

Theories of Urban Development

A Late Night Phone Call

Late on a May evening in 1986, Newark political consultant Gustav Heningburg¹ received a phone call from Robert Van Fossan, the CEO of the Mutual Benefit Life Insurance Company and one of the most influential business leaders of the city. It was a Tuesday night and the polls for the 1986 municipal election had been closed for several hours. Early results from the Board of Elections predicted that city councilman Sharpe James would upset four-term Newark Mayor Ken Gibson in a very close race. The imminent election of the new mayor motivated Van Fossan's call.

Heningburg remembers that the usually dignified insurance executive sounding harried over the telephone as Van Fossan immediately asked, "What kind of man is this guy James? Can we work with him?" Heningburg, who would soon direct the new mayor's transition team, reproached Van Fossan for being unprepared by the election of James. He told the insurance executive he missed his chance to know James during the new mayor's twelve years on the city council. But Van Fossan was not interested in being lectured, he asked impatiently if James would continue the same policies as the former mayor. In response, Heningburg only answered Van Fossan's original question. "There are two things you should know about Sharpe James," he said. "The first is that he is a good councilman, and the second is that he cheats at tennis." Heningburg recalled that there was a pause on the other line and then Van Fossan replied, "Really? He cheats at tennis?" In a relieved tone the insurance executive finally said, "He sounds like my kind of guy."²

This anecdote involving three influential figures in Newark politics provides a snapshot of the close relationship that often develops in major cities between the business elite and urban politicians. Van Fossan's concern with the election of Mayor James suggested the existence of a working

¹ Heningburg runs a consulting business named *Heningburg & Associates* which specializes in managing the affirmative action contracts for large construction projects. From 1960-1980 he served as head of the Newark Urban Coalition. He works in Newark, but lives in nearby Seacaucus. Interview with Gustav Heningburg August 20, 1999.

² Gustav Heningburg. August 20, 1999.

relationship between the political and economic stakeholders of Newark. The business-political connection is often crucial to accomplish the goals of both the Mayor and the city elite. When Newark voters elected James as the new mayor, Van Fossan and the network of business executives he referred to as “we” in his questions to Heningburg had to approach his new administration. Despite Van Fossan’s initial concerns about Sharpe James, over the next few years the new mayor and the insurance executive developed a strong relationship.³

The Business Connection

The election of Sharpe James as mayor in 1986, while unexpected by many Gibson supporters, reflected a growing consensus among Newark residents that the city could benefit from new energy in City Hall.⁴ James defeated Gibson due to his strong attacks on the former Mayor’s cautious governing style and poor record on attracting economic development projects to the city.⁵ Sharpe James took office with urban development as a top goal and he soon built the same strong relationships with the city’s elite first established by his predecessor. Expanding economic growth to include both new jobs and capital investment became a major push of the James administration and the cornerstone of his three successful re-election campaigns.⁶ To accomplish the economic development projects sought by his administration, Mayor James relied upon the close support of individuals like Robert Van Fossan and the leaders of other Newark corporations.

The declining size of Newark’s corporate community over the past 30 years has made the few remaining relationships between business and City Hall extremely important. Only a few companies

³ As evidence to their close friendship, when Van Fossan died of cancer in 1989 at the age of 63, Mayor James ordered all the flags on public buildings to be flown at half-staff. Ward, John T. “Deconstructing Mutual Benefit’s life.” *Sunday Star-Ledger*. Business Section. July 19, 1998.

⁴ Cunningham, 362.

⁵ In describing the condition of the eyesore neighborhood called University Heights, John Cunningham in Newark writes, “failure to transform such depressed areas was often cited by those who charged that the Gibson administration lacked imagination and vision.” Cunningham, 359.

⁶ In announcing his candidacy for his fourth term in 1998, Mayor James the held up examples of recent development as testimony of his record in office and claimed responsibility for Newark’s transformation into a better city. “I’ve changed Newark from a city you couldn’t give away to a city that everybody wants.” Smothers, Ronald, “As Newark Bounces Back, So Does Mayor.” *New York Times*. January 31, 1998.

with strong ties to Newark stayed with the city throughout the difficult decades of the 1960s and 1970s. But since the mid-1990s Newark has realized a substantial increase in economic development and rising real estate values in the downtown business district. This development activity is providing the fuel for corporate reinvestment in Newark, a practice that had almost vanished from the city since the 1950s. City Hall and development officials have become increasingly adept at drafting proposals and cutting deals to attract outside business interests to Newark. As development activity has risen in Newark — the correlation between economic progress and an expanding political-business network has raised the importance of close communication between City Hall and the boardroom. By 1997 the extent of the economic revitalization in Newark tempted some to label it a renaissance — a fact that corresponded to the growing activity of business and entrepreneurial interests in the city. The combination of business and politics in Newark, as in other cities, has become the driving force behind the decisions of urban government and economic development.

Political scientists and sociologists have long debated rival theories to describe the general system of economic growth within urban centers. Cities share common advantages such as abundant capital, concentrated economic interests, mass transportation, and a large labor pool that encourage the creation of universal models to account for economic development. Yet the similar development forces at work in cities do not ensure that all urban areas act identically, nor that all theories agree on the best conception of economic development. This chapter will explore how two rival theories attempting to describe the process of urban governance and development actually work to intensify the conflicts present in the real world of development projects in Newark.

Urban Theories

Post-war theories of urban politics analyzed the balance of power inside the political structures of major cities to discover the identity of the decision-makers. The rival “pluralist”⁷ and “regime”⁸

⁷ Robert Dahl’s 1961 “pluralist” study of New Haven politics proposes that elite and special interest groups may have originally dominated the city power structure, but continual reforms allowed for an increasingly pluralistic arrangement of decision-making to include the public. Dahl’s theory of pluralism claims that the democratic process allows for

theories of city governance wrestled between competing models to describe urban government as either a welcoming or hostile place for community participation. Most postwar theories, however, neglected to examine the process that has become the primary role of urban governments in the modern era — the pursuit of economic development. It was left to the next generation of theorists to elaborate on this issue.

Two theories emerged in the 1980s to explain the motivations and formulas pushing urban development and to comment on the conflicts and pressures facing modern American cities. These theories superceded the debate between the post-war theories of democratic pluralism and regime politics that had dominated the field for two decades. First and most significant of these new ideas was the “public choice” theory advanced by Paul Peterson in his 1981 book, City Limits. Peterson states that urban politicians and governing regimes are subordinate to the overall economic principles that force cities to compete to capture new investment and capital. He writes that the competitive nature of cities encourages the business elite and politicians to favor new development projects, concluding that successful cities require a local infrastructure that is supportive of the needs of business and economic development.⁹

In 1987 John Logan and Harvey Molotch published Urban Fortunes as the first substantial criticism of Peterson’s ideas. Urban Fortunes describes the combination of entrepreneurs and urban politicians as a “growth machine” — a powerful, pro-development network of business interests and local politicians whom favor increased economic development at the expense of neighborhood

widespread participation in the governance of cities. Dahl, Robert Who governs? Democracy and power in an American city. New Haven: Yale University Press, 1961.

⁸ The competing “regime” theory advanced by Floyd Hunter challenges Dahl’s pluralist ideas and argues that the elite always dominates the governance of cities. Hunter describes his study as “regime theory” because he focused on the hierarchies inside political regimes. The regime theory advanced by Hunter in his study of Atlanta demonstrates that city officials depend upon the close relations with business leaders to maintain political power and to push forward their development projects. Hunter, Floyd. Community Power Structure: A Study of Decision-Makers. Chapel Hill: University of North Carolina Press, 1953.

⁹ “It is in the city’s interest, therefore, to help sustain a high-quality local infrastructure generally attractive to all commerce and industry. Peterson, 23.

residents and other vulnerable stakeholders.¹⁰ Logan and Molotch argue that the close relationship between City Hall and the business world creates the growth machine and fuels its ability to overpower weaker forces attempting to influence the development process.¹¹ Logan and Molotch also identify the costs and externalities created by the growth machine's drive for economic development that were absent from Peterson's theory,

Theory in Action

The every day choices in urban development debated by politicians, entrepreneurs and citizens are determining the shape and composition of future skylines and neighborhoods in Newark and other major cities. Conflicts over the ideas and practices of development remain a fundamental sticking point in the many attempts to revitalize urban areas. In both postwar and modern urban theory the friction point is the disputed ability for the public to participate in the economic development process. This chapter will explore the debate over the costs and benefits of economic development between the rival theories advanced by Peterson and Logan and Molotch. A theoretical analysis of the development rhetoric in Newark will also show how the tenets of these two major development theories are implicitly and perhaps unknowingly echoed by the various interest groups in the city. The combination of the theories and the concrete examples from Newark will demonstrate that the conflicts of community participation in local economic development can seize urban politics and fundamentally alter the investment decisions made by cities.

The Contemporary Theory Debate

The perceived benefits and consequences of economic development divide the theories of Peterson and Logan and Molotch just as the debate between regime politics and pluralism split the field of urban development a generation before. At the root of both theoretical debates is the ability

¹⁰ "Aggregate growth is portrayed as a public good; increases in economic activity are believed to help the whole community." Logan, Molotch, 33.

¹¹ "With rare exceptions, one issue consistently generates consensus among local elite groups, and separates them from people who use the city principally as a place to live and work.: the issue of growth." Logan, Molotch, 50.

for the community to participate in the political and decision-making process of urban development. Peterson explains that cities are driven to compete for the benefits of economic development by competitive pressure from other cities, making internal political participation over development issues irrelevant to the process. In contrast, Logan and Molotch describe the “growth machine” as an exclusive pro-development union between members of the business elite and city officials that is frequently arrayed against the interests of community members.

The assembled power and influence of the growth machine provides the support and consensus behind major development projects, especially those efforts that are controversial or unpopular in the local community. Logan and Molotch voice concern that many residents and community representatives are prevented from joining the decision-making process by the closed system of the growth machine. While their disagreement with Peterson centers on the mechanics of development politics, it also involves a different conception of the consequences of the capitalist economic system.

The Public Choice Model

The free market and fiscal growth models emphasized in Peterson’s theory are the guides for city officials and entrepreneurs intent on spurring economic development within their city. The “public choice theory” of urban development outlined in City Limits suggests that market values and motivations drive city officials to pursue economic revitalization with the goal of attracting more private investment. This economically-based theory is built upon the belief that cities should “seek to upgrade their economic standing” by competing against other cities to attract new businesses and jobs through economic development.¹² Cities are successful when they entice new jobs and development projects inside their boundaries following the logic that what is good for business becomes good for the city. Framing urban development in strictly economic terms, Peterson claims the decisions of the city are governed by rational principles designed to increase public utility. Peterson also writes that

¹² Peterson, Paul. City Limits. Chicago: The University of Chicago Press, 1981. 22.

cities can improve their economic position in relation to competing municipalities by developing strong export industries to sell specialized goods. “It is only a modest oversimplification to equate the interests of cities with the interests of their export industries.”¹³ With business and political interests closely aligned to protect the economy of cities, the exclusive focus of local governments on urban development becomes a natural result of the alliance between politicians and entrepreneurs. Peterson also expresses his belief that subsidies and advantages given to local corporations are eventually distributed over the entire community. “Whatever helps them [industries] prosper rebounds to the benefit of the community as a whole – perhaps four and five times over.”¹⁴ Overall, Peterson’s argument leans heavily on the Tiebout hypothesis, an urban theory arguing that cities compete by seeking to increase their values found attractive by residents and businesses. Postwar economist Charles Tiebout wrote in 1956 about how cities strive to improve their economic and social condition relative to other communities.¹⁵ Recognizing the competitive potential observed by Tiebout, Peterson extends his argument to justify economic development that will bring even more investment, writing: “It is in the city’s interest... to help sustain a high-quality local infrastructure generally attractive to all commerce and industry.”¹⁶ According to Peterson, cities mimic the actions of corporations by creating a specific niche to attract the right kind of customer. The customers courted by urban politicians in the public choice model are new opportunities for economic investment.

Consequences of the Growth Machine

John Logan and Harvey Molotch respond to Peterson’s statements in their 1987 book Urban Fortunes by emphasizing the damaging impact of economic development on the vulnerable positions of residents and small business owners. In contrast to Peterson’s background as a political scientist, Logan and Molotch are sociologists who observe urban development through a discipline far

¹³ Peterson, 23.

¹⁴ *Ibid.*

¹⁵ Peterson, 18.

¹⁶ Peterson, 24.

removed from the economic concepts and tests used by the other theorist. They describe the systems and the consequences of urban economic development through the actions of the business and political interests united in the “growth machine.” The goal of sustained economic development becomes the common ground for the most powerful stakeholders in the city even if they are separated by great gulfs, “virtually all place entrepreneurs and their growth machine associates, regardless of geographical or social location, easily agree on the issue of growth itself.”¹⁷ Logan and Molotch concur with Peterson that increasing economic growth is a major concern linking urban politicians and outside investors, but the two sociologists add to the equation the concerns of the community residents, the frequently absent third participant in the urban development process. They write that growth machine attempts to isolate the community from the development process if given the chance.

The Value of Place

Logan and Molotch base their sociological arguments on the intangible clash of the “use values” and “exchange values” that are internalized by interest groups involved in the development process. A street of residential homes and a shopping mall with a supermarket represent significant “use values” to neighborhood residents. The street derives value from the fact that local residents appreciate the homes and supermarket in their present forms. For an entrepreneur, however, the home or food store can represent a substantial “exchange value” if it can be transformed by redevelopment to become something worth more than its present form. For example, a townhouse occupied by the same family for 100 years has extensive “use value” for the family living there, but a developer operating under the “exchange value” system would advocate the benefits of replacing the house with a convenience store with more tax revenue potential. The mobility of capital and the absence of personal attachment allows entrepreneurs to react to market trends with a fluidity that residents committed to their homes and neighborhoods can not match. Because of their strictly economic

¹⁷ Logan, John R. & Harvey Molotch. Urban Fortunes: The Political Economy of Place. University of California Press: Berkeley, 1987. 32.

attachment to place, proponents of the growth machine also have less concern for both the past and future condition of land they hope to develop: “compared to those of residents, the satisfaction that capitalists derive from place is less diffuse.”¹⁸ Logan and Molotch argue that the existence of competing values for the same place encourages development conflict. “The sharpest contrast is between residents, who use place to satisfy essential needs of life, and entrepreneurs, who strive for financial return, ordinarily achieved by intensifying the use to which their property is put.”¹⁹ The conflicting perceptions of place value held by entrepreneurs and residents prevent meaningful communication between these two rivals in development politics.

The Unrestrained Growth Machine

While not ignoring the macro economic and market factors present in Peterson’s theory, Urban Fortunes emphasizes the negative impact of development on the neighborhood conditions, small businesses, and economic relationships that remain unseen by the drivers of the growth machine. Logan and Molotch criticize the distance of market-driven development policy from the reality of neighborhoods: “Growth machine activists are largely free from concern for what goes on within production processes.”²⁰ The growth machine model captures the single-minded effort of urban politicians and their business allies to maintain a steady stream of development projects flowing into the city. Entrepreneurs and city leaders seek out new development because it often brings economic growth and increased prestige to the city. But Logan and Molotch contend that urban development does not always fulfill the public interest or serve a beneficial purpose for a city. They write, “Contrary to the arguments of scholars such as Peterson, we are certain that local economic growth does not necessarily promote the public good. Even in terms of helping the fiscal condition of the city, the long-term consequence of growth can be negative.”²¹ Logan and Molotch describe the

¹⁸ Logan, Molotch. 22.

¹⁹ Logan, Molotch. 2.

²⁰ Logan, Molotch. 32.

²¹ Logan, Molotch. 34.

formula for urban development under the growth machine as a model much less appealing than the theory envisioned by Peterson. The two theorists also reject the Tiebout hypothesis that cities compete against each to attract residents. Urban Fortunes predicts cities seek commercial investment at the expense of resident's needs. "Cities, regions, and states do not compete to please people; they compete to please capital — and the two activities are fundamentally different."²² However, Logan and Molotch claim pro-growth administrations not only ignore the needs of residents, but that they actively work to deny them a voice in the development process.

Controversial Development

Logan and Molotch write that pro-growth politicians and business elite try to dominate economic development in many cities by restricting opposition to controversial projects. They describe how politicians and development officials develop specific strategies to exclude community participation from all stages of the development process. The combination of political and business interests pushing economic growth frequently does not wait for grass-roots opposition to develop, but seeks to eliminate all potential challengers from the moment the project begins. The theorists support their argument by citing the many ways public opposition to development projects can be undermined by special tactics of the pro-growth alliance. "When residents' claims on behalf of use values threaten to undermine growth, the government can turn back the challenge, either by invoking police power or by distracting dissidents with payoffs."²³ This dramatic inequality places opponents of the growth machine at a severe disadvantage in the conflicts over development projects. The end result according to Urban Fortunes is that citizen participation in development politics is sharply curtailed by politicians and entrepreneurs committed to the growth machine.

²² Logan, Molotch. 42.

²³ Logan, Molotch. 35.

The Unreformed Growth Machine

The theoretical advances by Peterson and Logan and Molotch re-centered the urban governance debate to focus on the motives of economic development rather than the hierarchy of political power.²⁴ As urban governance reformed significantly from the 1960s to the 1980s, city institutions adapted more democratic strategies to confront challenging social problems and issues. With these governmental reforms one might think that the shady operations of the growth machine were better situated for the older style of regime-based politics. But pro-growth alliances between political and corporate interests exist today in cities like Newark despite the seeming paradox of a growth machine operating in a reform-style government. How can the controlling methods of the growth machine survive in the democratic and open political systems of modern cities? One reason is that the decline in federal support for urban areas has made economic development through private investment an essential requirement for politicians looking to improve their cities. Modern realities of shrinking development funds and limited projects force cities to compete against each other to attract private investment. The competitive environment surrounding most cities creates the growth machine out of necessity. In addition, large-scale development projects located in the central business district are seen as the most economical way to revitalize depressed urban areas. As the gap separating the suburbs from urban areas throughout the 1970s and 1980s has narrowed, urban politicians learned to pursue outside investors to join the growth and bring new investment into the city.

Theory in Action

Real cities can sometimes become the doorways between the abstract words of urban development theories and the actual language of political controversies. A close look at the motivations and rhetoric of city officials and neighborhood activists in Newark reveals that the rival

²⁴ Post-war theorists studied historical accounts of actual cities to gain an understanding of the political systems ruling them. In contrast Logan and Moloch and Peterson base their theories on the abstract notions of social relations and economic forces that they believe are the main influences on urban areas. Instead of discovering common governing regimes, the modern theorists describe cities as motivated by the drive for increased economic development and growth. Logan and Molotch, 32. Peterson, 22.

theories of Peterson and Logan and Molotch have crossed-over into the language these interest groups. A review of the press statements and casual comments by city officials and community leaders in Newark demonstrates that the two urban theories are implicitly invoked in the everyday rhetoric of these rival development stakeholders. The development conflicts taking place in Newark become a unique window into the debate over urban governance theory.

The Public Choice Model of City Hall

According to Deputy Mayor for Economic Development and Housing, Alfred Faiella, Newark is in constant competition against rival cities for the limited number of development opportunities available every year. “Here in Newark we can put together deals that other cities cannot match. Newark can increase subsidies and tax abatements beyond the reach of competitor cities.”²⁵ Faiella’s claim echoes the competitive city models expressed by Paul Peterson in his public choice theory. Newark competes against other cities to capture new development opportunities as predicted by the Tiebout hypothesis.

Faiella states that his department, “refuses to take the simplistic view of how a city operates,” and that Newark actively seeks out opportunities for new development. He defended the city’s exclusive focus on downtown economic development over neighborhood revitalization by stressing that downtown projects contain the “long-term commercial viability” not found in neighborhood-based projects. Emphasizing the importance of economic utility and “exchange values,” Faiella explained that, “Development is a business and you must be business-oriented if you want to make out well.” The justifications for Newark’s development goals by Alfred Faiella match the economic motives for development expressed in the public choice theory of Paul Peterson.

Mayor Sharpe James has repeated Peterson’s contention that urban development is always beneficial to a city’s economic health in his speeches. At a community meeting called to debate the

²⁵ Faiella explained that Newark capitalizes on the firms that do not need to be located in New York City or along the Hudson River waterfront by offering cheaper office space and access to excellent transportation networks. Interview with Al Faiella. August 18, 1999.

redevelopment necessary to build the proposed downtown basketball arena, Mayor James told the audience of Newark residents facing the loss of their homes that, “No one in Newark has ever been unhappy about being relocated.”²⁶ In another comment addressing community opposition to the arena project, Mayor James placed city development plans in a superior position than community concerns. “We are proud to offer the best site for New Jersey and will not dignify disgruntled individuals who are against everything and for nothing.”²⁷ Through this statement the mayor also attempted to isolate the small group of citizens challenging the arena from other community groups who support the economic \ benefits of the arena project.

Newark officials sometimes use the threat of outside competition as an excuse for pursuing unpopular development plans. Entrepreneurial developers and neighborhood activists have criticized Newark development officials many times for randomly pursuing economic development projects without a cohesive plan. In the summer of 1999 the city announced plans to build a 14-story tower on the Passaic River waterfront adjacent to the performing arts center and a proposed public park. Alfred Faiella claimed the tower, which would house the local offices of the FBI, would be a wise investment for the city, “It’s a prime opportunity for us. This will precipitate other development, commercial development.”²⁸ But Tony Goldman, a prominent New York urban developer hired by the New Newark Foundation and Raymond Chambers criticized the plans for the FBI tower for ignoring the needs of the public good. Al Faille countered by claiming that Newark could not give up this project to another competitor: “We’re not going to cut off a project like that. We don’t have the type of demand in the market to say something should be all open space or nothing.”²⁹ In the FBI tower example Faiella emphasized the competitive pressure faced by Newark, but he also expressed

²⁶ Interview with Hal Laessig. September 2, 1999.

²⁷ Drucker, Jesse, “City sports complex opposed.” *Star-Ledger*. March 19, 1999. Essex County Section.

²⁸ Jordan, George E., “Visions for Newark clash over proposed park-side FBI site.” *Star-Ledger*. May 9, 1999.

²⁹ *Ibid.*

radically different views than other development officials over what represented the public good for the city.

The Use Values of the Neighborhoods

Community activists in Newark oppose the city government's exclusive concentration of development resources and energies on the downtown area. Neighborhood residents seek a more balanced development plan to satisfy their concept of "use values" and "sense of place" expressed by Logan and Molotch in Urban Fortunes. Unless neighborhood organizations learn to effectively lobby City Hall for a greater share of development attention, they fear they will be left out of the economic revitalization sweeping the city. Raymond Codey of the New Community Corporation believes that the strength of the city is found in the neighborhoods: "Neighborhoods drive the city — they are the heartbeat of the city. The heartbeat in Newark is very weak because we don't feed the neighborhoods."³⁰ He criticizes the performing arts center and the other major project developed by the city, the minor league baseball stadium, as inappropriate uses of public money. "Those two projects did not create a future for the people who live here. The city did not deal with the issues that are important to Newark."³¹ Codey explains that neighborhood groups receive very little assistance from City Hall and are largely left to fend for themselves. In contrast to the projects undertaken by the city, the development projects financed by NCC focused on elderly housing and a neighborhood supermarket — both community needs that the city could not provide. Codey also describes how the city consistently tries to co-opt community participation to add legitimacy to their development goals. Reflecting on his many dealings with the city, Codey states, "You will see that the city has an agenda that they want to present; they will go through the sham of having community participation. That is the norm here."³²

³⁰ Interview with Raymond Codey. August 26, 1999.

³¹ *Ibid.*

³² *Ibid.*

Codey's view is echoed by Richard Cammarieri, a Newark activist involved with neighborhood organizing for the past twenty years. Currently working for the New Community Corporation, Cammarieri still maintains close tabs on the pulse of community activism throughout the city. Cammarieri says he tries to warn community groups that the city's overtures to appease the concerns of residents are not entirely sincere. "Too often this talk about partnership and collaboration is designed to deconstruct dissent rather than gain any type of consensus."³³ Neighborhood activists like Cammarieri fear the city is trying to gain their approval without listening to their input.

The warnings advocated by Codey and Cammarieri correspond to the descriptions of restrictive tactics practiced by politicians and business leaders in City Limits and Urban Fortunes. Peterson's theory explains how city officials keep neighborhood residents uninformed about future development plans to decrease the potential of grass-roots opposition. Through the process of "stealth development" growth machines work out project plans and discuss details privately with city officials and the business elite to the exclusion of public participation. Peterson describes how pro-development groups work hard to prevent community opposition to their projects. "Conflict within the city tends to be minimal, decision-making processes tend to be closed until the project is about to be consummated, local support is broad and continuous, and, if any group objects, that group is unlikely to gain much support; only through lawsuits can it delay or forestall action."³⁴ Logan and Molotch also observe the powerful advantages held by city authorities in resolving development controversies in their favor. They describe how the growth machine can manipulate the motivations of groups in opposition: "the elite can mobilize the government to bolster growth goals. When residents' claims on behalf of use values threaten to undermine growth, government can turn back the challenge, either by invoking police power or by distracting dissidents with payoffs."³⁵ Veterans of

³³ Interview with Richard Cammarieri. August 26, 1999.

³⁴ Peterson, Paul. City Limits. Chicago: The University of Chicago Press, 1981. 132.

³⁵ Logan, John R. and Harvey L. Molotch. Urban Fortunes: The Political Economy of Place. Berkeley: University of California Press, 1987. 35.

community organizing in Newark recall how City Hall reversed a serious challenge a government-sponsored project several years ago by offering the leader of the opposition a job in a city agency.³⁶ Newark community leaders hold up this example of the city's opposition to neighborhood organizing as proof to why the residents must oppose the city on more issues.

While Peterson differs with Logan and Molotch about the consequences of an active growth machine, they both give strong evidence for its continued influence on the pace and structure of urban development. The frequency that the theories of Peterson and Logan and Molotch are mimicked in the everyday dialogue between city officials and community representatives reflects the resonance of their theories in realistic settings. Both theories appeal to a particular viewpoint that arises in development conflict: Peterson to the city officials; and Logan and Molotch to neighborhood activists. Neither side disputes that the growth machine is effective at attracting development or securing tax abatements with corporations, but they disagree on the value of the growth machine's overall contributions to the city. An examination of these two theories can partially explain recent trends in urban politics and development conflict that show an increasingly hostile gap between City Hall and neighborhood activists. The controversy over a \$300 million basketball arena that city officials and outside investors want to build on top of a residential neighborhood is the issue that ignites development conflict in Newark today.

³⁶ Interview with Nancy Zak. August 19, 1999.