011, per capita income in the City of St. Louis was only 73% of per capita income in the suburbs.[20] The trend, however, is clearly moving in the city's direction. As Figure 3 shows, in the 1990s the city reversed earlier trends, as per capita income in the city grew slightly faster than in the county. In the 2000s the county actually suffered a drop in per capita income while the city enjoyed a small gain.

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18. This article is based on research by Joe Cortright. Claire Cain Miller, *Where Young College Graduates Are Choosing to Live*, N.Y. TIMES, Oct. 20, 2014, http://www.nytimes.com/2014/10/20/upshot/where-young-college-graduates-are-choosing-to-live.html?_r=0.

19. HELEN LADD & JOHN YINGER, AILING CITIES: FISCAL HEALTH AND THE DESIGN OF URBAN POLICY 22 (1989).

20. MO. ECON. RESEARCH & INFO. CTR., MISSOURI PER CAPITA INCOME CHANGE (PCI) 2011 TO 2012, *available a*t http://www.missourieconomy.org/indicators/income/pci13county.stm.
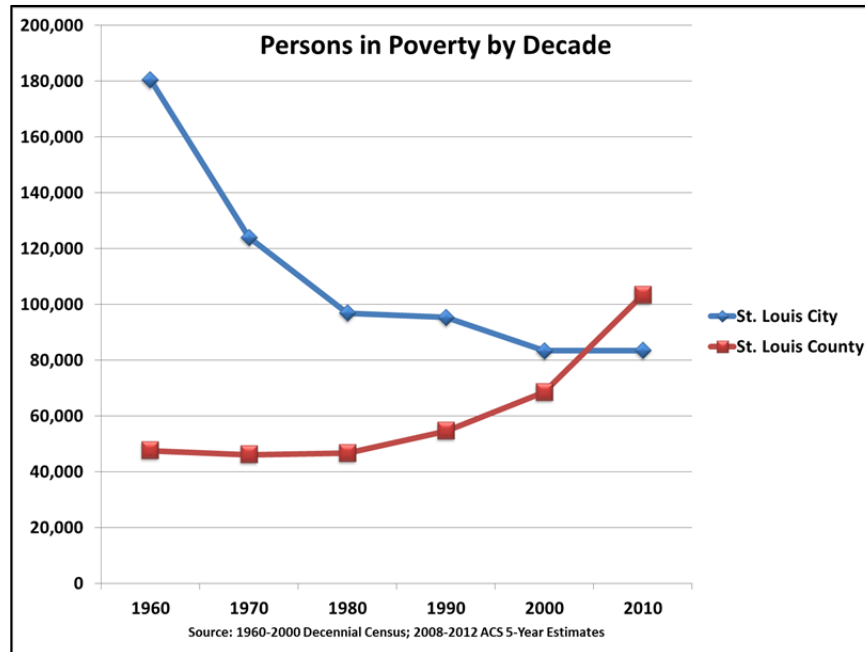
Figure 3. Change in Number of Persons in Poverty, St. Louis City and
St. Louis County, 1960–2010

Data on poverty also documents the shifting fortunes of the city and county. Sometime in the 2000s the number of people living below the federal poverty level in the county exceeded, for the first time, the number of poor people in the city. The rapid growth in the number of poor people in the county is consistent with a national trend of growing suburban poverty. From 2000 to 2010, the suburban poor population increased a stunning 53% in the one hundred largest metros, compared to an increase of "only" 23% in the central cities.[21]

The raw numbers on poverty do not tell the whole story, however. Concentrated poverty impacts peoples' lives more negatively than poverty that is spread out in mixed-income communities. Since the publication of William Julius Wilson's seminal book on concentrated poverty, *The Truly Disadvantaged*, there has been an outpouring of scholarly research on the contextual effects of concentrated poverty.[22] Much of this research investigates the effects of concentrated poverty controlling for the individual poverty and other factors associated with the outcomes under study. Among other

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21. ELIZABETH KNEEBONE & ALAN BERUBE, BROOKINGS INST., CONFRONTING SUBURBAN POVERTY IN AMERICA 17 (2013).

22. In the 2012 reissuance of *The Truly Disadvantaged*, Wilson estimates that 3,500 empirical studies have addressed the arguments made in his original work.

outcomes, concentrated poverty has been associated with joblessness, teen pregnancy, dropping out of school, crime, ill health, stress, and underperforming schools. Those who live in areas of concentrated poverty generally pay more for groceries, car insurance, and home insurance. They often pay higher tax rates and receive inferior local public services.[23]
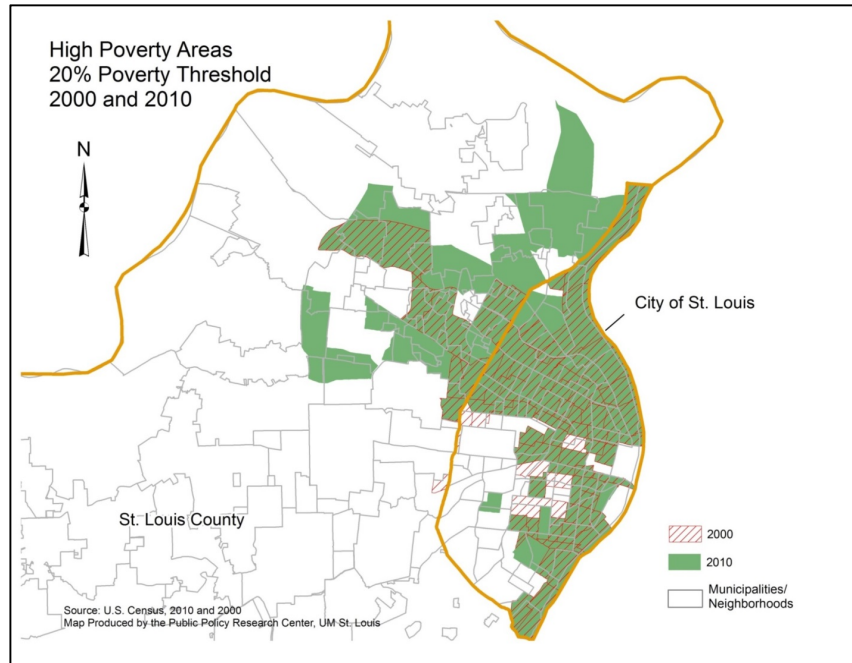

Figure 4. Concentrated Poverty, St. Louis City and St. Louis County,
2000 and 2010

Concentrated poverty is growing rapidly in suburban St. Louis County. The literature generally identifies 20% poverty as the tipping point at which the negative effects of concentrated poverty begin to kick in.[24] Between 2000 and 2010, the number of census tracts in St. Louis County with poverty rates over 20% more than tripled (Figure 4). In 2000, no census tract in St. Louis County had a poverty rate over 40%, but by 2010 there were three. The City of St. Louis, which has a large number of concentrated poverty areas, saw a number of high-poverty census tracts fall below the 20% level. Not a single

23. JOHN MOLLENKOPF, PETER DREIER & TODD SWANSTROM, PLACE MATTERS: METROPOLITICS FOR THE TWENTY-FIRST CENTURY, at ch. 3 (3d ed. 2014).

24. U.S. DEP'T OF HOUS. & URBAN DEV., UNDERSTANDING NEIGHBORHOOD EFFECTS OF CONCENTRATED POVERTY (2011), *available* at http://www.huduser.org/portal/periodicals/em/winter11/highlight2.html.

high-poverty census tract in the county in 2000 fell below the 20% mark between 2000 and 2010.

Nationwide, concentrated poverty is closely associated with race. In 2007, one in four African Americans lived in areas of concentrated poverty compared to only one in twenty-five non-Hispanic whites.[25] St. Louis is no different. High poverty areas are predominantly located in North St. Louis City and North St. Louis County where the African American population is concentrated. The turmoil in Ferguson following the shooting of Michael Brown on August 9, 2014 cast harsh light on the cumulative effects of concentrated poverty and racial segregation in the fragmented suburbs of North St. Louis County.

In short, the St. Louis metropolitan area is in an early period of reurbanization as resources and population start to move back toward the center. We should not exaggerate these trends. At present, the main trend is still suburban sprawl, and exurban counties, such as Jefferson and Franklin, will continue to grow rapidly for many years to come. Much of the north side of the city is deeply disadvantaged and will continue to lose population for years. Clearly, however, the relative status of the city and the county is changing. Predicting the future is risky business, but many decades from now, county residents may wake up one morning and say, "you know, maybe we should have joined forces with the city. The city is doing better while we (the county) are struggling to cope with growing urban problems." Attitudes tend to lag behind objective conditions, and it is difficult to predict decades into the future. Back in 1876, however, if the city fathers had been able to see fifty years into the future, they probably would not have decided to split off from the county. If county residents today could see fifty years into the future, they might have a more positive attitude about merging with the city.

III. THE EMERGING NORTH-SOUTH DIVIDE AND CITY-COUNTY MERGER

The debate about city-county merger has largely been framed along classic urban-suburban, east-west dividing lines. A *St. Louis Post-Dispatch* editorial titled, "Unifying St. Louis," asserts that the "impetus behind the movement to unify the St. Louis region" is exemplified by a quote from an economist at the Federal Reserve: "Central City decline is likely to be a long run, slow drain on the economic and social vitality of the region."[26] The editorial is clear that the main reason for unifying the city and the county is to shore up the city so that its decline does not drag down the entire region.

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25. ROLF PENDALL ET AL., JOINT CTR. FOR POLITICAL & ECON. STUDIES, A LOST DECADE: NEIGHBORHOOD POVERTY AND THE URBAN CRISIS OF THE 2000S, at 9–10 (2011), *available* at http://jointcenter.org/research/lost-decade-neighborhood-poverty-and-urban-crisis-2000s.

26. Editorial, *Unify St. Louis*, ST. LOUIS POST-DISPATCH, Feb. 26, 2014, at A12.

However, the rebound of the city described in the previous section casts doubt on the premise that central city decline will be the main drag on regional growth in the decades ahead. The spatial divide that the region should be most concerned about in the years ahead is not the east-west, urban-suburban divide, but the north-south divide that cuts across the city-county boundary. The "great divide" is no longer between the city and the suburbs, but between the booming Central Corridor and stagnating and declining areas south, and especially north, in both St. Louis City and County.

According to an article in the *St. Louis Post-Dispatch*, the population of the Central Corridor, defined as the area between Delmar and I-64 in the City of St. Louis, increased by more than 10% from 2000 to 2010.[27] This area has an impressive array of urban amenities and anchor institutions.[28] The light rail system runs through the heart of the Central Corridor, further driving its success. Cortex, a 200-acre innovation district in the heart of the Central Corridor, is taking off and helping to spur other developments, including a new MetroLink station and construction of a 380,000 square-foot Ikea home furnishings outlet.[29]

The shooting of Michael Brown on August 9, 2014 in Ferguson cast a harsh light on conditions in the fragmented suburbs of North County. Less than three weeks after the shooting, Denny Coleman, Executive Director of the St. Louis Economic Development Partnership, told the St. Louis County Council that Ferguson had generated "more than 88,000 news stories nationally and internationally that resulted in more than 100 billion media impressions."[30] The protests have focused on police brutality and racial profiling. Fiscal stress in the fragmented municipalities in St. Louis County, however, is the driving force behind these abusive practices. Ferguson had a poverty rate of 22% in 2010, but one census tract on the eastern edge of Ferguson, where the shooting

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27. Tim Bryant, *Eight Miles of Progress*, ST. LOUIS POST-DISPATCH, Jan. 26, 2014, at A1.

28. Proceeding from west to east, these include Washington University, Fontbonne University, Delmar Loop, Forest Park (Art Museum, Science Museum, History Museum, Zoo, Planetarium), BJC Medical Complex, Cortex, Grand Center (Powell Hall, Fox, Contemporary Art Museum, Pulitzer Foundation for the Arts, Nine Network), Saint Louis University, Harris Stowe University, Scottrade Center, Edward Jones Dome, City Museum, Busch Stadium, and the Gateway Arch/Jefferson National Expansion Memorial.

29. For background on urban innovation districts, including Cortex, *see* BRUCE KATZ & JULIE WAGNER, BROOKINGS METRO. POLICY PROGRAM, THE RISE OF INNOVATION DISTRICTS: A NEW GEOGRAPHY OF INNOVATION IN AMERICA 14 (2014), *available at* http://cortexstl.com/wp-content/uploads/2014/Brookings%20Innovation%20Districts%20Study%206-9-14.pdf.

30. Steve Giegerich, *St. Louis Partnership says Ferguson publicity hampering economic development*, ST. LOUIS POST-DISPATCH, Sept. 30, 2014, http://www.stltoday.com/business/local/st-louis-partnership-says-ferguson-publicity-hampering-economic-development/article_28b1ef68-a574-5a80-8312-e0ecc2d9c0b4.html.

occurred, had a 2010 poverty rate over 33%.[31] With weakened tax bases, municipalities have turned to traffic fines and court fees to fund their budgets. In 2013 Ferguson generated 25% of its budget from traffic fines and court fees, and many municipalities are even higher.[32] Underpaid and poorly trained police officers, who often do not reflect the racial composition of the population they are serving, target the poorest and most vulnerable citizens in order to generate municipal revenues. The more prosperous West County suburbs do not use traffic fines and court fees to fund municipal services at anywhere near the rate typical of fiscally stressed suburbs in North and South County.

The fiscal gap between municipalities within St. Louis County is much greater than the gap between St. Louis City and County.[33] In 2011, per capita assessed valuation in St. Louis County varied from $1,520 to $187,537, with thirty-four municipalities having per capita assessed values under $10,000.[34] Problems in the fiscally stressed municipalities and school districts in St. Louis County are much more of a burden for the region than the institutional challenges created by the decline of the central city.[35]

IV. CONCLUSION: THE NEW DATING GAME AND THE NORTH-SOUTH DIVIDE

In the local government dating game, the City of St. Louis is a much more attractive partner than the small, fiscally stressed municipalities of St. Louis County. Disadvantaged suburban municipalities will need to collaborate with each other or even merge if they are going to become more attractive partners for significant collaborations to address the north-south divide. So far, progress has been limited.[36]

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31. *Ferguson, Missouri*, U.S. CENSUS BUREAU, http://quickfacts.census.gov/qfd/states/29/2923986.html.

32. ARCHCITY DEFENDERS, ARCHCITY DEFENDERS: MUNICIPAL COURTS WHITE PAPER, *available at* https://www.dropbox.com/s/vwptqn3mhq9xvy7/ArchCity%20Defenders%20Municipal%20Courts%20Whitepaper.pdf.

33. According to Myron Orfield, in 1998 the tax capacity of the City of St. Louis was slightly greater than the metropolitan average, largely because the earnings tax enables the city to tax suburbanites who work in the city. On the other hand, the St. Louis metropolitan area had the highest level of fiscal inequity across all local governments among the twenty-five largest metropolitan areas in the nation. MYRON ORFIELD, AMERICAN METROPOLITICS: THE NEW SUBURBAN REALITY 26, 56 (2002).

34. ST. LOUIS CNTY. DEP'T OF PLANNING, POLICY BRIEF FOR 2012 STRATEGIC PLAN: MEETING THE CHALLENGES OF CONCENTRATED POVERTY IN ST. LOUIS COUNTY, MISSOURI (on file with author).

35. EAST-WEST GATEWAY COUNCIL OF GOV'TS, AN ASSESSMENT OF THE EFFECTIVENESS AND FISCAL IMPACTS OF THE USE OF DEVELOPMENT INCENTIVES IN THE ST. LOUIS REGION (2011), *available at* http://www.ewgateway.org/pdffiles/library/dirr/TIFFinalRpt.pdf.

36. One hopeful example is the Municipal Government Partnership led by Beyond Housing as part of its "24:1 Initiative." The partnership has successfully implemented shared purchasing of

Unfortunately, there is only so much civic oxygen available for civic debates about institutional reform. My fear is that the city-county merger discussion will divert us from addressing the deeper north-south divide—a divide that crosses the border between the city and the county and that is exacerbated by weak local institutions. Unless the St. Louis region is able to spread the resources and opportunity structures of the Central Corridor north and south, it will find itself dragged down by new spatial patterns of institutional failure and economic disadvantage.

goods and services and is working on common plans for development. BEYOND HOUS., THE 24:1 INITIATIVE NOVEMBER 2013 IMPACT REPORT, *available at* http://www.beyondhousing.org/word press/wp-content/uploads/2013/12/24-1-Annual-Report-to-the-Community-for-2013.pdf.