

Book Review

September 2014

Power Failure: Politics, Patronage, and the Economic Future of Buffalo, New York; Diana Dillaway, Prometheus Books, Amherst, New York, 266 pages, 2006.

Implications for the American City

Ms. Dillaway's conclusions:

- Over time, the City was presented with three opportunities to change the dynamics of the City for the better: the new university campus, a new transit system to connect the now suburban university campus to downtown and the new football stadium. In each case, the City's leaders opted for the status quo with no changes to the existing dynamics; they blew it.
- Bankers and lawyers dominated the many regional and economic development authorities created over the years; manufacturers played no role.
- The Chautauqua Institution conducted a four day conference on regional governance in 1997. Since then, Erie County has assumed responsibility for many City functions.
- Two Washington consultants, Phil Fairbanks and Brian Meyer reported: "The key...is for all of Erie County's municipalities to get behind the big idea that "big picture" issues like land use, transportation planning, housing policy and economic development should be handled on a regional basis." [p214] The author concludes with the observation that change happens slowly.

Buffalo to Host 2014 Congress For The New Urbanism's Annual Conference

Join CNU in Buffalo, New York [June 4 – 7] in the city Frederick Law Olmsted deemed "the best planned city in the United States, if not the world" - and be a part of CNU 22. In 2014, Buffalo will have some of the best and brightest minds come to town to discuss walkable, mixed-use neighborhood development, sustainable communities and healthier living conditions. [Congress For The New Urbanism](#) (CNU) has for nearly 20 years led the conversation on livability.



"We are big fans of Buffalo, NY. We like the underdog and we like well-designed cities. Some have even called Buffalo [America's Best Designed City](#). We are excited to get back in "the Buff" with some of our New Urbanism colleagues for the [22nd annual Congress for the New Urbanism](#). During the congress we will be presenting a special screening of the award winning films from the 2013 New Urbanism Film Festival."

newurbanismfilmfestival.com/nuff2014/buffalo/

TheAmericanCity.org's conclusions from the events described in the book supplemented with other research is that this story could happen anywhere at any time. The reasons are that:

- Every city has a business model. Some cities understand this, some do not. Knowing the source of your prosperity is critical when planning for its continuance.
- Few people take SWOT seriously. A sophisticated understanding of the city's strength and its weaknesses is important; as is a firm knowledge of its vulnerabilities and opportunities.

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YouTube: No YouTube interviews with the author were found; if you have one, please send it along.

The Editor's Commentary

Ms. Dillaway, a professional city planner with twenty-five years of experience has many publications and presentations to her credit. As a native of Buffalo, she turned her talents towards her hometown to try to understand the diminishment of a once fine and prosperous city.

The fascination with this story of Buffalo along with the current travails of Detroit, the reduced status of St. Louis and the dynamics of Pittsburgh and Cleveland is that these once pleasant and prosperous cities, giants of our nation, have fallen from the heights of municipal glory into a quasi-third world status, from which some are re-ascending. How did prosperous, powerful towns fail? Surely the leaders and citizens had no idea their futures would be radically different from the halcyon days of full employment and low crime with a full portfolio of civic amenities. These were probably not stupid or inexperienced people, yet their towns failed. Learning the dynamics of this decline, usually this sudden decline should haunt every city leader into exploring weaknesses in their systems, threats to their way of life and opportunities to prevail where these once great cities did not. On to Buffalo...

The story begins at the turn of the 20th century. When, "Buffalo had become one of the ten largest cities in the country." [p27] Large businesses with thousands of employees abounded, the port was busy, thirteen major rail lines moved goods in and out of the city. The City's strategic location on the Great Lakes at the western terminus of the Erie Canal was the source of wealth from the 1825 opening of the Canal. The breadbasket and steel mills of the mid-west came by rail and boat to and through Buffalo as they headed to the world's markets. The opening of the Panama Canal in 1910 was the first challenge to the superiority of Buffalo's location since the new Canal made the Mississippi River a better direction for goods to get to the Asian markets. "By 1910 Buffalo had become the greatest grain port in the world and a mill port second only to Minneapolis." [p25]

Still, the war economies of the 20th century played well for Buffalo's industries; life was good. Then World War II ended and "Buffalo's local economy took significant dives, as in 1946, when eighty thousand people became unemployed overnight." [p29] Think of the size of a regional economy that can lose eighty thousand jobs and continued to function at some reasonable capacity.

Population City of Buffalo 1900 and 2000

Year	US Rank	Population
1900	#8	352,387
1920	#11	506,775
1940	#14	575,901
1960	#20	532,759
1980	#39	357,870
1990	#50	328,175
2000	#58	292,648
2010	#73	261,310

Source: US Census Bureau

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The Korean War intervened to give temporary respite to the need to convert to a peacetime economy. Then, as mid-western industries began to grow and consolidate, many Buffalo headquarters became regional offices of national corporations headquartered elsewhere. Steel production changed in the later part of the 20th century and went off-shore. Trucks become effective competitors to boat and rail modes of freight transport. "In all, the Buffalo area lost nearly seventy thousand jobs in steel and linkage industries between 1970 and 1984." [p33] Again, think of losing seventy thousand jobs in a region of a million people; not many twenty-first century cities could survive such a blow.

Buffalo, once a critical link in the world's supply chain, was by-passed. Buffalo became a regional outpost of national and international corporations. "Executives of absentee-managed firms tend be less engaged in local politics. For this reason, as well as because these local executives are not part of corporate top management, they often are not part of the city's leadership elite." "Economic power became severed from political power." [p34] The author provides a good summary of the business leadership vacuum felt by most mid-tier towns; large employers are not locally invested and engaged. Most second-tier towns have grown to be regional business centers, whereas Buffalo started as a strong first tier town, dissipated to a lower rung.

In the ensuing years:

- Battle raged for years between supporters for growth downtown and the suburbanites [p195]. A new state university was planned for downtown but ended up in the suburbs. The NFL football stadium was placed out of town. Both decisions doomed City's efforts to recover from the industrial decline.
- Urban renewal funds were used to clear vast amounts of land without plans for reinvestment and redevelopment, hence the land sat vacant. The State offered massive monies for transit; but the funds were declined.
- The international steel market continued to evolve to Buffalo's disadvantage while reports erroneously reflected continued strength for the City from this sector enabling procrastination.
- Well paid union jobs in industry declined, lower paying service jobs grew; well-paid public sector union jobs persisted; the business model broke since city outlays were high and fixed; the revenue base supported by industry declined.
- The author does a great job of defining the political story, the economic story and the community story; including the active role of Governor Nelson Rockefeller who tried to save the City.
- In the 1980s, a new strategy emerged based on independent authorities that had political and economic power. The Horizons Waterfront Commission was formed, but ultimately failed, "because support was intermittent and unsustainable. Monthly meetings went nowhere. Despite all levels of political involvement, including the governor, it became clear nothing would come about without the business elite's active and committed role." [p175]

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www.barnesandnoble.com

Overview

At the turn of the 20th century, Buffalo, NY, was one of the world's great industrial cities. In 1901, it played host to the prestigious Pan American Exhibition, which attracted millions of visitors to the city; its thriving downtown area was graced by buildings and mansions designed by some of the country's best architects; the city was the third largest producer of steel and, with the largest inland port, was a hub of commerce at the end of the Erie Canal.

Today, due to financial distress and decades of mismanagement, the city has been put under the supervision of a financial control board. Population drain and an inability to attract new business have brought the city to the brink of financial collapse. The question on everyone's lips is, "What went wrong?"

Community development expert and Buffalo native Diana Dillaway analyzes the history of planning and decision making in Buffalo that led to the current malaise. A member of the Wendt family, whose great grandfather founded one of Buffalo's oldest manufacturing businesses, Dillaway has used her access to the city's most powerful political, economic, and community leaders to reconstruct the factors that created the city as it exists today. She examines the most divisive debates of the past, including strategies for downtown and neighborhood development, planning for a rapid transit system, and battles over the location of a proposed university campus and a professional football stadium.

A consistent theme is the protection of the status quo and turf battles among the WASP business and financial elite, ethnic Catholic communities centered on neighborhood parish life, and the Democratic machine with its entrenched patronage system. She finds that the only people interested in change were African Americans, whose efforts were consistently thwarted by a multi-term mayor who diverted community development funds for his own pet projects.

At a time when Buffalo is trying to build a brighter future, Dillaway's insights, revelations, and prescriptions for change comprise urgent reading for community leaders and citizens alike. *Power Failure* speaks to issues of leadership and power facing every city and local government today.

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