LOOKING OUTWARD
OR TURNING INWARD?
Motivations for Development Decisions
in California Central Cities and Suburbs

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The author probes for differences among central cities, suburbs, and rural communities in the perceived importance of various motivations for development decisions, drawing on a mail survey of city managers/administrators in California. Central-city respondents are more inclined to “look outward” in making land-use decisions, attributing greater importance to certain regional economic and development challenges, whereas suburbs are somewhat more inclined to “turn inward” and focus on localistic concerns. Multivariate analysis is employed to examine whether the distinctive land-use motivations of central cities and suburbs reflect differences in composition (internal characteristics such as demographics and fiscal health) or differences in position (central cities’ status as the economic and political hubs of metropolitan areas and suburbs’ more specialized roles).

Theories of local land-use and growth policies in the United States have tended to suffer from two faults. First, they tend to be universalistic, focusing in a reductive way on commonalities among city approaches to growth, rather than explaining differences. A second and related shortcoming is that the literature on growth policy rests very disproportionately on evidence from large central cities. There are good reasons to suspect that growth politics is different in suburbs. In short, the variety that exists in municipal orientations toward economic development and land use tends to be oversimplified in the literature.

In this article, I examine empirically the variation among municipal governments in one dimension of growth orientations, referred to in the title. How do different types of cities balance localistic goals—the desire for advant-
ages that accrue largely or solely to the jurisdiction in question—against the quest for economic and social gains for a broader area? Or, stated another way, how closely do municipal officials see their interests as being tied to the interests of their region? Specifically, I will test the proposition that suburbs differ systematically from central cities in terms of the factors that motivate development decisions, along a localism/regionalism dimension. The article draws on a 1998 mail survey on local development strategies, completed by 330 city managers and other top administrative officials in California, the nation’s most populous state and one of its most rapidly growing.

CITIES, SUBURBS, AND THE GROWTH POLICY LITERATURE

Most of our contemporary understanding of urban growth politics is based on studies of large central cities. Though drawing on a variety of theoretical perspectives, this literature almost universally views top local government officials as progrowth actors, seeking the jobs, capital investments, tax revenues, and prestige that commercial and industrial growth are thought to bring (Clark and Goetz 1994). This is seen as the case whether the goals of local officials are assumed to be effective leadership (Stone 1989), rentier profits (Logan and Molotch 1987), or local fiscal maximization (Peterson 1981).

One basic distinction that has escaped this primarily case study–driven literature is the difference in development politics between central cities and the more numerous type of urban jurisdiction, the suburb. Two isolated articles have applied regime theory to explore growth politics in individual suburban jurisdictions (DiGaetano and Klemanski 1991; Kerstein 1993). But in general, the suburban development dominating the American metropolitan landscape has not been part of the research program for most of the analytic paradigms in the urban politics literature (Danielson and Lewis 1996).

Over the past decade or so, however, a number of aggregate studies have explored differences among local governments in growth policy, particularly in relation to the specific tools that localities use in the quest for economic development. In particular, several scholars have used exclusively suburban samples to explore progrowth and antigrowth entrepreneurship, development policies, and budgeting (Donovan 1993; Donovan and Neiman 1992a, 1992b; Pelissero and Fasenfest 1989; Schneider 1989; Schneider and Teske 1993, 1995). Others (Clarke and Gaile 1998; Pagano and Bowman 1997) compare a sample of large- and medium-sized municipalities, virtually all of them central cities. Although these studies have been very useful in helping explain policy variations among localities, they have not resolved the nature
and degree of differences between central cities and suburbs in their development orientations, strategies, and goals.

A few studies have begun to address differences among central-city, suburban, and rural municipalities, though the results cannot yet be considered definitive. Fleischmann, Green, and Kwong (1992) found that both central cities and rural cities scored significantly higher than suburbs on an index of economic development effort. Green and Fleischmann (1991) also analyzed differences among these categories of cities in the factors determining economic development efforts, although here the causal patterns between central cities and suburbs appeared to differ only modestly. The dependent variable in both of these studies was an additive index measuring the usage of specific economic development tools or techniques. What is unclear is whether central cities’ overall goals or motivations for growth, as opposed to their specific tactics for recruiting and retaining firms, differ considerably from other types of jurisdictions.

Maurer and Christenson (1982), in an interview-based study of 260 Kentucky mayors, concluded that suburban mayors (particularly in affluent suburbs) were significantly less interested in adding commercial and industrial growth than mayors of central cities or nonmetropolitan communities. Less than a quarter of suburban mayors were termed growth oriented, whereas central-city mayors were overwhelmingly pro-growth. Although these results are revealing, the study is somewhat dated (with interviews conducted in 1975). The dependent variable is a two-point scale relating to questions on the desirability to the mayors of growth in major industries and small businesses—a somewhat indirect measurement of land-use orientations—and multivariate exploration of the data is limited.

More recently, Basolo and Huang (2000), drawing on a national mail survey of municipalities, performed cross tabulations on central-city and suburban expenditures on economic development and affordable housing activities. They found that differences in per capita expenditures on economic development between central cities and suburbs were not statistically significant but that central cities did spend significantly more on affordable housing programs, an outcome the authors attributed to differences in need levels.

These incomplete findings call out for additional empirical investigation, as well as some basic theoretical guidance or heuristic that explicitly wrestles with the reasons why central cities might approach development differently. One factor worth examining in this regard is a local government’s orientation to its wider region. How might municipal officials perceive their cities’ development roles in the context of the broader metropolitan political economy?
Two sets of factors, which I label *positional* and *compositional* attributes, might each contribute to differences in growth orientations between central cities and suburbs. Positional considerations relate to a central city’s status as the historic economic, political, and cultural hub of a metropolitan area—that is, its central role in the region. Suburbs, which typically evolved later and carry more specialized functions within the metropolis, hold a quite different position vis-à-vis their region. Compositional factors relate to the makeup of the community—its demographic, socioeconomic, and fiscal characteristics, for example. Here too, central cities typically differ considerably from suburbs. Although not always neatly distinguishable, positional attributes relate to a municipality’s connections with its broader region, whereas compositional factors can be thought of as internal community characteristics.

Both positional and compositional differences might be expected to play out in the importance that municipal officials accord to different motivations for development decisions. I expect that central cities “look outward” more than suburbs, premising development decisions to a greater degree on regional concerns such as job creation, the need for affordable housing in the area, or the general health of the metropolitan economy. Suburbs, on the other hand, are hypothesized to “turn inward,” taking a more localistic approach to development decisions. Suburbs may emphasize fiscal outcomes, neighborhood concerns, and local disamenities such as traffic congestion and project aesthetics.

I distinguish outward-oriented development orientations as those geared toward positive spillovers throughout a region, whereas inward-oriented orientations take account mainly of impacts specific to the jurisdiction in question. There are no direct tests of an outward versus inward development orientation in the literature, though there has been some work on local officials’ attitudes toward regional governance and interlocal cooperation—albeit without examination of central-city/suburban/rural differences (Julnes and Pindur 1994; Baldassare et al. 1996).

From a *positional* standpoint, suburban officials may perceive their community as a mere slice of the broader regional economy and a specialized one at that. Regional challenges are likely to remain fairly peripheral to their political calculus. Central cities, by contrast, are often identified with their regions, and some residents and outside observers may find it difficult to distinguish the economic vitality of a central city from the region that is typically named after it. (After all, Illinois’s largest metropolitan area is popularly
called Chicagoland, not Napervilleland or Oak Parkland.) Central cities historically have functioned as downtowns, were founded long ago as regional centers, and despite economic decline still hold a disproportionate share of metropolitan employment. They will typically find it harder than suburbs to free ride on the growth and job creation that occur elsewhere in the region. Their mayors are also more likely to be held responsible for regional economic conditions than suburban mayors and to have broader ambitions. Central-city officials often report looking beyond narrow competition for development within their metropolitan areas, instead attempting to position their cities’ economic activity relative to distant counterpart central cities and world markets (Pagano and Bowman 1997, 34; Clarke and Gaile 1998).

The prominence of different interest groups and constituencies in central cities is also likely to be systematically different than in suburbs, given central cities’ position as regional business hubs, their traditional association with corporate command functions, and the higher costs of running political campaigns there. Chambers of commerce, downtown business associations, and commercial developers are likely to be prominent and command political attention, as much of the urban politics literature stresses. Suburban politicians—again with less need, typically, for vibrant downtowns, corporate investment, or large-scale campaign contributions—may be more apt to pay attention to residential associations and homeowners or taxpayer groups. Often times, such groups can be expected to resist change and commercial or industrial development, placing emphasis on more purely local impacts such as taxes, municipal service costs, or aesthetics.

In addition to their unique position in the regional political economy, central cities are often distinctive compositionally from other municipalities. Central cities typically include larger shares of the poor, unemployed, and minorities. These populations may lead some politicians to perceive a greater need for job creation and other economic enhancements, perhaps in the region as a whole as well as locally. Central cities are more densely populated, which means that residents may be used to living among a diversity of land uses and population types and may therefore be more welcoming than suburbanites of job sites and affordable housing complexes. With a greater proportion of renters, central-city residents may express fewer concerns about impacts on property values—a localistic motivation.

Municipal population size is a factor that might be considered part compositional, in that it reflects local demographics, and part positional, because large size affects a community’s relationship with and position in its region. I expect that larger municipalities, representing a broader share of the metropolitan economy, would be more likely to pursue a job growth strategy, seek balanced land uses, and worry about regional economic health.
Because growth can create serious community impacts, local politicians must weigh the likely political costs and rewards of development decisions. They are likely to anticipate the reactions of their major constituencies. The question remains, however, how the relevant constituencies are defined and how far they extend geographically. After all, the impacts of growth may be quite different at different scales. The opening of a large new business plant may, for example, generate jobs and air pollution at the regional level, property tax revenues and service costs at the municipal level, and traffic congestion and aesthetic changes at the neighborhood level.

The scale of the local decision-making unit, then, is likely to shape local officials’ perception of political benefits and costs and thus their responses to the development proposal (Danielson and Doig 1982). Suburban governments that are closer to neighborhoods in scale will probably be more reflective of neighborhood political values, whereas large cities that come closer to approximating a region’s overall diversity may more likely reflect region-wide concerns in their development decisions (Lewis 1996, 29-35; Fischel 1992, 174). In particular, because suburbs are often small and many other employment and development options exist in a region, its officials might be expected to be less enthusiastic about job-creating development. Most of their residents likely work in other municipalities. “It is possible in such instances for a nongrowth orientation to become prominent among elected officials, since growth advantages are available from outside the community without community residents having to bear the costs” (Maurer and Christenson 1982, 352). This may particularly be the case when the regional economy is thriving and its population affluent, thereby providing many opportunities for local residents.

Rural municipalities occupy a position that is perhaps closer to central cities than to suburbs. They often function as centers within agricultural regions, with disproportionate impact on the commerce, politics, and culture of the surrounding area, which is typically unincorporated. Many rural communities are geographically isolated, and thus local officials may find it difficult to absolve themselves of responsibility for outcomes that extend beyond the city boundaries. Compositionally, rural towns often have higher levels of poverty and unemployment than suburbs, thus perhaps leading to more interest in job creation among rural public officials.

THE SURVEY OF CALIFORNIA CITY MANAGERS

To probe for the importance of inward- and outward-oriented motivations in local growth decisions, I draw on a mail survey of top administrative
officials in California municipalities, conducted in 1998. Under the title “Development Strategies in California Cities,” the survey was sent to the top administrative official—generally, the city manager or city administrator—in each of the 471 municipalities then existing in the state. (Note that Californians generally refer to all incorporated municipalities, of whatever size, as cities.) After up to three rounds of contacts, a response rate of 70% was achieved.

I chose to survey city managers because the vast majority of the state’s cities use the council-manager form of government (and all cities are nonpartisan). These officials normally must pay close attention to political sentiment in city governments, as they are at-will employees hired by the city council. Mayors, on the other hand, are more likely to reflect one faction of local politics and are typically not involved as heavily in day-to-day administration of policy. Planning directors might have been surveyed instead, but they are further down the city hierarchy and are perhaps more likely to have their responses colored by the norms and precepts of their profession, rather than political reality.

Despite a deep recession early in the decade, California experienced significant development pressures in the 1990s, with the state estimating population growth of 3.5 million (11.5%) between 1991 and 1998 (Demographic Research Unit 1999). The state’s population is heavily urbanized, with 95.7% of residents living in its 15 metropolitan statistical areas (MSAs) as of 1990. The large number of MSAs, many of which are multicentered, means that there is a sufficiently large number of central cities for analysis—49. Officials from 39 of the 49 responded to the survey. Table 1 provides additional details about the survey respondents, whose cities proved to be quite representative of the full 471.

Among other topics in the questionnaire, respondents who reported that their cities had at least some vacant land available for development were asked to rate the importance of 18 considerations to their cities’ strategies in attracting new development and responding to developer proposals. Respondents gave an “importance score” for each of these possible motivations on a scale of 1 to 7 (with 7 being highest in importance). There were 223 respondents indicating vacant land, of whom between 218 and 221 followed directions and provided useable ratings for the 18 factors.

Some of these motivations for development decisions might be considered outward oriented—those indicating that the city is considering the economic and social needs of its broader region or is cooperating with other local governments in the area. The outward-looking factors include the likelihood that the new development will generate jobs, contribute to a sound regional economy, help meet the affordable housing needs of the area, or help preserve
agricultural land, as well as the importance accorded to the views of nearby cities regarding the proposed project. Six factors, by contrast, are considered examples of turning inward, or more parochial motivations. Here the effects under consideration are almost purely local. These include the proposed project’s municipal service costs, its generation of three types of local revenues (property taxes, sales taxes, and fee-type revenues), its acceptability to nearby neighborhoods, and its aesthetic appeal.

Finally, respondents evaluated an additional set of other motivations for land-use decisions that are neither wholly localistic nor regionalistic in orientation; in some cases, they are a mixture of both. Examples include environmental considerations, traffic impacts, adequacy of infrastructure, conformity with the general plan, city council support, support from business interests, and competition from nearby localities. In the actual questionnaire mailed to city officials, the 18 factors were not grouped in this manner (outward oriented, inward oriented, and other) but rather listed in a more random fashion.

### TABLE 1: Characteristics of Municipalities Responding to Survey (in percentages)

<table>
<thead>
<tr>
<th>Population in 1998</th>
<th>Among Survey Respondents</th>
<th>Among All California Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10,000</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td>10,000-24,999</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>25,000-49,999</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>50,000-99,999</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>100,000-249,999</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>250,000 or more</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles region</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>San Francisco Bay Area</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>Central Valley</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Other</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Type of city</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central city</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Suburb</td>
<td>57</td>
<td>54</td>
</tr>
<tr>
<td>Rural</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>Development characteristics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting considerable vacant land</td>
<td>34</td>
<td>NA</td>
</tr>
<tr>
<td>Reporting limited vacant land</td>
<td>34</td>
<td>NA</td>
</tr>
<tr>
<td>Reporting little/no vacant land (“built out”)</td>
<td>32</td>
<td>NA</td>
</tr>
<tr>
<td>Number of municipalities</td>
<td>330</td>
<td>471</td>
</tr>
</tbody>
</table>

NOTE: Totals may not add to 100% due to rounding. Data are as of 1998. NA = not applicable.
The survey’s emphasis on the perceptions of local officials differs from many surveys that focus on the adoption of specific ordinances or planning techniques relating to growth controls or business recruitment. Although at first blush such direct measures might be considered preferable, there are a number of advantages in gauging city manager perceptions about land-use policy. This survey has the ability to capture the motivations of top local policy makers for development decisions (as opposed to generic pro-growth or anti-growth orientations). Such motivations can be reasonably expected to manifest themselves in city decisions but nevertheless might not necessarily be well captured by questions about specific ordinances and planning requirements. Although the survey questions were kept quite general and thus easy to answer, they are fairly direct in querying the city managers about the desired future direction for development in their cities. By contrast, surveys regarding the use of specific policies or planning requirements are not reflective of the broader goals underlying those rules and also will not reflect differences in implementation across cities. There is also likely to be a fair amount of reporting error on such surveys, given that respondents may not have encyclopedic knowledge of local regulations.

For purposes of analysis, I will focus on the more localistic and regionalistic factors examined in the city manager survey, examining differences in responses among central-city, suburban, and nonmetropolitan respondents. The main hypothesis to be tested is that central-city respondents will indicate that their local administrations give more weight to factors involving broad regional issues. I expect suburban officials to be more attuned to the more purely local, parochial outcomes of a project, with rural respondents perhaps scoring closer to central cities than to suburbs. To see whether these types of municipalities differ, I will first present simple summary data for these categories of cities, looking for significant differences in importance scores.

**DEFINING CITY TYPES**

Before proceeding to the analysis, a word is in order regarding the definition and nature of central cities, suburbs, and rural municipalities. Rather than choosing my own definition for central cities, which could be seen as subjective, I rely on the U.S. Bureau of the Census’s designation of 49 central cities from the 1990 census (U.S. Bureau of the Census 1991, 367). These
include not only well-known large hubs such as Los Angeles, San Francisco, San Diego, and Sacramento but also smaller regional centers such as Chico, Monterey, Redding, and Visalia.

Note that unlike in many parts of the country, California central cities are still growing. These 49 cities collectively added just more than 10% to their population between 1990 and 1998, according to state population estimates (Demographic Research Unit 1999). Most central cities responding to the survey (26 out of 39) also indicate that they are active in annexation. Moreover, the census includes as central cities some municipalities—for example, Anaheim, Petaluma, and Ventura—that have a fairly limited traditional downtown presence in comparison with their more “suburban”-style portions.

The census definition of central cities is very encompassing, but Hill, Brennan, and Wolman (1998, 1936) argued that so long as one does not stereotype central cities—by using that category as shorthand for social conditions—the definition is “clear, consistent, and precise.” (The appendix of Hill, Brennan, and Wolman [1998] provides a useful guide to the U.S. Bureau of the Census’s method for defining central cities.) The broad array of communities counted as central cities in California means that in some respects, my test for differences in growth orientations is likely to be a conservative one. In short, if California central cities show significant differences in responses from suburbs, then such differences are probably even more likely in most other states, particularly in the Northeast and Midwest, where central cities and suburbs tend to be more distinct.

I count as suburban those municipalities meeting three criteria:

1. location inside an MSA in 1990,
2. not a central city,
3. part of an urbanized area, according to the 1990 census.

Note that the third criterion is intended to eliminate small outlying towns that lie within metropolitan-area counties but are not suburban in character. Such communities are somewhat common in California, given its geographically very large counties.

The rural category includes all municipalities located outside of metropolitan areas, as well as nonurbanized municipalities within MSAs. Table 1 includes a tabulation of the three categories of municipalities within the entire state compared with those in the sample. Differences are fairly minor, although suburbs and central cities responded to the survey at a higher rate than rural municipalities.
DIFFERENCES IN IMPORTANCE SCORES

Table 2 shows the mean importance scores for the various motivations for development decisions among central cities, suburbs, and rural communities. Responses were gathered only from those municipalities stating that they have at least some vacant land available for development. As expected, central cities generally have higher mean scores for the outward-oriented motivations and lower mean scores for the inward-oriented motivations. There are only two exceptions to this pattern: central cities score lower on the importance accorded to nearby cities’ views of the project and very marginally above suburbs on the importance they give to fee-type revenues.

However, given the relatively small sample size, particularly for those municipalities in the central-city category, it is important to subject these results to a significance test. A standard analysis of variance (ANOVA) is inappropriate in cases when variance across the subpopulations (here, central cities and suburbs) is unequal. In this case, one-way ANOVAs, in association with a Scheffe multiple-comparison test, do indicate that for many of the motivations tested, there is serious reason to doubt the equal-variance assumption across the city categories. For this reason, I use a Kruskal-Wallis significance test of the differences between central city and suburb importance scores. It is a nonparametric test, examining differences between population medians rather than means.

In regard to the outward-looking motivations, the Kruskal-Wallis test confirms that central cities are significantly more likely than suburbs to value a proposed development’s job creation potential, preservation of agricultural land, contribution to a sound regional economy, and affordable housing provision. The first two relationships are statistically stronger than the latter two. There are not significant differences with regard to valuing nearby cities’ views.

For the inward-oriented motivations, two significant differences are found. Suburbs are significantly more likely than cities to place high importance on aesthetics/design considerations and (more weakly) on sales tax generation. Not surprisingly, the mixed or other motivations, which cannot be placed neatly on the localism-regionalism dimension, all lack significant city-suburb differences, with one exception: Suburban respondents place higher importance on their city council’s support for the project.

For many motivations, the importance scores of rural respondents are closer to central cities than to suburbs, supporting the findings of Maurer and Christenson (1982) and Fleischmann, Green, and Kwong (1992). (However, note that rural cities rate the fiscal considerations as being of even greater importance than the suburban cities do.) The fact that rural communities vie
TABLE 2: Importance Scores of Various Motivations for Land-Use Decisions

<table>
<thead>
<tr>
<th>Motivations</th>
<th>Mean Importance Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Central Cities</td>
</tr>
<tr>
<td>&quot;Looking-outward&quot; motivations</td>
<td></td>
</tr>
<tr>
<td>Likelihood of job creation</td>
<td>6.33</td>
</tr>
<tr>
<td>Contribution to a sound regional economy</td>
<td>4.97</td>
</tr>
<tr>
<td>Meeting affordable housing needs in area</td>
<td>4.93</td>
</tr>
<tr>
<td>Preservation of agricultural land</td>
<td>4.93</td>
</tr>
<tr>
<td>Nearby cities’ views on the project</td>
<td>3.00</td>
</tr>
<tr>
<td>&quot;Turning-inward&quot; motivations</td>
<td></td>
</tr>
<tr>
<td>Cost of municipal services for project</td>
<td>5.57</td>
</tr>
<tr>
<td>New property tax revenues generated</td>
<td>4.97</td>
</tr>
<tr>
<td>New sales tax revenues generated</td>
<td>6.10</td>
</tr>
<tr>
<td>New fee/assessment/enterprise revenues generated</td>
<td>4.87</td>
</tr>
<tr>
<td>Acceptability of proposal to nearby neighborhoods</td>
<td>5.76</td>
</tr>
<tr>
<td>Project aesthetics/design issues</td>
<td>5.27</td>
</tr>
<tr>
<td>Mixed/other motivations</td>
<td></td>
</tr>
<tr>
<td>Environmental considerations</td>
<td>5.50</td>
</tr>
<tr>
<td>Adequacy of infrastructure in area of project</td>
<td>6.00</td>
</tr>
<tr>
<td>Traffic and other spillovers</td>
<td>5.70</td>
</tr>
<tr>
<td>Conformity with city’s general plan</td>
<td>5.77</td>
</tr>
<tr>
<td>City council support for project</td>
<td>6.20</td>
</tr>
<tr>
<td>Support of chamber of commerce or other local business interests for project</td>
<td>4.50</td>
</tr>
<tr>
<td>Competition from nearby cities</td>
<td>4.31</td>
</tr>
<tr>
<td>Number</td>
<td>30</td>
</tr>
</tbody>
</table>

NOTE: Only those communities reporting vacant land available for new development are included. Wording of response items above is identical to that in the questionnaire. Question wording: “Generally speaking, how important are the following considerations to your city administration’s strategies in attracting new development and responding to development proposals? Please review each item below and indicate how important it is. (Circle a number between 1, which is not important, and 7, which is very important).”

b. For this entry, municipalities that cannot annex because completely landlocked by other incorporated communities are deleted. This deletes 1 central city, 12 suburbs, and 1 rural.
c. For these entries, municipalities that lack any nearby municipalities (within 5 miles of city boundary) are deleted. This deletes 4 central cities, 4 suburbs, and 36 rural.

with central cities in the importance they accord to such factors as the soundness of the regional economy is a potentially important clue. It indicates that mere population size may not be the characteristic that motivates local
differences in attitudes toward these development motivations. Rather, it may be suburbs' historically more limited role or stake in their regions that leads them to value the outward-oriented motivations less than do central cities or rural towns, which are often psychologically identified with their broader regions.

To summarize the results thus far, central cities in California appear to value most of the “regionalistic” motivations for land-use decisions significantly more heavily than suburbs—namely, contributing to the regional economy, creating jobs, preserving agricultural land, and providing affordable housing. In the case of the more parochial or localistic motivations, however, there is more limited evidence that central cities behave differently than suburbs. Although the differences in mean scores for the localistic motivations are virtually all in the expected direction, these differences are significant only in the cases of project aesthetics and sales tax generation.

In some sense, the latter results are not surprising. Central cities must meet their fiscal obligations just as suburbs must. All categories of municipalities in California appear to put similar weight on the revenue and service cost considerations. Central cities do, however, seem somewhat less enamored of the sales tax as a motivation for land-use decisions. Perhaps they see a need for more balanced growth than simply retail, which mainly serves the local area and is not typically an “export” sector that would help to develop the local economy (Lewis 2001).

TESTING FOR POSITIONAL AND COMPOSITIONAL POLICY MOTIVES

Central cities in California, then, do approach development somewhat differently than suburbs. The question remains, however, whether central cities’ more outward-oriented and less parochial orientation occurs because central cities aggregate certain types of socioeconomic and other characteristics, or whether it is due to some inherent attribute. In other words, do central cities value job creation and regional economic health more because they are larger in population, poorer, or slower growing than suburbs? Or do they value these factors simply because they are central cities? The compositional explanation suggests that if suburbs grow in size and converge in demographic characteristics with central cities, their development politics will also become more like that in central cities. The positional explanation would instead suggest that big cities and suburbs are different creatures politically and are likely to retain systematically divergent approaches to development.
To examine this issue, I estimate ordinary least squares regressions predicting respondents' importance scores for development motivations. Regressors include a central-city dummy variable as well as a rich variety of local characteristics. To highlight the development motivations of interest (and in the interest of brevity), I present results only for four considerations that are theoretically important and where central cities and suburbs showed statistically significant differences in the test discussed above. These include the importance scores for job creation, contributing to a sound regional economy, agricultural land preservation, and sales tax generation.?

The number of observations in these regressions is limited to those cities reporting at least some vacant land for new development. Data availability also excludes a handful of cities with very small populations, and two small communities with extremely high own-source revenues per capita were dropped because regression diagnostics detected that these outliers exerted undue leverage. Finally, in the case of the regression regarding agricultural land preservation, I excluded all cities indicating that they were completely surrounded by other incorporated municipalities, a question asked of them on the survey. My assumption was that agricultural land has little relevance for such landlocked municipalities—though the results are not substantially different if they are included.

I model the importance score accorded to each consideration as a function of five sets of variables that might plausibly be expected to influence local growth orientations. These include the municipality's city type, its population size, demographic characteristics, certain political and fiscal characteristics, and locational and development characteristics.

City type refers to central city, suburban, or rural status. To directly test central city–suburban differences, I include dummy variables for central cities and rural cities, using the more numerous suburbs as the reference category.

Population size is a major competing explanation for differences between central cities and suburbs. I use the logarithm of each city's 1998 population because of the extreme scale differences between small towns and cities such as Los Angeles.

A variety of compositional demographic characteristics might be expected to influence local development orientations, both because of "need" characteristics of residents and different political orientations of various socioeconomic groups. All of these variables are from 1990 census data. Included are variables measuring the percentage of the resident population composed of Hispanics; median household income; the percentage of children in the population, which may affect perceived needs for revenue and
jobs; and the percentage of households that report having lived in the same home five years earlier—a measure of residential stability. Other socioeconomic status (SES) variables, such as educational attainment, percentage in poverty, and percentage unemployed, were highly collinear with median income, percentage Hispanic, or both. In general, percentage Hispanic, in this California sample, may be taken as something of a proxy for the presence of low SES populations, whereas income proxies for high SES.

In the regression concerning agricultural land preservation, though, I replaced household income with the percentage college graduates in the city, after finding that this alternative measure of status had a much more significant effect in this case. (Percentage college graduates and household income are correlated at $r = .78$ in this sample, so I do not use both variables.) In the regression relating to sales tax maximization, I also include median household income squared. This is because I noticed a clear nonlinear relationship between income status and responses to the sales tax item. The very richest communities seem to behave systematically differently, apparently preferring exclusive, quiet residential enclaves over high sales tax revenue from retail growth.

A final, specially constructed variable is the logarithm of the aggregate income of the city and its wider surrounding area (10 miles beyond the city boundaries). This was generated by using a computerized mapping program with census tract overlays. It is included as a measure of the overall affluence of the wider area around the city. As noted earlier, municipalities in more affluent regions may be more likely to exhibit tendencies to “free ride” on the job creation potential and economic health of the larger area.

Other demographic characteristics were dropped from the model when they proved consistently insignificant across all estimations. These included percentage black, percentage senior citizens, and owner occupancy of housing.

Another set of compositional variables includes political and fiscal characteristics. One is each city’s per capita, own-source general revenue (i.e., total revenues minus intergovernmental revenues and minus so-called enterprise revenues, such as water and electric charges). This variable, constructed from data compiled by the California state controller, is a measure of fiscal health; it is quite highly correlated with both property tax and local sales tax revenues per capita. Communities with high levels of own-source revenues might be expected to be less attuned to fiscal needs and more able to act on “higher-level” motivations such as the desire to create jobs or preserve farmland. In addition, two political variables are drawn from the respondent’s survey answers. One is the importance score the respondent accords to “support
of chamber of commerce or other local business interests for the project.” Among the survey questions, this comes closest to capturing the likely perceived political importance of private-sector growth machine actors (Logan and Molotch 1987). The second is the importance score for the “acceptability of proposal to nearby neighborhoods.” This question could capture the perceived importance of residential interests such as homeowner associations, taxpayer associations, or neighborhood organizations. I also tried including a measure of the percentage of registered Democrats (out of two-party registration) but dropped this measure of local ideological inclinations when it proved insignificant in all regressions.

The final set of independent variables includes locational and development characteristics for each city. Regional norms and development characteristics might be expected to influence a city’s needs and motivations for land-use decisions. I therefore include dummy variables for cities in the three major geographic regions of California—the 5-county Los Angeles region, 9-county San Francisco Bay Area, and 12-county Central Valley region (an area known for its agricultural production, high unemployment levels, and fairly conservative political culture). To measure community growth, I include the percentage change in recent population (1990-1998). The logarithm of the city’s population per square mile captures another development characteristic, density. In the agricultural land regression, I also included a variable measuring the share of agricultural employment at the county level, on the assumption that cities in farming areas may worry more about farmland protection. Finally, computerized mapping was used to determine whether each city has an interstate highway within its boundaries—a potentially important source of community growth and change. This was included as a dummy variable. Because of insignificance, I dropped another dummy variable identifying cities where respondents reported “considerable” (as opposed to “limited”) vacant land available for new development.

RESULTS OF MODEL ESTIMATION

Table 3 provides results of the four regressions. Because Cook-Weisberg tests revealed the presence of heteroscedasticity, I use robust standard errors, although ultimately this did not change the significance levels of any of the coefficients. The goodness of fit varies among the four equations but seems reasonable given the high amount of random variation that typically characterizes survey responses (particularly for importance scores such as this, which resemble the “feeling thermometers” used in some political surveys).
### TABLE 3: Regression Models of Importance Scores for Land-Use Decisions

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Create Jobs</th>
<th>Contribute to Regional Economy</th>
<th>Preserve Agricultural Land</th>
<th>Generate Sales Tax Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>City type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central city (dummy)</td>
<td>–.09 (1.29)</td>
<td>.10 (1.01)</td>
<td>.38 (4.03)***</td>
<td>–.24 (2.52)**</td>
</tr>
<tr>
<td>Rural (dummy)</td>
<td>.12 (1.17)</td>
<td>.06 (0.44)</td>
<td>.22 (1.87)*</td>
<td>–.10 (0.74)</td>
</tr>
<tr>
<td>Population size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population, 1998 (log)</td>
<td>.42 (4.10)**</td>
<td>−.04 (0.28)</td>
<td>−.23 (1.95)*</td>
<td>.10 (0.91)</td>
</tr>
<tr>
<td>Demographic characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Hispanic</td>
<td>−.12 (1.66)*</td>
<td>−.18 (1.78)*</td>
<td>.13 (1.38)</td>
<td>−.12 (1.37)</td>
</tr>
<tr>
<td>% under age 18</td>
<td>.30 (3.52)**</td>
<td>.14 (1.25)</td>
<td>.03 (0.36)</td>
<td>.33 (2.41)**</td>
</tr>
<tr>
<td>% lived in same house past five years</td>
<td>−.13 (1.90)*</td>
<td>−.02 (0.18)</td>
<td>−.03 (0.43)</td>
<td>.06 (0.60)</td>
</tr>
<tr>
<td>Median household income</td>
<td>−.31 (3.15)**</td>
<td>−.21 (1.94)*</td>
<td>—</td>
<td>1.60 (3.91)***</td>
</tr>
<tr>
<td>Median household income squared</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>−1.58 (4.21)**</td>
</tr>
<tr>
<td>% college graduates</td>
<td>—</td>
<td>—</td>
<td>.25 (2.53)**</td>
<td>—</td>
</tr>
<tr>
<td>Aggregate income of city plus 10-mile surrounding radius (log)</td>
<td>−.39 (3.04)**</td>
<td>.19 (0.98)</td>
<td>−.02 (0.13)</td>
<td>−.24 (1.66)*</td>
</tr>
</tbody>
</table>
### Political/fiscal characteristics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate 1</th>
<th>SE 1</th>
<th>Estimate 2</th>
<th>SE 2</th>
<th>Estimate 3</th>
<th>SE 3</th>
<th>Estimate 4</th>
<th>SE 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own-source revenue per capita (log)</td>
<td>.13</td>
<td>(1.59)</td>
<td>.03</td>
<td>(0.31)</td>
<td>.04</td>
<td>(0.43)</td>
<td>.01</td>
<td>(0.10)</td>
</tr>
<tr>
<td>Chamber of commerce/business importance score</td>
<td>.20</td>
<td>(3.52)</td>
<td>.24</td>
<td>(3.57)</td>
<td>.09</td>
<td>(1.37)</td>
<td>.05</td>
<td>(0.76)</td>
</tr>
<tr>
<td>Neighborhoods importance score</td>
<td>−.06</td>
<td>(0.94)</td>
<td>−.11</td>
<td>(1.43)</td>
<td>.07</td>
<td>(1.05)</td>
<td>.12</td>
<td>(1.73)</td>
</tr>
</tbody>
</table>

### Locational/development characteristics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate 1</th>
<th>SE 1</th>
<th>Estimate 2</th>
<th>SE 2</th>
<th>Estimate 3</th>
<th>SE 3</th>
<th>Estimate 4</th>
<th>SE 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>% population change, 1991-1998</td>
<td>−.13</td>
<td>(3.29)</td>
<td>.07</td>
<td>(1.08)</td>
<td>−.07</td>
<td>(0.95)</td>
<td>−.04</td>
<td>(0.80)</td>
</tr>
<tr>
<td>Population density, 1990 (log)</td>
<td>.17</td>
<td>(2.46)</td>
<td>−.03</td>
<td>(0.32)</td>
<td>.15</td>
<td>(1.86)</td>
<td>.06</td>
<td>(0.66)</td>
</tr>
<tr>
<td>Interstate highway access (dummy)</td>
<td>.02</td>
<td>(0.26)</td>
<td>−.09</td>
<td>(1.09)</td>
<td>−.26</td>
<td>(3.83)</td>
<td>.04</td>
<td>(0.55)</td>
</tr>
<tr>
<td>Los Angeles region (dummy)</td>
<td>.05</td>
<td>(0.59)</td>
<td>−.08</td>
<td>(0.84)</td>
<td>.18</td>
<td>(1.81)</td>
<td>−.22</td>
<td>(2.38)</td>
</tr>
<tr>
<td>San Francisco Bay Area (dummy)</td>
<td>.04</td>
<td>(0.52)</td>
<td>−.13</td>
<td>(1.60)</td>
<td>.15</td>
<td>(1.55)</td>
<td>−.26</td>
<td>(2.67)</td>
</tr>
<tr>
<td>Central Valley (dummy)</td>
<td>−.01</td>
<td>(0.12)</td>
<td>−.10</td>
<td>(1.07)</td>
<td>.18</td>
<td>(2.25)</td>
<td>−.11</td>
<td>(1.32)</td>
</tr>
<tr>
<td>% of county workforce in agricultural occupations</td>
<td>—</td>
<td></td>
<td>—</td>
<td></td>
<td>.24</td>
<td>(3.10)</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

### Number of cities

<table>
<thead>
<tr>
<th></th>
<th>Adjusted $R^2$</th>
<th>Probability &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.45</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>.24</td>
<td>.000</td>
</tr>
</tbody>
</table>

**NOTE:** Cell entries are standardized (beta) coefficients. Absolute values of $t$-values are listed in parentheses, calculated using robust standard errors. In agricultural land regression, cities without any surrounding land available to annex are dropped.

*p < .1. **p < .05. ***p < .01.
Given that the dependent variables represent the self-professed attitudes of local officials, rather than observed policy outcomes, it is heartening that the signs and significance levels generally seem quite plausible.

Let us turn to the major question of interest—the relative influence on the importance score responses of central-city status, as opposed to other characteristics. The results are mixed. In the case of the job creation motive, population size clearly seems to be the important variable. Larger municipalities are significantly more attuned to job creation, whereas central-city status itself has no significant association with the quest for jobs (and, in fact, has a negative sign). Although I have classified job creation as outward oriented, in the sense that it has positive spillovers outside local boundaries, it may be that job creation is a distributional issue, not substantially different in central cities and large suburbs, and is not related to the regionalism-localism dimension.

Other city characteristics that are positively related to the importance of job creation are business influence (as measured by the survey responses), population density, and percentage children. The jobs motivation is negatively related to the city’s population growth rate, residential stability, percentage Hispanic, household income, and the aggregate income of the broader region around each city. Thus, in the case of job creation, it appears that central cities’ larger population sizes, higher densities, lower incomes, and slower growth lead their city managers to rank this factor highly.

However, central-city status does take on the anticipated sign in each of the other regressions. The central-city dummy variable is positively related to the importance score for contributing to the health of the regional economy, although statistically insignificant. (Further analysis reveals that a dummy variable identifying only primary central cities—that is, those named in the U.S. Bureau of the Census’ titles for metropolitan areas—is mildly significant, at the .10 level.) The only variables reaching significance in this disappointingly poorly fit model are the business influence measure, which is positively associated with officials’ concern for the regional economy, and percentage Hispanics and median income, both of which have negative effects on this importance score. Thus local governments’ concern for the regional economy requires other explanations.

Central-city status is, however, very significantly associated with high scores for agricultural land preservation. The unstandardized regression coefficient (not reported in the table) indicates that, controlling for other variables, central cities have an importance score about 2.15 points higher for this item (compared with a standard deviation of 1.98). Although it may seem counterintuitive at first that central cities would even encounter issues of farmland conservation, keep in mind that this is a California sample, and many of the central cities are still rapidly growing and actively annexing and...
have agricultural land within their generous boundaries. Several of the central cities, such as Fresno, Merced, Napa, and Salinas, anchor regions where agriculture long has been a mainstay of the regional economy. Thus, in this context, it may be reasonable to think of the dependent variable as a special case of contributing to the health of the regional economy.

Other factors that are positively related to an agricultural-preservation orientation include population density, location in the Central Valley (the state’s agricultural heartland) or Los Angeles region, percentage of the county workforce in agricultural occupations, rural status, and the share of college graduates in the population. Negatively associated with farmland preservation is city population size, as well as interstate highway access—a factor that may create pressures for farmland conversion.

Finally, central-city status is negatively and significantly associated with the quest for sales taxes, an inward orientation. Holding the other terms constant, central cities score 0.64 points lower on the importance score for sales taxes (compared with a standard deviation of 0.93). Here, city population size is insignificant. Central cities’ lesser attention to sales tax generation—despite their traditional roles as retail centers—may point to a more balanced approach to economic development in these large and diverse communities. In California, the quest for sales tax enhancement has been widely associated with narrowly self-interested actions (the so-called fiscalization of land use) by localities seeking immediate revenue gains (see Lewis 2001; see also Miller 1981 on sales tax incentives for incorporation).

Also apparent in the sales tax regression is the decidedly nonlinear relationship between income levels and the quest for sales taxes. This probably indicates the desire for exclusive residential environments—and thus few retail facilities—in very wealthy communities (virtually all of which are suburbs in California). Thus, the most exclusive suburbs may indeed have quite distinctive growth orientations. Percentage children in the population is positively related to the quest for sales tax revenues, as is the importance score for neighborhood groups. In both cases, this may indicate cases in which perceived service demands are high, and thus so is the pressure for city officials to augment revenues—particularly revenues from the sales tax, the burdens of which may be borne in large part by nonresidents. Communities in the Los Angeles and San Francisco Bay regions indicate that they grant somewhat lower importance to the sales tax.

It is interesting to note that the chamber of commerce importance score is positively and significantly related to the motivation for job creation and regional economic enhancement. One might conclude that probusiness (“growth machine”) political values affect city government growth orientations by strengthening such efforts. On the other hand, some of these results
may simply be an artifact of survey response behavior because respondents who gave high (or low) importance scores tended to do so across-the-board for all motivations, which means that importance scores tend to correlate. Nevertheless, the importance score for neighborhoods is not similarly associated with the outward-looking motivations (and is associated with the inward-oriented sales tax motivation). Moreover, even if the importance scores for neighborhoods and chamber of commerce are dropped from the regressions, the effects of the other variables remain very similar to those reported in Table 3, although goodness of fit decreases slightly.4

The same basic regression model used here (with the independent variables used in the job creation regression) can be applied to predict the importance scores for the other motivations listed in Table 2. In so doing (results not reported here), the central-city dummy variable is statistically significant in two regressions. Central cities score lower in the importance accorded to property tax revenues (an inward motivation) and higher in the importance accorded to environmental considerations (which I have posited to be a mixed motivation). The only case in which population size is significant in these additional regressions is in predicting the importance score for “nearby cities’ views,” where its effect is negative. Governments of bigger towns, it seems, are less concerned about what their small-population neighbors think.

ARE CENTRAL CITIES DIFFERENT? A QUALIFIED “YES”

Judging by the descriptive results of this survey, suburban officials do evaluate development proposals differently than central-city officials do, at least in California. However, the differences are neither overwhelming nor across-the-board. Rather, such differences predominate in one particular set of factors: the consideration given to regional economic challenges—job creation, farmland preservation, affordable housing, and the health of the regional economy. On a different dimension of regional orientations—the amount of consideration given to the views of nearby local governments—central cities appear less concerned than suburbs.

It is less clear that central cities de-emphasize more parochial or neighborhood-type concerns. Only in the case of sales tax revenue maximization and aesthetic appeal do suburbs seem to stress localistic motivations significantly more than central cities. For other fiscal effects and neighborhood concerns, it seems that there is no escaping their importance for local politicians in suburbs, central cities, or rural towns.

In short, although the central cities in this survey do appear to “look outward” to a greater degree than suburbs in considering their growth strategies,
they do not “turn inward” a great deal less than suburbs. It seems that central
cities pursue a more balanced set of development objectives, perhaps reflect-
ing their greater diversity of existing populations, economic functions, and
needs.

The regression analysis indicates that both positional and compositional
differences may help explain why central cities and suburbs differ in their
approach to development. In the case of the quest for job creation, it is the
larger population size and compositional characteristics of central cit-
ies—not their unique position in the metropolitan political economy—that
make them more interested in the employment impacts of growth. However,
in other cases—agricultural land preservation, attitudes toward sales tax and
property tax revenues, and environmental considerations—there does appear
to be something inherent in central-city position that distinguishes these
communities from suburbs in their approach to growth policy. Although one
cannot rule out the possibility that some omitted variable, highly associated
with the central-city dummy, causes these differences, the wide variety of
control terms used in these regressions has screened out the most likely alter-
native explanations.

One can make an informed guess that differences in development orienta-
tions are likely to be even more stark in parts of the country that urbanized
earlier than California or in regions that are declining rather than growing. In
older central cities, both social need and central business district presence are
likely to be more pronounced. Thus both compositional and positional dis-
tinctions with suburbs would be more apparent.

The results of this study, if confirmed by future research, have implica-
tions for the study of metropolitan governmental structure. Briefly stated,
metropolitan areas organized predominantly into small-population juris-
dictions may be expected to take a less welcoming approach to job-producing
development than metropolitan areas with larger population municipalities,
all other things equal. Metropolitan areas where an extensive central city con-
trols a large portion of the region’s population or land area might be expected
to respond more to farmland protection issues and perhaps be less driven by
fiscal maximization than more politically fragmented areas. Although the
debate over metropolitan governmental fragmentation has been fought
largely over issues of public-service efficiency, this analysis is suggestive of
fragmentation’s possible systematic effects on regional economic develop-
ment and land use (see also Lewis 1996).

Before accepting such an implication entirely, students of urban political
economy should pursue additional research that could cast more light on the
issue of central-city/suburban/rural distinctions in land-use policies. A limi-
tation of the current research is that it is an attitudinal study of local officials’
perceptions; it does not measure differences in actual land-use decisions or outcomes. Although the latter approach promises to present serious challenges of measurement and conceptualization, the potential benefits of such research for both theoretical and policy development could make it well worth the effort.

NOTES

1. Some of the intended respondents passed along the survey to another relevant local official to fill out. In other, generally very small, cities, there is no city manager or administrator, and the city clerk is often considered the top administrative official. Self-reported job titles of the eventual respondents were city manager or city administrator (76%), assistant city manager/administrator (6%), director of economic/community development (7%), planning director (2%), planner (3%), management analyst (2%), city clerk (3%), or other (2%).

2. In results not reported here, respondents also rated motivations for redevelopment and annexation decisions. See Barbour and Lewis (1998) for a summary.

3. A regression analyzing the importance score for aesthetics proved rather unilluminating, with few variables attaining statistical significance. The other case in which central cities and suburbs showed significant differences—affordable housing—will be explored as part of future work on residential growth restrictions.

4. I also reran the four regressions using the technique known as seemingly unrelated regression, on the presumption that there may be contemporaneous correlation of the error terms across the four equations. However, results were essentially the same as those presented here. The variable for own-source revenue, marginally significant in the regression for job creation, becomes marginally insignificant when using seemingly unrelated regression. The reverse happens to the neighborhood importance variable in the regression for enhancing the regional economy.

5. Fleischmann and Pierannunzi (1990) examined factors affecting zoning decisions in one region, but the research design does not allow them to test for central-city/suburban differences.

REFERENCES


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