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## **Forum: Is Downtown dead? Hardly**

The state of Downtown, even of Pittsburgh itself, is not what it appears, says Christopher Briem

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The impending closure of Lazarus Downtown has again brought to focus the debate over the future of the center of the city. Many people are rushing to write off the the place as dead. Downtown's importance as an economic engine of the region, however, is undiminished.

Yet the perceived decline in Downtown does not impact the core economic activity that defines it. Jobs, income and commuting for the region all remain concentrated at the region's core. Failure to make progress on rehabilitating the Fifth and Forbes corridor notwithstanding, the trends show the importance of Downtown increasing -- not decreasing.

Some basic facts are clearly being obfuscated by political hyperbole on all sides. With over 100,000 jobs located there, Downtown Pittsburgh has a higher concentration of regional employment than all but a handful of other metropolitan areas in the country.

That one point deserves reiterating: Roughly 10 percent of all jobs in the Pittsburgh region are located directly within the limited confines of the Golden Triangle, a higher concentration of jobs than you will find in major central business districts elsewhere.

The number of jobs Downtown has not even been declining over the last decade. "Edge cities" have long since drawn out the bulk of economic activity from many other urban cores. What is left of many other major cities is the doughnut of development circling the region but leaving the traditional urban core empty. That has not happened in Pittsburgh.

It is not just the quantity of jobs that are located Downtown but their quality that is significant. Jobs located in the city of Pittsburgh pay an average of 30 percent more than jobs in the remainder of the Pittsburgh region, and jobs Downtown pay an average 22 percent higher than the average city job. That disparity is caused by the concentration of high-paying legal, financial and corporate headquarters jobs. What Pittsburgh produces for the rest of the country and world, the crucial export industries that drive economic growth, are more and more the white-collar and service sector industries that have continued to locate Downtown. The divergence between wages of city-located jobs and jobs elsewhere in the region has actually been increasing over the last decade. So if jobs are leaving for the suburbs or other regions they are, on average, lower-paying jobs than those that are staying.

The greater Downtown area is an even larger economic engine for the region. Just under 170,000 jobs are located in the combined urban core of Downtown and Oakland. Within the city of Pittsburgh as a whole, over 310,000 people work every day. Over two-thirds of those workers commute into the city from elsewhere in the region. If students, who are mostly temporary residents of the

city, are taken into account, literally half of the daytime population of the city are transients in one way or another. That concentration of economic activity is testimony to the economic role of the city and the linkages between the city and the rest of the region.

Political teeth-gnashing aside, the impact of losing Lazarus as a Downtown shopping venue is not severe. Department stores employ over 17,000 people in the Pittsburgh region. The hundred or so Lazarus jobs are barely a decimal place in terms of direct net economic impact. The loss of over a thousand back office jobs at Kaufmann's was a far greater hit for the region, yet that was an inevitable result of retail industry consolidation, not a reflection of Downtown's economic competitiveness.

Has the attempt to bring new retail into Downtown proven to be a failure?

Apparently so -- yet consider the difficulty of that task. Love it or hate it, trends in retail shopping have been dominated by the expansion of Wal-Mart across the country. Wal-Mart is today the largest private employer in Pennsylvania. It's unlikely that Pittsburgh can head off that trend on its own. Urban Wal-Mart sites are rare and, at 20-40 acres, a typical Wal-Mart site would take up most of Point State Park. It's just not an option Downtown (without resorting to landfill between the rivers).

For some people, it's another mystery of Pittsburgh: Why does the concentration of economic activity during the daytime contrast with an urban neighborhood almost devoid of residents at night? It should not be difficult to understand Downtown Pittsburgh, constrained by rivers and hills, is one of the smallest central business districts in the country, encompassing barely a half of a square mile. Within the Golden Triangle itself there has not been a sizable residential neighborhood for the last half century. Little space for new residential construction is even possible. Without places to live, is it strange that more people do not live there?

Some think Pittsburgh's Downtown is experiencing an incomparable decline, a misconception without basis. Cities across the country have been under attack for decades and disinvestment in urban cores is a chronic pattern everywhere. Suburbanization of homes has been followed by the suburbanization of jobs. It has not been uncommon for people to argue that cities, and downtowns in particular, were archaic institutions that should not survive into the future. Downtown Pittsburgh is indeed unique -- not in terms of its decline but in the level of economic activity it has retained despite the pattern of decline elsewhere.

None of this is to say that the future of Downtown Pittsburgh is secure, and past mistakes must remain lessons for the future. Any recent policy errors are dwarfed by some in the past including the mass dislocation of the Lower Hill District in the late 1950s. The displaced neighborhood cleared the area for the Civic Arena, but was the only significant supply of residential housing near Downtown. That housing stock could have formed a base for a future Downtown neighborhood. Left without anything to gentrify, rebuilding a residential neighborhood becomes a much more daunting task.

Has Downtown had a wake-up call with the closing of Lazarus? Yes, but a warning about Downtown's future should not be confused with an assessment of Downtown's present.

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