The Realty Regime pursued what it regarded as a laissez faire urban growth policy that aimed to link more closely the suburbs and the central business district. This was accomplished by battering down existing planning and zoning land use controls and by staunchly advocating such infrastructure improvements as bridge building projects, utilities extensions, and commuter transportation schemes connecting suburbs to central business district. The policy making machinations of the Realty Regime helped suburbs and the central business district but ignored the city of Cleveland’s residential neighborhoods.

THE CHANGING CITY STRUCTURE

Bridges and Utilities

In the industrial era, bridge construction and utilities installation were interwoven with economic development. During the Realty Regime, in contrast, these forms of infrastructure served urban growth policy. The Realty Regime rarely failed to endorse a bond issue for bridge building, although a bond issue to build a Lorain-Carnegie bridge spanning the Flats and connecting east and west sides was defeated in 1926 and again in 1928. Here the Realty Regime was divided against itself, between suburban sub-dividers and central business district boosters.

The Cleveland Association of Building Owners and Managers (CABOM) represented the owners of central business district real estate and strongly opposed the issue because the bridge would allow traffic to
skirt the central business district. Subdividers and the Cleveland Real Estate Board (CREB) were strongly in favor of the Lorain-Carnegie bridge. The subdividers sought an uninterrupted flow of traffic to the land they would develop in the suburbs, east and west, a business objective the bridge would advance. CREB’s campaign broadsides insisted that the bridge would trigger industrial development in the valley below, immediately south of the central business district.¹

Utilities provided another form of linkage to the suburbs. In 1925, Cleveland was served by 281 miles of water pipe. In 1926, not a single foot of new pipe laid was in the city of Cleveland. All additional mileage was built in the suburbs. Gas, electric, and telephone lines followed. The Realty Regime read the annual reports of the utilities companies with glee, carefully noting miles, feet, and volume added to existing service lines. It was clear that while utilities might stimulate industrial development, the most important beneficiaries were residential suburbs.²

Streetcar Suburbs

As the first policy makers to view suburbanization as a positive force, the Realty Regime saw commuter transportation as the backbone of their urban growth policy. The Realty Regime came to power during a transitional era in commuter transportation technology. Cleveland was evolving from a city of electric streetcars to a city of automobiles, from moderately high density close-in living to lower density suburban living. The Realty Regime was uncertain which transportation technology best suited its growth policy goals. Which form of energy—coal and electricity or oil and gasoline—should drive the system of commuter transportation? Which form of commuter transportation—rail, buses, or autos—was deserving of the Realty Regime’s support? Unable to forecast the future, the Realty Regime indiscriminately supported any and all forms of commuter transportation.

The much-envied Van Sweringens preferred streetcars. One of their suburban real estate developments, Shaker Heights, made money only after the Van Sweringens linked it to the central business district with separate-grade-level rapid transit service. Thereafter, suburban subdividers and central business district real estate operators endorsed rail linkages between suburban residential development and retail and commercial growth in the central business district. Realtors unable to finance their own separate-grade rapid transits pressured the streetcar companies to extend their lines to the suburbs.³
The transportation advantages of streetcars were obvious, but no less important to the real estate industry was the positive impact that streetcars had on the value of land bordering the tracks. Automobiles and bus lines did not have a similar impact because their routes could be changed at whim. This was the core reason behind the Realty Regime’s initial enthusiasm for streetcars. So lucrative was the market in adjacent real estate that in some cities street railway companies formed realty company subsidiaries to exploit the increases in land values. In Cleveland, however, capital-starved street railway companies were not involved in land development activities. In the 1920s most Cleveland street railway companies were coping with declining ridership, and without real estate development to fall back on, the financial future of the transit companies was clouded.4

The Realty Regime, despite the ample early warnings audible in the thunder of the gasoline engine, kept pressure on the street railway companies to expand their services into the suburbs. Realtors acknowledged that in general land values in most parts of the inner and outer city were lowered by the expansion of the transportation system into the suburbs. But this was offset by the rise in values of commercial property bordering the streetcar lines and suburban lots. The commercial and entertainment district forming at Euclid Avenue and East 105th Street was a prime example. A new transit line could increase the value of commercial property between 20 and 40 percent in as little as two years.5 Suburban land connected to the city by streetcar lines positively boomed in value. A larger social benefit was also claimed. Transit allowed the population of the city to decentralize and achieve more uniform growth and lower density living.6

In the 1920s street railway companies remained under intense pressure to extend their lines to the suburbs, a task more difficult to achieve than was initially appreciated. Cleveland street railway companies were restricted by the capital requirements and monopolistic competition limitations imposed on them by the 1909 Tayler Grant.7 The competitive limitations placed on the companies by federal judge Robert Walker Tayler were outmoded by the 1920s. Streetcar companies were too small in size and were limited by the Tayler Grant to paying 6 percent dividends, a rate unattractive to investors in the 1920s bull market. The challenge of raising capital limited the ambitions of the companies. To make matters more difficult, realtors insisted on low fares to the suburbs, while the owners preferred a zone plan of escalating fares.

Public ownership was an alternative. Made possible by state-enabling legislation in 1922, and advocated by such local reformers as Peter Witt, Tom L. Johnson’s streetcar commissioner, the realtors pursued a policy counter to self-interest when they vehemently opposed public ownership
on the grounds that acquisition would not only raise taxes but also that the system would fall prey to the incompetent administration of the municipality.8

A far more serious problem for the streetcar system was competition from the automobile and bus. By the mid 1920s there was one automobile for every eight persons in Cuyahoga County, and bus service was extensive and growing. These alternatives were also promoted by the Realty Regime. Streetcar companies suffering from limited capital and, facing the challenge of the automobile, saw their ridership steadily decline through the decade.

The Van Sweringens attempted a rescue of the street railway system in 1929 when they bought the Cleveland Electric Railway Company and merged it into their own system, giving them a virtual monopoly on streetcar service in Cleveland. But in 1930, just a year after the merger, the Plain Dealer reported that the Van Sweringen transit system was losing money.9 Within the year, the entire Van Sweringen empire collapsed, leaving the fate of Cleveland’s streetcar system hanging in the balance.

Rails and the Central Business District

Central business district real estate operators spent the decade trying to improve the transit system that served the downtown. The most enduring and least practical of these was the central business district subway scheme. The first subway franchise was granted in 1909. In 1916 voters approved a subway plan to connect Public Square with the Detroit-Superior Bridge, and city council approved final plans in 1917, but the project was shelved when America entered World War I. In 1919, immediately following the war, entrepreneur Charles A. Otis was appointed chairman of the Rapid Transit Commission, and it quickly acted to revive the downtown subway project. The fading Corporate Regime was divided on the commission’s recommendation and consequently on support for the bond issue needed to fund the project.10 The Chamber of Commerce endorsed the bond issue, but the Civic League, for so long a core organization in the Corporate Regime, broke ranks. It cited high interest rates, postwar shortages of labor and materials, and the free ride handed to the suburbs, which were not required to pay their fair share as reasons for its opposition, and the issue failed.11

The Otis Commission responded by allying itself with emerging realty interests to continue the fight. CREB, the Euclid Avenue Association, the Cleveland Association of Building Owners and Managers, and after 1926, City Manager William R. Hopkins all enlisted in the subway project cam-
campaign. Financing continued to be the sticking point. Early in the history of the project, realtors withheld support because the subway would be financed with public monies and because regime leaders were rightly skeptical about the retail traffic potential of the underground service. City Manager Hopkins, seeking a middle ground compromise, proposed a public–private partnership in which the streetcar companies and the taxpayers would share the development costs. The Euclid Avenue Association, addressing the retail traffic concern, made support contingent on a Euclid Avenue subway line heavily dotted with stations. Reformers remained opposed. Peter Witt and other municipal socialists supported the subway project in principle but made their endorsement contingent on public ownership.

The standoff was at last broken in 1928 when commercial realtor Raymond T. Cragin assumed the chairmanship of the subway commission. Cragin recast the subway proposal to make it more palatable to a broader coalition of groups. His idea was to build an underground skeleton linking downtown subways to the rapid transit system, with tunnels originating at Public Square to serve heavily trafficked stations at Union Terminal, Euclid and East 22nd Street, East 12th and Superior, Ontario-Central Market, and the Detroit-Superior High Level Bridge (now at last built). A failed bond levy in November of 1929 convinced Cragin that alternative sources of financing would have to be secured. To finance the scheme, a $30 million capital commitment from the Cleveland Railway Company was secured, the remainder to be raised from a one-cent surtax on fares. Real property owners applauded the proposal once they realized that the real estate tax would not contribute one cent of the cost. To temper the doubts of the municipal socialists, Cragin’s proposal would award ownership and operations to the Cleveland Railway Company for thirty-five years, after which the municipality would assume ownership and operational control. The Cleveland Real Estate Board and the Cleveland Builders Exchange endorsed the Cragin proposal straightaway. The fate of the subway project, however, was tied to the business fortunes of the Cleveland Railway Company, and when the Van Sweringens bought the company in 1929, the prospects for the downtown subway appeared bright. Just months later, though, the Van Sweringen empire crashed and with it the Cleveland Railway Company and the dream of a subway in downtown Cleveland.

Automobile Cleveland

The Great Crash of 1929 and the automobile spared Cleveland an investment of untold millions in an ill-conceived transit scheme for a central
business district that would soon enough forfeit many of its charms to suburban rivals. The automobile was the prime culprit in the decline of the central business district, and the Realty Regime was its principal advocate. Throughout the 1920s scores of levies for street construction, paving, and street widening appeared on city, suburban, and county ballots. The Realty Regime endorsed each and every one. Seldom did levies fail. 

Automobile registrations explained why. In the five-year interval between 1921 and 1926, automobile registrations increased from 91,000 to 210,000, an increment of 24,000 cars a year. “Then came the auto,” Stanley L. McMichael observed in 1928, “an element which in the past 10 years has done more to upset, disrupt and change customs, habits and real estate promotional work than any other single thing . . . in the history of cities.”

The Realty Regime anticipated the impending auto-induced revolution in city structure. Physically, no sector of the city went untouched. And none more so than the central business district. The central business district, already a mess, was snarled by competing modes of transportation. The tangle of trolleys, cars, buses, and even horses led McMichael to conclude in 1923 that “the solution will be found only in broader decentralization when downtown sections will be made up largely of banks, office buildings, hotels, restaurants, and a few small shops.” The “largest retail enterprises, such as department stores, specialty shops, etc., will move to the outlying business districts.” In McMichael’s crystal ball was the multinucleated urban region. The benefits, however, were unevenly distributed because Realty Regime transportation policy was indiscriminate. As noted above, the Realty Regime loved autos and supported all levies and bond issues for street and highway building. They also enthusiastically endorsed bus lines, street railways, rapid transits, subways, and interurbans. This eclectic transportation policy had the desired short-term effect of decentralizing the population and increasing suburban land values. From a peak in 1910, population densities in Cleveland steadily declined from 38 people per acre to a 1930 average of 18 people per acre as land values at the periphery of settlement rapidly rose.

If an unsystematic commuter transportation policy achieved urban decentralization, it had unwelcome consequences for the transportation industry. Even a population increase of 150,000 between 1920 and 1930 provided an insufficient base of ridership to support all modes of commuter transportation. In this market environment, if one form of commuter transportation succeeded, another must fail. As streets were paved and highways built, auto registrations and bus ridership increased while ridership on streetcars and the interurban fell precipitously. Streetcar and interurban companies edged toward insolvency.
Late in the decade, the Realty Regime realized that its transportation policy was out of control. The more judicious members of the regime called repeatedly for county, regional, state, or even federal highway planning commissions. These appeared too late to remedy the situation. Too engrossed in tabulating profits from suburban real estate deals, most realtors ignored the impending crisis in transportation. Commuter transportation was at a crossroads. Short-term preferences prevailed.

**THE BATTLE AGAINST LAND USE CONTROLS**

Corporate Regime urban growth policy was regulatory, grounded in a comprehensive set of land use controls, including real estate taxation, city planning, and zoning. The urban growth policy of the Realty Regime, by contrast, began as a laissez faire rebellion against land use controls but ended with acceptance of noncomprehensive, place-specific land use control mechanisms. The Realty Regime aimed to emasculate all forms of public and quasi-public land use control. When the tax reform battle was lost, the anti-land use control campaign was directed against the master planning, zoning, and regional planning policies of the deteriorating Corporate Regime. Planning and zoning threatened laissez faire urban growth, and regional planning threatened place-specific urban policy.

*City Planning*

When the real estate industry first seriously confronted the issue of land use controls (1910s), it came out in opposition because controls transformed a dynamic market in land into a static market. The short history of the real estate industry taught that profits were found in the dynamics of a changing urban structure. Land use controls froze the existing structure. The free play of the market in land created a natural, organic city plan with free-form zones of land use. But the boom and bust of real estate business cycles from 1917 through the 1920s also taught a contrasting lesson—that market behavior is not perfect. By the middle years of the decade, the more astute realtors took a new position on land use controls: A static market was desirable in the suburbs, and master planning and zoning offered protection against downside risks inherent in the business cycle and other forms of market irrationality; in the city core, where a dynamic market was still preferred, planning and zoning remained taboo.21

Cleveland’s park planning and City Beautiful Movements were the ini-
tial steps toward comprehensive land use controls. Municipal park planning in the 1890s and regional park planning in the World War I decade roused the opposition of suburban subdividers. In the 1890s the real estate industry was too embryonic to challenge the land use control peril posed by the municipal system of parks. But the 1917 plan for the Cleveland Metropolitan Park System, created by design consultant Frederick Law Olmsted, Jr. and civil servant William L. Stinchcomb, anticipated the opposition of a more highly organized real estate industry. In defense of the regional park scheme, the planners said that the park system would be constructed on land marginal to any purpose other than parks. They drew the potential critics’ attention to the positive business advantages of a park system. The residential value of land bordering the park system, Olmsted and Stinchcomb predicted, would sharply increase, claims seconded by three important real estate industry opinion makers: Stanley L. McMichael, Robert Bingham, and Amos Burt Thompson. When Louis A. Moses, a suburban subdivider, was appointed to the three-person regional park board, opposition was expected to evaporate.

The real estate industry rank and file were unimpressed with the promises of the planners, the assurances of industry spokesmen, and even with representation on the park board. The Board of Park Commissioners was sued repeatedly by real estate interests, and between 1922 and 1932 no less than four of these lawsuits reached the Ohio Supreme Court. These lawsuits challenged the land use control authority of the special purpose park district. The case which proved to be the landmark was \textit{State, ex. rel. Stanton v. Cleveland Metropolitan Park District Board of Commissioners}. The plaintiffs argued in this and subsequent cases that the Cuyahoga County Commissioners violated the state constitution by turning over state powers to an appointed board of park commissioners. The decision dealt the anti-land use control forces a solid defeat by upholding the constitutionality of the state enabling legislation that had created the park board.

The Realty Regime came away from this defeat sure in the knowledge that the court system would not be an ally in the battle against land use controls. Fifth column bureaucratic infighting and full scale legislative battles would prove more successful. The war of attrition against city planning and zoning was won on these fronts.

\textit{Challenging the City Beautiful}

The 1903 Group Plan was the next step after the failed battles of the nineties toward city planning and a broader agenda of land use controls.
The Group Plan met with very little opposition. Conceived by the Chamber of Commerce during the heyday of the Corporate Regime and with carefully orchestrated public support, the classical design of the civic center conjured up appealing public images of ancient Athens and Rome, the Columbian Exposition, and the unfolding revival of Washington, D.C. The Achilles’ heel of neoclassical design was that it symbolically scorned business. Neoclassical design celebrated order, balance, and harmony in civic buildings, theaters, arenas, and stadia, but shunned the grubby reality of trade.25

In 1903 it made little difference that architect Daniel Burnham’s classical civic center design ignored trade because, in an era of evolving city structure, no one knew where the central business district might settle or what functions it might or might not have. By 1917, when it was time to site the union terminal, these questions were answered. Cleveland’s circulation system now began and ended at Public Square, not the isolated lake end of the Mall where Burnham’s plan would locate the terminal. Modern retailing in the form of department stores and specialty shops, the seed of the circulation system, blossomed in the Public Square–Euclid corridor and fed on the pedestrian traffic alighting there. The marketing needs of the retail and real estate industries mandated a Public Square location for the union terminal and its two million annual passengers, precisely where the Van Sweringen brothers proposed to build their office building, hotel, and department store complex.26

Cleveland City Council, after six weeks of debate between pro–lake-front and pro–Public Square forces, passed an ordinance on October 23, 1918 changing the site to Public Square, but the ordinance, in response to the public controversy generated by the issue, also set a referendum election for January 6, 1919, a contest won handily by the pro–Public Square forces (a two-thirds margin).27 But the proposal also required the approval of the Interstate Commerce Commission, which held two hearings on the matter in 1921. At the first, Corporate Regime opponents of the Public Square site prevailed. But at a second hearing before the entire commission, the Realty Regime, champions of the Public Square site, won the day.28

Defining the City Efficient

The organizational ethos of the Corporate Regime ushered in a fight over another stage in city planning, the City Efficient’s ideal of comprehensive land use controls on a regional scale. Progress toward the realization of the City Efficient’s regional philosophy was a tortured process that reveals the
conflict between corporate and realty urban growth policy. Public officials in the 1910s found themselves caught in the middle of the policy conflict between a declining Corporate Regime and the emergent Realty Regime.

The debate over the limits of the City Efficient began in 1910 with a letter from State Representative Frederic C. Howe, intended to update the chamber’s Committee on Municipal Art and Architecture on House Bill #147, which granted cities the power to plat undeveloped land as many as three miles from the city limits. Howe believed that rational urban development on the European model could be achieved through the controlled use of land. He saw in the legislation an opportunity for Cleveland to lay plans for the suburban development of the forested heights area overlooking the city proper. Howe envisioned the county commissioners, township and village trustees, and Cleveland’s Board of Supervision uniting to draw an ambitious comprehensive regional plan. This legislation was followed in 1912 with new home rule charter reforms allowing municipalities to create city planning commissions.

The two legislative enactments, bolstered locally by the lofty planning ambitions of Howe and the Municipal Art and Architecture Committee of the Cleveland Chamber of Commerce, served mostly to muddy the waters of comprehensive city planning. The 1910 legislation implied that cities could plan for development outside their boundaries, while the 1912 legislation allowed for the creation of municipal planning commissions, bodies with jurisdiction limited to the municipality’s political boundaries. Moreover, the charge given to the planning commission was vaguely defined. Was the planning commission to operate in the City Beautiful tradition of aesthetics or was it to be a comprehensive planning body?

Throughout 1913 and 1914 the Municipal Art and Architecture Committee, supported by the local chapter of the American Institute of Architects, pressured Mayor Newton D. Baker to endorse a municipal ordinance creating a city planning commission, where, presumably, these conceptual imbalances could be righted. The Municipal Art and Architecture Committee badgered the mayor by insisting that the planning commissioners should be “men of the highest standing,” readily identifying them as Samuel L. Mather, Jeptha Wade, F. H. Goff, Z. Z. Norton, and Ambrose Swasey, members all of the Corporate Regime. Men of this quality could surely sort out exactly what a planning commission was.

In May of 1914 the city council passed an ordinance creating a city planning commission without defining what kind of planning it should undertake, but it was Mayor Baker, as it turned out, who defined the role of the City Planning Commission. In a testy appearance before the Munic-
ipal Art and Architecture Committee on August 5, 1914, and in an accom-
panying memorandum, Mayor Baker spelled out his approach to city plan-
ning and made clear that he would not appoint a City Planning
Commission until his definition of city planning was accepted. His appear-
ance accomplished three things: (1) it marked the transition from City
Beautiful to City Efficient planning; (2) it defined the geographical scope
of city planning; (3) it forced the Corporate Regime to recognize the pol-
icy making legitimacy of the municipal bureaucracy and emergent realty
interests.33 The mayor criticized City Beautiful planning because it was
impractical, expensive, and elitist. City Efficient planning, by contrast,
addressed the city as a functional core of land uses knit together by a cir-
culation system. But Baker rejected City Efficient planning on a regional
scale for political reasons. The citizens of Cleveland, he argued, deserved to
have their interests represented on a City Planning Commission, not
diluted either in membership or mission by suburban interests. Baker
would limit city planning geographically to the city of Cleveland and not
the County of Cuyahoga or the more expansive region within the bound-
daries of the metropolitan park district, jurisdictions advocated by the
chamber and The Plain Dealer.

Baker also argued that City Planning Commission membership should
not be narrowly limited to the Corporate Regime activists recommended
by the Chamber of Commerce, but should be broadened to include real
estate interests and key civil servants whose departments represented the
public interest and who eventually would be responsible for implementing
a city plan. When the Municipal Art and Architecture Committee reluc-
tantly agreed to the mayor's preconditions, Baker at last appointed four of
the men originally recommended by the Chamber, six City of Cleveland
department heads, and real estate developer Oris Paxon Van Sweringen.34

Shortly after Mayor Baker appointed the planning commission mem-
bers, the chamber changed the name of its Municipal Art and Architecture
Committee to the Committee on City Plan. The work of the Committee on
City Plan and the City Planning Commission briefly ran parallel. Both
approached City Efficient planning from the same textbook perspective
which assumed that city planning originated in a vision of an evolving cir-
culation system and concluded with a formal taxonomy of land uses and
regulations. But the chamber's Committee on City Plan soon divided over
its mission. Some members of the committee became lost in a sea of aes-
thetic minutiae which diverted it from its primary task of master planning.
The remainder were soon captive of a new fad in land use regulation,
zoning.35
Zoning

New York City passed the nation’s first citywide zoning ordinance in 1916 to control the spread of nuisance land uses, namely, the spread of Chinese laundries into high-grade retail districts. But in the process New York’s city fathers discovered that a comprehensive zone plan categorized existing land uses into a serviceable taxonomy of land use controls. It is not an exaggeration to say that the zoned land use concept swept the country like wildfire. Scores of cities between 1916 and 1920 enacted zoning ordinances. So too did several Cleveland suburbs, but not the city itself. Zoning in Cleveland fell hostage to both a conceptual misunderstanding and to a power struggle between the decaying Corporate Regime and the emerging Realty Regime. Corporate Regime members of the chamber’s City Plan Committee confused zoning with city planning. The Realty Regime itself temporarily divided between one faction opposed to all forms of land use control and another favoring planning and zoning in this order of precedence. Both factions agreed on the tactical wisdom of stalling zoning in Cleveland.

The Realty Regime, gaining ascendency in policy making, held off zoning in Cleveland from 1919, when the state legislature first considered zoning enabling legislation, until 1929, when the Cleveland City Council at last enacted a zoning ordinance. By this time fourteen of Cleveland’s suburbs had enacted zoning ordinances, and the balkanized institutional base for place-specific urban growth was in place. A place-specific urban growth policy was made possible by the Ambler court decision in 1926.

Village of Euclid vs. Ambler Realty

In 1923 the Ambler Realty Company brought suit against a zoning ordinance enacted by the Village of Euclid. The Village of Euclid, a largely undeveloped suburb, bordered Cleveland’s east shoreline industrial corridor. The question was posed: Would Euclid develop industrially like the neighboring district of Cleveland or would it follow the pattern of existing suburbs and develop as a residential area? Rather than wait for a free market decision, the Village of Euclid in 1922 chose to legislate an orderly spatial outcome. The zoning ordinance adopted by the Village of Euclid recognized six categories of land use: (U-1) single family residential, (U-2) two family residential, (U-3) multiple family residential, (U-4) commercial and retail, (U-5) warehouses and light manufacturing, and (U-6) heavy manufacturing and penal institutions. The zoning ordinance was cumula-
tive. Uses permitted in U-1, for example, were allowed in any of the other zones. Conversely, a use permitted in U-4—an office building in this instance—would not be permitted in U-3, U-2, or U-1.\footnote{41}

The Ambler Realty Company owned sixty-eight vacant acres in the Village of Euclid zoned under the new ordinance as U-2, U-3, and U-6. The bulk of the tract was zoned U-2 and U-3 and therefore could not be developed for industrial purposes. Because the acreage owned by the company was in the path of the industrial corridor, Ambler wagered that this vacant land would develop industrially. Gross revenue considerations fanned the desire. The market value of industrial land (U-6) was $10,000 an acre, in contrast to residential land (U-1, U-2, U-3) which was valued at $2,500 an acre. Ambler’s tract had a potential residential value of $170,000, in contrast to a projected industrial value of $680,000. The Ambler Realty Company, driven by these “bird in the bush” computations, complained to the village government that the zoning ordinance not only crippled the company with a loss of $510,000 in potential gross revenues but also deprived the company of the right to use its property as it saw fit, an elemental American liberty protected by the Fourteenth Amendment.\footnote{42}

The Village of Euclid reminded Ambler that the Fourteenth Amendment contained a “due process” clause that reined in absolute claims to property rights. The zoning ordinance created a zoning appeals board, which the Village contended was the due process mechanism. Thus thwarted, the Ambler Realty Company brought suit against the Village of Euclid.\footnote{43}

\textit{Village of Euclid v. Ambler Realty Company} had a tortured legal history. Although the U.S. Supreme Court ultimately handed down a landmark ruling on behalf of the Village, both the Ohio Supreme Court and the Cleveland Federal District Court earlier decided in favor of Ambler.\footnote{44} In both of these courts, the Village’s case rested on a narrow definition of property and a broad definition of the police powers of government.\footnote{45} The Village claimed that zoning protected the public welfare, in this specific instance from nuisance land uses. Property, however, was narrowly defined. The Village contended that so long as Ambler retained the title to its property and had not been physically deprived of it, no invasion of property rights had taken place.

The Ohio court replied in a decision laced with savory ironies. The state court observed that the Village’s case rested “on a mistaken view of what is property and of what is police power. There can be no conception of property aside from its control and use, and upon its use depends its value,” the court said.\footnote{46} Euclidean zoning deprived property owners of control, use, and value.
This was certainly the kind of broad definition of property that hard-liners in the Realty Regime were seeking. Although served up in a surly manner, there were also morsels for the moderate gatekeeping faction of the Realty Regime to savor. “In the last analysis,” the court complained, “the result to be accomplished [by zoning] is to classify the population and segregate them according to their income and status in life.”

The United States Supreme Court reversed the earlier decisions. Written by Mr. Justice Sutherland, the majority opinion emphasized that the police power of government was a beneficial force. The zoning ordinance was seen by the court as an attempt to use police powers to regulate nuisance land uses in the general interest of the public. This regulation was, in the court’s view, within the boundaries of the government’s police powers, “a valid exercise of authority,” concluded Justice Southerland. In reaching this conclusion, the Justice observed that since Ambler had not sold any land in the sixty-eight-acre tract for any purpose, the company had not made a case for loss of property. Significantly, the use of planning and zoning as land use controls and tools of social management was ignored by the court. So too was the relationship between planning and zoning. Village of Euclid v. Ambler Realty sanctioned zoning as a police power of government but would leave “other provisions to be dealt with as cases arise directly involving them.” The Ambler decision gave a free hand to suburban gatekeepers who wanted to legislate economic and social outcomes in urban space. The Ambler decision provided an institutional basis for the place-specific urban growth policy of the Realty Regime.

A price was paid by city planning advocates on both realty and corporate sides of the zoning issue. After Ambler, city planning would be confused with zoning to the detriment of the former. Virtually all municipalities in Cuyahoga County would enact zoning ordinances long before city plans were drawn. The Ambler decision trumped the regional planning and regional land use controls of the Corporate Regime. Regional planning and zoning were now impossible.

CONCLUSION

The urban growth policy of the Realty Regime greatly altered the regional geography. Railways, interurbans, streetcars, rapid transits, street and utility extensions, highways, and bridges paved the way for the exodus of population from Cleveland to suburban Cuyahoga County. This massive public investment in infrastructure improvements led Cleveland out of the stagflation crisis of 1917–1919 and into the building boom–led economic
upturn of the 1920s. Infrastructure investment was only the threshold of Realty Regime urban growth policy. Transportation linkages would create the dynamic market in central business district and suburban real estate that the regime sought. The land use controls of the old regime—city planning and zoning—threatened a potentially dynamic market in land with stasis. The fight against land use controls propelled disparate real estate interests into a powerful policy making regime. The anti-land use crusade, however, had an unintended outcome. The crusaders themselves converted to the religion of the infidels. Beginning tentatively in the suburbs and reaching a crescendo after the 1926 Ambler decision, the Realty Regime embraced city planning and zoning—zoning more zealously than planning—because liberally defined nuisance factors were more critical to business success than free market dynamism in urban land. As Realty Regime members became suburban mayors, city councilmen, and school board members, it also became apparent that it was from these home ruled independent villages and municipalities that place-specific distributive and redistributive policies could be set.