

Redevelopment Cost Worth Small Price

by Andrew Brod
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One of the hallmarks of economics is “efficiency,” the absence of wasted resources. It is a simple concept in theory, and it is often quite simple in practice. When free enterprise and competition serve the public good, the public can to some degree relax its scrutiny of economic events.

But in other situations, it can be quite complicated in practice to manage wisely the public’s resources. This is true of our urban resources. The nature of urban economies is such that it is usually essential for local governments to be involved in planning and guiding investment. The process can be messy, but the dividends to the community at large (not merely to the specific areas affected) can be great.

The East Market Street development project falls into this category. A government/private partnership, led by the East Market Street Development Corporation, has been overseeing the redevelopment of this segment of east Greensboro since its inception in 1998. The cost to the public is relatively small (less than a dollar per year to most homeowners), but the returns should be significantly larger.

Ironically, previous government programs made the development corporation’s work necessary. In the 1960s and ‘70s, the federal Urban Renewal program drastically changed the landscape of inner cities across America, destroying many viable urban communities in the process. Urban Renewal was well-intentioned, but in retrospect it was misguided. Greensboro did not escape its effects.

One of the most striking results of Urban Renewal in Greensboro was the widening of East Market Street from a two-lane road to a six-lane boulevard. Not only did this effort destroy or relocate many small businesses, but it created a thoroughfare designed to move traffic along quickly where there was once a street conducive to stopping and shopping. Over the years, local residents have had to go elsewhere in Greensboro to do their basic shopping. The resource of east Greensboro was being wasted.

But now there is hope, and not just for east Greensboro.

First, a task force from the American Planning Association produced a study of the East Market Street corridor. Then, in 1996, Greensboro voters approved \$1 million in bond funding to begin the improvements recommended by the APA. Soon thereafter, East Market Street Development Corporation was created to act as the local agent for the revitalization efforts.

In stark contrast to Urban Renewal, the new program favors incremental improvements to the corridor, rather than sweeping all-at-once change. EMSDC has established loan programs to attract private investment and promote the beautification of existing businesses. Changing people’s expectations about economic development in east

Greensboro is vital to this effort's success, and so far EMSDC appears to have gained the trust of the community.

Clearly, east Greensboro will benefit from these efforts. But why should everyone else in the city applaud this program for redevelopment along East Market Street?

The primary city-wide benefit is that it will provide some help on one of the thorniest issues in local politics, the debate over growth vs. quality of life. In west Greensboro, people are concerned about traffic, congestion, and development, and to many the solution is to restrict further growth. For years, east Greensboro has wished it has had such "growing pains."

But development in east Greensboro will relieve some of the pressures on west Greensboro. With a viable urban economy in the east, private investment capital will no longer be constrained to flow westward. On balance, we all benefit when private resources are put to their best and wisest use.

In addition, the shopping traffic will not be so uneven, with everyone streaming west to areas like the I-40/Wendover humongo-plex. A more even flow of traffic, with some residents driving east to shop and some west, will make it possible for more green and open spaces in the west to stay that way.

There will be other environmental benefits to the entire city, as gasoline consumption and driving are reduced. And with fewer people making long cross-town trips, local public transit in east Greensboro could expand, improving air quality even further.

On the purely economic side of the ledger, economic revitalization in east Greensboro means business opportunities for all. With approximately 25 percent of inner-city retail demand currently unmet by urban retailers (according to the non-profit Initiative for a Competitive Inner City), there is room for new firms to establish themselves. And businesses that locate in the east will find it easier and more economical to tap into the local labor force.

From the perspective of the city's finances, less suburban sprawl means a slower increase in the future of the costs of providing services throughout the city, because studies have shown that per-capita city expenses rise with geographical area. It also means the city will find it easier to comply with federal standards on air and water quality. Each of these factors means less pressure for future tax increases.

If each of us adds all these benefits together, it is hard to imagine that they fail to add up to more than a buck a year per tax-paying homeowner.