

Gaining Gateway Center: Eminent Domain, Redevelopment, and Resistance

by Rachel Balliet Colker

PITTSBURGH'S GATEWAY Center, a 23-acre private commercial development adjacent to Point State Park, was a key component of Pittsburgh's urban redevelopment of the 1950s known as Renaissance I. Gateway Center targeted part of the 59-acre site in the apex of the city's downtown district. This unprecedented plan later became recognized as one of the great U.S. urban redevelopment successes, serving as a model for other cities. The Point Park Project, however, was not seen by all as a step toward civic improvement. For many who lost a business, an investment, or a home, urban redevelopment was seen as destructive, impractical, and unconstitutional.

To accomplish the goals set forth by Renaissance I, local and state officials relied on the right of eminent domain to acquire the privately owned property designated for this public-minded project. The right of eminent domain, whereby a governing body can seize privately owned property for public use, was used effectively during the late nineteenth century (though not without controversy) by federal authorities for railroad construction as the nation's rail network expanded westward through settled territory. After World War II, as many cities searched for a way to improve their urban centers, eminent domain was a means to achieve a "clean slate" from which cities could be rebuilt.¹

There were inherent problems in the use of such a powerful legislative device. Land acquisition and demolition began in the spring of 1950, setting off a debate in the media about the proper use of eminent domain; conflict arose when a small group of people who lived or worked

One of the businesses displaced by Renaissance I was the Association for the Improvement of the Poor at 428 Duquesne Way. The charity served close to 500 indigent men. Those who could afford it paid 25 cents for a bed; those who did not have a quarter stayed for free. The city's controversial use of eminent domain cleared 59 acres alone for Gateway Center.

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in a four-block area of Pittsburgh's downtown resisted efforts to condemn their property for the redevelopment. Newspaper articles documented several emotionally charged episodes, as well as the court cases that followed.² This article revisits those events and the media coverage surrounding them, but is not intended as an inclusive account of Renaissance I, a redevelopment process which unfolded over some 15 years and which has been broadly analyzed elsewhere.³

The explosive sentiments surrounding the city's use of eminent domain was made clear in 1993, when the Historical Society of Western Pennsylvania received a collection of records from Ralph Demmler, an associate of Reed Smith Shaw & McClay. The collection documents the property negotiations, land acquisitions, and the demolition that preceded construction of Gateway Center. These records include blueprints, detailed mechanical notes, and numerous photographs of each building

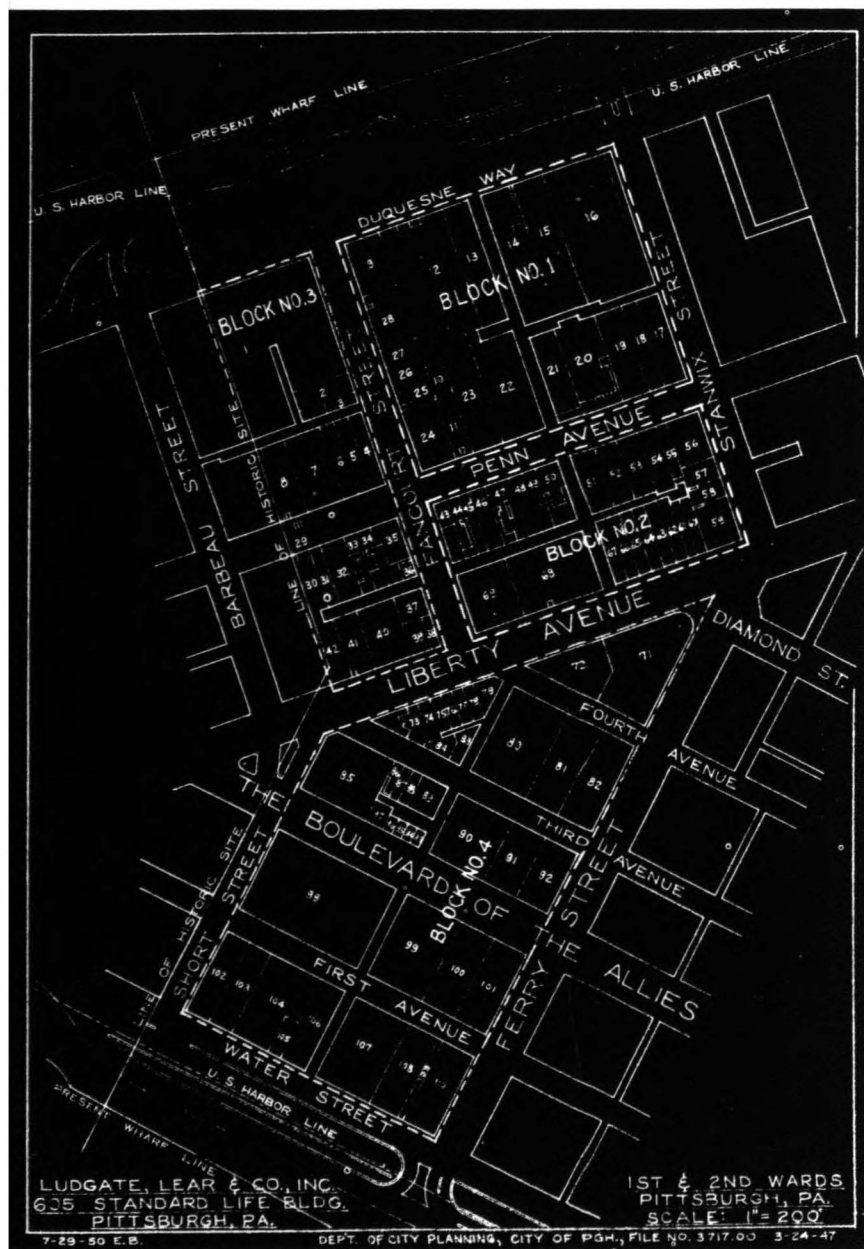
slated for demolition. The collection also includes profiles of several of the property owners, documenting their reactions, degree of cooperation, and general attitude toward what proved to be one of the most controversial chapters of Pittsburgh's redevelopment story.

In October 1945, Pennsylvania Governor Ed Martin approved a comprehensive redevelopment proposal for Pittsburgh submitted by the Pittsburgh Regional Planning Association and the newly organized Allegheny Conference on Community Development, a corporate leadership group led by Richard King Mellon and dedicated to civic improvement.⁴ The Point Park Project was divided into two parts. The state was to direct the Point Park project, while private investors were to construct and run Gateway Center. Both plans required all existing buildings on the site to be cleared, so city officials utilized the Pennsylvania Urban Redevelopment Act passed by the state Senate four months earlier. The act gave local municipalities the power of eminent domain over any area determined "blighted" so long as that area was redeveloped for public use.⁵

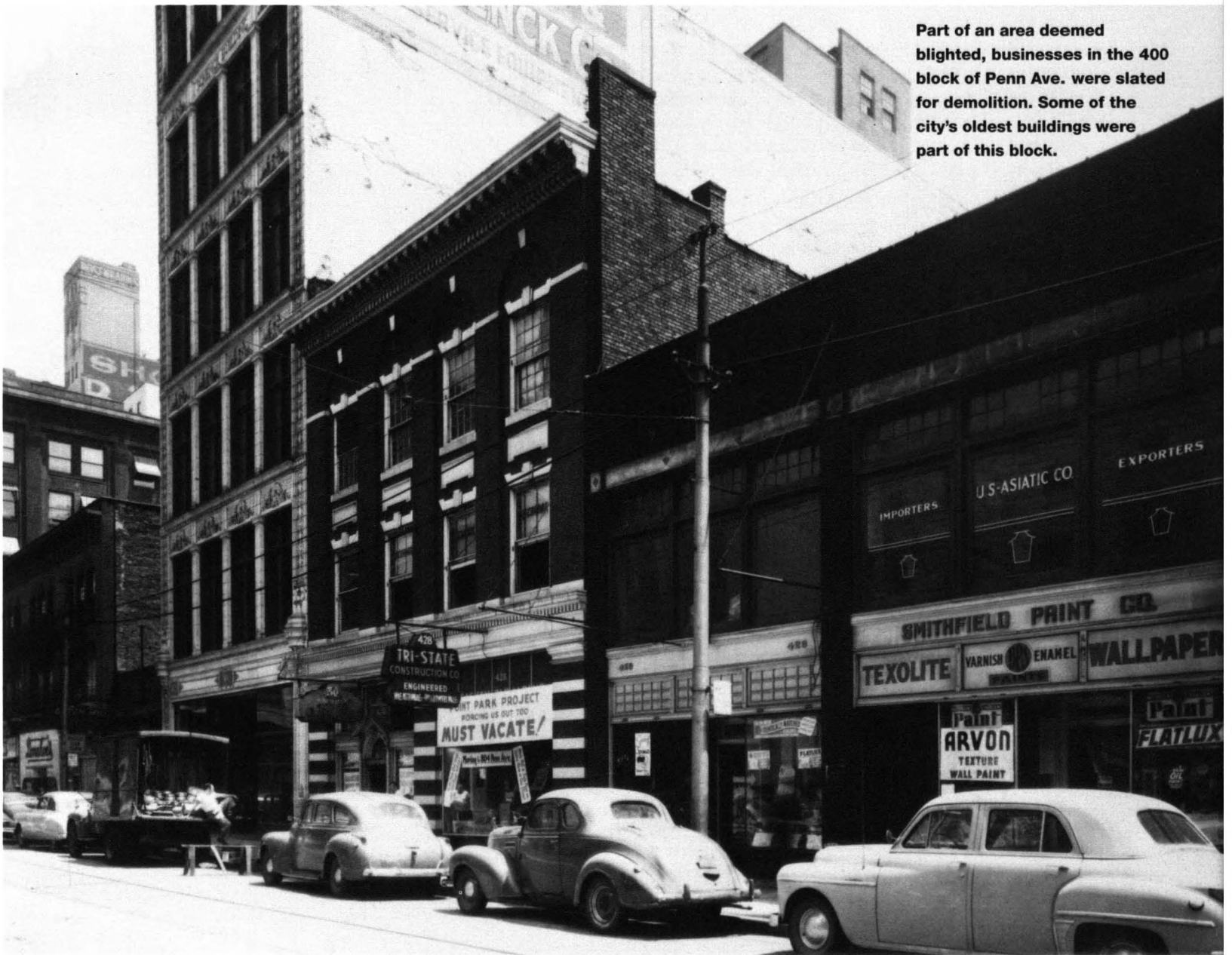
For many years, the 36 acres intended for Point State Park had been a residential neighborhood, but by 1950, warehouses and rail tracks owned principally by the Pittsburgh and West Virginia Railroad had replaced homes. The city owned some of the remaining buildings in the area, including what was left of Exposition Hall, which had not held an exhibit since 1919 and was used as the city's impoundment garage.⁶ The development of the park included an extensive archeological survey, partial reconstruction of Fort Pitt and Fort Duquesne, and a major restructuring of the streetcar routes, roadways, and bridges serving the area.⁷

The Point Park Project and the required demolition of buildings met little resistance at first. However, the adjacent 23-acre Gateway Center site designated for commercial development had a much different composition. Office buildings, boarding houses, social clubs, hotels and restaurants covered approximately four city blocks. Over 90 buildings, some estimated to be a century old and others only 25 years old, stood on land picked for Gateway Center's three office buildings and a plaza. The congested urban area had some dilapidated and abandoned structures, but many buildings housed thriving businesses and professional office space.⁸

The Allegheny Conference on Community Development appointed its own Point Park Committee to help secure a plan and a primary investor for Gateway Center.⁹ In 1947, the Equitable Life Assurance Society of New York entered negotiations for the estimated \$50 million project. Equitable hinged its participation primarily on stipulations that the city rigorously enforce new anti-smoke ordinances and that the Conemaugh Dam be completed to eliminate flooding on the Allegheny River. Also in question was the legality of certain aspects of Equitable's investment in the project, but the Pennsylvania Supreme Court agreed to consider the matter during the early stages of planning. The court's ruling cleared the way for the insurance company's involvement. Preliminary contracts were signed and all components were set in place to begin the conversion of a "commercial slum" into a modern corporate development.¹⁰



Part of an area deemed blighted, businesses in the 400 block of Penn Ave. were slated for demolition. Some of the city's oldest buildings were part of this block.

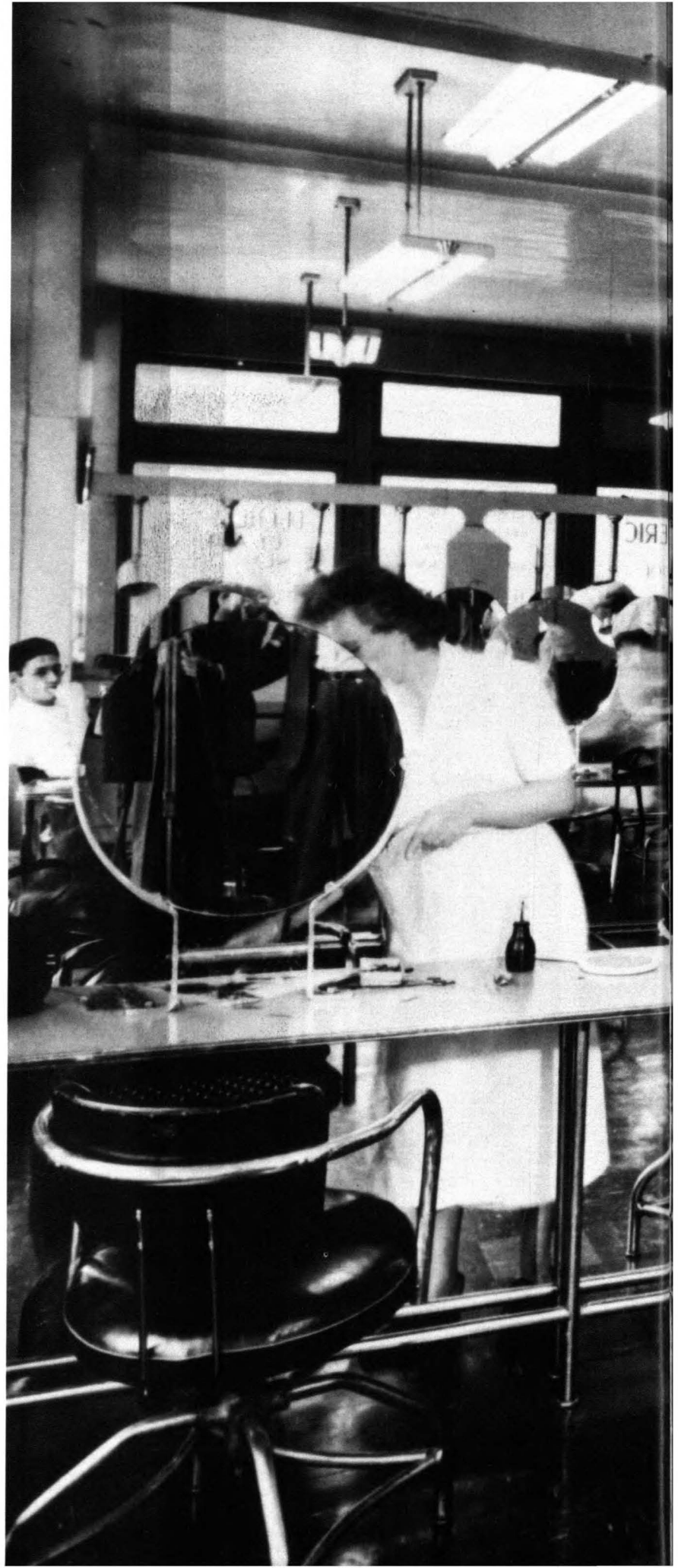


After Equitable's \$50 million commitment to the project was assured came the arduous task of acquiring all the necessary property, which was divided among over 100 property owners. The acquisition of private property through eminent domain was a complex legal process, regardless of the power given to the city by the Urban Redevelopment Act of 1945.¹¹ The Allegheny Conference and its Point Park Committee approached Mayor David L. Lawrence for assistance. The conference suggested that an Urban Redevelopment Authority (URA) be established to handle all negotiations between property owners and Equitable. If property owners refused to accept the redevelopment authority's terms, then the URA would follow procedures of eviction and condemnation allowed by eminent domain.¹²

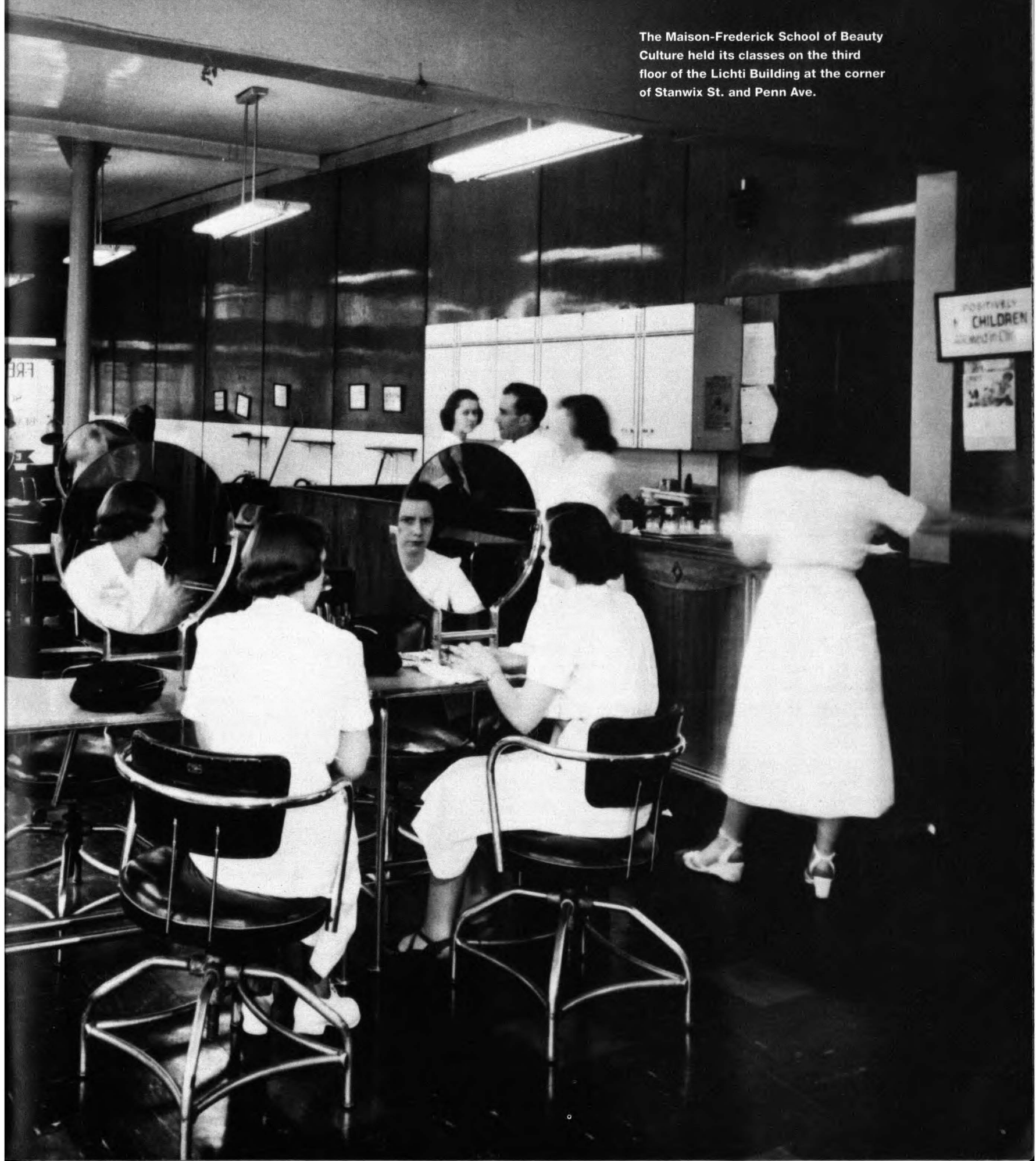
The URA had to first prove that property within the intended redevelopment area was blighted and that each property owner would be compensated fairly. The URA then had to prove that while the 23-acre site was being acquired for a private developer, it ultimately served a public use, a requirement of the 1945 redevelopment law. The URA claimed that "eradication and renewal of a privately-owned blighted area was a public need, because it was important to the health, safety, and welfare of the community as a whole. Therefore such eradication and renewal were an actual public use, and thus the act was legal."¹³ Despite the complexity of large-scale land acquisition and the transfer of ownership to Equitable, benefits to city government were tremendous. Allowing corporate investors to create a high-rent commercial area meant that the city could count on a steadily increasing flow of tax revenue.

Before property acquisition began and a final contract was signed by Equitable, the URA wanted to be certain that renewal plans under the redevelopment act would hold up in court. In December 1949, a "friendly" lawsuit was devised to test the case. The Pennsylvania Supreme Court was asked by the city, Equitable, and the URA to hear a request by property owner Albert W. Schenk to restrict the URA's power of eminent domain.¹⁴ In a newspaper article published before the trial, the *Pittsburgh Post-Gazette* outlined the issues before the court: "1) Whether office building construction adjacent to the Point Park involves actual public use, 2) Whether urban redevelopment, already approved by the court, properly includes commercial redevelopment of a whole area, [and] 3) Whether commercial redevelopment is constitutional."¹⁵ Schenk's attorney argued that the Redevelopment Act was primarily intended to create new housing, and was not for such large-scale commercial projects.

The case was heard almost immediately. On January 11, 1950, the Supreme Court ruled in favor of the URA and Equitable Life.¹⁶ After examining the commercial, as opposed to public use aspect of the development, and the designation of the intended area as blighted, the court stated that "no feature of this redevelopment project" violated the intent of the urban redevelopment law.¹⁷ Schenk planned no appeal, although he did contend that, "The mere fact the City Planning Commission has certified the tract as a blighted area does not conclusively establish that the redevelopment is for public use."¹⁸



The Maison-Frederick School of Beauty Culture held its classes on the third floor of the Lichti Building at the corner of Stanwix St. and Penn Ave.



Here's A Pittsburgh Example Of How You Can Throw A Going Business Into The Street

Learn How To Get Rid Of Your Business Competitors

READ THIS CAN THEY

When the plans for Gateway Center are put into effect, the view of the city from the top of the hill will be lost. The view of the city from the top of the hill will be lost. The view of the city from the top of the hill will be lost.

OF COURSE, IF YOU DON'T GET IN THE WAY, YOU DON'T GET IN THE WAY.

Not everybody goes, only those who might keep high priced cars from getting on the street. The Professional Building, for example, is one of the highest priced per square foot modern buildings in town and it is being removed. The old Spalding Building will be a little bit, so does it remain. The old Spalding Building will be a little bit, so does it remain. The old Spalding Building will be a little bit, so does it remain.

IF YOU WANT TO DO THIS TO YOUR COMPETITORS, IT'S BEST TO CLOUD THE ISSUE WITH HIGH SOUNDING PHRASES.

Property Owners & Tenants Protective Committee
 Director: Andrew L. Gamble
 Director: L. Rudski
 418 Penn Avenue

A week before the Supreme Court hearing, more than 100 property owners and tenants who would be displaced by the project gathered at a special session of City Council. Many protested that although Gateway Center was intended to improve conditions within the urban district, the plan overlooked more valuable aspects of the community. The president of the Congress of Women's Clubs, located at 408 Penn Avenue in a building designated for demolition, testified: "We've heard lots about greenery, but not a word about women. We've been at 408 Penn Avenue for 26 years, yet your plans make no place for a most essential factor, women and their welfare work."¹⁹ Some property owners suggested to council that they be given the option to improve their properties themselves. Others felt that at the very least, the 400 block of Penn Avenue should be spared because it contained some of the oldest structures in the city. This section of Penn Avenue was also the location of the elegant Mayfair Hotel. Built as the Lincoln Hotel in 1895, it had the only roof-top restaurant in the city, as well as a popular basement lounge, the Bradford Grille.

The Supreme Court decision one week later helped to sway many members of council in favor of the project. Meanwhile, protesters became more adamant. Andrew L. Gamble, owner of a building at 416-418 Penn Avenue, garnered the support of others whose businesses and investments would be jeopardized, and organized the Property Owners and Tenants Protective Committee. The committee favored the Point Park aspect of the project, which covered an area that was agreeably blighted, but it was determined to reverse the Supreme Court decision regarding Gateway Center. The committee argued that the site intended for Gateway Center was similar to other parts of the city which were not being labeled as blighted. Quite simply, it seemed unfair.²⁰

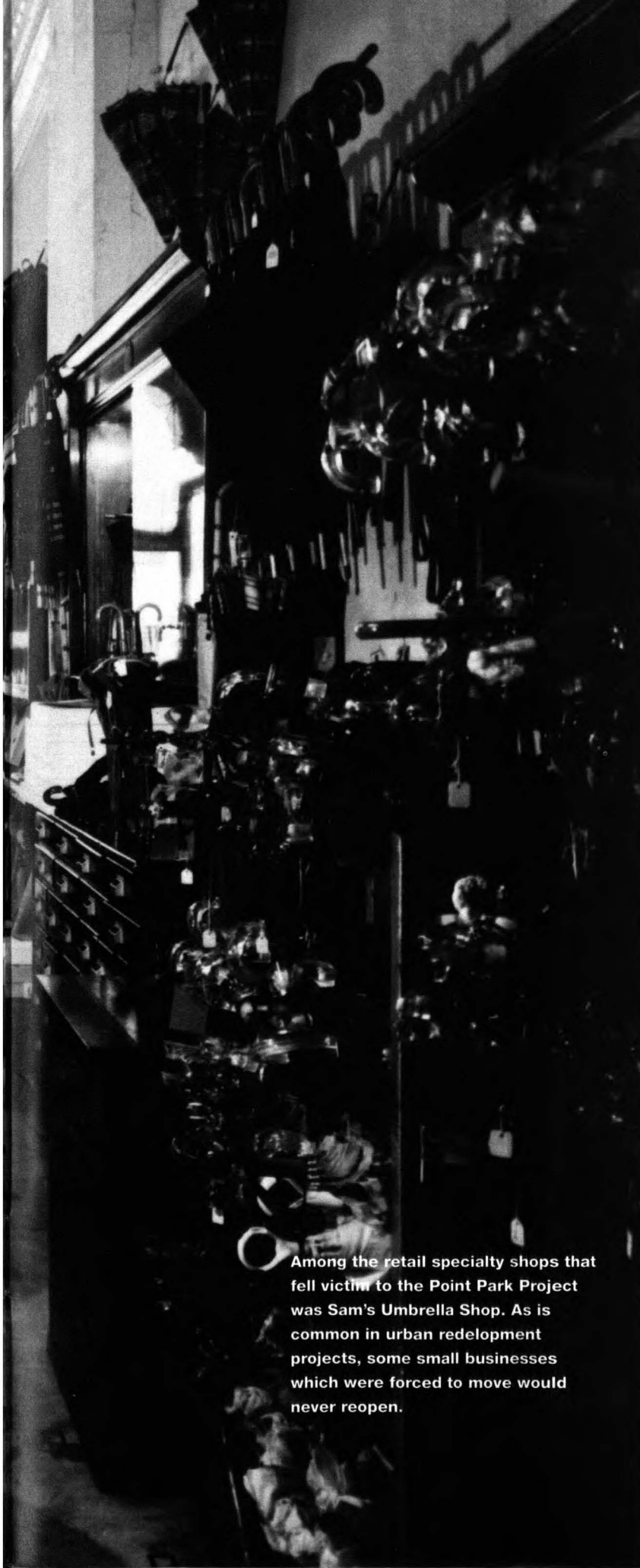
As the URA began buying land and planning the demolition, members of Gamble's committee held out. In April 1950, two months before the first phase of demolition was to begin, Gamble



The Penguin Advertising Co.
was one of several printing and
publishing firms in the Crafts
Building at 401 Penn Ave.







Among the retail specialty shops that fell victim to the Point Park Project was Sam's Umbrella Shop. As is common in urban redevelopment projects, some small businesses which were forced to move would never reopen.

and about 20 others filed suits, in federal and the state courts, arguing that the state Supreme Court's decision should be reconsidered. Both courts upheld the previous decision.²¹ Nonetheless, the plaintiffs were determined to prove that the condemned area was not blighted and that seizing private property for the purpose of transfer to another private owner was unconstitutional. One month later, Gamble and others filed an appeal with the U.S. Supreme Court.²²

On May 8, 1950, the Property Owners and Tenants Protective Committee placed a full page announcement in the *Pittsburgh Post-Gazette* under the headline "Here's A Pittsburgh Example of How You Can Throw a Going Business Into The Street." The announcement criticized the powers of big business over rights of the property owners and spoke for those who felt their rights were being violated. It concluded, "These stupid little people are going to carry their fight all the way to the Supreme Court of the United States. Better hold up your plans, brother. Maybe they'll do better there."

Despite these efforts, the majority of property owners did comply with the URA and did accept their damage settlements. However, experiencing the loss of buildings — essentially the whole neighborhood — was still difficult. A reporter for the now defunct *Pittsburgh Sun-Telegraph* wrote that "men have built up businesses there. People have lived and worked quite a while in some of those places.... The Lower Triangle is a neighborhood in a way that isn't found in any other part of the downtown."²³

Popular landmarks like the Mayfair Hotel or the Wabash Terminal, which burned during the early planning of the Point Park Project, were to disappear. Ruth Stone had begun working at the Mayfair in 1926: "It's been a picturesque life and I've met some wonderful people. Why, I read parts of Harry K. Thaw's book, *The Traitor*, when he was still in the midst of writing it. Mae West sends me a Christmas card every year.... It's killing me to break this up."²⁴

Small businesses such as the United Cigar Shop, the Nixon Cafe, and the Greenmill Restaurant would close for business permanently while larger businesses such as Commonwealth Heating and Sleep-Well Manufacturing would have to relocate and incur the cost of setting up business in new locations. August Wunderly, owner of Wunderly Galleries at 422 Penn Avenue, noted the irony of his situation: "Our idea of coming down here was the fact that this area had a future — there was going to be a park built, and the government was spending millions to build dams to eliminate the flood hazard."²⁵

Despite the pending U.S. Supreme Court hearing, plans for demolition and redevelopment pressed on. It was an astonishing risk, but the URA began demolition of already acquired properties even though there was the possibility that the state supreme court's decision might be reversed. The URA conducted a detailed survey of each building scheduled for the first phase of demolition. The survey included precise mechanical and construction notes, blueprints, and photographs. These surveys would serve as a record if the court's decision found the URA's actions unconstitutional, requiring that each razed building be reconstructed. Walter Giesey, Mayor Lawrence's assistant, years later remarked

that the Pennsylvania redevelopment law had not vaulted its last constitutional hurdle until the land for "Gateway Center was halfway cleared. I don't know what would have happened.... How were they ever to put those buildings back up? It could not be done. Well, those were the risks they took."²⁶ In the end, the issue wound up back before a federal judge, who dismissed the case in October 1950, by which time nearly half the condemned buildings had been demolished.²⁷

Since its inception, the Point Park Project has generally been lauded for its scope and effectiveness in the transformation of Pittsburgh's downtown. In subsequent years, as strategies for urban renewal continued in Pittsburgh and throughout the country, so too did the conflict between civic planners using eminent domain procedures and those being displaced. Urban analysts and historians studying Pittsburgh and other cities have focused broadly on these turbulent early years in "civic improvement," but this article's purpose was to review the local debate about eminent domain and the defiance voiced by the people displaced.

In retrospect, few would argue that the overall plan was not a success. The large-scale urban renewal experiment succeeded in revising the perception of Pittsburgh as a smoky, dirty city. The development of Point State Park as an historic site and the building of the modern, commercial Gateway Center provide a conceptual balance between the old and the new. What is sometimes forgotten, when looking out over the now famous Golden Triangle, is that which existed in between. ❁

Notes

- ¹ See Julius L. Sackman, *Nichols' The Law of Eminent Domain* (New York, 1964).
² For an outline of the legal proceedings during the first year of the development of

- Gateway Center, see Ralph M. Demmler, *The First Century of an Institution: Reed Smith Shaw & McClay* (Pittsburgh: self-published, 1977).
³ For more information on Renaissance I, see Robert C. Alberts, *The Shaping of the Point: Pittsburgh's Renaissance Park* (Pittsburgh, 1980); Rob Lubove, *Twentieth Century Pittsburgh: Government, Business, and Environmental Change* (New York, 1969); Michael P. Weber, *Don't Call Me Boss, David L. Lawrence: Pittsburgh's Renaissance Mayor* (Pittsburgh, 1988). For more on the comparative changes in urban redevelopment policy throughout the country, see Jon C. Teaford, *The Rough Road to Renaissance: Urban Revitalization in America, 1940-1985* (Baltimore, 1990) and Robert C. Weaver, *Dilemmas of Urban America* (Cambridge, 1965).
⁴ Robert C. Alberts, *The Shaping of the Point: Pittsburgh's Renaissance Park* (Pittsburgh, 1980), 65-68.
⁵ See Alberts, 98-107.
⁶ Pittsburgh Press, Nov. 10, 1963.
⁷ See Alberts, 79-90.
⁸ Detailed notes of each designated building are included in the Gateway Center Records, Library and Archives Division, Historical Society of Western Pennsylvania, Pittsburgh.
⁹ Alberts, 84-85.
¹⁰ Pittsburgh Post-Gazette, Jan. 3, 1948.
¹¹ See Ralph M. Demmler, *The First Century of an Institution: Reed Smith Shaw & McClay* (Pittsburgh, 1977).
¹² Alberts, 87.
¹³ Ibid, 101.
¹⁴ Demmler, 167, and Pittsburgh Press, Dec. 13, 1949.
¹⁵ Pittsburgh Post-Gazette, Jan. 6, 1950.
¹⁶ Pittsburgh Post-Gazette, Jan. 12, 1950.
¹⁷ Ibid.
¹⁸ Ibid.
¹⁹ Pittsburgh Post-Gazette, Jan. 4, 1950.
²⁰ Pittsburgh Post-Gazette, May 8, 1950.
²¹ Alberts, 106.
²² Pittsburgh Post-Gazette, May 25, 1950.
²³ Pittsburgh Sun-Telegraph, April 2, 1950.
²⁴ Ibid.
²⁵ Pittsburgh Sun-Telegraph, May 7, 1950.
²⁶ Alberts, 107.
²⁷ Alberts, 106.

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