

**Cultural Facilities
as an Urban Growth Medium:
Chicago and Pittsburgh Examples**

**A Paper
Presented by
Margery al Chalabi
ACG: The al Chalabi Group, Ltd.**

**WSE: World Society for Ekistics
Annual Meeting
Tinos, Greece
September 24-29, 2002**

Cultural Facilities as an Urban Growth Medium: Chicago and Pittsburgh Examples

I. Introduction

Over the past four decades (1960-2000), American central cities have undergone successive waves of in-and out-migration which have profoundly changed both their economic roles and their urban character.

- The early 60's saw an ebb in in-migration to northern cities from workers from the south; and growth in suburbanization, as highways and new housing proliferated.
- The seventies produced industrial losses from the rust belt and expansions into the Sunbelt cities, accompanied by accelerating suburbanization in both.
- The eighties produced major contractions in basic industries and a spurt in professional and service jobs. The central cities and their downtowns produced record-breaking square footages of offices to reclaim businesses and their workers, many of whom commuted, by train, from dormitory communities.
- By the early nineties, urban areas had stretched well beyond reasonable commute times; and suburban office parks – particularly those around hub airports – had begun to compete with or overshadow traditional downtowns. Some urban areas, such as Atlanta, Phoenix, and Los Angeles, grew into multi-nucleated matrices and give rise to the term “Edge City”.
- The late nineties and turn of the century witnessed a cultural renaissance in many central cities. Theater, music and dance are expanding, building new facilities and enlarging their audiences. Museums – both large and small – are building new and renovating old structures and expanding collections. Universities and research campuses and hospital/medical complexes are often partners of this cultural growth sector.
- These developments attract a worker in and resident of the central city that has come to be known as a member of the “creative class.”

This paper concentrates on this most recent change affecting central cities and their downtowns. Two cities – with substantial investments and developments in their cultural arts and institutions – have produced similar work environments but very different results in their residential environments. This is the tale of those two cities: Chicago and Pittsburgh.

II. The Physical Environments

The Chicago Region

The Chicago CMSA region stretches from the Wisconsin border to Michigan City, Indiana. It encompasses thirteen counties and 6,930.6 square miles (1.74 times the size of Lebanon) in the geographic and demographic center of the United States. Its 2002 population of 9.2 million is nearly the size of Greece. It is a natural transportation/distribution center for national and international trade and services; and is the central hub of the nation's rail, highway and aviation networks. Its economy is diverse; and its skyscrapers testify to its many corporations.

Chicago is known for its fine examples of modern architecture (from Louis Sullivan to Frank Lloyd Wright, Mies van der Rohe, Helmut Jahn, SOM); recently, a few non-natives contributed (I.M. Pei, Frank Gehry, Renzo Piano). Chicago is home to three of the world's tallest buildings – and, by our reckoning, the tallest – the Sears Building. But, such a distinction carries with it less prestige and far more concern of late. The Sears Sky Deck now must counter the image of 9/11.

Except for one industrial incursion, Chicago's 30-mile access to Lake Michigan has been maintained as its prime open space. That incursion, the former U.S. Steel plant in the south part of Chicago, however, is now vacant and seeking redevelopment. The North Shore communities constitute another 30-mile access; except for the industrial port of Waukegan and a U.S. naval base, they have been similarly vigilant. The Indiana lakefront is an unlikely mixture of heavy industry and state/national parks, with uses slowly tilting to recreational. Its flatness has allowed the Chicago metro area to expand, unimpeded, in all directions.

It was its location at the entrance to the west and the center of the nation that promoted the growth of Chicago and then sustained it. "No other city in America had ever grown so large so quickly; none had so rapidly overwhelmed the countryside around it to create so urban a world."¹ It is a metropolis defined by its natural attributes – nature's metropolis.



¹ William Cronon, Nature's Metropolis: Chicago and the Great West, Norton, 1991.

The Pittsburgh Region

The Pittsburgh Metropolitan Area consists of six counties and constitutes 462.9 square miles. One of the early gateways to the Western expansion of the U.S., Pittsburgh benefited from its location on the confluence of three major rivers, and its early access to large coal and oil deposits. Its location made it a prime-manufacturing center for metals and glass – the materials for nation-building and transport; and new immigrants from Eastern Europe manned its steel, aluminum, and glass mills. Later, world conflicts would call on those plants to produce tanks and planes and armaments.

Home to some fine early architectural works of H.H. Richardson, Pittsburgh's turn-of-the-century buildings housed major corporate headquarters; and mogul mansions lined its celebrated Fifth Avenue. Few new commercial buildings of distinction have been constructed (the PPG, U.S. Steel and the first and second Alcoa headquarters, are notable exceptions); but there are many elegant restorations of historic structures – most prominently theaters, museums and cultural institutions and the transformation of Daniel Burnham's Penn Station into residences. And, with a downtown department store owner's patronage, Frank Lloyd Wright created his most famous structure – Falling Water – in a nearby rural setting.

Pittsburgh is characterized by its many hills; it is the nation's hilliest city, surpassing San Francisco and Seattle. Its neighborhoods, and neighboring towns, are defined by the region's topography, which often tends to envelop or isolate them. The rivers, once merely transportation corridors to the area's industries, are becoming recreational focuses with adaptive reuses – Station Square and its elegant Grand Concourse and the Produce Market – along the Monongehela and Allegheny Rivers, respectively. And, the steel mills that once darkened Pittsburgh's skies at noon, are now almost completely shuttered; the City's universities are replacing them with technology parks.



III. The Basic Ingredients

While to many, the image of Pittsburgh is that of an old manufacturing center and Chicago's is that of a financial/service center, their economies and recent job histories are far more similar than different. Both metropolitan areas have large manufacturing base components that have declined as a share of employment from 1970 to 2000. In fact, Chicago started with and currently has a larger manufacturing component. Both regions have had substantial growth in total jobs over the same period. The Chicago Consolidated Metropolitan Statistical Area (CMSA) grew by 1,762,300 jobs, a phenomenal 46.7 percent growth, over the past three decades. Pittsburgh grew by 255,500 jobs, a respectable 23 percent growth over the same period. By 2025, Chicago's share of manufacturing jobs will be slightly higher than the national average, while Pittsburgh's will be lower. This change is shown in the following tables.

Table 1
Total Employment and
Manufacturing Employment

<u>Year</u>	<u>Chicago (CMSA)</u>		<u>Pittsburgh (MSA)</u>	
	<u>Total Employ.</u>	<u>Mfg. Employ.</u>	<u>Total Employ.</u>	<u>Mfg Employ.</u>
1970	3,775,190	1,103,900	1,109,840	306,180
1980	4,158,220	952,060	1,191,530	268,930
1990	4,787,820	754,400	1,242,920	148,070
2000	5,537,450	722,400	1,365,310	141,030
2010	6,061,740	721,820	1,457,770	130,450
2025	7,120,480	730,590	1,647,200	126,640

Table 2
Manufacturing as a Share
of Total Employment

<u>Year</u>	<u>United States</u>	<u>Chicago (CMSA)</u>	<u>Pittsburgh (MSA)</u>
1970	21.6%	29.2%	27.6%
1980	18.2%	22.9%	22.6%
1990	14.1%	15.8%	11.8%
2000	11.6%	13.0%	10.3%
2010	10.5%	11.9%	7.7%
2025	9.1%	10.3%	7.8%

The 30-year change in residential population, however, is startlingly different for the two cities and their metropolitan areas. The Chicago CMSA grew by 1,215,700 persons, a 15.3 percent growth. Between 1970 and 2000, Pittsburgh lost 327,420 persons, the largest loss of the 318 largest Metropolitan Statistical Areas

(MSA's) in the United States; this loss was twice as great as the second-largest MSA loser (Buffalo).

Pittsburgh's population loss was confined to its central county, Allegheny. Chicago's overall gain masked the fact that its main central county, Cook, had lost even more persons – 394,400 – between 1970 and 1990, but had recovered to a 118,700 loss by 2000. The City of Chicago posted a gain in population between 1990 and 2000, after several decades of losses. Much of this gain was due to a massive building and rebuilding of neighborhoods outward from its central area; and finally – in the late 1990's – of an eye-boggling residential development in the downtown, itself, with old office and factory buildings being converted by the hundreds; and new development filling in left-over spaces or covering vast tracts of railroad or former industrial properties. The City also was a beneficiary of immigrant growth.

The Chicago CMSA is expected to continue its gains in both population and jobs through 2025. According to Woods & Poole, Economics, it will grow by 1,795,000 persons and 1,583,000 jobs by that time. Pittsburgh's population is expected to remain stable over the next 25 years, even though it will gain 282,000 jobs, a 21 percent growth, over the same period. Furthermore, while Chicago's elderly (65+) population will continue to be below the national average, Pittsburgh's will continue to be much higher, reaching nearly one-quarter of its population, by 2025. This growth trend is shown in the following tables.

Table 3
Population Trends and Forecasts

<u>Year</u>	<u>Chicago (CMSA)</u>	<u>Pittsburgh (MSA)</u>
1970	7,959,290	2,683,790
1980	8,113,290	2,569,770
1990	8,255,570	2,395,150
2000	9,174,970	2,356,380
2010	9,827,360	2,355,810
2025	10,970,400	2,393,740

Table 4
Population 65 and Older

<u>Year</u>	<u>United States</u>	<u>Chicago (CMSA)</u>	<u>Pittsburgh (MSA)</u>
1970	9.85%	8.68%	10.69%
1980	11.30%	9.94%	13.30%
1990	12.52%	11.34%	17.10%
2000	12.43%	10.90%	17.71%
2010	12.92%	11.23%	16.94%
2025	17.87%	15.80%	23.74%

IV. The Chicago Experience

Long known as the “Second City”, Chicago lost that title to Los Angeles in 1990. Its major airport, O’Hare, lost its title of busiest airport in 1999. The first loss was due to a greater population migration to the west. The second was due to an inability of Chicago’s airports to accommodate its own growing demand. But, the name Second City has remained on one of the country’s foremost theater companies; and the Chicago Central Area has kept its fine array of cultural institutions and has added to it:

- The Chicago Symphony Orchestra
- The Lyric Opera
- The Art Institute of Chicago
- The Field Museum, Chicago Historical Society
- The Adler Planetarium, the Shedd Aquarium
- The Museum of Contemporary Art
- The Terra Museum
- Grant Park, Navy Pier and the Lakefront
- The Chicago, Goodman, Cadillac Palace and Ford (Oriental) Theaters (The Theater District)
- The Shakespeare Theater; the Shubert Theater
- The Auditorium Theater; Lookinglass Theater
- The Joffrey Ballet

Furthermore, in its periphery are a multitude of nationally-recognized theaters (Steppenwolf, Second City, Organic, Court), jazz and blues clubs, museums (the Museum of Science and Industry, the Nature Museum), art galleries and artisan shops, and a wealth of restaurants to suit every taste. Chicago is internationally known for its modern architectural masterpieces and its fine food – of all ethnicities and styles. Its museums draw tens of millions of visitors each year. One of its earlier renovations – the historic Chicago Theater – launched a redesign of State Street and the Theater District – which now boasts four theaters (see Chicago Theater story box).

Recent changes in the zoning ordinance and building codes permit small, home businesses in the residential high-rises of the Chicago Central Area and its surrounding neighborhoods. Conversions of older office buildings and warehouses into condominiums and loft residences have blurred work/residence distinctions. High-density developments compound this blur by putting residences on top of hotels, on top of offices, on top of retail. But this topsy-turvy mixture has engendered a lively 24/7 existence, filling streets, shops, restaurants and theaters well into the night, every night.

THE CHICAGO THEATER

In 1985, ACG: The al Chalabi Group, Ltd., in association with a major developer, Marshall M. Holleb, and a syndicator, Rodman & Renshaw, purchased, renovated and tenanted the venerable Chicago Theater. This landmark structure bore the symbol of Chicago as its marquee. But its days were numbered and demolition was immanent. This was due to the fact that the theater (3,800 seats) and its adjacent 1890's office building occupied a parcel of downtown land that was valued at \$32 million; the Theater and Page Brothers Building were valued at \$2 million, approximately the cost of demolishing them.

ACG's principals crafted a creative solution that involved the granting of an historic facade easement to the Landmarks Preservation Council of Illinois. In return for this easement and anticipated economic benefits, 135 limited partners invested \$10 million towards the purchase and renovation of the two structures. This equity was matched with a \$12.5 million low-interest loan and a \$2.5 million grant from the federal government. The City of Chicago was the pass-through agent for these funds.

The funding plan took a long time to conclude – primarily because it involved unique and creative financing that banks are reluctant to accept. And, because it is Chicago, politics played no small part. However, once the plan was complete, the \$10 million equity was raised in 3 ½ weeks; the Theater was renovated in a remarkable 12-month time; the office building took slightly longer.

The Theater opened with a gala 3-day event headlined by Frank Sinatra. Since the opening, in September 1986, the Theater has operated under many managements. Its initial management tenant booked approximately 150 performances per year. Its most-eventful year was 1994 when, under the direct management of the owners, it drew 750,000 patrons and grossed \$38 million, with several weeks of \$1 million sales. Tax revenues to the City of Chicago were \$2 million that year.

The Chicago Theater was an early contributor to the cultural restructuring and revitalization of Downtown Chicago. It now anchors a four-theater Theater District, all of which support live entertainment.



The City of Chicago has taken great care to maintain and embellish its urban amenities. Within its downtown, its public sculptures include those by Picasso, Miro, Calder, Dubuffet, Chagall, Oldenburg and Nevelson. Its parks and lakefront are a welcome surprise to many visitors. It was 166 years ago, one year before the City was incorporated, that Chicago's business leaders declared that the lakefront would remain "forever open, clear and free". "With these words, they made a promise...that this city, hustler from its infancy...would do what no other city in the world had done. It would give its most priceless land, its infinitely valuable shoreline, to the people."²

Nearly a century ago (1909), Daniel Burnham's Plan for Chicago turned this pledge into a physical plan for the city's long-term development. Chicago's lakefront string of parks – fiercely protected – has been expanded, on a regular basis, by adding and covering parking lots with more parks. A rather overdue and over-budget Millennium Park is emerging downtown with a signature wrapped metal band-shell by Frank Gehry. At the periphery of this urban green is a high-density wall of offices and residences. Mayor Richard M. Daley has extended the green by filling every major arterial median strip with trees, plants and flowers – taking to heart his father's famous question, "What trees do they plant?" Those plants have sprouted new and restored neighborhoods by the dozens.

Along with its lakefront and parks, Chicago's river also has become a significant focus for development. This is due to the fact that Chicago's earliest industries were built along its river edge. These industries consumed large tracts of land that already were of sufficient size or otherwise easy to assemble into a size that accommodated large residential developments. In other instances, the industrial buildings, themselves, were redeveloped into large apartment or condominium complexes.

Chicago is a City where "cows on parade" made international news and spawned many imitations; and where Chihuly glass flowers compete with real flora in one of the City's lesser-visited (until now) conservatories. The site selection brought new visitors to an overlooked area of the city – although very little is overlooked anymore. The City's major museums vie for the world's foremost art shows – bringing Monet, Renoir, Gauguin and Van Gogh, the archeological treasures of Egypt, retrospectives of more recent painters and architects (Richter, Gursky, Mies van der Rohe) and the fashions of Jackie Kennedy regularly to town.

Live theater has flourished in a city where Academy Award winning actors (Malkovich, Peterson, Kinney, Allen, Sinise, Schwimmer, and Macy) return on regular bases to perform or direct in theaters they have helped build; and renowned authors (Mamet and many others) continue to write for them. Academy award movies are made in Chicago; and national television programs broadcast from the

² Lois Wille, Forever Open Clear and Free, Chicago 1972.



downtown. These productions have spawned a large group of artists and technicians that continue to attract new film-making. The city's thousands of artists, actors and artisans – from its hundreds of theaters and galleries – work part-time for the growing cadre of entrepreneurs to support themselves in their chosen arts and professions. It is precisely this extraordinary access of the artistic and creative classes to one another that allows both to produce and prosper.

Chicago has become, in many respects, an incubator of modern cottage industries – creative, entrepreneurial endeavors. The ability to work from home or in 1- to 10-person offices, sprinkled among corporate giants with workforces of 50,000 to 200,000, allows the entrepreneur to live well. Conversely, the ability to outsource work helps the large corporation to reduce overhead. Dr. David Birch³ has referred to such entrepreneurs as “antelopes” – small and agile, fast on their feet. He also cites access to a major international hub airport as being critical to their economic survival. Richard Florida, of Carnegie Mellon University, refers to this same group as the “creative class”, “the 38 million Americans (30 percent of the American workforce) in many diverse fields who create for a living”⁴, and who are beginning to change the face and character of those American cities to which they are attracted.

The fact that Chicago has become a mecca for small, creative, entrepreneurial businesses among the corporate giants has reversed a long-term population decline in its central city. Chicago lost population in the '60's and '70's to its suburbs and to Sunbelt cities, as young families fled the deteriorating public school system and were attracted to larger, less-costly space. Those three and four-person families were replaced by one and two-person households. Chicago's fine transportation system allowed those in the suburbs to work in the city. So, Chicago continued to grow economically; and the region, as a whole, continued to grow in population. However, as this trend progressed, commute distances eventually become too great. Jobs were sited in the suburbs to join the higher-density residential developments and the important access points.

By the 1990's, however, industries had devolved into the smallest of units. And, while the services/professions required face-to-face meetings, the professional required an environment that could nurture both the job and the individual. The two-person worker household began to stream back into the city. With the massive building, restoration and adaptive reuse of central area structures, and the almost total infill of neighborhood residences, Chicago has begun to grow – even with these one, two and three-person households. Moreover, these are households with multiple jobholders, generating increased percentages of the population in the workforce. And, with greater flexibility in work hours and work venues, larger

³ Dr. David Birch, Entrepreneurial Hot Spots: The Best Places in America to Start and Grow a Company, Cognetics, Inc., April, 1993.

⁴ Richard Florida, The Rise of the Creative Class, www.basicbooks.com

percentages of both parents are working. Furthermore, with new, renovated and joined unit, these households now enjoy suburban amounts of space – and a density and variety of amenities not available elsewhere.

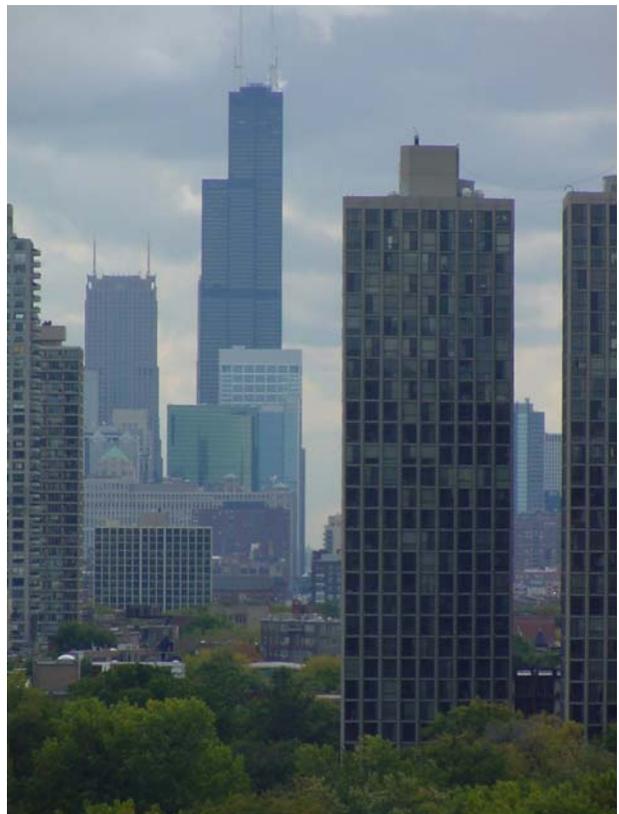
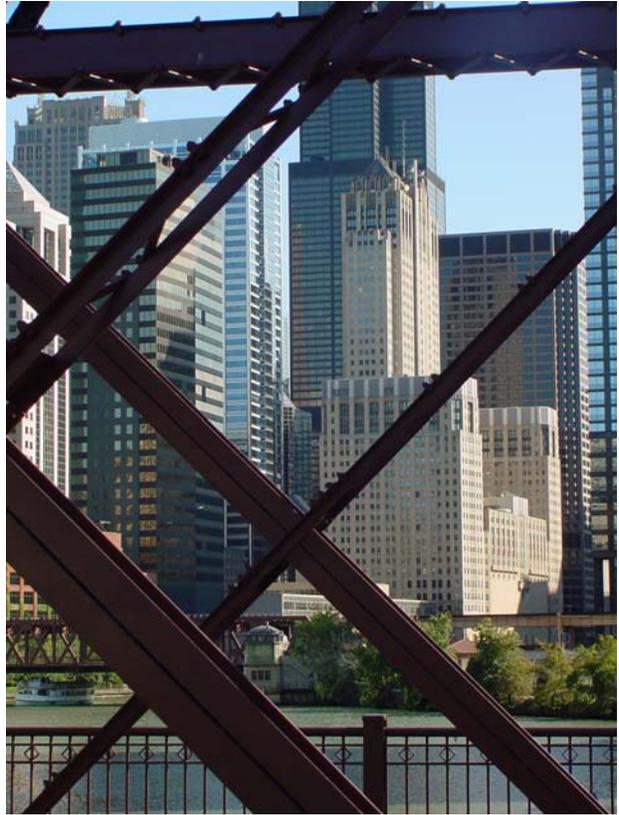
There is, now, no reason for these households to move; and every reason for them to stay. Young, entrepreneurial couples (straight and gay), singles and older couples and individuals can move from work to theater to dinner – within walking distance or a short taxi ride. The only inconvenience is the 60,000-100,000 convention attendees who take over their favorite restaurants for days at a time. But, it is those conventioners who have created the initial demand for the fine hotels and restaurants that the residents frequent. The two are co-dependent and simpatico.

Chicago's bountiful amenities, attractions and amusements – along with its fortunate location and its airport – have allowed it to remain the nation's leading convention center. The City of Chicago and State of Illinois are planning the fourth component of a convention center that already is the nation's largest. The political establishment knows that imported revenues are the best kind, leaving residents to benefit from all the amenities put in place (restaurants, amusements, retail, etc.) and the lower share of taxes required to pay for them – when a hotel/retail tax so conveniently comes from the visitor.

Furthermore, the large corporations, universities and medical facilities in and surrounding the Central Area also continue to thrive, attracting many scientists, researchers and other self-motivated individuals. Chicago's major universities – Chicago and Northwestern – have contributed to the growth of a vast medical complex that produces Nobel Prize winners and leading-edge research. Corporations, such as Boeing, recently have relocated to Chicago to take advantage of its cultural diversity (its CEO is said to be a devotee of opera) as well as its fine access to the world. Other, multi-national corporations take advantage of the large groups of individuals attracted to the city for its wealth of cultural facilities.

And the State of Illinois finally is building the Third Chicago Airport, as well as expanding O'Hare, to accommodate both its many conventioners and visitors and Chicago's expanding Creative Class. Consequently, we are likely to see a major growth in the South Side of the region to balance and continue the development of the North, Northwest and West. The development and revitalization, coming full circle throughout the region, will make the Chicago Central Area even more vital and more attractive to the entrepreneurial and creative classes.

With its tens of thousands of new and renovated housing units in and around the Central Area, Chicago stands to benefit from the region's overall job growth and, more specifically, from its growth in creative class pursuits. But its new residents will be surrounded by cultural facilities, Lake Michigan and a dedicated edge of open space.



V. The Pittsburgh Experience

The City of Pittsburgh has experienced several renaissances: the earliest, in the late 1940's – early 1950's, transformed a gritty, smoky city into a more-livable corporate center with the help of a public-private partnership that cleaned its air and water. Renaissance II provided grand public spaces and major office buildings in the Golden Triangle, the City's downtown. These two efforts improved the City's environment; but economic change continued to take its toll on the City – shuttering manufacturing plants and downsizing corporations. The nation's westward/southward movement also put the City at a locational disadvantage – one that its transport could not overcome.

The economic downturn of the late 1960's and 1970's culminated in a city that had lost half its manufacturing jobs by 1980. Businesses relocated out of western Pennsylvania; and Pittsburgh's downtown storefronts – and the streets themselves – were vacant. Nightlife was non-existent. This factor prompted the City to embark on a Third Renaissance, which focused on its cultural resources. Taking the lead, H.J. Heinz II created the Pittsburgh Cultural Trust, which has, over the past 18 years, transformed the Pittsburgh downtown into a vibrant, people-filled area. More than fourteen cultural facilities dot the 14-square block area of the downtown. They include:

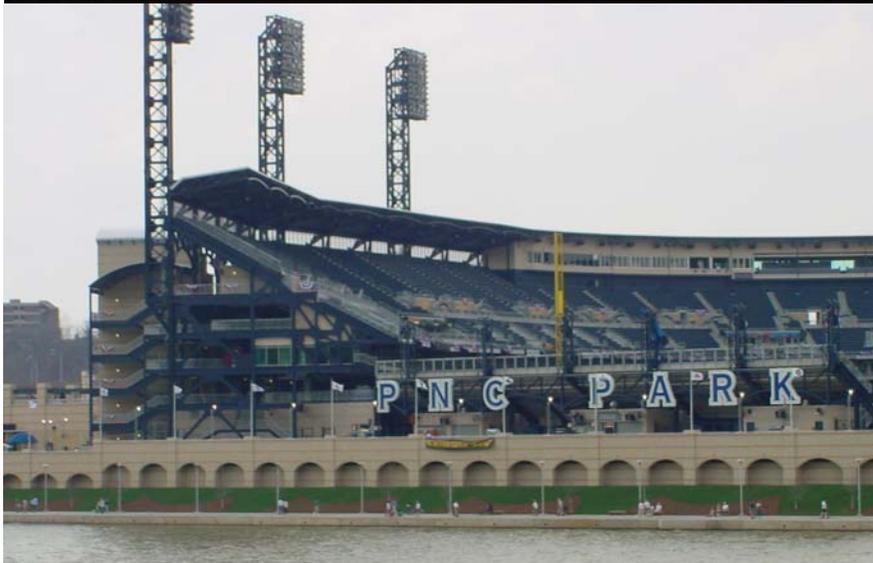
- Heinz Hall – home of the Pittsburgh Symphony Orchestra
- Benedum Center for the Performing Arts (home to Pittsburgh Civic Light Opera, Dance Council, Ballet Theater and Opera)
- Byham Theater
- Harris Theater (Home of Pittsburgh Film Makers)
- O'Reilly Theater (Home of Pittsburgh Public Theater)

These facilities join the few older ones, including one (Opera Theater) founded by a WSE member, Ms. Mildred Miller-Posvar:

- Nixon Theater and Playhouse
- Civic Light Opera
- Carnegie Mellon University's Kresge Theater
- Opera Theater of Pittsburgh

Over the past twenty years, numerous music, dance and art groups have come into existence, developed or expanded. They include:

- Renaissance and Baroque Society
- Pittsburgh New Music Ensemble



- Mellon Jazz Festival
- Pittsburgh Ballet Theater
- Dance Council/Dance Alloy
- Manchester Craftsmen's Guild

The Carnegie Museum of Pittsburgh has expanded to include several major museums and others have joined in the cultural explosion; the new additions are:

- Carnegie Science Center
- Andy Warhol Museum
- The Mattress Factory
- Pittsburgh Film-makers
- Three Rivers Arts Festival
- French Art and Historical Center
- Society for Contemporary Craft
- The Pittsburgh Regional History Center
- Wood Street Galleries, Silver Eye

Pittsburgh's growth as a cultural center is nothing short of phenomenal. "To describe Pittsburgh's unconventional, un-Disneyfied remodeling of its cultural district...is to explore how theater can help transform urban identity".⁵ And its creation and expansion of museums and art galleries has continued that transformation. It has even reclaimed one of its most famous emigrants – Andy Warhol – who would not have willingly returned (see Andy Warhol story box).

Add to these developments, the City's major new sports facilities for its football, baseball and hockey teams. Its Pirates have been on life support for years – with partial public ownership. But its new ballpark (PNC Park) is one of the finest urban ballparks in America. Built to showcase the Pittsburgh downtown as its backdrop, the stadium minimized its parking, asking patrons to use the many office parking facilities or remote parking lots or to use public transit, including riverboats. The result is an urban ballpark without peer.

This year, "Pittsburgh leapfrogged over seven other cities...to become the fourth-most-popular destination for tourists interested in the arts and culture, according a poll of readers of American Style Magazine."⁶ New York, Santa Fe/Taos, and San Francisco/Berkeley were the top three. Pittsburgh has 185 not-

⁵ Brendan Lemon, "The New York Times", 12/26/99.

⁶ Post-gazette.com, "Pittsburgh Post Gazette", 5/29/02.

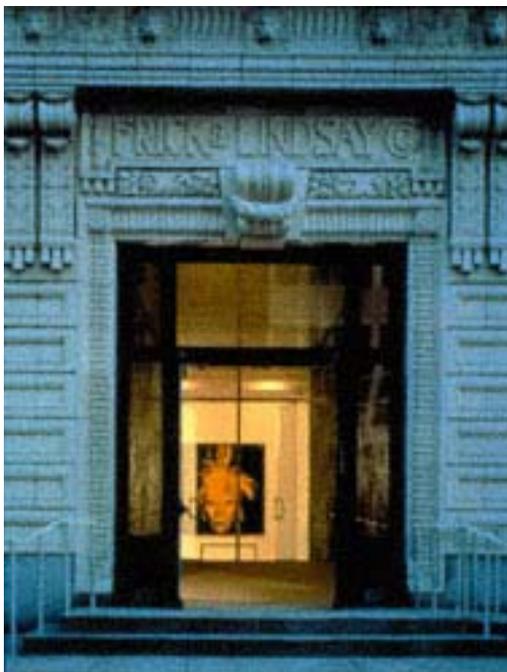
THE ANDY WARHOL MUSEUM

Andy Warhol is one of the seminal artists of the 20th Century. Son of an immigrant Slovak family, it is said that he scorned his Pittsburgh birthplace and couldn't wait to leave for the cultural capitals of the world. That he did, immediately after receiving his Bachelor of Fine Arts degree from Carnegie Institute of Technology (now Carnegie Mellon University) in 1949.

He went to New York City and quickly secured jobs in advertising; he specialized in illustrations of shoes and ads for fashion magazines. During the late 1950's he began his famous paintings of ordinary items – Campbell soup cans and Coca Cola bottles. He produced work/art at an amazing rate in a studio he referred to as “The Factory.”

By the 1960's Andy Warhol was one of the most famous artist in the world – and with his many affections and bizarre traits – nearly a work of art, himself. He began ground-breaking work in film and, later, silk-screened portraits – often multiple images – of living superstars – Marilyn Monroe, Elvis Presley, Albert Einstein. Later, he started the magazine, Interview. His quote, “In the future everyone will be famous for 15 minutes”, is known world-wide. In 1968, Andy Warhol was shot and nearly killed by an angry hanger-on. He died, at the relatively young age of 57 to 60 (no one knows, for sure) in 1987.

The City of Pittsburgh brought Andy Warhol back in 1994 – and ensconded his work in a factory building on the North Side, across the Allegheny River from Downtown Pittsburgh. They Andy Warhol Museum collection consist of, “approximately 900 paintings; 77 sculptures and collaborative works; 1,500 drawings; more than 500 published and unique prints; more than 400 black-and-white photographs; and Warhol's own photographs, Polaroids and photo booth strips”, according to the Carnegie Museums of Pittsburgh, Carnegie Institute, Dia Center for the Arts and The Andy Warhol Foundation for the Visual Arts, Inc., who are the founding organizations of the museum. The Andy Warhol Museum has been a major destination of visitors to Pittsburgh since its founding.



for-profit arts organizations; a 1997 study⁷ estimated that 63 arts organizations had a \$368 million annual economic impact on the area, \$251 million to the City of Pittsburgh, alone.

The major universities of Pittsburgh, primarily Carnegie Mellon University (CMU) and the University of Pittsburgh (Pitt), have helped to tie the art, culture and technology of the area together in a number of significant ways:

- First, Pittsburgh’s universities, and colleges, along with its medical facilities, are now the city’s major employers.
- CMU and Pitt have initiated several technology and research developments on the sites of defunct industries – Pittsburgh Technology Center, at the former Jones & Laughlin Steel site, is the prime one.
- Pittsburgh has partnered with major hospitals in the Oakland (university) area to carry out significant research in biotechnology and bioengineering.
- CMU has pioneered research in artificial intelligence, robotics and computer applications. It has combined these areas with drama (the first U.S. university to grant a drama degree) to produce the Entertainment Technology Center.

These innovations have helped Pittsburgh to continue to add technology and service jobs to the economy. This growth is even more startling considering the massive losses in manufacturing that had to be countered before positive growth could be counted. Yet, Pittsburgh continues to lose population. Why?

Richard Florida, in his book, The Rise of the Creative Class, cites a dissertation by a CMU student⁸ to characterize Pittsburgh, “at the turn of the twentieth century, (as) an integrated high-tech industrial complex – the Silicon Valley of its day.” Florida credits Pittsburgh entrepreneurs and financiers with creating America’s steel, aluminum and electrical industries; starting the nation’s first applied R&D center (Mellon Institute); and being home to cultural and media innovations (the Carnegie International art exposition; the first all-movie theater; KDKA, the first commercial radio; and WQED, one of the first public TV stations). But, Florida claims, the Pittsburgh entrepreneur is gone, replaced by the organization man and a social structure and demographic that “suffers from a ‘missing middle’ of thirty-and forty-somethings.”⁹ This missing age group makes a

⁷ Tripp, Umbach & Associates, Economic Analysis 1997.

⁸ Mark Somber, Networks of Capital: Creating and Maintaining a Regional Industrial Economy in Pittsburgh – 1865-1919, CMU, 1995

⁹ Florida, OP CIT

“cutting-edge lifestyle” difficult to maintain. Even more formidable is the “conformist ethos” of the city’s inhabitants.

I believe that one reason for the “missing middle” is the terrible tax burden that has been placed on the residents of Pittsburgh – and, more-specifically, residents of Allegheny County. Dwindling tax revenues from industries and lost jobs have not been matched by commensurate cutbacks or efficiencies in public service costs. Instead, larger and larger responsibilities are placed on the homeowner and – in many cases – the entrepreneur or new business. This leaves little incentive to build or to renovate. The result is that larger portions of the young and educated – including most of Pittsburgh’s university graduates – move on to greater opportunities, elsewhere.

That fact is no better illustrated than through the story of Lycos. This search engine – developed at CMU – was moved by its developers to Boston for lifestyle reasons, only, according to Richard Florida, in his book.¹⁰ Such technological innovations created the Silicon Valley. Pittsburgh and its major drama school, CMU, also have produced a long-list of individuals who have transformed the American entertainment industry. This includes Steven Bochco and John Wells, who created the most significant television dramas of the past 20 years. These persons had to move on – to Hollywood and New York – because these are the nation’s entertainment capitals. But, CMU continues to innovate in its drama education; and, possibly, new industries will develop, grow and remain. And, as U.S. filmmakers continue to make major films and television shows based in Pittsburgh, a filmmaking industry needs to be developed and anchored there.

Two additional factors complicate Pittsburgh’s attraction of a cultural, creative elite. These individuals – although adept at e-communication – must also travel to see clients and they want to travel for pleasure. Pittsburgh’s major airport is one of the most expensive places in the U.S. from which to fly because it is controlled by one airline – one that has very high operational costs. Furthermore, this airline is cutting its service to Pittsburgh – in proportions greater than at its other hubs. Attracting a low-cost airline to serve the region – and a cadre of young entrepreneurs – would produce enormous economic benefits.

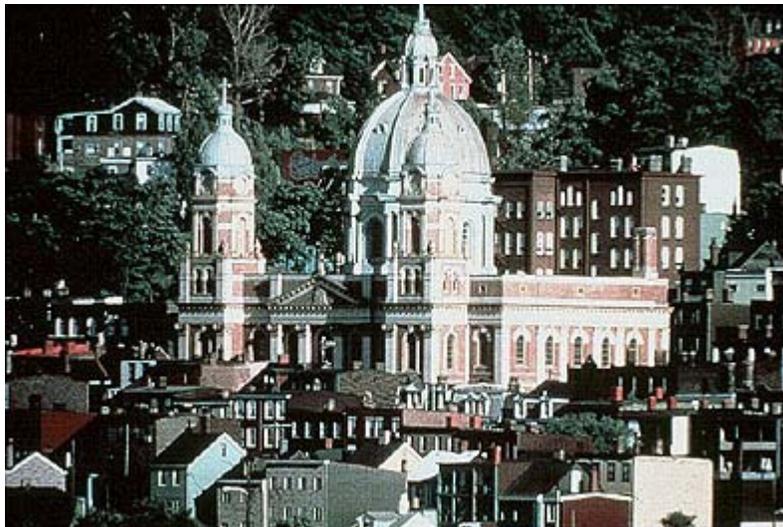
The second factor – often cited – is Pittsburgh’s inability to recycle, renovate and reuse its repository of elegant old buildings. If not reused for offices and retail, these buildings should be refitted for residential use. Chicago has benefited greatly by bringing residents back to the downtown. Pittsburgh’s downtown is replete with buildings that are eminently suitable for such reuse. Furthermore, allowing mixed uses – small offices and residences – would be even more fitting and beneficial. The latest issue of County Business Patterns, published by the U.S. Census, indicated that the average business establishment in the U.S. employs 16 persons. And,

¹⁰ Florida, OP CIT

professions – management consulting, computer system design and architecture – are carried out in very small offices (5-7 persons). The Pittsburgh Cultural Trust has assisted such residential renovations in the Cultural District. The elegant old houses of nearby residential areas – Mexican War Streets and Mount Washington – also would do very well in this regard.

The Oakland Area, surrounding Pittsburgh’s major universities, and nearby, East Liberty are among the least inviting environments in the Pittsburgh area. Yet, these are the areas that are on the frontline to attract – and hold – Pittsburgh’s cultural and creative elite. Few of East Liberty’s architectural attractions remain and urban renewal has turned its streets into a mystifying maze. Oakland’s tangle of small, marginal shops amid large-scale institutions destroys cohesion. Residences are few and far between.

But there are many genteel and attractive neighborhoods surrounding the Downtown and the University areas. Nearby Shadyside has considerable resources for residential upgrade and development: large and small old residences on people-scaled streets around a thriving retail district. Highland Park has lovely single-family homes. Redevelopment should be initiated in much of the city between Oakland and the downtown – currently a vast structural wasteland – but with superb views and excellent access. A rethinking of this area as a true hill town environment would make it work. The large mansions along Fifth Avenue seemingly are waiting to be renovated; some assistance in the form of tax credits or tax abatement would help. These are just a few of the many resources in and around Downtown that are waiting to be exploited.



VI. Conclusions – and One Cautionary Note

Chicago is well on its way to being a 21st Century setting for the entrepreneur and “creative” class. Its many cultural facilities and institutions are key ingredients to a rich and diverse economy and life style. Its strategic location and easy access to the world attracts businesses, immigrants and visitors who help enrich the lives of the residents. Pittsburgh has many of the same cultural ingredients; but the economic toll taken on its industries and corporate headquarters remains, in the form of a heavy tax burden. And, its high costs of air travel isolate it from the world.

Chicago’s young and inventive can still find relatively inexpensive housing to rehabilitate near public transportation and next to neighborhoods of \$500,000+ housing. Pittsburgh’s housing stock is even lower priced; but, the taxes on it are disproportionately high; and the large market needed to make substantial change is going elsewhere – to other metropolitan regions or to outlying counties (Butler) in the Pittsburgh MSA. Commuter rail is a recent addition, but taxis – an urban essential – are nowhere to be found outside of the Golden Triangle.

Pittsburgh does, however, have a major advantage in the commitment of its universities and corporations. Carnegie Mellon University and the University of Pittsburgh have been very pro-active in helping to reinvigorate the Pittsburgh economy – both by acting as developers and by innovating courses. By comparison, Chicago’s major universities – the University of Chicago and Northwestern University – have produced many Nobel Prize winners, but curiously little in the way of technology-inspired business or industry or urban assistance outside of medical/research facilities.

Pittsburgh, however, must find a way to keep its talent at home – and allow it, and visitors to the city, to travel back and forth more freely. Visitors to Pittsburgh still have few luxurious hotels to pamper them – and the City’s convention industry is relatively insignificant. Improvements in this economic sector would help Pittsburgh’s residents, greatly; and would be supported by imported dollars. It also would contribute to a younger, hipper nightlife, that would attract the “missing middle.”

The economic and environmental consequences of providing a cultural medium for investment and reinvestment in our central cities – as evidenced by Chicago and Pittsburgh – are both positive and considerable. Old buildings are retained and restored and enhanced by new. The existing infrastructure of the area is both retained and upgraded. The benefits of cultural restoration have affected both work place and residence in Chicago; in Pittsburgh, they have not yet reached the resident.

It may be some consolation that Pittsburgh is only one step away in the process that Chicago has used to regenerate itself. It may reflect on that old joke: “Where would you want to be when the world ends?” “Pittsburgh, because it’s ten years behind the times.” Ten years isn’t such a long time in the evolution of a metropolis; but it does require a commitment to change.

There is one cautionary note, to this very upbeat assessment, however; the booming cultural business is in jeopardy. The Pittsburgh Symphony Orchestra just announced a \$750,000 million deficit this year. And, Chicago’s many cultural institutions are suffering from lost donations. The venerable Chicago Art Institute has scaled back and postponed its \$200 million expansion. The aftermath of 9/11, coupled with an economic downturn and a corporate ethics blow-up, have cut deeply into corporate and individual donations. Furthermore, a national cocooning has stressed home entertainment advances over attendance at events. A continuation of these trends could strain Chicago’s development and nip Pittsburgh’s in the bud.

We trust that the stall in donations to cultural facilities is just that – a temporary glitch in the economic cycle. Development flowing from this investment has produced benefits so numerous and so significant, that it is difficult to believe that it would not be continued, and expanded.