Breaking up the Cities?

Behind the New Urban "Secession" Movements

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The temptation is strong, in the year of the 100th anniversary of the consolidation of the five boroughs of New York to celebrate. Consolidation, after all, created what is arguably America's great city; questioning its wisdom would seem to question whether one truly loves New York. What's more, the anniversary comes at a time when advocates of larger, metropolitan-wide city government in the United States are again beating the drums for revival of the consolidation impulse of the last fin de siecle, using history as an apparently incontrovertible ally. On the front lines of American cities, however, the story is a different one. Spontaneous efforts are arising not for a new generation of governmental mergers and acquisitions but for a smaller, decentralized city governments—even if that means the "secession" or "detachment" of whole neighborhoods. It may sound like heresy to say so, but there's good reason to believe that's the right to direction to take—even if it were to mean breaking up the city whose consolidation will be celebrated.

For three generations, those who have sought to chart a better future for American cities have had a ready prescription for improvement. Metropolitan government—a single, far-sighted, expert, benevolent and efficient central administration for urban areas—was to bring order to the chaos of central cities surrounded by their "crazy-quilt" of independent suburbs. It is a movement which in some ways goes back to the 19th century, as evidenced by the consolidation of the five boroughs of New York 100 years ago. It began in earnest, though, in the 1920s, when University of Michigan political scientist Thomas Reed,

seeking improved city services and non-corrupt leadership, urged that we "conceive of local government in terms of larger units"[1] and supported a series of unsuccessful referenda (Pittsburgh, Cleveland) toward that end. It is a vision which re-emerged in the 1960s, when its advocates added to efficiency two additional causes: redistribution of wealth, to be realized when affluent suburbs shared their tax bases to support public facilities and services in poorer "inner city" areas, and environmentalism, to be abetted when planners , like those who play the *SimCity* computer game , would control the shape of development as to prevent newly-dreaded "urban sprawl," devouring farmland and replacing it with middle-brow "ticky tacky" suburbs. We need, wrote Robert Wood, the first assistant secretary of the Department of Housing and Urban Development, "a structure which has the authority to make decisions about the region's broad pattern of land use … and the renewal of its obsolete sections."[2]

Unlike so many 60s-era visions of tomorrows that have never come to pass and have since been discredited, the dream of metropolitan government continues as an active movement with new champions. David Rusk, the one-time mayor of Albuquerque, and self-described former "civil rights and antipoverty worker," travels the lecture circuit spreading the gospel of his 1993 book, *Cities Without Suburbs*. A unified metropolitan area-wide government, to be created when central cities annex their suburbs, can, proclaims Rusk, "profoundly transform the long-term outlook for failing central cities and help re-energize American society."[3] To the previous notions of the value of single centralized city governments, Rusk has added a new argument, asserting that cities which annex their suburbs will be more prosperous than those which don't. Rusk's views, like

those of his sometime lecture circuit companion Myron Orfield, a state legislator from Minneapolis (and author of “Metropolitics: A regional Agenda for Community and Stability”) are considered mainstream and progressive. Rusk’s book was published by the Woodrow Wilson Center Press; Orfield’s by the Brookings Institution. Rusk can be found lecturing in such venues as last year’s Chatauqua Forum on Regional Governance, at a Washington conference sponsored by the Fannie Mae Foundation and the Lamda Alpha International “land economics” society, at gatherings of well-meaning church groups in St. Louis (Metropolitan Congregations United) and Kansas City, eager to do something about the problems of their aging cities. He offers a gospel that such concerned citizens and big-city mayors alike can agree on: we can help the cities in part by capturing the wealth of the suburbs—and, somehow in that process, greater wealth will be created for all, at the very least in the form of a shared community.

The popularity and respectability of such ideas with elites, local and national, however, masks a quite different reality on the political front lines. Across the country, local activists are seeking not to create bigger governments but to start (or retain) their own smaller ones. These efforts take three forms: movements toward secession (breaking away from existing city governments); incorporation (starting new, smaller jurisdictions carved out of larger ones); and anti-annexation (resistance to being swallowed up by larger governments). New Yorkers became familiar with the impulse five years ago with the popularity of the Staten Island secession movement (which foundered for resistance at the state legislative level, not a lack of local enthusiasm). But similar brush fires are breaking out in a great variety of other locales. Most notably, in Los Angeles, an active

movement known as Valley Vote , with an ally in Governor Pete Wilson, proposes to detach the entire 1.2 million person San Fernando Valley from the rest of the city. Such a secession could, if all goes as planned, be voted by referendum in the year 2000—and might , say its proponents, be only the first stage on the way to carving 23 newly-incorporated municipalities out of residential expanse of “the valley.” In the Miami area, there have already been four successful referenda since 1992 which have led to the incorporation of new municipalities within Dade County, the government for 1.5 million residents of the suburbs which surround central Miami. Six other new municipalities, to be carved out of the county, are being planned. In Tucson, suburbs which had, for years, resisted annexation by the central city—the Rusk prescription—have leapt at the chance offered by state legislation last year to incorporate as independent towns: two have already done so; votes have been planned or proposed in six others. Additionally, there has been resistance—in, for instance, Houston and Atlanta—to the efforts of core cities to annex parts of their suburbs. Nor is the attraction of localism limited to the US. In Toronto, the group called Citizens for Local Democracy, led, in part, by Jane Jacobs—arguably the world’s most respected observer of the dynamics of cities and their economies—has organized resistance to the Ontario government’s so-called megacity plan—which would, primarily under the banner of cost reduction, submerge six historically independent municipalities within a Rusk-like greater Toronto. "The impulse toward localism has even surfaced in Hong Kong, where—in light of the fact that fully-democratic elections for the central government "special autonomous region" (SAR) are at least ten years away—a prominent columnist for the South China Morning Post has suggested dividing the city into districts with their own elected administrations. Hong Kong, writes C.K. Lau, "should

prepare for its eventual democratisation by creating an accountable local government … there is no reason why different districts cannot try to out do one anaother with creative ways of cleaning the streets, managing parks and controlling hawkers … allowing (local) boards to play a direct role in these and many other areas would enhance people's sense of belonging to districts as well as the SAR at large."[4]

This conflict must be understood as more than a dispute about the form of government. It is, rather, a dispute, about philosophy of government. To liberals like Rusk and Orfield, the impulse to localism is a reflection of what journalist Robert Kuttner (writing about the passage of California's Proposition 13 tax limitation) has called a "revolt of the haves"—a retreat from concern for the commonwealth, an embrace of short-sighted greed and selfishness which would improve suburbs at the expense of center cities, and perhaps even at the expense of the long-term best interest of suburbs themselves (because of the threat to the social order, they would argue, posed by the center city poor). Orfield laments that "powerful resentments, based on class and race"[5] have prevented cities merging with suburbs to create a new era of both efficiency and social justice—through the sharing of suburban wealth with older, poorer neighborhoods, thereby preventing the continuing formation of dilapidated "ghetto"-type neighborhoods.

This is the view that dominates the received wisdom about secession and incorporation movements. It should not. The popularity of what can be called localism arises not because it promises a good short-term deal for a few privileged people, at the expense of the greater good, and not because unsophisticated people fail to understand a

demonstrably superior metropolitan approach. Instead, localism rests on a solid, intellectual and policy foundation—in economics, political science, in management theory. Theory, in this case, confirms common sense. It is their common sense which tells voters that, the less distant they are from their government, the more likely they are to get the kind of representation they want, to see their tax dollars spent on the kind of projects they prefer and to have a greater assurance that interest groups—such as public employee unions—will not take effective control of local government for the benefit of their own members, who may not even live in the city in which they work.

In fact, there are good reasons to go one step farther, to believe that improving older neighborhoods in older cities requires not a single, bigger government but increased numbers of smaller ones. In other words, rather than expanding cities, we should break them up. Such a system would give city residents the same sort of control over their new, smaller, neighborhood-based governments which their counterparts in the suburbs take for granted. It would give them the chance to spend their tax dollars on the things they consider most important; the chance to ask a local public works director why a certain street went unplowed or unpaved; to ask the chief of police how he plans to deal with the gang in the playground, before things take a turn for the worse. More broadly, such a system of many small governments within large metropolitan areas is designed to favor growth over redistribution—in the belief that, freed from centralized bureaucracies which are already too big, even older poorer neighborhoods can thrive. I'm not talking about the half-hearted "community control" efforts of the 1960s, which saw the establishment of New York City's community boards, with their limited advisory roles. I'm proposing, in

contrast, full-fledged independent governments, with their own property tax rates and their own elected officials.

Ironically, 'suburbanizing' the city in this way may actually lay the groundwork for limited but useful forms of metropolitan-wide cooperation amongst governments, cooperation which allows the cost of expensive, regional infrastructure systems to be shared but which preserves the chance for local governments to make local decisions on most matters in keeping with their own preferences, as well as to keep close watch on those responsible for providing public services. It's an arrangement which might be called an urban confederation—and, unlike the idea unitary metropolitan government—certain to rouse resistance—might , plausibly, come to be. Rather than consigning poor neighborhoods to even greater problems, it can help lay the groundwork for their renaissance. At the same time, the re-emergence of distinct, formal neighborhood governments within cities holds the promise of encouraging a rebirth of community, through schools, politics and the other traditional ways in which people define themselves through the public work they do together.

I will admit to some personal bias in all this. As a resident, and one-time minor elected official, in a Boston suburb of 56,000, I'm convinced that our decision—125 years ago—not to merge with the central city, accounts in large part for our good schools, clean streets and low crime rate, despite our "inner ring" location. It is the same sort of influence which my town already has, over how public monies are used on behalf of its

residents which those who are today's leaders in secession, incorporation and anti-annexation movements themselves prize and seek.

It is difficult, though, to call the various secession and incorporation efforts a movement, certainly not in the sense that metropolitanism has been a movement—that is, an intellectual fashion underwritten by foundations and promoted at conferences. The leaders of the new localism are responding to intensely local conditions. They are generally unaware of their counterparts elsewhere—and yet make similar observations and complaints. Consider what are arguably the two most active, and important, sites of current secession/incorporation movements, both in areas of rapid population growth—southern California and south Florida.

In Los Angeles, the head of the Valley Vote movement is a commercial real estate broker named Jeff Brain, whose office, in a one-time toy store at the rear of a strip-mall, is littered with piles of clippings from the *Los Angeles Daily News*, the "valley" newspaper which has pushed hard for secession. Brain, in his professional life, rents out storefronts in this and other small strip malls along the length of Ventura Boulevard, one of the "valley" main streets—and, in addition, helps organize a network of 30 local homeowner and business organizations, with such Los Angeles-style names as the Tract 115105 Neighborhood Association. There are affluent enclaves in the Valley but, on the whole, this is middle and lower middle-class: Queens, not Westchester County, New Jersey not Connecticut. This is the valley of the 'Valley Girl'; where residents in small ranch houses and whitewashed apartments look up at the Santa Monica mountains, on the other side of

which is Beverly Hills. The Valley is white and middle-class, but it's also increasingly Latino and Asian. Twenty-seven percent of Valley residents are Spanish-speaking; 11 percent live below the poverty line. You can find new restaurants with signs in Farsi or Cyrillic characters, or stores such as "Torah-land," where a growing Orthodox Jewish community looks for bargains on yarmulkes and talisses.

Jeff Brain's complaints can be very specific. On many nights, he observes, his own community of Sherman Oaks (a part of the valley but, like other residential areas, a place with its own name but not with its own government) is lucky to have even two police cars on patrol. He laments the ineffective sidewalk-cleaning in the commercial areas along Ventura Boulevard, despite the fact that merchants pay extra fees to the city to retain a private contractor to do the work. He resents the fact that he feels he must pay private school tuition for his four children—rather than send them to the giant Los Angeles Unified School District, with its 800,000 students—and whose scale he regards as similarly problematic to that of city government. He tracks numbers, as well—such as the percentage of city's road repairs dollars spent in the Valley ($4 million out of a $28 million budget, despite the fact that the Valley, in territory, comprises a third of the city). Then there is the number of residents per City Council member—some 250,000 people per Council district. He looks with envy at independent nearby cities such as Burbank and San Fernando—each with less than 100,000 residents but with their own mayors and city councils, as well as lower business taxes and an easier permit process. He looks with jealousy at older commercial main streets in these neighboring communities where small beautification steps have paid big dividends—in terms of new businesses and general

prosperity—while Van Nuys Boulevard, one of the Valley's main streets, grows shabbier by the day.

"In order to get something for our area," he observes, "we have to go downtown. That's an hour's drive to start. Then we have to convince Council members from all over the city. They say, 'why should you get something if my neighborhood doesn't?' Then you reach an impasse."

"Where I grew up in Connecticut," he reflects, "you had volunteers on all the local boards and anyone could walk in and talk to them to try to work things out." Spurred by that vision, Brain helped lead a successful campaign this fall to convince California Governor Pete Wilson to sign legislation allowing city neighborhoods to "detach," without the permission of their existing City Councils. (A majority of voters in the city as a whole will still be required, however.) He is poised to begin the work of obtaining more than 100,000 petition signatures necessary to get a regional advisory board (the Local Area Formation Council) to examine the issue, as required by law. With its approval, Valley secession can go on the ballot. For his part, Brain expects that it will—and that large parts of Los Angeles will follow suit in seeking to detach and incorporate on their own. "We've had interest from throughout the city and throughout the state."

In Miami, the process is, in some ways, already farther along. From his office as the chairman of the board of one of Miami's leading law firms, Eugene Stearns has already led a series of referenda campaign of the sort Jeff Brain has begun to envision. He is a

native Miamian, who has watched as the city has changed around him; a Sunbelt Anglo whose children have helped out in his referenda campaigns because they, unlike Stearns himself, can speak Spanish. There was a time when Stearns helped in the campaigns of former Florida Democratic Governor Ruben Askew, whom he served as chief of staff. But he had left political life to build up his law firm—until 1991, when he got word that two new 800-room hotels were planned near his home in Key Biscayne—an area of 8500 residents which was itself part of so-called "unincorporated" Dade County. Key Biscayne residents had no local government; their police, fire and garbage pick-up were provided by the county government, itself housed, ironically, in a high-rise office building in downtown Miami. (The city of Miami has its own government but is also part of the county.) "I figured, you know, I was a fairly connected guy and I wanted to do something to get this hotel decision re-examined—not necessarily to block it entirely but to scale it down some. And I was told, 'this is a done deal, forget it'." His unexpected sense of powerlessness led Stearns to reflect on the overall quality of services in Key Biscayne. Despite a well-known name and an affluent population in its waterfront condos and pastel Mediterranean-style homes, its streets and particularly its recreation areas were in poor repair. As in the Valley in Los Angeles, nearby independent municipalities—even far more bluecollar areas such as Miami Shores, where police and school teachers tended to live—offered better public facilities. And, as in the Valley in Los Angeles, political representation was dilute—just 13 county commissioners for 1.5 million county residents who lived outside the core city of Miami (which had its own government but was also represented by members on the county commission). Stearns became convinced not only that centralized government made it too difficult for citizens to influence decisions about their neighborhoods but that

the costs of bigger government , with its layers of management, took funds away from the kind of capital improvements—new baseball fields, new public docks—which he and his neighbors wanted to see and directed them into unproductive bureaucracies.

Rather than fighting specific policies, Stearns decided to lead an independence movement. “It all comes down to bigger isn’t better,” he says. He proposed to incorporate Key Biscayne as a village with its own village council and full-time manager. In November, 1992, his incorporation referendum passed with 70 percent of the vote. Since then, Key Biscayne’s assessed property valuation has risen by some $800 million, thanks, in part, to an increased attractiveness based in new, locally-financed capital improvements, says Stearns,—and Gene Stearns, from an unlikely nerve center in his dark wood-paneled corporate law office, has become the leader of an incorporation movement in south Florida, offering his law firm’s services pro bono to leaders of four other similar referenda, with others in the offing. He is godfather, if you will, to the new municipalities of Pine Crest, Aventura and Sunny Isles, as well as his own Key Biscayne.

Perhaps his most interesting fight, however, was a setback, at least a temporary one. Stearns provided legal advice for one Shirley Gibson, a black retired policewoman who proposed to carve out an independent, 80 percent African-American municipality from the subsidivisions surrounding the car dealerships and race tracks on Route 441, north of Miami. Gibson, who had started her own small business (a combination beauty supply shop/private investigative agency!) felt—like Gene Stearns, or Jeff Brain, for that matter—that the area she proposed to call Destiny, Florida—a place to which upwardly-

mobile black families were moving from inner city Miami neighborhoods like Liberty City and Overtown—was fraying, unnecessarily.

"We had the worst bus service, the worst parks, the worst police protection," recalls Gibson, "The kids couldn't drink out of the water fountains in the parks and the bathrooms didn't work." Yet Gibson was told by county planners, in effect, that she should be grateful for what she had—that the proposed new city was a "recipient community"; it received services valued at $21 million and paid but $17 million in taxes. It was a logic Gibson rejected, believing instead that the high overhead costs of centralized county government ("I'd been a policeman; I knew that you had six layers of supervision in a big department and only two in a smaller one") ate up tax money before it could reach her neighborhood parks. Stung, too, by the term "recipient community," which she associated with public assistance, Gibson, with Stearns' help, led the campaign, in 1995, to incorporate Destiny. It is a fight she would likely have won, were it not for the fact that the Miami Dolphins' football stadium stands within the proposed new municipality. Owner Wayne Huizenga, concerned about the potential tax treatment of the stadium by a new local government, led an opposition which outspent Destiny advocates almost 10 to 1 ($300,000-plus to $40,000), emphasizing possible job loss faced by middle-class black families many of whom worked for government. Destiny failed to gain incorporation by 700 votes of 5,500 cast. Gibson does not rule out another referendum, although a change in the law now requires the permission of the sitting Dade County commissioners. Significantly, though, she reports that, since the referendum, services in her neighborhood have improved, a change she attributes to the mere threat of splitting off from the county.

The complaints of Jeff Brain, Gene Stearns , Shirley Gibson and their counterparts elsewhere are, indeed, intensely local. And yet all three believe there are lessons in their own situations which transcend local issues. “When you have your own city,” says Gibson, “you can build what you want, make rules unique to your area. You don’t have to make rules for a million and a half people and worry about what they all want.” In suburban Tucson, the leaders of the movement called Citizens for Incorporation sound as if they’re reading from the same script. Incorporation leaders Lan Lester and Steven Shochat, chairman and vice chairman of the Committee to Incorporate the Town of Totolita , which succeeded in forcing incorporation of the new town of 3000 residents, write: “What the residents expect isn’t soccer fields or street lights but genuine representation. They expect to have a voice in the next rezoning or the next local appropriation of tax money.”[6]

The reasons to believe that these incorporation and secession leaders are right begin with history.

The historical preference for smaller governments

The advocates of metropolitanism would have us believe that the tide of history is with them, that, as Americans become familiar with the rationale of centralized city governments, they will support them. Rusk, for instance, makes much of the consolidation of formerly independent municipalities, not only in New York but in Philadelphia, Pittsburgh and Boston. “Popular opposition had to be overcome,” he writes, “but the

effort was worthwhile. These new governmental structures served their communities well for many decades."[7] In fact, these sort of consolidations were not undertaken for the reasons Rusk and others put forward today. As the urban historian Jon Teaford has pointed out, the creation of the city boundaries which have become familiar represented less a belief that bigger was better than a rather brief moment when consolidation was the means for newly-developing areas to tie into what were viewed as the superior services then offered by core cities. "The momentum for annexation/unification," writes Teaford, "reflected the desire of middle-class suburbanites for … professional police, fire, sewage, water systems and arc (street) lighting."[8] By the 1920s, other means short of consolidation—typically special-purpose "districts"—had been devised to hook new suburbs into regional infrastructure, and suburbanites stopped joining central cities. Observes the historian Sam Bass Warner: "Metropolitan agencies, by building a unified drainage and water supply for the whole metropolis, put all the region's towns in a position to meet modern standards."[9]

In fact, Americans, with limited exceptions, have, historically, supported the creation of more local governments, not fewer, even when given the chance to vote for mergers and annexations. "The American system is one of complete decentralization, the primary and vital ideal of which is that local affairs should be managed by local authorities," wrote the legal observer Thomas Cooley in 1868.[10] Municipalities have, historically, differentiated themselves from one another for good reason. The formation of independent cities and towns helped the economic take-off of the late 1800s; it helped prevent tension between immigrant and native-born; and it allowed the upwardly mobile to

establish communities which reflected their hard-won new social status. Industrialists—such as those who founded their own city south of Milwaukee in which to locate a meatpacking plant—sought havens from regulations that stood in the way of business formation. These may have been "tax havens" for owners but they nonetheless generated income for employees which supported the property values of nearby residential areas in other municipalities. Distinct ethnic and cultural groups carved out their own niches—such as the once "dry" towns of Pasadena and Compton, California, which used local control to keep out all US

cohol. Independent jurisdictions, then, are one of the means in which a nation as diverse as the US develops a modus vivendi among peoples of different values and backgrounds. (It's worth noting that Shirley Gibson, in Florida, was motivated, in part, by the feeling that African-Americans might well get the short end of the stick from a county government dominated by Hispanics.)

Even as the drums have beaten on behalf of metropolitan government, the numbers of local governments in the United States have continued their historically steady rise. From 1952 to 1992, the number of municipalities in the US rose from 16,807 to 19,279.[11] Notwithstanding a few celebrated instances in which core cities merged with their surrounding counties to form "metro" governments (Jacksonville, Indianapolis, Nashville), the last half of the twentieth century has seen steady rejection of the idea. Champaign and Urbana, Illinois have twice rejected consolidation, even though they're known as single college towns. Knoxville and Richmond-area voters rejected city-county consolidation, as did voters in David Rusk's own Albuquerque (albeit before Rusk's tenure as mayor).[12]

And in those few areas that did adopt metro governments, suburbanization has continued apace—and metro governments have generally stalled at their original lines.

Of course, it is possible that voters are simply wrong or short-sighted in rejecting metro government. There are good reasons, however, to think they are right.

The myth of efficiency

Key to understanding the shortcomings of metro governments is the fact that not everyone wants the same set of services from their local jurisdiction. Some may care most about education, some may care more for parks and recreation, some may want to clean the streets three times a week. Forty years ago, in a brief but classic eight-page essay, the economist Charles Tiebout argued that local governments do more than coexist side-by-side. Instead, they compete with each other for residents by offering different packages of services.[13] Because of localism, in other words, government is not a monopoly. Of course, wealthier communities can provide more amenities than poorer ones; that's part of the incentive structure of a free market economic system. But even at equivalent income levels, governments can differentiate themselves. If they fail either to provide what people want, or fail to provide at reasonable cost, residents can "vote with their feet," wrote Tiebout. When cities lose residents, property values fall, leaving remaining residents with a powerful incentive to figure out what's gone wrong.

I can attest, through personal experience, that Tiebout-style dynamics do, indeed, play out on the ground. Several years ago, I was asked to be part of a special "financial planning advisory committee"—all volunteers, by the way—to examine my town's cost levels for specific types of services. Almost immediately, the committee moved to obtain data as to cost per capita for each major service (police, fire etc.) from other municipalities considered comparable. Where our costs were out of line, the detailed work began. Why do our police officers take twice as much sick time as those in other towns? Is that a management problem or does it stem from the language in our union contract? Or are our police simply older on average than those on other forces? Most important, what can we do to improve matters? We were acting as Tiebout would have us act: "Public service agencies," he has written, "may be forced to compete over the service levels offered in relation to the taxes charged."[14] The authority on American federalism, Daniel Elazar, director of Temple University's Center for the Study of Federalism, observes that the success of some of the nation's most successful cities may stem in part, from the fact that they do not have one identifiable major unit of government. Elazar points to the fact that, in the Bay area, there are three mid-sized main cities (San Francisco, Oakland and San Jose) which both compete and cooperate with each other (complemented by the likes of Palo Alto and Sunnyvale in Silicon Valley), while Minneapolis and St. Paul, along with a smaller group of cities in the population range of 100-150,000, do the same.[15]

There is powerful, current evidence that the Tieboult model, indeed, describes reality, thereby threatening one of the pillars of the metropolitan government movement—that bigger government will inevitably and necessarily be more efficient in its delivery of

public services. New research from the Institute of Government at Florida International University, itself in the midst of what professor of public administration Milan Dluhy has called the “wave of incorporations” in Dade County, casts grave doubt on the efficiency argument. Dluhy examined the costs per resident for a wide range of core municipal services—police, fire, libraries, recreation, public works, trash removal/waste management—both in metropolitan Dade County and 24 “fragmented municipalities” within and around the County. Dluhy found that economies of scale—the ability to spread the same administrative costs over a larger number of employees, or, for instance, the chance to use the same number of garbage trucks to cover more ground—existed in only two areas: the provision of fire protection and library services. All the others—police, recreation, public works, waste management—can be provided at equal or less cost at the local level. Writes Dluhy: “When all municipal level services are added together and correlated with size, there are no economies of scale.”[16] Jane Jacobs put this view more informally in a recent talk in Toronto: “Anyone who has had to deal with a big city bureaucracy knows that the idea that bigger is more efficient is laughable.”[17] Indeed, the economists Richard Wagner and Warren Webber have found, in an analysis of 164 counties in 16 southern states, that consolidation and centralization led to greater spending, not less.[18] On the other hand, the economist David Sjoquist analyzed 48 southern metropolitan areas and found that the presence of competing local governments kept costs lower or, as he puts it, “the level of expenditures will fall as the number of jurisdictions rises.”[19]

Why exactly would costs increase after governments merge? One explanation involves the fact that, where there had once been variation in the types of services provided—Tiebout's "package"—the new consolidated government comes under pressure to provider the same higher level to everyone—but a lower level to no one. Communities which might have accepted once-a-week trash collection change their expectation and demands for service once they have consolidated with communities which had provided twice-weekly trash collection. Services, in other words, must logically rise to the highest expected level. Seeking the common denominator—and thereby providing more services of various types than communities would be willing to support on their own—inevitably raises costs. This process was described in 1974 by the federal Advisory Committee on Intergovernmental Relations, which found that consolidated governments expanded those services "that were not given much emphasis in the pre-consolidation period."[20]

The same "bigger is actually less efficient" insight appears to be true of schools, as well. Consider the work of National Bureau of Economic Research economist Caroline Hoxby, who has studied what she has labeled "traditional school choice": metropolitan areas in which lots of small municipalities each runs its own school district. A prime example is the Boston area, where, notes Hoxby, there are some 70 municipal school districts within a 30-minute commute from downtown. This contrasts with large "amalgamated" or "unified" districts, such as that of Dade County, Florida, which serves the entire metro Miami area (400,000-plus students), or the Los Angeles Unified School District which serves much of the Los Angeles area with its 800,000 student). In the Boston area, it's not uncommon for school districts to have only a few thousand students.

By Tiebout's lights, these many small school districts should compete with each other, not only trying to minimize costs but, within the confines of state regulations, offering various types and levels of education. The competition, in theory, should improve matters for all concerned. Hoxby has found that this is, indeed, so. After she controls for a wide range of factors which could explain variation (household income, race, region, family size, parents' educational attainment, among many other things), she found that even a fairly small increase in the number of districts (from 3 to 13, or one standard statistical deviation) resulted in a two percent rise in reading and math score, at the same time costs per capita per dropped 17 percent —perhaps, in part, because she found that parents attended school meetings and other school events at a rate two-thirds higher in small districts than their counterparts in larger "unified" ones. [21]

If competition among a range of small, public school both improves education and reduces costs, it seems like more than a coincidence that costs have been rising and education coming under fire during a period in which school districts have been amalgamating at a rapid pace. Indeed, it is in the provision of public education through larger, more centralized jurisdictions that advocates of metro-style government have been arguably granted their wish over the past 40 years. The number of school districts in the United States has declined from 67,355 in 1952, to 14,422 in 1992—fully a 75 percent decrease. Nor does it seem a coincidence that the same period saw a marked rise in the presence and power of teachers' unions. Larger jurisdictions simply put average citizens at a disadvantage. It takes time and formal organization to do the work necessary levels of service high and costs, quickly outstripping the capacities of all but the most-zealous

unpaid neighborhood activist. In contrast, larger jurisdictions favor public sector unions—with their paid staffs, familiarity with local officials and knowledge of "how the system works," leading to the possibility that they will skew local spending priorities to favor their members. The threat of the strike, too, clearly takes on greater power in a larger jurisdiction—the potential for disruption is simply that much greater.

Strikes may be the most dramatic ways in which an organized interest group—in this case, public employees—can control bigger governments. But the strike is not the worst outcome. Far worse, is the extent to which control drifts gradually and inevitably away from voters, as they realize the difficulty of influencing their government. In Los Angeles, Jeff Brain is fond of pointing out how much lower voter participation is in those parts of the San Fernando Valley which are part of Los Angeles than in those which are independent municipalities. (In the city of San Fernando, 37 percent of voters turned out in the most recent local election; in "valley" neighborhoods within Los Angeles, 20 percent.) This induced apathy of voters provides an ideal opening for organized groups of public employees, as well as private interests seeking economic gain, to advance their own agendas. Bigger government leads to the need for greater campaign spending by those running for office; unions and firms doing business with city governments can provide funds as well as the legions of volunteers on which campaigns rely. One needs a treasury of larger size to support the sorts of policies which Jane Jacobs has called "transactions of decline"—an increasing, and increasingly well-paid public workforce, which seeks to torque public spending toward its own pockets, as well as schemes to prop up older areas which have lost their economic raison d'etre, and an emphasis on "human services," rather

than capital investment. Bigger local government, in other words, provides the pre-conditions for private interests and public employees to seize control of the public purse. Arguably it is not just historical coincidence that the vast expansion of the public reach (public housing, public hospitals and so much more), as well as the unionization and electoral influence of public employees, has come to pass in the era after the consolidation of the five boroughs.

More local, more popular

Much of local government, though, has remained small—which explains why it is local government which is far and away the most popular form of American government. A recent (September, 1997) *USA Today* poll found that more than twice as many adults trusted local government "a lot" as expressed the same confidence in the federal government.[22] A 1995 Roper Center survey found that three times as many people (66 to 22 percent) believed that local government "should be most responsible for people's well-being" than thought the same of the federal government.[23] That view echoed an earlier (1991) Roper Center poll which showed that three times as many (38 to 13 percent) believed local government "spends your tax dollars most wisely" than thought the federal government did.[24] What makes local government more popular? For that matter, why should smaller municipal governments be any more popular than larger ones? The answer involves the same reason that local government is more popular than state government and state government more popular than the federal government. It is the same reason individual congressmen can be popular and Congress, as a whole, unpopular.

A large number of small jurisdictions increases the chance that groups of voters will be able to sort themselves out and pick the kind of representation which they, in particular want. Political scientists know this as the theory of the median voter. In a successful political system, government represents the median voter—that is, the most common preference in a jurisdiction. By this light, larger jurisdictions pose an inherent problem. Even if the median voter carries the day, in terms of which candidates win and which policies are adopted, there is inevitably a larger group of disappointed voters whose desires have been dashed. The title of James Pennock's 1959 essay on this effect in the journal *Behavioral Science*—"Federal and Unitary Government: Disharmony and Frustration" gets to the heart of this matter.

In contrast, metropolitan areas made up of patchworks of small municipal governments provide the venue for voters to congregate on the basis of what sort of place they want to live in. To those who consider issues of political economy, this is known political homogeneity—where voters generally share similar preferences, in contrast to political heterogeneity, wherein there are tensions among disparate voting groups. At the local level, those who want more spent on police and less on schools can live one place, those with the opposite view, another place. Those who don't mind large chain stores and don't care much about the design of signs or facades can live in one place; those willing to pay a premium to limit commercial development and insist on "design review" can live elsewhere. Which is to say that local government can most easily match its policies to the desires of its residents . This may help explain why it is so much more popular than the

federal government—which has taken on more and more tasks for itself but is not very likely to reflect a homogeneous preference. Dartmouth economist William Fischel observes, "Voters prefer a Tiebout world."[25]

The Growth Issue

But what if voters were simply misguided? What if they thought that smaller government served them better but, in the long run, it did not? This, in essence, is the new wrinkle added to the metro government debate by David Rusk. Rusk asserts that, for reasons he doesn't specify, "elastic" cities—those which are empowered to annex new-growth suburbs—will economically outperform "ineleastic" cities, which are frozen into historic boundaries. "Metro areas containing elastic cities," claims Rusk, "have had higher growth rates than metro areas with inelastic cities." If this were clearly true, the virtues of local control would surely have to be reconsidered. But, simply put, this crucial Rusk claim appears to be deeply suspect. The economists John Blair, Samuel Staley and Zhongcai Zhang, writing in the *Journal of the American Planning Association*, note a series of significant problems in Rusk's work.[26] The most important flaw may be a classic mistake—that of confusing correlation with causality. Just because cities which annexed their suburbs after World War II were cities which prospered, that does not prove that the annexations actually had anything to do with sparking the increased prosperity. And Rusk himself does not offer a theory of exactly how centralized government improves a region's economic performance. Just as important, however, Staley, Blair and Zhang, are unconvinced that Rusk has even proved that a correlation exists. They note that the cities

which Rusk singles out as elasticity success stories—he compares Houston to Detroit, Columbus to Cleveland, Nashville to Louisville, Indianapolis to Milwaukee, Raleigh to Richmond, among others—"generally outperformed (the inelastic cities) for reasons unrelated to elasticity." They criticize him for choosing newer-growth, non-manufacturing cities to compare to older, manufacturing-based counterparts during a type of manufacturing decline. And they question his comparison of state capitals to non-capitals during a time of governmental growth. Finally they note that if one compares the entire metropolitan areas of "inelastic cities," with the metropolitan areas of their elastic rivals, the former do not actually suffer much by comparison. Rusk himself notes that metro Houston, between 1950 and 1990, built new housing for 2.4 million new residents while metro Detroit built housing for 1.9 million. It's hard to believe that elasticity or lack of it had much to do with that relatively small difference.

Beyond these sorts of issues, however, there is good reason to believe that, not only does metro government not have much to do with economic vitality but that it can actually discourage, not foster, growth. In fact, it is quite plausible that the sort of older inner city neighborhoods about which Rusk's concern is greatest—they stand for him as the most telling evidence of the flaws of inelasticity—are, in part, the product of their having been caught within the big city governments we already have.

Consider what might be called the golden goose effect. New development—the golden goose—works this way. Communities are willing, indeed, eager, to accept development so long as they can be sure of increasing their tax base and improving the

level of amenities in their neighborhood (schools, parks etc.); that is, so long as they can get the golden eggs. Metro, or unitary government, changes this whole calculation. Suddenly there is no assurance that new tax revenues will be dedicated to improving their area. As Jeff Brain observes in Los Angeles, getting a sidewalk paved may entail building a coalition with ten other neighborhoods who need sidewalks repaired—and may not happen at all. Without the assurance that it will be able to make use of new taxes , a community's incentives change dramatically. Suddenly new developments bring a guarantee of costs but no guarantee of benefits. There may be no improved services or new school buildings in the areas asked to accept the new industrial park; the new tax revenue, if it's not simply absorbed in the administrative structure of the consolidated government, may well be applied in other parts of the city—logically those with the most political clout. These will, of course, not necessarily be poorer areas at all. In fact, poorer parts of cities, much as they would presumably be eager to attract new development, have reasons to be wary of it; poor neighborhoods may get the smoke and noise while, through the political process, more affluent neighborhoods get superior services. I can recall, as a young newspaper reporter, covering the story of a homeowner in Boston's Roxbury black ghetto who fought bitterly to close down a large neighborhood baking plant. In her view, she was asked to put up with noise and trash—and still to live in an area where streets were poorly swept and police response time poor. She had no incentive to tolerate small nuisances. It's noteworthy that concern over poor city services helped to motivate an unsuccessful efforts in 1986 and 1992 to begin the process by which Boston's Roxbury would secede from the city, taking the new name, Mandela. The same point—that poor neighborhoods may not realize gains by accepting development—helps explains

opposition to new superstore chains in New York neighborhoods. Who wants the traffic without some guarantee of improved services? As the political scientist Vincent Ostrom and economist Robert Bish have written, "The poor are most in need of neighborhood governments in which the costs of articulating demands can be kept to a minimum."[27]

This failure of larger government to ensure that citizens, in effect, get what they pay for and what they want is a variation of a much larger point made by Dartmouth economist William Fischel . Fischel observed—based on a close reading of its legislative and popular history—that it was no mere coincidence that the passage of California's Proposition 13 property tax limit initiative in 1978 followed by only two years that state's Supreme Court decision (in the so-called Serrano case) which held that educational spending must be equalized in all California's local school systems. It was once voters realized that paying more in property taxes would not buy their communities improved facilities or smaller class sizes, they decided simply to limit their property taxes overall. The tax limitation movement, Fischel has observed, in his essay "How Serrano Caused Proposition 13," was a "perfectly rational response after the court ruled that there could be no significant variations in local spending for schools due to differences in property tax base."[28]

As in the Serrano decision, the real agenda of the new generation of metro government advocates is not one of economic growth but , rather, redistribution. In his book's conclusions, Rusk reveals his true priorities: "It is not important that local residents have their garbage picked up by a metrowide garbage service or their parks

managed by a metrowide parks and recreation department. It is important that all local governments pursue common policies that will diminish racial and economic segregation. In baldest terms, sustained success requires moving poor people from bad city neighborhoods to good suburban neighborhoods and moving dollars from relatively wealthy suburban governments to poorer city governments."[29]

This is a bleak, pessimistic and unjustified conclusion. It is predicated on the belief that the poor will not or cannot rise through dint of their own efforts to themselves take their places in better-off (not necessarily wealthy) residential neighborhoods. It ignores the significant decline in the population of inner-city underclass neighborhoods over the past two decades and the growth in the number of racial minorities in the suburbs. It tells those who do reach better neighborhoods, through their own effort, that they should share the rewards of their work —both in terms of status and amenities—with those who have not made the same sacrifices. It ignores the history and workings of cities, which are places, as Jane Jacobs has observed, whose great historical function has been that of providing the venue to create the middle class, not to tax it to support their successors, the next wave of the poor. It assumes that, by placing the poor in a different economic environment, habits of thrift and industry will rub off on them, rather than understanding that it is the incentive of reaching a better neighborhood which encourages the habits of thrift and industry.

Stripped of its pretenses about efficiency and economic growth, the metro movement championed by Rusk turns out to be a movement to create—or really, enlarage,—a municipal welfare state. Rusk asserts that those who have fled the crime and

disorder of inner cities must be joined with those who have been "left behind"—as if the only way one can improve one's lot is at the expense of those who are poorer. Taxpayers who might prefer government which provides a menu of basic services—police and fire protection, public works, education—would find themselves, in Rusk's prescription, would instead be asked to underwrite a social service edifice erected in the name of the poor. Unconsidered is the possibility that it has been the large public administrations of central cities, as well as existing social service programs—public housing, public assistance—which have, in fact, contributed to the abject conditions which pertain in underclass neighborhood, and that expanding city borders to grab the wealth of those who have fled failed policies would simply extend the problem.

It is not enough, however, to object to Rusk's prescription. Public concern about conditions in poor neighborhoods demands that smaller, neighborhood-based government offer the hope of ameliorating such conditions. How might such improvement come about? Breaking up the cities holds the promise of providing poor neighborhoods with an incentive—and potentially the means—to serve as an engine of growth. Knowing for sure, just as suburbs now do, that they will benefit from new investment, both in terms of jobs and property tax revenues within their own control, would encourage poor municipalities to make their business climate an accommodating one—whether for developers, for small home-based businesses who might be zoned out elsewhere, jitney van drivers (such as those which spring up in Brooklyn but which are banned by authorities based in Manhattan) or street vendors wanting to congregate in outdoor markets. Do not doubt that citywide regulations are currently a disincentive to inner-city development. In Los

Angeles, for instance, businesses must pay a 12.5 percent business utility tax; in neighboring Burbank the tax is but 7 percent, in Calabasas but 5 percent and in West Hollywood nothing at all. Independent municipalities will have the option of limiting regulation and accepting employment-generating businesses which more middle-class areas may not want –but whose benefits may outweigh the costs in a poor community.. In other words, the financial incentives that come with breaking up the cities also provide reason for older commercial and residential areas, now within big city limits, to open themselves to renewed economic development—even if it means accepting waste recycling centers or other uses considered noxious by choosier communities. As Dartmouth's William Fischel has written," If all local governments insisted on pristine environments, there would no place to develop factories and homes, let alone the necessary nuisances of dumps and power plants.[30]

Would this be a "race to the bottom," wherein poor communities would be forced to sell out health and safety concerns to garner jobs? Not likely. State and federal standards would still pertain. In fact, arguably, there could be environmental as well as economic benefits to a new era of localism within cities. I refer here to the bugaboo of urban sprawl—the tendency of cities to swallow up the undeveloped land around them. Developers in search of cheap land and accommodating communities have, in the post-World War II era, pushed farther and farther out from the urban core, leading to environmentalist concern about a loss of open space and traffic-borne air pollution.. By allowing markets to function more efficiently, breaking up the big cities could actually help

reverse this development trend. Older, vacant and under-used inner-ring land could be far more easily rediscovered; the frontier of development could shift back toward the center.

This, it should be emphasized, is a far different approach than the status quo in New York and other cities: that of directing tax subsidy dollars to non-profit groups who pledge to fix up specific buildings in older neighborhoods—projects of dubious sustainability absent real economic vitality. I'm suggesting, in contrast, that neighborhoods have to find the highest and best use of their land and buildings (what Michael Porter has called the "comparative advantage of the inner city") in the marketplace, that it may be necessary, sometimes, for neighborhoods to hit bottom before they can head back up, and that setting poor neighborhoods free from big city bureaucracies may be part of this necessary process.

The fact that the Camdens and Newarks of the nation have not prospered as poor but independent cities, should not be taken as evidence that such a policy is wrong. So much of the focus of such cities has, in the past 30 years, been fixed on higher levels of government, seeking grants-in-aid for large public works projects or the rebuilding of formerly middle-class housing—even after the middle class has fled—rather than trying to figure out the economic advantages they might themselves offer. Poor but independent communities might, to be sure, become places where corrupt local officials take power; but they might, just as well, become places which can develop their own competent leadership—based on the exercise of real authority (in contrast, for instance, to the War on Poverty/"model cities" neighborhood boards of the 1960s, which, in essence, organized

neighborhoods to protest and lobby, rather than to take on the tasks of governance). Of course, abuses are possible but the safeguards of outside oversight—state auditors and comptrollers offices, for instance—would apply, as would the ultimate discipline, that of the ballot box. Again, however, to accept this form of localism, one must recognize the inevitability and, indeed, the value, of inequality amongst neighborhoods—tempered, in part, as I shall explain, by public policies such as revenue sharing and regional cooperation. Not everyone will be rich—but greater control over one's community allows one the chance to get the best quality of public goods one's tax money can buy, as well as to have pride in one's local institutions, whether the high school football team or local mayoralty. As Shirley Gibson, the architect of Destiny, Florida, puts it, " We're not all going to make the same amount of money and never will. But if you say that we shouldn't be incorporated because we're not affluent enough, I take that as a slap in the face." Moreover, it's worth noting that, among its other effects, metro-wide government would inevitably diminish the voting power of racial minority groups.

How things would work

Whatever the complications posed by very poor neighborhoods in a system of independent city neighborhoods, these should not obscure the tremendous potential benefits that will almost undoubtedly accompany such a system for the vast majority of neighborhoods. Not the least of these will be the new political cultures which will have a chance to take root, vehicles through which residents will have a chance to get to know each other, vehicles through which local elected officials will have more personal

relationships with constituents. What’s more, a so-called “polycentric” urban confederation would offer suburbanites some say over policies—including matters in a city’s central business district—which affect the entire metropolitan area. Here’s how it would work.

New Municipalities. Neighborhoods which already have their own, informal identity, and often times their own zip codes, would become formal municipalities, with the power to set tax rates and to provide services. This would be that well-known residential areas, many of which already have their own zip codes—Canarsie in New York, Dorchester in Boston, Germantown in Philadelphia, Rogers Park in Chicago, and, indeed, Sherman Oaks in Los Angeles—would become self-governing new jurisdictions. These neighborhoods-become-municipalities would be empowered to operate their own police and fire departments, make their own zoning and land use decisions, pick up their own garbage and clean and repair their own streets. This does not, mean, however, that each municipality will, in fact, do all these things. In effect, this system would put urban neighborhoods on an equal footing with suburban ones—which already have their own local police forces but also pay county governments to provide a many services—those whose cost need to be shared across a larger jurisdiction.

Municipalities will be free to decide which services they want to provide for themselves, and those for which they will contract—either with a private firm or with another public entity. In metropolitan Los Angeles, for instance, in areas outside the city limits, there are a large number of so-called “contract” municipalities (joined in the Los

Angeles County Association of Contract Cities) which contract, for instance, for law enforcement services from the county sheriff's office. (Some cases are extreme: the cities of Bradbury and Rolling Hills, California, for instance, have but a handful of employees and contract for all their services.) In Tucson, currently, there is ongoing discussion as to what price Pima County should charge newly-incorporated towns for, say, a week of a deputy sheriff's time. It seems plausible that, without being forced to do so, individual municipalities will figure out which services are better-provided through joint effort and which should remain local, as well as exerting new pressures on those with whom they contract to keep prices down. Miami attorney Eugene Stearns, leader of the Dade County incorporation drives, believes, for instance, that ordinary police protection is best provided at the local level but that the cost of such operations as bomb squads and swat teams—because they are rarely used by any one jurisdiction—should, logically, be shared. Similarly, it may make sense for municipalities to operate their own school systems—as suggested by Caroline Hoxby's research—but to form a buyer's pool for select goods or services. There are, moreover, a variety of services for which there are metropolitan economies of scale—as reflected by Milan Dluhy's "efficiency" research—and for which costs and revenues might be shared: airports, libraries, arterial roads. The most obvious means to handle such facilities would be through so-called "special purpose districts"—arrangements of convenience designed as a vehicle for municipalities to pool resources when they believe it makes sense to do so.

Independent municipalities have already taken to joining such special purpose districts with a vengeance: Census Bureau figures show that the number of such districts

increased by 6.9 percent between 1987 and 1992 (to a total of 31, 555), on top of five percent growth between 1982 and 1987 and an eight percent increase in the five years previous. Such districts can be seen as ways by which independent municipalities avoid shouldering a greater burden of fixed costs than they can economically take on. Indeed, should an urban break-up be seriously undertaken, figuring out which functions would be local and which would be regional—that is, supported not just by those new municipalities within the old city limits but by the urban metropolitan area broadly defined, perhaps through the vehicle of special district government—would be part of figuring out the terms of separation. This can be a delicate matter. In Virginia, 11 small cities, are considering giving up what, in some cases, is newly-won independence, having taken on functions (including fire protection and social service delivery systems) which they have found they cannot afford.[31] Similarly, careful terms of separation will have to be worked out when considering the levels of debt that would be inherited by new municipalities. The fact that a water treatment plant is located in one jurisdiction does not mean, clearly, that only the residents of that jurisdiction would become liable for the debt payments related to its construction. But what about school buildings or recreation facilities? "We expect," observes Richard Close, an attorney who has actively promoted San Fernando Valley secession, "that figuring out the terms of separation will keep a major accounting firm busy for several years." The obvious rule of thumb, however, is for a broad base of taxpayers to pay for regional facilities and for local taxpayers to pay for those which primarily serve the neighborhood.

Regionally Significant Areas. Not all public facilities, or even geographic areas, should be controlled by those who live in or near them. Eugene Stearns, the Miami attorney leading incorporation drives in that Dade County, used the phrase "regionally significant areas" for which policies would be set by voters in an entire metropolitan area, or by officials of special commissions appointed to represent the entire metropolitan area. In practice, this would mean that such entities as airport authorities, metropolitan-wide water supply and sewage districts and port authorities would continue to manage specific facilities. It would also mean that a metropolitan area's central business district would be governed by a Mayor and City Council elected by voters from the entire metro area. Who exactly would be eligible to vote? The Census Bureau already provides a framework for eligibility by delineating which municipalities—by virtue of their preponderance of economic ties—lie within a single "standard metropolitan statistical area." Those living within the New York SMSA, as defined by the Census Bureau, would be "New Yorkers"—as most of them already would say they are.

This would mean that voters from the new municipalities carved out of the city, but also but also from cities in Nassau and Westchester counties—and perhaps parts of New Jersey and Connecticut as well—would have the right to vote for a metro mayor and Council who would set policy for the central commercial district: midtown and lower Manhattan. (New York is unusual in having, in effect, two such areas.) Suburbanites, then, would have the chance to vote for the mayor of New York, at the same time they, and their brethren in older, inner city residential areas, would also vote for their own local

mayors. County governments, again, could continue to provide or contract for those services which do not make sense for localities to pay for by themselves.

Revenue-sharing. Breaking up cities does not mean that new municipalities would have to provide all their own services nor does not mean that they would have to raise all their tax revenue internally. Eugene Stearns—who envisions new municipalities such as Little Havana, Little Managua, and Coconut Grove (all currently part of the city of Miami)—proposes that 15 percent of local revenues be shared with poorer communities. "I want to make clear," says Stearns, "that this is not a rich man's attempt to avoid the cost of government." New municipal boundaries, stresses Stearns, can also be drawn so that poor communities can be split up amongst other, neighboring areas, to some extent. But no secession/incorporation movement will, indeed, get far without recognizing that this sort of regional revenue-sharing will be necessary to make sure that all areas have adequate police and fire protection, and decent schools. A floor below which school spending must not fall, however, is different than a ceiling which caps such spending. Crucially, this system would not aim at overall tax equalization, recognizing that the competition among communities to encourage development—by offering different packages of services and zoning for differing sorts of residences—is part of the way in which healthy metropolitan urban areas are built.

What about the property taxes generated by the central business district? This is a difficult question, especially in cites (New York being perhaps the best example) where taxes in so many residential neighborhoods are, in effect, subsidized by taxes generated by

the commercial areas. Are these taxes now to be shared across the entire metro area? Rather than fighting over how high taxes should be in such areas, and how to redistribute them, a better approach might involve a radical reduction in central business district taxes. Let the office buildings and residents of the economic heart of the city pay to support the actual services they require. Beyond that, let the economic value they generate be reflected in the property values—and property taxes—of the residential areas. Keeping commercial taxes low will keep high taxes from driving business away from cities—and preclude politicians from cutting deals with favored firms, offering lower taxes in exchange for staying put.

It is worth noting that it will be harder, as a legal matter, to incorporate those neighborhoods which are currently parts of big cities, than it is to incorporate areas which are considered "unincorporated" areas within counties. As a practical matter, absent new enabling legislation in many states, cities might have to dissolve themselves as a first step after which their component parts would be free to reincorporate. This is a dicey matter. In Miami—after the city teetered on the edge of bankruptcy—Eugene Stearns began a referendum drive to dissolve the city, so that Little Havana, Coconut Grove and other Miami neighborhoods could incorporate just as his own neighborhood of Key Biscayne had. The proposal was roundly defeated this past September, however, as Hispanic voters associated the dissolution of the city of Miami (a small jurisdiction of 350,000 within a far larger metro area) with a loss of political power. "The two-step process was simply too hard to explain," observes Stearns. Legislation making secession from existing

communities easier—as was recently signed in California by Governor Wilson—would change matters.

On some levels, this proposal represents a proposal for radical change. The neighborhoods of our big cities have long been bound together; residents think of themselves as New Yorkers or Chicagoans. But they also think of themselves as residents of Flatbush and Canarsie—but lack the means of exerting political control over the places they call home, in contrast to people short distances away in suburban municiapalities who have, in effect, greater rights to influence the places in which they live. But the strongest argument in favor of the possibility of breaking up the cities lies in the fact that the movement to do so has already, spontaneously, begun. David Rusk has written that we should not consider the "political geography of mature metropolitan areas" to be "immutable."[32] Just so—but not in the way he believes.

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[1] Quoted in Jon C. Teaford: *City and Suburb: The Political Fragmentation of America, 1850-1970*, Baltimore, Johns Hopkins University Press, 1979, p. 120.

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[3] David Rusk, *Cities Without Suburbs*, Second Edition, Woodrow Wilson Center Press, Washington, DC, 1995, p. 3.

[4] *South China Morning Post*, November 24, 1997.

[5] Myron Orfield, "The Need for Coalition," in *New Democracy Forum*, *Boston Review*, February/March, 1997, Volume XXII, Number 1, p. 10.

[6]Lan. A. Lester and Steven Shochat, "Communities Want No Part of Tucson Malaise," *Arizona Daily Star*, August 1, 1997.

[7] Rusk, p. 52.

[8] Teaford, p 42.

[9] Sam Bass Warner Jr., "Streetcar Suburbs and the End of Annexation in Boston," in Danielson, ed., p. 72.

[10] In Teaford, p. 5.

[11] United States Bureau of the Census, Census of Governments, 1992, Washington, DC, US Government Printing Office, Table 4, p. 4.

[12] Advisory Committee on Intergovernmental Relations, *Factors Affecting Voter Reactions to Governmental Reorganization in Metropolitan Areas*, Washington ,DC, US Government Printing Office, 1962, pp. 4-5.

[13] Charles M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, October 1956, pp. 416-24.

[14] Vincent Ostrom, Charles M. Tiebout, Robert Warren, "In Defense of the Polycentric Metropolis", in Danielson, ed., p. 234.

[15] Correspondence with the author , July 30, 1997.

[16] Milan Dluhy, *Designing New Governmental and Service Delivery Systems in Metro-Areas: The Case of Metropolitan Dade County, Florida*, Florida International University, Institute of Government, forthcoming.

[17] Remarks Delivered at Conference, Jane Jacobs, "Ideas that Matter," Toronto, Ontario, October 15, 1997. Conversation with Jane Jacobs and Ann Medina. Jacobs has been even more explicit as to her views on city governance. In an interview with Richard Seveso in the *New York Times*, April 18, 1968, she observed that "when a city reaches a large size, it can't be governed any more as if it were a town. It has to be governmentally divided, I think. Just because a city is a huge economic unit, it does not follow that it must be a huge governmental unit. You need differing administrative approaches and lots of experimenting which you can't get very well under centralized government."

[18] Cited in Sam Staley, "Bigger is Not Better: The Virtues of Decentralized Government," Cato Institute, Washington, DC., January 21, 1992, Policy Analyis #166, p. 20.

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[22] USA Snapshots, *USA Today*, September 12, 1997, p. 1.

[23] Roper Center at University of Connecticut, Public Opinion Hotline, Accession Number 0228795, Question Number 012.

[24] Roper Center at University of Connecticut, Public Opinion Hotline, Accession Number 0147095, Question Number 001.

[25] William Fischel, "Local Government," in *Regulatory Takings: Law, Economics and Politics*, Cambridge, Harvard University Press, 1995, p. 284.

[26] John P. Blair, Samuel R. Staley and Zhongcai Zhang, "The Central City Elasticity Hypothesis: A Critical Appraisal of Rusk's Theory of Urban Development," *Journal of the American Planning Association*, Vol. 62, No. 3, Summer, 1996.

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[28] Fischel, p. 284.

[29] Rusk, p. 129.

[30] William Fischel, "Local Government," in *Regulatory Takings: Law, Economics and Politics*, Cambridge, Harvard University Press, 1995, p. 269.

[31] Ann O'Hanlon, "Some Virginia Cities Find Freedom Too Costly: Several Consider Rejoining the Ranks of Towns," *Washington Post*, February 24, 1997, p. B3.

[32] Rusk, p. 52.