The Emergence of a New "Downtown"

Thomas J. Baerwald

Geographical Review, Vol. 68, No. 3. (Jul., 1978), pp. 308-318.

Stable URL:
http://links.jstor.org/sici?sici=0016-7428%28197807%2968%3A3%3C308%3ATEOAN%22%3E2.0.CO%3B2-2

Geographical Review is currently published by American Geographical Society.

THE EMERGENCE OF A NEW "DOWNTOWN"*

THOMAS J. BAERWALD

THE freeways encircling large metropolises in the United States have spawned new business complexes that threaten the traditional supremacy of the central business district (CBD). Suburbanites and a large share of the central-city population have reoriented their lives to one or more of these new "downtowns," while the CBD has decayed. The suburban freeway corridor (SFC) now houses a complete mix of the business establishments regularly frequented by the geographically mobile middle- and upper-class residents of the modern metropolis. Light industrial plants, warehouses, and office buildings along the freeway employ breadwinners; homemakers shop at large supermarkets and regional shopping malls; and motor hotels, bars, restaurants, nightclubs, and sports complexes attract those in search of entertainment.[1]

The rise of the suburban freeway corridor as a dominant metropolitan focus has been a national phenomenon. Many Atlantans find the "Perimeter" Highway more important than Peachtree Street, and many Houstonians order their lives along the "Loop." The Tri-State and Northwest tollways near O'Hare airport exhibit the greatest development of the SFC in the Chicago area, and many corridors along Southern California freeways obviate travel to destinations in the Los Angeles CBD.

The suburban freeway corridor may be the functional successor of the central business district, but the two differ significantly. The CBD is a nucleation. It is linked to the rest of the metropolis by radial routes traversed by many modes, but it is arranged internally for pedestrian movement. In contrast, the SFC is linear and depends entirely on cars and trucks for internal and external movement. It is almost impossible to walk from one establishment to another, and public transit, if any serves the corridor, is infrequent and inconvenient. As a result, use of the CBD is increasingly dominated by people who cannot afford to operate the automobiles required in the SFC, whereas the corridor garners an ever-increasing share of the metropolitan area's business.

A more significant difference between the suburban freeway corridor and the central business district results from their development histories. The CBD has undergone a long and complex sequence of expansion, redevelopment, and change. The SFC, on the other hand, developed at a radically different scale in time and space. The corridor is still essentially in its original developed form, because it has been more economical and convenient to build on vacant land than to convert developed property to different uses. The general development of the corridor is therefore best explained in terms of the relative timing of development and the availability of vacant land. When did each land use develop? Which of the locations available when it developed best suited its purposes? Answers to these questions

* My thanks go to the many people who helped me in the preparation of this article, especially John Fraser Hart, John R. Borchert, Philip M. Raup, and Eric S. Sheppard.

[1] The most recent comprehensive summary of research on the dispersion of nonresidential functions in American metropolitan areas is in Peter O. Muller: The Outer City: Geographical Consequences of the Urbanization of the Suburbs, (*Assn. of Amer. Geogrs., Resource Paper 75-2,* Washington, D.C., 1976), pp. 29-46.

● MR. BAERWALD is a doctoral candidate in geography and a research associate with the Center for Urban and Regional Affairs at the University of Minnesota, Minneapolis, Minnesota 55455.

provide an initial geographical understanding of these new metropolitan "downtowns."

A Model of Development

A seven-mile stretch along Interstate Highway 494 (I-494) south of Minneapolis is the largest and most highly developed SFC in the Minneapolis- St. Paul metropolitan area (Figs. 1 and 2). It is representative of the new complexes I have noticed in other metropolises, and because of its proximity and the availability of information about it, I selected it for study as an example of suburban freeway corridor development. The half-mile-wide I-494 corridor has become the third "downtown" in the Twin Cities area over the past quarter century.[2] It extends from the Twin Cities International Airport westward to State Highway 100.[3]

Land use maps at four- and five-year intervals between 1953 and 1976 illustrate the development of the I-494 corridor (Fig. 3). Standard principal component analysis of data from these maps showed virtually no locational correlation between the various land uses. No uses attracted or repelled others, emphasizing that corridor uses were essentially interchangeable and that their pattern was a function of the timing of development and the availability of land. Four stages of corridor development were identified by another standard principal component analysis, and three-mode principal component analysis distinguished the predominant development of certain land uses in specific corridor locations during each stage.[4]

STAGE I: INITIAL DEVELOPMENT

The first stage consisted primarily of early postwar residential development through the middle 1950's. The outward wave of single-family homes from the central

[2] The I-494 corridor is now probably the second most important concentration of private sector employment in the Twin Cities area. According to statistics provided by the Metropolitan Council of the Twin Cities area, more than 38,000 persons worked for private firms in traffic analysis zones along the freeway in 1970, and the total was increasing rapidly, overtaking the St. Paul CBD, which employed 45,000. Furthermore, a proliferation of restaurants, nightclubs, bars, and hotel rooms elevated the I-494 "strip" past both CBDs as the metropolitan area's "nighttime capital" and foremost business meeting center.

[3] The I-494 corridor includes land in three municipalities, Bloomington, Richfield, and Edina. For the statistical analysis of land use change, the study area was defined as bounded on the east by 34th Avenue; on the north by a line one-quarter mile north of the Bloomington city limits; on the west by a line one-quarter mile west of State Highway 100; and on the south by a line one-half mile south of the city limits west of Xerxes Avenue and by a line one-quarter mile south of the city limits east of Xerxes.

[4] Three-mode principal component analysis is a form of multimode factor analysis, a data simplification procedure developed by Ledyard R Tucker, described in his Implications of Factor Analysis of Three-Way Matrices for Measurement of Change, *in* Problems in Measuring Change (edited by Chester W. Harris; Univ. of Wisconsin Press, Madison, 1963), pp. 122–137; and in his Experiments in Multi-Mode Factor Analysis, *in* Proceedings of the 1964 Invitational Conference on Testing Problems (Educational Testing Service, Princeton, N.J., 1965), pp. 46–57. The only published geographical study that has used the procedure is R. G. Cant: Changes in the Location of Manufacturing in New Zealand, 1957–1968: An Application of Three-Mode Factor Analysis, *New Zealand Geographer*, Vol. 27, 1971, pp. 38–55. The procedure may be used with any data matrix with observations recorded for each of three types or modes of variables. Each cell of the I-494 data matrix consisted of measurements of land use change for (A) eight land use classes during (B) six periods in (C) ten districts. Standard principal component analysis using varimax rotation of a rearranged data matrix arraying A against B and C produced eight land use components. Comparable analysis of the matrix with B against A and C yielded four time components, and analysis of the matrix with C against A and B produced six locational components. The three-mode data matrix was then multiplied by the three component loading matrices to produce a core matrix. Elements of this core matrix provided relative measures of the degree to which components from each of the standard analyses were associated with one another. Further details of the use of this procedure on the I-494 land use data will be provided by the author on request.

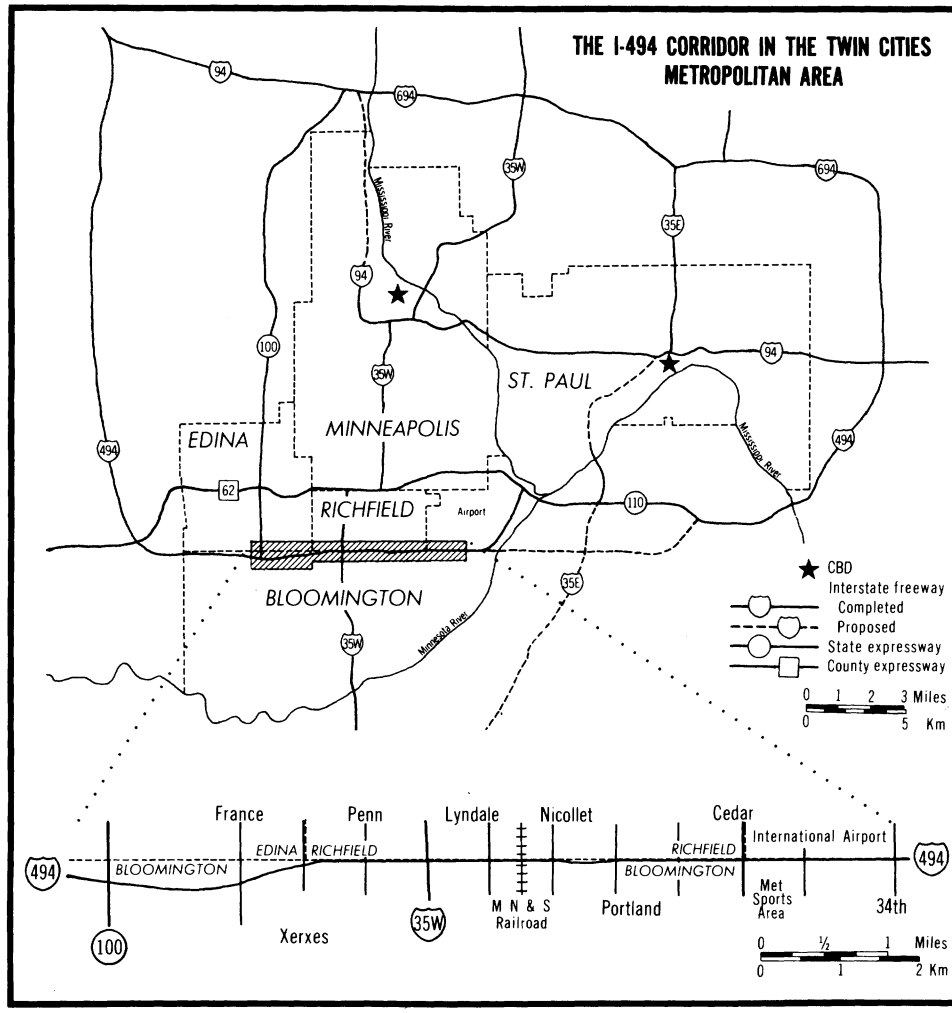

FIG. 1

city encroached on a highway occupying the planned route of a freeway bypass.[5] Uncertainty regarding the freeway alignment and the promise of higher land values with increased traffic persuaded most landowners to hold property adjacent to the highway for later development. As a result, residential construction terminated abruptly one block from the highway and did not proceed with as much intensity on the other side (Fig. 4).

Residential development was also responsible for the first influx of industrial and wholesale uses into the corridor. Building materials processing plants and sale yards and heavy equipment dealers served the active construction industry where a branch rail line crossed the highway.

[5] The Minnesota Highway Department formed plans for a State Highway 100 Beltline around the entire Twin Cities area in the early 1950's. Right-of-way acquisitions in the southern suburbs were such that when massive federal funding became available, construction of I-494 through the corridor began in 1958. The freeway opened in 1960 as the Twin Cities' first completed Interstate segment.

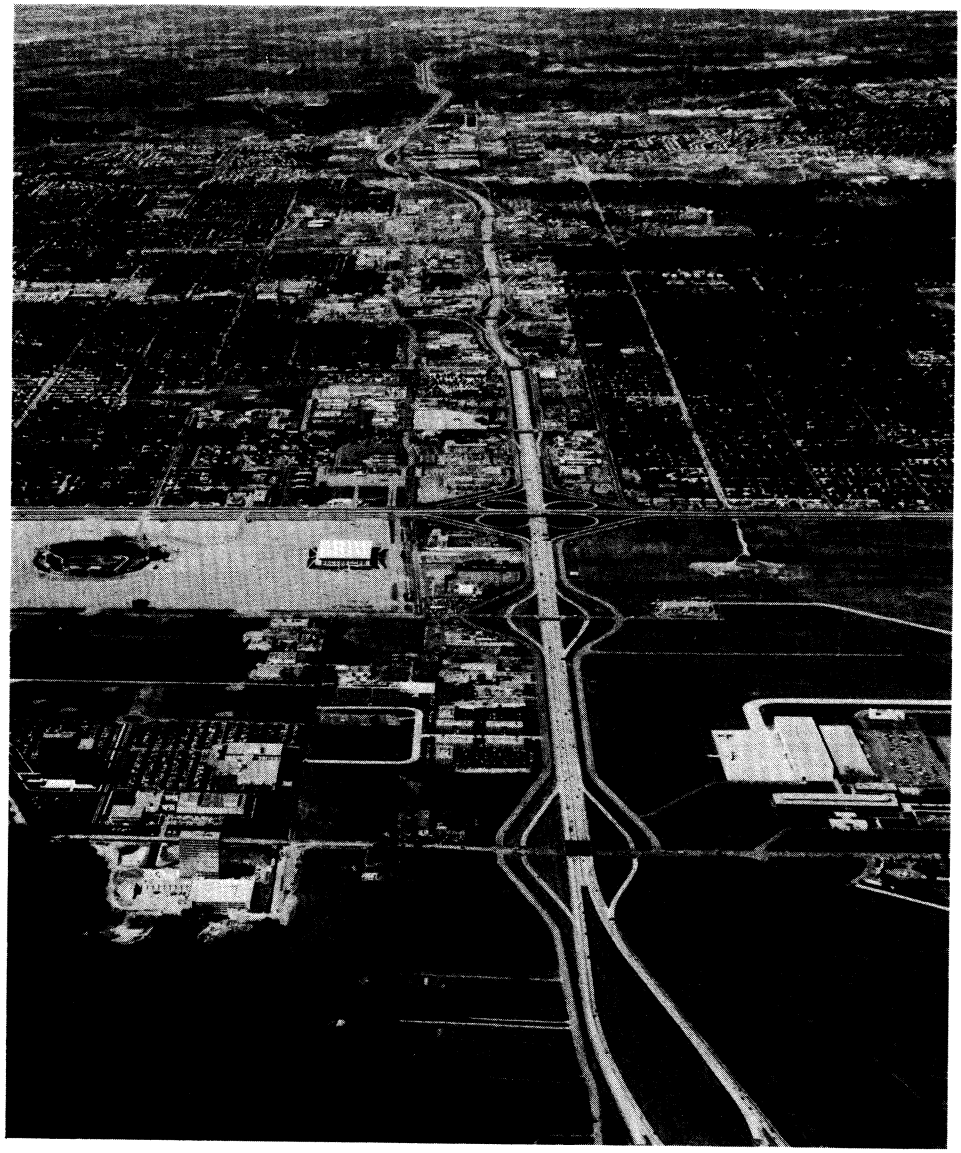

FIG. 2—The I-494 corridor stands out as a broad swath of concrete and asphalt through the tree canopy of early postwar suburban housing. In this view looking west, the Minneapolis–St. Paul International Airport is in the right foreground and Metropolitan Stadium and Sports Center are to the left. (Photograph courtesy of Bordner Consultants, Bloomington, Minn.)

STAGE 2: INDUSTRIAL DIVERSIFICATION AND COMMERCIAL EXPANSION

The second stage of corridor development lasted from the late 1950's to the late 1960's. Construction of the freeway by the early 1960's "fixed" property lines, so landowners were able to construct facilities without fear of later condemnation. The freeway also dramatically increased the speed and volume of automobile and truck traffic along the corridor, leading light processors and general distributors to develop

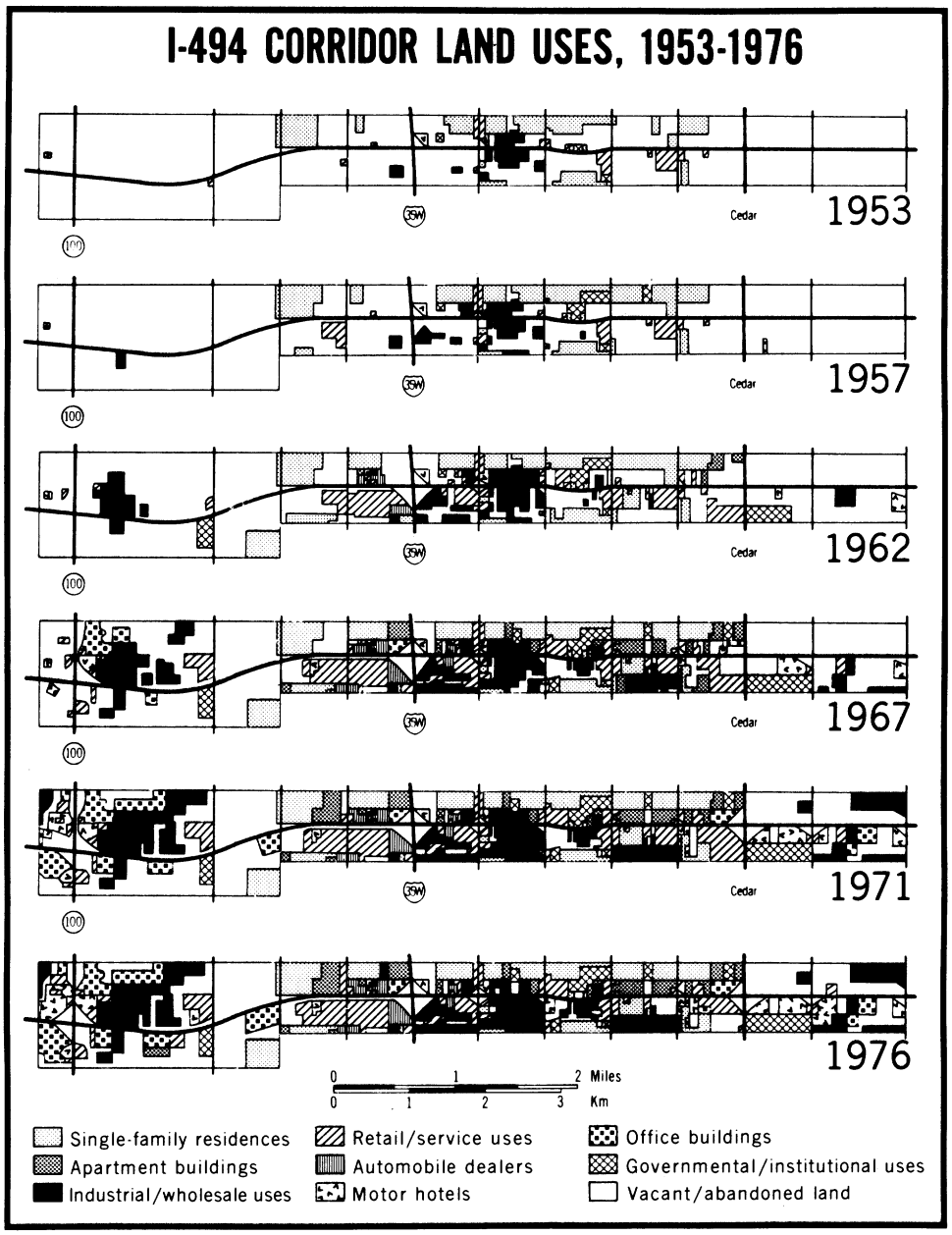

FIG. 3

central sites. Relatively inexpensive land was available for the construction of efficient one-story plants and warehouses, and the corridor also offered easy access for freight shipments, plentiful parking for commuters, and the progressive image of a suburban address.

In the latter part of the second stage, electronics, computer-oriented, and other "Space Age" industries responded to the same inducements, but the airport, inter-

changes with other major highways, and the greater availability of land attracted these activities toward the ends of the corridor (Fig. 5). This trend has continued to the present, with industrial and wholesale uses occupying vacant parcels scattered throughout the corridor, especially toward the ends.

Commercial uses flooded the corridor during the second stage. Stores in small neighborhood shopping centers and commercial strips were overwhelmed by automobile dealers, discount department stores, and large shopping centers. Previous retail

FIG. 4—The corridor between Lyndale and 12th avenues in 1953. The southward wave of residential expansion skipped over land on either side of State Highway 5, the route later followed by I-494. Nonresidential uses in the corridor included (from left to right) construction-related plants and yards along the Minneapolis, Northfield & Southern Railroad tracks, a church and school complex north of the highway, a small neighborhood shopping center at Portland Avenue, and a drive-in movie theater. (Photograph courtesy of U.S. Department of Agriculture.)

nucleations were oriented toward the arterials crossing the corridor, but the newer concentrations clustered around major interchanges and were strung out along frontage roads. The more important the interchange, the larger and more numerous were nearby commercial establishments. The interchange of a radial and the circumferential freeway was the corridor's most prestigious commercial location, and the highest-order shopping center and other retailers dependent on high visibility, such as auto dealers, aggressively occupied property within a half-mile radius (Fig. 6). By the late 1960's, the corridor's commercial pattern was essentially set, with only minor changes in later stages.

STAGE 3: SPECULATIVE DEVELOPMENT

Corridor development in the third stage, from the late 1960's to the early 1970's, was strongly influenced by favorable economic conditions. More money was available

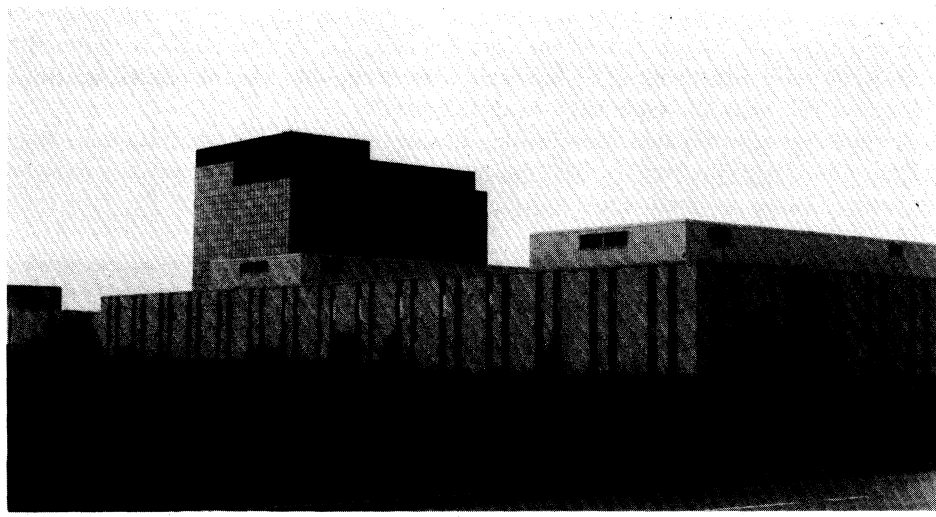

FIG. 5—Control Data Corporation built its headquarters office building and some associated plants in several phases on a large parcel near the airport at the eastern end of the corridor. Control Data also built a large plant at the western end.

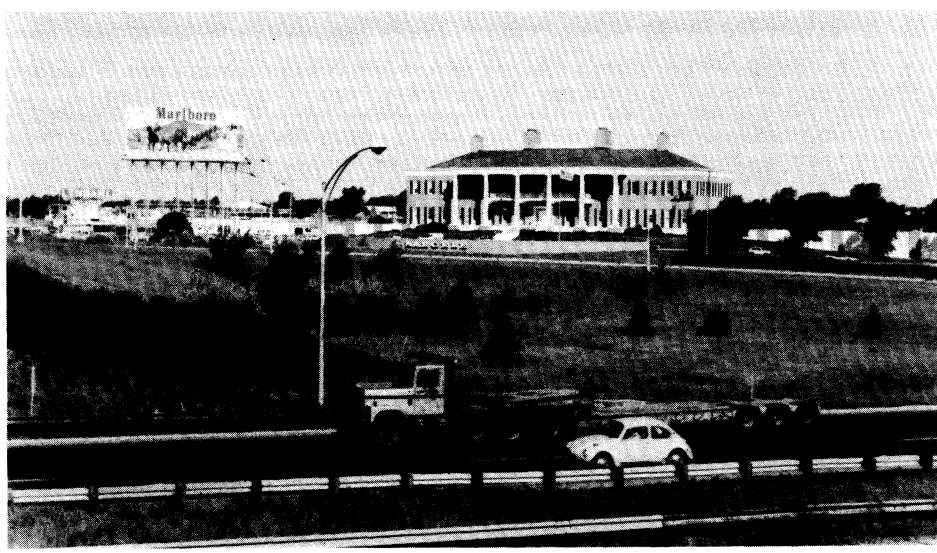

FIG. 6—The importance of the I-494/I-35W interchange is illustrated by the Naegele Outdoor Advertising Company's headquarters office building, a giant billboard proclaiming the firm's success. This is the only office building in the central part of the corridor. The I-494/I-35W interchange otherwise is dominated by automobile dealers and high-order merchants.

for investment, and real estate development was encouraged by the rapid appreciation of corridor land values.[6] Capital gains tax rates at approximately half the regular rate and accelerated depreciation schedules that allowed for substantial losses to offset other income further induced investors to purchase and develop land and then sell it for a sizable profit. In a "can't fail" atmosphere, numerous "rapid return" apartment houses, office buildings, and motor hotels were constructed in the corridor.

Apartment buildings occupied vacant parcels in the center of the corridor where earlier single-family home development had not left enough land for large-scale industrial and commercial uses. Apartment construction on these parcels began in the second stage and intensified in the third. Office uses required larger and more accessible sites, so individual office buildings and office-park complexes gravitated toward the ends of the corridor. Easy access, high visibility, and plentiful land also attracted motor hotels toward the major peripheral interchanges.

STAGE 4: INITIAL REDEVELOPMENT

Little vacant land awaited development by the mid-1970's, and the economic recession severely dampened the speculative fervor of the third stage. Less desirable commercial locations experienced a "filtering down" of functions. Older neighborhood shopping centers increasingly were occupied by "bargain," "discount," or "second-hand" retailers (Fig. 7). Competition for retail space at more accessible sites also resulted in high turnover, but in an upward direction, as high-ordered uses replaced more locally oriented establishments. A few retailers abandoned their property altogether when no subsequent tenants were found. Some of the corridor's original construction-related activities also outlived their usefulness, but the high accessibility of these parcels attracted a new set of industrial users, providing the first evidence of corridor redevelopment.

General Characteristics of SFC Development

Circumferential freeways generally experienced the most intensive SFC development because they contain a wide variety of sites of approximately equal accessibility from other places in the metropolis and its hinterland. Radial freeways, by contrast, are oriented toward a smaller sector of the hinterland and offer sites of substantially different distances from the CBD and other important metropolitan nodes. If a metropolis had no circumferential freeway, its SFCs grew outward because of coalescing developments around successively more distant interchanges. The presence of a circumferential freeway had a much different effect on the form and timing of SFC development, however. The circumferential freeway acted as a permeable barrier to the wave of early postwar single-family houses, leading to more scattered residential development on the far sites. Apartment buildings were added later on parcels that were not attractive to commercial and industrial uses.

Commercial development was concentrated around the central circumferential freeway interchanges. Retailers, services, restaurants, and other consumer-oriented establishments outbid other uses for these accessible and highly visible locations in

[6] Some examples of raw land appreciation recorded by the Bloomington city assessor included a 7.5-acre parcel near the eastern end of the corridor that was assessed at $18,230 in 1962 and at $557,700 in 1975 (a thirty-fold increase in value), and an 0.8-acre site near the western end that was assessed at $750 in 1960 and $102,400 in 1975 (an appreciation of 136 times the earlier value).

the earlier stages. In SFCs containing a major shopping mall, localized development has continued to the present, but corridors that evolved without the dominant regional shopping node, such as the I-494 corridor, saw much less new commercial activity in the later stages.[7] In either set of SFCs, there was little commercial development toward the ends of the corridors.

Office buildings were constructed in later stages of corridor development in response to increasing demands for suburban office space and to speculative economic

FIG. 7—"Bargain" stores now dominate the corridor's oldest shopping center, replacing locally oriented merchants who can no longer compete for corridor sites.

conditions. Large office buildings and office-park complexes were built in peripheral parts of the corridors where large tracts of land were still available.[8] Late arrival to the SFCs also resulted in peripheral locations for motor hotels, although factors such as the presence of an airport or sports complex undoubtedly influenced the particular development of specific corridors.

Industrial development initially was influenced by railroad proximity, but the expansion of plants, warehouses, and complementary activities resulted from the excellent access the freeways provided for almost all corridor locations.[9] Industrial and wholesale activities adapted most readily to sites not already taken for residences

[7] The major regional shopping mall for Minneapolis's southern suburbs, Southdale, was oriented to County Highway 62, a smaller expressway that parallels I-494 two miles to the north. Southdale was opened in 1956, four years before I-494 was completed, as the first enclosed mall shopping center in the United States.

[8] The I-494 corridor contained 3.2 million net square feet of office space in 1973, almost half as much as the St. Paul CBD. More than two-thirds of that space was in office parks ("Office Space: An Inventory and Forecast for the Twin Cities Metropolitan Area" [Metropolitan Council, St. Paul, Minn., 1973]). Since then more than 500,000 square feet of office space has been added in two large projects.

[9] Reasons for industrial deconcentration in the Twin Cities area were comparable to those that were important in other areas. See "Industrial Expansion and Migration in the Twin Cities Metropolitan Area: 1960–1970" (Metropolitan Council, St. Paul, Minn., 1973); Muller, *op. cit.* [see footnote 1 above], pp. 32–35; and Brian J. L. Berry and Yehoshua S. Cohen: Decentralization of Commerce and Industry: The Restructuring of Metropolitan America, *in* The Urbanization of the Suburbs (edited by Louis S. Masotti and Jeffrey K. Hadden; Sage Publications, Beverly Hills, Calif., 1973), pp. 431–455.

and not preferred by commercial or speculative uses. Substantial new industrial construction occurred during all stages of development because metropolitan deconcentration of industrial and wholesale activities was relatively constant throughout the postwar period.

The Role of the Public Sector

Suburban freeway corridors were primarily the products of decisions made by private developers. Governmental inputs were minor and indirect, except for the selection of freeway routes and the timing of their construction. Designation of the freeway routes preceded development in surrounding areas, so landowners withheld their property from the market until more intensive users entered the corridors. Conversion of land from residential to industrial and commercial uses was more difficult and more expensive in parts of metropolitan areas where planners were forced to run freeways through previously developed areas. The timing of freeway construction was also important. The earlier freeways were completed, the more diverse and greater the scale of adjacent development.

Direct governmental controls were generally responsive. Zoning ordinances usually were enacted to reflect existing land use patterns and to avoid future minor conflicts. Perhaps the most important public decisions that affected development in the I-494 corridor were municipal regulations concerning the sale of liquor for consumption on the premises. Of the three municipalities in the corridor, only Bloomington initially permitted the sale of liquor by the drink, and as a result, all large motor hotels and restaurants were built in that city. Local legal distinctions of a similar nature undoubtedly gave suburban freeway corridors in other metropolises their own unqiue characteristics.

A Look to the Future

The forces that led to the rapid development of suburban freeway corridors have slackened and will probably not be duplicated in most American metropolises in the near future. A radical change in the metropolitan transportation network accompanied a rapidly dispersing population in the last quarter century. Commercial activities followed the population, and the new freeways provided ideal sites for industries and distributors seeking large parcels of cheap, accessible land. Corridor development was spurred further by speculative investments during the economic boom of the late 1960's.

Although population continues to disperse in metropolitan areas, the pace has slowed and the crests of the growth waves have passed the circumferential freeways. As nearby populations stabilize and decline, low-ordered functions will be hard-pressed to afford expensive SFC sites. Higher-quality, high-ordered functions will continue to congregate near major freeway interchanges, and low-overhead "bargain" establishments will market their used goods and seconds to a metropolis-wide clientele that will seek them out at less desirable corridor locations.

A repeat of the economic prosperity of the 1960's is unlikely, but SFC locations are still considered among the safest sites for speculative investment because raw land values for many parcels apparently will continue to appreciate rapidly. Fears have been expressed that overbuilding of office buildings and motor hotels will lead to excessive competition, declines in occupancy rates, reduced levels of service, and

economic instability.[10] The uncertain future of these ventures is compounded by the fact that many structures were built primarily for later resale. The construction and maintenance quality of corridor office buildings and motor hotels appears to be much poorer than their older central city counterparts.

Planning and construction of the metropolitan freeway network has been completed in most metropolises, but light industries and distributors will continue to be attracted to accessible corridor locations where land lies vacant or awaits relatively inexpensive redevelopment. Expanding industrial and wholesale activity was a constant facet of corridor development and will be the backbone of most SFCs in the future. The advantages of corridor sites that originally attracted industrial users will remain, and the substantial capital investment in plants and warehouses ensures that the relative importance of manufacturing and wholesale uses in the corridors will increase.

The key to the future of suburban freeway corridors may be the relative ease of their redevelopment. The linear form of the corridors and the low density of development within them may make incremental redevelopment of sites much easier than in the central business districts. The SFCs do not exhibit the same degree of functional interdependence as the CBDs, however, and the relatively great distances separating corridor land uses make unlikely the enactment of comprehensive redevelopment programs such as those revitalizing some CBDs. The ultimate future of the SFCs, as was and is true of the CBDs, is tied to changes in metropolitan transportation systems. As long as traffic moves primarily in automobiles and trucks oriented to a freeway network, suburban freeway corridors are secure, but if and when transportation technology changes, they may become another albatross for the metropolis.

---

[10] The corridor had more than 4,500 hotel rooms in 1973, more units than the Minneapolis and St. Paul CBDs combined ("The Hotel/Motel Industry in Bloomington" [Bloomington City Dept. of Community Development, Bloomington, Minn., 1974]). Occupancy rates that year were more than 75 percent, but the introduction of limited-service "budget" motels and the construction of major additions to existing hotels led to the prediction that occupancy rates would drop to approximately 50 percent by the end of the decade. Instead of achieving its desired role of becoming the "Anaheim of the North," some feared the corridor might become Minnesota's version of Orlando.