

Baltimore has nevertheless rekindled its spirit and created a distinctive international image for itself through a systematic, entrepreneurial and beautiful makeover of its old Inner Harbor – where the still-important Port of Baltimore had its beginnings in the early 1700s.

During the Second World War, Baltimore's shipyards and steel mills made the city a key component in America's Arsenal of Democracy, but after the war it receded into anonymity as a self-contained industrial satellite of Washington, DC. The people withdrew into an ingrown cocoon with a small-town character that was nurtured by the pleasant life on the shores of Chesapeake Bay, but suffered from a collective inferiority complex when exposed to the outside world. This state of withdrawal was rudely shattered in 1953, when a respected private economic watchdog commission reported that the flight to the suburbs was causing property values in the central city to shrink at the rate of 10 percent a year, and municipal bankruptcy was foreseen within ten years if something was not done to reverse the trend.

Something was done, in the form of the Charles Center–Inner Harbor Redevelopment Program, created by one of the first generic public–private partnerships of the post-industrial age in the US. The results were eye-opening. Between 1960 and 1995 more than a hundred large and small development projects were completed, ranging from museum-quality sculpture to 35-story corporate headquarters buildings.

In all, over 12 million square feet of floor area has been constructed (more than three times what was considered achievable when the Master Plan was announced), upwards of \$3 billion has been invested in public, private and non-profit construction, and property values in the key blocks at the Inner Harbor's focal point have increased by as much as 600 percent. More than 15,000 jobs were created or attracted by the revitalization program, and Moody's bond service had increased the city's rating from A to A-1 by the halfway mark in 1977.

Even more dramatically, a critical mass of attractions clustered around the Inner Harbor created a new tourism industry where none had existed before. Fourteen million annual local visits are now swelled by 6.5 million tourists who spent almost \$3 billion in the city in 1999. When the Hyatt Regency Hotel opened in the early 1980s – the first of twelve hotels bringing 3,500 new rooms to the Inner Harbor – it quickly became the most successful property in the Hyatt chain.

The transformation was hard-earned. More than 1,000 properties had to be acquired for redevelopment, and 730 businesses were relocated – more than 90 percent of them in the city limits. But in the end, 75 percent of the new investment came from the private sector, and the quasi-public management process, or "delivery system," cost the taxpayers less than 3 percent of the public capital invested in the program.

The world has taken notice. The Inner Harbor redevelopment program has received more than forty national or international awards for planning, design and implementation. Baltimore was named one of the top ten growth markets in the US by *Advertising Age* magazine, selected as an All-American City by the National Municipal League, and singled out as the city with the best urban revitalization program by the International Federation for Housing and Planning. An institute award from the