CONFLICT OR CONSENSUS?

Collage by Glenn Pierce

BY MYRON ORFIEL

Skeptics tell me that regional equity reform will never happen in America's metropolitan regions because the suburbs are now in charge of American politics. It may be true that the suburbs are in charge of American politics. But the politics of metropolitan reform is not about cities versus suburbs or, for that matter, about Democrats versus Republicans.

The suburbs are not a monolith, economically, racially, or politically. Surrounding America's central cities, with their high social needs and low per capita tax wealth, are three types of suburbs. First are the older suburbs, which comprise about a quarter of the population of U.S. metropolitan regions. These communities are often declining socially faster than the central cities and often have even less per household property, income, or sales tax wealth. Second are the low tax-base developing suburbs, which make up about 10–15 percent of U.S. metropolitan regions. They are growing rapidly in population, especially among school-age children, but without an adequate tax base to support that growth and its accompanying overcrowded schools, highway congestion, and ground water pollution. Both the central city and these two types of suburbs have small tax bases, comparatively high tax rates, and comparatively low spending. Median household incomes are also comparatively low: \$25,000–30,000 in central cities in 1990, \$25,000–40,000 in older suburbs, and \$35,000–\$50,000 in low tax-base developing suburbs. Families in these communities are thus extremely sensitive to property tax increases. A third type of suburb is the high tax-base developing community. These affluent communities, with the region's highest median incomes, never amount to more than 30 percent of a region's population. They have all the benefits of a regional economy—access to labor and product markets, regionally built freeways and often airports—but are able to externalize the costs of social and

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economic need on the older suburbs and the central city.

Suburbs and cities can also be surprisingly diverse in their electoral results. Not all suburbs are Republican—or all cities Democratic. In Philadelphia, Republicans control almost all the suburbs and even the white working-class parts of the city. In Pittsburgh, Democrats control virtually all suburban seats except the highest property-wealth areas. In San Francisco, almost all suburbs are represented by Democrats, while in Los Angeles and Southern California, most of the white suburbs are represented by Republicans. In general, Democrats build their base in central cities, move to the older and low tax-base suburbs, and, if they are very effective, capture a few of the high tax-base suburbs. Republicans do just the opposite. In many states the balance of power rests on electoral contests in a few older suburbs or low tax-capacity developing suburbs.

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Minnesota has been engaged in the politics of metropolitan regional reform for almost 40 years. Over the decades, three types of metropolitan coalitions have sought to move policy reforms through the state legislature. The first, a Republican-led bipartisan coalition, engaged in some bitter legislative fights; the second, a consensualist-led coalition, eschewed controversy; the third, a Democratic-driven bipartisan group, revived the real-world reform political style of their Republican predecessors. The following short history of metropolitanism in Minnesota suggests the complexity of coalition politics—and my own conviction that, while compromise and accommodation is the necessary essence of politics, regional reform, like all other real reform movements in U.S. history, necessarily involves some degree of controversy.

The Progressive Republican Vanguard

In the 1960s and 1970s, metropolitan reform efforts in Minnesota's legislature were led by "good government" Rockefeller Republicans and reform Democrats—in a sense the progressives that Richard Hofstader wrote of in his *Age of Reform*. Joined by leaders of local corporations, they took aim at waste in government and set out to plan and shape a more cohesive, cost-effective, efficient, and equitable region. Though they sought rough metropolitan-wide equity in Minnesota's Twin Cities, they were not typical practitioners of class warfare. They valued equity because they knew from hard-headed calculation the costs of inequity and of destructive competition for development among municipalities in a single metropolitan region.

In some ways progressive Republican regionalism was an elegant, direct, limited-government response to growing sprawl and interlocal disparity. Joining Minnesota's Governor LeVander were Oregon's Tom McCall, Michigan's Miliken and Romney, and the great Republican mayor of Indianapolis, Richard Lugar. Had the country heeded their farsighted strategy, the 1980s and 1990s might have been much different for the central cities and older suburbs.

In Minnesota the progressive Republicans and reform Democrats created regional sewer, transit, and airport authorities for the Twin Cities, as well as a Metropolitan Council of the Twin Cities with weak supervisory powers over these authorities. (Making the Met Council an elected body was a top goal, but it failed in a tie vote in 1967.) They also created a metropolitan land use planning framework and enacted Minnesota's famous tax-base sharing, or fiscal disparities, law, which, since 1971, has shared 40 percent of the growth of our commercial and industrial property tax base among the 187 cities, 49 school districts, and 7 counties in our region of some 2.5 million people.

The battle to pass the fiscal disparities act was brutal. Though the legislation, introduced in 1969, had its origins in the ethereal world of good government progressivism, its political managers were shrewd vote counters who made sure that two-thirds of the Twin City region's lawmakers understood that the bill would both lower their constituents' taxes and improve their schools and public services. Some of the progressives' key allies were populists who did not hesitate to play the class card with blue-collar voters in the low property-value suburbs. Probably not coincidentally, the populists collected most of the votes. The progressives pragmatically swallowed their compunctions.

The fiscal disparities bill that passed in 1971 was supported by a coalition of Democratic central-city legislators and Republicans from less wealthy suburbs—essentially the two-thirds of the region that received new tax base from the act. A few more-rural Republicans who had a strong personal relationship with the bill's Republican sponsor went along. The opposition was also bipartisan—Democrats and Republicans representing areas in the one-third of the region that would lose some of their tax base. Debate over the bill was ugly. Republican Charlie Weaver, Sr., the bill's sponsor, was accused of fomenting "communism" and "community socialism" and of being a "Karl Marx" out to take from "the progressive communities to give to the backward ones." One opponent warned that "the fiscal disparities law will destroy the state." "Why should those who wish to work be forced to share with those who won't or can't help themselves?" demanded a representative of the high property-wealth areas. Amid growing controversy, after two divisive failed sessions, the bill would pass the Minnesota Senate by a single vote.

Not until 1975—after court challenges that went all the way to the U.S. Supreme Court (which refused to hear the case)—did the fiscal disparities law finally go into effect. The last legal challenge to the law came in 1981, a decade after passage. High property-wealth southern Twin Cities suburbs were finally rebuffed in the Minnesota Tax Court. But representatives and state senators from high property-wealth Twin Cities suburbs have tried to repeal the statute in virtually every legislative session for the past 25 years.

A New Approach

The tough progressive reformers were followed by consensus-based regionalists whose preferred approach, it has often been joked, was to convene leaders from across metropolitan Twin Cities in the boardroom of a local bank to hum together the word "regionalism." Highly polished professional policy wonks, the new generation of leaders leaned more to touring the country extolling the virtues of regional reform, which many had no part in accomplishing, than to gritty work in city halls and the legislature to make it happen. To make matters worse, business support for regionalism began to erode. The rise of national and multinational companies created a cadre of rotating, frequently moving executives who, facing a more competitive business environment, eschewed controversy in favor of political action that would boost the bottom line.

By the 1980s, proponents of the regional perspective in Minnesota had dwindled to the chairman of the Citizens League, a local policy group financially supported by the region's big businesses; a half-dozen legislators; two or three executives of declining power; and the editorial board of the Minneapolis paper.

Meanwhile, some suburbs, particularly the high property-wealth developing ones that saw no gain but plenty of loss coming from metropolitan action, rebelled. Over the course of the 1980s, as the Twin Cities region rapidly became more like the rest of the nation—more racially and socially segregated—and as fundamental divisions hardened, those suburbs hired high-priced lobbyists and prepared for a fight to dismantle "regional socialism." Metropolitanism's opponents, tough and organized, began to control the regional debate.

During 1980–90, state lawmakers gradually dismantled the metropolitan authority that had been put in place in the 1960s and 1970s. They stripped the Met Council of its authority over major development projects: the downtown domed stadium, a new regional race track, and even the Mall of America—a local landmark that by its sheer size had a thunderous effect on the retail market in central Minneapolis and St. Paul and the southern suburbs. They severely weakened the land use planning statute by giving supercedence to local zoning. They also overturned the Met Council system of infrastructure pricing, abandoned a regional affordable housing system, and shelved well-conceived regional density guidelines. And they took a hard, well-financed run at the fiscal disparities system.

Sometimes the consensus-based regionalists would oppose the changes, but more often they seemed unable to stomach controversy. Their general response to the newly assertive high property-wealth suburbs was to seek accommodation. Meanwhile, developers in the high property-wealth suburbs and their lawyers obtained coveted seats on the Met Council itself.

The first generation of regionalists had fought bloody fights for land use planning, the consolidation of regional services, and tax equity. A decade later, the consensus-based regionalists were reduced to building regional citizenship through a proposal for a bus that looked like a trolley car to connect the state capital to downtown St. Paul. Times, and tactics, had clearly changed.

The proud legacy of the first-generation regionalists was in shambles. In 1967, the Twin Cities had created a regional transit system with a tax base that encompassed seven regional counties and 187 cities. By 1998, what had been one of the most financially broad-based transit systems in the nation was struggling with below-average funding per capita. The Met Council, now in thrall to developers, allocated virtually all federal resources to its large highway building program. Finally, the Citizens League and the consensus-based regionalists, perhaps to curry favor with the rebellious high property-wealth suburbs, used their influence both to defeat the development of a fixed-rail transit service and to fragment and privatize the transit system. By the early 1980s, the southwestern developing suburbs, the most prosperous parts of the region and those that benefited most from the development of a regional sewer and highway system, were allowed to "opt out" of funding the transit system that served the region's struggling core.

In 1991, the Met Council was on the verge of being abolished. A measure to eliminate the Council passed on the House floor, and the governor opined that the Council should either do something or disappear. The consensus-based regionalists, frustrated after a decade of difficulty, were not even grousing about legislative roadblocks. They had moved on to champion school choice and had joined the business community in an effort to cut comparatively high Minnesota business property taxes.

The Third Generation

Out of this state of affairs emerged a new type of regionalist, of which I count myself one. Most of us were new to politics in the 1990s, and we were spurred to action by worrisome conditions in the Twin Cities, where concentrated poverty was growing—at the fourth fastest rate in the nation.

To address the growing concentration of poverty in the central cities, we began to investigate reforms, particularly in fair housing, at a metropolitan level. We began to wonder, in particular, whether the sprawl at the edge of the Twin Cities area was undermining the stability at the core and whether the older suburbs, adjacent to the city, were having equally serious problems. As we learned more about the region's problems, we came to appreciate the metropolitan structure that had been put in place 20 years before—a structure severely out of fashion and irrelevant in liberal circles. "What does land use planning in the suburbs have to do with us?" asked our central-city politicos. "We need more of a neighborhood-based strategy," they said. We were also received as fish out of water when we went to the Met Council and the Citizens League to discuss our regional concerns. "This is not what the Met Council is about," they said. "It is about land use planning and infrastructure, not about urban issues or poverty."

In addition to the concentration of poverty at the core, we grew interested in the subsidies and governmental actions supporting sprawl. We were inspired by the land use reforms in Oregon and the work of Governor Tom McCall, Henry Richmond, and 1,000 Friends of Oregon. We read the infrastructure work of Robert Burchell at Rutgers. We became aesthetically attached to New Urbanism and Peter Calthorpe, its proponent of metropolitan social equity and transit-oriented development.

Our third-wave regionalism gradually became broader based. We added environmentalism and the strength of the environmental movement to what had heretofore been a sterile discussion of planning and efficiency. We also brought issues of concentrated poverty and regional fair housing into an equity discussion that had previously been limited to interlocal fiscal equity. The dormant strength of the civil rights movement and social gospel also readied itself for metropolitan action and activism. In only a few years, hundreds of churches joined the movement for regional reform.

We also mobilized the rapidly declining, blue-collar suburbs—angry places unattached to either political party—to advance regional reform. Blue-collar mayors, a few with decidedly hostile views toward social and racial changes in their communities, united with African-American political leaders, environmentalists, and bishops of the major regional churches to advance a regional agenda for fair housing, land use planning, tax equity, and an accountable elected regional governance structure.

In fact, probably the most important element of the new regional coalition was the older, struggling, fully developed suburbs—the biggest prospective winners in regional reform. To them, tax-base sharing means lower property taxes and better services, particularly better-funded schools. Regional housing policy means, over time, fewer units of affordable housing crowding their doorstep. As one older-suburban mayor put it, "If those guys in the new suburbs don't start to build affordable housing, we'll be swimming in this stuff."

Winning over these suburbs was not easy. We had to overcome long-term, powerful resentments and distrust, based on class and race and fueled by every national political campaign since Hubert Humphrey lost the White House in 1968. But after two years of constant cajoling and courting and steady reminders of the growing inequities among the suburbs, the middle-income, working-class, blue-collar suburbs joined the central cities and created a coalition of great political clout in the legislature.

In 1994 this coalition of central-city and suburban legislators passed the Metropolitan Reorganization Act, which placed all regional sewer, transit, and land use planning under the operational authority of the Metropolitan Council of the Twin Cities. In doing so, it transformed the Met Council from a $40-million-a-year planning agency to a $600-million-a-year regional government operating regional sewers and transit, with supervisory authority over the major decisions of another $300-million-a-year agency that runs the regional airport. That same year, in the Metropolitan Land Use Reform Act, our coalition insulated metro-area farmers from public assessments that would have forced them to subdivide farm land for development.

In both 1993 and 1994 the legislature passed sweeping fair housing bills (both vetoed); in 1995 a weakened version was finally signed. In 1995 the legislature passed a measure that would have added a significant part of the residential property tax base to the fiscal disparities pool. While the measure passed strongly, it too was vetoed. In 1996 a statewide land use planning framework was adopted, and a regional brownfields fund created. Throughout the process, we restored to the Council many of the powers and prerogatives that had been removed from it during the 1980s in the areas of land use planning and infrastructure pricing. In each area of reform—land use planning, tax equity, and regional structural reform—we were initially opposed by the consensus-based regionalists as "too controversial," only to have our ideas adopted by them a few years later as the political center of gravity began to change.

Worth Fighting For

Like all real reform, regional reform is a struggle. From the fight against municipal corruption and the fight against the trusts to the women's movement, the consumer movement, the environmental movement, and the civil rights movement, reform has involved difficult contests against entrenched interests who operated against the general welfare. Today, we are told that the Age of Reform is over. We are in an age of consensus politics, when calmer words—"collaboration," "boundary crossing," "win-win" strategies—carry more promise than "assertive" ones.

In every region of this nation, 20–40 percent of the people live in central cities, 25–30 percent in older declining suburbs, and 10–15 percent in low tax-base developing suburbs. These communities, representing a clear majority of regional population, are being directly harmed by an inefficient, wasteful, unfair system. Studies indicate that the regions in the nation that have the least economic disparity have the strongest economic growth and those with most disparity are the weakest economically. The social polarization and wasteful sprawl that are common in our nation take opportunity from people and businesses, destroy cities and older suburbs, waste our economic bounty, and threaten our future.

Those who care about these problems must "assert" themselves to reverse these trends. We must engage in a politics that is free of personal attacks and sensationalism, that is conducted with a smile and good manners—like the progressives. At each roadblock, we must seek a compromise that moves equity forward, before we entrench unproductively. We must achieve the broadest possible level of good feeling, gather to our cause as many allies as we can from all walks of life and from all points of the compass. We must educate and persuade. However, if there are those who stand in our path utterly—who will permit no forward movement—we must fight. We must fight for the future of individuals, for the future of communities, and for the future of our country.

In the end, the goal is regional reform, not regional consensus. ■