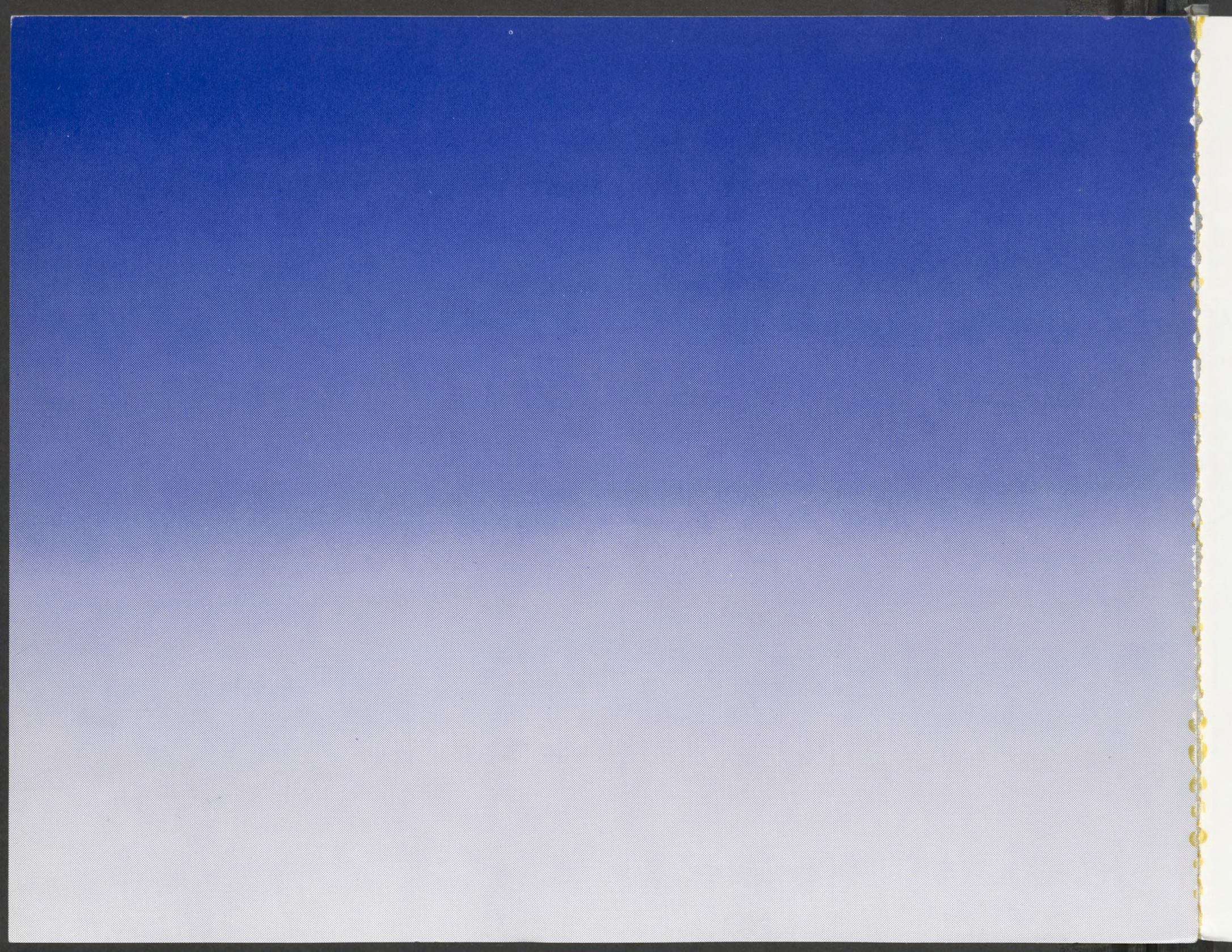


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# Recycling the Central City: The Development of a New Town-In Town



Judith A. Martin



**Recycling the Central City:  
The Development of a New Town-In Town**

**Judith A. Martin**

Portions of this book have already appeared in the *AIA Journal*, November 1977 and in *Prospects, A Journal of American Cultural Studies*, December 1977.

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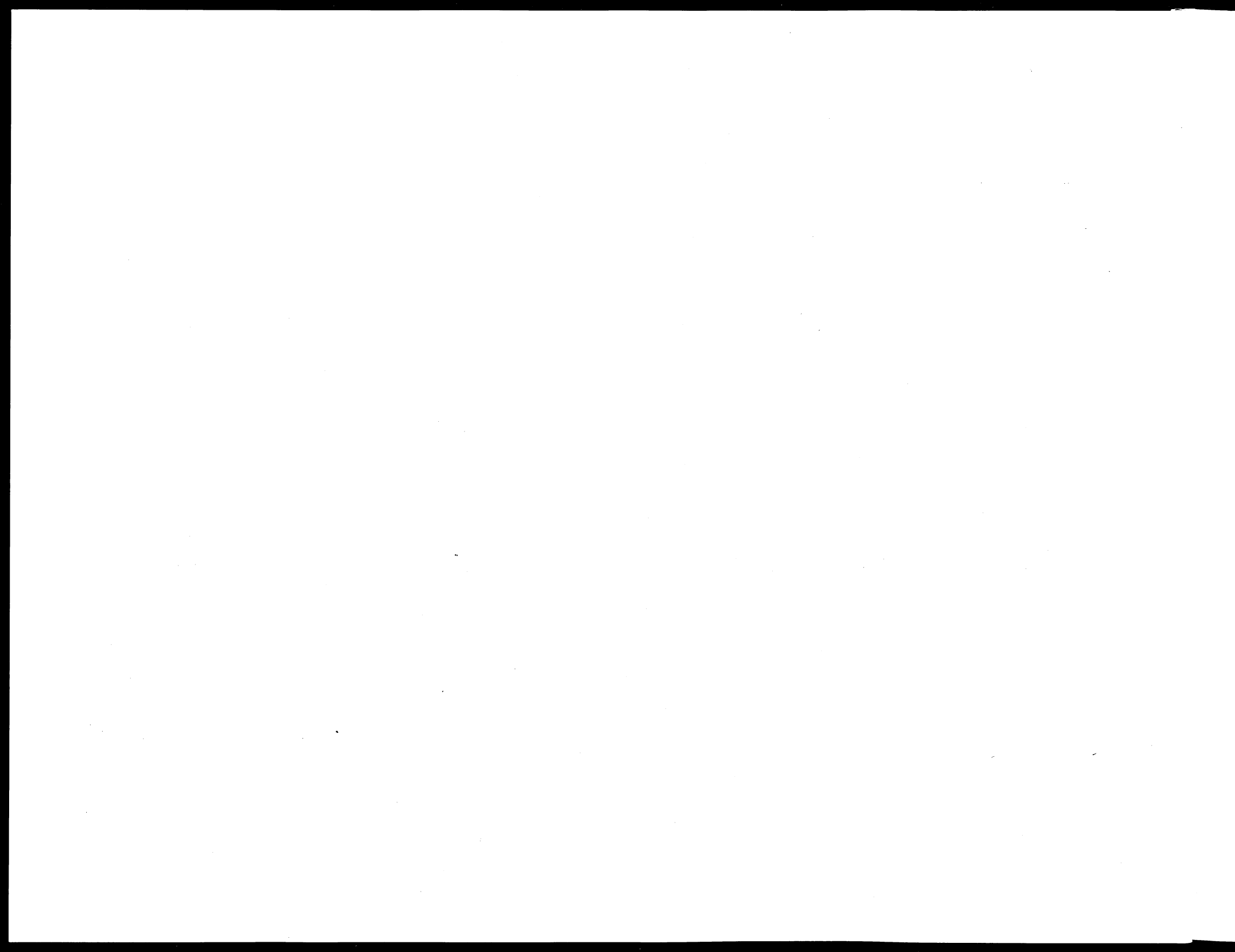
Many people contributed to this study, both at the thesis stage and in its current form. Although it is probably impossible to acknowledge all the aid I received, some specific thank yous are in order.

The Center for Urban and Regional Affairs funded the research for this project and provided great latitude in allowing me control over its design and implementation. Professor John Modell, who served as a supportive advisor and a thorough critic, was instrumental in getting me started on this study and provided intellectual stimulus throughout its duration. Professor David Cooperman also served in an advisory capacity, but more importantly was a constant source of insight; in addition he provided immeasurable assistance in dealing with the intensely political and emotionally charged aspects of this study. Professor Roger Clemence thoughtfully commented upon various aspects of the research and was a helpful critic of early drafts of the manuscript. B. Warner Shippee, who initially suggested a study of Cedar-Riverside, helped me refine the scope of the project, proved a valuable source for information and contacts, and provided a supportive working atmosphere. It is probably fair to say that without the cooperation of Keith Heller this study would not exist in its current form—his decision to grant me access to CRA materials was crucial and his willingness to provide further information was unexpected, but deeply appreciated. In addition, many CRA staff members, present and former city officials, and Cedar Square West residents shared their experiences and insights freely and honestly.

I am grateful to those who facilitated the preparation and production of this study. Rita Barrett, Patt Kelly, and Maurine Martin typed early drafts, in sometimes heroic circumstances. Judith Weir and Gerri Williams provided valuable editorial assistance.

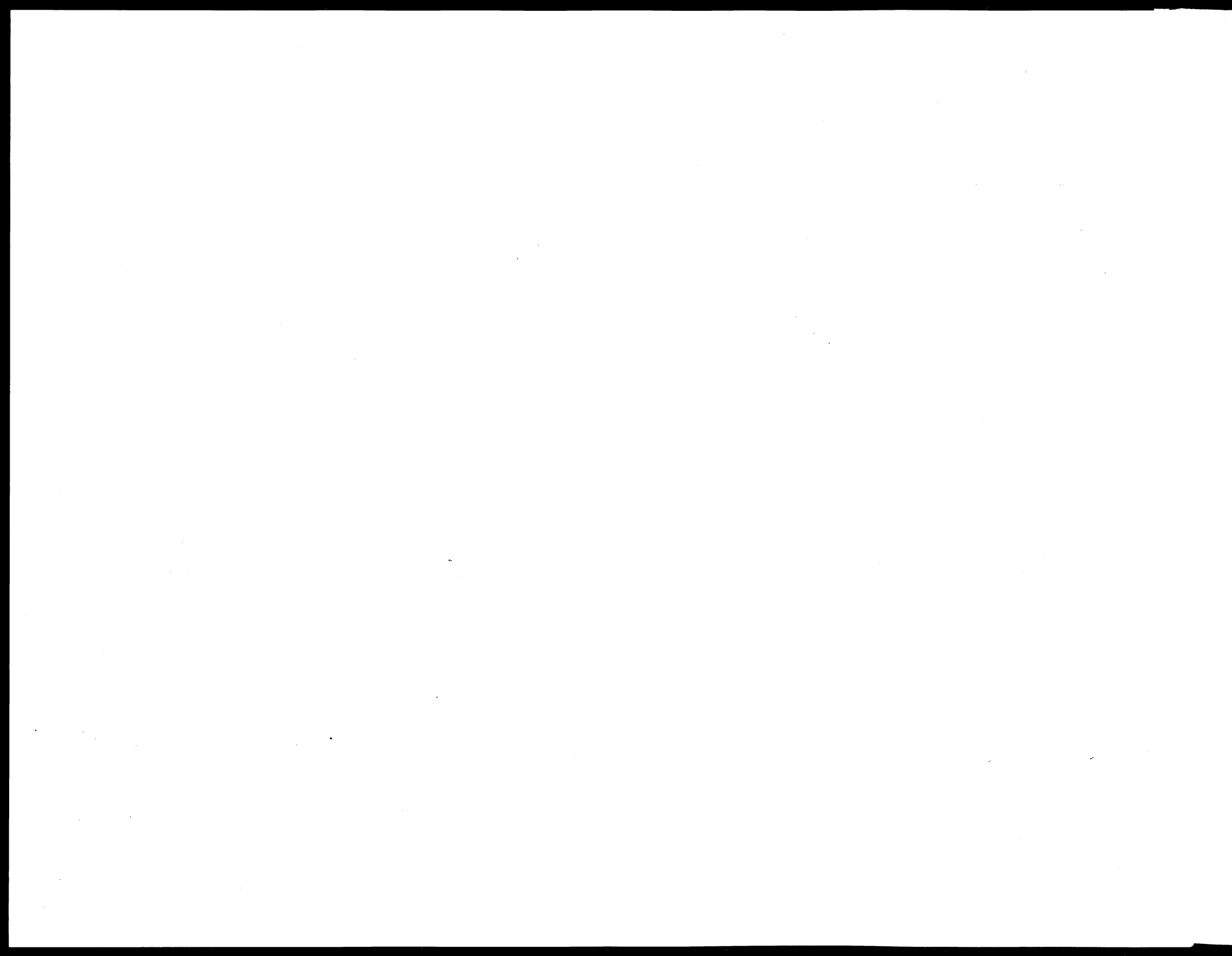
Finally, my thanks to several friends who helped relieve the inevitable tedium of thesis-writing: John S. Adams, who was encouraging enough to discourage job-hunting; James D. Fitzsimmons, who provided a variety of collegial criticisms and personal insight; John Vranicar, whose enthusiasm was infectious at times; and Gretchen Asmussen, who made me write regardless of the weather.

Judith A. Martin



# Contents

Foreword	ix
Preface	xi
<b>1</b> Urban Development: An Overview	1
<b>2</b> The Growth and Decline of Cedar-Riverside	9
<b>3</b> The Transformation of Cedar-Riverside Begins	25
<b>4</b> The New Town-In Town Emerges	69
<b>5</b> Stage I: The Place and Its People	109
<b>6</b> Cedar-Riverside: A Gain or A loss?	143
Epilogue	155
Bibliography	159





## Foreword

Judith Martin's history of Cedar-Riverside planning is a major contribution to a small but important literature describing and analyzing the planning of significant urban developments. It was researched and written, most fortunately, not only before the smoke had settled on the battlefield, but to a large extent before the battle was well under way. The battles themselves may to many be more dramatic and exciting than the history of planning. In the long run the latter will be of greater significance to urbanists and community developers. We are fortunate that the research was well along before lawsuits and controversy closed the records and silenced the people involved.

A major theme in the Cedar-Riverside story is the extraordinary complexity of the task Gloria Segal and Keith Heller undertook as they moved from small-scale real estate investment to assuming development responsibility for a major community. The complexity was embroidered and enriched by the values and personalities of the developers, both of whom seemed to relish the complications and rise to the challenge of labyrinthian process. Rarely have people undertaken to optimize so many different, sometimes incongruent, values.

Cedar-Riverside was to attempt to achieve in its planning all of the variety and richness that many American communities are striving for (or have given up on) after a century or two of life. Cedar-Riverside was to serve a variety of income groups and family types. It was to provide an exceptional living environment for children, for old people, for straight people and counterculture people, for blacks, whites, and American Indians.

It was to demonstrate advanced health care plans and sophisticated communication techniques. It was to reflect advanced technology in building, in site design, in energy conservation, in transportation, and in waste disposal. Arts and culture would flourish in a community of diverse souls who would find joy in their mutual association.

Everything had to be thought of and, if thought of, included. Cedar-Riverside must reflect the best design experience and better it. So the good things of Tapiola and Columbia and Reston and the student housing in Cambridge, Massachusetts, must come together in Cedar-Riverside.

Furthermore, in the end it had to make money.

The Cedar-Riverside history certainly suggests the impossibility of optimizing everything at the beginning. It does raise the question of priority and process. What are the essential values that must be in at the start? What kind of a good beginning will nurture the growth of other good things as people get used to the place and begin to build for themselves the common life Heller and Segal dreamed of?

These fine objectives and the eagerness with which they were frequently and publicly expressed opened up the developers to inevitable embarrassment. Many critics have been pleased to point out that the plans and the development, thus far built, fall short in one way or another of the utopia promised by the developers. For example, the developers promised an unusual amount of social and economic mixing, yet largely for reasons beyond their control, some segregation by building has occurred. What would have seemed natural to the critics in a normal development, becomes a strong rallying point against developers who promised differently.

The survey of residents conducted by Drs. Martin and Cooperman has proven very valuable. It brings the discussion back from the euphoria of the proposed ideal community to immediate problems and concerns of residents who are not looking for the New Jerusalem but only for the best housing arrangement they can afford. Thus, cutbacks which eliminate elevators are reflected in tenant impatience at long waits at elevator stops. The ideal of a mixed population made up of courteous people who behave themselves runs afoul of impolite children who misbehave. Children look at any environment including, most certainly, the high-rise building as a challenge to their youthful ingenuity and a terra incognita to be explored. Behavior that would be acceptable in a private backyard or a neighborhood alley becomes annoying and threatening to adults in a

multi-family development where almost everywhere is, in one way or another, a forbidden place.

One message comes through the Cedar-Riverside environment loud and clear: delays will kill you. A lesson every developer has learned is that every day on which development has to be put off is costly. They add up, sooner or later, to an impossible burden, as holding costs run up and the prices of material and labor inflate. This the opponents of Cedar-Riverside development knew well. They did not have to win the battles, they only had to delay and in the end they would, and did, win.

The history of most large urban renewal projects is studded with changes in the renewal plan, usually at the urging of developers who find that the ideas of urban planners do not fit the exigencies of the market. Not so Cedar-Riverside. The developers have stuck by the plan. The master plan for Cedar-Riverside, as developed by Cedar-Riverside Associates, and the completed segment, Cedar Square West, carry out in detail the objectives of the redevelopment plan adopted by the Minneapolis City Council in 1968. The opposition has largely objected, not to changes in the plan, but to elements that were basic to it. They don't like the high densities and the resultant high-rise buildings and are highly critical of the expansion plans of the West Bank institutions.

As a great American, Julia Henderson, once said of her compatriots in international organizations, "The trouble with Americans is that they not only want to be respected, but they also want to be loved." Dr. Martin describes how much, one might almost say how hopelessly, Gloria Segal and Keith Heller were involved in the Cedar-Riverside community and how responsible they felt towards it. It was hard for them to appreciate the interpretation community residents tended to put on their concern. Gloria Segal's poppyseed cake and very genuine friendliness must have reminded many of the young radicals of the old apron strings they had recently, painfully, and forcibly rejected.

So what is a poor developer to do? Operate from the downtown business tower and seldom appear, or walk the streets of the neighborhood night and day, accessible to anyone who has a comment, a suggestion, or a complaint. Segal and Heller took one road; one wonders what would have happened if they had taken the other.

If America's cities are to build anew and create new neighborhoods and whole new communities, in town, citizen participation and community control must move from the prominent part they have played in recent years of stopping development completely. They must take the long step forward and assume real responsibility and harness the imagination and ingenuity of the Gloria Segals and Keith Hellers and their distinguished planning team in the effort.

The Center for Urban and Regional Affairs at the University of Minnesota was pleased to support the research of Judith Martin, and I was personally very fortunate to have something to do with directing her attention to Cedar-Riverside. The results that follow are well worth the reading of anyone seriously interested in the future of urban America.

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## Preface

The following description of the events that formed Cedar-Riverside's transition from a deteriorating inner-city area to the first federally funded New Town-In Town is important in several contexts. My intention in presenting it is to encourage more critical thought about the problems posed by this kind of urban development as well as to create a context for evaluating solutions that operate apart from rhetoric and blind opposition. It is my conviction that a development like Cedar-Riverside raises at least as many questions as it answers, but that its lack of an immediate or easy solution does not justify instant condemnation. It has taken a long time for American cities to advance to their frequently blighted condition and it is unreasonable to expect any planning effort to quickly erase the effects which apathy, greed, and neglect have been allowed to impose.

There are, necessarily, many intellectual problems in confronting issues as complex as those raised by Cedar-Riverside's redevelopment. The practice of "living" history often presents contradictions and difficulties not encountered in more traditional historical efforts. Foremost among these, of course, is the problem of synthesizing various interpretations of events while concurrently attempting to sort out biases and prejudices which linger after an event has taken place. Equally pressing is the problem of trying to discover and account for the "hidden agendas" of participants in a project of this scale—what their motivations for involvement may have been beyond those they are willing to acknowledge or verbalize. An additional concern is a methodological one: evaluating the worth of documents vis-à-vis interviews and conversations.

As there are few established conventions for researching current history, particularly when the topic is politically sensitive and divisive, my approach was largely an ad hoc one. I used what documentation was available and tried to balance material from such sources against what I was being told in interviews. In general I followed journalistic standards in dealing with oral evidence: I was willing to regard something mentioned by more than two people as a relatively accurate representation of events. In some cases, the information gleaned in an interview could be checked against both the public record and the interpretations of others involved. Where it could not, and where the information seemed especially vital, some subjective judgments about the integrity and motivations of the informant were necessary. There may be some interpretive problems as a result of this, but I have no reason to believe that anyone misrepresented their impressions intentionally. Inevitably, the events described here take on a partial quality; in following the progress of redevelopment I devoted more attention to the process itself than to concurrent community activities, whether social or political. This is not to diminish the importance of the latter, but to emphasize that a situation of this complexity is better understood through a somewhat detailed examination than through a random overview of all components.

Much more remains to be learned about Cedar-Riverside, but it was never my intention to become the historian of a single urban development. There are certainly others more qualified than myself to specifically detail the growth of Cedar-Riverside—and undoubtedly someday the story will be told from the perspective of an insider, by one of the major participants. Instead it is my hope that the broad outlines which appear here will be sufficient to begin an examination of the potential for New Towns-In Town, and of their likely impact on the future of America's cities. The debate that Cedar-Riverside's redevelopment has sparked in Minneapolis is raging in many other cities as well. There is yet no resolution in sight, nor is it reasonable to expect any simple or clear-cut compromises to appear. What one can and must hope for is that debate regarding the future of our cities, or even of a single community, will be as informed as possible and will proceed out of a genuine concern for both the city and its people.

# 1 Urban Development: An Overview

For over a half-century America has officially been an urban nation. However, a significant upsurge of concern for the cities of the nation has generally not accompanied the increasing acknowledgement of the country's urban status. In large measure any serious concern about American cities has been halfhearted and grudging. Attempts to confront the reality of the nation's cities have had some success, but more often have been well-intentioned failures. Americans have yet to develop a consistent or coherent approach either to current urban dilemmas or to the future roles we envision for our cities. Though there are today a multitude of regulations impinging upon almost every aspect of urban life, the phenomenon called "the city" continues to be as problematic for us as it was for earlier generations of urban dwellers.

In no area are the difficulties of dealing with a city more apparent than with regard to the question of urban growth and future urban development. If most Americans know nothing else about cities, they realize that what we have come to call "urban sprawl" cannot go on indefinitely. In the past few decades most American cities have experienced either a slackening rate of growth or an absolute decline of total population within their corporate limits. This has of course meant that all of the benefits as well as the problems attendant upon the process of growth and expansion have shifted to the suburbs, and the urban landscape has spread farther and farther away from the central city. Clearly, future urban growth is becoming even more treacherous due to the ever-increasing amounts of land routinely added to existing urban systems. Future urban development, then, is a serious matter, and one eminently worthy of serious attention. This study is an attempt to look at one form of urban development that may have some influence on the future of our cities. The New Town-In Town is a relative newcomer in the development field, but it has a good deal of potential significance for American cities. For it is the only development tool which attempts to stem the tide of urban sprawl by redirecting growth back into the cities.

### **Aspects of the "Problem" of Urban Growth**

In the past decade there has emerged a general consensus which holds that most American cities are hopelessly problem-ridden. The list of troubles is seemingly endless: cities are too large and sprawled out; transportation systems are inefficient where they are not nonexistent; crime is rampant; politics and politicians are irrelevant; businesses and industry are moving to the suburbs; central business districts are losing money as well as patrons; once-healthy neighborhoods are becoming blighted; the air is polluted; and people are either discontented by all of this or terrified by it.

Historically, the serious problems of our cities have been solved either through patience—waiting for them to disappear—or through piecemeal legislation and regulations that occasionally succeeded. There has never been a systematic or thorough attempt to deal with existing urban disorders. Thus, our current awareness of problems and our frantic search for solutions have no antecedents which can serve as a guideline or as a measure of success. On the few occasions when concerned people tried to confront urban problems in more than a cursory way—for example, the Pittsburgh Survey of 1909, the 1920 Regional Plan for New York, and Burnham's grandiose 1912 Plan of Chicago—they often were dismissed as "do-good" liberals or their efforts defused by a lack of legislative support. The record of American citizens and of their political leaders with regard to acknowledged urban "problems" has not been an enviable one. The problems facing American cities today need more than sympathetic concern and a demonstrated desire to listen to potential solutions. They need legislative action that can be implemented as well as proposed. Otherwise cities will continue to follow the historical pattern of decline through neglect and apathy.

Urban growth has historically been the near-exclusive province of real estate speculators and private developers. Always an unregulated and chaotic phenomenon, the profit motive has been the solitary guiding light of the entire process. Few have yet proposed that the arena of urban development should be closed to the private sector, and it is both unlikely and unreasonable to expect that such a radical shift in priorities and tactics might actually occur. But even those who most adamantly favor private land development are beginning to realize the necessity for some kinds of regulation and control. The urban development process cannot extend itself indefinitely without eventually reaching the point of negative returns upon investments made.

Still other problems of American cities have begun to spread beyond official city limits, thus further complicating the growth issue. To the old pattern of congested neighborhoods and a deteriorating housing stock has been added an increased influx of black or poor migrants who have been denied access to the basically middle class aspirations and values which shape urban life. Further complicating all of this is the appearance of the automobile which accelerated middle class suburbia's development, only to have the process of invasion and succession overflow into the suburbs as well. And because the system has become self-sustaining it seems now only to change for the worse. As one urbanist argues, ". . . we do not face an urban crisis brought on by some sudden disaster; we suffer from a heightening of chronic urban disease."<sup>1</sup>

## **Current Needs and Responses**

One look at the way in which our cities have developed reveals the well-known American tendency to waste. Historically, we have wasted either entire cities (such as the old ports and regional trade centers) or large sections of cities when they no longer seemed useful or appealing to us. Usually nothing cataclysmic happens to initiate the process of waste. People get tired of a certain neighborhood or city, feeling that they can do better socially or economically if they move elsewhere. For a multitude of reasons, Americans are an extremely mobile people and, as critics have noted, lack attachment to the places in which they live. And when people move on, these places get left behind. Often the cycle of neighborhood succession runs its full course as an area is transformed from upper-income, high status occupants to transient occupants in lower-income rooming houses and tenements.

This pattern is a natural result of a situation in which people use what they have fully and then proceed to something better. But once a neighborhood or a city takes on even the subtlest appearance of decline, it becomes quite difficult to reverse this trend. Without malice or forethought, neighborhood after neighborhood and city after city become dilapidated and cease to grow, while former residents mourn the decline of "the old neighborhood" and never suspect that they had a part in this process.

Until the past decade this was the way urban growth proceeded. Most city dwellers felt little sorrow about moving ever outward because land was plentiful and services—sewers, roads, and schools—would be provided. Not until the full bloom of the freeway era in the 1950s and 1960s, when it became quite common for many urban residents to spend several hours daily driving twenty or thirty miles each way from their homes to their jobs, did anyone really begin to question the logic of unlimited urban sprawl. For the tendency to move from one neighborhood to the next in search of physical expressions of prosperity had created single urban landscapes whose perimeters, by the 1960s, often measured fifty to one hundred miles across and overran both county and state boundary lines.

Little was done or could be done to stem the tide of sprawl, even where such a desire existed. The system had become self-perpetuating. The existence of massive freeway networks—and of gasoline taxes earmarked solely for their continued construction—was supplemented by the

seemingly boundless American enthusiasm for the single-family detached home as a preferred type of residence, and the two factors combined to assure that outward growth and migration would continue. Urban sprawl has been the major problem that the developers and supporters of New Towns-In Town have chosen to confront.

The time has come to devise new solutions to the problem of urban growth, if we assume that growth will continue to be a component of our urban life in the future. It is a simple fact that cities cannot continue their expansion outward any longer. The limitations of our urban resources do not mean that cities must stagnate, however. Rather, to channel growth inward could mean the revival of many parts of the city, as ways are found to concentrate existing resources.

But it is not enough to merely decide to recycle large amounts of in-city land. Hard decisions must be made about which land can or must be reused and how it will be used. It is not enough to decide that severely blighted areas housing a poor population should become areas of new housing for the upper-income levels of the population. By and large this is what the existing urban renewal program has done to some degree: removed people who could not pay for decent housing in the first place from the relatively inexpensive shelter they occupied and replaced their homes with office towers and high-rise luxury apartments.<sup>2</sup> This policy has only aggravated the severe housing shortage that existed in cities for those with lower incomes and has created even more housing opportunities for the well-off, who least need such benefits.

For an urban land-use policy based on a principle such as recycling to succeed in more than a token way, residents' ability to pay cannot be the major consideration. There must be some consideration of things other than who can most easily pay the price. It is no secret that in most conventional urban renewal schemes, the burden of land costs falls on the federal government and not on those who eventually occupy the land. If the government is going to end up paying no matter what is done, perhaps it would make more sense for it to pay for what will not be done privately—namely providing housing and services for all levels of the population, but with special attention to the needs of those who cannot afford to do this for themselves.

In the last twenty years, federal renewal policies have toyed destructively with urban community structures. Many people have been relocated so often, or have had such bad experiences in the process, that they desire nothing other than to be allowed to forget it all.<sup>3</sup> It was thus a great surprise to many city officials in the past decade when residents of several areas slated for renewal protested the action by arguing that their communities were not, in fact, either slums or blighted areas. The experience of taking the land and homes of the poor without replacing them had indeed left a mark. When the residents of Chicago's near West Side protested the destruction of their homes for the creation of a university campus it was a revelation to both city officials and other citizens that anyone considered that area a "community" or that they felt so strongly about it.

This was only an early indication that the response to urban renewal varied with the group being threatened. Whereas most renewal schemes were directed at land occupied by poor blacks or other minorities, some struck at areas that had a strong ethnic identification and had residents who were not intimidated by the prospect of opposing bureaucratic schemes. Also, in the past decade community organizers have become much more sophisticated regarding the tools of opposition to proposed plans, and advocacy planners have become more interested in ways to rehabilitate rather than remove existing communities. All of these things have fostered a mentality of questioning rather than acquiescing to many proposals for urban communities.

In the past few years these factors have led to a great deal of indecision and some amount of hesitancy among those who guide the renewal process. No one wants to be responsible for stirring up community hostility. Quite recently the pendulum of renewal has begun to swing back from a position of willingness to rid the city of all blight—as defined by the renewal agency—to one of

reluctance to proceed in any new area. And this change in attitude was only aided and abetted by the impoundment of federal renewal funds during the Nixon administration. American cities then were unable to use the only recycling tool at their disposal and there were few prospects for any more workable measures in the near future.

### The New Town-In Town Approach

There is, however, one other tool for recycling urban land which is more comprehensive than urban renewal and more efficient than simple housing rehabilitation. This is the New Town-In Town. As first envisioned by Harvey Perloff, these would be inner-city locations rebuilt to provide housing and commercial facilities for a more diverse population than was currently being served in an area.<sup>4</sup> The original proposal was for Hyde Park, the University of Chicago neighborhood that was becoming blighted in the 1950s. It called for the encouragement of an integrated community through the creation of a development corporation. This community would have a broad plan as its base and would involve stages of both rehabilitation and new construction, the creation of a "lighted center" (an entertainment, leisure, and shopping area), and a variety of public and private facilities. Perloff did not advance his proposal as the key to solving all of the city's serious problems. Rather, it was a new approach to urban redevelopment, one that had as its focus the creation of attractive and viable communities, rather than simply slum clearance or limited housing rehabilitation.

The key was the word *community*. A New Town-In Town had to encompass an area large enough to support a wide range of commercial and public facilities, as well as industrial and service occupations.<sup>5</sup> The ideal population size was thought to range from 50,000 to 100,000 and the New Town sites were to be communities in which an environmental transformation was necessary. That is, although it was obvious to many that some urban communities could approach this kind of development with little aid (for example, New York's Greenwich Village, or Georgetown in Washington, D.C.), the vast inner-city gray areas could benefit most from a deliberate program of New Town-In Town building.

Some existing urban redevelopment projects seem to reflect New Town-In Town ideology, at least tangentially. Obvious examples include Philadelphia's Society Hill, Chicago's Carl Sandburg Village, and San Francisco's Golden Gateway and Ghiradelli Square. It is interesting to note that due to political constraints, lack of financing, and the absence of public support, the New Town-In Town proposal for Hyde Park was only partially implemented in the form of a small lighted center and some townhouse construction near the middle of the community.

However, there are basic deviations from the ideal in all of the projects built so far: these are their failure to adhere to the total community concept, to include industry, and to provide employment opportunities as well as housing and commercial facilities. Nor does the housing that has been constructed in these areas even make a pretense of being intended for integrated communities. It is clearly aimed at middle-class professionals who are seeking an "atmosphere" as well as a residence. As such it is perhaps a valuable asset to a city, but does not even begin to address the problem of severe housing deficiencies for the poor and for minorities. It is this need, as well as the complementary one of providing jobs and social services, that has to receive attention in the process of urban redevelopment and which conceivably could be handled within the context of New Town-In Town construction.

This is certainly one of the ways in which the Cedar-Riverside project most strikingly commands attention. As the following chapters will demonstrate, the redevelopment of Cedar-Riverside has proceeded in a manner consistent with the original New Town-In Town ideology.



Attempting to implement responses to the needs just outlined will require changes in the perspectives of persons who are involved in development/renewal issues. Traditional ways of looking at the structure of urban communities must be superseded by more daring and less constricted visions. Accepted ideas about neighborhood homogeneity and strict separation of social class must be reevaluated in the light of the historical reality of urban communities. For it was only in the late nineteenth century, when transit improvements made substantial physical distance between social classes possible, that homogeneity and separation came to be the norm. Previously, both rich and poor, natives and foreign-born, had lived together in relatively confined physical areas. As Harvey Zorbaugh and others have shown, this continued to be a prevalent pattern even in some areas of the twentieth-century city.<sup>6</sup>

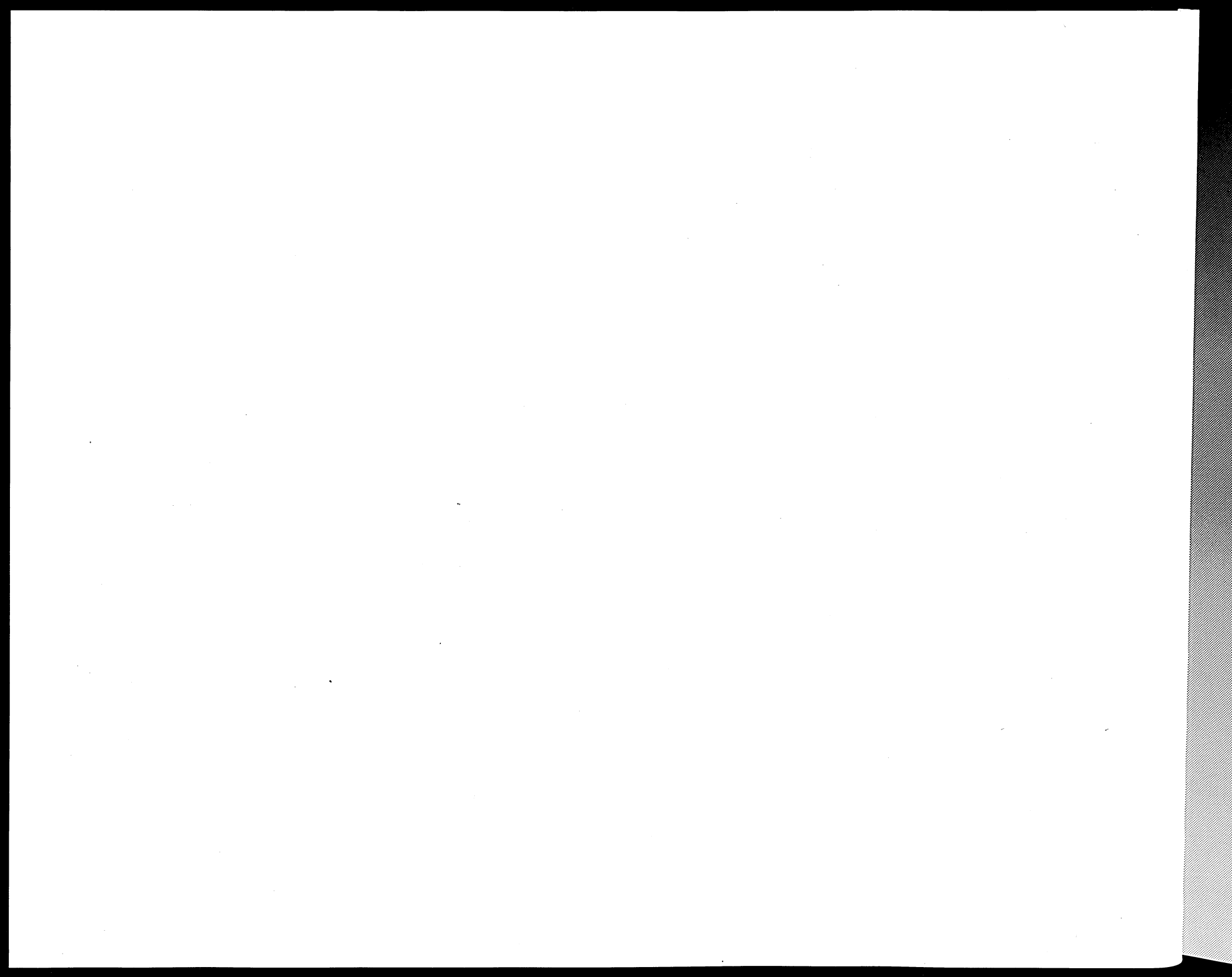
Although the mixture of socioeconomic extremes so attractive to Jane Jacobs and her followers, found in places like Greenwich Village, may not be the ideal of everyone—or even seem possible—it is an added indication that heterogeneity within urban communities is not simply an illusion.<sup>7</sup> The problem with implementing the creation of socially-integrated urban communities lies in our culturally limited views about what is possible in the realm of urban development. It is difficult for a society that has accepted homogeneous suburbs as its residential ideal to acknowledge the potential benefits to be derived from in-city redevelopment of a mixed socioeconomic nature. But this is precisely the kind of opportunity the New Town-In Town can offer if it is constructed in a comprehensive, rather than piecemeal, fashion.

The first comprehensive efforts to build integrated and diverse New Towns-In Town have only just begun. Many have been caught in the spate of rising interest rates that can be so crippling to construction projects; others have been initiated, and then delayed by the forces of inflation and recession. A good deal of disagreement in planning circles revolves around the question of whether projects of this type should be publicly or privately financed—and the indecision resulting from this debate is still another delaying factor.

The ensuing analysis will focus on the planning and construction of Cedar-Riverside, the first American New Town-In Town to be opened for occupancy. Located in central Minneapolis, this is the first project of its kind to receive federal funding. Cedar-Riverside is an excellent example of the kinds of opportunities available for redeveloping America's inner urban neighborhoods. It also offers much insight into the maze of difficulties that are bound to arise for anyone undertaking a venture of this complexity. For it is one thing to talk vaguely about the need for urban redevelopment, but it is quite another to actually become involved in this process. Many of those who are most vocal about city problems have the least understanding of their complex interrelationships. It is hoped that a thorough look at one major redevelopment project of this type will underscore the vast disparity between concern and positive action. It may ultimately be that an approach like that of the New Town-In Town will become necessary if our cities are to overcome misguided growth and economic paralysis.

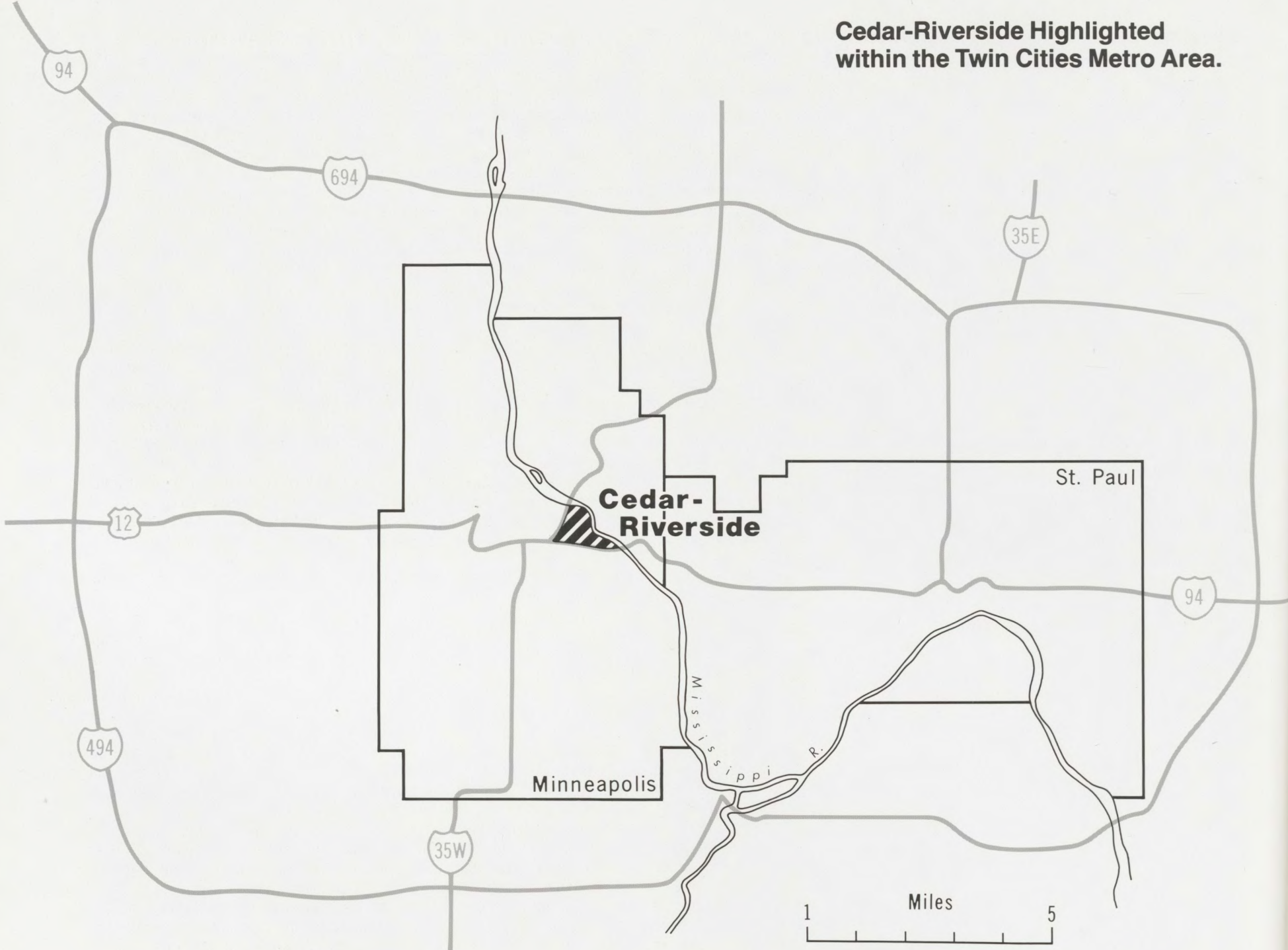
## Notes to Chapter 1

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3. Chester Hartmann, "The Housing of Relocated Families," *Journal of the American Institute of Planners*, 30 (November 1964), pp. 266-68.
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6. Harvey W. Zorbaugh, *The Gold Coast and the Slum: A Sociological Study of Chicago's Near Northside* (Chicago: University of Chicago Press, 1929; reprint ed., 1977).
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## **2** The Growth And Decline Of Cedar-Riverside

**Cedar-Riverside Highlighted  
within the Twin Cities Metro Area.**



## Historical Overview of the Riverside Area

The city of Minneapolis was incorporated in 1867, but the area around St. Anthony Falls developed during the 1850s as a lumbering and milling center. There were numerous jobs available, and the area proved to be especially attractive to German, Norwegian, and Swedish immigrants. The village of St. Anthony, on the east side of the river, quickly became over-crowded, and residential development spread across the Mississippi as soon as reliable ferry service was established. Just across the falls from St. Anthony, the central business district of Minneapolis took hold and flourished, while the outlying districts provided cheap housing for workers coming to the city. One of the earliest of these working-class neighborhoods was Seven Corners, located a mile east of the downtown close to the flour mills and lumber yards on the west bank of the river. Though beyond the town limits of Minneapolis, it became part of the city upon incorporation.

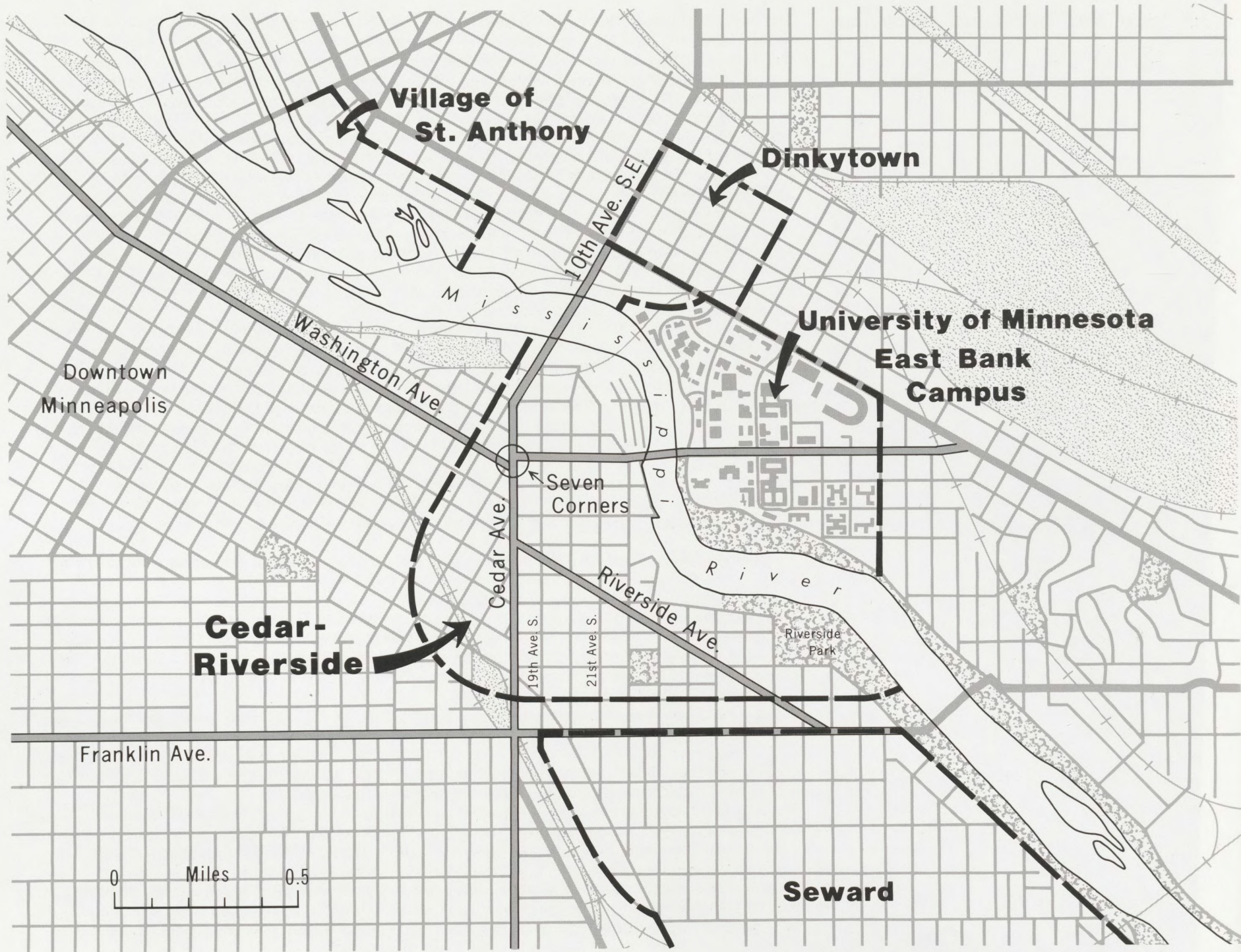
Known first as Seven Corners, then as Riverside, and later as Cedar-Riverside, this area was initially settled in 1855, mainly by German and Scandinavian immigrants. During the next thirty years the neighborhood developed rapidly, spreading south and east along the main thoroughfares. By 1890 approximately 8,000 persons lived in Riverside, two-thirds of them foreign-born.<sup>1</sup> Hundreds of small frame houses were hastily constructed prior to 1900 in order to provide shelter for the incoming population.

As was true for many urban neighborhoods that developed quickly in the nineteenth century, land use in Cedar-Riverside was a chaotic mixture of small residential parcels and commercial facilities. But it was home for the immigrants who moved there and the area soon became the center for Scandinavian activities in Minneapolis. There is a wealth of colorful memories which many attach to the Cedar-Riverside area and the distinctly Norwegian flavor of its saloons, drugstores, shops, and churches.<sup>2</sup> But there were many other nationalities represented among the immigrants in the Riverside area, not all of them leading enviable lives. In addition to the working-class Scandinavians, a distinctly poorer group, the Bohemians and the Irish who staked claim to the river flats, began arriving in the 1870s. While the residents of Riverside's orderly homes on the land above the flats were trying to prosper in the accepted American way, those living in the shacks below were merely trying to survive the yearly floods and their persistent poverty.<sup>3</sup>

The development of the Riverside area paralleled that of the rest of Minneapolis. Most of the working population of the area found employment in the lumber and flour mills located on the fringe of the community, but some undoubtedly worked downtown and elsewhere. Riverside was connected to downtown Minneapolis in 1875 by a horsecar which ran along Washington Avenue to Nineteenth Avenue. In 1876 this line was extended south along Nineteenth to Riverside and east to Twenty-first Avenue, thus providing effective service for much of the community.<sup>4</sup> Before becoming electrified, the streetcars were further extended along Riverside beyond Franklin Avenue and south on Cedar Avenue to Lake Street.<sup>5</sup>

By 1902, the Riverside area was almost entirely built up. It had schools, parks, stores, churches, a hospital, and a religious seminary. Its population peaked at 20,000 in 1910, but soon began to decline. By 1920, Riverside had served its primary function in the growth of Minneapolis. Like hundreds of other American communities of first-generation immigrant settlement, Riverside was merely a stopping place on the road to assimilation and prosperity.

The process of decline in Riverside was slow but inevitable. The community had several problems other than those normally attributed to a first-generation immigrant community. One was that, despite its overall "Scandinavian" character, there were obvious splits in the community. The Norwegians, Swedes, Germans, Czechs, and others all had their own churches, social organizations, and mutual aid societies. While there may not have been much outright conflict, neither was there much interaction among the groups.<sup>6</sup> A further complication was introduced in the 1930s when the established black neighborhood west of Cedar Avenue began spreading



Cedar  
system  
perpe  
north

Cedar-Riverside's pre-freeway street system, with streets laid out parallel and perpendicular to the river rather than within north-south grid.

eastward along Washington Avenue into Seven Corners. In this instance, as well, extreme social distance in the community precluded interaction or solidarity. The basis for communication or mutual understanding was continually eroded by the influx of new and different social groups.

The existence and proliferation of saloons also reduced community stability. Because Cedar Avenue had been beyond the city boundary when liquor patrol limits were set, it became the most accessible area in south Minneapolis to buy alcohol. During the 1920s and 1930s the traditional Scandinavian saloons were joined by or superseded by a growing number of liquor stores and bars attracting patrons from many places outside the Riverside community. Dwindling population and deterioration of the environment emphasized the social disorganization in the community. By 1940 the population of Riverside had dropped to 8,540.<sup>7</sup>

It would be inaccurate to label the Riverside community a slum during these years. There were still viable institutions in the area, notably the hospitals, churches, and Pillsbury House, the neighborhood settlement. The relatively stable portion of the population still felt attached to and committed to the community. But the effects of decades of neglect were becoming noticeable. A survey of housing done in 1934 by the Work Projects Administration called the Riverside area one of the most dilapidated in all of Minneapolis and suggested that most of its housing stock was in need of serious and immediate attention. The report noted the great number of houses located on back lots, the amount of overcrowding, the number of outhouses, and the number of absentee landlords, concluding that, with the exception of the Sumner-Field area on Minneapolis's north side, Riverside was in worse physical shape than any other community in the city.<sup>8</sup>

Along with the obvious physical deterioration of structures, some significant changes in land use began to occur. The western edge of the community became progressively inundated with small industries as the industrial strip between Riverside Avenue and downtown Minneapolis began spilling over. So the already confused land use pattern of small residential and commercial parcels became still more complicated as industry encroached. And, as in most American communities during the 1930s and 1940s, there was no new residential construction in Cedar-Riverside. The result was the already dilapidated housing stock deteriorated even more.

In 1948 the Minneapolis Housing and Redevelopment Authority (HRA) investigated a number of Minneapolis neighborhoods for potential renewal sites, including Cedar-Riverside. In 1952 the Minneapolis HRA admitted that Cedar-Riverside was seriously in need of renewal, but instead chose the north side of Minneapolis as its first project area. The site chosen included the Sumner-Field neighborhood mentioned earlier as the only one more blighted than Cedar-Riverside.

The community came out of the World War II period in a state of prolonged deprivation. The improvements it desperately needed could not be funded from within the community because many of the residents were still first generation immigrants with few resources. Nor would aid be forthcoming from a city government that was more interested in growth of the suburbs.

### Early Planning Efforts

The story of Cedar-Riverside's progression from declining inner city community to New Town-In Town site really begins in the 1950s. Population decline had stabilized for a time, dropping to 8,398 by 1950.<sup>9</sup> In 1950 the Minneapolis City Planning Commission prepared a report dealing with redevelopment for the Riverside area.<sup>10</sup> Plans incorporated into this report called for a total of sixty acres to be redeveloped; 872 housing units were to be removed and replaced by 1,248 new units. The general area to be affected by this housing replacement was between Nineteenth Avenue South, Riverside Avenue, Fairview Hospital, and the new highway along Washington Avenue—in large part an area coterminous with that later acquired by the University of Minnesota. New housing construction was to take the form of multiple dwelling units of three to twelve stories.





Cedar Ave  
signs.  
Washington  
century.

In addition to the proposed residential construction, the plan proposed major street changes in conjunction with overall highway plans, an extension of the Cedar Avenue commercial area in order to provide needed parking facilities, and expansion of the Riverfront Park Development, an earlier development project. The area north of Washington Avenue was designated for heavy industrial use. The redevelopment process was planned to be carried out in two distinct ways: industrial or commercial construction would be done by private individuals or corporations, and residential development would be initiated by the Minneapolis HRA.

Two critical elements of later Cedar-Riverside plans were already apparent in this early effort. Expansion of the principal institutions, Augsburg College and the two hospitals, was implicitly assumed and the proposed new residential construction was clearly intended for the market generated by the institutions. Though there were no direct results of this plan, it clearly indicated how city officials were coming to regard the Riverside area.


By 1958 the Minneapolis HRA was formulating plans for Cedar-Riverside. The community reacted vehemently to their proposals. The record of renewal in Minneapolis to that date seemingly worried many residents of the community. They had seen the north side land slated for renewal undergo total clearance, followed by the construction of lower-income housing projects. And they had seen the "skid-row" area north of the central business district cleared of housing and replaced by little more than parking lots. A prevalent fear within the Cedar-Riverside area was that little would be gained and much would be lost if renewal were authorized for the community.

Led by a coalition of business owners and homeowners, and fully supported by Sixth Ward alderman Red Christensen, community opposition to renewal proposals succeeded in forcing the Minneapolis HRA to back down. The business owners feared that they would not be adequately compensated for the loss of their establishments and homeowners felt that they could not afford to relocate elsewhere in the city. In addition, business owners and others felt that they should control and guide redevelopment. After an animated hearing on the issue late in 1960, the Minneapolis City Council decided early in 1961 not to approve plans by the Minneapolis HRA to implement renewal in Cedar-Riverside.


However, other events eventually overshadowed the narrow community concern about Cedar-Riverside. The University of Minnesota, located just across the Mississippi River, began in the late 1950s to look for a location in which to direct University expansion. The immediate impetus for expansion was a 1955 enrollment projection of 38,600 students for the Minneapolis campus alone by 1970.<sup>11</sup> But the need to expand was also made clear by the number of "temporary" buildings constructed by the University to handle the influx of World War II veterans in the late 1940s. All of these buildings were still in regular use in the late 1950s, and many were in fact overused and cramped. Once the decision was made to expand, the question of direction and location became critical. Because of the established east bank location of the University, the first choices for location of the expanded campus were the Dinkytown and Delta Field areas. But Dinkytown was a principal residential area for many students and faculty, and the razing of the athletic fields and their subsequent relocation would have been impractical. For these reasons and because of land costs, attention was turned elsewhere.

An indication of the grand visions some had for the University can be seen in one proposal that expansion be directed through southeast Minneapolis and into St. Paul in order to link the two campuses already in existence.<sup>12</sup> But more rational and less costly visions prevailed, and in 1958 the legislature appropriated \$1.5 million to buy land on the west bank of the Mississippi—in Cedar-Riverside—for University expansion.

The decision for the Minneapolis campus to span the river was not as preposterous as it may have sounded. The Cedar-Riverside area had long been connected to southeast Minneapolis first by the Washington Avenue Bridge built in 1884 and then by the Tenth Avenue Bridge built in 1885. Like many other blighted inner city communities, Cedar-Riverside had served as something

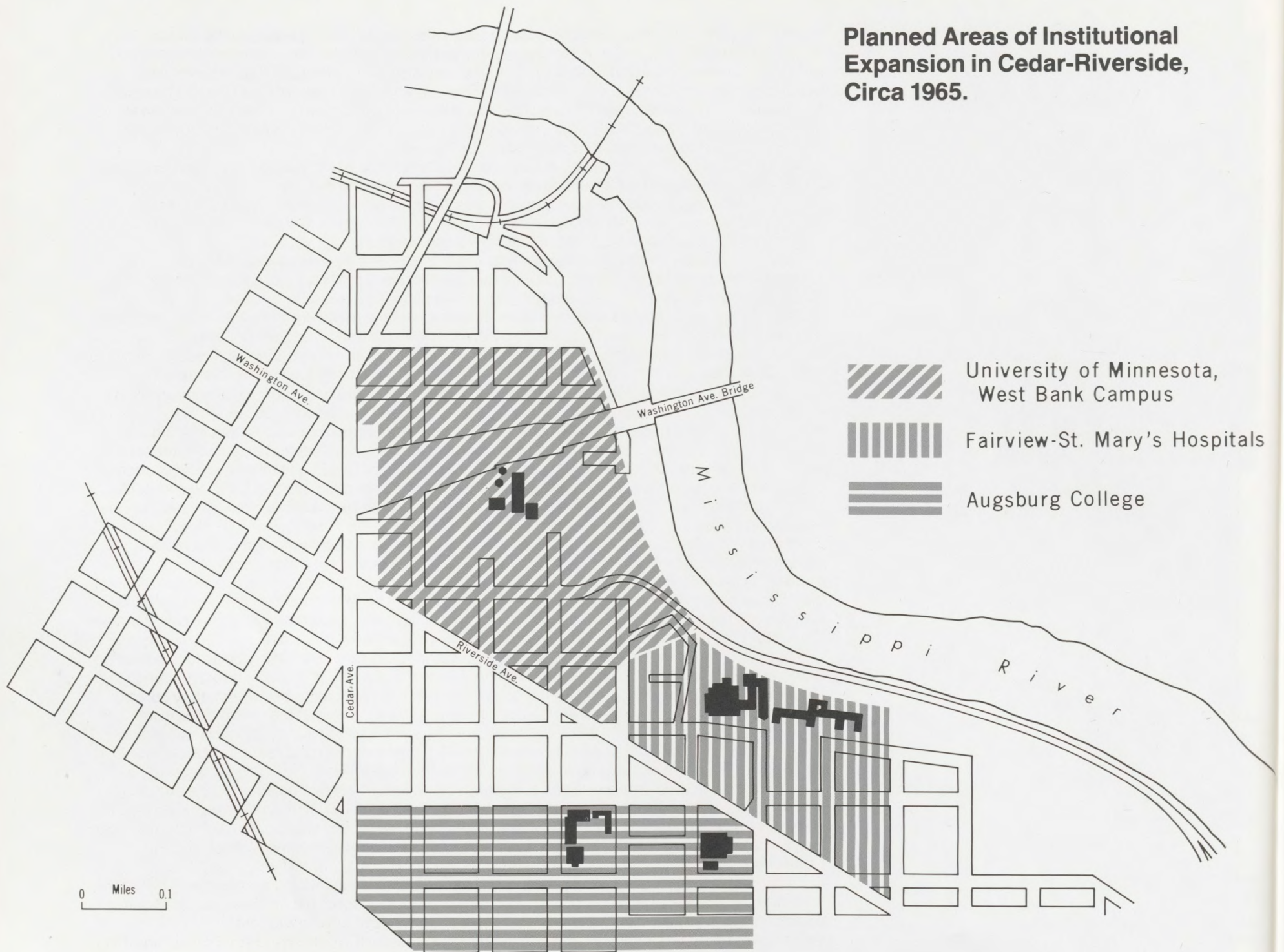


Cedar Avenue—1907. Note multi-lingual signs.



Washington Avenue in early twentieth century.

**Planned Areas of Institutional Expansion in Cedar-Riverside, Circa 1965.**



of a "bohemian" residential and cultural area for those students willing to exchange an often chilly walk across the river for low rent. But most importantly, Cedar-Riverside was the only area within a reasonable distance of the University where land could be gotten cheaply. The regents of the University laid out the boundaries for the new campus: Washington Avenue to Fourth Street, and Nineteenth Avenue to the river. This was an area of approximately thirty-five acres, near the center of the Cedar-Riverside community. Land acquisition for the University began almost immediately, and because the University had rights of eminent domain, nearly all of its acquisitions were accomplished through condemnation proceedings. Residents of Cedar-Riverside who lived within the designated area had no choice but to move elsewhere. The natural exodus of people from the community was thus fueled by the process of institutional invasion, and by 1960 the population of the community was reduced to 4,766.<sup>13</sup>

The twelve-year blueprint for the University's growth that appeared in 1958 called for increased building space of up to 77 percent for the Minneapolis campus—most to be encompassed in the "skyscrapers" of the new campus—and for the construction of a new pedestrian and vehicular bridge across the Mississippi.

The plans for the *West Bank* campus called for four-story classroom buildings which would be connected and then topped by eight-story pylons.<sup>14</sup> Both graduate and upper division students would be served by the West Bank campus and several different departments and programs would move across the river in order to prevent "academic isolation."<sup>15</sup> The expanded campus was conceptualized as a classroom-office area, with dormitory facilities as well as a new library, and included other facilities to be built as they became necessary.

Some University officials were concerned that the move across the river could spark the development of a student ghetto instead of their ideal concept of an institutionally-oriented area larger than just the University. The source of this concern may have been that no comprehensive plan for the Minneapolis campus existed save a 1910 plan by Cass Gilbert, a St. Paul architect. Most of the growth of the *East Bank* campus had been haphazard and irregular. But by the fall of 1962 the new campus extension was in operation with two office towers and a classroom building (Social Sciences, Business Administration, and Blegen Hall). And many developers began to view this collection of buildings as an anchor point for further development in the area.

By the early 1960s many of the institutions in Cedar-Riverside were ready to follow the lead of the University in expanding; the University alone would not have to shoulder the burden of guilt for the upheaval of the community. Though there was no plan for renewal of the Cedar-Riverside area when the University made its move, there was vague anticipation that some sort of plan might appear. But the opposition of community residents and business owners persisted. Area residents were aware of the implications behind the move of the University. They realized that the area was becoming a medical and educational center, but they wanted some assurance that they could control whatever land was left. Some measure of community opinion in the early 1960s is implicit in the fact that the Minneapolis HRA did not attempt to designate the area for redevelopment when it could have used the University's investments as the city's share of grants-in-aid for renewal.<sup>16</sup> City officials in contact with various segments of the community still felt that it was not ready for the drastic step of urban renewal.

Although the expansion of the University was the prime factor in the eventual transformation of Cedar-Riverside, a number of other factors influenced its growth. One of the most important was the construction of the Minneapolis portion of the interstate highway system. While this did not either divide or destroy the Cedar-Riverside community as it did many others, it did have a significant effect on its future. Throughout most of its history Riverside had had no clearly delineated boundaries except the river. On the south it had blended into the Seward community with Franklin Avenue serving as a rather tenuous boundary line; on the western residential/industrial periphery it had merged into the industrial/warehouse district which separated



Scandinavian  
—early 20th century  
Cedar Avenue  
Street—  
Dania Hall

it from downtown Minneapolis. But when the freeway routes were laid out in 1958, Riverside's borders were made clearly identifiable on a map. As the freeway took shape north of Franklin Avenue (I 94) and west of Thirteenth Avenue South (I 35W), Cedar-Riverside suddenly became a triangular island disconnected from any other part of the city. Although this situation had little immediate impact on most of the community, it would later play a significant role in emphasizing Cedar-Riverside's self-contained nature and in highlighting its suitability for selection as a New Town.


One further event in the changing nature of Cedar-Riverside was a 1961 decision by the Minneapolis HRA which designated a section of the Riverside area as a site in the Minneapolis housing for the elderly program. Between 1961 and 1962 three ten-story buildings were constructed, adding 348 dwelling units to the community. This was the first substantial increment of new housing in Cedar-Riverside for the entire twentieth century, but others would soon follow.

The University of Minnesota was not the only institution in the area set upon a course of growth. Throughout the early and mid-1960s expansion was the order of the day for many institutions. The religious and medical institutions located in the community were also embarking on a period of decisive change. One of the important facts about Cedar-Riverside was that many of the institutions it contained served more than the local residents. The major exceptions were the churches which served local congregations, and by the 1960s even these were abandoning their strictly local character as members moved out of the community but retained their church affiliations. The major institutions, of course, served a mostly non-local population.

From an early point in its history, Riverside had been the site of a Catholic hospital and a Lutheran seminary. Through the years St. Mary's Hospital expanded, Augsburg was transformed from a seminary to a co-educational college, and Fairview Hospital became an additional medical service in the community. By the early 1960s Augsburg College had an enrollment of 1,700, projected 2,300 students by 1980, and needed both more dormitories and more service facilities (for example, food and parking). Likewise, the two hospitals, which had a combined total of about 1,000 beds in 1960, were already initiating their individual plans for further growth and development. Fairview began a proposed four-stage, twenty-year development program around 1960, spending approximately \$4 million from 1955 to 1965 to rehabilitate and add to its physical plant. During the same period, St. Mary's took out \$8.3 million in building permits for remodeling and new construction.<sup>17</sup> St. Mary's also had plans to build a junior college specializing in the training of nurses and paramedical personnel.

All of these institutions needed more land in order to carry out their expansion proposals, and all had been interested both in discussions of potential renewal and in University officials' remarks about an "institutionally-oriented" community. Existing federal guidelines on renewal, with their special provisions for medical and educational institutions, greatly encouraged this normal interest. The importance of this combination of factors cannot be underestimated. These institutions had access to, and the support of, a wide stratum of the metropolitan and regional population. They had not been involved in most of the earlier renewal efforts and so the political potential of this outside support was largely untested. The fact that interest in expansion affected all of the institutions, that it was simultaneous and unorganized, did not bode well for those who wished to maintain the status quo. Clearly, the initial move by the University into Cedar-Riverside was taken as a signal by all the other institutions that the battle for redevelopment of the community had not yet entered the final round.

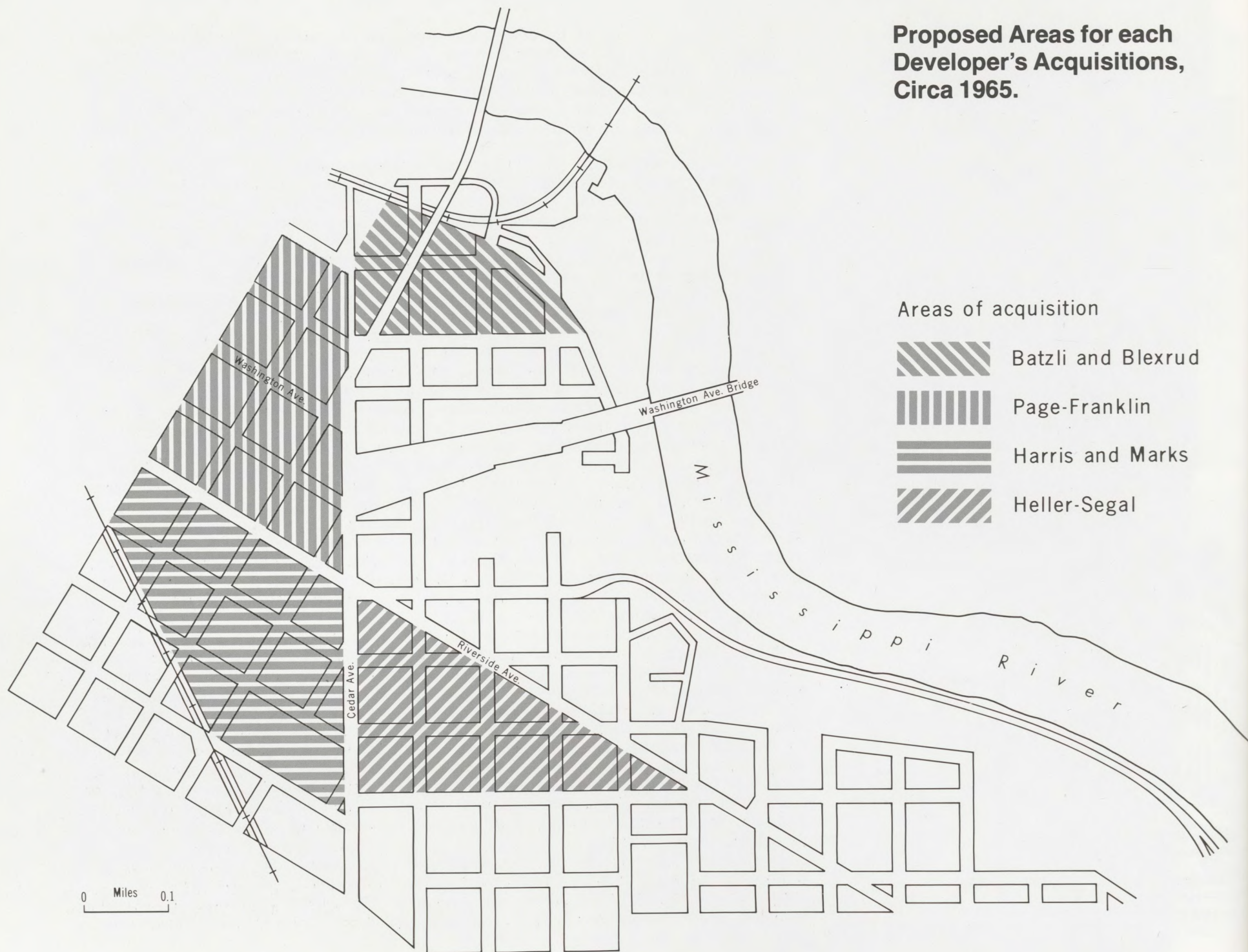
All of this institutional activity was further complicated in the early 1960s by the fact that real estate speculators and potential private developers had discovered Cedar-Riverside. The acquisition and development activities of the major land holders in the community will be reviewed in another section. But before there were any major holders, there were a number of minor ones.



Scandinavian grocery on Cedar Avenue  
—early twentieth century.

Cedar Avenue between Riverside and Fifth  
Street—Holtzermann Block is in center,  
Dania Hall at right—circa 1930.

**Proposed Areas for each  
Developer's Acquisitions,  
Circa 1965.**



Perhaps the earliest proposal (1962) of any significance was that of the Knutson Company. This corporation had been responsible for the development of the Gateway Urban Renewal Project in downtown Minneapolis. They commissioned Minneapolis architect Ralph Rapson to do preliminary planning and work up a model for a potential development in the Riverside area. The Knutson plan advocated low-density housing, primarily for the area surrounding the University (excluding Seven Corners and the Riverside Park neighborhood), with the stipulation that development would fit into existing utility and street patterns.

Other potential developers were less ambitious. Many viewed the Cedar-Riverside area as ripe for the construction of two and one-half story walkup apartments aimed primarily at the student market being generated by the University's location. This was in direct imitation of the uncontrolled proliferation of such structures being built on the other side of the University community in Dinkytown. But the pattern of very small and narrow parcels in Cedar-Riverside made assembly of land for this purpose extremely difficult: in 1960 there were approximately 2,500 separately owned parcels of land in the non-institutional sections of the community.<sup>18</sup>

Throughout the early and mid-1960s, many groups had plans in various stages for Cedar-Riverside's development. Among these were:

- the Heller-Segal partnership, which was buying small pieces of land east of Cedar Avenue;
- the B. W. & Leo Harris Company, which became involved in the area west of Cedar in 1963 as real estate brokers for others interested in investment;
- the Batzli Company, which owned some land in Seven Corners;
- Richard Marks, who was interested in building some apartment buildings west of Cedar Avenue;
- the Page-Franklin partnership, which was interested in some kind of Seven Corners development;
- the Westbank Square Development Association, a group of Seven Corners landowners with vague plans for an activity/entertainment center to be built on their property;
- the University Community Development Corporation, established in 1966 by area institutions, led by the University, and representing a diverse group of persons interested in University area developments, including downtown Minneapolis corporate interests.

## **The Shape of Riverside's Future**

It is obvious from this brief overview that the degree of interest in the Cedar-Riverside area was high in many different quarters. It is also fairly clear that in this early period no one had completely thought out the outlines of the community's future. The conclusion of the first confrontation over renewal had effectively caused a stand-off between those who would look to outside sources for development aid and those who wanted any development to be community-based and -controlled. Although there were many and varied questions about the form that any development should take and about who should be responsible for directing it during this period, there is no indication that anyone seriously proposed that no development take place due to the historical significance of the area or because of its unique cultural characteristics. This fact stands out in contrast to later events; when opponents of development would plead historic importance as one rationale for rehabilitation rather than clearance. Indeed, some buildings in the area would be designated for preservation by the developers themselves.

According to newspaper interviews with Cedar-Riverside residents in the mid- and late-1960s, some residents acknowledged that the needs of the institutions in the area were assuming priority over the inadequate residential facilities that occupied much of the land. They seemed aware of





Cedar-Rapids  
showing  
Minnes  
Typical



Cedar-Riverside and Southeast Minneapolis, showing freeways and University of Minnesota East and West Bank campuses.

Typical 2 1/2 story walkups in Dinkytown.

the lopsided economics of their residential situation, and their greatest concerns seemed to be assurance of adequate compensation or fear that relocation benefits would not be provided. Arguments by various developers concerning the provision of more and better housing units were undoubtedly becoming persuasive as well. There is, however, no doubt that many residents and absentee owners were busy selling their homes and property throughout the early 1960s. The 2,500 separate land parcels which existed in 1960 had been consolidated into 250 parcels by 1968.<sup>19</sup> Many former residents of Riverside expressed both to the developers and newspaper reporters their sorrow at leaving homes they had lived in for so long, but few complained about the fact that, unlike many former residents of inner city communities, they received more than the fair market value for their property.

An obvious change in population type was taking place in many parts of the Riverside community. Many of the homes sold by the older residents were converted into rental property. Students from the new West Bank campus, attracted by the proximity of the blighted housing units to the University, and the low rents, were the primary market. These students were, as well, the vanguard of a flourishing midwestern counterculture movement.

The cultural change involved a switch from a predominantly Scandinavian immigrant atmosphere to one which retained some of these aspects, but liberally interspersed trademarks of the new "youth" culture. Its impact was reflected in the Minneapolis police estimate that by 1969 Cedar-Riverside was the center of a five-state drug traffic. Like many other declining immigrant communities, Cedar-Riverside was slipping into a cycle of invasion and succession. That is, it had fulfilled its function as an area of immigrant acculturation, was losing population overall, but was picking up a new population base of a different sort. However, the process of decline was self-perpetuating. Neither the old nor the new residents had the money necessary to begin the long and extensive task of upgrading Riverside's houses. And so the questions about future land use and potential development continued to be unanswered.

The possibilities officials and observers thought to be practical for Riverside in the mid-1960s were neither very new nor very exciting. Two things seemed fairly certain: the educational/medical focus of the community would become its most prominent characteristic, and the area could and should accommodate a larger residential population. Those who accepted these presumptions centered discussion of Riverside's future on the need to create housing for an institutionally-oriented population group. How this was to be done was, of course, a major question. None of the private groups already mentioned had any previous experience in residential construction or redevelopment, and the general antipathy to public involvement was still strong. Interested parties in the community vaguely considered developments modeled on Chicago's Old Town area and wondered whether a mixture of high-rise and walkup apartments like Chicago's Sandburg Village might be appropriate for the Riverside area.

The overall tone of the mid-1960s in Cedar-Riverside was one of patient waiting on the part of everyone to see what everyone else was going to do. Property acquisition was undiminished, but little was being done with new parcels as they were acquired. Two or three walkup apartment buildings were constructed in this period, but this was the extent of noninstitutional new construction. Riverside's future was still uncertain and no one wanted to make the enormous financial commitment necessary for planning and construction without some assurance that their plans could be enacted. And the assurance could not be given while the area institutions were still expanding and undecided about their ultimate land requirements. The need for some kind of comprehensive development guidelines was becoming ever more obvious as increasing numbers of persons and groups indicated an interest in the area. But the terms of any resolution, exclusive of renewal, were still undefined. The situation was one ripe for the entrance of someone with ideas or money, or both.

From 1870 to 1960, then, Cedar-Riverside had undergone the full cycle of growth and decline typical of older urban communities that are also areas of first generation immigrant settlement. But the familiar pattern of progression from declining community to full-fledged slum was interrupted in this particular case by the incursion of institutional expansion. The potential existed for Cedar-Riverside to significantly alter its probable future and to become a major exception to theories about urban blight. The strongest need of the community by the mid-1960s was for some way to be found to harness this potential and channel it in directions fruitful for both present and future residents, for the institutions, and for the entire city of Minneapolis.

## Notes to Chapter 2

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13. *U.S. Census: 1960*.
14. *The Gopher Grad* (University of Minnesota), 59 (October 1959), pp. 18-19.
15. *Minutes*, 18 December 1957.
16. *Alumni News*, November 1968.
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# 3

## The Transformation of Cedar-Riverside Begins

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## The Participants

**Barton-Aschman Associates:** a Chicago planning firm; specialists in traffic and circulation planning. Formerly involved in various Minneapolis development projects, including the Nicollet Mall.

**Oscar Batzli:** a landowner in the Seven Corners area of Cedar-Riverside; head of an electrical contracting firm; responsible for the construction of Cedar North.

**Ray Blexrud:** a landowner in the Seven Corners area; head of a small oil company.

**Bor-Son Construction, Inc.:** a limited partner in Cedar-Riverside Associates; a major Minneapolis contracting and construction firm.

**Gary Carlson:** a partner in the Bor-Son firm.

**Cedar-Riverside Area Council (CRAC):** a neighborhood advisory and planning organization, composed of institutional representatives and residents.

**Cedar-Riverside Associates (CRA):** the major development group in Cedar-Riverside; an outgrowth of the Heller-Segal partnership.

**Cedar-Riverside Properties:** the landowning subsidiary organized under CRA in February of 1969.

**Cedar Village Associates:** the planning organization formed by Heller, Segal, and the Harrises to monitor development of Cedar-Riverside's central area.

**Jens Christensen:** the alderman of the ward encompassing Cedar-Riverside.

**Economic Research Associates:** a consulting firm which specializes in economic planning.

**Rodney Engelen:** a head planner for Barton-Aschman Associates, with primary responsibility for developing a Cedar-Riverside plan.

**Victor Gruen Associates:** a firm which does overall planning work, but specializes in commercial planning.

**Lawrence Halprin and Associates:** a Los Angeles planning firm brought into Cedar-Riverside by CRA with primary responsibility for environmental design; primarily responsible for the Cedar Village plan.

**Hammer-Siler-Greene:** a marketing and research firm with primary responsibility for economic planning for Cedar-Riverside.

**Ray and Frank Harris:** officers of B.W. & Leo Harris Company, an old Minneapolis real estate firm; partners with Heller and Segal in their early planning ventures.

**Keith Heller:** one of the original partners in Cedar-Riverside Associates and a moving force in the area's development.

**Donald Jacobson:** a planner for the City of Minneapolis; brought into the CRA organization to head up the planning staff.

**Charles Krusell:** the executive director of the Minneapolis Housing and Redevelopment Authority in the late 1960s.

**Richard Marks:** a Wisconsin real estate developer who owned land in Cedar-Riverside.

**Henry McKnight:** a Minnesota state senator and an ardent conservationist; son of a Minnesota lumber millionaire; an original partner in CRA.

**Arthur Naftalin:** the mayor of Minneapolis from 1960 to 1968; later served as a consultant to CRA.

**Page-Franklin:** a real estate partnership with property in the Seven Corners area; built some walkup apartment buildings, but ultimately sold out to CRA.

**Ralph Rapson:** a University of Minnesota architect who had primary responsibility for the design of Cedar-Riverside development.

**Real Estate Research Corporation:** a Chicago firm doing urban land use and development research.

**Gloria and Martin Segal:** a Minneapolis couple with some small real estate investments; original partners in CRA; Mrs. Segal took an active role in directing development.

**Robert Siler:** a partner in Hammer-Siler-Greene who handled most of the economic planning for Cedar-Riverside.

**Heiki von Hertzen:** the developer and financier of the new town of Tapiola in Finland; became a consultant to CRA.

**Peter Walker:** a California environmental planner; became a consultant to CRA after Halprin's firm resigned.

**Westbank Square Development Group:** a group of Seven Corners business owners who tried to organize support for development there, to be directed by themselves.

**University Community Development Corporation:** established in 1966 by the West Bank institutions, led by the University and downtown Minneapolis corporate interests.

**University Community Properties, Incorporated (UCPI):** a subsidiary of University Court Apartments, then CRA; organized for the purpose of property operations and maintenance.

**University Court Apartments (UCA):** the organization, representing Heller and Segal, which operated as the landholding entity in Cedar-Riverside prior to CRA.

## The Events: 1958-1969

Year	Action by:		
	City/Government Agency	Private Developers	Others
1958-59	Freeway boundaries laid out.		University boundaries laid out.
1960	Housing for elderly constructed. Minneapolis HRA proposes renewal for Cedar-Riverside.		Institutional expansion being planned.
1961	Minneapolis City Council discourages Cedar-Riverside renewal.		
1962		Heller-Segal partnership formed; first purchase in Dinkytown.	New West Bank Campus of University opened.
1963		Various developers active in Cedar-Riverside. First Heller-Segal Riverside purchase made. Rapson hired by Knutson to do Cedar-Riverside development plan.	
1964	Minneapolis City Planning Commission (MPC) begins Cedar-Riverside study. Highway Department acquires and clears rights-of-way along freeways, forming Cedar-Riverside boundaries.		CRAC formed to advocate development.
1965	First planning report from MPC.	Heller-Segal purchases continue. They decide to consolidate a five-block area. Heller-Segal and HARRIS form Cedar Village Associates for planning and development.	CRAC requests study of Cedar-Riverside to identify goals for development. Institutional expansion underway.
1966	Second MPC planning report calls for institutional and residential development.	Cedar Village Associates retain planning consultants (Barton-Aschman, Lawrence Halprin). McKnight expresses interest in Cedar-Riverside.	West Bank Square proposed completed for Cedar-Riverside.

**The Events: 1958-1969 (Continued)**

Year	City/Government Agency	Private Developers	Others
1967	Minneapolis HRA pushing for renewal of Cedar-Riverside; plan prepared and released.	Cedar Village property acquired and plans finalized; team expanding; Heller-Segal office in operation; University Community Properties, Incorporated (UCPI) formed.	
		Major infusions of capital to Heller-Segal; acquisitions continue; buying into Seven Corners, West Cedar, etc. Bor-Son indicates interest in Cedar-Riverside. UCPI upgrading of Cedar-Riverside underway.	
1968	City Planning Commission and City Council hearings on Cedar-Riverside. HRA renewal plan passed.	Heller-Segal begin to consider 100-acre development.	
	Title IV New Community legislation passed by Congress, creating support for New Towns.	McKnight becomes formally involved in Cedar-Riverside.	
		Harrises indicate willingness to sell out of Cedar-Riverside.	
1969		Cedar-Riverside Associates formed (McKnight full partner, Bor-Son limited partner); Harrises bought out; planning for entire 100-acre tract underway; planning of Stage I begins; upgrading Cedar-Riverside continues.	





In order to chart the progress of Cedar-Riverside from blighted inner-city neighborhood to designated New Town-In Town, it is necessary to look closely at the actions of one group of people: Cedar-Riverside Associates. Many other groups and individuals were of course involved, and the actions of the large cast of supporting players will also be scrutinized. But it was Cedar-Riverside Associates who, over a long period of time, maintained both an interest and a position in the community and who will most likely be praised or blamed for the success or failure of the redevelopment scheme. This is not to slight the roles of the city of Minneapolis, the Minneapolis Housing and Redevelopment Authority, the federal government, local community activists, and others. But, whether characterized as heartless slumlords or as a corporation with a conscience, Cedar-Riverside Associates has occupied center stage throughout most of the redevelopment process. Who, then, are these people and what has their involvement been? This is the central question that this chapter will address, while hoping to also shed some light on the tenuous nature of inner city blight and reclamation.

### **Cedar-Riverside Associates' Early Years**

Cedar-Riverside Associates is a corporate entity encompassing numerous people who have long been involved in the Riverside area in various ways. The corporation has undergone reorganization and important personnel changes several times, but is still obviously and immediately related to a simple partnership formed in 1962.\* At that time a Minneapolis doctor, Martin Segal, and his wife, Gloria Segal, consulted Keith Heller, a lecturer in the University of Minnesota's School of Business Administration, about estate planning and investment possibilities. Upon reviewing the Segals' objectives, Heller advised them to invest in some real estate, since they were interested in long-term rather than short-range returns on their investment. He even had specific suggestions about geographic areas in which to invest, and the areas bordering the University received the highest priority.

The reasons for this were simple: the University was preparing to educate an unprecedented number of students, the result of the post-World War II baby boom. This expected influx of students made University neighborhoods a profitable investment since dormitory space was scarce and much new housing would undoubtedly have to be built. Heller was primarily interested in the Dinkytown neighborhood, which bordered the main branch of the campus, but the potential need for additional housing in the Cedar-Riverside area to service the West Bank campus then under construction did not escape his notice. In August 1962 the Segals purchased a group of apartment buildings in southeast Minneapolis known as University Court for an initial investment of \$19,000. Keith Heller was made manager of its operation. The immediate objective of the purchase was the Segals' desire to use the buildings as a tax-sheltered investment. However, Heller soon suggested to them the possibilities of buying land for the eventual construction of small rental properties. Although the prospect of further real estate investment was an uncertain one, the idea of development seemed to interest the Segals. Their University Court property presented real possibilities in this regard, and they soon approached Ralph Rapson, University professor of Architecture, with a request for thoughts about its potential.

At this stage there was some question as to whether they simply wanted the Court buildings remodeled or whether some new development for the site was appropriate. Rapson's preliminary sketches of new construction projected 300-350 dwelling units in a mix of buildings which would cover both the Court site as well as property across the street. The Segals evinced some interest

A typical example of Cedar-Riverside housing stock.

\*The information contained in the following summary was gleaned through various accounts of the Heller-Segal partnership in published form (newspapers, public testimony, etc.), but the bulk is from interviews conducted with the participants, notably Keith R. Heller, Ralph Rapson, and Ray Harris.

## Guindon



"Gentlemen, if we can build enough of these units in the Cedar-Riverside area we'll make a bundle!"

in this plan and, as a result of their desire to build a prototype for the Court, they first became involved in Cedar-Riverside.

Meanwhile, Keith Heller was already actively involved in the Riverside area. Beginning in 1963, and working with two separate partnership arrangements, he had invested on a limited scale in West Bank property. According to Heller, these purchases were for investment purposes only. But he also encouraged the Segals to expand their range of investments across the river for development purposes. The Segals agreed and in 1963 they began buying small parcels of Cedar-Riverside land in partnership with Heller. By 1964 they owned seven scattered pieces of property east of Cedar Avenue.

Very quickly they became caught up in the fever of expansion then taking place in the Riverside area. As noted in the previous chapter, a number of investors were buying in Cedar-Riverside in the early 1960s. Soon after the Segals and Heller started buying land, the B.W. & Leo Harris firm became involved in the area. As real estate brokers for others interested in investment, this firm began purchasing properties west of Cedar Avenue. And, although interest ultimately evaporated due to heavy investment in downtown projects, the Knutson Company hired Ralph Rapson in 1963 to develop a plan for Cedar-Riverside.

While the Knutson Company, the Harrises, and others were dealing with the hard realities of investment and development, the Heller-Segal partnership seemed to thrive on inexperience, fantasy, and raw nerve. Without having decided what their ultimate intentions were, they began to act as if the Cedar-Riverside area was at their disposal for acting out both dreams and ambitions.\* It is some measure of their initiative and energy rather than of their business acumen that in 1965 they made a crucial decision.

Early that year Heller had seen the proposed layout of institutional expansion for the area. This delineation of land parcels that would lie beyond the institutional boundaries affected Heller-Segal's decision to continue purchasing land on the West Bank. In May 1965 they decided to attempt to consolidate a four-square block area extending from Cedar to Twentieth Avenue and south from Sixth Street to Eighth Street. Their stated reason for this effort was their belief in the need to keep developers of walkup buildings and private dormitories out of the area.

The main structure of the Heller-Segal business relationship merits explanation. The original format has been noted: the Segals were providing the funds for investment and Heller acted as investment counselor. This is not meant to convey the impression that an enormous amount of capital was involved in this process; the Segals' basic source of income was Dr. Segal's medical practice. The reason they were able to become involved in real estate investment on a meaningful scale was due to the low price of the land rather than the absolute amount of funds available. Between 1963 and 1965 Heller was able to accumulate some capital through his real estate ventures with two other partnerships. These involved faculty members at the University of Minnesota and others who were primarily interested in tax shelter benefits. Though the amount of money generated through these ventures was not great, by early 1966 Heller was able to exercise a partnership option in the University Court property, with payment primarily in the form of services previously contributed.

From that point on, all of the investing the Segals did was in conjunction with Heller, though he remained involved in the other business relationships as well. Throughout the entire process of acquiring land Keith Heller and Gloria Segal were actively involved, while Dr. Segal remained a silent partner. Most of their early acquisitions took place during their spare time, since Heller was

\*Conversations with the principals elicit a strong sense of wonder and unreality about much of this period. It is probably an accurate judgment to say that few people in the business community or in city government took Heller-Segal very seriously at this point.

still teaching in the University's School of Business Administration and Mrs. Segal continued to be a sometime student and full-time housewife. They did not yet have even a small office from which to base their operations, and for a long while continued to work out of their respective homes.

Certain actions of Heller and Segal set them apart from other landowners and suggest a special kind of motivation that each had for undertaking this enterprise in the way that they did. This may be evidenced in their commitment to rehabilitating the properties they purchased and providing low-cost housing until they were able to initiate new construction,\* and in their policy of maintaining initial rent levels for the duration of a tenant's occupancy.\*\* Explanations for the existence of such policies are obviously complex, but seemed to result from Heller and Segal's combined sense of what was "right" rather than from financial or other considerations. In addition, both of them were fairly young when they began this enterprise (in their early thirties) and thus not locked into long-standing ideas or approaches. And since neither of them had done anything like this previously, they were inclined to be both more flexible and less traditional than other entrepreneurs.

Heller approached this enterprise out of an active religious and service background. Before coming to Minneapolis he had been actively involved in church organizations in Portland, Oregon. Throughout his career at the University, both he and his wife had been affiliated with a church and with religious youth organizations. Thus, many of Heller's attitudes toward the redevelopment enterprise were conditioned by a conscious moral commitment and a sincere conviction that what they were doing was "right" for the area.

Mrs. Segal's strong commitment to rather unorthodox methods of development partly grew out of family attachments to the area and partly out of her political beliefs. Her uncle lived for many years in Riverside and she herself had grown up in a similar north Minneapolis neighborhood; thus she had strong sentimental reasons for wanting to maintain the existing community for awhile. She was also very active in local Democratic party politics and possessed a rather traditional "liberal" posture toward a whole range of social problems.

Although it was primarily the value systems of these two people that determined the shape of their development schemes, architect Ralph Rapson also exerted substantial influence over Heller and Segal's development and design concepts. Rapson may not have had any special moral or political idealism, but did possess a strong professional sense that urban developments should be comprehensive and that they should accommodate a population mix of differing socioeconomic status and lifestyles.

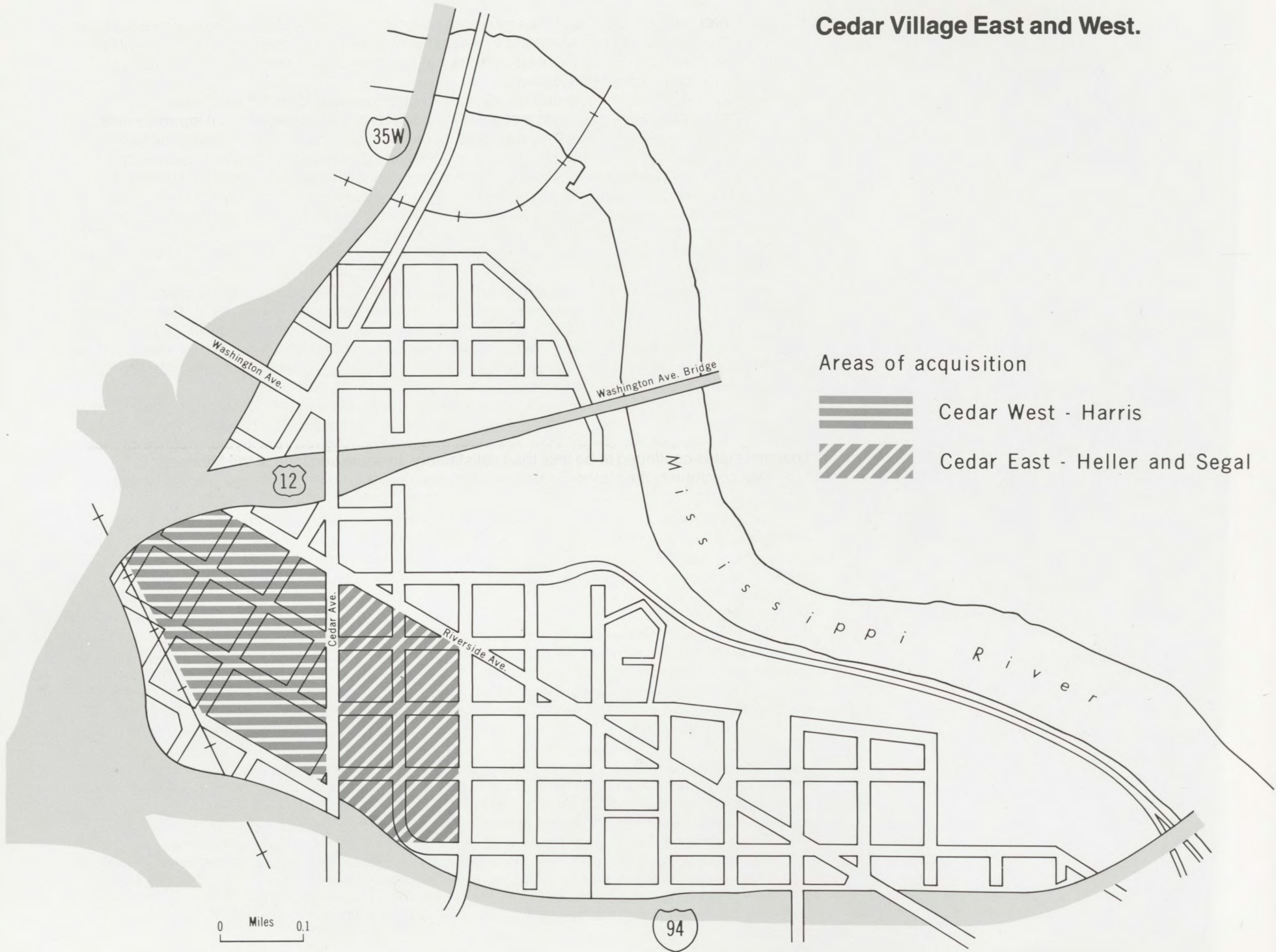
Although during the early years of land acquisition in Cedar-Riverside there was a good deal of discussion within the Heller-Segal group about ultimate intentions for the land they were purchasing, this never focused into precise goals. Some of the earliest purchases of dilapidated property in Cedar-Riverside were quickly rehabilitated and turned into rental units, consequently establishing Heller and Segal as landlords. But their sights seemed to be set on more extensive activity. Since their original rationale for purchasing land in Cedar-Riverside was to assemble a site

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\*The significance of this as an index to their value systems lies in the fact that it was this policy which enabled a fairly unified student-oriented/counter-culture population to inhabit the area in large numbers. And even though this group has since become the most active and vocal opponent to redevelopment, neither Heller nor Segal, when asked what they might have done differently, indicates that they consider this policy to have been a mistake.

\*\*Evidence indicates that this policy was intended as a goodwill gesture to neighborhood residents, and was also prompted by the fact that the housing units were expected to be removed in the not-too-distant future. Significant abuses of the policy occurred over the ten-year period it was in effect, as many residents moved out but retained leases on the units in order to pass the low rent levels on to their friends.

# Cedar Village East and West.



to build a three-story walkup, and thus gain some building experience which could then be applied to the Court property, thinking along this line continued. When Heller and Segal had assembled enough contiguous parcels to proceed with this project, they again went to Ralph Rapson and asked him to design a building for them.

At this point Rapson was reluctant to proceed. He suggested to Heller and Segal that constructing three-story walkups on a small site was not a positive development approach. Instead he urged them to attempt to consolidate a quarter block, a half block, or even an entire block of parcels before constructing anything. Whether it was due to Rapson's powers of persuasion or to financial constraints, Heller and Segal became convinced that they should not build hastily. It seems to have been partly Rapson's vision of large-scale development and partly Heller-Segal's own ambitions that would ensure a plan that was more acceptable than the disorganized construction then occurring in Dinkytown.

The financial status of the Heller-Segal partnership through their early years was tenuous at best. Vast amounts of money for investment were not available. Rather, additional purchases of land were usually possible only by mortgaging and remortgaging what they already owned. Heller-Segal quickly became one of the steadiest loan customers of Twin Cities' banks. Nor was theirs a situation in which they simply bought up property and waited for it to pay off. Once they made the decision to attempt some sort of unified development instead of scattered walkups, their involvement in the rehabilitation and maintenance of existing buildings became even more extensive. At the same time they also attempted to attract small private investors.

By 1965 Heller and Segal had to service an increasing number of tenants, necessitating the employment of a small maintenance crew to upgrade the dilapidated housing stock they were acquiring. This expense, combined with the policy of maintaining low rent levels, meant that their financial status continued to be less than satisfactory. In some sections of the Minneapolis business community the Heller-Segal operation acquired a reputation for being tardy with bill payments, and this related directly to the fact that the organization operated on a literal hand-to-mouth basis. It was a wonder to many, and a testament to Heller's financial abilities, that they were even able to survive their first few years in the real estate business.

### **The Initial Planning Effort**

By mid-1965 Heller and Segal began to realize that the scope of the redevelopment they were then contemplating precluded the possibility of independent action. During that summer they approached the Harrises and suggested the idea of a joint planning endeavor. The reasons for this were fairly simple: a joint endeavor would ease some of Heller-Segal's financial difficulties, since the Harrises had a plentiful supply of credibility in the city's business community. The Harrises' long experience in the real estate field would also lend legitimacy to the Heller-Segal plans.

The Harrises' interest in joint planning is less easily explained, but the Cedar-Riverside area was beginning to look like a juicy real estate plum. And, although the Harrises had often acted as brokers in the area, in 1965 they did not own any land there themselves. Whatever the ultimate reason, during that summer the two groups agreed to participate jointly in planning the area's development. They formed Cedar Village Associates. This group's main function was to be an overall planning organization, acting as a clearing-house for advice and ideas, gathering information about problems and needs, and working with all interested parties to assure the early completion of a feasible plan.

A fifty-acre tract in the center of Cedar-Riverside had been outlined by Heller-Segal and the Harrises and identified as the future site of Cedar Village. It encompassed approximately fourteen blocks extending from Riverside to Eighth Street and from Fifteenth Avenue to Twentieth Avenue.

One of the first actions of the Cedar Village group was to bring in a professional planning organization for some much-needed help and advice. Their choice in 1966 of Barton-Aschman Associates of Chicago led to what would become a long and fruitful association between this firm and the Heller-Segal operation.

Before joining, the parties agreed that Heller and Segal would continue to acquire land east of Cedar Avenue and that the Harrises would only purchase land west of Cedar. Their association resulted in planning only, and this was rather more conceptual than concrete; but it was significant for at least initiating the assembly of an active planning team.

Although Cedar Village was to be a joint effort, there was neither a consensus about what was to be done nor a significant amount of trust or cooperation between the two groups. Even their perceptions about their ultimate objectives were not in agreement. While Heller and Segal seemed to view their new arrangement as the first step toward the development they envisioned, Ray Harris has indicated that his group did not anticipate that a unified development would actually occur. This was not only due to a difference in business styles between the two groups, but also due to the different character of their respective activities in Cedar-Riverside. Heller and Segal were assembling acres of land which were primarily residential, while the Harrises' acreage was largely industrial. There were only 100 or so dwelling units, primarily rental, in their west section. This meant that Heller and Segal had to deal with problems of tenants and relocation while the Harrises could play a more traditional game of real estate speculation.

Although nothing concrete came of the Cedar Village plans, they bear an interesting relationship to the eventually proposed New Town-In Town and represent the first fully articulated phase of thinking about Cedar-Riverside development. Cedar Village was projected to be a ten-year redevelopment process. The fifty acres were to be completely cleared and totally rebuilt. The project was to generate up to 7,000 new units (if allowed the existing zoning maximum of 165 units per acre), and these would be distributed among various buildings ranging from townhouses to towers of twelve to twenty stories. There was to be a mix of housing types, from low and moderate income rental units to luxury units and cooperative housing.\* Pedestrians and vehicles would be completely separated and plans called for an above-ground-level pedestrian plaza to extend over much of Cedar Village. Close to the University was to be a four-block commercial section, including shops, parking, a motel, and office space, with some provision for recreational facilities. In addition, the plans provided for some streets to be vacated and for a realignment of certain public facilities. Strong emphasis also was placed upon the need to build on work already done by the city and to cooperate with the institutions, other property owners, and civic groups representing the area.

Clearly, the scope of this effort far exceeds anything Heller and Segal had yet considered regarding Cedar-Riverside's future. The leap from initial purchases to a significant planning effort within only three years strains the limits of credibility. It is necessary to remember that, given the extraordinary degree of uncertainty about the area's future, Heller and Segal and the Harrises were not completely naive in envisioning plans of this scale. Though all lacked experience in this sort of development, no one else was exerting a determining influence. The Cedar Village planners did not have on hand the amount of capital necessary to implement their ideas, but there was no reason to presume that they could not get it. The once-in-a-lifetime opportunity that Cedar-Riverside presented made even the ideas of dreamers and neophytes seem plausible.

The most prominent reason given for the creation of Cedar Village was the expanded

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\*The Cedar Village plans clearly emphasize the key point of social and economic integration which would carry through all phases of planning for Cedar-Riverside. This was obviously one goal of the New Town-In Town legislation when it appeared, but was always an implicit element of all plans initiated by Heller and Segal, even prior to the legislation.

institutional development in the area. The proximity of downtown Minneapolis and the "unequaled" housing demand were also strong rationales. Within eighteen months of the formation of Cedar Village Associates a large portion of the land to be developed had been acquired. Heller-Segal had approximately 80 percent of the designated eastern area and the Harrises had 40 percent of the western section. While the process of acquisition was proceeding during 1965 and 1966, the value of land in Cedar-Riverside was increasing along with the demand for it. Heller-Segal had been paying between three and four dollars per square foot for land acquired before their affiliation with the Harrises. By 1967 the two groups approximated their acquisition costs at six dollars per square foot.

The major way in which the scope of their endeavor changed during this period was in the area of planning itself. The original planning team was a product of compromise between Heller-Segal and the Harrises. Barton-Aschman had been assigned the task of general planning with an emphasis on site layout and circulation, while Ralph Rapson was responsible for general architectural design. During 1966 and 1967 the California firm of Lawrence Halprin and Associates, which had jointly designed the Nicollet Mall for downtown Minneapolis with Barton-Aschman, became environmental planners for Cedar Village. The Washington, D.C. firm of Hammer-Siler-Greene was added as an economic consultant. Cedar Village Associates was clearly working toward the goal of a multidisciplinary team planning approach. Although the Cedar Village plans were primarily the work of Barton-Aschman's representative Rodney Engelen and Ralph Rapson, the others were becoming progressively more involved in the project.

One of the major activities engaging Heller, Segal, and the Harrises throughout 1966 and 1967 was a series of trips they took to look at redevelopment areas in other major cities. These were suggested by Rapson, who frequently accompanied them, in order to give the developers a firsthand knowledge of the design possibilities which existed for the Riverside area.

One of the earliest trips took them to the East Coast.\* In Philadelphia, they spent most of their time touring Penn Center and the Society Hill redevelopment area. In Boston they concentrated on Peabody Terrace, Holyoke Center, and Prudential Center, and, though most of their time in New York was spent meeting with people to secure loans, they toured Rockefeller Center rather extensively. In Washington, D.C., they saw Capitol Park, Harbour Square, the Tiber Island development, the Watergate complex, some new development in Arlington, and the New Town of Reston. The range of these locations indicates a general interest on their part in seeing development primarily of a central-city nature. They were clearly looking for ways to deal with the need for high-density residential construction (such as Peabody Terrace), as well as for models to integrate office and commercial functions (for example, Holyoke Center). Some of the things they saw were obviously "tourist" attractions (like Rockefeller Center), which had no relation to Cedar-Riverside's particular problems. However, other of these developments—notably Society Hill—evidenced precisely the sort of problem they faced in Minneapolis: the attempt to regenerate an old and run-down section of the city.

Heller's impressions generally reflect those of the planning group. He seemed unimpressed with Penn Center but thought the I.M. Pei towers on Society Hill were well constructed. He thought Harvard's Peabody housing was an exciting concept and rated the architecture at Holyoke Center "fantastic" but was not greatly impressed by either M.I.T. or the Prudential Center. He was more impressed by Washington's Tiber Island and Harbour Square than with the highly-touted Capitol Park development and rated their overall impression of the Watergate as "incredibly bad." Though impressionistic, this indicates a dissatisfaction with most of the commercial/office developments

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\*Impressions of these trips and of things which were of particular interest have come almost entirely from Heller's journal, though Rapson also detailed some of the trips in interviews.



they had seen and a generally positive response to residential developments which blended high-rises with townhouses.

Heller and Segal's West Coast ventures apparently proved more inspiring. Though generally disappointed with Los Angeles, they found much to their liking in San Francisco. They had quite positive responses to the redevelopment of the Embarcadero; they also seemed impressed by some high-rise construction on Telegraph Hill and heartily endorsed all of Ghiradelli Square. A return trip to the East Coast with Rapson netted some positive reaction to Pittsburgh's Allegheny Center and a mixed response to Chatham Village; the most impressive things for Heller here were some energy and heating systems. Hartford's Constitution Plaza Heller labeled "interesting" and, though he thought the plaza levels confusing, he was impressed by the surface textures, the location of parking and the pedestrian overpass bridges, and especially by the number of people spending time there in the evening. Nothing in New Haven impressed them greatly but Montreal's subway system and the Habitat building at Expo were both highly regarded.

Their numerous short trips to Chicago found them touring the Old Town area extensively and looking in detail at Carl Sandburg Village. The former was viewed favorably but the latter they thought a rather unsuccessful redevelopment effort. And on many of their excursions, particularly in cities like Chicago and Philadelphia, they spent some amount of time looking at public housing developments to gain a sense of the way such facilities were normally constructed.

In every way these trips constituted an educational experience for everyone involved. It seemed only reasonable for them to look at what had already been done before proceeding with any development of their own. If, however, they expected to be educated in the principles of good urban design by looking at existing developments, they were often disappointed. Heller detailed one such experience in his first encounter with San Francisco's Golden Gateway. This was an in-city redevelopment scheme which incorporated high rises and townhouses elevated on a plaza, with pedestrian bridges far above street level. Heller regarded this as the sort of development which they had conceptualized, but called its implementation "hideous." If nothing else resulted from these trips, they were an opportunity for a group of people with few design standards to develop a relatively strong sense of what they thought successful or not.

### **The Contribution of Local Public Agencies and Concerned Citizens**

Cedar Village plans were never implemented because by 1967 there was again a good deal of uncertainty about the likelihood of urban renewal in the Riverside area. The private developers were understandably reluctant to proceed without knowing the intentions of the city. Most of the responsibility for the revival of the renewal issue lay with an ad hoc group known as the Cedar-Riverside Area Council (CRAC). Composed primarily of representatives of the area's institutions, but also of residents and business owners, this group was formed in 1964 to help facilitate redevelopment of the area. Representatives of the group approached the Minneapolis City Council in 1965 to determine the city's plan for renewal and the council took the matter under advisement. It instructed the City Planning Commission, a policy-forming body, to prepare a comprehensive study of the Riverside area.

The staff of the planning department produced two reports, which were issued as part of their neighborhood series in the winter of 1965 and the summer of 1966. These reports, *Riverside: Challenge and Opportunity* and *Riverside: The Next Twenty Years*, outlined the major problems of the area and suggested ways to improve the area. These documents became part of the city's basic planning framework for Cedar-Riverside and so deserve some attention. The fact that quickly-prepared staff reports became so influential illustrates both the wealth of interest in the Riverside area and the amount of serious attention which had already been devoted to it.

After a year of discussion, CRAC was also at work. Though it had no real authority, CRAC decided to outline its goals for the area. Generally, these fell into five broad categories. Regarding population and housing, the council recognized Riverside's heterogeneous nature and called for various kinds of housing at "densities compatible with the area's future character," offering many options with respect to cost and terms. As for commercial uses, the area was to have a centrally-located shopping area composed primarily of small shops offering both specialty uses and a broad geographic appeal. In addition the council called for a reduction in the number of liquor establishments. Council members also agreed that further industrial uses should be forbidden in the community and that existing facilities of this type should be encouraged to relocate.

CRAC endorsed an alteration of and reduction in the existing street system, with provisions for off-street parking and discouragement of traffic without a Riverside origin or destination. There was substantial agreement that a pedestrian/cycling network should be developed. Finally, in the area of community facilities and visual image, the members advocated an expansion of the park system, including reclamation of the Mississippi riverbank land, then used for such things as parking, storage, and coal-docks. Also recommended were the development of school transit service, the implementation of a variety of social services (for example, nursery schools), and recreational facilities. Quality design with "attention to the human scale" was strongly endorsed in order to strengthen existing visual assets and create a positive visual image for the community.<sup>1</sup>

Taken together, these goals represent the Riverside community's desire to no longer be regarded as a blighted inner-city area, but to become instead a rejuvenated and socially-mixed residential area with a wide range of supporting services for its new residents. CRAC could not do anything with these ideas beyond formulating them, but they were certainly not ignored. The city planning staff regarded the Council's work as a formal statement of neighborhood goals and combined its interpretation of these with its own neighborhood analysis to produce the requested reports.

The first of these, *Riverside: Challenge and Opportunity*, made a detailed study of housing characteristics and conditions, population, the environment, commercial and community facilities, and land use. Its findings were not especially complimentary. A cursory examination of the report's tables is somewhat misleading, for all of the data it presents is based on 1960 statistics and the authors admit that a great deal of change had taken place during the intervening five years. But a comparison between the 1960 data presented and census tract data for 1970 (before any redevelopment had occurred) is instructive.

Both the census bureau and the planning department divided the area into two sections for reporting data.<sup>2</sup> Tract 47 is the area west of Cedar Avenue and tract 48 is the eastern section to the river. On an aggregate level the population of Riverside in 1960 was 4,766; by 1970 it was down to 3,899.\* The most interesting thing about this shift was its breakdown by area. While tract 48 lost 5.4 percent of its population (157 persons), tract 47 lost over one-third of its residents (701 persons or 37.4 percent). This change occurred despite the influx of persons into the new high-rises for the elderly. Though the 1960 data obscures the neighborhood divisions, a comparison of population by age group is still striking (Table 1).

Clearly the 1960 data demonstrate a population that is diversified widely by age; they correspond closely to what one might expect to find in a family-oriented community. No single group is predominant. By 1970, even in the aggregate the disparities are apparent. The Riverside area had gained a large proportion of young adults and a somewhat smaller proportion of elderly persons. At the same time it retained few children and was losing people in their middle years who

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\*The earlier sharp decline between 1950 and 1960 was primarily due to acquisition of land by the University and freeway construction.



would correspond to a demographer's definitions of being at a childbearing age. If one examines the area by sections it is clear that *Cedar East* was becoming almost exclusively a preserve of youth while the neighborhood on the west was predominantly at the disposal of the elderly, though young adults had a foothold there as well.

**Table 1. Population by Age Group—  
Riverside 1960 and 1970**

	<u>Aggregate Percentages</u>		<u>Community Breakdown—1970</u>	
	1960	1970	Census Tract 47 (west)	Census Tract 48 (east)
Under 17	24.0	3.7	2.8	4.1
18-24	21.0	53.9	22.0	67.8
25-44	21.0	13.7	12.0	14.5
45-64	19.0	10.7	16.7	8.0
Over 65	13.0	18.0	46.5	5.6

There is nothing mysterious about these patterns. The overall increase in young adult population was a direct result of the University's presence and the high proportion of elderly in one section was attributable to the construction of public housing for this group. Clearly, families were leaving the Riverside area in response to these changes as well. Another indicator of change in the community was the continued decrease in the proportion of owner-occupied dwelling units. In 1960, 13 percent of the residential units were owner-occupied (9 percent west of Cedar and 15 percent east of Cedar); by 1970 the aggregate figure was down to 5 percent (1.9 percent in the west section and 8.1 percent in the east). Nor was there a great deal of residential stability in the community. In Cedar-West, 57 percent of those in residence in 1970 had lived elsewhere in 1965, while in Cedar-East the comparable figure was a phenomenal 81 percent. This was substantially higher than the figure for all of Minneapolis, which was 50 percent; in general the University community had the highest mobility rates in the entire city.

The first planning commission report also wrote extensively about the community's physical condition, labeling the land use patterns of the area "chaotic." Fully one-third of the total land use was used for streets and alleys and 18 percent was devoted to residential use, while the institutions had 14 percent. Transportation accounted for 12 percent (railroads and freeways), while 13 percent was vacant (pending planned transportation or institutional use); the remaining 10 percent was divided among retail trade and services, warehouses, and industry. The housing stock in Riverside was primarily multi-unit; only 9 percent in 1965 were single-family units, while duplexes and apartment buildings comprised more than 50 percent. Most of the housing was old: 39 percent of it had been constructed before 1892 and another 53 percent put up between 1893 and 1903. The 1960 data show 36 percent of the units to be in sound condition, but 37 percent were "deteriorated" and 17 percent were "dilapidated"; the remaining units were sound but lacked adequate plumbing facilities. The condition of the housing stock west of Cedar was substantially worse than that in the eastern section, where half of the units were considered sound, but in neither place was the housing situation a healthy one.

In closing, the report took note of such things as the declining population of the city accompanied by a great increase in the numbers of young people moving to Minneapolis. It also emphasized the strength of the competition between Minneapolis and its suburbs for persons in the central age category (25-64), noting the differing abilities of each area to provide needed services. The loss of this particular group of people was certainly not happening only in Minneapolis, but the planning commission seemed to agree that the loss was so detrimental that a vigorous effort should be made to retain the central age group. And the way to accomplish this was through substantial private redevelopment projects.

Entryway detail of a more-substantial-than-average Cedar-Riverside house.

Dilapidated housing in Cedar-Riverside—1960s.



The report labeled the Riverside area “. . . the best opportunity for large-scale private renewal that will occur in Minneapolis in the foreseeable future.”<sup>3</sup> But first it had to contend with some major obstacles. These were the need for a “dramatic change of the environment and image of Riverside” and the corresponding need to develop a “unique, coherent and prestigious” image; the need for large-scale land assembly in order to provide housing at increased densities for people of different incomes, ages, and occupations (with special attention to student needs); and the need to alter the character of existing community facilities and expand the commercial sector of the area.<sup>4</sup>


The planning commission's second report, *Riverside: The Next Twenty Years*, repeats some sections of the first report (for example, those on challenges to and forces affecting the area), but it also contains the outline of a proposed comprehensive neighborhood plan. This included well-defined proposals that would affect land use, circulation, community facilities, and the environment of the area. It also considered at some length methods of implementation and possible alternatives for the specific areas of development it projected—an acknowledgement both of the arbitrary nature of planning and of the genuinely competitive interests operating in certain sections of the community.

This report reemphasized the intermixture of “incompatible” uses of land, the amount of land that was underused, the difficulty of land assembly, and the poor quality of the housing stock. It outlined the current pattern of land use and then projected an improved pattern which eliminated many of the streets, creating superblocks of uniform character (see maps). Of the 310 acres in the Riverside area, the institutions were allotted over one-third while another 120 acres were devoted to parks and streets, leaving less than 100 acres for all of the residential construction together with commercial and cultural facilities.

The report identified housing as one of the most critical elements in Cedar-Riverside's development. It projected a potential for 4,200 units of student housing, but emphasized the need to attract a significant non-student population. It recommended a residential density in Riverside of 90 units per acre and projected a demand for 7,200 dwelling units by 1980—contrasted with the 2,700 units there in 1965. This, in combination with senior citizen housing, dormitories, and institutional housing, would bring the total units in Riverside to 12,900. The maximum projected level of population was 25,000 persons.<sup>5</sup> The report went on to caution against single family housing in Riverside given the potential demand, and advocated a construction mix of townhouses, walkups, and high-rises.

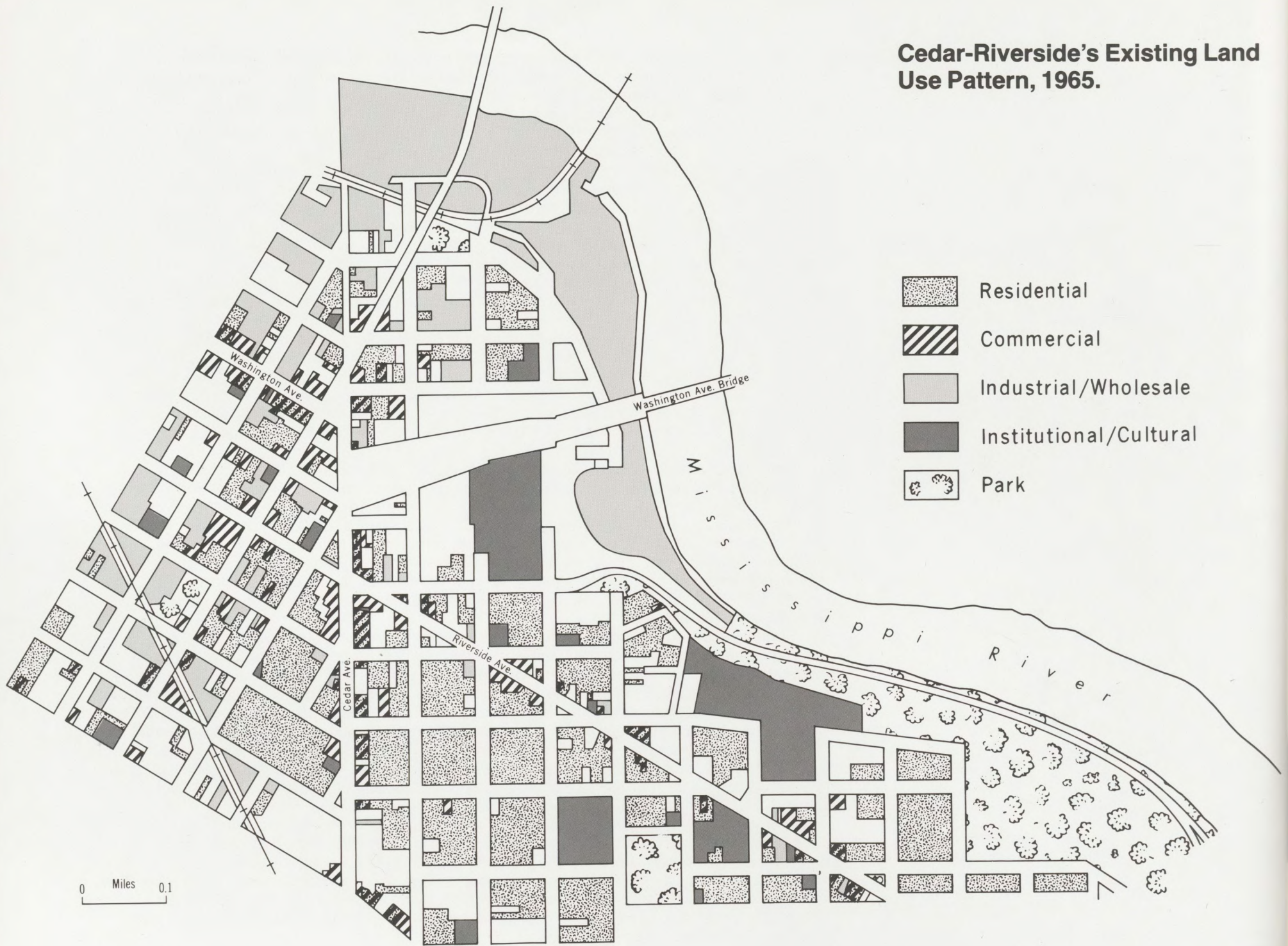
Further land use considerations focused on Riverside's commercial facilities. Here it was recommended that the pattern of scattered strip commercial use be abandoned. Instead a moderate-sized shopping center was proposed for five and one-half acres in the center of the community. In addition a commercial/recreation/cultural area including such facilities as restaurants and bars, galleries, theaters and movie houses, offices, and studios was suggested for the Seven Corners area.<sup>6</sup> The report itself and those interested in the community expressed concern that the number of liquor dealers be greatly reduced. In 1965 there were approximately thirty-three separate liquor outlets in the Riverside area and the report called for a reduction from this number to a half dozen. It was strongly felt that the existence of so many liquor outlets was not in keeping with the proposed institutional image of the area.

The report reemphasized the need for the remaining two dozen industrial operations to be relocated outside the Riverside area, preferably in the Industry Square development across Interstate 35W. This concurred with the planning department's conception of the area as institutionally-oriented with supporting residential facilities and commercial services. A further step in this direction was the recommendation that the city move its harbor facilities and coal docks, and that the privately-owned petroleum storage tanks be removed from their location on the river flats, thus freeing the river gorge for recreational uses.

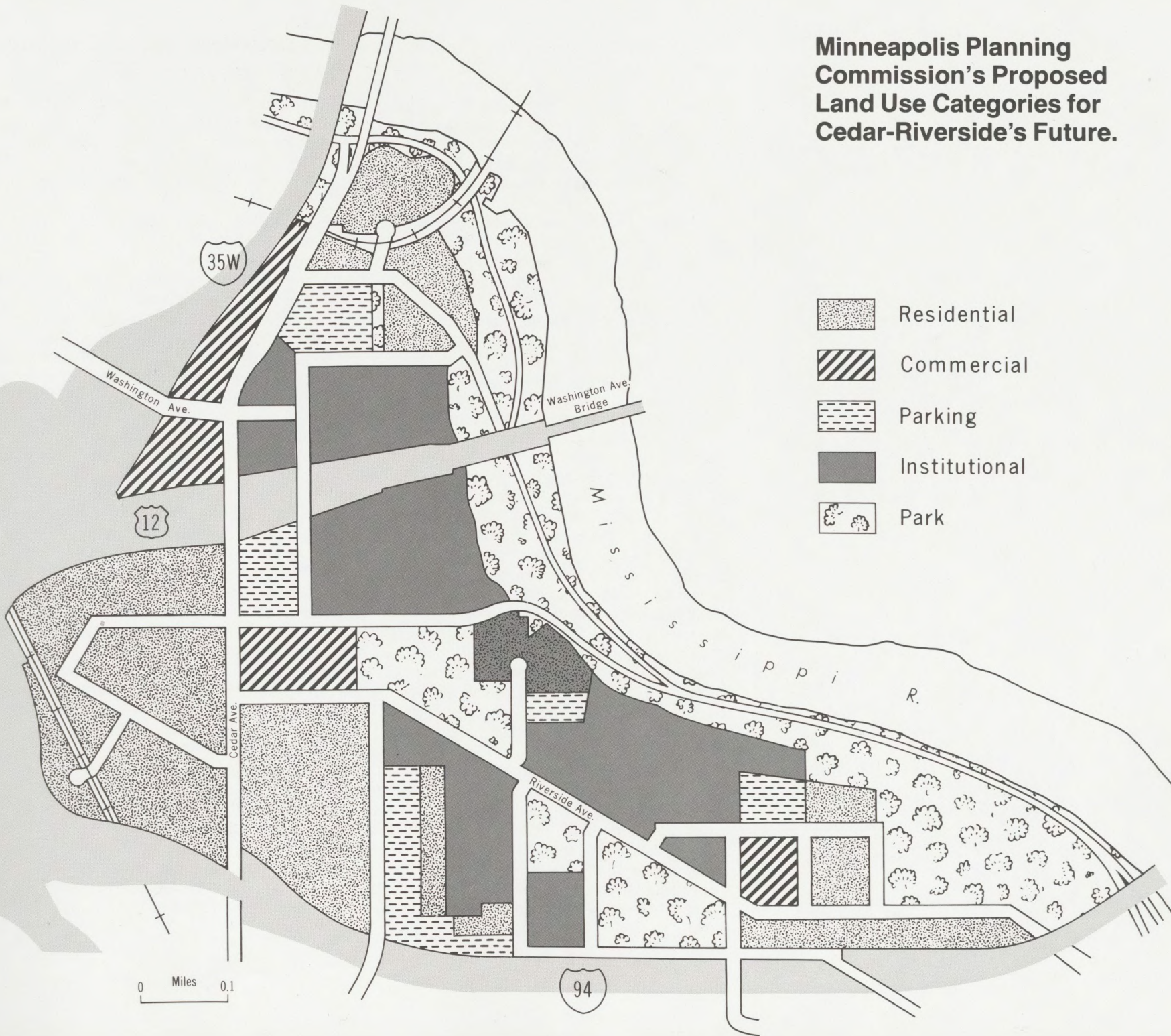


Cedar Avenue in late 1960s, prior to upgrading.

# Cedar-Riverside's Existing Land Use Pattern, 1965.



**Minneapolis Planning  
Commission's Proposed  
Land Use Categories for  
Cedar-Riverside's Future.**





The traffic circulation plan called for a reduction from the existing fifteen miles of streets to the preferred limit of five miles, largely eliminating local streets and preserving major arterials. All of the remaining streets were to have specifically-identified functions, whether as freeways, arterials, collectors, or parkways, in order to clarify their orientation and make them as efficient as possible. Wherever feasible, pedestrians and vehicles were to be separated through the provision of a complete pedestrian/bicycle path system. Complete off-street parking was also recommended. Finally, because of the area's location on the main corridor connecting Minneapolis and St. Paul, the plan suggested an increase in the number of bus lines serving the Riverside area and left open the possibility of other mass transit systems.<sup>7</sup>

Cedar-Riverside was not projected to be greatly in need of such community facilities as primary schools. The plan proposed that a potential grade school site should be reserved in case the need for it arose. Junior and senior high school students could be more than adequately served by facilities in adjacent communities. The park system in the area was to be expanded significantly, primarily through the conversion of the river flats from industrial to recreational uses. To further extend the area's open space, the plan suggested the relocation of Murphy Square (a small public park almost entirely within the confines of the Augsburg College campus) and advocated the construction of tall new buildings in order to maximize the amount of open land. The planners also briefly mentioned the need for social services in the neighborhood, with special emphasis on day care and on assistance for the elderly, and called for a sizable amount of relocation aid to ease the transformation of the area.

Finally, in the area of environmental planning, the report deplored the long-term decline of the Riverside community. It emphasized the outstanding visual asset which the riverfront provided and outlined ways to increase the benefits to be derived from it.

The environmental proposals relied heavily on Kevin Lynch's articulation of urban design elements, identifying edges, paths, nodes, and districts for the entire area.<sup>8</sup> The proposed design framework that was developed was so vague, however, advocating such subjective goals as avoiding "outright ugliness" and providing diversity, that it left room for any kind of environmental development which met the single requirement of not duplicating what already existed in the area.

Having laid out a broad planning framework for Cedar-Riverside's rejuvenation, the report dealt with the problem of implementation. It assumed that all noninstitutional development in the area would be done by private firms or nonprofit organizations. It briefly discussed the possible application of urban renewal but took no position on the feasibility of this technique for Cedar-Riverside. It mentioned existing grant and loan programs, including the Federal Housing Authority (FHA) 221 (d) (3) Below-Market Interest Rate program, open space grants, special assistance programs for university communities, and the Community Improvement Program. But while the report considered all possible means of implementation, it did not advocate one approach over any other.

In some ways this can be taken as an indication of the limited understanding within the city bureaucracy about which way or how Riverside would be developed and the role the city might be expected to play. There were two primary reasons for this situation: Minneapolis did not yet have a significant amount of large-scale residential redevelopment and the Minneapolis HRA had already backed down once on involvement in Cedar-Riverside. As long as it was more feasible for redevelopment to occur privately, the city was inclined to remain on the sidelines. As will become obvious, this long-term dilemma for the city resulted in much wavering between support and neglect of the private developers who were given responsibility for whatever development did occur.

## Activities of Heller and Segal During Their Stage of Expansion

While city agencies and neighborhood groups were involved in these generalized planning efforts, the Cedar-Riverside area continued to be the center of a flurry of land purchases. Between 1965 and 1968, Heller and Segal acquired approximately 180 parcels of land, enabling them to begin the consolidation process for future development. Though finances were and continued to be a problem for Heller and Segal throughout this period, they did not allow monetary difficulties to impede their progress. Money was coming in from various sources, including rents on properties owned, small amounts of individual investment, and bank loans. Many of their purchases were made possible by mortgaging parcels of land which had increased in value since the time of purchase, thus giving them access to more money than the amount originally invested. In general, land parcels were acquired under contract for deed and mortgage, and purchases were often remortgaged within one year. Meanwhile, the Harrises were progressively putting together the Cedar West site, and many others continued to be active in the area. But it was Heller and Segal who were beginning to assume the role of primary developer even while working with the Harrises on planning.

This sign of progress was not merely a product of their own interpretation of the situation. They were in fact becoming the major landlord in Cedar-Riverside, having even more tenants than the University had in housing it owned. They were also actively insuring that their visions for the area would predominate. This meant that on several occasions they found it necessary to buy key pieces of land in order to prevent speculative developers from building scattered walkup apartments. Using any and every means at their disposal, they worked tirelessly to bring about the creation of something of long-range value for Cedar-Riverside.

A detailed examination of Heller-Segal's activities in Cedar-Riverside reveals as much about their prevailing attitudes as it does about the difficulties they were continuously encountering.\* From the time of their earliest purchases in the community both Heller and Segal had frequent contact with the residents of the area. Because their rental operations began on a very small scale and grew incrementally over a period of years, they knew most of their tenants personally and handled problems on a one-to-one basis. As their operations in the area and in Dinkytown grew, this personal involvement became less possible, and eventually a resident relations staff was added to their clerical and maintenance staff. But Heller and Segal still attempted to retain many of their established contacts with tenants. Even after establishing a full-scale office operation they maintained an "open door" policy, so that anyone might walk in asking to see one of the company's two top officials and usually be accommodated.

Many of the early maintenance and tenant problems were handled directly by Heller. He spent a large portion of his time until 1966 and 1967 personally overseeing the work of the maintenance crew, changing locks on buildings, moving furnishings from one place to another, and relocating tenants when he learned of difficulties that groups of roommates might be having. His level of interest in and knowledge about things that were happening in the area apart from the arena of land purchasing was quite extensive. Some examples of this include his knowledge about where parties were going on and who was attending, his awareness of the drug problem in the area before it really came to the public's attention, and his concern about young runaways hiding in the area, as well as his aid to parents searching out runaway children. Although this high degree of supervision and attempted control over activities in the area has a somewhat ominous ring to it, this behavioral pattern was quite consistent with Heller's views of his role in the community. He seemed not to want to intervene in events unless it was absolutely necessary. But he viewed the

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\*Most of the information regarding the daily operations of the firm was gleaned from a daily journal Heller kept and to which I was granted access.



social problems of the area quite realistically and felt that a full knowledge of area activities would serve the ultimate goal of redevelopment.

Heller also spent much time with then alderman Jens Christensen talking about their respective ideas regarding the area's development and learning where they agreed or disagreed and which areas of concern might be compromised. This particular interaction seems not to have been wholly motivated by political considerations for, while it was true that no development could occur without Christensen's approval, it seems clear that the two men were close friends. They had many mutual interests beyond the possible redevelopment of Cedar-Riverside, including a strong religious orientation they both shared. When he was not working or with friends, Heller often toured the Riverside area with frequent stops at the various coffeehouses, bars, or other of the gathering places of the student/tenant population. This enabled him both to accumulate information he wanted and to maintain an open relationship with various segments of the community, including those opposed to Heller and Segal's ideas.

A good deal of talk had circulated among the business owners and others who assumed that any redevelopment taking place would be centered upon an "old town" approach to the commercial district. In fact an entire redevelopment proposal was put forth by the Westbank Square group, a coalition of area business owners, which projected this idea. (One must remember that this was around 1966 and that the success of Chicago's Old Town district and similar areas in other cities was fresh in many minds.) Whatever the primary attraction to this concept may have been, many persons in the area were receptive to the idea of replacing Cedar Avenue's dreary establishments with remodeled facilities to showcase arts and crafts, and simultaneously to attract spending on the part of the growing University population.

As a result of these ideas and of Heller-Segal's determination to upgrade the character of Cedar Avenue regardless of what might ultimately happen in the area, Mrs. Segal devoted considerable attention to the problem of finding crafts people to come into the area and finding suitable spaces where they could work. Part of this process happened rather naturally as the Riverside area's population changed composition. The influx of young people seemed to carry with it a corresponding appearance of the kinds of shops they would likely patronize. Some of the earliest responses to the new market in the area were pottery and leather goods shops, a bookstore, and a record store which doubled as a "head shop."

Aside from working at changing the commercial character of Cedar-Riverside, Mrs. Segal was also personally waging a campaign to attract arts facilities to the area. It was thought that locating arts groups close to the University would be mutually beneficial and an obvious way to upgrade the area's commercial district. Mrs. Segal had a long-standing interest in various aspects of the art world, encompassing both formal efforts like painting as well as the performing arts. She also had a wide range of contacts with persons involved in arts-related activities. It was obviously more difficult to attract arts groups than it was to bring in new business establishments, due largely to the enormous initial investment that a theater group or dance company must make without any guarantee of adequate financial return. But by 1967 there were signs that the area held some promise for the arts. By that year there was some definite interest in the area expressed by arts groups and the next few years saw the arrival of a dance company, an opera company, and several theater groups.

Heller and Segal were not only idealistically committed to carrying out these commercial and cultural changes in Cedar-Riverside; they saw these efforts as part of a larger attempt to solve a wide range of problems in the Riverside area. One large component of their plan was their intention to gradually renew sections of the community, both in order to maintain it and to provide some continuity if and when new construction began. The emphasis on the cultural development of the area in the meantime gave Heller and Segal a concrete focus and demonstrated their sincerity about dealing with the immediate needs of the community as well as its future.

Guild of Performing Arts, Cedar Avenue; an example of cultural development encouraged by CRA.

Cedar Theater, Cedar Avenue—early 1970s home of Minnesota Dance Theater.



This concern was also made apparent through their willingness to rehabilitate housing and to facilitate the development of the area's cultural ambience. For they not only worked actively to attract artists of various kinds to the area, but provided extensively rehabilitated working space and frequently subsidized the rent or actual operations of these individuals or groups until they became established.\*

Heller and Segal's interim program for the area also included the rehabilitation of area landmarks (notably the old firehouse and historic Dania Hall), the elimination of billboards, and a program of "beautification" involving the planting of trees, the creation of mini-parks, and decorative art work on many of the older buildings. Although these projects were costly to undertake for a firm without strong financial backing, both Heller and Segal viewed them as a necessary and desirable expense in the best interests of the present and future communities. To briefly summarize, then, as the scope of the Heller and Segal activities expanded, their ideas about development in Cedar-Riverside became progressively clearer. Though still uncertain about their fate vis-à-vis renewal, decisions were made regarding the dimensions of private development. Immediate total clearance would not occur, redevelopment would be gradual, and visible efforts would be made to upgrade the old community and provide some continuity between new and old as development occurred.

By late 1966, both Heller and Segal were devoting most of their time to their Cedar-Riverside activities. They were no longer operating as concerned individuals. As their range of activities grew, so did the number of their employees. By 1967 they employed a staff of thirty persons, including maintenance personnel and clerical workers, but not including any of the planners who served as consultants rather than staff. The original property-holding entity, University Court Apartments (UCA), acquired at the start of 1968 a corporate subsidiary for operations only, University Community Properties, Incorporated (UCPI). Operations of the office were divided in the following manner: Heller served as president, having responsibility for daily decisions as well as keeping the partnership afloat financially; Mrs. Segal was vice-president and treasurer, with responsibility for community relations as well as check-signing; Dr. Segal remained largely uninvolved, but had to be consulted regarding major purchases or policy changes.

Throughout the mid-1960s Heller and Segal approached many local financial institutions for loans. They sought money in some other cities as well (notably Chicago and New York). Somewhat surprisingly, their requests were often granted—partially because of their persistence and partially because of the very real potential Riverside was perceived to have. Heller and Segal may have started out on a visionary level with their ideas, but it was evidently a vision shared by many, for it garnished a good deal of financial support.

During this period Heller and Segal's capital base expanded significantly. They moved rapidly past the point of having only their own resources to rely upon. Financing of their property acquisitions was accomplished through loans, leaseback arrangements with friends who were buying property for them, and by mortgaging and remortgaging parcels already under their control. In addition, Heller continued to explore the potential application of general tax shelter regulations to their particular situation. It was this aspect of their development, more than almost anything else, that finally began to attract significant private investment after 1968. The most important boosts to their capital funds undoubtedly came from loans. By 1966 and 1967, local financial institutions were taking Heller and Segal's proposals and requests for funds quite seriously. For example, by 1967 nearly \$100,000 had been lent to them by the First National Bank of Minneapolis.

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\*References to this policy have been made at length in CRA publications; it has been frequently cited in public talks by Gloria Segal and others, and interviews with the major participants almost always highlight its significance.

Their first major land loan, one million dollars, came in 1966 from Northland Mortgage Company (then known as General Mortgage Investments of St. Paul, Inc.). This loan was accomplished through take-outs given by North American Life and Casualty Co., State Bond and Mortgage Co. of New Ulm, and later augmented by the Lutheran Brotherhood.\* In 1967 another substantial financial increment came in the form of a \$1.5 million loan from Northwestern National Life Insurance Company. Cedar-Riverside's potential for development, and for eventual profit-making, was clearly becoming acknowledged within the regional financial community. And this potential was so dramatic that it allowed relative newcomers like Heller and Segal to rapidly become involved in the highest realms of finance simply because they happened upon a significant financial resource.

The activity that Heller and Segal and other persons in their employ were primarily involved in during the mid-1960s was, of course, property acquisition. Opponents of redevelopment in recent years have criticized "sneaky" tactics used by Heller and Segal to acquire Riverside land and categorized their activities as typical blockbusting. Heller and Segal are the first to admit that for several years, during which they were acquiring land extensively, there were a number of persons working for them who did most of the actual talking with prospective sellers and who carried out the process of purchasing as if doing it for themselves. That is, they did not approach prospective sellers and indicate that Heller and Segal wanted their land.\*\* At one time there were as many as fifteen to twenty of these individual agents operating in the Riverside area for UCA and, though the active number was normally much smaller than that, often these people did not know each other nor were they always aware that they were working for the same group. The popular history of Cedar-Riverside abounds with stories of occasions on which two persons, both in Heller-Segal's employ, would attempt to outbid each other for the same piece of land. In addition, many properties were acquired as a result of Heller and Segal's close attention to the legal aspects of land ownership; that is, many were acquired due to knowledge of unrecorded deeds.

The reasons for conducting acquisitions in this way seem obvious enough. All too often in urban neighborhoods projected for renewal, residents use the situation to demand exorbitant purchase prices for their property. This cannot happen where a public entity is planning redevelopment due to the constraints of eminent domain, but it is frequently the situation facing private developers. In order to avoid spiraling prices in the Riverside area, as well as to make the acquisition process both gradual and financially manageable, Heller and Segal decided to keep their goals for land purchases away from public notice for a time. But they maintain to this day that every piece of property they acquired was on a "willing seller-willing buyer" basis, although again, popular history of the area questions this.

It was becoming obvious by the mid-1960s that Riverside was greatly changing, and with neighbors and friends already gone or planning to leave shortly, there was little reason other than sentiment for many people to remain in the area. In any case, by early 1967 when the Cedar Village plans were revealed, outlining the desired scope of private redevelopment, there was no longer any reason for Heller and Segal to operate in a covert fashion.

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\**Take-out* is a technical term referring to an agreement made by a financial institution to carry the expense of a parcel of land in return for a fee. An implicit condition is that the institution will never have to actually carry through on a purchase because circumstances will intervene to make this unnecessary. This arrangement enables the person or group initiating the take-out to use the letter of intent signed by the second party to get interim financing at a bank.

\*\* This is not at all an unusual tactic to use when trying to assemble a large parcel of land. Much the same sort of approach was used by James Rouse in putting together the thousands of acres on which Columbia was then built. See James A. Clapp, *New Towns and Urban Policy: Planning Metropolitan Growth* (New York: Dunellen Publishing Company, 1971), pp. 122-127.

## Interaction with Other Public and Private Groups

Heller and Segal were not carrying out all of these activities in a vacuum. They were in almost daily contact with the Harrises and the planning team, and in weekly contact with representatives of the city, the Minneapolis HRA, the area's institutions, and potential investors. But until 1968 there was nothing definitive to guide discussions about Cedar-Riverside's future.

There were two overriding concerns about possible redevelopment plans at this point: whether there should be some sort of active public involvement like urban renewal; and, if private developers were to be given a chance, whether Heller and Segal could work cooperatively with the Harrises or whether either of these groups or anyone else could accomplish anything independently.

In January 1967 the Minneapolis HRA again decided to push for renewal of the area. Using the two city planning commission reports as evidence that something should be done, the housing authority made the following arguments: the private developers were not moving quickly enough; they had not acquired all the land they needed; and they did not have sufficient financial backing to proceed with redevelopment. Jens Christensen, the area's alderman, still opposed total urban renewal. This reflected his generally conservative approach to the area's problems and its future. However, he seemed to favor some kind of "total plan" for the area and was supportive of many things the private developers had in mind. In a letter written to the housing authority's director early in February 1967, Christensen endorsed the idea of joint public and private development for Cedar-Riverside, but with the stipulation that land be publicly taken only for public purposes. He seemed to be standing firm in his position that renewal be allowed only when and if the private developers failed.

The response of area institutions to the renewal proposal was finally negative. Officials of the University were interested in cooperative housing and low-income units, neither of which seemed likely to result from total renewal. Augsburg officials were concerned about the relocation of Murphy Square and their ability to close off streets for the use of the college under renewal. CRAC, which had originally requested the planning department reports, favored the concept of private development, but questioned the availability of financing for it. The University Community Development Corporation, a nonprofit arm of the combined institutions, favored the development of a plan by the Minneapolis HRA, but held that private developers should be allowed to flourish in accordance with any such plan. The hospitals indicated that public development was acceptable (since it could not affect the hospitals in any case), but that private efforts were preferable. The housing authority was determined to proceed with the development of a renewal plan, but was still not receiving a great deal of positive support from any quarter.

The question of the private developer's ability to accomplish anything either individually or collectively was on many minds. This was a particularly crucial situation, because by 1968 many of the other private groups with an interest in the area had either withdrawn or had become involved with Heller-Segal or the Harrises. (The major exception to this was the Batzli group which was intent upon establishing hegemony in the Seven Corners area.) By 1966 UCA and the Harrises had worked out a cooperative understanding of what each was doing, but efforts to bring about a more formalized partnership continually met with difficulty. During the early part of 1967, Heller was particularly eager to work out a limited partnership agreement for the two groups, but the Harrises were not interested in involvement on this level. On the other hand, the Harrises seemed anxious to stop Heller and Segal from forming partnerships with anyone else. Basically, the differing business styles of the two groups precluded any closer type of association.

The result of all this was a good deal of tension and lack of trust on both sides. The Harrises were not convinced that Heller and Segal's operation had the financial capability to remain involved, while Heller and Segal worried that the Harrises would sell the land they had acquired to someone who wanted to build three-story walkups. Instances of "one-upmanship," such as one



group attending what was to be a joint meeting with bankers without informing the other group, occurred too frequently.

Early in 1967 Heller and Segal decided that they ought to ensure that the Harrises would not do anything to upset the "total planning" concept for the area. This led to their decision to attempt to buy a crucial parcel of land in the middle of the Harrises' Cedar West section from a Wisconsin investor who had intended to do some building on the site and had been in touch with each group. Richard Marks was a developer who had built a number of private dormitories in Madison, Wisconsin, and he wanted to build similar facilities in Cedar-Riverside. The property Marks owned included some parcels the Harrises were trying to consolidate under their control, and Marks refused to sell out to them. Meanwhile, he was prevented from going ahead with his own plans because one of Heller and Segal's nominees owned a key parcel of land he would not give up. Eventually Marks was so discouraged about the entire enterprise that he decided to sell his property to Heller and Segal rather than the Harrises, since he suspected that the latter group was interested in doing precisely what he had been prevented from attempting.

By mid-1967 Heller and Segal had control of the Marks parcels and their relationship with the Harrises seemed to reach a stalemate. The two groups continued to meet frequently to discuss their joint planning efforts and throughout the rest of that year contacted a number of well-known planners about possible involvement, including Lawrence Halprin, Victor Gruen, and Peter Walker.

But the future development of Cedar-Riverside was prefigured late in the summer of 1967 when one of the Harris brothers suggested the possibility of their selling out entirely. Still later that year one of the Harrises indicated an interest in being involved in Cedar-Riverside's redevelopment at the point of actual construction, but felt that their current financial status and the tedium of the acquisitions process were an unnecessary annoyance. It was becoming clear that Heller and Segal were the front-runners among private developers of Riverside, but even at the end of 1967 the Harrises were still undecided about the role they intended to play.

### **The Planning Effort Moves Ahead**

Heller and Segal established their most important single contact when they encountered Henry McKnight. McKnight was a Minnesota state senator with strong interests in land conservation. He was the guiding force behind the creation of Jonathan, a New Town twenty-five miles southwest of Minneapolis. McKnight expressed his possible interest in investing in Cedar-Riverside as early as 1966, and he maintained relatively close ties with Heller and Segal from that point on. His interest lay not merely in the financial side of the projected redevelopment area, but in almost every aspect of the planning process. McKnight strongly advocated bringing in the Barton-Aschman people to work on planning and also attempted to guide Heller and Segal through their difficulties and differences with the Harrises.

McKnight's potential financial interest was a more than welcome boon to Heller and Segal, for he had extensive contact with far more people and resources than they had yet found. McKnight's original intent was to invest in both the Cedar East and Cedar West efforts. His investment would represent not only himself but also the Dupont Corporation, Investors Diversified Services (IDS), and several important New York firms.

Another useful contact Heller and Segal made early in 1967 was with Gary Carlson of the Minneapolis-based Bor-Son Company. Heller had apparently regarded this firm as a desirable partner in a limited partnership situation. Although this idea went nowhere at that point, Bor-Son did indicate a strong interest in the project, as well as a willingness to contact other influential firms, notably Honeywell and Minnesota Mining and Manufacturing (3M). As in the case of McKnight, this initial contact would lead over the years to a serious financial commitment in

Cedar-Riverside by Bor-Son.

The relationship of Heller and Segal with officials and planners of the city of Minneapolis also seemed to improve throughout 1967. At least these people began to view Heller and Segal's (and the Harris's) plans as serious proposals. They maintained contact with Jens Christensen who was still concerned over proposed urban renewal for Cedar-Riverside. But Christensen by this time supported Heller and Segal's plans, at least conceptually. The city planners, for their part, kept in touch with all of the private developers regarding the proposals they had in mind. Heller and Segal had, of course, alerted pertinent city officials about their Cedar Village plans and were tentatively reassured by the Minneapolis HRA that any public renewal might conditionally except their land (as well as Augsburg's land) from acquisition.

All indications in mid-1967 were that it would be 1970 before any kind of public acquisition occurred. Ray Harris reached an understanding with housing authority officials that the private developers would have an option on the price they would pay to secure properties taken by the authority. He was also assured by the authority that guidelines for zoning, density, and residential/commercial mix would be sufficiently vague to allow the developers latitude and that the properties they had not yet acquired would be legally delineated.

Heller, Segal, and the HARRISES had their first look at the proposed renewal plan in October 1967 and were reassured to find that it conformed in most ways to the planning framework they had visualized. The plan itself will be detailed in another section, but in essence it implied that city government understood the private developers' goals and was willing to allow them to proceed.

This kind of close interaction between public agencies and private developers is not the norm during a renewal process. The reason for its existence in this situation was an acknowledgement on the part of both groups that what they were trying to do in Cedar-Riverside took precedence over what might normally be an antagonistic relationship. The private developers were actually accomplishing something the public Minneapolis HRA agency could not—the assembly of land. And yet all of the work of the developers could be eliminated instantly through a renewal designation. This tended to create a mutual respect on both sides regarding what the other was about.

In addition, the Minneapolis HRA had a history of working closely with private developers; the precedent was set with the Gateway project and seemed to extend automatically to Cedar-Riverside.

Heller and Segal's actual plans at this point were somewhat tenuous. The Cedar Village plan was announced early in 1967 but it was primarily a broad framework and guide containing very little of a concrete nature. Heller and Segal and the HARRISES, together with Rapson, the architect, and Engelen, of Barton-Aschman, had frequent discussions about the plan throughout the year. But they were never really motivated to act until they realized that actions by the Minneapolis HRA would impose some sort of deadline on their plans. One of the basic problems was that they had not formed the actual planning team. It was assumed that the Barton-Aschman firm and Rapson's office would be involved, but beyond this nothing else was certain.\*

In their travels Heller and Segal had spoken with many different planners, but they and the HARRISES disagreed over precisely what roles needed to be filled. The HARRISES wanted an overall planning firm to assume control (such as Victor Gruen's), while Heller tended to favor a more cooperative effort, with coordination being done by a designer (he had in mind Peter Walker of San Francisco). The differences these choices reflected were essentially stylistic ones. Heller and

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\*Even this was not totally certain from the start. The Harris group originally did not want to include Rapson but later agreed, with the provision that others be added to the team. Originally the HARRISES wanted all planning work to be done by Victor Gruen's firm (which was well-known for its suburban shopping centers).

Segal wanted a central role in the planning effort and thus were inclined to favor a more flexible approach, with the opportunity for a good deal of individual contribution. The Harrises, on the other hand, wanted to let someone else do the actual planning, with the developers retaining final design control. In mid-1967 the Heller-Segal team discussed extensively whether to involve analytic consultants like the Real Estate Research Corporation of Chicago and Economic Research Associates of Washington, D.C. There was a continuing interest as well in Halprin's involvement in the project.

During a visit to Halprin's office in late summer of 1967, Heller and Harris outlined three planning alternatives they had in mind: to have a single firm do all of the work; to unite an economic planning group with the design experience of Halprin and Rapson into a team, or to have a team approach under the direction of a coordinator (this could be either the developer or the project architect).

The third approach seemed the most workable to all of them, but while Heller and Halprin felt that Barton-Aschman could best fill the coordination role, Harris thought that Gruen should be in that position. And Heller was still determined to have Walker work on the project somehow.

By September 1967 the planning team idea and components were completed and the first major planning meeting took place. Those involved at this point, in addition to Heller, Segal, and the Harrises, were Engelen, Rapson, Siler, and Halprin and Associates.\* Heller's attempts to bring in Walker failed, although Walker would later be greatly involved. But the confusion persisted regarding who should be doing what. A month later there were again discussions about changing the team's composition. The suggested change included incorporating Walker, and using Barton-Aschman only when necessary.

Obviously this kind of indecision and disagreement had a detrimental effect upon the planning process itself. The first team meeting had no significant results, and Heller seemed uncertain about the need for specific design proposals at this point. As a result the entire year was spent working out a general framework, without ever getting into specifics. When the urban renewal plan appeared late in 1967, the private developers were still far from ready to start on their proposed projects.

## **The Public Sector Steps In**

Although Cedar-Riverside's private developers originally felt threatened by the idea of urban renewal, in many ways its impending and actual presence was a disguised blessing for them. The urban renewal plan clearly acknowledged the work they had already done. But it also moved them to shift their planning efforts from the overall design and start working on the first stage of development.

The housing authority released the plan in mid-November 1967, allowing ninety days for public comment before any formal action would be taken. Essentially, the plan echoed the two early articulations of Riverside's situation done by the city planning department. In fact, the plan made extensive use of the proposals in the second Riverside report. The plan's rapid publication was possible because so much of the groundwork had already been laid. In addition, the staffs of both the housing authority and the planning commission jointly devoted most of their time to its preparation.

The major goals of renewal as stated included: removal of structurally substandard buildings and others impeding orderly development; elimination of blighting influences; and the creation of

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\*The team was actually two teams: one with Rapson and Halprin sharing responsibilities and the other composed of Engelen, Siler, and Rapson. Eventually the two teams functioned as one.

an "intensively developed major educational, research, and health complex with supporting residential and commercial uses."\* The plan called for the coordination of planning and development by public, institutional, and private developers. It projected a heterogeneous group of residents, mixed in terms of age, income, and life cycle status, but closely identified with the area's institutions. It called for diversified residential development at "optimum" densities and reiterated all of the physical and environmental planning needs emphasized in the earlier reports.<sup>9</sup>

The proposed urban renewal plan was unique and innovative. Rather than being a specific master-plan approach to development, it provided flexible guidelines. That is, it left a good deal of room for readjustment and compromise within broad limits of institutionally-focused development. But even more unusual was its use of "conditional exclusion." The plan first exempted all University property from acquisition and then excluded the other institutional areas and the eighty or so acres the private developers were attempting to consolidate. This was done on the condition that these groups present plans within five years for developing their land in keeping with the renewal objectives.

Moreover the authority guaranteed that when the developers came forth with acceptable plans, they could take advantage of the housing authority's ability to condemn holdout parcels. This active encouragement of private development within a renewal area effectively eliminated much of the "public" nature of the renewal process since most of the land to be redeveloped would not be condemned and publicly acquired. In fact, the land the authority slated for direct acquisition—the bluffs, the river flats, and the access areas near the bridges—was a relatively small proportion of the total (see map).

The urban renewal plan set off a spate of meetings in the Riverside area. Heller, Segal, and the Harrises, as well as housing authority and city officials, spent an extensive amount of time before neighborhood groups explaining precisely what the plan meant. Although there was still opposition to the idea of urban renewal, it did not seem to be as organized or as specifically focused as it had been eight years before. The residents of the area had assurances from the alderman that he would not approve any plan allowing public condemnation of residential land. As this was not a feature of the proposed plan, it was impossible to make it an issue.

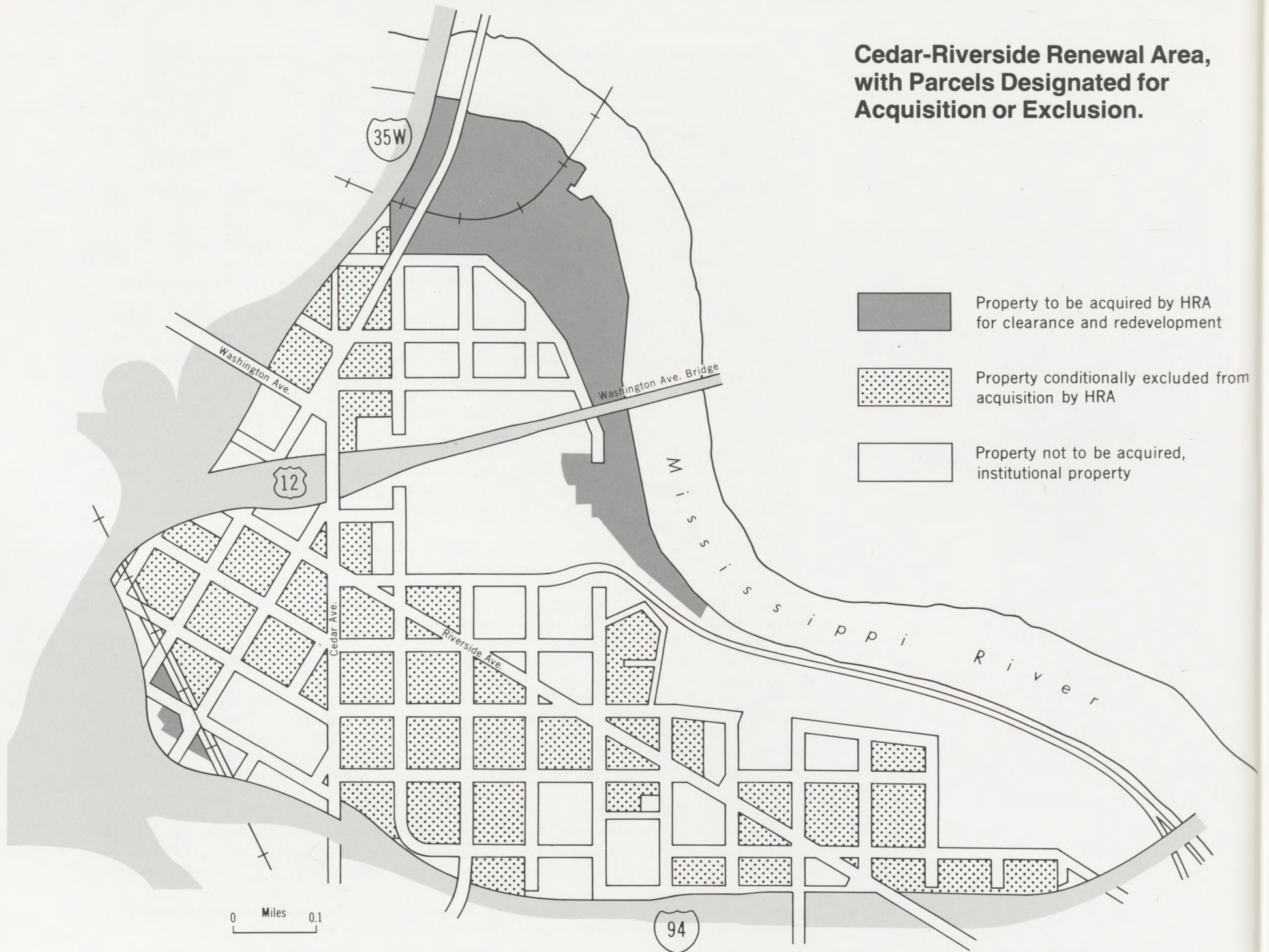
Many of the meetings seemed to be simply informational, with no significant objections being raised. When concerns did emerge they were varied and sporadic. Some opposition to any public acquisition surfaced at one meeting, even though the areas so designated were entirely nonresidential. One of the first large area meetings produced the sentiment that approval should be delayed until the residents could become more involved in deciding the area's future. A meeting of the Cedar-Riverside Improvement Association (CRIA), a group of Riverside Park residents, resulted in talk of a lawsuit being brought to stabilize the prices paid for land parcels and ensure that everyone received a fair price. Several meetings revealed a reserve of hostility toward the private developers, indicating that many people still did not fully understand the intricacies of the plan. Many of these same meetings generated a strong demand to ensure the continuity of low-rent housing in the area, with some people even suggesting that this be a mandatory provision of the plan.

Residents raised the questions of neighborhood control and consultation and the housing authority director, Charles Krusell, responded at area meetings with what came to be the city's ultimate rationale for Riverside's future: since the renewal program concerned and involved the entire city, participation in deciding this community's fate went beyond strictly local boundaries.

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\*It should be noted that the goals of the urban renewal plan, as well as those of the planning commission studies, closely echoed the stated goals of CRAC, the neighborhood advisory group.

## Cedar-Riverside Renewal Area, with Parcels Designated for Acquisition or Exclusion.



City officials cited at least two reasons to approve renewal for Riverside: to eliminate hold-out parcels, which could cripple development plans, and to make possible a write-down of land costs. They might have added another which was clearly important, though not directly articulated. This was the fact that the federal government would provide the city with matching monetary credits on a two-to-one basis for all institutionally acquired land in the renewal area. Thus the city could get a great deal of return for a very small expenditure, since much of the land had already been acquired.

Further attempts by area residents to guarantee provision of low-income housing revealed their naiveté about the realities of redevelopment. One very large meeting produced a resolution calling for 50 percent of the housing in Riverside to be rented for either \$75.00 per month or 20 percent of the resident's income, whichever was less. Apparently supporters intended this to apply to the postdevelopment period as well.

The city planning commission began holding hearings on the renewal proposal in January 1968 to determine the response of the public. Initial results were rather inconclusive. Strong support for the proposal came from all of the institutions and the Cedar Village developers; some of the business owners, homeowners, and CRIA opposed it. Succeeding commission hearings were primarily devoted to an airing of specific points of opposition to the plan—for example, the question of how firm the institutional boundaries were, whether there could be any commercial/residential mix on single blocks, and how firmly established the circulation patterns were. Almost all of these questions arose out of self-interest on the part of those—particularly business owners—whose current position was not compatible with the projected land uses. In general the planning commission approved the proposal as it stood, though it authorized some small changes in deference to the business community, and sent it back to the housing authority with a favorable recommendation in May. In early June the Commission of the Housing and Redevelopment Authority endorsed the plan and sent it on to the city council for review and approval.

Having gotten this far, and having some assurance of approval by the area's alderman, the renewal plan's passage may have been regarded as essentially pro forma. Still the city council fulfilled its legal requirements by instituting yet another set of public hearings on the plan. These took place during the summer and early fall of 1968. The first hearing, held on the Augsburg campus, began with a statement from Minneapolis HRA director Charles Krusell outlining the provisions of the plan and projecting its costs and completion time. Opponents of the plan primarily objected to the lack of relocation benefits and the lack of opportunity for "local" development, since much of the area's land was already controlled by the institutions or by private interests. They also objected to the lack of provision for low-rent housing and the perceived "land-grab" by the private and institutional developers. This last objection largely emanated from activist (mostly student) community people and from a few business owners. Proponents of the plan included representatives of all of the area's institutions and many of the associations as well as most of the private developers, including Heller and Segal and the Harrises.

The second public hearing, which lasted until five o'clock in the morning when the city council finally voted, gave the opponents and proponents a chance to question each other about specific items in the plan. Institutional representatives spent a good deal of time detailing their own development plans, including hospital expansion and aggressive building programs of the small colleges. The University endorsed the plan, seeing it as an aid to the major investment they had already made in the area. Since the University was currently planning the construction of a performing arts building, a new law school, some more classroom/office buildings, as well as additional dormitory space and parking facilities, legal encouragement of development would greatly enhance its own plans. The private developers explained their plans for the area. Batzli, an

early developer in the area, projected a complex of parking garages, small commercial areas, and a mix of tower and garden apartments in the Seven Corners-Bluff Street areas, while Heller and Harris elaborated upon the Cedar Village plans.

At several points the question of the availability of low-rent housing was raised, and the housing authority director again presented the city's view of the Riverside area's potential for attracting middle- and upper-income families back into the city. He then emphasized the importance of encouraging low-rent housing—though there were already 348 units of public housing in the area and about the same number projected for the near future. But Krusell was adamant about not instituting a quota system, as this would predetermine the kind of building that could then take place. Ray Harris noted that the 112 dwelling units west of Cedar could be replaced by as many as 2,500 new residential units, thus increasing the tax base 1500 to 2000 percent, and he reiterated the financial impossibility of trying to maintain the status quo in the area.

In response to specific questions Heller described some of UCA's financial arrangements. He emphasized their desire to cooperate in the area's total development, citing as an example their purchase of property in various parts of the community as an effort to prevent outsiders from initiating any kind of incompatible development. Heller also outlined the reasons for their support of urban renewal, despite its potential threat to their investment. Included among these were the opportunity it presented the city to take advantage of institutional credits, the removal of existing uncertainty about the area's future, and fulfillment of the need for integrated development.<sup>10</sup>

The number of opponents speaking at this last hearing was small and their objections remained focused upon the issues of low-rent housing and the perceived threat of the private developers. An attorney representing some of the residents and business owners called for priority to be given to the community's own residential or business developers over outsiders and argued in favor of a five-year absolute, rather than conditional, exclusion regarding acquisitions. But it had become apparent that despite continuing opposition, the urban renewal plan was basically satisfactory to a majority. The hearing was closed and the council went immediately into session. After an hour of debate and minor amendment adoptions, the city council came out in favor of the proposed plan by a vote of eleven to one.

The primary effect of the renewal plan's approval was the fact that it established Riverside's future as something radically different from its past. Having emphasized Riverside's potential attraction for a diverse institutionally-oriented population, the plan encouraged development that might incorporate the working-class, middle-class faculty, and students, but would not cater exclusively to any group. Its clear intent was to create a community that might draw in and hold those who would normally escape to the suburbs by providing a wide range of activities and services not usually found in older urban areas. It also clearly indicated the need for removal of the existing housing stock by providing for a density of 125 dwelling units per acre. The other important effect of the plan's passage was the impetus it gave the private developers to begin serious planning for construction. Facing a five-year limit on the time allowed them before the authority would step in, developers became understandably concerned about moving quickly from theory to action.

### **Heller and Segal Solidify Their Position**

The existence of the urban renewal plan did not significantly alter Heller and Segal's ideas, since it conformed in most ways to the broad plans they had underway. But it did encourage them to expand their sights. The plan allotted about 100 acres for all private development, and by April 1968 Heller suggested having all of this land unified under the control of a single developer. The

Heller-Segal firm had already begun to move in that direction through purchases of land in HARRISES' Cedar West territory, in Seven Corners, and in the Riverside Park area. They had been encouraged in these maneuvers by Henry McKnight, who had advised them earlier to consider buying out the HARRISES' interest in Cedar West. Heller also approached St. Mary's Hospital officials early in the year about cooperative development near Riverside Park and he had contacted Page-Franklin, a team of apartment builders, to discuss cooperation, and finally even talked to Batzli about the prospects of combined planning.

Although no immediate decisions were made on these proposals, it was becoming clear that Heller and Segal's ties with the University and the housing authority and their willingness to pay higher prices for land parcels made them more powerful than the smaller developers. When Heller talked with Ray Harris about unified development of the entire area and outlined limited partnership and joint venture plans, there was a strong indication that the HARRISES did not see themselves playing such an extensive role, though they seemed to want to remain involved in the Cedar West portion of the development. The likelihood of Heller and Segal filling the role of single developer increased greatly late in 1968 when McKnight expressed a definite interest in becoming involved in their project, and made available sufficient financial support to back an extension of their original plans.

The significance of Senator McKnight's participation in Heller and Segal's planning efforts was enormous. His involvement single-handedly opened up new opportunities for financing while imparting new avenues of political support, both locally and nationwide. McKnight also brought a degree of planning experience that Heller and Segal lacked. By the time he indicated a definite interest in Cedar-Riverside late in 1968, McKnight's own development, Jonathan, was well underway. Earlier in the year Jonathan was designated the first federally-assisted New Town under the 1968 Title IV legislation, thus providing it with substantial loan guarantees and various special grants from the Department of Housing and Urban Development (HUD). With the financing of Jonathan assured and most of the initial planning accomplished and construction beginning, McKnight felt free to turn his attention to other planning efforts.

McKnight's interest in Cedar-Riverside was natural, both because of its location and because it seemed a serious effort to conserve and use urban land constructively. But it also presented the potential for further use of existing development aids. Part of the 1968 federal New Community legislation had dealt with "paired New Towns" and, though it was not fully approved, McKnight considered the possibilities of pairing Jonathan with Cedar-Riverside and thus being able to substantially increase the social and cultural spheres of each by sharing specialized services. McKnight shared many of Heller and Segal's ideas regarding inner-city redevelopment and seemed even more anxious than they to get specific planning goals defined and implemented. It was his determination, almost more than anything else, that led to the consolidation of Cedar-Riverside's development plans under a single entity.

Evidence of Heller and Segal's leadership position had appeared by early 1967, when it became apparent that they could get financing when the HARRISES could not, even though a year or so earlier such efforts had been a real struggle. This change was at least partially because they had managed to convince the leaders of several large and influential firms of their intention to see their plans through. When McKnight entered the scene, whatever financial difficulties remained were at least temporarily resolved.

In February 1969 the corporate form of the development group was again altered. Cedar-Riverside Associates (CRA) was formed for the specific purpose of directing future development and a subsidiary, Cedar-Riverside Properties (CRP), became the major landholding partnership. University Community Properties, Inc. (UCPI) continued as an operating and management subsidiary of CRA. CRA and Heller became general partners of CRP, with each owning approximately 50 percent; CRA was owned almost entirely by McKnight, Heller, and the Segals.



Limited partnership options in the new entity were made available to outside investors. With Heller as president, Mrs. Segal as vice-president and treasurer, and McKnight as chairman of the board, the stage was finally set for redevelopment to begin in earnest.

Part of the reason for Heller and Segal's success to this point was their ability to attract small investors as well as corporate support. This they accomplished through their skillful use of tax laws to provide for maximum investments. Certainly the major attraction of Cedar-Riverside for small (non-corporate) investors was the opportunity to take advantage of tax shelter provisions.\*

Heller and Segal made use of the tax shelter potential by selling limited partnerships to interested investors, thus guaranteeing a long-term use of capital to themselves and a lengthy tax break to their investors. Investment of this type was slow but critical during the corporation's formative years, often coming just at the moment that an important loan or mortgage payment fell due. The pace of investment picked up quickly after the formation of the new entity: there were no limited partnerships in 1968, but CRA acquired twenty-five during 1969. By mid-1969 there was another important addition to the organization. Bor-Son Construction, Incorporated became one of the limited partners, thus bringing in additional financing as well as planning and construction expertise.

Though the firm still did not control the entire 100 acres of noninstitutional land in the area, it had a major portion of it and, through the provisions of urban renewal, had a guarantee that holdout parcels could be publicly acquired if necessary. The major obstacle to unified planning at that point was the presence of other developers.

Although they were continuously protesting otherwise, by late in 1968 the HARRISES made it clear that they were willing to sell their Cedar West property. The long-term nature of the proposed development was apparent by that time and the HARRISES were not interested in waiting for the eventual outcome. They were, however, somewhat hesitant about selling out to Heller and Segal—a result of the ongoing mutual mistrust, the HARRISES' lingering bitterness about Heller and Segal's purchase of the Marks property, and from the HARRISES' fear that Heller and Segal did not have sufficient financial strength to carry such an extensive purchase.\*\* While the HARRISES made overtures to other development organizations, Heller and Segal solidified their relationship with McKnight and simultaneously resolved their difficulties with the HARRISES. For his part, McKnight was anxious to see unified development occur. His terms of partnership included an agreement to finance a buy-out of the HARRISES; his presence provided a third party to negotiate between the two groups, as well. In February 1969 an agreement was reached whereby the HARRISES would receive \$3.95 million for nearly ninety-three parcels of land, all of their holdings in Cedar-Riverside.

Property ownership in the Seven Corners area was now about equally divided between CRA and Batzli. Heller was in continuous contact with Batzli, Page-Franklin, and others regarding the possibility of buying them out, as well as talking about cooperative development. None of these

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\*These tax shelters allow investors to prevent a certain portion of their yearly income from being taxed when an equal amount has been invested in a business operation that is losing money. Enormous potential exists for applying these provisions to development projects. This is so because the front-end investment which is required to develop land is staggering compared to the return received in the first years of operation and the complete lack of return throughout the development period.

\*\* Heller and Segal had been persuaded by Jens Christensen to resell the Marks parcel to the HARRISES since it was located in their portion of Cedar Village. The land was then transferred to the HARRISES at cost. The HARRISES were prevented from going ahead with their plans because they still could not acquire some key parcels and because they were having difficulty trying to work around major utility lines. For these reasons they decided to sell to CRA.

groups were amenable to playing a subordinate role when development occurred and, since CRA was clearly attaining a position of control, all indicated their potential willingness to sell.

The Page-Franklin property north of Highway 12 and west of Cedar Avenue was the first to be acquired, and only required negotiations about price. Batzli's position regarding his Seven Corners property was less clear. Though he indicated an interest in selling out and emphasized the disadvantages of separate planning, he hesitated in deciding what to do. Negotiations continued over many months with no resolution. It eventually became clear that the situation was a standoff and the CRA organization, knowing that Batzli posed no real threat to their plans, seemed content to live with whatever he intended to do. Despite the fact that some property remained to be acquired, detailed planning for the initial stage of development began in 1969 and continued throughout the year.

The number of people interested in and working on Cedar-Riverside's redevelopment increased proportionately as CRA's control was established. The area was beginning to attract attention nationally as planners and developers from other cities stopped in Minneapolis to view the situation and their proposals, and word about the development ideas spread through the grapevine of the planning profession.

Heller and Segal were still relative unknowns in the planning field, even with the addition of McKnight. But the concept they were trying to develop and their way of going about it were radical enough to be noticed beyond the limits of the city or region. There was, even in the late 1960s, little nontraditional inner-city redevelopment and none that used public and private involvement simultaneously or projected a socially and economically diverse population as the ultimate goal. Few plans were comprehensive and even fewer used a multidisciplinary planning approach. The Cedar-Riverside development, which tried to do all of these, drew attention.

CRA was becoming adept at generating and making use of this publicity. An example was Heiki von Hertzen's two visits to Cedar-Riverside in 1969. Von Hertzen was the planner and developer of the internationally acclaimed Finnish New Town, Tapiola. Mrs. Segal had met von Hertzen during a tour of European New Towns in 1968 and had asked him to serve as a consultant for their project. To their great amazement he agreed and planned to visit the area the following year. His first visit in February was largely informational, to acquaint him with the area's problems and with their ideas. When von Hertzen returned in October he participated in planning meetings, and talked with various civic leaders, city and University officials, student groups, and the press.

The value to CRA of having von Hertzen involved had little to do with the volume or quality of planning ideas they expected him to contribute. Rather it had to do with the fact that, as the developer of perhaps the most successful New Town in the world, von Hertzen's attachment to Cedar-Riverside, however peripheral, was singularly impressive. It was one sign among many that the "upstart" developers were quite serious about their intentions and that they were becoming capable of implementing them.

Von Hertzen's actual contributions to the planning process were minimal, but he did alert CRA to his concern about the density of the proposed development. Having designed a detached New Town whose density was about 35 dwelling units per acre, his anxiety about building at 125 units per acre was understandable. In basic form and concept, however, he approved the Cedar-Riverside plan heartily.

While making national and international contacts for purposes of public relations, CRA was also gaining critical support and aid on the local level. Quite early in 1969 Mrs. Segal approached Arthur Naftalin, the outgoing mayor of Minneapolis, to pose the possibility of involving him in the project in some way. Although this did not result in anything concrete for several years, Naftalin was a useful contact both locally and nationally for the organization.



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Even more important for CRA's future at this point was the addition of Donald Jacobson to their staff. Jacobson had for several years been an assistant director of the Minneapolis HRA, with responsibility for building public housing for the elderly, and more recently had been the assistant city coordinator for Minneapolis. Jacobson joined CRA in June 1969 as director of planning and development, bringing to the organization both experience in the field of low-income housing and extremely valuable contacts throughout the myriad of public agencies the firm had to confront on a regular basis.

The CRA staff increased during this period. The size of the full-time maintenance crew grew to about thirty and the clerical staff expanded as well. In addition a full-time social worker was brought into the organization to visit tenants, discover their needs, and generally maintain a good working relationship between landlord and tenants.

The scope of the planning process was simultaneously more explicit and more narrowly focused throughout 1968 and into 1969. While still working out the broad concepts of the plan, CRA began to outline specific details of the proposed development. There were continuous planning meetings through 1968, even when the fate of the urban renewal plan was still unknown. But sometime in 1968 it became clear to both CRA and other parties that they really were interested in doing the entire 100 acres of private development rather than just a portion of it. Soon after arriving at an agreement with the Harrises, CRA decided that the location of the first stage of construction would be in the Cedar West area, primarily because this site entailed a minimum of relocation and because it contained the most blighted housing.

Early in 1968, CRA worked out with the relevant parties institutional boundary lines, zoning changes, street vacating, and the probable location of specific commercial facilities like the proposed motel/convention center. By the middle of that year Rapson and Halprin had jointly built a model of the development. This used many of the circulation ideas suggested by Rodney Engelen and some of the environmental concepts formulated by Halprin. Prominent features of the model included: several concentrations of high- and low-rise housing around plazas linked with pedestrian walkways above the vehicular traffic, a central core of commercial facilities, and parking facilities located below the plaza level. On a very detailed scale there were extensive discussions of such things as a reasonable height for the plaza and the number of parking spaces to be provided.

Needless to say, this was a very tedious process, involving as it often did communication among various people in different parts of the country. Although Heller and Segal were in almost daily communication with Rapson and Engelen and had frequent talks with Halprin's associates (including two visits by Heller to see them in San Francisco), there were only two weeks during 1968 that all of the planners came together to exchange ideas. So while the scope of their undertaking was becoming more clearly defined, the pace was still relatively slow.

If the planning process was taking place slowly, the opposite was certainly true of CRA's involvement in the community and the degree of change occurring there. The influx of students and young people continued apace; Heller and Segal purchased and renovated more properties. But the nature of this in-migration was clearly different from any which preceded it. By 1967-68 the Cedar-Riverside area had become the center of counterculture activities in Minneapolis. It provided a location for youthful nonconformists to congregate and live as they chose without the strictures of parental or community disapproval—but it was also becoming the center of a flourishing drug traffic in the popular mind as well as in reality.

There was a small but increasing number of police raids on individual homes and particularly on dances at Dania Hall throughout 1968 and into 1969. The area became a haven for runaways in this period and something of a tourist attraction for numbers of suburbanites who drove through it on weekends to gape at the "hippies." Cedar-Riverside was becoming the Haight-Ashbury of Minneapolis.

Some of the new breed occupying Cedar-Riverside's older houses in the late 1960s. Many of these dwellings were rented by groups of young people favoring a commune experience, left.

Dania Hall—early Scandinavian gathering place; the center of 1960s drug traffic; now a designated historic site, right.



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If Heller and Segal deplored this condition (there was no evidence that they felt it to be especially detrimental), they certainly did nothing to discourage it. In fact, they seemed to regard the situation as a rather natural step in the process of redevelopment. Since many of the existing problems were inherited ones, they seemed to decide that coping was the best approach. They continued to rent their properties on an entirely nondiscriminatory basis and in some ways could be seen to have contributed to the growing countercultural tone of the area through this policy and others. For example, when some tenants expressed a desire to paint the drab exteriors of their buildings, Heller and Segal provided brushes and paint and soon detailed reproductions of characters from the Beatles' "Yellow Submarine" and other pop art appeared as large graphics in various locations.

Alderman Christensen expressed strong displeasure about most things happening in Cedar-Riverside and continually threatened to close down the Dania Hall dances, while Heller and Segal argued for an open approach to these things as long as they were under control.\* They were very concerned about these changes, and particularly about the easy availability of drugs in the area, but they also saw what was happening as somehow positive and ultimately helpful to them in carrying out their plans. If Cedar-Riverside was strongly identified in the public mind as a unique place even before redevelopment, a large portion of their public relations work would be accomplished in advance.

Heller and Segal did, however, work to ensure that the area's changing image did not become totally negative. It is one thing to have a neighborhood identified to the public as unusual, but it is quite another thing if this neighborhood makes people feel either uncomfortable or unwelcome. In order to assure Cedar-Riverside's accessibility to the middle-class despite the overwhelming presence of long-haired young people, the efforts to bring cultural groups into the area were intensified. Several more liquor licenses were donated back to the city and the former drinking establishments were converted to other uses. Two more theaters appeared, eventually housing a resident drama troupe and a dance group. With the University's plans for constructing a center for the performing arts to house four separate theaters as well as provide studio space, Cedar-Riverside was rapidly becoming the most highly concentrated cultural area in the city. In addition, more small specialized shops were moving into spaces on Cedar Avenue so that it began to acquire a boutique character and a reputation as a unique shopping area.

Heller and Segal actively continued to search out and help finance all of these activities, which they viewed as a counterbalance to the social changes taking place in Cedar-Riverside. One of the issues constantly raised at planning meetings was an ongoing discussion of methods to upgrade Cedar Avenue as the focus of interim planning efforts. These activities were not viewed as stopgap measures, but rather as an essential component for the redevelopment of the community. Perhaps the most striking aspect about Heller and Segal's efforts were that they were directed toward using the changing social nature of Cedar-Riverside as a positive force rather than trying to eliminate it in order to make their own visions easier to accomplish.

In the seven years between 1962 and 1969 the position and status of Heller and Segal's enterprise changed considerably. It had grown from a rather tentative real estate investment to a full-scale and elaborate mechanism for planning 100 acres of land. They were evolving a comprehensive vision of Cedar-Riverside's future while demonstrating remarkable sensitivity to

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\*Examples of the kind of control they attempted to exert include stationing a uniformed policeman outside Richter's Drug Store, the scene of most street dealing in dope, to reduce the drug traffic, and renting a unit to a known pusher because they felt they would be better off knowing where he was. Heller and Segal eventually closed down the dances themselves when they acquired Dania Hall.

Cedar-Riverside wall graphic of late 1960s, left.  
A wall graphic in progress just off Cedar Avenue, right.

coping with existing problems. At the same time the community itself was in transition. The presence of the University and the expansion proposals of the other institutions pointed up the possibilities of meaningful regeneration for Cedar-Riverside. The institutions, who alone could not reverse the process of inner-city decay, supported the efforts of private developers who indicated an interest in and commitment to the community.

The importance of Cedar-Riverside to the entire metropolitan area was clear by the mid-1960s. After that period no one in a position of power could seriously consider the possibility of allowing the area to continue on its established pattern of severe blight. Something had to happen to the community, the only real question was whether or not public agencies would dictate its future.

With the compromise of unified public and private development reached in 1968 and the consolidation of Cedar-Riverside Associates into a financially solvent organization, the future development of the area was assured and the form it would take was emerging.

### Notes to Chapter 3

1. Minneapolis City Planning Commission, *Riverside: The Next Twenty Years* (Minneapolis, 1966), pp. 14-17.
2. Minneapolis City Planning Commission, *Census Tract Analysis* (Minneapolis, 1970).
3. Minneapolis City Planning Commission, *Riverside: Challenge and Opportunity* (Minneapolis, 1965), p. 127.
4. *Ibid.*, pp. 125-27.
5. *The Next Twenty Years*, pp. 34, 89.
6. *Ibid.*, p. 40.
7. *Ibid.*, p. 52-70.
8. Kevin Lynch, *The Image of the City* (Cambridge: MIT Press, 1966).
9. Minneapolis Housing and Redevelopment Authority, *Cedar-Riverside Urban Renewal Plan* (Revised 12 September 1968), (Minneapolis, 1968).
10. Minneapolis City Council, *Minutes*, November-December 1968.

# 4

## The New Town-In Town Emerges





## The Events: 1969-1973

Year	Action by:		
	City/Government Agency	Private Developers	Others
1969	HUD representatives visit Cedar-Riverside to talk about New Community designation.	Cedar-Riverside planning becomes more specific; new consultants added; director of planning named.	Cultural and arts groups moving into Cedar-Riverside.
		Master plan emerges for community of 12,500 units. Population of 30,000 projected.	
		Stage I site in Cedar West chosen.	
		CRA, working closely with Minneapolis HRA, decides to include a substantial amount of subsidized housing.	
		Development program for Cedar-Riverside finished; general architectural plans for Stage I done.	
1970	More New Community legislation adopted.  Cedar-Riverside designated Neighborhood Development Project by Minneapolis HRA.  CRA designated sole developer of Cedar West by Minneapolis HRA.	CRA acquiring limited partnerships; submits application to HUD for designation as a New Community and for loan guarantees.	Cedar-Riverside Community Union formed.
		Size of Stage I expanded to 1,299 units.	National Housing Partnership invests in Stage I.
1971	CRA receives New Community designation and \$24 million loan guarantee.	Construction of Stage I begins.	
1972-73	HUD grants for Stage I plaza and walkway system applied for and received.	Construction of Stage I nears completion; first residents move in.	New citizen advisory committee established (PAC) to represent residents in planning process.

Ralph Rapson viewing Cedar Square West construction.

It may be useful to review briefly the status of the CRA organization as it embarked on its rigorous planning process. By late 1969, CRA controlled approximately 60 acres (or 300 parcels) of the 100 scheduled for redevelopment and the figure rose to 70 with the street removals allocated to the developer. Another 20 acres in the Seven Corners area was marked for public acquisition and eventual resale to the private developers. With the major portion of their acquisitions program completed, the emphasis of the organization shifted slightly to the landholdings pattern and efforts at coordinated development. The value of CRA land holdings (including buildings) was estimated at \$25 million by January 1970.

### **The Status of Cedar-Riverside Plans — 1969**

Redevelopment plans were well underway before Cedar-Riverside was designated a New Town in 1971. The broad framework appeared in the urban renewal plan, followed by the first specifications for the creation of a high-density institutionally-oriented community. By early 1969, several members of the planning group had already made large contributions to the evolving proposals. A model of the entire 340 acres designed by Rapson, Halprin, and Engelen served as the overall guide for further refinements of the plan.

The model depicted several distinct areas of residential development linked together by a plaza/walkway system: Cedar East, Cedar West, the Riverside Park area, and the Seven Corners area. Between these different groupings of low- and high-rise housing were the institutional land parcels, which were slated for an approximately equal share of new development and open space. While this model depicted the general goals of Cedar-Riverside's development, basic decisions regarding such things as circulation patterns, the type of energy system to be used, and the ultimate mix of subsidized and unsubsidized units remained unresolved. There were also questions regarding the University's plans for using all of its designated land and Augsburg's ability to develop its allotted land.

The planning activities prior to 1969 had been fairly general, though the Cedar Village plans had reached a stage of specific detail. By mid-1968, the desired ratio of student-rate to market-rate housing had been developed and projected floor plan arrangements laid out. Some of the most interesting planning for Cedar Village involved the site layout. Lawrence Halprin's firm designed the layout to minimize noise from the freeways, make maximum use of summer breezes and shade, and give protection against winter winds. The severe extremes of the Minnesota climate necessitated an attention to environmental details which might have been ignored in more temperate climates.

A major turning point in the planning process came in February 1969. CRA officials then instructed the planning team to expand its sights to the entire 100 acres of noninstitutional land rather than concentrating on Cedar Village alone.\* This change caused some doubts about the willingness of the team members to continue their involvement. But it quickly became clear that people like Rapson and organizations like Barton-Aschman, Hammer-Siler-Greene, and Halprin's had an interest in and commitment to the project that precluded their sudden departure.

More to the point was the question of a general project manager. Heller was still attempting to involve Peter Walker in a substantial way. Walker, however, refused an administrative role,

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\*Prior to this point the planning team had been separated into two parts: design and marketing/economics planning. Although Rapson was part of each group, the geographic distance between East and West coast offices had prevented the two from functioning as a whole. From this point on the team operated as a single unit with a fairly broad scope of authority.

although he acknowledged the need for someone to function in this way, especially during the planning period. Halprin's people thought that a Barton-Aschman representative (probably Rodney Engelen) was a logical choice for this role, but also emphasized the need for Heller and Segal to hire someone specifically as their own team representative. This problem was solved in July of 1969 when Donald Jacobson was hired as director of planning and development. From this point on planning meetings occurred weekly and the shape of the development began to come more sharply into focus.

Although this may appear to have been a rather small problem for the organization, it was in fact critical. For not only was there a need for a central figure to organize work programs and facilitate the flow of information among team members, but the size of the planning team itself was still increasing. Heiki von Hertzen first became involved with the project in February 1969, and it was apparent by that time that the Bor-Son Company would probably be involved, as well. In addition, the team gained a social planner, Dr. David Cooperman, a University of Minnesota sociologist.

Throughout the year, Henry McKnight became progressively more active in the affairs of the organization, seeking out potential investors and bringing in interested parties for a look at their plans. Whether the prospective investor was a broker from New York or an organization like Prudential Life Insurance Company, McKnight constantly encouraged people to recognize the potential of Cedar-Riverside.

But McKnight's energy was not only directed toward fundraising. He also took an active role in design and planning strategies. The best expression of McKnight's ideas and hopes for Cedar-Riverside is found in a memo he wrote to the planning team, dated June 1969.

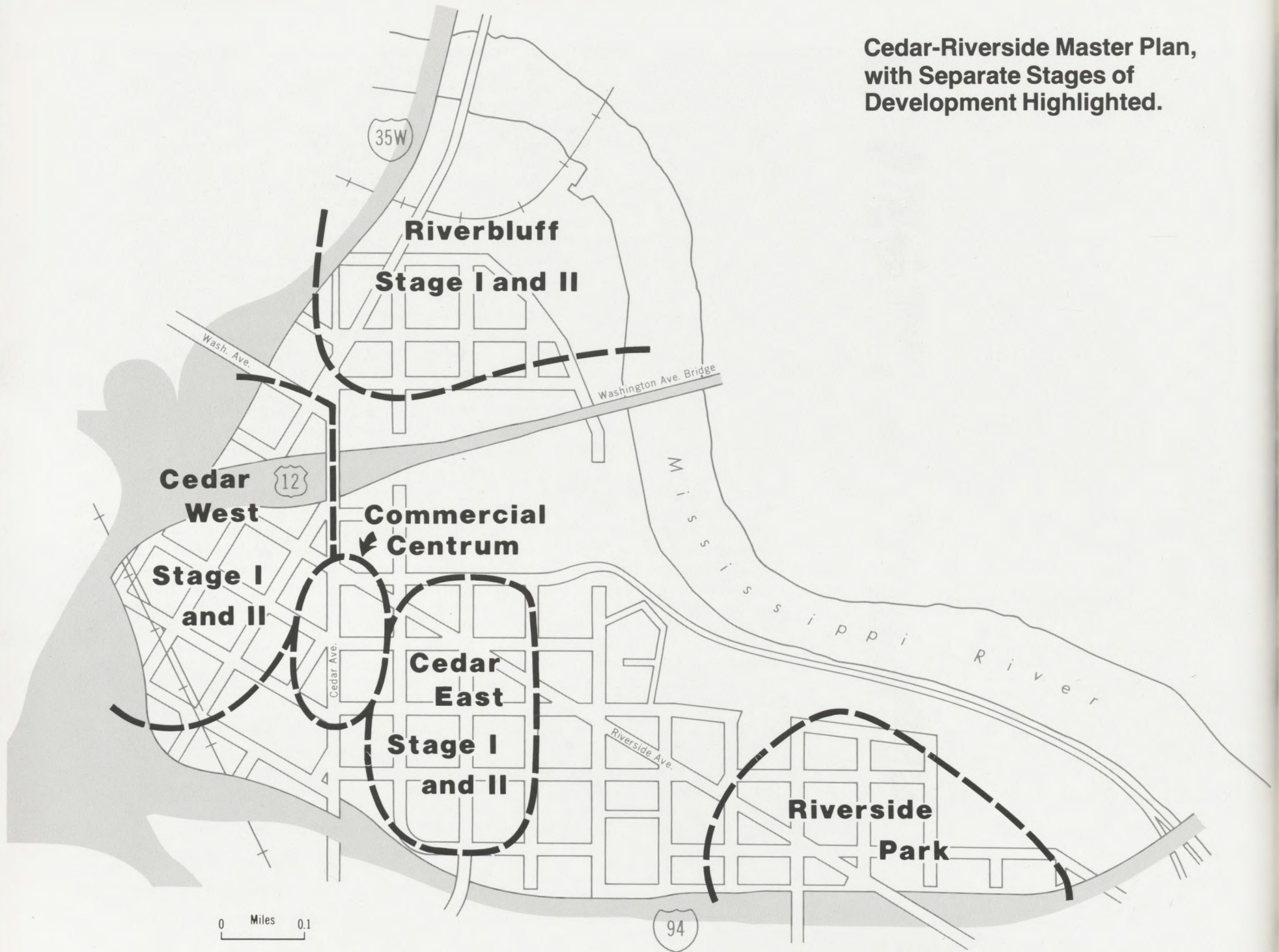
What haunts this developer these days is the thought that Cedar-Riverside might become just another vast and flashy pile of bricks and mortar that the money boys term "economically viable," but that fails to satisfy those of us whose aim is to create something both useful and beautiful, as well as profitable. . . . The worst thing the developers can do to Cedar-Riverside is to "improve" it to the point where it is no longer any fun. The best thing they can do is to keep it fun while they significantly increase the numbers. . . . The design of Cedar-Riverside must recognize the revolution against such "no-fun" items as pollution, congestion, noise, and inconvenience—instead the design must offer a peaceful and friendly oasis—a main street kind of community which is very personal, albeit very large. . . . Even in the most densely populated parts of Cedar-Riverside you must never be out of sight of trees and fountains. There must always be places to go where it is quiet—and in just about every direction you must find a sweeping view.<sup>1</sup>

While one may question whether this sort of admonition had any effect on either the team or the plan, the fact that McKnight took the trouble to write in this vein is significant. Clearly he did not view his relationship with the projected development as solely, or even primarily, a financial one. His concern regarding Cedar-Riverside, as with his own project at Jonathan, was for the total community and the people who would live there. Whatever Cedar-Riverside was to be like in the future, McKnight wanted to ensure that it would be a worthwhile enterprise, socially and aesthetically.

### **The Master Plan**

The first assignment to the planning team for the expanded area was to devise a master plan for all of Cedar-Riverside in conjunction with the institutions. A good deal of the work had already been accomplished by the city planning commission and the housing authority, but some

**Cedar-Riverside Master Plan,  
with Separate Stages of  
Development Highlighted.**





**Cedar-Riverside Master Plan Model**

refinement still had to be made. Examples of the problems still to be resolved were those specifically related to traffic and circulation patterns and continued uncertainty about the desired mix of residential and commercial facilities. As the team was still operating in a rather piecemeal fashion—there seem to have been only three meetings of the full team in the first half of 1969—many of the ideas about preliminary master planning surfaced through memos. An early decision was made regarding the amount of subsidized housing to be incorporated in the project. Using a market study produced by Robert Siler of Hammer-Siler-Greene in 1968 and an analysis of available federal housing programs, the CRA board decided that at least 30 percent of the proposed housing units would be subsidized (a mix of designated public housing units and moderate-income units).

The problem of traffic circulation began to be worked out in frequent meetings with University officials during 1969. The major difficulty was the location of principal streets within the redevelopment area. The University, being responsible for finding and providing an enormous amount of parking for its daily influx of students and staff (estimated to be 60,000 by 1980), advocated nearby 19th Avenue as its major access point. CRA, on the other hand, wanted Cedar Avenue to be a focal point and, hoping to achieve maximum space for developments fronting on Cedar, planned for the relocation of 19th Avenue. These problems were ironed out through many cooperative meetings and a compromise decision on the traffic situation was reached in April. Both streets would be retained: Cedar as a major arterial and 19th as an access street ending inside the West Bank campus.

Conceptually the planning team placed Cedar-Riverside in the context of other Minneapolis renewal projects located near it—specifically the revival of the Riverfront, the Industry Square redevelopment, and the Seward community rehabilitation. In this view, Cedar-Riverside served as an anchoring point for a widespread effort of regeneration.

The master plan outlined six residential neighborhoods surrounding an institutional/commercial core; three of these bordered directly on the river park areas and the other three were located along the freeways. The major commercial area, or *centrum*, would be located between the University and the largest concentrations of housing, but there would also be convenience commercial sections in each neighborhood. The plan included a system of pedestrian walkways, below-ground parking facilities, and adequate open space (based on a module of 420 dwelling units and incorporating recreational and open space sufficient for each modular unit).

Eighty percent of the 100 acres would be devoted to residential use and 20 percent to commercial, recreational, and cultural facilities. Redevelopment would be gradual, but continuous, with each successive stage begun before its predecessor was completed. The expected population of the community after redevelopment was approximately 30,000.

As stated in the master plan, there were three major interim goals for Cedar-Riverside and one long-range objective: maintenance and operation of sound properties, the development of new business and cultural activities, and meeting the housing and community service requirements of Cedar-Riverside's growing population. The ultimate goal was the creation of "a viable community, well-planned, architecturally and aesthetically coordinated, and scaled to human requirements to meet the needs and growth of surrounding institutions."<sup>2</sup>

The proposed housing was to be a "high-density mixture of heterogeneous units." Although the meaning of this was not absolutely clear, it generally indicated a mix of building heights and apartments of various sizes and rental rates. The total number of units proposed was 12,500. In addition there was to be up to 1.5 million square feet of commercial and office space providing for such things as a hotel, day-care center, elementary school, University alumni club, religious activities, restaurant facilities, and a "cultural block" containing a theater and concert hall.

The sheer amount of housing and related facilities proposed for Cedar-Riverside stood in great contrast to the levels of residential use and support facilities then available. The reason for the enormous increase in scale was the demand for housing in the area because of its perceived

advantageous location. Market studies demonstrated that an annual absorption rate of 850 units could be achieved immediately, with the total 12,500 projected units absorbed within twenty years. These projections were based on the current rental demand for UCPI units (1,200 in the University area by late 1969) and on the expected increase in the University enrollments (60,000 by 1980 versus 30,000 in 1968). These pressures would continue to create a severe housing shortage in the Cedar-Riverside area. Because students were thought to be in most dire need of housing, and because they were often least able to pay for standard units, the use of subsidy programs seemed to be the only realistic way to meet the University's housing needs.

The master plan went on to specify the number of units to be provided in each category over the twenty-year period. The plan listed the following types of units: those designed specifically for unmarried students (2,300); subsidized units primarily intended for married students (3,475); market rate units, both high-rise and low-rise (1,475 and 1,400 units respectively); and luxury or semiluxury units (3,850). The plan also indicated the size of the units to be built in each category and the rental rates set for each (Table 2). Essentially the only distinction in unit size was in the luxury units, which averaged 100-300 square feet of additional space.

**Table 2. 1969 Projections of Unit Breakdown**

Category	Unit Type	Number of Units In Each Category	% of Total	Average Rent
Single Student	Efficiency	460	3.68	\$120
	1 Bedroom	575	4.60	175
	2 Bedroom	1,265	10.12	225
Medium-Rent Low-Rise	Efficiency	168	1.34	\$115
	1 Bedroom	560	4.48	165
	2 Bedroom	560	4.48	210
	3 Bedroom	112	.90	260
Medium-Rent High-Rise	Efficiency	177	1.42	\$120
	1 Bedroom	590	4.72	175
	2 Bedroom	590	4.72	225
	3 Bedroom	118	.94	280
Luxury and Semiluxury	Efficiency	193	1.55	\$175
	1 Bedroom	962	7.69	275
	2 Bedroom	1,925	15.40	330
	3 Bedroom	577	4.61	415
	4 Bedroom	193	1.55	480
Subsidized	Efficiency	487	3.90	\$ 90
	1 Bedroom	1,390	11.12	120
	2 Bedroom	1,598	12.78	135
		12,500	100.00	

The structure of size and rental distributions are interesting to note for several reasons. The high-rise units (including the categories of luxury units and single-student units as well as those designated as high-rise) were proportionately the most expensive to rent, although they would generally be the least expensive to construct. The outlines of the subsidy arrangement are thus fairly obvious. Equally obvious is the fact that full use is made of normal market presumptions—for example the fact that two-bedroom single-student units are as costly as market-rate units of the same type. Even though students are known to have less money available, they could afford these



rents because they would divide the total among a larger number of people and thus reduce the cost paid by each individual.

Another inherent presumption in the master plan concerned those who would be likely to live in Cedar-Riverside. The largest apartments (those most able to accommodate families) are concentrated in categories least likely to produce large numbers of children and those most likely to have children (the subsidized category) are not provided very large apartments. This is partly in response to cost factors and to reasonable market expectations. Since the Twin Cities was an area with an abundant supply of single-family homes, there was no real need to provide space for this type of occupancy. But it was also a partial response to preferences of the federal government. By 1969, the government had experienced enough difficulty with children in high-rise public housing projects to provoke an unwillingness to continue this policy in new construction. Gary Carlson of Bor-Son relayed this information to CRA early in 1969 and they decided to locate units for families with children on the lower floors of the buildings, thus the scattering of three bedroom market units specifically in the low-rise buildings. This was clearly a reaffirmation of the expectation that the larger units would not attract families. The 770 large luxury and semiluxury units, to be located in the high-rise buildings, were obviously oriented toward another segment of the population.

In a memo to the board of directors in late June 1969, Heller outlined some of the items in need of immediate attention for the board members. Among these were decisions to be made on the use of "total" energy, the specifics of parking and circulation, the specific amount of subsidized housing, and the advisability of maintaining a single management-operating organization.

Preliminary discussions by the board and the planning team determined that Stage I should be ready for construction sometime during 1970 and that it would consist of approximately 1,200 residential units. The first site selected was a portion of the Cedar West area that had been acquired from the Harrises. This land was totally under the control of CRA, was largely vacant, or contained the most deteriorated structures in the community. Also, construction could be accomplished there without interfering with future circulation or master-planning consideration since these had not yet been confirmed or approved.

The intention of the board and the team was that Stage I be approached as a self-contained project; it would conform to the master plan but would not constrain it. This was consistent with advice given by Heiki von Herten during his second visit to Cedar-Riverside in the fall of 1969. Referring to his experience with Tapiola, he told the team that the image of the first stage was extremely important to the outcome of the entire project. He also counseled that the original design be adaptable to future changes, should they be necessary.

The contributions of David Cooperman, the social planning consultant, were especially important during this period. His earliest assignments for the team included studies on the sensitive issue of density. There had been some controversy over the density question during the urban renewal hearings the previous year and CRA wanted to clarify its support of greatly increased numbers of people for the area. Cooperman's reports covered several broad categories: a definition of the subject; the relationship of the density to such things as lifestyle and design; and the economic and spatial aspects of density.

The renewal plan for Cedar-Riverside set the average density of dwelling units at an upper limit of 125 per acre. Cooperman pointed out the need for refinement of this figure, since the method of calculating it could drastically alter the end result.\* He emphasized the need to

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\*If one calculated the number of persons per acre, the resulting density would be greatly different than if one calculated that ratio of household members to the number of rooms. The first would be an overall figure, obscuring differences based upon such things as size of household. The second would more closely approximate the density of a particular living arrangement.

distinguish between the amount of gross space and the amount of livable space in a "per acre" situation, and argued that the size and shape of a room, as well as the composition of the household, had to be accounted for in determining the amount of livable space.

Any discussion of density in Cedar-Riverside must consider the size of the total area and the ultimate population along with the availability of open space around the project. Cooperman treated the issue of building height as one dimension of overall density, highlighting the fact that interior densities do not increase with height though aggregate density does. He argued for the need to relate density to ability to move around on the ground and emphasized that perceptions of density would vary with the structure of the project's social organization. Having reduced the meaning of density to little more than a generalized notion, Cooperman then proceeded to project some of the difficulties inherent in Cedar-Riverside's ultimate density. He strongly advocated the idea of planning for densities higher than "usual"—for Minneapolis the average density was approximately twelve units per residential acre—citing the obvious economic and psychological gains generated by proximity of residence to place of work.

Cooperman's reports outlined the relationships of distinct lifestyle groups to the available space. The specific groups he identified as likely to live in the Riverside area were as follows: students, preprofessionals, junior faculty members, institutionally oriented families with children, a general medical population, young singles (professionals), "empty-nesters" (couples whose children are grown), and persons whose age or physical capabilities necessitated convenience features in a home. The effects of the projected population density on each of these groups would be different. For example, planners generally thought that students and older adults could absorb high densities more easily than families with children but also thought that groups like students and the elderly should not be placed in direct competition for identical facilities.

The reports delineated the kinds of conflicts that could arise over the use of interior and exterior social spaces due to the expected differences in lifestyles (for example, students versus older adults or mothers of small children). While advocating some measure of regulation in these areas, these reports indicated concern that potential conflicts not be totally eliminated. In order to minimize the amount of conflict, they recommended that the space needs of each group be understood well enough to plan for special requirements. Students and young professionals might easily live in relatively small apartments as long as they spent significant amounts of time away from their units and exterior space was adequate for their needs. However, the elderly and families with children needed much more spacious units in order to compensate for the relatively small amount of time spent outside their own apartments. If the dynamics of these different situations were taken into account through the planning stages and the maximum amount of design flexibility was planned into the project, the idea of building housing for a mixed socioeconomic population might be realized with relative ease.

Another essential component of Stage I was ongoing economic analysis and marketing plans. Again, this part of the planning was done largely by Robert Siler. Siler's studies indicated that Cedar-Riverside was a market waiting to be tapped. The strength of the demand was such that Siler's first projections of size for Stage I were revised upward rather substantially; the original market studies totaled only 825 dwelling units in the first stage. These were to be divided in the following way: 200 units specifically for students; 250 market rate units; 150 luxury units; and 225 subsidized units. There are some interesting presumptions in the early market studies. Among these are the ideas that most of the student housing might be provided in dormitory-like structures containing study rooms and other appropriate features, that garden-type apartments be available for families with children, and that the luxury units be buffered from close contact with the student population.

Siler's early market studies for Stage I also dealt with the problem of subsidized housing for the project. Recognizing clearly that the potential demand for subsidized units greatly exceeded

the developer's ability to provide them, these reports warned that provision of such units was dependent upon available subsidy programs. In mid-1969, there were three subsidy programs which could be used: public housing, and Sections 221 (d) (3) and 236 of the FHA housing programs. Since all of these programs were sponsored by the federal government, the amount of housing provided under each program would be up to the discretion of a public agency (either HRA or FHA).\*

Students faced additional problems with subsidized housing. Under federal regulations, unmarried students were ineligible for any public housing units and could occupy no more than 10 percent of the subsidized units in any other category. Clearly there was a need to develop nonfederal approaches to the provision of low-income housing for students, given the socioeconomic character of the community. In the early stages of planning there were no self-evident ways of doing this, though the concept of student cooperatives was being explored. Without certain knowledge about the number of subsidized units likely to be authorized by the government and without having firmly worked out the overall economics of development, Siler recommended that one-third of the project be subsidized units (exclusive of the luxury housing, which was designed for a different market segment).

Commercial development for Stage I was still speculative by mid-1969. Siler argued that the commercial services should be large enough from the outset to have a market impact and should establish the tone for eventual centrum construction. But specifics were difficult to pin down without knowing the local market to be served—the population of Stage I. General plans projected about 50,000 square feet of retail and service space, an office building with 85,000 square feet of space (whose prime intended tenant was Fourth Northwestern National Bank), a 150-room motel, and a small movie theater. If building design proceeded immediately, construction could begin by early-to-mid-1970 and be completed by mid-1971. Initial occupancy could then occur by the fall of 1971.

Heller and Segal expressed an interest early in the planning process about total energy engineering. Compatibility with a regional hydronic system was explored, as was a system of compacted solid waste removal, in which compactors, coolers, and disposals would replace standard incineration methods in order to reduce air pollution. In addition, electricity as well as heating and cooling substances would be manufactured on the site. A New York engineering firm (Ford, Bacon, and Davis) tried to map out a total energy plan for the project; by mid-1969 the team acquired its own specialist in energy and mechanical systems, the firm of Michaud, Cooley, Hallberg, Erickson and Associates.

Heller and Jacobson told Michaud they wanted energy control from a remote source on the edge of the project, with ultimate replacement of existing systems by atomic plants. Michaud indicated that a total electric utility system (including electric heating) was possible. McKnight had also been involved in the energy question, having had extensive discussions with the local gas and power companies to determine their potential investment interests and to gather advice on energy systems. Their response to total energy was that it was not a strong probability at that point, though it could be considered later.

The push for total energy systems was temporarily diluted in favor of more conventional approaches, but it was an issue that would crop up from time to time in the future—and which would be CRA's claim to innovative design schemes in applying for Title VII designation. The conventional system ultimately used incorporated some innovation in the form of a hydronic high pressure/high temperature/hot water system. The economic reasons for abandoning the total

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\*This was potentially a source of great conflict, since FHA typically does not have a supply of subsidized units to channel into ordinary developments—that is, nonpublic housing developments.

energy concept included the slow pace of development combined with the high interest rates and the fact that large pipes which would have to be put in initially from a central plant, though their capacity could not be filled until a later stage of development. The initial investment would yield little or no return for many years.

With the choice of Ralph Rapson as project architect with primary responsibility for design and Gingold-Pink Associates as consulting architects for Stage I, the assembly of the planning team was virtually completed. A letter from Heller to McKnight illustrates his conception of the team and its function. Heller labels their basic policy one intended

... to build as much of an in-house development team as possible, reaching outside for planners, architects, and consultants only as it becomes impossible to assemble the particular talents and specialities on our own staff. Our long-range goal has been to assemble a developmental team which might one day undertake projects beyond Cedar-Riverside.<sup>3</sup>

The original planning team—Rapson, Halprin, Barton-Aschman, and Hammer-Siler-Greene—would continue to operate under the direction of Jacobson, who would have broad authority and autonomy in the planning sphere. Since the master planning was fundamentally complete, the team would work largely in a “review and modification” capacity. A secondary group, the consultants, had the triple role of consulting with CRA, with the planning team, and with the developing architectural group. This included Cooperman, von Herten, Bor-Son Construction, and Michaud-Cooley-Hallberg and Erickson, and could be expanded when necessary. Both of these groups would operate on an overall project basis. Architectural consultants (Gingold-Pink), structural engineers (Crosier-Greenberg), mechanical engineers (Michaud), electrical engineers, and others would be used for Stage I and other stages as necessary.

Rodney Engelen of Barton-Aschman investigated financing techniques that other public developers were using or which were written down somewhere but never used. One of the most important of these was the idea of publicly financing the pedestrian facilities and plazas. If public monies were to apply to these facilities, they would have to be totally within a public right-of-way. They could then be constructed as “renewal project” costs—meaning direct federal financial contributions. Pedestrian facilities constructed in public easements but surrounded by private development had to be financed locally, but these expenditures could be counted as non-cash contributions toward the cost of renewal. Engelen suggested that CRA could thus count on some form of public financing, cautioning that the “public” character of these facilities must be maintained where such financing was desired.<sup>4</sup>

CRA in this period developed considerable skills in grantsmanship for both public and private sources. The overall strategy was to discover any and all grants which might be available in almost any field and then tailor the description of Cedar-Riverside to fit the intent of the grant. They succeeded consistently at this approach because building a new community was such a genuinely comprehensive process that most major grants would apply to some aspect of the project. Also, the concept of the Cedar-Riverside development was exciting and new enough to interest a wide variety of foundations and organizations with funds to disburse.

Two types of direct subsidy programs seemed available from the housing authority. The first was the construction of units on a *turn-key* basis in which the complete property rights were transferred to the Minneapolis HRA. However, CRA thought it might be possible for the authority to purchase such units as condominiums. CRA wanted to ensure maximum retention of private ownership and also wanted to enable a greater mix of low-, middle-, and high-income housing.

In the second subsidy method, the housing authority leased units from the developer for use

by low-income tenants. The major problem was that the developer had to ensure that basic rents would fall within a range that the housing authority could afford to pay. But the authority had not ascertained by mid-1969 either the number or type of subsidized units it was inclined to support for Cedar-Riverside. At one point the local agency seemed willing to provide 200 subsidized units to Stage I but finally backed off from this commitment. Even this number was less than one-third the amount projected for Stage I.

CRA presumed that the second method would not work because the authority was unable to pay anything close to market rates and because of the tendency of private developments to respond to inflationary pressures. The first method was not the preference of CRA, but it seemed to be somewhat more feasible. At least it was known that the city had a 1,000-unit reservation available to use for turn-key projects.\* So, although the planners and designers did not enthusiastically support the idea, Stage I would include an entire building of turn-key units.

## CRA's Operations and Political Involvements

CRA officials had always been aware of the need to maintain useful political ties, especially on the local level. Their success in this area was evident in their close working relationships with such groups as the housing authority, the city coordinator's office, and the local alderman. But it was also important for CRA to establish political ties at the state and national levels, if only because any substantial financial support likely to come from a government body was almost certain to originate in Washington. This was clearly a reason for McKnight's importance to CRA; his contacts with both high administration officials and with the Department of Housing and Urban Development were enormously valuable assets. McKnight's ties with Washington eventually gave CRA and Cedar-Riverside the kind of hearing and response they had never imagined possible.

Even within the realm of Minnesota politics, Heller and Segal were careful to establish good rapport with any legislators who were interested in their plans or who could help further their support. For example, during 1969 Walter Mondale, Donald Fraser, and Clark MacGregor (respectively, Minnesota's Democratic Senator and a Democratic and a Republican Congressman) visited the CRA office for tours and received presentations on the plans for Cedar-Riverside. Heller and Segal used these opportunities to discuss at length some of the legislation necessary to carry out their plan, such as the ability to integrate housing units for residents of different income levels within a single project or the specialized demands implicit in the funding of student housing. Such efforts to keep representatives of both major political parties informed about CRA activities constitute another example of Heller and Segal's intention to keep open all channels for aid.

In a less overtly political but equally visible vein, CRA began to establish contacts with other development organizations. One notable effort was their connection with a group of new community developers to which Henry McKnight belonged. This group included private developers of New Towns who got together regularly to exchange ideas and measure their progress. The group met in Minneapolis in September 1969, giving CRA its first opportunity to present its plans to a group of peers. These developers were not only introduced to Cedar-Riverside, but were also

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\*This situation did not automatically work to CRA's advantage. There were obvious political problems in trying to assign too large a number of the available units to one project. In addition, CRA's attempt to use this reserve would ultimately provoke other problems. An example is the fact that a person employed in the regional Housing and Urban Development office, who eventually became a leader of the anti-CRA forces, knew of the existence of this reserve as well, and would use this situation in building a case for the alleged CRA "rip-off" of the city.

informed about Jonathan's progress and told about the Minnesota Experimental City\* proposed for the northern part of the state.

Because the conference was attended by many officials and planners from the Minneapolis area, it gave CRA a chance to explain its intentions to those familiar with their situation as well. Aside from the obvious public relations potential of the conference, its most useful outcome was the exposure it gave CRA to others like itself, some of whom—like Robert Simon, the developer of Reston—were veterans of past development programs. Such contact with people doing similar things with varying degrees of success may have helped CRA to shape more realistic long-range plans. If they had ever thought of their proposals as a "get-rich-quick" scheme, certainly contacts of this nature would discourage such thoughts.

On a very different level, the political situation of CRA in the Cedar-Riverside community was beginning to change greatly. The previously workable relationship between UCPI and some residents of the renovated older homes began to show signs of strain. The first evidence of outright opposition began early in 1970, as it became apparent that Heller and Segal's organization really was serious about plans for new construction and that the older homes were scheduled for future demolition. CRA organized a series of area-wide meetings, none of them well-attended but instead attracting a small but dedicated group of dissidents, most of whom were politically active young people.

The primary result of the first series of meetings was the formation of a community union. This group soon began publishing a newsletter and identified itself as opposed to CRA plans. This core group was composed of activist University students, in contrast to the business owners and homeowners who had organized a decade earlier. Most of these students were tenants of Heller/Segal-owned units. Their union advocated, among other things, setting up a cooperative for operating social programs in the area, demanding resident participation in planning the community's future, and establishing closer relationships with the University. (Apparently they perceived the University as a force for opposition against CRA interests.)

Union members diligently attended public meetings and made their opposition to redevelopment known. It is difficult, however, to evaluate the power of the community union. It was not a large group, nor did all members agree on goals and tactics. But it was an active group. Its composition and orientation made CRA and certain public officials a bit nervous, as evidenced by the fact that Heller and others considered reactivating the Cedar-Riverside Area Council as a countervailing force, if only for publicity purposes. Although the union eventually dissolved, its creation clearly foreshadowed long-term, sustained opposition to development. The effects of this effort were not felt in full force for several years.\*\*

The cycle of intensive property acquisitions had slowed to a trickle. CRA left to the city the problem of consolidating the Stage I site through street closings. The developers started remodeling older properties for specific uses, especially commercial areas along Cedar and Washington Avenues. During 1969-70 the Theater in the Round moved into an old pizza parlor, Rapson moved his offices into the Peterson Building on Seven Corners, and the possibility of locating a proposed new symphony hall in Cedar-Riverside was considered.

Heller had almost daily discussions with members of the resident relations staff in order to keep informed while Jacobson occasionally took time away from his planning activities to discuss

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\*This project, begun in 1969, would have built a new city to display the latest technological advances within a model community.

\*\* Though those involved in opposing redevelopment have changed over the years, a hard-core group of opponents remained. And it was this nucleus which combined with various other forces to bring a lawsuit challenging the environmental impact statement in 1973.

such things as relocation with groups of residents. Throughout this period the housing authority had made no decision about whether or not it had responsibility for relocation. Since most of the residents to be displaced by Stage I wanted to stay in the area, CRA contacted them individually and showed them other units in the area that were kept vacant for this purpose. For the most part, moving expenses were paid by CRA and new quarters were rented at the rate paid for the old unit, often resulting in substantial losses of rental income. In 1974 the housing authority finally assumed responsibility for relocation.

UCPI's tenant relations staff had a number of regular activities that enabled them to handle most of the problems occurring in the area. The foremost means of doing this was the practice of visiting tenants, a systematic contact with every resident at least yearly in order to elicit complaints and discover areas of concern. In addition, the staff handled rentals and relocation, did some counseling and referrals of problems to public agencies, mediated tenant disputes, supervised vacant buildings, worked with civic groups in the area, and performed a variety of other functions. This enabled the staff to identify needs while at the same time establishing communication between individual tenants and a growing corporation.

Complaints, both physical and subjective, were collected and passed on to the maintenance crew. These ranged from slow or nonexistent garbage and snow removal to problems with utilities, poor schools, the behavior of other tenants, the future of the neighborhood, and the effect of projected changes on current residents. Older people, in particular, worried about the area's changing lifestyle (that is, the presence of "drop-outs" and runaways).

Based upon the evidence collected through tenant interviews, the staff social worker predicted a collision of lifestyles in Cedar-Riverside. The task of the planners then, would be to create an environment in which "a hippie, a revolutionary, a college professor, a working person, and a retired school teacher could live together harmoniously." He cited at length examples of anxiety or hostility toward Cedar-Riverside—some of them legal or official—resulting from lifestyle changes then taking place. Noting that, whether accurate or not, an "anti-establishment, hippie image" had been "hung" on the West Bank, he warned that this lifestyle would persist even after the residents of the new buildings arrived, and that it must be accommodated. To this end he suggested "positive technical solutions" to be incorporated in Stage I: planned loitering spaces (spaces that were public but located so as to minimize noise levels), staggered elevators (to minimize forced interaction between the elderly and children), a separation of student commercial areas from the main business section, and the inclusion of spaces for pets and of some psychedelically decorated units (the assumption being that people would paint them anyway).

This extrapolation of the future community from the current situation contrasted with the planner's perceptions. Seeing limits to individual adaptability and fearing that the luxury units would not be rented unless the amount of diversity was controlled, the staff social worker's ideas conflicted openly with those of the team's social planner. Cooperman's analysis of social organization for Stage I will be further detailed. Suffice it to say now that his perception of social relationships and potential conflict was significantly less rigid than the one just presented.

Taking the urban renewal objectives as a guide, Cooperman assumed that the population of the redeveloped area would not duplicate Cedar-Riverside's existing socioeconomic profile, but that it would be clearly designed for a student and professional class. He argued that, without knowing the likely population composition of Stage I, it was difficult, if not impossible, to predict and manage diversity. The design goals of Stage I called for the widest possible range of persons to live in the community. While Cooperman cautioned that this concept could well promise more than might practically be delivered, it was not to be rejected out of fear for the consequences. He felt strongly that with the proper arrangement and adequate provision of both public and private space, a wide variety of people might be accommodated.

It is interesting that in comparing the views of the planners as to the future community in Cedar-Riverside, virtually everyone expected the "problems" to disappear. This is not to portray the planners as total idealists or as destroyers of the existing community. But it was clear to almost all concerned that the redeveloped Cedar-Riverside should not be the center of the drug culture or a hiding place for runaway teenagers. Obviously, some people would not be included in the new community, regardless of the expected range of diversity.

## The Contribution of the Housing Authority

Throughout 1969 and 1970 there were continuous discussions between CRA and the housing authority regarding the division of public and private costs for the development. During Charles Krusell's tenure as housing authority director there was a very real spirit of cooperation in the discussions. They focused upon the genuine uncertainty which existed as to which organization should have which responsibilities.

The financing questions involved became particularly thorny after 1968 as funding for urban renewal was held up and became progressively less available. The housing authority handled this problem by changing Cedar-Riverside's renewal status. In a letter to McKnight early in 1970, Krusell suggested that Cedar-Riverside be funded as a Neighborhood Development Project rather than through traditional federal block grants. This meant that funding would occur on a yearly basis rather than in a lump sum, probably implying a smaller total federal expenditure. But it had the advantage of being a continuous commitment.\*

The housing authority tried to aid CRA in other ways as well. The same letter from Krusell to McKnight suggested that the FHA (Section 236) regulations for subsidized units be liberalized to allow individual occupancy and that the stipulation against high-rise public housing for families be waived. Both approaches were intended to ease the financial and marketing situation by lessening the restrictions on design that clearly inflated the project's costs.

Cooperation between the two groups became even more pronounced after the middle of 1969. The housing authority at that point designated one of its staff planners to work in tandem with the Cedar-Riverside private developers. The planner chosen, John Crimmins, had a long association with CRA's planning director while both were on the authority's staff. Quite soon monthly meetings between the CRA planners and the authority staff began taking place so that each organization could summarize major developments and decisions concerning the progress and direction of the project.

CRA made its first presentation on the initial stage of development to the housing authority early in August 1969. The people most often present at these meetings were Heller, Segal, Jacobson, Engelen, McKnight, Krusell, Crimmins, and Robert Drew, the director of the southside HRA office which had jurisdiction over Cedar-Riverside. At this point, many Stage I details were still uncertain. The circulation pattern was yet to be confirmed and particular land uses and parcel distributions were still undecided. CRA gave an overview of the first stage financial situation and made an initial proposal for a public subsidy of \$3.3 million. In return for this subsidy, CRA would provide low-rent housing, walkways, and parking facilities. The housing authority's response to all of this was fairly positive.

Krusell recommended that construction begin soon, anticipating that anything CRA requested would be part of a budgetary package that could be immediately funded. After years of postponing commitment on Cedar-Riverside's future, the housing authority now seemed especially anxious to minimize the wait for Stage I to begin.

\*NDP funds, as they are called, were administered in such a way that Cedar-Riverside would receive a specified percentage of the total amount of renewal funds designated for Minneapolis.





## The Complexities of Financing Redevelopment

Securing definite financial backing for Stage I had become crucial. Although McKnight had acted as financial angel for Heller and Segal, it clearly would take a good deal more than his money to begin Stage I construction. McKnight himself had gone to the federal government for assistance in funding his Jonathan development, having received federal New Town designation in 1968. This route was potentially open to Cedar-Riverside as well, but since Title IV had never been applied to an inner city development, it was a somewhat uncertain and risky approach.

The traditional urban renewal approach of public acquisition and subsequent write-down was irrelevant in a situation in which the private developer already controlled most of the land. Other ways in which the housing authority might be helpful became apparent, but slowly. CRA openly sought substantial corporate commitment to the project; thus, McKnight's overtures to organizations like the Prudential Life Insurance Company. CRA continued to pick up limited partners throughout 1969 and 1970; by 1970 they had forty-five. But for the most part these were modest investments, made primarily to acquire the benefits of tax shelters, with limited partnerships being sold for \$25,000 per unit.

The financial problems of development were such that most of certain people's time was spent in attempting to work around them. Heller was particularly absorbed with the financial aspects of Cedar-Riverside. As he testified to the Senate Subcommittee on Housing and Urban Affairs in 1971,

Money has been scarce. Investors have been hard to find, especially when their only immediate return has been the anticipation of some losses for income tax purposes. Financing has been a great hardship—it is difficult to find a mortgage company willing to finance a small independent piece of vacant land. We employed a type of boot-strap financing, in which we were able to place land loans at larger square footages. Some of our properties have been mortgaged five or six times. There have been constant demands for cash—to meet operating expenses, to pay for planning costs, and to acquire more properties.<sup>5</sup>

The intricacies of large-scale development financing inspired some rather exotic proposals. As early as 1967 Heller had toyed with the idea of an ultimate corporate form which would generate no taxable income. Theoretically, the corporation would own the land and the buildings, leasing the land in a balanced fashion so that the tax loss depreciation on the buildings would offset the taxable income from the leased land. Dividends could be either a return of capital or a capital gain to stockholders, and would be issued from the rental income on the land. This approach did not materialize, but it indicates the extent to which CRA sought new forms of financial relief.

Heller's familiarity with the detailed nuances of tax legislation enabled the firm to stay apace with and take full advantage of any tax breaks. Because of their limited cash flow situation, it was obviously advantageous for the developers to use any avenues available to maintain their financial solidarity. The development corporation's heavy reliance on tax shelter investment demonstrates the degree to which such avenues were explored and fully used.

Despite the rather firm grasp of economics that Heller and others had, the process of finding money to build Stage I cast a new light on their activities. The hard reality of new building economics was quite jarring to some members of CRA. It was quite a different enterprise than land acquisitions and rehabilitation. Clearly, Stage I could not be financed by mortgaging and remortgaging old properties, and its costs could easily become unmanageable.

Heller had some indication of this in touring two Minneapolis apartment buildings which the Bor-Son Company had constructed. One, located in the Seward community just south of Cedar-Riverside, consisting of subsidized units in a high-rise of slab construction with only the most basic amenities, cost \$14 per square foot to construct. The other, on the fringe of downtown,

McKnight, Heller, and Segal at Cedar Square West.

featured semiluxury high-rise units with a bricked-over facade, spacious balconies, and a swimming pool. It cost over \$16 per square foot to build. Though two dollars per square foot may not seem like a great deal, in a project of 1,000 average sized units the cost differential between the two would be well over a million dollars, an important consideration for a company operating on a marginal economic base.

There was some serious doubt that CRA could develop Stage I unassisted, accounting for the frequent mention of a sale/lease-back/buy-back arrangement for Stage I. Various investment consultants advised against this, feeling that their plans were easily financable. But CRA was not so sure. A meeting with a representative of the Ford Foundation resulted in great interest but no substantial investment, and McKnight's continued overtures to major insurance companies likewise yielded little.

Early 1970 was another of the all-too-familiar periods of serious cash flow problems for CRA. The opportunity to be funded through Title IV seemed even more inviting. As usual, the CRA board was spending a great deal of time arranging for loans, trying to close out mortgages, and generally trying to find enough cash to meet their commitments. They were having a relatively high degree of success with renewals of previously negotiated loans and Heller was spending a great deal of time with Bruce Nimmer, the controller of Shelter Corporation and later president of Jonathan, trying to work out other interim financial arrangements. Meanwhile, the press of high bills to pay for the work of the planners and the continuous costs of holding land forced the company to cut back on its rather lavish spending patterns for awhile.\* McKnight ordered a concentrated effort at austerity early in 1970 and the number of business trips and other such luxuries ceased for some time.

The financial crunch, which resulted largely from continuing staff expansion at CRA and some seemingly inattentive budgetary techniques was magnified by current governmental renewal policies. Minneapolis HRA had designated CRA as a Neighborhood Development Project (NDP) in order to facilitate funding, but even these measures looked rather uncertain by late 1969 and early 1970. The HUD authorities in Washington were being forced to administer federal renewal funds which were insufficient for total needs. Renewal policies were then being funded at decreasing rates and the Nixon administration was impounding many of the authorized appropriations. NDP programs fared poorly in this situation since the overall approval of these programs nationally could increase the rate of renewal expenditures tenfold. Minneapolis HRA was trying to be helpful and supportive of CRA's financial needs, but it could not reverse the nationwide trend toward decreased renewal appropriations. Nor could it ensure that currently agreed upon levels of support would continue to be sufficient or even available.

Given this situation and CRA's usual financial difficulties, it is not surprising that benefits to be derived from little known tax legislation appeared so attractive. In searching out various methods for public financing of renewal, CRA discovered the potential advantages of something called "tax increment financing." Basically, this was a method whereby a renewal area could help to pay for itself relatively quickly through the sale of bonds. The key lay in the tremendous potential for an increased tax base, which normally resulted from development.

In the area where Stage I was being built, existing structures were extremely deteriorated and the potential tax increments expected were in a ratio of approximately 40 to 1. Because the city

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\*An example of CRA's lavish spending was the fact that the firm employed a full-time cook who served elaborate daily luncheons to CRA officials and guests. There was also a well-stocked kitchen for general use. One of the favorite activities of the clerical staff, which did not attend the luncheons, was capturing any leftovers. This "luxury" was retained for several years after 1970.

would be guaranteed a very rapid return upon such renewal investments, it was assumed that city authorities would be quite willing to make the initial necessary investment. The advantages of such a technique would be expediting projects for which federal financing was unavailable and minimizing the frequent long delays associated with securing federal funds.<sup>6</sup>

However, using tax increment financing for projects such as Cedar-Riverside had seldom been done and its legality was uncertain, so, after some investigation by CRA, the idea was abandoned. In addition, Jacobson revealed in late 1969 that Minneapolis HRA had an operational reserve of \$2 to \$2.5 million that was committed for future projects, but not currently in use. He saw this reserve as a possible interim source of short-range funding for Cedar-Riverside in view of the tax increment potential.

While all of this may be viewed as simply another example of CRA's manipulative behavior, it is intended to demonstrate two unrelated attributes of CRA during this period. The first is the length to which CRA was willing to go in order to discover and substantiate a potential funding source—and the degree to which all concerned were aware of and open to various options. The second is the enormous advantage which accrued to CRA due to the fact that a former housing authority official—one who knew intimately the vagaries of both spoken and unspoken policies—was heading their planning staff.

As money became less accessible it became increasingly difficult for CRA to continue its financial obligations to the team members. Some, like Rapson, indicated a willingness to accept shares in the corporation as partial payment of their fees. Others were more insistent that their standing debts be paid in cash. A single example will serve to illustrate the nature of this dilemma. Early in 1970 Gloria Segal visited Halprin's office in San Francisco and expressed her fear that some of the environmental aspects of Stage I were being overlooked. She then said that she regretted that Halprin's group was no longer as involved in the project as it had formerly been and brought up the possibility of resumed involvement on their part.

In a letter to Heller soon after this Halprin's top aide, Richard Vignolo, outlined their position. He said first that they were still interested in and concerned about the Cedar-Riverside project and that the Stage I plans were fully compatible with their thinking. But he also said that the Halprin group had to be reimbursed in full for past services before any further work could be done.\* Vignolo reiterated the group's good feelings about CRA, despite the monetary problems, the unwieldiness of the planning team, and the frequent conflicts between Heller-Segal and the HARRISES, and others. His overall assessment of the current situation was that the team had functioned as efficiently as possible and that CRA got an excellent plan for relatively little money.

The question of financing for Stage I became ever more acute as its planning progressed. Large corporations continued to be interested, but nothing concrete resulted. A major infusion of capital investment was clearly needed before construction could start since the existing combination of private investment and local public subsidy was not sufficient for the task at hand.

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\*There have been indications that at least part of the reason for nonpayment of fees due the Halprin office was because Halprin's people were overstepping their area of expertise in the planning process. They were trying to move into the area of engineering and CRA did not think them qualified to do this. Nonpayment was a way to discourage further input of this type. In addition, Halprin's personal involvement, which had been considerable, was decreasing, as was Vignolo's. The Halprin office was delegating more and more Cedar-Riverside work to a staff member who was a former student of Rapson's, causing more problems within the team.



By late 1969 the idea of forming a development corporation for Cedar West was proposed. This was apparently an appealing proposition to most of the major investors (Heller, Segal, and McKnight), but it faded into the background as even more attractive alternatives appeared.

McKnight had long been in contact with HUD officials regarding Jonathan. In November 1969, Heller and McKnight consulted with the comptroller of Jonathan about the possibility of applying Title IV to Cedar-Riverside. They were told that there would be substantial problems in trying to fit the new community guidelines to an inner-city situation.\* Nevertheless McKnight invited William Nicoson, the director of HUD's Office of Community Development, to come to Minneapolis and view their redevelopment plans. He came late in 1969, along with a representative of FHA, and seems to have encouraged the CRA board of directors to think seriously about applying for Title IV support. CRA decided to go ahead with Title IV application in February of 1970, after an encouraging visit from a White House group. Between March and November of 1970 they discussed, processed, and completed the application, which was then presented to HUD.

It must be remembered that 1969 and 1970 were the two years during which the Ashley subcommittee held hearings on the establishment of a national urban growth policy. Undoubtedly Nicoson, and McKnight as well, were aware of the possible implications that a legislative extension of the new community regulations could have for Cedar-Riverside. This was very likely the reason that the HUD office was so encouraging about CRA's chances for receiving monies under Title IV.

A real breakthrough for CRA came in May of 1970 when the newly created National Housing Partnership (NHP) office in Washington invited McKnight to talk with its representatives about possible investment in Cedar-Riverside. Two days later McKnight returned to Minneapolis with an NHP staff member who had specific instructions to reach some sort of financial arrangement with CRA. Shortly thereafter NHP decided to purchase shares in Cedar-Riverside's first stage of development. The ownership of Stage I was to be divided on an 80-20 percent basis between CRA and NHP and was to be a complete partnership arrangement without a stipulated time limitation. This agreement with NHP was extremely fortunate for CRA. It not only gave the corporation a badly needed infusion of capital but also lent the entire Cedar-Riverside plan a good deal of credibility with the government officials who were to review the Title IV application.

### Internal Obstacles Impinging Upon CRA

The in-house conflicts that Halprin's people had noted and found difficult to deal with were endemic to the CRA organization. Management and planners were constantly engaged in conflicts of varying intensity among themselves, between the two groups, and with interested outsiders or staff people. They were partially due to the normal ego bruising, which occurs in any creative endeavor involving more than one person. But more often they were the result of financial constraints or other realistic limitations intruding upon the projected visions that everyone concerned saw as necessary to the success of the project.

Perhaps another, more immediate, cause of conflict was the style of leadership adopted by CRA's management. As chairman of the board, McKnight was the final arbiter within the organization, but he seems to have been significantly less forceful in decision-making for Cedar-Riverside than he was for Jonathan. McKnight was clearly not the source of inspiration with

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\*Rodney Engelen had first mentioned the possibilities of Title IV for Cedar-Riverside. Heller and McKnight agreed that Title IV could work for an in-town development, but all acknowledged that this would necessitate some changes in local interpretation.



Cedar-Riverside that he was with Jonathan, nor was he directly involved in day-to-day office operations.

These were Heller's responsibility as the organization's president, and since his style relied upon nondirection and suggestion rather than upon direct exercise of authority, the opportunity for potential conflict was great. Heller's chief tactics of leadership were his desire to smooth things over as much as possible and his conviction that he could wait out any possible conflict until others saw things his way. This was quite obvious throughout CRA's dealings with the Harrises and it emerged again during Rapson's difficulties with Bor-Son over design control. Mrs. Segal meanwhile was caught up in a long series of alignments and realignments of staff loyalties in order to obscure her decreasing amount of real authority in the process of decision-making. She was placed in a difficult position throughout the planning process. Many of her ideas about the area's development were being ignored or passed over as impractical. And it was undoubtedly hard for both her and Heller to turn the ideas they had so long nurtured over to others—the planners—for review and implementation.

It is difficult to fully understand or analyze the reasons for the conflicts which arose in this context. They seem not to have been the kind of one-upmanship classically associated with American business organizations. Rather they arose from the fact that CRA's structure encouraged the interplay of a full range of distinctive personality types. It is clear that the situation resulting from this state of affairs was frequently uncomfortable for many CRA staff people. But it seems equally certain that those who remained both on the staff and on the planning team were of a type likely to relish the challenge of unavoidable infighting.

The overall effects of this situation upon the redevelopment of Cedar-Riverside probably are best exemplified by the incessant delays that accompanied the planning and implementation of Stage I. But there was very likely a positive side to the situation as well. Any decision CRA made was normally so thoroughly challenged within the organization that any subsequent justification to a city or state governing body could be made quite routinely and without wasted anxiety about potential objections.

## The Contours of Stage I Planning

Rapson completed the general architectural schemes for the area by September 1969, giving the other planners something to work with. This did not mean that the shape of development was determined, however. There seemed to be a good deal of criticism of these plans by both Barton-Aschman and Gingold-Pink. Representatives of the latter group made revisions on Rapson's work throughout October, occasioning an observation by Heller that substantial problems existed in attempting to coordinate the architectural aspects of Stage I. The essence of the conflict seemed to lie in the great disparities between Rapson's preference for architecturally diverse designs—for example, buildings of widely varying heights and single loaded corridors—and Gingold-Pink's tendency to standardize elements of design.

Other parts of the plan were also still in flux. There was ongoing discussion of the possibilities for including cooperative units; the unit mix was not yet finally determined; nor had the ultimate size of Stage I been set. The questions of whether or not Cedar Avenue should be widened, whether a walkway over Cedar could or should be built, and the whole fuzzy area of financing their activities were not resolved. CRA continued to be pressured by the housing authority to get construction underway, even to the point of Krusell suggesting that CRA act as developers for the remainder of the elderly public housing site. Progress on Stage I was clearly being made, but it was being constrained by both internal and external factors.

All parties involved seemed to feel that it was more important for some work to be initiated

Earliest Stage I model.



than it was for all the plans to be finalized in detail before construction. Specific design would occur within the planning framework which established general objectives for the location of major walkways, other circulation systems, major open spaces, and other constraints applicable to all developers within the Cedar-Riverside area. This meant that work on Stage I could take place while major decisions in the master plan remained to be made. Should the master plan for Cedar-Riverside conflict with the urban renewal plan (in issues like the relocation of 19th Avenue and of the River Road), amendments would have to be made by the housing authority.

Before the first stage could get underway, however, a series of public actions had to be undertaken. These included land purchases or exchanges, the relocation of utilities, and the provision of additional public facilities (street improvement, walkways, the plaza). These decisions occupied the daily attention of both the CRA and the housing authority's planning staffs and dominated the monthly executive meetings between the two groups. It was a necessarily slow process because many of these decisions required the approval of not only the housing authority, but of the city council, and often of other regulatory agencies. But while slow, it was also successful, for once the CRA planning team decided what was necessary and explained the reasons for it, the other groups involved usually agreed.

By September of 1969 a development program for Stage I had evolved. The subsoil at the project site had been analyzed and a detailed topographic analysis and property survey was being conducted. The design of first stage housing had not yet been completed, but with Rapson as project architect it was likely to resemble the designs done for Cedar Village. A CRA promotional brochure treated the design problem rather superficially, saying it should be "...a typical example of an integrated system of buildings related to a functional and exciting elevated pedestrian walkway system."<sup>7</sup> The planners thought that Rapson could take Cooperman's social profile and Siler's economic program and develop alternative design proposals. At this point the project was still intended to provide approximately 850 units of new housing.

One of the most interesting aspects of the development program was a new decision it incorporated. This was the fact that new commercial and social service facilities could not be supported by the first stage and that existing facilities would therefore be used. CRA decided that small industrial buildings west of the Stage I site could serve as temporary offices during construction and then be converted to maintenance offices. CRA management also decided that existing buildings on Cedar Avenue included in the Stage I site (the Cedar Theater, Guild for Performing Arts, and others between 4th and 6th Streets) would be retained until some later stage of development, rather than being immediately removed. Economic pressures and a recognition of the potential some of the Cedar Avenue cultural activities had for promoting the new development were reasons for this decision. These structures were given a life expectancy of five to ten years (probably until construction of the centrum complex), and were included on CRA's critical properties list. Cost estimates for construction would be done by the Bor-Son office and construction of Stage I would begin in April 1970.

Changes in the development program began almost immediately. At a September 1969 planning meeting scheduled to discuss the unit mix in Stage I, the planners reached a decision, presumably for economic reasons, to expand the size of the initial stage to 1,000 units. The proportion of luxury units would be increased and, significantly, half of the total number of units were to be subsidized in some way. This change was in response to some advice CRA received indicating that the single student units could possibly be built under a federal college housing program. A decision was also made at this meeting to attempt to create Stage I without resorting to the use of a much-discussed parking subsidy.

Optimistic about their work and about the potential for financing these things, CRA and the people involved in the first stage stepped up their promotional efforts, outlining ideas for an

illustrated plan of the entire area, for a public relations brochure, and for artistic sketches of various aspects of the proposed development. The situation of CRA would not remain quite so rosy, for serious problems soon began to arise. But for the moment the euphoria of actually reaching a concrete planning stage seemed to encompass everyone concerned.

### **The Housing Authority Voices Approval**

Despite all of the obstacles, both external and self-imposed, Stage I plans progressed. CRA worked closely with the housing authority to formulate Stage I development plans for approval by the public agency. The proposals for Stage I were beginning to reach a final form, though some problems still lacked a resolution.

Heller was uncomfortable about including the designated turn-key housing units in the proposal. These units would be turned over to the housing authority for management after construction, thus making unified management impossible. Also, they would obviously differ from the rest of the buildings because of differences in construction costs. He also seemed uncertain about Minneapolis HRA's handling of the funding for a land write-down on the medium-rent units and expressed some anxiety about the University's financial participation in the project. Krusell responded that serious concern in these areas was unwarranted. As he saw it, most problems with the turn-key units could be overcome without great difficulty. His only remaining concern was the competitive bidding required by the federal government for such projects. Since CRA had a construction firm as a partner in the project, it obviously expected this firm to receive the construction contract.

A written proposal for Stage I development was submitted to the housing authority on January 23, 1970. This outlined the project's development and enumerated several actions necessary for its implementation. Among these were the designation of CRA as sole developer for all property within the Stage I site; the approval of CRA's plans for the first stage and a commitment of public funds for it; assistance in the preparation of the site; designation of CRA as recipient of the turn-key housing units; and finally, consideration of the sale to CRA of the remaining property on the housing for the elderly site, located west and south of the Stage I site.

A letter from Heller to Krusell in February 1970 elaborated upon the written proposal and articulated the two concepts CRA viewed as basic to their proposal. The first was their intention to create a "diverse yet integrated development," providing housing under a variety of FHA programs in rental ranges from \$40 to \$400 per month, and including 100 units of low-rent public housing. The second was their idea of beginning a plaza/walkway system that could eventually extend throughout the entire Cedar-Riverside community. (In Stage I this system would span Cedar Avenue to link up with the plaza in the center of the complex.) CRA expected that, upon receiving all necessary approvals, they could continue the process of detailed planning, start construction in July 1970, and have initial units occupied by October 1971.

A formal presentation of the CRA proposals was made to the housing authority's board of commissioners on February 10, 1970. By this time, the planning team had worked the various design and economic considerations into a final form. This presentation called for a mixture of 1,260 residential units within Stage I. This was obviously an increase over the last figure proposed, presumably based on economic projections. The projected costs were approximately \$25 million. The plans included proposals for two high-rise buildings, up to 40-stories each, with the remainder of the units distributed among several lower buildings. Government funds were requested in specific amounts and for specified items: \$1.3 million for the plaza and second story walkway system; \$700,000 for assistance in the construction of subsidized units; and \$490,000 for site costs and necessary improvements. These were all costs which were over and above the amount

expected as a result of routine renewal designation.<sup>8</sup>

Shortly after CRA's formal request to the housing authority, Charles Krusell sent a long letter to Henry McKnight explaining the authority's view of the Cedar-Riverside situation and amplifying some of his ideas regarding the types of federal assistance that might facilitate the project's development. The housing authority's highly favorable reaction to the project is readily apparent here.

The potential of developing this project area as a "New Town-In Town," which could dramatically demonstrate that an intensively developed "balanced community" can be achieved, is very strong. In contrast to the many "New Communities" being planned and developed across the country, Cedar-Riverside represents a core area either containing or having existent many of the elements that must be attracted to, created in, and provided for in a new community by the developer. . . . there exists for the first time in Minneapolis the opportunity for enough large scale land assembly to facilitate the optimum reuse of land in regard to densities and overall environmental quality...perhaps of most significance is the assurance of market demand and absorption rate for both housing and commercial development. . . . At the present time Cedar-Riverside is in an accelerated state of transition, primarily due to the expansion programs of the University, the other four institutions, and freeway acquisition and construction. However, rather than deterring revitalization of this area, many factors operate to provide a catalyst to development. In short, the Cedar-Riverside project represents an unprecedented opportunity, possibly one never to be repeated, to develop within a central city a dynamic and desirable place to live, learn, shop, work, and recreate, which in many respects could be considered a self-sustaining community.<sup>9</sup>

In order to assure that this unprecedented opportunity would not wither away, Krusell had several suggestions. One of the strongest of these was his encouragement of CRA's potential application for a Title IV loan guarantee.\* Krusell also advocated the approval of Cedar-Riverside as an NDP project; additional appropriations of 236 units by FHA; a waiver on restricting the location of families in high-rises; and a more flexible interpretation of renewal regulations to permit HRA's joint participation in the provision of public and community facilities such as the plaza and pedestrian overpass.<sup>10</sup>

The unspoken agreement that Minneapolis HRA would do all in its power to facilitate the projected redevelopment was obvious in many ways, though not all were so explicit as the example just cited. The housing authority in late March designated CRA sole developer of the Cedar West area until September 1973. It was agreed to approve the following, contingent upon local planning approval and the availability of funding: the development plans themselves; the joint public-private-institutional design proposal; necessary assistance in processing such things as zoning changes and vacating of streets; the turn-key housing proposal; and the planning and funding of eligible public improvements to support Stage I (sewers and utility lines).

There were, however, some difficulties in implementing a few of CRA's other requests. Though it called elevated walkways and contained parking a "commendable concept" and "innovative design proposal," the authority had some reservations about the proportion of financial assistance for these things which might reasonably be considered "justifiable public responsibility." While the eligibility of this proposal for federal/local funding was in doubt, the authority was unable to provide a firm commitment for fiscal support. Before this problem could be resolved, CRA was

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\*The overall financial dimensions of the total development were just beginning to become apparent, as was the fact that the project was well beyond the scope of the renewal budget for Minneapolis.

requested to provide information regarding likely public use of these facilities, as well as a breakdown of total costs.

CRA's request for a land subsidy to recover the differential between their land costs and the maximum allowed for land providing below-market rate rental units was also potentially troublesome. The authority applauded the willingness of CRA to provide moderate income housing and recognized the economic limitations involved in doing this privately. In order for the housing authority to aid CRA in this effort, it would be necessary to buy the land from CRA and sell it back at a fixed price. Krusell, however, strongly indicated that neither HRA nor CRA should be subjected to the mechanics of this procedure. In addition it would have required an amendment to the Urban Renewal Plan to facilitate the write-down, yet another reason for the housing authority's unwillingness to support it.<sup>11</sup>

Opponents of the redevelopment plan attended the formal presentation of the CRA proposals to the HRA board of commissioners in February. They advocated that any voting on the issue of the area's future should be limited to residents only. They argued that the institutions, business owners, and developers had adequate representation of their views through other means and that in fact these groups were wielding more than their fair share of power within the community. Technically, this was a moot point, for the normal procedures of the housing authority did not require resident approval. But it was yet another means through which the opposition could continue to air its particular viewpoint.\*

One month later the housing authority sent CRA a formal letter of intent. This gave the organization exclusive development rights in Cedar West for a designated period. It stipulated that CRA present its plans for the entire area within one year; if these were not submitted and an agreement entered into by September 1973, the letter of intent would expire and the authority would then be free to negotiate with others for the sale of the land concerned. This was not quite so serious a threat as it may have appeared. Rather it was a way for the housing authority to encourage CRA's continued detailed attention to the problems at hand—a way to forestall the sort of delays which were all too typical of CRA's approach. There was not an inordinate amount of work remaining on the overall plan, but enough had to be done in a relatively short period of time so that the likelihood of unnecessarily wasting time was lessened.

In sum, CRA emerged from their dealings with the housing authority in quite a positive position. The authority had come to regard urban renewal largely as a blessing instead of the threat it once seemed, a significant shift in attitude. CRA was being allowed to proceed with its plans largely intact and would even receive public funding to aid its efforts. While there were things about Stage I which remained unsolved—notably the plaza and the walkway plans—CRA had assurances that the housing authority would attempt to find ways to support these publicly.

Interaction between CRA and HRA increased markedly after the approval of Stage I plans. By early August there was serious discussion of the land write-down problem, resulting in an HRA proposal that the entire parcel be written down on the basis of 125 units per acre. Minneapolis HRA also indicated some displeasure at the fact that the agency was not receiving as much credit as it deserved for facilitating the urban renewal process.

This tension between the two groups was natural given the amount of contact they had with one another, but HRA's reluctance to give CRA better terms on the write-down was problematic. Both Heller and Segal were opposed to the offer as it stood. Neither felt that a write-down on the

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\*Because the city initially treated Cedar-Riverside as something of interest to all of Minneapolis, the need for resident participation was not deemed important. This situation changed radically in the next few years, particularly after some residents brought suit against the Housing and Redevelopment Authority (HRA), contending that the law required the creation of a Project Area Committee (PAC) to review and comment on development proposals.

entire parcel was warranted and considered investigating other alternatives. Further discussion of the subject with McKnight produced agreement that if they did not receive the subsidy write-down that was requested, they would not pursue the issue further. By late August a compromise was reached when officials of the housing authority agreed to contact the regional HUD office in Chicago for permission to go on to Washington and investigate alternative write-down procedures. The crux of the problem between the two groups was clearly apparent throughout this interchange. Regardless of the local agency's desire to aid CRA, a wealth of bureaucratic regulations frequently made such aid quite difficult to give.

In mid-September Krusell announced that the housing authority had given Oscar Batzli a letter of intent for the development of a block of land near Seven Corners. Although this posed no immediate problem for CRA plans, it did raise some questions for the board members about Minneapolis HRA's perceptions of the development future for Cedar-Riverside and about their ability to deal simultaneously with such different organizations.

By early September Crimmins, staff planner for the housing authority, was able to report that the regional HUD office had agreed to waive the bidding requirements for the land write-down and indicated that a resolution to the turn-key situation was in sight. HRA even went so far as to agree to pay the relocation costs for residents forced to move by the redevelopment of Cedar-Riverside. By early November 1970, the housing authority really seemed to be working quickly to process Stage I's inauguration. Many items were not yet finally resolved—the standard problems like the availability of 236 funding, the plaza situation, and the write-down—but HRA and CRA seemed confident enough of their mutual ability to resolve these that serious talks about a development contract were underway. Pending FHA mortgage approvals and approvals of the turn-key housing proposals, construction of Stage I could proceed as scheduled in early 1971.

## The Resolution of Operational Difficulties

Throughout 1970, as Stage I planning continued, the number of meetings between CRA personnel and representatives of the institutions or of community groups increased. With HRA approval of their plans in hand and the additional possibility of massive federal funding, CRA moved to tighten up its neighborhood contacts. Jacobson and others spent many hours with tenants explaining the immediate effects that Stage I would have and discussing their relocation policy as well.

At that time it was not clear that either the housing authority or another local body was responsible for payment of relocation benefits since land in Cedar-Riverside was not being acquired publicly. CRA had, as a matter of policy, long assumed the financial burden of relocating tenants who wanted to live in other UCPI-owned units within the community. In addition, CRA reinitiated the neighborhood coffee hours, which had functioned several years earlier as a mechanism to facilitate dialogue between CRA and area residents. It is doubtful that these efforts did anything to pacify the opposition to CRA within the community, nor is it likely that officials of the organization seriously hoped for such an effect. Rather, they were a means to keep communication flowing between two ideological opposites. Opponents of CRA were just beginning to get organized at this point, and it was clear almost from the start that accommodation was not what they were after.

CRA did better in its relations with other community groups, meeting with people from the various institutions to coordinate their plans with the proposed urban renewal. Support for CRA's plans from these groups was undiminished. Representatives from Fairview Hospital spent many hours working out a proposal for a medical office complex with CRA's planners. Augsburg officials were also in close contact concerning their plans for expanded student housing facilities. Heller also maintained working relations with other major Riverside landowners and by mid-1970 one of

these, Ray Blexrud, had indicated a desire to sell his Seven Corners property. This was part of a diminished, but still continuing, effort to stifle competition from other developers in Cedar-Riverside.

The closest dealings which CRA had, however, were with the University of Minnesota. In meetings extending throughout the year CRA planners and University officials negotiated many items of mutual interest. These included circulation problems, the potential use of Riverside Park as open space, and a possible liaison for the purpose of acquiring more property. The University also expressed a strongly supportive interest in CRA's Title IV negotiations. Various public relations efforts were in evidence at this time as well. Brochures illustrating CRA's ideas and plans were, by early 1970, being eagerly distributed to any interested parties.

Discussions of the construction costs for each of the subsidy programs under consideration and ongoing difficulties with the turn-key units continued. At least a portion of the subsidy dilemma resulted from the fact that CRA planners had projected a unit mix which could not pay for itself. That is, the medium-rent units had to be subsidized by 236 funds as well as by loans at below-market interest rates because the approximately 600 lower-rent units (236) were to be incorporated in the buildings that were the most expensive to construct. This situation would not have concerned CRA greatly if it were not for FHA's clearly defined limits regarding the use of specific programs.

The aesthetic elements of Stage I became the principal scapegoat for high construction costs. The CRA board decided in mid-1970 that aesthetic elements to be included could raise the basic construction costs for bare buildings by no more than 10 to 15 percent, thus beginning the process of cost-cutting measures. Cutbacks included decreased balcony size; the absence of standby generators; and the provision of three, rather than five, elevators in the tallest building. CRA retained design control of the project, but Bor-Son on occasion tried to alter this situation. By mid-1970 CRA insisted that the existing design proposals stand, and that financial plans be molded to fit them. Additional methods suggested by the CRA board for handling projected costs at this time included changing the appraised value of the land from \$1,500 to \$1,900 per unit, reducing Bor-Son's expected profit from 6 percent to 4 percent, and reducing the overhead costs of the organization. There was something slightly inconsistent about all of this, however, for at the same time these discussions were taking place, Heller was advocating the inclusion of a swimming pool in Stage I.

The overall density of Stage I was settling at about 126 dwelling units per acre (without including the public housing for the elderly it rose to 151 units per acre). The regulatory agencies seemed willing to accept CRA's concept of variable density, though the comprehensive figure could not exceed 125 units per acre. The planners also established as one of their objectives direct pedestrian access between Cedar-Riverside and downtown Minneapolis.

The floor plan economics of Stage I had evolved by early 1970. Sixty percent of the units would be in double-loaded corridors, at \$14.50 per square foot; 30 percent would be *maisonettes* or two-story units, at \$15.25 per square foot; and 10 percent would be *skip-stop* units where elevators stop at every other floor, at \$16.50 per square foot. This would keep the average unit close to \$15 per square foot.

Even after this was settled there still remained some confusion about the distribution of dwelling units. Heller indicated in May that they had to be careful about allowing the sizes of units in different categories to become larger than originally contemplated. This was in response to a shift in number he perceived from one-bedroom to two-bedroom units in the middle income and single student ranges, and an increase in the number of two-bedroom subsidized units, none of which he regarded as being justified.

## New Community Designation Is Received

Throughout early 1970 Heller and McKnight had many lengthy discussions with their attorneys, accountants, and close advisers about the advisability of filing a Title IV application. Both Nicoson and Krusell firmly believed that Cedar-Riverside was clearly the kind of project which Title IV was intended to support. But few projected new communities were able to meet the standards required by HUD and no in-city redevelopment had even been presented for consideration. A good deal of time, energy, and money would be required simply to prepare the application and there was no guarantee that anything would result from it. In addition, the amount of staff time needed to process such an application would necessitate taking time away from other things, with the likely result that Stage I construction would be greatly delayed.

In the end, the possibility of being awarded millions of dollars in loan guarantees outweighed all other considerations. In May 1970 it was decided in a meeting attended by McKnight, Krusell, Crimmins, and Jacobson that Krusell would communicate to George Romney, the Secretary of HUD, the desire of CRA and the housing authority that Cedar-Riverside be considered an applicant for Title IV designation.

This decision initiated six months of furious activity, resulting in the presentation of Cedar-Riverside's formal application to HUD in late November 1970. During this period CRA's financial situation began to improve, first through the arrangement worked out with the National Housing Partnership and continuing with successful negotiations with FHA and an increase in interest among potential private investors. Ideas about new methods of financing the project were frequently aired. By the time Krusell agreed to contact HUD, he was less positive about attempting the use of tax increment bonds and more favorable toward increased reliance upon FHA and upon channeling additional funds from HUD into the NDP fund. Heller still wanted to consider the idea of Stage I land ownership by a nonprofit institution, though this was not regarded so seriously by some of the other board members. While the ultimate arrangement of finances remained in doubt, CRA was again in a position in which money was becoming accessible. Several large loans were granted in May 1970, the most encouraging thing about this being the fact that they were from suburban banks rather than the large city banks which were CRA's usual source for loans. Another source of encouragement was the interest of the Whitney brothers in the redevelopment proposals. The Whitneys, representatives of a wealthy Minnesota family interested primarily in the tax shelter aspects of an investment, were important both as a legitimizing force for CRA and as potential contacts with other wealthy investors. In these as well as other ways the future of redevelopment for Cedar-Riverside looked brighter in mid-1970 than at any previous point.

Representatives from HUD visited Minneapolis in August to conduct a series of meetings with both CRA and HRA. Their reactions to the plans they saw were quite positive and they seemed especially excited about Cedar-Riverside's potential for attracting outside grants, in particular one from the Department of Transportation to do a demonstration project in Cedar-Riverside. The HUD officials thought the West Bank portion of the University community was an ideal location for the construction of a fixed-guideway transit system, linking Cedar-Riverside with the rest of the campus and with southeast Minneapolis.

This system would easily demonstrate its efficiency to the rest of the metropolitan area, thus creating the impetus for a complete rapid transit system to be constructed. Since this had long been a dream of Twin Cities transit planners as well as the Metropolitan Council, its inclusion in the Cedar-Riverside Title IV application with the endorsement of HUD was warmly regarded on many sides. And this is only one example of the ways Cedar-Riverside's redevelopment was touted as the hinge upon which the entire future of the metropolitan area rested.

Despite continued uncertainty about some items in the plan, progress on the Title IV work was rapidly reaching a conclusion during the fall of 1970. Much of this was merely the formality of processing necessary paperwork, since there were no significant changes in either the master plan

or in Stage I plans which were made expressly to fit Title IV requirements. Most of the planning which had already been done for Cedar-Riverside seemed ideally suited for what HUD wanted in the new communities it would choose to sponsor. CRA finished its application in late November and sent it off to Washington, and awaited the decision of the New Communities office.

Meanwhile, the focus of the established legislation under which their application was made was being simultaneously altered, to CRA's advantage. There had been some doubt about the propriety of submitting an urban redevelopment proposal for consideration as a Title IV project. But the passage of the Title VII legislation late in 1970, with its explicit provisions regarding New Towns-In Town, allayed any remaining anxiety on this count. The National Urban Growth Policy expanded the range of options for which new community funds from HUD could be used, and CRA was undeniably lucky to have proposed an in-town new community immediately prior to the legal extension made for this purpose.

The result was that approval for Cedar-Riverside came relatively quickly. In June 1971, CRA was granted \$24 million in federal loan guarantees to develop the first HUD-sponsored New Town-In Town. The elation and incredulity that Heller and Segal and others connected with Cedar-Riverside must have felt is difficult to grasp. It was perhaps enough just to realize that their loosely conceptualized and constantly floundering initial scheme was not a total failure. But that realization was now combined with the likelihood that their dreams would ultimately result in a major American urban redevelopment effort.

The application submitted to and approved by HUD, and the project agreement resulting from it, contained the outlines of a planning proposal which was at once similar to and distinct from typical urban redevelopment schemes of the 1960s. The similarities lay largely in the realm of physical development: the mixture of building heights and types, and such things as the proposed separation of pedestrians and vehicles. Dissimilarities were to be found both in proposed objectives and chosen solutions to specific problems, as well as in the elaborate bureaucratic mechanism created to monitor Cedar-Riverside's progress.

In essence the Title VII application closely resembled the master plan that had evolved for the community. It described an eventual development of 12,500 dwelling units which, together with the million and one-half square feet of commercial facilities and six acres of cultural facilities, would someday house and service a population of 30,000. The development process was to occur over a period of twenty years and would encompass ten separate stages of residential construction. The New Town-In Town was to develop almost as gradually as had the original ideas for it, and at each step it would be thoroughly scrutinized by both local and federal review boards to assure that the stated objectives were being met and that the development remained in conformity with city and regional planning frameworks.

The objectives of the twenty-year development plan were labeled "responsive to the broad purposes of the Urban Growth and New Community Development Act of 1970" by the project agreement. Although they are rather extensive, they deserve to be covered in detail, for only by unfolding the comprehensive nature of a New Town-In Town do its advantages over conventional renewal become readily apparent. These objectives were as follows:

**Residential:** A broad spectrum of multi-family housing types, prices and resident options will provide freedom of choice and range of rents and prices as well as a significant place in a new community for individuals of all ages, races and income levels.

**Housing Mix:** The project will be a socially and economically balanced community. Substantial provision will be made for housing within the means of persons of low and moderate income. Such housing will be integrated within a project-wide architectural framework which does not distinguish high, middle, or low income residents.



**Commercial:** Commercial development will be designed to offer a full range of shopping, professional, food service, office, and other commercial facilities necessary to provide a balanced and substantially self-sustaining community.

**Transportation:** A well-balanced and multi-modal transportation system which is safe, efficient, and reliable will be planned to maximize the mobility of its users and to minimize associated air and noise pollution. Vehicular traffic patterns will be designed in a manner which is not disruptive in the community.

**Circulation:** A convenient, efficient, and safe circulation system will be created for intra-project pedestrian movement by completely separating vehicular and pedestrian ways and by integrating walkways and skyways with a local mass transit subsystem.

**Utilities:** Such utilities as telephone, electricity, hydronic energy, gas, cable television, sewerage, water, and solid waste collection and disposal will be provided. The latest technology will be applied wherever possible. All systems will be installed below grade or otherwise incorporated within structures.

**Health Service:** Demonstration programs of health care delivery and prepaid health maintenance will be used to develop and offer a comprehensive system of services.

**Educational:** Educational opportunities will be maximized through cooperative efforts between the Developer and area educational institutions.

**Cultural:** Development programming will enhance the cultural resources already in the area with expanded physical facilities, interim rehabilitation and relocation to permanent facilities in the area.

**Resident Involvement and Municipal Governance:** The residents of the Project will have the broadest possible opportunities for participation in community organizations and activities and in program development for social services.

**Relocation:** Current residents and commercial tenants in the Project area displaced by development will be relocated in accordance with the objectives of federal and state law.

**Community Services:** Such services will be responsive to greatly differing life styles. Sufficient multi-use space will be provided for adequate community services with primary emphasis on the service rather than the facility.

**Innovation:** The Project will reflect innovation in land use planning, in the use of materials and methods of construction, and in the provision of community facilities and services, both ultimately and through an interim program.

**Environmental Quality Control:** To protect and enhance the quality of the urban environment, advanced technological systems will be employed. The development of plazas, parks and other forms of urban open space will be emphasized in addition to the provision of the widest possible range of public recreational facilities.

**Participation of Local and Small Contractors:** The developer will use its best efforts to encourage broad participation in the Project by such groups.

**Project Management:** The developer will establish and maintain a management strategy, plan and organization capable of developing the Project and implementing its responsibilities as set forth in the Indenture and Project Agreement.<sup>12</sup>

Several of these items were further elaborated in the planning framework that evolved from the stated objectives. The intended patterns of land use were made more explicit by emphasizing that the proposed residential neighborhoods would be cohesive units separated by clear boundaries, though tied together overall by the pedestrian walkway system. The centrum was visualized as something more than a commercial facility. It was to be the principal center of communication and of services for the community. It would contain "limited but significant" regional facilities (that is, government offices and theaters), as well as numerous dwelling units on the upper floors.

The proposed transit system would include a major station within the Cedar-Riverside community and would be supplemented by an automated people-mover system and a major system of bike paths. Open space within the community would consist of several distinct elements: the open and enclosed plaza areas; the existing and proposed recreation areas (including those associated with the institutions); the pedestrian, cycling, and vehicular open areas (such as the river gorge); and finally, the small scale resident-oriented open spaces (such as squares, roof gardens, and balconies). There were also carefully delineated plans to use landscaping and lighting to reduce noise and obvious blighting influences, particularly along the freeway and railroad corridors.

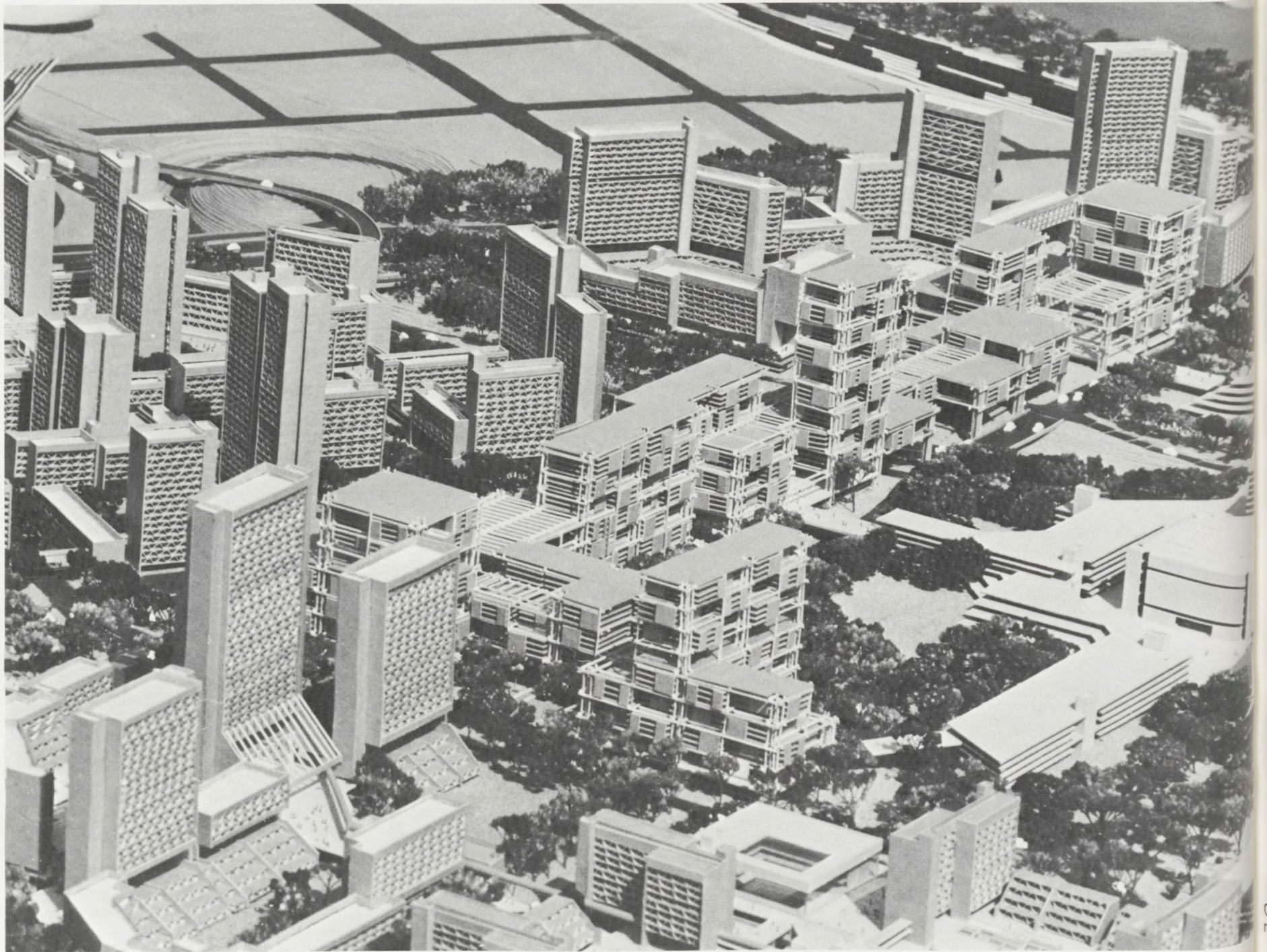
The overall design of the New Town-In Town is best summed up by the planners themselves.

Comprehensive planning for Cedar-Riverside is an attempt to add to the advantage of living in an urban environment through technological advances which reduce air pollution and traffic congestion as well as provide quality homes and services. Life in a high-density urban environment will allow the individual to take advantage of efficiencies which provide more time for leisure, creativity and social interaction. In addition, the development of a well balanced urban community will encourage the high density life style which will be necessary if we are to protect the resources of our fast-dwindling rural land. The regeneration of Cedar-Riverside as a thriving urban community promises to show what can be done through the difficult process of multi-disciplinary planning and cooperation between the public and private sector.<sup>13</sup>

Obviously the project agreement and development plan sought to touch upon all aspects of Cedar-Riverside's future, both idealistic and more realistic. The inclusion of items over which CRA had no direct control—for instance, the local mass transit system—clearly reflects the desire of both CRA and HUD that this plan be the basis for more extensive planning proposals to serve the entire metropolitan area. One might question the ambitious scope of a development plan for such a small physical area, but one must also realize that both the CRA planners and the HUD sponsors regarded this effort as a prototype for other in-city developments to look to for guidance and inspiration. And in this sense the comprehensiveness of the plan seems more appropriate.

Not only was the proposed development of Cedar-Riverside to be elaborately carried out, but the guidelines and monitoring systems were to be equally complex. The agreement between CRA and HUD was in no sense part of a generous governmental giveaway program, a criticism often leveled against the urban renewal measures of the 1950s and 1960s. Rather, in return for the \$24 million loan guarantee, CRA would be required to observe a lengthy set of federal regulatory measures regarding such things as equal opportunity employment and affirmative action, fair labor standards, frequent site inspections, and continuous review and approval of plans. This final category would prove particularly burdensome, as it alone required the continuous submission of two- and four-year plans for implementing each of the objectives stated above, as well as keeping HUD informed about long-term development activities.

In addition, CRA had to fulfill certain specified tasks. Among these were a biennial preparation



of an income profile on project residents, sustained assistance of area cultural groups at least at current levels, establishment of a residents' association for the project, the maintenance of an interim community, and many other measures. Some of these would obviously not be a hardship for CRA to fulfill as they had been done consistently for several years. And yet, the simple fact that the force of a legal and binding agreement now stood behind many of their initially haphazard ideas and efforts insured that, even though change might be desired, the unorthodox qualities of Cedar-Riverside's development would remain.

The development plan was somewhat vague about the physical characteristics of the proposed project. It did not stipulate a level of population density though it did describe the size of the ultimate area population. Nor did it discuss a prescribed layout of buildings or of residential units. It was in every sense a comprehensive general plan rather than a specifically detailed one. It did go so far as to ratify the outlines of the master plan for Cedar-Riverside. The ten stages it discusses were in effect a slightly more precise description of the master plan's five residential neighborhoods. The development plan also echoed the earlier document's treatment of the commercial centrum, the support system of convenience facilities within the neighborhood units, and the proposed handling of open space for the community predicated upon the extension of the Riverfront Park system.

It is, however, difficult to visualize the "mature community" based only upon the information contained in the project agreement. In essence it was patterned on the plans for Stage I which had received a thorough review from the housing authority. It projected more of the same, contingent of course upon HUD approval of Stage I's implementation. By June 1971, then, CRA had been fully designated by the federal government to undertake a development which would be the first of its kind in the country.

However, in defense of what may seem an abnormally brief period of planning, it must be emphasized that nearly all of CRA's planning efforts during the previous seven years had been moving in the direction of the New Town-In Town ideology and objectives. Cedar-Riverside's plans compared quite favorably with Perloff's original delineation of what a New Town-In Town was to accomplish. This was especially true for such important aspects as the provision of housing for people of all income levels and the active inclusion of minority persons in the project.\*

In other ways, too, Cedar-Riverside would serve as an example of the "in town" ideology. Cedar-Riverside would be serving a uniquely urban function through such innovations as the proposed shared parking facilities, which would enable Riverside's expected 1990 daytime population of 60,000 to be fully accommodated without forcing the institutions to overexpand parking construction. People coming to the institutions during the day would use parking spaces vacated by Cedar-Riverside residents during working hours. The proliferation of cultural facilities in the area was yet another indicator of the ways in which Cedar-Riverside was clearly a step ahead of both conventional renewal areas and traditional New Towns.

It is quite likely that even if Cedar-Riverside had not received federal New Town designation, it would still have retained and implemented many of these elements. The primary distinction between doing this kind of development with such designation, as opposed to attempting it without federal backing, is that the developers of Cedar-Riverside are not at liberty to change their goals or their plans midway through the project. They are committed to a policy of creating a residential

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\*In February of 1970 Cooperman had outlined specific ways in which the organization might attract nonwhites to the area, assuming that if no special effort were made, no significant numbers of nonwhites would be represented. Among the suggestions he made were to clearly advertise Cedar-Riverside as a racially-integrated community, to purposely advertise the project in the minority press, and to actively recruit residents through the University's foreign student office.

environment which will foster both social and economic integration and will contain all of the support services necessary for making the entire enterprise a viable one. They cannot decide at some future point that a later stage of development should be geared entirely toward a luxury housing market nor can they decide to stop the development before it is concluded.

A New Town-In Town contrasts strongly with conventional redevelopment schemes. Most obvious is the scope of the undertaking and its comprehensive nature. The New Town-In Town is intended to deal with the problems of an entire urban neighborhood, and one that is intentionally diverse, rather than to merely conceal the physical deterioration of a limited geographical area. And it must deal with these problems by first admitting their existence instead of ignoring or hiding them, as is often done in the case of renewal of older inner-city areas.

The New Town-In Town is not intended to simply remove the poor or minority residents of older urban neighborhoods and replace them with the white middle- or upper-classes, thereby creating even more severe housing difficulties for the former groups. It represents a conscious attempt to reproduce a town environment within the central city—an environment in which all income levels and social classes belong. Clearly such an attempt lays itself open to the charge of blind idealism, especially in light of current perceptions of differing population group's ability to coexist peacefully.

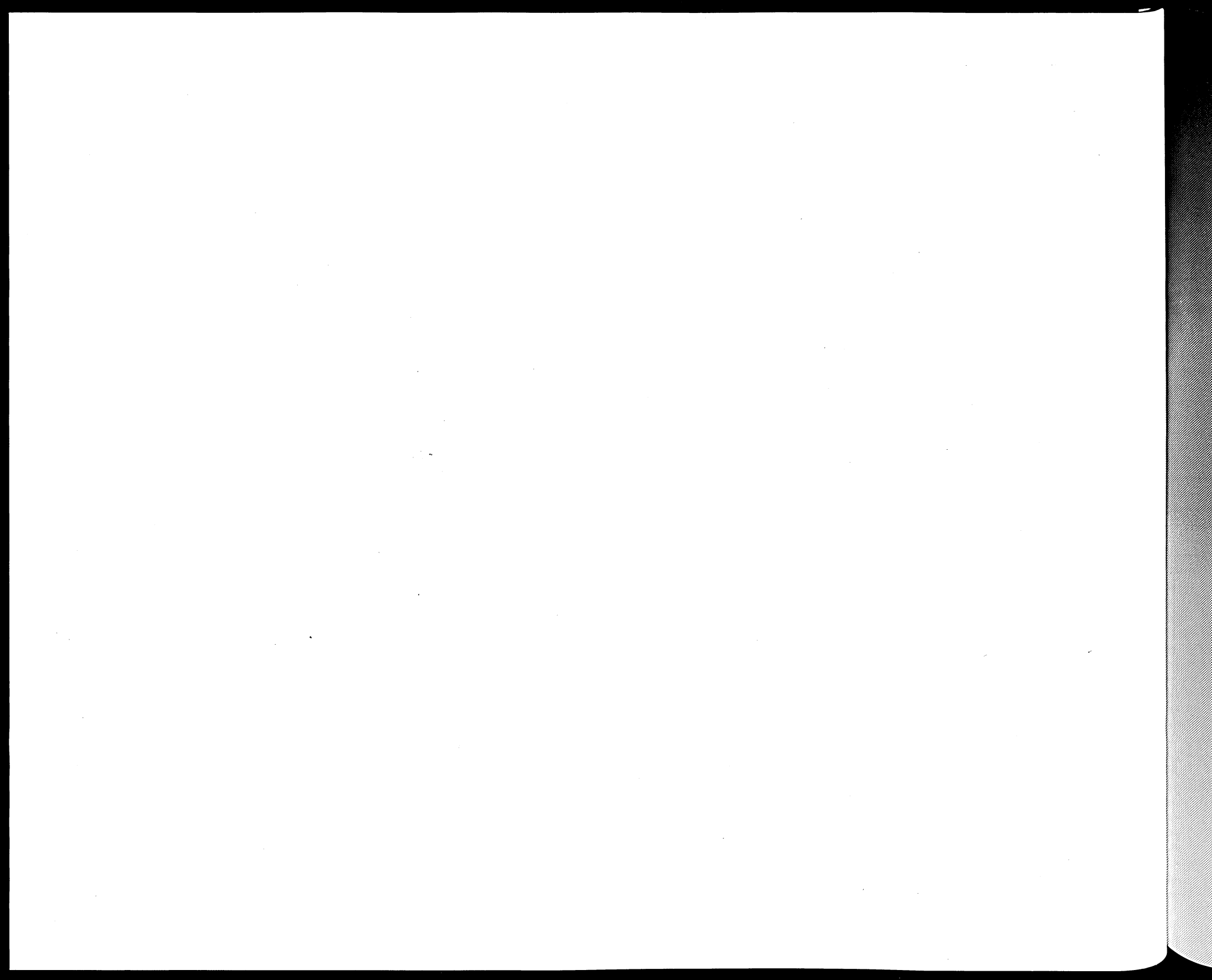
But the New Town-In Town cannot be regarded as a panacea for all of America's urban difficulties. It must instead be regarded as an open acknowledgement that many redevelopment proposals of the past have been ineffectual. It is an initial effort to treat recurrent problems in a more thorough manner—an attempt to deal with the deterioration of American cities in a new, and perhaps more effective, way.

Cedar-Riverside, then, only a decade after its initial rejection of urban renewal, found itself in a unique position. Its future would not be determined solely by either a private business firm or a local public agency, but would reflect a significant degree of participation by the federal government, with all of the attendant regulations which that implied. For better or worse, and despite the bureaucratic guidelines for resident participation, this arrangement indicated that those who opposed Cedar-Riverside's redevelopment would have even less chance than formerly to influence the future of the community.

For the opponents of CRA the area had the disadvantage of being an almost perfect location in which to situate a New Town-In Town: it was compact and strategically located, it had sufficient resources and the ability to attract significant numbers of in-migrants, and it had an economic base predicated upon the area's institutions that was able to project a continued rate of expansion. For the supporters of Cedar-Riverside's New Town status, these were all clear reasons why such an effort was bound to succeed in this particular location. For the Cedar-Riverside area itself, and for the developers, the New Town designation was to become a thoroughly mixed blessing.

#### Notes to Chapter 4

1. Henry McKnight, Memorandum to CRA Staff, June 1969, Cedar-Riverside Associates, Minneapolis, Minnesota.
2. Cedar-Riverside Associates, *Cedar-Riverside Development Area: Illustrative Brochure* (Minneapolis: 1969), pp. 5-6.
3. Keith Heller, Memorandum to Henry McKnight, 17 October 1969, Cedar-Riverside Associates, Minneapolis, Minnesota.
4. Rodney Engelen, Memorandum to CRA Staff, 4 April 1969, Cedar-Riverside Associates, Minneapolis, Minnesota.
5. *Statement of Keith R. Heller before the Subcommittee on Housing and Urban Affairs*, 17 September 1971, Personal Files of Keith R. Heller, Minneapolis, Minnesota.
6. *Minneapolis Tribune*, 18 November 1969.
7. *Illustrative Brochure*.
8. *Minneapolis Tribune*, 11 February 1970, p. 12.
9. Charles Krusell, Memorandum to Henry McKnight, 16 February 1970.
10. *Ibid.*
11. Charles Krusell, Memorandum to Keith Heller, 26 March 1970.
12. U.S. Department of Housing and Urban Development. *Project Agreement Between the United States of America and Cedar-Riverside Land Company*. Springfield, Virginia: National Technical Information Service. 9 December 1971, pp. 5-7.
13. Cedar-Riverside Associates, *Cedar-Riverside New Community Narrative Description* (Minneapolis: 1972), pp. 21-22.



# 5

## Stage I: The Place and Its People





Questions raised over a ten-year period about the potential and future of Cedar-Riverside started to generate responses by 1972. Redevelopment proposals that had been depicted solely through plans and architectural perspectives were now slowly assuming a concrete physical form. It was becoming possible to judge how well Heller and Segal's initial grand vision was suited to confronting the staggering issues of urban sprawl and integrated community development. Whether their plans were a success or failure would have an immediate impact on the area's future and on the shape of future redevelopment in Minneapolis.

Stage I is used here as a case study. This is necessary because it is the only stage of development that was completed and it is plausible because Stage I was clearly intended to be a prototype for the rest of the project. Stage I reflects all of the essential components of the New Town-In Town and exemplifies a practical resolution of the different elements of the plan.

The construction of Stage I diminished only slightly, if at all, the number and range of problems CRA still encountered regularly. The redevelopment of Cedar-Riverside had proven its worth in some quarters, but the initial taste of success was not enough to allow the developers complacency or a reduced effort. The construction of the first development stage, officially referred to as *Cedar Square West Stage I*, was indeed delayed by the New Town designation. The project agreement between CRA and HUD, which stipulated all of the conditions required for the New Town, was not signed until December 1971. The redevelopment contract between CRA and Minneapolis HRA became official in the fall of 1971 and construction of Stage I began at that time. Some housing was available for occupancy by April of 1973.

The \$24 million bond sale in December 1971 removed both immediate and potential financial difficulties and HUD's approval of the development program gave Stage I a definite form. CRA's request for a land write-down from Minneapolis HRA was ultimately withdrawn and only one financial request made in addition to the anticipated public utilities and street improvement work. This request was for a grant to build a covered plaza walkway and a pedestrian bridge across Cedar Avenue, and for embellishments on the plaza, all of which would ultimately become part of the public pedestrian system. CRA board members thought that this subsidy method would create amenities within the project that otherwise could not be provided. Minneapolis HRA's approval of the subsidy was made possible through a \$500,000 HUD grant to the city expressly for this purpose.

Additional grants were also made to CRA. In February 1972 the organization received \$20,000 from the National Endowment for the Arts to hire an arts advocate planner. Early in 1973 it received a supplemental grant of \$200,000 from HUD to help inaugurate some of the "new community" innovations, such as an electronic visual communications system. Later in 1973 the city of Minneapolis approved a major program to upgrade Cedar Avenue—including widening the sidewalks and repaving them with terra cotta insets, planting trees, and installing new lights.

Meanwhile, planning for additional stages of development continued. The second stage, known as Riverbluff, was to be located north of Washington Avenue, alongside and above the Mississippi River. One of two separate development stages, the initial Riverbluff construction was to provide approximately 1,200 dwelling units. These would be dispersed between two towers, 35 stories and 41 stories respectively, and additional townhouse and condominium units terraced down the bluff. Between the two towers and above the terraced housing would be a partially covered plaza on which commercial and community neighborhood services would be located. CRA planners completed the Riverbluff proposal early in 1973 and a letter of intent indicating the Minneapolis HRA's approval was received later in the year. Also, at this time the preliminary plans for the first phase of the commercial centrum began to take shape. This was to include a retail center and a hotel/office complex and was tentatively located across from Stage I on Cedar Avenue.

Cedar Avenue prior to upgrading and street improvements.





As the planning process gathered momentum, the opponents of the development seemed to do likewise. Early in 1972 some leaders of the opposition discovered a little known technicality in the urban renewal regulations requiring citizen participation in, and review of, renewal plans. Their threats to bring a lawsuit against the development resulted in the formation of a Project Area Committee (PAC) early in 1973. This group was formally recognized by the Minneapolis HRA as an advisory and review arm of the community. Proponents of PAC considered it to be a voice for residents' views, but their desires were somewhat blunted by the housing authority's insistence that CRA and the area institutions have representation on the committee as well. Although PAC had no power to alter development proposals, by operating as an advisory body to the housing authority it could make known its objection to specific items and force the public agency to review them more closely.

### The Final Phase of Planning Stage I

Cedar Square West was constructed in stages according to the financing packages which were put together at different points. Because of the difficulties that surrounded the turn-key housing, and because the funding for the turn-key building came primarily from the city, it was the first building to be completed.\* This caused some major problems for the CRA planners because they had long before decided that the public housing units should be dispersed throughout the complex rather than concentrated in one building. The result of this conflict was an intensive effort by CRA to get permission to disperse these units at the very time that the building was under construction.

Though CRA was finally successful in gaining approval for the public unit dispersal, it did not happen before the building was virtually completed. Thus Cedar Square West was encumbered with having one building that violated the stated aim that dwelling units should not be distinguished according to different income groups. Although the units in this building (the F building) were subsequently rented both at subsidized rates and as public housing units, and although there are few qualitative distinctions between these units and others in the complex, some residents have implied that this building has assumed an aura of being rather less desirable because of its original public housing designation. There are other reasons for this state of affairs, and these will be discussed presently, but it is informative to note the effects which bureaucratic regulations can have on even the best-intentioned efforts.

Additional problems arose during the period of construction that illuminate some of the continuing conflicts among members of the planning team and between CRA and the regulatory agencies. One pertinent example was the situation that pitted the architect, Rapson, against the Bor-Son construction firm on several levels. Relations between the two had never been the best, and the construction period proved to be especially difficult. Rapson was continually wary of the possibility that Bor-Son people might cut back on design elements, particularly the aesthetic elements, on the construction site, despite the specifications of the design plan. This apprehension resulted in one of Rapson's own staff members spending almost all of his time on the site overseeing the implementation of the plan. And this occurred despite the fact that CRA had already hired an outside consultant specifically for this purpose.

\*The subsidized units within Cedar-Riverside presented continuing problems. All 669 units in Stage I (public housing and 236) came from Title VII set-a-sides, as the New Communities office had a large number of subsidized units under its control which were over and above—and apart from—those regulated by renewal authorities. Without the Title VII set-a-sides, any significant economic integration within Cedar-Riverside would have been impossible, because the regional HUD office could not allocate this many units to a single project. Together with the 900 subsidized units designated to Stage II, this amounted to approximately \$100 million of public support over the life of the mortgages—the largest public input into the project.

Upgraded storefronts and sidewalks along Cedar Avenue.



The design became progressively constrained by regulations and/or by financial limitations. Rapson and the social planners, Cooperman and Kathi Connell, attempted to preserve all of the designated open spaces within the Stage I buildings, but were sometimes unsuccessful. Thus several of the buildings which were to have contained community rooms had this space put to more practical or economical uses. Similarly, Rapson's original design for the building exteriors, with colorless structural panels that residents could decorate as they wished, was altered. The architects considered this design element a feature that could make the units themselves more personal, complex, and exciting to look at from the outside. However, FHA officials feared that the building exteriors would quickly sprout obscenities or antiwar slogans. They refused to approve the idea. This left the planners with the option of making all the panels identical or applying their own decorative scheme to them. It took them approximately six months to agree on the color scheme ultimately employed: basic white and black with primary colors for variety. While this presents a noticeable contrast to the austerity and homogeneity of most high-rises, it is not all that could be done to make them brighter or more interesting.

Though minor difficulties continued to arise, for the most part Stage I's construction proceeded on schedule. The description of Stage I which follows is intended to give a more in-depth sense of the design and layout of the project than is possible through reciting square footages and unit allotments and also, to depict in a broad way the population of the project and their attitudes toward the New Town-In Town.

The initial project consisted of eleven separate buildings, five of them low-rise components of the six taller buildings. These were basically arranged around two main quadrants and each was connected to at least one other by the walkway system. The buildings ranged in height from four stories to thirty-nine and contained from as few as twenty units to as many as four hundred. The basic construction material was cement, with large post-tensioned steel cables running through it.\*


One detail of the construction process is especially indicative of the kind of attention paid to design. The concrete forms were designed to produce slabs displaying an unmistakable wood-grained texture rather than a plain concrete exterior. The building exteriors project an unusual design pattern with their grain lines and knots.

The arrangement of the different buildings is also an interesting design element. Smaller buildings are located between two larger ones in each instance so that nowhere does one have a feeling of being surrounded only by tall buildings. The thirty-nine story building is the most imposing and certainly what one notices first about the complex from any distance. But this building does not dominate the complex from the interior nor does it seem out-of-scale with the smaller buildings near it. One of the strictest criteria used by the planning team throughout the design process was that the complex operate at a level scaled to the pedestrian. While one may argue the pros and cons of a high-rise's ability to relate to the human scale, it is possible to distinguish the different effects which the arrangement and massing of such buildings can have. And in this sense, the scale of Cedar Square West is normally not perceived as a threatening one.

The total number of units in Stage I is 1,299, a slight increase over the latest preconstruction projections. Of the total number of units, over half are subsidized in some manner: 117 publicly-leased units, 552 moderate-income units rented under the FHA 236 program, 408 market-rate and *equipped* units, and 222 *deluxe* units.\*\*Most types and sizes of units are distributed throughout all of the buildings, though there are some exceptions. All of the

\*This method was created by William Hanuschek of the Crosier-Greenberg engineering consulting firm, and was widely used in buildings constructed by Bor-Son.

\*\**Equipped* units differ from market-rate units in that the kitchen includes a double sink and dishwasher. *Deluxe* units add carpeting, as well.



Interiors of rehabilitated Cedar Avenue businesses: West Bank Trading Company (occupying old Holtzermann Department Store), left.

Sergeant Preston's Bar and Restaurant, right



Demolition  
Cedar-Rip  
was easily  
predominant  
construction  
Closeup  
used in S

four-bedroom units are located in Chase House, the three-bedroom units are found only in Chase and McKnight, and no efficiency units are included in the F building. But for these inconsistencies, all of which are the result of reasonable economic assumptions, most unit types can be found in each building.

One of the most curious of the government regulations which impinged upon the construction of Stage I was that which forced the concentration of all deluxe units within one building. While the public housing units were eventually allowed to be dispersed throughout the complex, the mortgage package would not allow dispersal of the semiluxury units. The result was that Chase House remains somewhat apart from the rest of the complex by virtue of its special amenities, such as a sauna and exercise room intended solely for the use of Chase House residents. Each of the buildings in the complex contains general facilities such as laundry rooms and mail area, and four of the buildings (Chase, E, F, and McKnight) also feature community rooms.

The interior open spaces of the complex are divided into three separate areas. Two are completely enclosed courtyards; the other is the plaza which extends across the entire complex and continues beyond to become a pedestrian bridge across Cedar Avenue. The north courtyard is a grassy open space with some recreational facilities for the projected small number of children; the south courtyard contains limited play facilities and the swimming pool. The plaza took a long time to complete. It was over a year after the first residents moved into the complex before landscaping was even begun. As projected, the plaza is located over seven half-levels of a parking garage and it fulfills a variety of functions.

There are two two-story buildings on the plaza, located in opposite quadrants. One houses general neighborhood facilities (a day-care center and until recently a medical clinic); the other, commercial facilities (the Minneapolis branch of the Barton-Aschman office). A small grocery store is also located on the plaza. Several artificially-raised grassy knolls add trees and flowers to the plaza landscape. \* The remaining furnishings include an unusual assortment of lights, a children's play sculpture, a futuristic concrete and steel water fountain, a concrete clock tower, and a smattering of concrete benches and kiosks.

Interesting design characteristics are to be found in some apartment units, though on the whole the units are much like other recently constructed apartments. The most innovative element in many of the two-bedroom units is the *maisonettes*, or two-level apartments. These feature a living room area and kitchen on one level with bedrooms and bath either above or below. These units are located primarily in the low-rise components of Stage I, in the B, D, and F buildings, but are also distributed throughout the high-rise sections of these same buildings. Interestingly, the building planned to contain the turn-key units (F) has a relatively high proportion of these two-story units, indicating a departure from traditional public housing design practices even when the building was intended to fulfill this function.

Another unusual design feature is the occasional use of single-loaded corridors, particularly in the low-rise buildings which face the plaza. In these, the wall opposite the apartment entryways is constructed of glass, which opens up the building interiors visually. There was a determined effort to prevent an institutional look in the building interiors. A plentiful supply of bright colors in such things as hallway carpeting and graphic wall designs are used quite effectively throughout. The entryways of each building are furnished and decorated, each in a distinctive manner, and there are brightly-colored wall graphics in each of the community rooms. The warm and hospitable effect of the building interiors contrasts strongly with the sterility of even some quite expensive high-rise buildings.

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\*The plaza design was Peter Walker's primary contribution to Stage I. He was brought in to do the landscape planning after Halprin's firm resigned from the team.

Demolition of blighted housing stock in Cedar-Riverside. The demolition process was easily accomplished due to the predominant mode of wood-frame construction.

Closeup of wood-grain textured concrete used in Stage I.





## The Initial Phase of Stage I Occupancy

Many problems cropped up as residents began moving into Cedar Square West in the spring of 1973, most involving the unfinished state of the complex at that point.\* The first buildings to be occupied were B and D, with the others following during the rest of the year. Partially because of the inconvenience which early residents were suffering—for instance the lack of a grocery store and service-oriented commercial facilities in the complex or even within the surrounding neighborhood—and partially because of the shared newness of their experience, there was a tangible pioneering spirit felt throughout the first six months of residence. The population of Cedar Square West during the spring and summer of 1973 was relatively low. The first real marketing push and subsequent large surge of new residents did not come until the fall of 1973.

Many of the earliest residents were consciously aware of being guinea pigs by reason of their decision to live in Cedar Square West. Some had chosen to live there specifically to be part of what they viewed as a unique social experiment. Persons in this category were also fairly well-informed about the experience of residents in other new towns and they demonstrated this awareness through their early efforts to organize a residents' association and to encourage social events. In contrast, the influx of new residents in late 1973 consisted mainly of those who moved to Cedar Square West simply because of its convenience or because of the rent subsidies. The earliest residents progressively lost their initial enthusiasm and although some feeling of excitement about living in Cedar Square West remains, this attitude has diminished perceptibly.

Early efforts to proselytize about the joys of New Town-In Town life came from CRA and some of the area institutions. One of the first things that CRA did upon initial occupancy of Cedar Square West was to hire a residents' advocate to act as a liaison between the new residents and the developer.\*\* This position was not directly comparable to that of the social worker employed to deal with residents of the old units, but was instead thought to be a visible and accessible expression of the developers' willingness to listen to and deal with the special problems likely to arise out of the new situation. Serious problems ultimately arose between this person and some CRA officials, particularly with regard to lines of authority in facilitating the liaison process. She resigned in a year's time and was not replaced. But the establishment of this position indicates one of the techniques CRA used to assure that Stage I got off to a good start.

Similarly, institutional efforts to ease the transition period and to heighten their own visibility occurred. Negotiations had long been in progress with Fairview Hospital to establish a branch of their neighborhood clinic in the new complex, and this was one of the first facilities to be located on the plaza. But an even more direct effort was made by one of the area churches. Among the earliest residents of Stage I were two ministers who were affiliated with Trinity Lutheran Church, one of CRA's most enthusiastic institutional supporters. Their presence in the complex was only partly official. Though one was there primarily to identify and service the religious needs of the new residents, the other was simply there as an active and interested resident. Both were among the most active of the new residents in their efforts to meet people, to introduce them to one another, and to organize functions which might begin to establish a sense of community within the project.

It is an understatement to say that the initial public relations efforts were splashy. A twelve-page full-color brochure was put together and distributed widely to prospective tenants and other interested parties, and it remains one of the most vivid documentations of the image CRA sought to achieve for the complex. This pamphlet featured brief overviews of the history of the

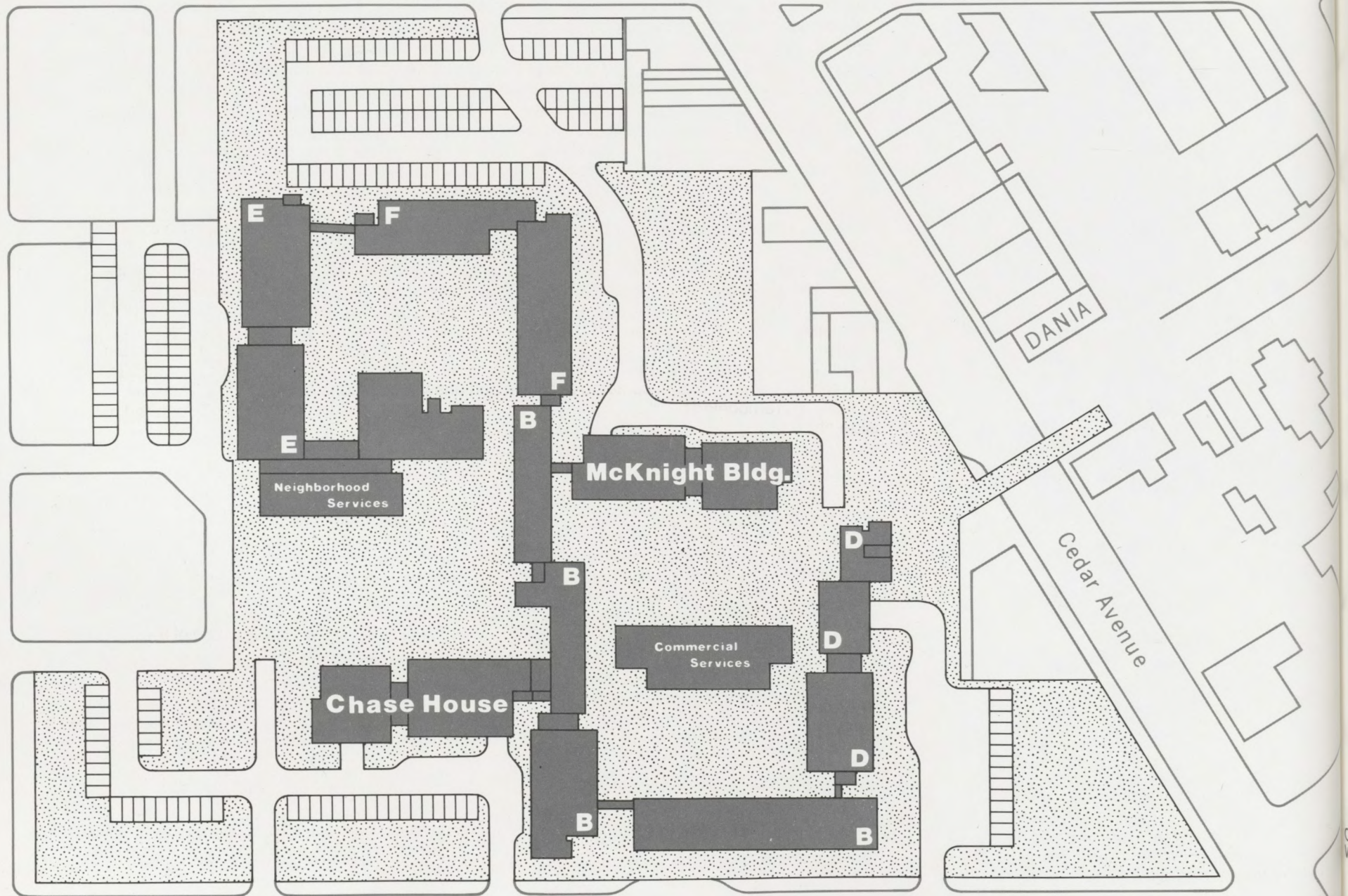
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\*The following description was gleaned from intensive observation beginning soon after initial occupancy and continuing through the next two years.

\*\* The residents' advocate was a woman who had had a great deal of experience in organizing tenants' groups in New York City. She saw the Cedar Square West position as a chance to experiment in organizing from the start, before there was a history of hostility between landlord and tenant.

Fourth Street

Riverside Avenue



Sixth Street

area and of the project, an in-depth description of the project's features and the area's cultural facilities, interviews with and photographs of some enthusiastic Cedar Square West residents, and many pictures of happy people at work and at play within the project and around the Riverside area generally. The socially integrated nature of the project was made apparent through the brochure's prominent depiction of minority persons and area craftspeople. Perhaps the most telling key to CRA's projected vision for the complex lies in the brochure's title, *Cedar-Riverside: Alive and Aware*, and is reinforced by the accompanying prose:

Cedar-Riverside has awakened to a new day. A new dream. A new meaning...In its midst a new kind of urban life is emerging. A life filled with involvement. Filled with a vitality that can only be measured by the depth and breadth of experience. Cedar-Riverside is colleges and the University. It's shops and theatres and cafes. And downtown just twelve blocks away. Cedar-Riverside is lofty, new apartments. And a marvelous potpourri of people. In a casual, unpretentious neighborhood. Cedar-Riverside is a delightful blend of yesterday, today, and tomorrow. Come, let it touch you. It's alive and aware. So you can be, too.<sup>1</sup>

Although an obviously exaggerated piece of publicity, this demonstrates in essence the tone and style the developers considered appropriate and wanted to convey.

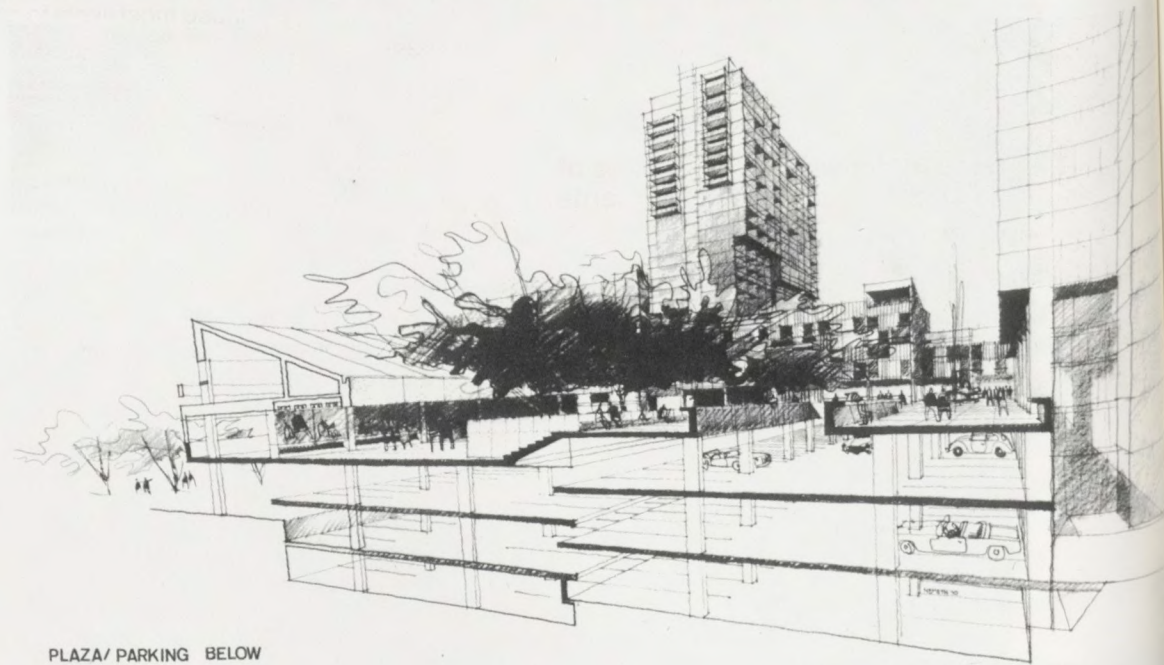
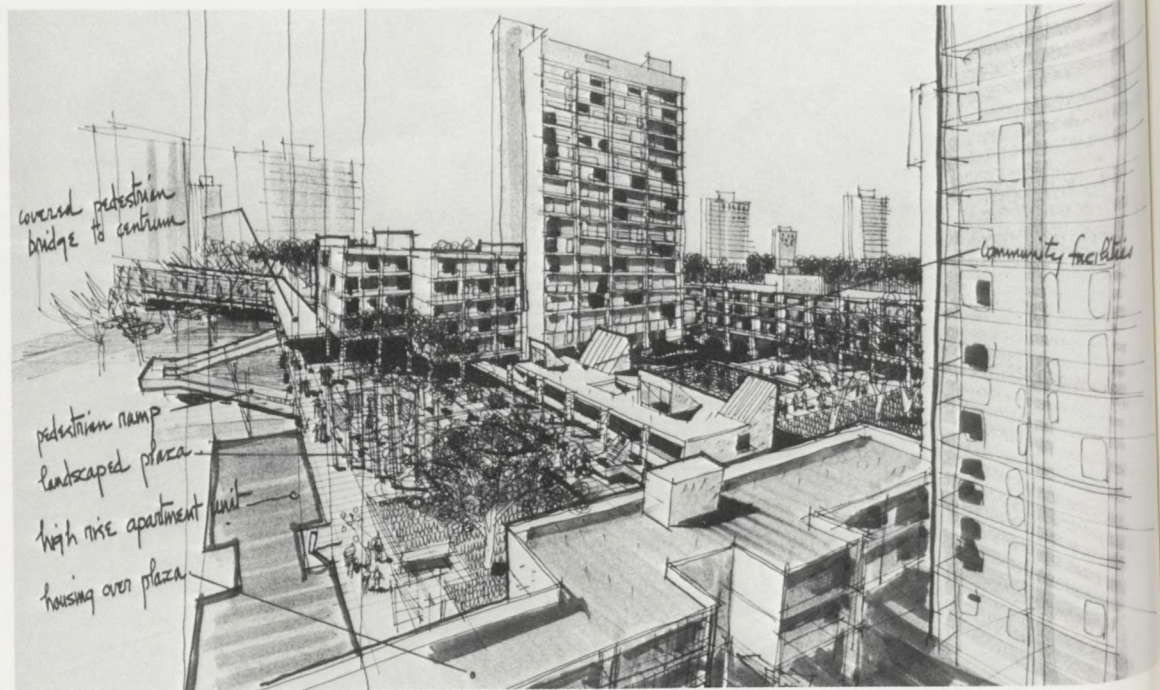
Other marketing efforts included the promotion of Cedar Square West on Twin Cities' radio stations and heavy doses of advertising in local newspapers, especially the University's daily paper. Cedar-Riverside was also receiving some exposure in the national press. Quite soon after initial occupancy of Cedar Square West, articles about the new town appeared in *Harper's Magazine* and in the *Journal of Housing*.<sup>2,3</sup> Although not designed to fulfill a public relations role, these were certainly not detrimental to the project's efforts to increase its recognition level. CRA also created an information center to publicize and answer questions about Stage I. This was located in a remodeled building on Cedar Avenue and, in addition to its general staff, featured a slide-show about Cedar-Riverside and an impressive display of photographs, maps, and diagrams, as well as a scale model of the project.

The overall marketing effort was operated out of CRA's main office, but most of the actual marketing occurred within the B building where the project rental office and the model apartments were located. The latter featured one of the most obvious inconsistencies of the entire development. For, while the staff in the rental office spent much of their time explaining the various subsidy possibilities to prospective tenants, they were then obliged to take them through units decorated with expensive furniture and accessories. One cannot help but suspect that many prospective tenants were made uncomfortably aware of social and economic distinctions, despite all of the rhetoric to the contrary, upon seeing CRA's version of their future home.

One unexpected problem occurred during the early marketing process. Because of the timing involved in the completion of various buildings, subsidized units were available prior to the semiluxury units. Because CRA was anxious to get residents into the complex at the earliest possible date, thinking that subsequent rentals would be facilitated by the presence of a visible population, many of the first units rented fell into the subsidized category. It was not until CRA began to experience a marked difficulty in renting the Chase House units that serious thought was given to the effects of filling subsidized units first. It then became clear that, while persons qualified to fill the subsidized units could likely be attracted quite easily, perhaps a special effort should have been made to attract persons who might be interested in luxury high-rise units.

Cedar Square West clearly was not considered an undesirable location but, given the many options available with the Twin Cities' housing market and the fact that luxury high-rises did not have the exposure there that has made them desirable alternatives in other cities, seemingly

Overhead perspective of Cedar Square West, with building designations.



PLAZA/ PARKING BELOW

Design  
plaza.  
Design  
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something more than locational advantage was needed to convince the well-to-do to move in. Though residents of the luxury units in Cedar Square West could easily avoid interaction with other residents, there still seemed to be a reluctance among the wealthy to endorse the New Town-In Town situation, perhaps as a result of their not being directly sought out in the first place. Renting of the deluxe units continued to be a problem for several years, until a large promotion effort was made, appealing directly to the more affluent population.

Occupancy rates increased steadily throughout the first months, reaching 68 percent (a total of 881 units) within the first year of rentals.\* By far the largest proportion of units rented were the subsidized ones: 454 out of a total of 552, or 82 percent. By the end of the first year, 75 percent of the market-rate units had been taken, as had 59 percent of the publicly-leased units. However, only 24 percent of the equipped and deluxe units were occupied. A profile of the first year's rental by household categories is quite revealing (Table 3).

The most significant thing about this profile is its indication of the strong market appeal which Cedar Square West had for single working people, contrary to most early expectations. Students were obviously attracted to the complex. But the combined student household figure of 37 percent is somewhat misleading, for a large proportion of the married student households consisted as well of one person who was working full-time. This profile also indicates that 90 percent of the Minneapolis HRA-leased housing units went to single-parent households and that 40 percent of the subsidized units went to married students. Nearly three out of four households at this point consisted entirely of adults; 28 percent or 251 households included children. Of the total number of children, 90 percent were living in subsidized units and 70 percent belonged to single-parent households. Fully three-fourths of the 320 children in the complex were preschoolers and, interestingly, two-thirds of the children lived in two buildings, E and F. The reasons for this situation were complex, but it can be largely attributed to the fact that most of the subsidized two-bedroom units—those most likely to attract families with children—were located in these two buildings.

**Table 3. Household Categories of Cedar Square West Residents**

Household Category	Units Rented	Percent
Single Working People	229	26
Married Students	195	22
Single-Parent Families	170	19
Single Students	130	15
Married Couples and Families	111	13
Elderly and Retired	46	5
	881	100

Outwardly the New Town-In Town was showing definite signs of success in its first year. The arts groups and the shops along Cedar Avenue seemed to be thriving. The residents' association was organized and active. Even the physical inconveniences caused by continued construction on the plaza seemed to be lessening. And fears which had been expressed about the potentially adverse effects of the complex, ranging from traffic in the area to the reactions of the elderly in nearby high-rises, seem to have been greatly overestimated.

\*The following information was part of a demographic analysis of households produced by CRA. There was no breakdown of household composition by age, sex, or race done at this time.

Design perspective of Stage I, showing the plaza.

Design perspective of Stage I, showing relationship of parking to plaza.



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But the apparent successes could not belie the fact that problems did exist which had to be confronted. Many of these were relatively minor and could be routinely expected in a new housing development. However, other problems were of a more serious nature. One was the resentment among many residents regarding the exclusive nature of the special facilities in Chase House. This was particularly divisive because Chase House's population was so low and there were residents of other buildings who knew that the sauna and exercise room were largely unused. The conflict potential was blunted after many hours were spent explaining that Chase House residents, however few in number, were paying for this privilege and thus entitled to it. But this first flowering of an "us" versus "them" mentality within the complex could not be easily eliminated.

The presence of children in the complex produced another conflict. Although at no time was it ever thought that Cedar Square West would be an exclusively adult province, clearly the special needs of children had either not been sufficiently thought through in the planning process or had not been a high priority item. Some people discussed the activities of the children quite vehemently at resident association meetings. For some, an ideal social mix seemed to be defined as one composed entirely of people over the age of eighteen. Cedar Square West was of course not immune to the sort of activities which many regard as the necessary deleterious effects of allowing children to live in high rises. Some children in the complex did play in the building hallways and on the elevators and some were allowed to wander around the complex unsupervised by adults. But given that the number of children was such a small proportion of the total population—approximately 16 percent—and most of them were toddlers, much of the hostility exhibited seemed to be directed more at their mere presence rather than at anything they were responsible for doing.

During many hours of meetings, residents discussed the possibilities of confining children to certain areas, prohibiting them from others, and providing organized activities to occupy them after school and on weekends. Almost from the start the complex had a day-care center, but this did not serve all of the children and, in any case, it was consistently plagued by conflicts between its management and the parents using it. Activities designed to serve the children's needs have been sporadically successful, but the pressing problem of lack of space designated specifically for their use has been only partially resolved. There had been attempts to remove the children from general view by giving them one entire community room to use, as well as efforts to focus their activities beyond the complex itself, in peripheral spaces like the Sixth Ward park, what was once Mike's Bar (this was closed down and taken over for the use of residents prior to initial occupancy), and the old firehouse (which was no longer used by the city). But while these short-run solutions may have succeeded temporarily, a good deal of attention still needs to be focused on the larger problem of how to provide for children in Cedar-Riverside.

An additional source of concern for some residents was the apparent concentration of minority persons in the F building that began to occur in the early stages of occupancy. For those who viewed the new town as a place to experience a socially integrated lifestyle, the lack of dispersal of minorities throughout the complex was a disappointment. Within the first year, and for a variety of reasons, the minority population of the F building was approximately 30 percent while the overall breakdown for the complex was about 17 percent. There is absolutely no evidence to indicate that this situation was intentional, and it is quite certain that it was of grave concern to CRA as well. There was nothing inherently wrong with this clustering of minority persons if, as the evidence indicates, they did so by choice, but the result clearly did not correspond to an idealized vision of integrated living.\*

\*Interviews indicate that many minority applicants quizzed one of the rental agents, who was herself black, about her location within the complex and then requested to be located in the same building in which she lived.

all graphics at entrance to E Building,  
Cedar Square West, top left.

Cedar Square West, interiors, left.

terior of Cedar Square West model  
partment, right.



Of even more widespread concern was a continuous dispute about the use of community rooms in the complex. Many residents assumed that the community rooms would be available to individual residents for entertaining or for group activities. But two of the four community rooms had designated uses: one room was for the children, and the Chase room was for the exclusive use of building residents. A third room, in the McKnight building, was the meeting place for the entire complex and had to be available for general Cedar Square West activities. Thus the possibilities for personalized use of these spaces was significantly decreased. Various efforts were made to ease this situation and to appease those who felt that these spaces should be more accessible, including trying to free up the rooms for weekends and allocating outside spaces like Mike's Bar for residents' personal use on a request basis. Over time it has become clear to residents that community rooms were intended for community use rather than as party rooms, and most have apparently made an accommodation.

### **Results of a Survey of the Cedar Square West Population**

It is only possible to discover a certain amount of information about a place through observation and interviews, and the results necessarily rely upon some degree of subjective interpretation. To amplify the range and amount of data gathered in Cedar Square West during its first year, a survey of residents was conducted.\* Although the data produced here represent only a segment of the population, we are satisfied that the sample is sufficiently representative to accurately reflect Cedar Square West residents and their views at the time the survey was in progress.

Of the respondents in the sample population, somewhat over half (55 percent) were female. The entire group was young: 65 percent were between 18 and 25 and another 25 percent were between 26 and 35; the remaining 10 percent were adults over 35 years of age, in which group the 36-45 year olds were predominant. The racial composition of the sample diverged somewhat from the racial mixture of the Twin Cities and from that of the complex as a whole: fully 86 percent were white Americans and another 7 percent were foreign-born whites or naturalized citizens; blacks and Asian peoples constituted less than 3 percent respectively while American Indians and others made up the remaining 2 percent.

The level of education was high. Those with some college (primarily current students) made up 46.8 percent of the sample while another 41.7 percent were college graduates, had some postgraduate training, or were holders of advanced degrees. The small group remaining included 6.5 percent who had some technical training beyond high school and only 5 percent who had only a grade school or high school education: The strong attraction to the project's subsidized units becomes understandable on seeing the sample group's income breakdown. Only 5.2 earned \$15,000 per year or more and 13.7 percent earned between \$10,000 and \$15,000 while a large 42.5 percent earned between \$5,000 and \$10,000. The incomes of 19.8 percent fell between \$3,000 and \$5,000 while 18.8 percent earned less than \$3,000 per year. Table 4 shows the range of occupations of the residents surveyed.

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\*This questionnaire was developed jointly by Dr. David Cooperman and the author and was mailed to a random sample of one quarter of the total Cedar Square West population in May of 1974, after one full year of occupancy had elapsed. At this time Cooperman was no longer acting as a consultant for CRA, and the research was funded by the University of Minnesota Graduate School. The following profile is intended to be a description of the population of Cedar Square West and of their expressed feelings about the project, and it derives entirely from the responses received. Over 50 percent of the questionnaires mailed out were returned and the responses were then coded and computer-analyzed.

The questionnaire was designed to elicit information about residents' perceptions of and reactions to the New Town-In Town, particularly about housing satisfaction and patterns of socializing. An additional intention was to draw out information about personal backgrounds and housing preferences.

The overall picture is one of a very young group of people, not yet established, who show definite signs of potential upward mobility. This profile seems to fit well with the population that Cedar-Riverside redevelopment was created to reach. The profile is especially strong in emphasizing the "institutional" character of the group. Clearly, its youth and its student/clerical nature indicates that Stage I was attracting at least some groups for whom it was designed.

**Table 4. Occupation of Respondents in Survey**

Occupation	Percent
Student	41.9
Lower Professional (accountant, elementary teacher)	12.9
Secretarial	11.5
Middle Professional (architect, nurse)	8.3
Homemakers and Retired	8.3
Semi-Professional (computer programmer, etc.)	6.0
Skilled and Unskilled Laborers	4.2
Sales and Service	3.2
High Professional (doctor, lawyer)	2.3
No Response	1.4
	100.0

The backgrounds of the sample group are nearly as homogeneous as the group itself: 79.3 percent of the group were born and raised in the midwest and upper midwest of the United States. Other regions were not strongly represented: 6 percent from the east, 5.1 percent from the northwest and southwest, 4.1 percent from the northeast, less than 1 percent from the south and southeast, and 4.6 percent from outside the United States. When the birthplace data were divided into size categories, the regional Twin Cities' "draw" of the project became even more pronounced: 35.2 percent were from Minneapolis itself and another 25.9 percent were from surrounding suburbs. Cities of over one million contributed 6.9 percent and 12.9 percent originated in small towns or rural areas (under 2,500), with the remainder (13.1 percent) coming from medium-sized cities.

These figures show strikingly the strong Minneapolis focus of the project. Only 6 percent of the group surveyed originated in St. Paul or its suburbs, demonstrating the distance between the two cities which exists in the minds of many Twin Citians. This distinction was further emphasized through responses to a direct question about where residents worked or attended classes. While 44.9 percent were directly involved with the University, 25.8 percent spent almost all of their time in the Cedar-Riverside and University areas, and 21.5 percent of the responses indicated other sections of Minneapolis. Only 2.4 percent either worked or went to school in St. Paul and 5.4 percent in the suburbs. Fully 88 percent of the sample group was raised in single family homes and by far the major portion of these were located in a city's outer urban or suburban sections (59 percent).

Cedar Square West seemed to effectively attract a sizable group of suburbanites. Immediately prior to their Cedar Square West move, 24.5 percent of the sample had lived in Twin Cities suburbs, while 23.6 percent had lived near the University and another 23 percent had lived in Minneapolis, but not close to the University. Only 5 percent had moved to Cedar Square West



from St. Paul; 9.2 percent had lived elsewhere in Minnesota and 14.5 percent had moved there directly from outside the state.

Their method of discovering Cedar Square West was quite illuminating. An overwhelming 60.4 percent had been told about the project by friends or acquaintances; 36.4 percent had learned about it through newspaper ads, while 3.2 percent were directed there by a public agency.

Within the sample group 48.1 percent lived in one bedroom apartments, while 36.3 percent lived in two bedroom units; 13.7 percent had efficiencies and less than 2 percent had the largest apartments. The breakdowns by rental class were as follows: 29.8 percent in market-rate or deluxe units, 55 percent in the 236 subsidized units, and 15.2 percent were in publicly-leased units. The average population of each unit was slightly over two persons, though 30 percent of the sample were adults living alone.

An interesting discovery of the survey was the appeal of the project to married couples rather than to groups of roommates. Of the 70 percent of the sample with more than one adult per unit, 46.4 percent were married couples and 14.8 percent were roommate groupings, and the rest were presumably unmarried couples living together (8.8 percent). When asked why they had moved to Cedar Square West, an overwhelming proportion of the group (85.7 percent) mentioned its convenience to school or work. Additional reasons cited for moving included the following: attraction to the apartment itself (47.5 percent), the cultural facilities of the area (31.5 percent), the appeal of the "new town" (24.4 percent), and the integrated nature of the project (22.6 percent).

Expectations about the complex proved to be somewhat elusive. Nearly 90 percent of the respondents indicated that they had not expected it to be like any other apartment complex, but were decidedly vague about what they did expect. Thirty percent indicated an expectation that Cedar Square West would be an "exciting" environment while 21 percent thought that it would be merely convenient; 26.2 percent thought it would be a "friendly" community and 23.5 percent replied that they had no particular expectations. Given this rather ill-defined state of advance preparation, it is not surprising that a large majority of the respondents (76.2 percent) felt that Cedar Square West had worked out as well as or better than they had expected—having very vague expectations made it difficult to be disappointed. Feelings about the Cedar-Riverside area apart from the complex itself were mixed, but generally positive. A small 4.6 percent reported negative feelings about the area while 45.8 percent said that they liked some things about it but disliked others, and the remaining 50 percent had quite positive reactions.

In comparing Cedar Square West to the places they had lived prior to moving, 12.6 percent felt the quality was quite similar while 15.4 percent were unable to make a judgment; 27.1 percent regarded Cedar Square West as a poorer housing environment while 44.9 percent regarded it as a distinct improvement. Assuming that the type of dwelling unit a resident was most attracted to would condition their reaction to their current situation, residents were also asked where they would like to live, given a choice. Not surprisingly, few would choose an apartment situation if they had other options. While 27.1 percent indicated a preference for apartments or cluster homes, 48.6 percent strongly preferred a single-family home, and an amazingly large 24.3 percent indicated a preference for a farm home or similar type of accommodation. For most residents the stay in Cedar Square West was a temporary and transitional state, pleasant enough while it lasted, but clearly most aspired to something different. Nor did they expect to remain in this situation for very long. An overwhelming 80.5 percent intended to stay only two years or less, and 45 percent of these intended to move within a year; 14.9 percent were planning a moderate commitment of 2 to 4 years but only 4.6 percent intended to remain longer than that.

On the face of it, these responses would probably seem a disappointment to many of the planners. There was little evidence of the socially integrated community they foresaw, as evidenced by the extreme homogeneity of backgrounds and aspirations. Nor was there much





evidence of commitment to the community as an in-town environment. Clearly, for most respondents, Cedar Square West fulfilled a pragmatic need for housing totally unrelated to residents' preferences. The project obviously provided housing opportunities close to the institutions for those who had not had this option previously—particularly married students—and thus achieved some of its goals. But this was likely small comfort to those who optimistically envisioned a population which was both interested and involved in the community-building process.

When residents were questioned about the aspects of their buildings which pleased them, respondents most frequently mentioned location, facilities, and personnel (the caretakers). The strongest initial responses were elicited by the building's design, construction, and maintenance (26.4 percent), followed by its location (17.5 percent), and the fact that it was new and clean (11.5 percent). Secondary responses supported these reactions: 14.3 percent mentioned the design, construction, and maintenance while 11.1 percent stressed their pleasure with the building's facilities. Other positive aspects, though not as significant, included such things as neighbors and security provisions.

Relatively fewer negative elements were cited by residents. A majority of initial responses mentioned the inadequacy of the elevators (30.4 percent) and the presence of children (11.1 percent). The only other significant negative aspects were the interior design of the buildings and the behavior of other residents, both of which were mentioned much less frequently, and occasional complaints regarding such things as parking facilities and management policies.

Residents were similarly questioned about their apartment units. In this case the strongest positive responses, as well as the most frequently cited, were in regard to the view (27.5 percent), the overall design (20.3 percent), and the amount of storage space (12.9 percent). Other aspects which residents found pleasing included the new and easy-to-clean units, the electric utilities and appliances, and the soundproofing system. The most strongly disliked aspects of the apartments were their size (17.1 percent), the utilities (16.6 percent), and what some referred to as its "shoddy" construction (12.9 percent). Additional elements which elicited a negative response were the perceived lack of storage space and the size of the balconies. Noise levels within the project seemed to pose no problem at all. One-third of the respondents felt that noise levels within the buildings were tolerable and another half indicated nearly total oblivion to any noise. Similar responses were given in answer to inquiries about noise levels within apartment units.

It is obviously difficult to make much of these responses, since frequently identical items drew both positive and negative reactions. For example, a direct question regarding the amount of storage space in the apartments produced a 45 percent response that it either was inadequate or very inadequate while the majority felt that it was adequate or more than adequate. But the answers are an initial indication of the things which most pleased or displeased Cedar Square West residents about their environment, and as such provide a nice balance to the planners' perceptions of these things.

When asked directly what they would like to see changed in Cedar Square West, 29 percent said nothing or not much. For the rest, 14.3 percent would have liked to change the surrounding community, 11.1 percent would have provided more recreational facilities, and 10.6 percent would have altered project facilities like parking or the location of mailrooms. Additional, but significantly weaker, responses had to do with management policies and management of the project in general, rental rates, and the lack of commercial facilities. The problems caused by this last item became clearer through a direct question asking where residents did most of their shopping. Only 8.3 percent replied that they shopped primarily in the Cedar-Riverside area; 34.6 percent shopped in an area which combined Cedar-Riverside with commercial areas near the University (primarily Dinkytown). Fully 33.6 percent did their shopping in other areas of Minneapolis while 11.1 percent

Cedar Square West—approach to plaza from the old neighborhood.

normally went all the way out to the suburbs.

The inconvenience caused by living in Cedar Square West was sharply brought out in response to a question about the types of services needed in the community. The most frequently cited items were a supermarket (the convenience food store on the plaza had not yet opened), personal services like a barber shop and dry cleaners, general shopping facilities (such as a hardware store), and recreational facilities, such as movie theaters. There was also some expressed desire for additional restaurants and increased services for children and health care. Another more specific question regarding the adequacy of outdoor space in Cedar Square West revealed this as an area of some concern and felt need. A full 50 percent indicated that the outdoor space was insufficient, with many supporting their views with vehement personal comments; of the remaining 50 percent, many responses were qualified and very tentative.

Despite reservations about certain aspects of the project, a majority of respondents felt that the complex was being managed in a creditable manner. Twenty-two percent thought CRA was doing a fair job of management and 40.9 percent felt their performance was good or excellent; only 15.4 percent had negative reactions and the remainder expressed ambivalence. When questioned about their most direct experience with CRA—the maintenance staff—again, most responses were favorable. Over 85 percent of the sample group had called for maintenance people at one time or another and over 70 percent had gotten a response within a day or two.

Another method of assessing the success of the management was to inquire about residents' feelings of security regarding the complex.\* The results of this were somewhat misleading, however. While 52 percent of the total responded that they had occasionally felt insecure, only 35 percent had concrete knowledge of a single incident which could arouse these feelings. The rest of the respondents either had no knowledge regarding anything which could cause fear, or were expressing fear based upon hearsay evidence (13 percent). When asked to describe the incidents which caused the feelings of insecurity, over half had no response. For the rest, 18.4 percent had only very generalized comments and approximately 5 percent each respectively described an assault, a theft, an incident of breaking and entering, or the behavior of maintenance personnel and other tenants—some of which were known to have happened and some of which were merely alleged.

As an index to the range of fears expressed, the comments accompanying these responses are most instructive. Some residents felt insecure because they knew that maintenance people had pass-keys to the apartments. Others were fearful because of a shooting they had heard about, because of the "rowdy" behavior of some tenants on weekends, or because of rumors regarding the discovery of a heroin needle in the children's sandbox. Some residents had experienced burglaries of their apartments or vandalism of their parked cars, but it was clear that most fear was not generated by bad personal experiences. Indeed, in some instances it was difficult not to ascribe the responses given to a high level of paranoia.

These reactions to the complex itself may be viewed in terms of an absence of strongly-articulated complaints. This in turn would imply a generally high level of satisfaction with Cedar Square West among respondents. But it is important to remember that satisfaction might vary with the degree of commitment to a particular type of residential environment. That is, since most respondents were not going to live in Cedar Square West for any number of years, they may have been satisfied on the basis of its being a good thing for the moment. On the other hand, it is possible that, while many things needed to be improved, the complex was filling a real need quite successfully.

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\*Security has been used as a measure of satisfaction and management success by Oscar Newman in *Defensible Space*. This has since become a vogue method of assessing the viability of high-rise/high-density living.

Responses to a series of questions designed to discover residents' perceptions about specific services and facilities yielded some interesting information (Table 5). Clearly these figures reinforce responses to other questions. The high rates of non-use for such things as schools and childcare attest to the overwhelmingly adult character of Cedar Square West. Similarly, perceived inadequacy of shopping and recreational facilities and personal services support feelings generated elsewhere that needed facilities were lacking in Cedar Square West. Most respondents were either satisfied with or not interested in the various cultural facilities. But the ongoing debates about the use of community rooms is supported by the relatively close split between perceptions of adequacy and those of inadequacy.

**Table 5. Residents' Response to Services and Facilities at CSW**

Service/Facility	Rating			
	Inadequate	Adequate	More Than Adequate	Do Not Use
Child Care	4.6%	3.7%	1.8%	87.1%
Recreation	47.5	22.1	4.1	23.5
Arts	5.1	33.2	30.0	29.0
Theater	5.5	39.2	30.0	23.0
Community Rooms	21.7	33.6	5.1	37.7
Laundry Rooms	10.6	61.8	22.6	3.7
Schools	2.3	17.5	22.1	53.0
Shopping	59.0	28.1	4.6	4.6
Personal Services	48.4	16.6	.9	27.2

Another rating procedure was designed to draw out residents' perceptions of Cedar Square West's suitability as a living environment for specific groups of people. Again, the range of responses is instructive (Table 6).

The uniformity of opinion exhibited in these figures is striking. Clearly the only serious difference of opinion regarded the suitability of Cedar Square West for teen-agers. The complex was perceived across the sample as a positive environment for students and a large majority also considered it a good situation for senior citizens. An overwhelming proportion of respondents viewed the complex as inadequate for children specifically, perhaps as a result of the antichild bias discussed earlier, and a clear majority also found it unsuitable for families in general.

The existence of conflicts regarding certain groups or facilities was further demonstrated when residents were asked to name things about which they thought people in the complex disagreed. The most frequently cited item was the presence or behavior of children; less apparent but still a perceived element of conflict was the use of recreational and other facilities.

Yet another means of discovering perceptions of conflict was a question regarding the ways in which specified groups related to one another (Table 7).



**Table 6. Residents' Rating of CSW as Living Environment**

Group	Rating		
	Poor/ Not Good	Fair	Good/ Excellent
Senior Citizens	18.9%	19.9%	61.2%
Families	53.8	26.2	20.0
Teen-agers	33.7	34.1	32.3
Children	66.3	20.2	13.5
Students	1.0	10.5	89.5

Apparently respondents' perceptions of conflict were predicated upon their ability to recognize members of the groups which were paired. It was difficult for respondents to decipher precisely who was a member of the Residents' Association, who had high or low incomes, who lived in the complex longer, or who lived in what building: these elements, being not visibly apparent, were therefore the hardest to judge. Conversely, since management personnel were obvious to everyone, as were people with children, things with which people were familiar elicited greater responses. Clearly, the strongest perceptions of conflict had to do with children, again supporting the notion that their presence was a significant problem to many. It is not surprising that the strongest perceptions of cooperation emerged in such things as length of residence, student status, and race relations; the first two could be small cause for conflict in a new housing complex with a student orientation and the latter is something which liberally-inclined residents of an integrated community would be likely to work hard at.

The final area of inquiry sought to determine patterns of socializing within Cedar Square West. In response to a question asking how often in the past week leisure time had been spent with friends, 54.7 percent said on one to three occasions and 28 percent said four times or more. When asked where their closest friends lived only 3.3 percent of the respondents indicated Cedar Square West, while 12.3 percent said they lived in a variety of locations, among which were Cedar Square West and Cedar-Riverside. Nearly one-third (32.5 percent) had closest friends elsewhere in Minneapolis and 21.7 percent had friends in a variety of local places, but not in Cedar Square West or Cedar-Riverside; another 14.6 percent said their closest friends were in the suburbs, and the remaining responses indicated Minnesota or other states. Upon being asked who they considered to be their neighbors, the strongest response—22.4 percent—was that they considered no one a neighbor, 13.8 percent considered the people in apartments on either side

**Table 7. Residents' Perception of Hostility Among Groups**

	Relationships			
	Hostile/ Don't Get Along	Interact Little	Get Along/ Actively Cooperate	Hard to Judge
Students/Non-students	3.4%	16.7%	63.2%	16.7%
Early/Later Residents	4.0	9.9	64.8	21.3
People With/Without Children	35.9	21.9	28.3	13.9
Low Income/High Income	14.5	33.5	28.5	23.5
Tenants/Management	23.6	9.4	58.1	8.9
Members/Non-members of Resident Association	2.0	21.1	35.7	41.2
White/Non-whites	9.4	14.8	61.5	14.3
Older/Younger Residents	7.8	21.5	54.6	16.1
Residents of Different Buildings	3.5	28.6	46.7	21.2

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their neighbors, and 10.5 percent included everyone on the same floor, while 9 percent considered residents of other buildings their neighbors as well. The remaining respondents counted their neighbors in various combinations of the locations just cited, as well as combinations including another floor, the entire building, and the whole complex.

When asked specifically how many neighbors were known on a first name basis the strongest response—35 percent—was two to five. The next group—26.2 percent knew no one that well, 17.1 percent knew nine people or more, 12.6 percent knew six to eight, and the remaining 9.1 percent knew only one neighbor. An inquiry about the frequency of conversations with neighbors indicated that many people interacted with neighbors despite not knowing them by name. Here only 14.8 percent said they never talked with neighbors while 8.4 percent indicated that conversations occurred at least daily. The infrequent nature of these interactions was implied in the 47.7 percent response that such talks took place once a week or less and the 29.1 percent response that they happened occasionally during the week.

These conversations occurred in a variety of locations, the most frequently cited being the halls and elevators. Approximately one-third of the respondents also talked to neighbors in such places as the building lobbies, laundry rooms, or apartment units themselves. Very few interactions seemed to take place on the plaza, elsewhere in the complex (the parking areas), or outside of the complex. "Neighboring," in the classical sense, seemed not to be an important component of life in Cedar Square West. A large majority of the respondents—52.6 percent—said that they never visited other apartments in the complex for any reason. Another 30.5 percent went to other apartments once a week or less, 14.6 percent of the respondents occasionally visited other apartments during the week, while only 2.3 percent did so daily or more often.

These data make it possible to discover broad trends among residents' characteristics and perceptions of their surroundings. The distinctive demographic profile of the complex emerges as a strong independent element. There are few housing complexes in which students and young people comprise such a large proportion of the population but still allow others to feel both welcome and comfortable. Despite the similarity of the residents' Minnesota and midwestern backgrounds, there was a good deal more socioeconomic mix occurring than was likely to be found in most urban residential developments. The overwhelming acknowledgement of the project's convenience as a motivation for moving there dilutes the planning vision of a dedicated new town lifestyle. Similarly, the lack of traditional displays of neighborliness punctures the public relations view of a happily interacting community.

Several things that were widely viewed as problem areas—particularly the children of the complex and the lack of specific services—may have been a product of the questionnaire's timing. A grocery store has since appeared on the plaza, though other convenience services are still lacking, and several new restaurants have opened in the area. There have been continuous efforts to deal with the problems created by the children, though indications are that these problems may even be increasing and that no notable successes have been achieved. Finally, it is apparent from these data that most residents do not view their presence in Cedar Square West as a commitment to a new lifestyle, but rather as a temporary condition, acceptable until something better comes along.

Some of these traits of Cedar Square West contrast sharply with survey research findings from other new towns. In general most new towns built in the United States have had significantly more homogeneous populations than that of Stage I. Owing to their primarily suburban locations and their emphasis on single-family homes, the new towns have largely attracted middle- and upper-middle income families looking to add some innovation to their normal search for suburban amenities. The following data were excerpted from two studies, comparing not only new towns but "less-planned" environments (e.g. suburban subdivisions) as well as in-city redevelopment areas.

In general the findings support the idea that people with certain demographic and socioeconomic characteristics are attracted to planned communities. Generally, adult residents of such areas tend to be of middle age, in upper-middle income brackets, well-educated, tolerant of minorities, and in their child-rearing years. The median age of household heads for the ten communities was forty years—the ranges were from thirty-eight years at Columbia and Reston to fifty years at Radburn and Glen Rock, New Jersey. Median family income levels varied from \$17,000 to \$20,000 for the newer exurban communities; the median for the in-city area of Lafayette Park in Detroit was somewhat lower at \$15,000. Levels of education varied more than almost any other factor, ranging from 45-61 percent with college degrees or graduate training in the in-city area, to 42 percent with similar status at Reston and Columbia, to 25 percent with college educations at Radburn. In the area of racial balance, a good deal of variation also existed among the communities. The in-city areas had 14-21 percent nonwhite populations; Columbia had a minority population of 14 percent, while Reston's was 6 percent, and all others averaged less than 1 percent.<sup>4,5</sup>

In this context Cedar Square West is clearly something out of the ordinary for a new town. It has a much younger population which is better-educated than any group in the larger survey, but which is also significantly less well-off financially. This last factor, however, could be unduly skewed since the apartment-dwellers of the other new towns were eliminated from their survey; it stands to reason that homeowners will come out higher on an economic scale than those who rent their dwellings. Many of the differences between the Cedar Square West population and others sampled clearly result from the location of the former near a large university. But there are also distinctions which likely result from the fact that units in Stage I cannot be purchased. Another reason for prevailing differences may well be the newness of Cedar Square West—many of the other new towns surveyed have been settled for many years and exhibit a sort of stability that may not have been present at the start.

### **Cedar Square West: After the First Year**

Interesting changes have taken place in Cedar Square West in the years since the survey took place and since the first marketing analysis appeared. Occupancy increased steadily throughout 1974 and has remained at 90-95 percent of total units. An interesting shift in the project's population seemed to occur. While early in 1974 single working people occupied one-fourth of the units, by December this segment had increased to one-third, while the married student segment of the population had decreased from occupying 22 percent of the units to having 16 percent. The household categories of single parent, students, elderly, and families had either increased slightly or remained stable. These aggregate proportions remained fairly constant well into 1976.

The number of children residing in the project had grown from 320 in March of 1974 to 424 in December, the bulk of this number (43 percent) still falling into the "under age 3" category. By early 1976 the number of children had settled into the range of 370-380. Some shifting in the location of families with children seemed to be underway. A large proportion of the children were still in the F building—with 130 it had the highest child per unit ratio (1.11 per unit) in the complex. But there were now an almost equal number of children in McKnight, and though the total numbers were still small, there had been some increase of children in the D building and in Chase House, and a nearly proportionate decrease in the number in the E building. Again, these proportions of child distribution remained relatively constant well into 1976.

By mid-1975 a gradual decline in occupancy of the complex had been noted, with the overall level at that point reaching 82 percent. This decline was especially obvious with regard to the market-rate and equipped units, particularly in the D and E buildings. The reason seemed to be

that rental increases in April 1975 reduced the competitive status of equipped one-bedroom units by raising the rent levels above those charged for similar or better units in Chase House. The more serious implications here involved the question of how much people might be willing to forego in order to live in a mixed-income building. Given a choice between comparable residential units in a building which also contained subsidized or public housing units, versus one which had not only all deluxe units but recreational facilities as well, most reasonable people were choosing the latter.

Significantly, by mid-1975, Chase House was the only building in Cedar Square West that had not declined in occupancy. This was an indication that efforts to correct the imbalance perceived earlier were having some success, perhaps at a cost to those occupants of market-rate units who had come to Cedar Square West without any special inducements. Additional factors accounted for the occupancy decline, including the normal summer exodus of students. It was also quite likely that the publicity given both to CRA's financial difficulties and to the lawsuit holding up Stage II construction were having an effect.

Although the total number of children declined from 424 in late 1974 to 373 by early 1976, difficulties arising from their presence seemed to be increasing. This was in large part due to the change in age structure that seemed to be underway. Where earlier the majority of children had fallen into the "under age 3" category, later indications were that about 40 percent were now between ages 3 and 5—and thus more likely to be roving through the complex without supervision.

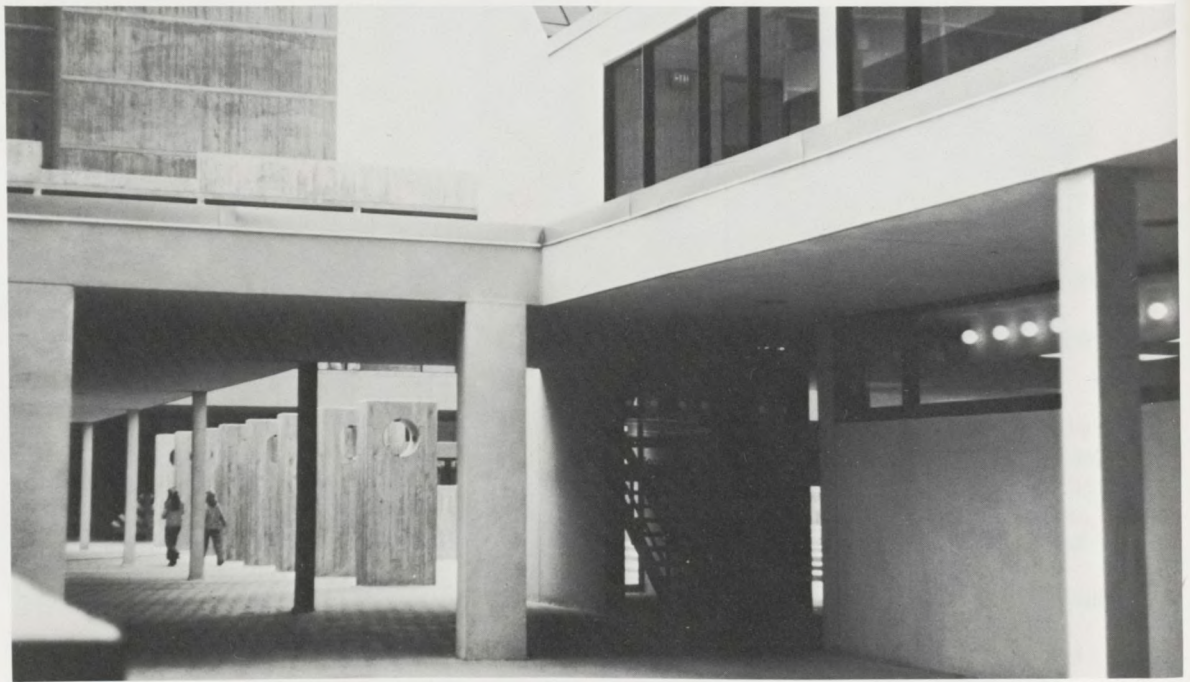
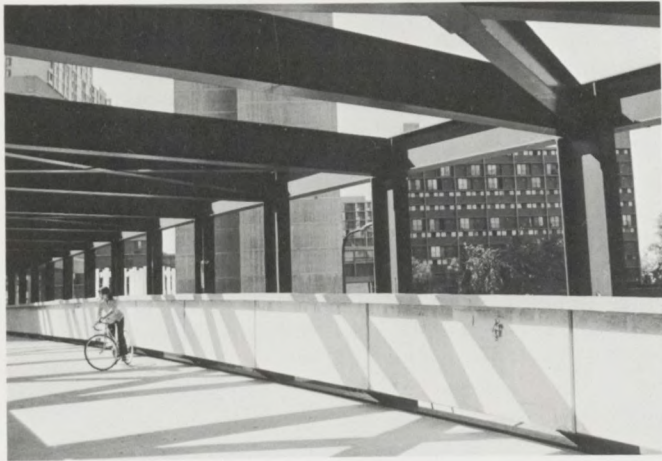
The minority population of Cedar Square West continued to increase. The proportion of nonwhite residents was 21 percent in 1974 and 26 percent by 1976. The greatest number of this group lived in McKnight Tower, but the percentage breakdowns of minorities still indicated a high concentration in the E and F buildings: close to or over one-third of the total population in each.

Many problems surfaced in the complex. One of the most obvious was a visible upsurge in the number and kinds of maintenance chores required, partly due to a decrease in the number of maintenance staff members and partly due to an increase in the amount of petty vandalism. Budget cuts by the CRA office caused the visibility of the management organization to be greatly lessened. The number of security personnel was decreased, as well as the amount of money and attention being directed toward information and rental operations. During 1975 CRA closed down its information office on Cedar Avenue and moved all activities associated with it into offices on the Cedar Square West plaza.

Changes have also occurred with regard to attitudes apparent among residents of the complex. It is all but impossible to find any of the New Town euphoria of the first year. Most residents seem rather apathetic about living in a controversial environment and seem to not want to be bothered about the larger concerns around them. Some residents have shown a good deal of aggression in taking CRA to task for unfulfilled commitments, but these have by and large been the same people who are active in the Residents' Association and other concerned groups. A small but vocal group of Cedar Square West residents have joined forces with the opponents of redevelopment in calling for an end to New Town construction in Cedar-Riverside and joining in such activities as rent strikes.

The attitudes of CRA management seem to have changed as well. There are no longer any indications of a personal tone to management's dealings with the problems of the complex—largely due to a change both in CRA's management and in that of the project. The residents' advocate left long ago. Initially the residents' relations office reported directly to Heller, then there was a semi-independent project manager, now the planning director of CRA has management responsibilities for Stage I.

One index of the distance Cedar Square West has come is the project's Residents'



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Association. Though it never managed to interest a majority of the complex residents, this group had 300 members at its peak in 1974 and was for over a year and a half an open forum for all the project's problems. Early enthusiasm about the potential for generating a "town meeting" brought out individuals who were willing to devote a large portion of time to the association's organization. Many months were spent arguing about the propriety of incorporating the group legally and in writing a constitution which would enable this. Officers and building representatives were elected and various committees set up to handle topics ranging from the arrangement of social events to grievances with management procedures. There was even a committee which met regularly with CRA planners to infuse the experiences of current residents into planning for the next stage of development.

One of the most effective accomplishments of the Residents' Association was its creation and publication of a project newsletter which brought ideas and information circulating within that group to the attention of all residents. But the Residents' Association was plagued by the inevitable problem of too few people doing too many things. While meetings could usually generate a group of forty to fifty people, few of these were interested or committed enough to help carry the burden of the organization's responsibilities. Unlike the residents' associations of places like Reston and Columbia, those involved in the Cedar Square West group did not even have the concerns generated by mutual home ownership to spur their participation. After a period of strident efforts to make the association function the group fell prey to the dissension which existed in the larger Riverside Community, and by late 1975 was almost totally inactive.

### The New Town-In Town Summed Up

Looking at Cedar Square West from the perspective of four years of observation enables one to note the ways in which the complex has or has not fulfilled the planners' original intentions. The most obvious inconsistency between the reality and the planning perspectives has to do with the fact that Cedar Square West is inhabited by real people and does not exist in the vacuum of blueprints and drawings. There are many ways in which it seems hard to imagine that the planners eyed their work from the viewpoint of a potential resident. Some examples include the inconveniences caused by putting only three elevators in a forty-story building, installing kitchen cabinets that are difficult for many people to reach and are not of a size to fit many standard products, and constructing balconies that are too narrow for practical use.

Clearly it is much easier to notice these things after the fact, but that does not eliminate the question of whether or not they ever occurred to the planners. It is no small thing to construct a complex of eleven buildings intended to house nearly 3,000 people, particularly when those responsible have little or no prior experience, and it is natural that some mistakes would be made. Certainly, the amount of time and attention CRA devoted to the most minute aspects of planning indicate that existing difficulties did not result from apathy or neglect. One can detect a note of unreality in all of the planning that went into Cedar Square West—as if the people involved never really believed they would ever implement their ideas.

The contrast between the perspectives of the plaza, which features groups of people conversing or strolling casually, and the plaza itself, which is frequently empty or populated solely by people moving directly between two places, wordlessly testifies to the existence of this feeling. The "ambience" of New Town-In Town life which figures so prominently in the planning discussions of Cedar-Riverside's future has not yet materialized and it quite possibly never will. The combination of people and things that make up Cedar Square West does not correlate perfectly with the planners' visions, but that is neither the fault of the planners nor of current residents. Rather it is an example of a gap in perception which too easily occurs between those

Walkway over Cedar Avenue.

Fountain on the plaza.

Cedar Square West plaza. Spaces for commercial services are at right.



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Cedar Square West plaza design elements, top left.

Cedar Square West with Riverside Avenue businesses in foreground, top right.

Cedar Square West plaza, bottom right.



who are responsible for initiating something and those who have to live with the results of that initial activity.

Many things about Cedar Square West have worked well for the residents. The predominance of basically satisfied responses to the survey and the relative absence of really serious complaints supports this general analysis. If it is a relatively transient environment and people are satisfied primarily because it fulfills short-term needs, that is no reason to deny it credit for performing this function in a satisfactory manner. Cedar Square West is clearly solving a housing problem for many people, and doing so in a fashion that many residents find preferable to available alternatives. Conditions which have proved problematic will have to be worked out over time, and there is some evidence that this has been happening—although some difficulties such as the need for additional elevators obviously cannot be rectified at this late date. The hours of discussions and planning devoted to the lack of play space for children and the resulting attempts to maximize existing facilities is only one example of how some compromise is slowly being reached.

One of the strengths of Cedar Square West, though it may not be apparent to some, is the way in which it demonstrates its incomplete character. Unlike many American New Towns, it is not a place that communicates a feeling of being “finished.” There is room for improvement, and anyone who wants to take the time and trouble can become involved in this process. To be sure, most residents have neither the time nor the inclination to do so, but those who do seem to have gained much from the experience.

The lessons one can take away from Cedar Square West and its residents are varied. There is no doubt that the planners of the complex have learned a great deal from this initial stage of redevelopment in Cedar-Riverside—particularly since they are exposed to the results of their efforts almost daily. One senses that Stage I would be done differently in some ways if it had to be done over again, and yet no one involved voices regret about their first efforts.

A basic evaluation of the complex would yield the conclusion that Cedar-Riverside is no more or less than some other urban redevelopment efforts, even though it does bear the New Town-In Town label. One stage of development does not create a totally new atmosphere, and the existing contrast between the older sections of Cedar-Riverside and Cedar Square West highlight the limitations under which the first stage labors. And yet the complex has had an enormous impact on the larger area, both by heightening its visibility and by providing a rallying point for the opponents of further development. Cedar Square West has been, at the very least, continuously controversial—and this despite the insistent apathy of most residents of the complex. Its power as a symbol of the future intruding into the complacent past may be as significant as any service it ultimately provides to its residents.

#### Notes to Chapter 5

1. Cedar-Riverside Associates, *Cedar-Riverside: Alive and Aware* (Minneapolis, 1973).
2. John Fischer, “The Possibly Glorious Dream of Mrs. Gloria M. Segal,” *Harper's Magazine*, July 1973, pp. 14-19.
3. Jack Bryan, “New Town-In Town/New Town-Out of Town,” *Journal of Housing* 29 (March 1972), pp. 119-31.
4. John B. Lansing, Robert Marans, and Robert Zehner, *Planned Residential Environments* (Ann Arbor: Institute for Social Research, University of Michigan, 1970).
5. Shirley F. Weiss, Edward J. Kaiser, and Raymond J. Burby, III (eds.), *New Community Development: Planning Process, Implementation, and Emerging Social Concerns*. (Chapel Hill: Center for Urban and Regional Studies, University of North Carolina, 1971), pp. 380-81.





# 6 Cedar-Riverside—A Gain or a Loss?

There are limitations in trying to draw a conclusion from the Cedar-Riverside experience, the major one being that the proposed development remains unfinished. It is both unfair and premature to attempt to pass judgment on a plan based on its initial phase alone. Redevelopment of the entire Cedar-Riverside area will likely be significantly altered from the projections contained in the master plan. The plans for Stage II and for the commercial centrum have appeared in various forms, but it remains doubtful that the NewTown-In Town will arise in present-day Cedar-Riverside. And yet there is much that this long struggle toward redevelopment may be able to say about the future growth of America's cities.

It is instructive to reconsider the ways in which the Cedar-Riverside development over the past decade has been consistent with larger patterns emerging in many other cities. For all the excitement and rhetoric about the New Town-In Town, there have been many similarities between Cedar-Riverside and other redevelopment efforts. They have frequently shared common beginnings: arising in urban areas that local planning authorities recognize as "blighted," having for many years experienced both a loss of population and declining property values. These locations come to the attention of real estate speculators and aggressive development firms who, acting in accord with their profit orientations, begin to buy up parcels of land and bid up the prices so that remaining property owners become anxious to sell. Residents of such areas are forced to relocate, often into housing units no better than those just vacated. They are frequently replaced by a wealthier group of people, often of a different race, or merely by a workday population. Whether carried out by a private firm or a public agency, to create new and better housing units or to provide additional office space, this sequence has occurred time and again in most major American cities. In facing the common problems of middle-class flight to the suburbs and crippling losses of revenue, and trying to win back both people and money, private industry and public agencies have generally advocated common and rather uninspired responses, which have for the most part resolved nothing.

Cedar-Riverside's experience bears an obvious resemblance to this general pattern, but also has some unique characteristics. The preponderance of public and private institutions in the area heighten its significance beyond that of a solely residential neighborhood. For the most part, the population that has been and will be displaced by Cedar-Riverside's redevelopment is a youthful and student-oriented one, consisting of people who are relative newcomers to the area and who are neither disadvantaged (except temporarily and by choice) nor part of a racial minority. Then too, the implementation of the planning process in Cedar-Riverside has been unlike almost any other urban redevelopment scheme. The area has not been totally cleared and allowed to lie vacant until construction. It has instead been maintained and improved overall. Cedar Square West and the old community have been forced to relate to and respond to each other. There is an implication here that development patterns and practices in Cedar-Riverside have been somehow better than in other places, though most likely they have also been a good deal less effective. This is a defensible judgment. Heller and Segal came into the community, established offices there, and made themselves accessible to area residents. Whatever this may have said to their supporters and opponents, it was a far cry from the situation in which an outside firm determines the future of an area through purely economic considerations.

It is certainly reasonable to question the effect that planning has had on the Cedar-Riverside area—to ask what would be different if the sequence of events between 1960 and 1973 had not taken place. Though it is often a moot point to question what might have been, in this case some of the indicators are readily apparent. Clearly the Cedar-Riverside area was ripe for growth in these years. The only real unknown was the form it would take. The pressure of population, generated by the University in particular, was such that change was almost inevitable. Although it has become something of a cliché to say that the activity of Heller and Segal in the Riverside area

was instrumental in preventing haphazard development, this has in fact been one of their signal achievements. One need only look at the Dinkytown area and the fringes of the Seward community, with their profusion of two-and-a-half story walkups, to see what would otherwise have happened to Cedar-Riverside.

It is also possible to envision a radically different kind of development occurring in the area. Had a developer like the Knutson Corporation remained interested or had one of the numerous outside developers who expressed an interest attained control, it is unlikely that a socially and economically mixed community would have appeared in the area. Instead there would have been some kind of project—perhaps like Chicago's Sandburg Village—which sought to attract primarily the middle- and upper-middle classes, and which would have ignored the existing community and its needs almost entirely. There is much talk currently about community-controlled development for Cedar-Riverside, about a development that would relate fundamentally and directly to the needs and desires of current, rather than future, residents. While this may be the development style of the present and the near-future, it is important to remember that this was not an operative concept a decade ago. In the mid-1960s, the choice for Cedar-Riverside was one between a "downtown" development style and the somewhat idealized alternative which Heller and Segal had in mind.

Urban designers and others concerned about the quality of urban life have proposed many methods to begin the revitalization of urban areas. These range from Jane Jacobs' obsession that people discover and use their sidewalks, to Perloff's envisioned New Town-In Town, to simple neighborhood cleanup efforts. Few would maintain that Perloff's ambitious scheme is either necessary or practicable, and yet that is essentially the route Heller and Segal chose to follow. Their interest lay not merely in revitalizing a blighted urban area but in effectively rebuilding this area as a contributing part of a healthy urban network. This may be a rather grandiose manner of viewing their efforts, but their plans were clearly more grandiose than run-of-the-mill urban redevelopment schemes.

That Heller and Segal achieved some success is partially due to the unorthodox way in which they conceptualized and implemented their ideas. That they have not been more successful—that their plans have been delayed and their corporate structure threatened by youthful community opponents—is a result of this same unorthodoxy. Where other real estate developers might seek to maintain a low profile and nurse a safe investment, Heller and Segal often seemed to go out of their way to complicate their situation. This was evident both in their risking mortgage foreclosures by frequent late payments of interest and in their allowing their image as a business entity to become entwined with that of a poppyseed cake factory.\* It is likely that any other people; or combination of people, who might have become involved in Cedar-Riverside's future would have behaved in a less personal and more "professional" fashion.

The developers' attachment to Cedar-Riverside, including Heller's nightly touring of the neighborhood and Segal's maternal and proprietary attitude toward the business and cultural groups she induced to locate in the area, prohibited them from acting only as economically rational developers regarding its future. Certainly the redevelopment of Cedar-Riverside could have proceeded more simply and more quickly without the personal commitment of the developers. Perhaps Heller and Segal were trying to do too much by insisting on a total community development, but after their first years in the area they were unwilling to do it any other way. There seems little doubt that their progress in this effort was impeded by their lack of experience and by their consistent mismanagement. Yet the fact remains that while many others were talking about

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\*Early public relations material stressed the fact that Mrs. Segal frequently brought her cakes to official meetings and served them as a matter of course at their own office meetings.

Cedar-Riverside's future, Heller and Segal were busy; however haphazardly, doing something about it.

In one sense the antics and accomplishments of Heller and Segal fit into a long tradition of American reform efforts, and the temptation to view them that way is strong despite the fact that their efforts were not philanthropic in the strictest sense. There is something of the motivation that went into building towns like Lowell, Massachusetts and Pullman, Illinois that is also evident in Cedar-Riverside's experience. This is not to imply that Heller and Segal ever thought of Cedar-Riverside as a company town, but to acknowledge that a similar strain of deeply personal interest and supervision is apparent in each.

In each case, a prominent motivating force seemed to be a belief that what they were doing was a genuinely beneficial enterprise. And while the promoters of these efforts, past and present, never denied the financial attractions, these often seemed secondary to the general welfare potential.<sup>1</sup> Some of the problems apparent in the company towns' experience have also become obvious in Cedar-Riverside. Heller and Segal's greatest concern over the years has been financing their project and this was clearly not a major problem for the likes of George Pullman and his peers. But Pullman's inability to understand that his control over the lives of his workers was excessive bears some similarity to Heller and Segal's inability to understand opposition to their proposals for redeveloping Cedar-Riverside. In each instance the righteousness of the enterprise seemed so evident to the protagonists that it precluded most possibilities for alteration or compromise. The intention here is not to belabor this comparison, but to emphasize the fact that Heller and Segal's attitudes regarding Cedar-Riverside are not so unique and that they do have some precedent in earlier community development efforts.

In the larger arena of New Town development Heller and Segal are relative small-fry. The scope of their project is much less imposing than most in terms of both acreage and expected population: Roosevelt Island in New York, also an in-town development, will cover 147 acres and house 18,000 people, while the exurban new communities normally run to hundreds or thousands of acres. But the Cedar-Riverside operation is substantially different in another way as well. For in this case the necessary property was acquired piecemeal, without the backing of an insurance company or large industrial corporation that many private developers have or search out. This was a measure both of Heller and Segal's novice status in the development field and of the differences between them and other groups in the same field. Analyses of the new breed of new community entrepreneurs find them to be large homebuilding and construction firms, corporate investors from unrelated fields, and traditional lenders and land investors such as insurance companies.<sup>2</sup> Heller and Segal could scarcely be taken as serious contenders for success in a field studded with such luminaries as Gulf Oil and the Westinghouse Corporation.

### **Wherefore the New Town-In Town?**

But what of the New Town-In Town concept? What does the Cedar-Riverside experience indicate about its viability as a tool for redeveloping cities and stemming urban sprawl? If Cedar-Riverside is indicative, both the concept and its implementation face a difficult future. When Cedar-Riverside received its New Community designation in 1971, it was the first in-city project to be federally sponsored in this way. By late 1977 there has been only one other urban new town approved by the federal government (Roosevelt Island) that has initiated construction and begun to attract residents. This is in part a reflection of the vastly different potentials for profit in New Towns-In Town versus traditional New Towns. The latter presents the possibility for huge land profits, while the former is almost entirely a risk situation. In town a developer buys and sells land by the foot; out-of-town land is bought by the acre and sold by the foot. In-town developers have to depend on such things as tax shelters and inflation to turn any profit.

The dearth of New Towns-In Town indicates the current status of new communities in general. With few exceptions, all of the New Towns begun in the United States during the past ten to fifteen years, whether private efforts or the result of public and private cooperation, are currently in serious financial difficulty. Many, including Cedar-Riverside, have slipped dangerously close to the brink of bankruptcy, being unable to make interest payments on outstanding loans or to negotiate new ones. It is likely that some of these problems have been caused by mismanagement. But the more basic causes, and the reasons these problems are so widespread, are the national economy's recent bout with inflation and recession and the sagging housing market which accompanied it. Seemingly, New Town promotion and development is only compatible with a growing economy. The process becomes stagnant or declines during an economic reverse, due to initially precarious financial situations (enormous overhead costs and very low or non-existent returns on investment), to the public's lack of familiarity with New Towns, and to the government's ambivalent posture regarding them.

The National Urban Growth Policy adopted in 1970 optimistically envisioned the initiation of 100 new communities by 1982, which might eventually house over six million persons, but its provisions have been largely ignored. Quite sensibly, HUD did not rush headlong into a program of New Town construction, but neither did it give the kind of support necessary to the projects it did approve. According to one recent analysis,

Developers, and a lot of urbanists, feel that HUD's half-hearted approach in the past, based in part on doubts that the government should be involved in new communities, contributed to the present problems. The law, they point out, gives HUD much more authority to help new towns than simply guaranteeing loans... But, except for a few grants early on in the program, HUD has failed to make use of this authority.<sup>3</sup>

This reluctance of the federal government to fully back approved projects has not escaped the attention of potential developers. There are enough hazards involved in large-scale development without having to worry about the degree of commitment exhibited by one's partners, especially when the federal government is a partner.

Several new communities, including some of the in-town variety, have been or are being planned without public assistance: Columbia, Maryland; Irvine, California; Franklin Town, Pennsylvania (near downtown Philadelphia). This approach to New Town development eliminates the possibility of obtaining large federal loan guarantees, but it also relieves the developer of the need to comply with complex federal regulations and guidelines and reduces the probability of delay due to extensive reviews. A survey of new community builders conducted in 1967 revealed very mixed attitudes about government assistance. Some rejected the concept outright while others conceded the need for federal aid but hesitated about becoming involved in such cooperative efforts.<sup>4</sup> Some agreed that the private sector of the American economy could not bear the entire responsibility for New Town development, yet doubts lingered about the government's ability to shoulder this burden.

There is no strong evidence to date that American New Towns have either captured the imagination of the public or fulfilled a need in the housing field in the way that European New Towns have done. It is still too early, and the sample is too small, to be able to forecast the future of New Towns in this country based on current indicators. But older New Towns like Radburn in New Jersey are today no different from the suburbs surrounding them and almost none among the new crop—with the possible exception of Columbia which enjoyed the backing of Connecticut General Life Insurance Company—have demonstrated an ability to remain financially solvent. Apart from their monetary problems, neither has any been so overwhelmed by a positive public response that an aggressive publicity campaign was deemed unnecessary. Either the New Towns



in America are not doing enough to compensate for their locations and the initial inconvenience of living in them or the entire concept is one that holds little attraction for the average American. Since New Towns have sprung up in almost every part of the country, from the southwest to the Boston-Washington megalopolis, where population pressures are heaviest, their problems in attracting residents cannot be due to a mismatch between locational needs and available supply.

A more reasonable explanation may lie in the mismatch between the groups of people in this country who most need adequate housing and the kind of construction occurring in most New Towns. Most policy analysts would agree that it is toward the poor and the working-class members of this society, neither of whom have ever been able to compete seriously for standard housing, that new housing efforts should be directed. But with the characteristic inability of new solutions to address existing problems, the New Towns of recent years have continued to stress the production of single family homes clearly aimed at a middle- or upper-income class market. This is precisely the vacuum which the 1970 new community legislation sought to fill by requiring the provision of housing for persons of low- and moderate-incomes in return for the federal loan guarantee, in an effort to insure that New Towns would serve a socially balanced population. And this is precisely the aspect of New Town development that will disappear most quickly if the federal government does not remain involved in the program.

There are, however, serious social questions implicit in this legislative assumption that groups of mixed economic and social levels should live in close proximity. Though this is not the place to delve into them at length, questions need to be raised as to the probability of being able to create a situation in which all parties will feel at ease and unthreatened. There is little reason to believe that a Greenwich Village-type atmosphere, where social and economic barriers may be easily transcended, can be recreated in other locations that lack the traditional urbanity that makes such an atmosphere possible in the first place. And there is now a special need to remain skeptical about the willingness or desire of the poor and of minority groups to subject themselves to being guinea pigs for this great social experiment.

Beyond the fact that New Towns are not reaching those who might need them most, there are additional impediments to their success. No one has proved conclusively that as a people Americans are particularly sensitive to their surroundings. Yet anyone who has seen, or has seen pictures of, the masterpiece that is Finland's Tapiola knows that American New Towns generally lack something aesthetically. Few of the exurban new towns depart drastically from the architectural style of middle- and upper-middle class suburbs, though the siting plan and environmental factors are normally far superior. They go no further than including an occasional high-rise building and incorporating a small and tasteful shopping area into the town center, frequently bordered by a newly-made lake. The in-town communities fare little better. Despite the fact that Cedar Square West has won a national design award and that it is an obvious improvement over what previously occupied the site, little notable difference exists between it and some of the better urban development projects of the last decade. There is no guarantee that an improvement in New Town aesthetics would attract more people to them. But it seems reasonable that if New Towns were significantly more distinctive than normal development projects, people's perceptions about them would be heightened and could perhaps favorably condition their response.

Another difficulty with American New Towns vis-à-vis their European counterparts is that commuting continues to be an implicit component and rapid transit facilities are largely unavailable. For the most part, industry and businesses have not joined the move to New Towns, so most residents are forced to work in nearby cities or suburbs. In most cases this implies commuting by automobile for, unlike many British New Towns, these developments are seldom located on or near existing railroad or rapid transit lines. In some instances the New Towns seem to make





forced commuting as difficult as possible for their residents. For some time after Reston was initially occupied, there was no access road between it and the freeway which it bordered. Cedar-Riverside has an advantage over most New Towns. Although there is yet no rapid transit system in Minneapolis, Cedar Square West is only ten minutes from downtown by bus, and this in fact seems to be one of its strongest attractions.

On the face of it, New Towns-In Town would seem to hold even more promise than the exurban towns do. Because they are located within large cities the problem of commuting is present, but greatly reduced. Access to potential employment and to cultural facilities is greater than that of most outlying New Towns. New Towns-In Town are also more likely to be accessible to the population groups whose housing needs are greatest. In terms of economic land use, in-town communities make sense. A vast amount of unused or underused land exists within American cities and, given the growing impetus nationally toward conservation, this should be granted priority for development rather than continually expanding the urban perimeter. If we are to take seriously the pessimistic forecasts regarding our future needs and resources for energy, the development of in-city communities becomes a reasonable response to both current and future needs. Given the amount of existing investment in capital and in imagination devoted to building up American cities over the years, it can only be a monumental waste to consider allowing the entire system to wither away under pressure of high costs and the inability to hold tax-paying residents.

Theoretically, New Towns-In Town may have appeared to be the salvation of America's cities. Certainly the rhetoric surrounding their inclusion in the 1970 legislation portrayed them in this light. But in reality there is no reason to believe that New Towns-In Town are the magic tool capable of reversing the long-established pattern of middle-class exodus from the central city. They will likely have a limited ability at best to draw back or retain any significant portion of the tax-generating urban population. The ideal, of course, is that such in-town redevelopments will provide an environment for families to live comfortably in the city, rather than being forced by circumstances or social pressure to flee or to remain in the suburbs. Ideally, the appearance of a New Town-In Town would have a regenerative effect upon whole sections of the city; it would attract business, create new opportunities for employment, and even have such spill-over effects as reinvigorating some uninspiring urban education systems. In fact, New Towns-In Town are not likely to have such spectacular success more than occasionally, and then only in rather unique circumstances—of which Cedar-Riverside may well be an example.

It is highly unlikely that the creation of New Towns-In Town alone can reverse current patterns of urban blight and sprawl. One need only recall the enthusiasm which surrounded such eminent urban renewal projects as St. Louis' Pruitt-Igoe to realize how short the life span of New Towns-In Town may be. While most would incorporate a significant degree of social planning and would be far more pleasant and well-planned than any residential urban renewal areas, there is no way to insure that they will be any more successful overall. Implicit in their creation is the potential danger of overdoing what could be a good thing, thereby reducing its beneficial results. If many private business groups and local public agencies suddenly decided in a period of economic recovery to jump on the New Town-In Town bandwagon, the results could be comparable to the suburban sprawl of the 1950s in terms of thoughtless proliferation of a similar product. It is possible, and ironic, to envision a future urban landscape composed of one New Town-In Town after another, somewhat in the fashion of Le Corbusier's futuristic cities. To prevent this from happening, the process of delay and review currently being applied to New Town-In Town proposals makes much sense. It may at least insure that whatever development actually takes place will be carefully thought out and will respond to a real need.

One of the basic fallacies of the New Town-In Town approach is its assumption that large

segments of the American population have a substantial attachment to the city. The entire New Town movement is based on the presumption that, given a choice, people prefer living in planned communities. Although a wealth of data exists regarding recent American housing patterns, none of it has much predictive value. We simply do not know whether in optimal circumstances many Americans would be willing to give the central city a chance, either again or for the first time. Economic factors have been projected which could make a single family home in the suburbs a prohibitive, if not impossible, residential choice for many who currently prefer this option. There is, too, some evidence that certain segments of the population—working singles and parents of grown children in particular—find a high density urban setting quite attractive. But significant questions remain regarding the ability of a New Town-In Town to draw those naturally attracted to it as well as those who might only resort to it for lack of other alternatives.

There is a very real possibility that, except in an entirely atypical location like New York, most families with children and others with suburban aspirations would choose anything other than a New Town-In Town setting, even if available options were quite limited. Should New Towns-In Town be built that actually fulfilled the stated objectives of social and economic integration, the potential for outright rejection of the concept by many could even be heightened. If many Americans in the coming years can be weaned away from their determined attraction to single family homes and suburbs, it is possible that New Towns-In Town could prove an alternative to the now-bleak future envisioned for many American cities. But such developments need the active participation of people who want to see the cities survive; they do not need the lukewarm and hesitant support of those who would clearly prefer to be elsewhere. Should a commitment to the cities prove difficult to foster, it may be reasonable to forego the New Town-In Town alternative altogether. In the long run this could prove more rational than half-hearted attempts to implement it.

In the context of current rhetoric about, and proposals for, New Towns-In Town, Cedar-Riverside occupies a prominent position. Both its achievements and its problems have been widely publicized, and in some ways it has probably assumed more significance than it deserves. Cedar-Riverside has drawn the attention of many planners and city officials, and many wish it success in hopes of emulating it. There is little doubt that Cedar-Riverside does have the potential to effect major revitalization if it is completed and shows signs of success. But there is no reason to expect that a successful New Town-In Town can be duplicated elsewhere.

There may be important degrees of difference between cities that are capable of generating and supporting a New Town-In Town and those that are not. Certainly the amount of local attention devoted to Cedar-Riverside exceeds that which would be generated should such a development take place in New York, Chicago, or Los Angeles. What is an important undertaking for the city of Minneapolis may be much less crucial for larger cities. And yet it is possible that this size difference is what could make or break the New Town-In Town movement. Although it may be easier to plan and build such developments in the largest American cities, they may be much more effective in third-order cities (500,000-1,000,000), precisely because the reduced scale would allow spill-over effects of a single redevelopment a chance to really take hold. Cedar-Riverside can and will have a greater economic and social effect on Minneapolis than Roosevelt Island could ever hope to have on the city of New York, and for this reason its success or failure cannot be regarded as typical for other localities. It may well be that the viability of a New Town-In Town is totally dependent upon that particular city's economic base and social composition and has nothing to do with the amount or quality of planning devoted to the effort.

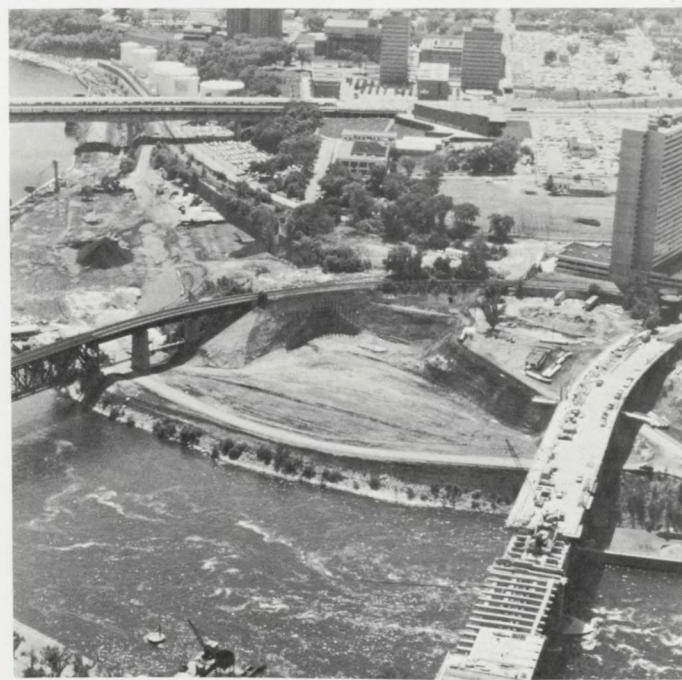
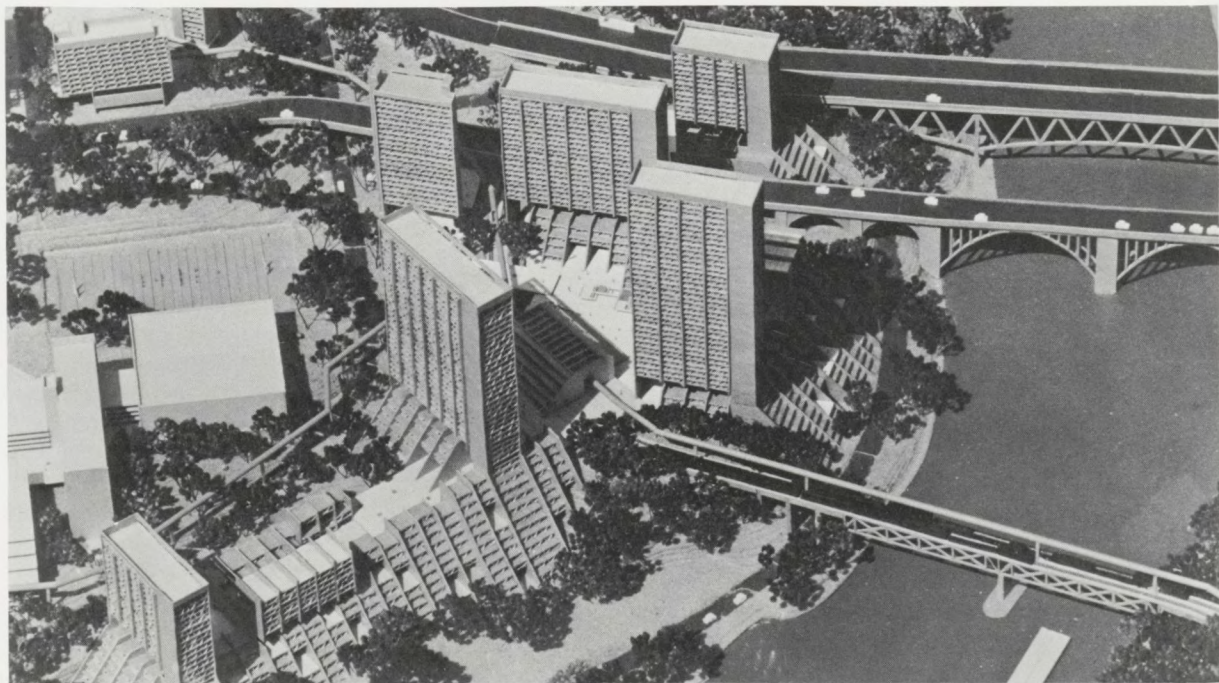
Difficult questions remain to be answered as to whether such efforts should be privately financed or publicly subsidized, whether rehabilitation is feasible or total clearance is necessary, and toward whom such efforts ought to be directed. All of these are crucial and must be

confronted intelligently if New Towns-In Town are to be more than another "stab in the dark" at urban problems. Another serious possibility is that, arising as it did in the context of the problems of the 1960s, the New Town-In Town movement, like many of the "Great Society" programs, may not be relevant to the situation of American cities in the last quarter of this century. The current reevaluation of the propriety of extending massive government-sponsored programs could halt the progress of New Towns-In Town before their effectiveness can be determined. This would not necessarily mean that such efforts would be summarily ended; but it would shift the entire burden to the private sector, with the probable result of greatly diminishing any social planning aspects of a New Town-In Town. These efforts would then become no more than an elaborated version of projects already in existence—towns for the well-off and the mobile within cities otherwise filled with the poor and the disadvantaged.

Whatever the fate of Cedar-Riverside may be, it is in no sense a blueprint for the construction of future New Towns-In Town. Rather than being a scrupulous example of New Town planning and development, it seems more a case study of the luck and timing which have always been preeminent in America's urban development. Cedar-Riverside's transformation from a blighted inner-city area to incipient New Town-In Town owes more to the commitment of some individuals and the support of others than it does to the rhetoric and ideology of professional planning. It demonstrates one way in which a declining urban area may be wholly or partially rejuvenated, though the method used is by no means easily implemented. Its significance lies in the fact that what has been accomplished so far in Cedar-Riverside was largely the work of people inexperienced in the development field, but concerned about a particular community. Their success to date, limited though it has been, bodes well for others who are similarly concerned about urban communities. Cedar-Riverside may not yet be all that Heller and Segal hoped or that the New Town-In Town promises, but it is a greatly improved version of the community that was there fifteen years ago.

#### Notes to Chapter 6

1. Stanley Buder, *Pullman: An Experiment in Industrial Order and Community Planning, 1880-1930* (Chicago: University of Chicago Press, 1972), pp. 38-45.
2. James A. Clapp, *New Towns and Urban Policy: Planning Metropolitan Growth* (New York: Dunellen, 1971), pp. 111-14.
3. "Can New Towns Survive the Economic Crunch?" *Business Week*, 10 February 1975, p. 43.
4. Shirley Weiss, *New Town Development in the United States: Experiment in Private Entrepreneurship* (Chapel Hill: Center for Urban and Regional Studies, University of North Carolina, 1973), pp. 16-20.



## Epilogue

At the start of 1978 the future of Cedar-Riverside still remains uncertain. National economic difficulties of the early 1970s have combined with local political maneuverings to eliminate any chance for the New Town-In Town's completion as planned. The operative market feasibility studies, which were predicated upon continuous construction over twenty years, have become irrelevant. The demographics used to project population and housing demand have proved elusive. And Henry McKnight's death in 1972 was a crippling psychological blow to CRA.

But the most obvious difficulty of the last few years has been the continued opposition of some segments of the Riverside community. Opponents of the development challenged the adequacy of the Stage II Environmental Impact Statement (EIS) in 1973, and an enduring legal battle was underway.

The initial suit, which was brought against the developer, the city, and HUD, was upheld in court and HUD was ordered to write a new EIS. The court also issued an injunction against further construction until the EIS was written and reviewed.

The revised EIS went through a public hearing late in 1974. This HUD-produced document said the proposed second stage of development would have a "positive impact" on the environment and would provide opportunities for a "desirable" quality of life. The development would remove "existing blighting influences" such as dilapidated housing, incompatible land uses, and industrial sources of pollution; the only negative impact to be found was the forced relocation of residents and businesses.

The opponents, now designating themselves the Cedar-Riverside Environment Defense Fund, found the revised statement as inadequate as the original one. They charged that it failed to thoroughly analyze relocation problems, that it failed to allow enough low-income family housing, and that it failed to incorporate research on the sociological impacts of housing design.

The most prominent arguments against development at the public hearings centered on the need for more open space and the potential impact of high-rise housing on child development. Clearly a variety of antidevelopment issues had surfaced; this was partly indicative of the defense fund's uncertainty about which was its best issue, and partly a reflection of the sustained level of hostility to the NewTown-In Town.

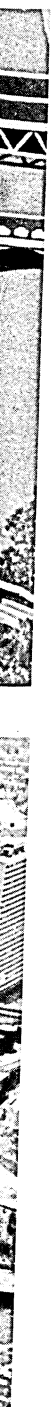
The injunction against continued development was doubly unfortunate for CRA, for it coincided with the nationwide recession which struck especially hard at the construction industry. The organization's financial health was predicated on continued construction, even in good times, so the combination of events made the situation fairly dismal. Severe cutbacks in staff size and maintenance activities were necessary, as was the first substantive change in organizational structure. Heller stepped down as president and William Finley, formerly associated with the Rouse organization, was brought in.

On top of these difficulties, tenants of CRA properties initiated a rent strike midway through 1974. The strike was settled within a few months, but its underlying cause—some residents' residual hostility toward CRA—remains a problem to this day.

Financially, the most critical point for the developers began late in 1974 when the draft of a HUD report labeled the Cedar-Riverside project "clearly not viable." It was the first inkling CRA had that the government might not live up to its earlier financial commitment.

This led to a trading of charges between HUD and CRA in which the central debate concerned whether HUD was creating intolerable financial conditions by withholding assistance until evidence appeared that the project could survive. Ultimately HUD approved continuation of development for Stage II when the EIS was released early in 1975.

Meanwhile, CRA was also experiencing some difficulties with the city of Minneapolis. The Project Area Committee requested that the housing and redevelopment authority change the 1968 urban renewal plan to lower the proposed density for the area, to provide for noninstitutionally



Cedar-Riverside model of Stage II,  
Riverbluff site.

Riverbluff site, looking south. The University  
of Minnesota at top center. Batzli's Cedar  
North at top right.

oriented residents, and to provide for more rehabilitation of existing structures. This was taken under consideration with the support of one of the area's aldermen. At the same time, the city began to indicate doubt that the project could proceed as planned even if the legal and financial difficulties were removed. The reason given for this was the continuing disaffection of area residents and, for the first time, of area business owners.

The city council also began to consider the possibility of replacing CRA with a publicly controlled development corporation, a move which would mean a substantial increase in city involvement in the project—almost \$100 million—as well as a massive infusion of federal money—nearly \$50 million. In the end, the city council rejected the plan for public takeover because of the expense involved.

The lawsuit challenging the revised EIS moved slowly through the courts and, while a judgment was rendered at one point, litigation continued.

Because of the extensive publicity and the highly emotional tone which tended to surround the case, the assigned federal judge removed himself from the case and brought in an outside examiner to hear the evidence.

All sides went over all the issues one more time, though the sifting process seemed to focus more attention on the propriety of high-density development for Cedar-Riverside (with all the attendant questions of what density really means, what effects it has on human activity, and so forth).

The initial judgment was rendered in favor of the defense fund and a good deal of language about the deleterious effects of high-rise living found its way into the decision. This judgment was, of course, immediately appealed by CRA, HUD, and the city, and after two years in court the case recently was declared moot.

Though all of the issues initially raised in 1973-74 have been widely aired, there seems to be as little agreement about the future of Cedar-Riverside now as ever. The level of argument has shifted somewhat, as the major contestants now seem to be the city versus the federal government, with the developer sitting on the sidelines.

Recently the city council appointed a task force to respond to the newest HUD proposal for the community. Density remains the central question; HUD has demanded at least 5,000 new units for Cedar-Riverside while the task force has recommended 1,900 new and 450 rehabilitated units.

There is nearly universal agreement that the task force plan is impractical; the federal government is unlikely to pay two-thirds of the costs for something it finds totally unacceptable. Dissenters on the task force argued that future housing needs cannot be met at this scale and further argued the "service mission" to the city which Cedar-Riverside is supposed to fulfill. (This mission was defined in the 1968 urban renewal plan. No other area would allow high-density development within its perimeters and Cedar-Riverside was to absorb most of what was then projected.)

Currently the urban renewal plan seems to be in abeyance, the much touted New Town-In Town remains a dreamlike apparition, and the threat of foreclosure hovers over all discussion of Cedar-Riverside's future. CRA, which still holds title to most of the property, does not yet count itself out, though many missed payments to the government and other creditors discount the likelihood of its remaining sole developer.

Major changes in operations and management have occurred within CRA. The intensely personal style of management has been replaced by a professional planning style. Heller, though he resigned as president in 1974, continued to act as board chairman until 1977. William Finley, the new administrator, was former vice-president of the Rouse organization and project director for the New Town of Columbia. In less than one year another shift occurred in which Finley was replaced by Robert Jorvig, former housing authority director for Minneapolis and former executive director of the Metropolitan Council. Jorvig has now resigned and the position has been filled by

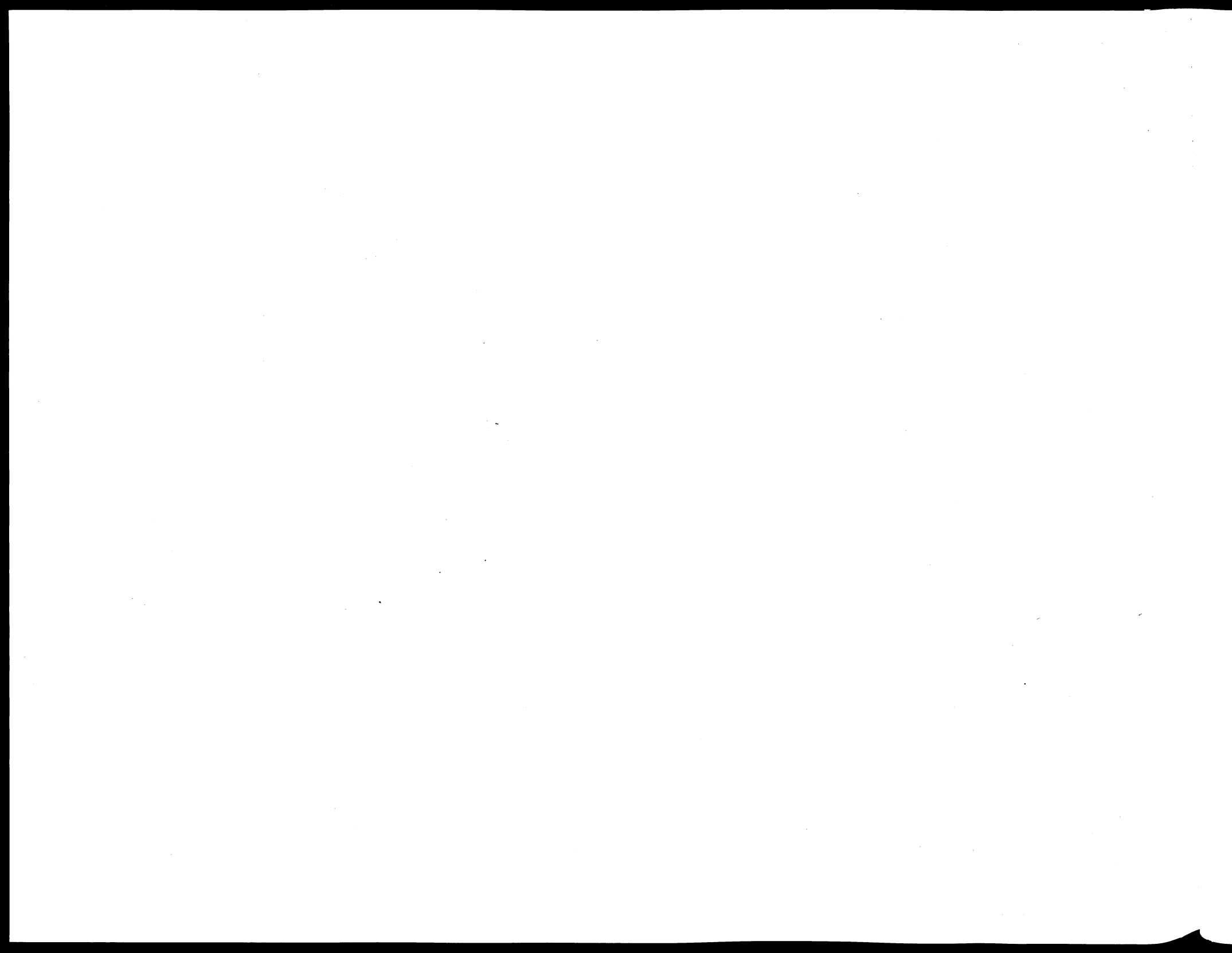
Bruce Nimmer. CRA's staff and operations have been significantly reduced, as no planning has been done and most recent efforts have gone into legal proceedings.

The political relationships between CRA and the city of Minneapolis have also been significantly altered. The ward which encompasses Cedar Square West elected a new alderman in 1973 who clearly lacked the close association with CRA that Christensen had, and who seemed to be distinctly less enamored of the New Town-In Town idea. This person was recently replaced by an activist member of the opposition to CRA. The Minneapolis HRA has gone through a series of personnel changes, most of which have digressed from the active and cooperative stance toward CRA during Krusell's tenure. The primary result of all this has been a much less favorable attitude toward CRA and its activities at a time when CRA most needed the city's support.

The status of Cedar-Riverside's redevelopment is impossible to predict based upon information now available. There is a strong possibility that CRA will not remain involved in the project. It seems certain that the projected future population and shape of development will never be realized, especially if HUD decides to foreclose on the project. Federal control of the underdeveloped land would drastically alter the existing arrangements. A likely scenario, should this occur, would find HUD selling the land to anyone with capital at hand. This would probably result in a construction boom of small and medium-sized apartment buildings, for there is still a demand for housing in the area, and small developments do not require environmental impact statements or citizen participation. What is least likely is that either the federal agency or any interested developer would want to retain most of the existing housing stock in Cedar-Riverside. It is equally unlikely that the New Town-In Town will ever reach completion.

There is little that CRA can do at the moment to influence the outcome of this situation. The future of their development is almost completely out of their hands. The city's stated concern is that *something* be accomplished in Cedar-Riverside, implying that what is done and who does it is a secondary concern. HUD has more pressing problems to deal with—the fate of one redevelopment project is not a matter of significance. What is important is to insure that communities like Cedar-Riverside receive every opportunity to prove their worth to the urban system, whether accomplished privately, publicly, or through some cooperative arrangement.





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#### INTERVIEWS WITH:

Jens Christensen, Ray Harris, Keith R. Heller, Donald Jacobson, Charles Krusell, Ralph Rapson, and Gloria Segal.

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Keith R. Heller to Charles Krusell, 2/2/70.

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Frances Kenney to CRA management, 3/13/74; 12/12/74; 6/30/75, 7/10/75.

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