

3-1967

Factors Influencing the Development of Omaha

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FACTORS INFLUENCING THE DEVELOPMENT OF OMAHA

Lawrence A. Danton, Ph.D.

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from

Omaha Urban Area Research Project

L. A. Danton

Director

University of Omaha

March 1967

FOREWORD

The business leaders of Omaha who comprise the Economic Development Council of the Omaha Chamber of Commerce recognize the contribution socio-economic research can make to the healthy development of a community. The Council has underwritten the establishment of a research unit at the University of Omaha by providing an initial operating grant of \$106,000.00 to cover the first two years of operation of the research unit.

The primary aim of the research unit is to undertake a study of the economic base of the Omaha Standard Metropolitan Statistical Area (Omaha SMSA). With the data gathered in this study the research unit proposes to develop a series of long-term growth projections and to consider the economic, geographic, social, and political implications of the projected growth. It is expected that these findings will prove to be of value to many facets of long term planning in the community and will assist in overcoming problems that can be anticipated if the projected growth is realized. The study is unique in its extensive utilization of this interdisciplinary approach. In the initial phase of its operation the study is under the direction of Dr. Lawrence Danton, Associate Professor of Economics at the University of Omaha.

One of the first steps taken by the research unit has been to gather all known studies, reports, theses, etc. dealing with any part of the Omaha SMSA into a file in the research unit offices. The major emphasis of the following report is an analysis and summary of the dominant factors which have influenced the composition and form of

development in the Omaha SMSA. This material and data has been derived from these assembled studies of other organizations.

The value in a report of this nature is that it allows one to become familiar with the present situation of the city by reading a short analysis which combines and summarizes other research. It also helps those carrying out the research to eliminate any unnecessary duplication, and enables the researchers to focus on the areas of study found to be important.

Grateful acknowledgment is made to John Wilhelm and Don Ecklund for their valuable assistance in preparation of this report.

L. A. Danton

March 1, 1967

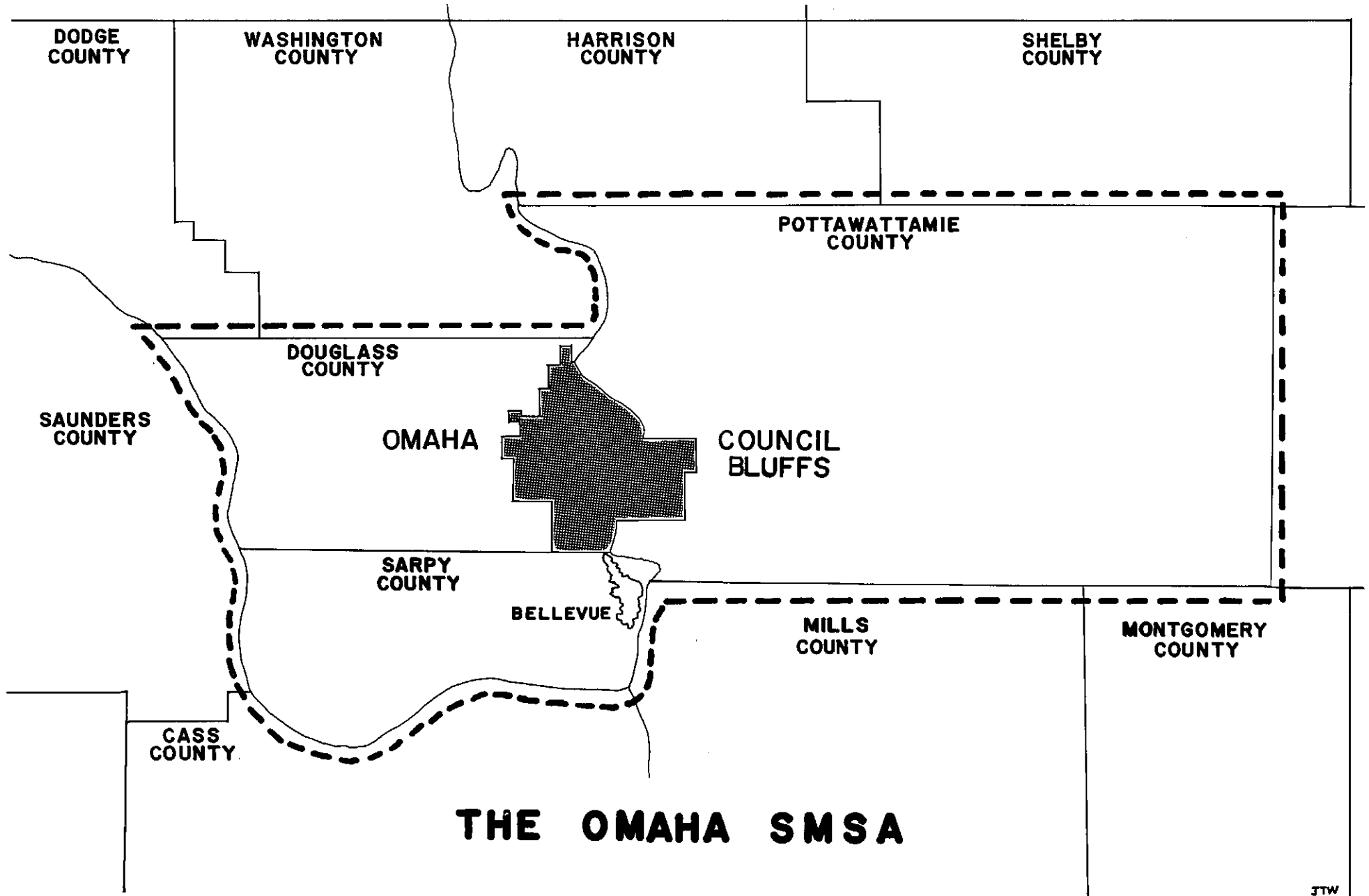
Note page 30 for a list of the sources of this material.

INTRODUCTION

This report is a short overview of the dominant factors which have influenced the development of the Omaha Standard Metropolitan Statistical Area (SMSA) in the past and will, no doubt, continue to influence the Omaha SMSA for many decades. The primary emphasis is on the tangible aspects involved in the city's development. Included among these is a consideration of the geographic variables from the standpoint of physical and human resources. These were the primary determinants in the early development of Omaha and will continue to play a major part in the future of the city. Another area of inquiry deals with the numerous economic variables which have influenced Omaha. The social variables discussed focus on the structure of community organization, both private and public, in the Omaha SMSA. The final section of this report consists of a summary of the potential for the Omaha SMSA.

The Omaha SMSA

The modern metropolis should not be equated with the central city, or the municipality, which serves as the nucleus of the community as a whole. In present-day America, municipal boundaries have failed to keep pace with community growth with the result that the central city is typically ringed about by a girdle of suburban and industrial areas as well as suburban municipalities. However, in all respects except the political, these suburban areas and municipalities are an integral part of the metropolitan community. Hence, when we



THE OMAHA SMSA

speak of Omaha, we refer to the surrounding area as well as the central city. The U. S. Census Bureau has aided in the solution of this problem through the delineation of new boundaries determined by the population of the counties close to the city. These new metropolitan boundaries adopted in 1960 have been labeled Standard Metropolitan Statistical Areas. The minimum SMSA consists of one city of 50,000 or more, or two cities of 50,000 or more plus the county the city is located in and any affected counties where 75% of the people are engaged in non-agricultural functions. The major focus of this study will be on the Omaha-Council Bluffs SMSA which includes Douglas and Sarpy Counties in Nebraska and Pottawattamie County in Iowa. Throughout the report this metropolitan area will be referred to as the Omaha SMSA.

GEOGRAPHICAL FACTORS

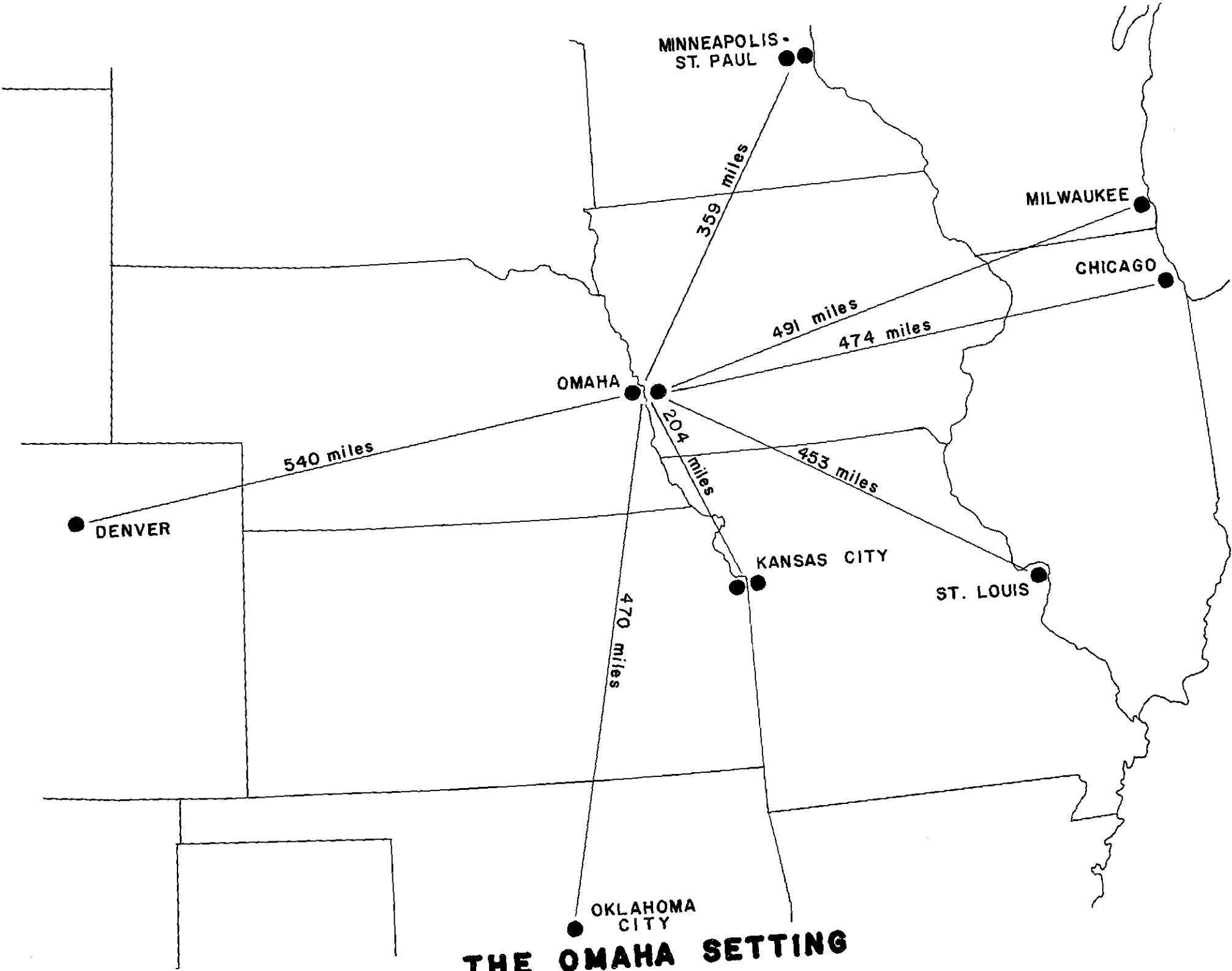
The geographical characteristics of a city can be divided into two areas--the physical and human. Each plays a vital role in the growth patterns of a city. These are dynamic forces which can relegate a city to a minor position or stimulate a city to heights of prosperity. In looking at a city, then, it is of fundamental importance to subject each of these areas to intensive analysis so that the basis for a city can be identified and its component parts studied. Once each of these sectors is analyzed in detail, it is possible to gain a full overview of the city in its many facets of existence. The following sections give a brief summary of the city of Omaha in terms of its past and present characteristics and of its importance in site and situation to the United States and the world.

Physical Factors

Omaha provides a typical example of the Continental type climate. Located at an elevation of 1,225 feet, its weather, due to the absence of a transversal barrier, enables air masses both from the Gulf of Mexico and from Canada to reach the area; thus, Omaha is vulnerable to winter blizzards, or a summer heat wave that may push the thermometer above 100° F. The average temperatures during the summer range from 85-87°, while the average winter temperatures range between 31-35°. Normal precipitation is about 25.90 inches of which 75% falls between April and September. The average killing frost in autumn occurs about October 20 and the last in the spring about April 15.

The Cornbelt, the most fertile farmland in America, surrounds Omaha. The fertility of the prairie soils and the adaptability of the surface to cultivation stimulated the location of Omaha at the entrance to the Platte Valley which developed into one of the richest agricultural regions in the world. The advantage of its prairie soil is that, while it can retain moisture and plant food, it is well aerated, drained, and easily cultivated.

Omaha is located on what is known as the Omaha plain, a narrow eastward extension of the once wooded river bluffs lying between two small creeks which provide excellent drainage. The site of Omaha has the advantages of a low water front on the river, five drainage valleys, and a large stream valley lying a short distance to the south. All of these aided in the development of transportation, commerce, and industry in the city. The junction of the two river valleys was an important factor in Omaha's development--the Missouri lending itself to travel



THE OMAHA SETTING

north and south, and the Platte Valley affording an easy passage to the west.

Water has been and will continue to prove to be one of the major assets of the future of Omaha. All industrial needs can be met by direct pumping from the Missouri River which also collects most of the surface drainage runoff from the Omaha area. Vast quantities of underground water provide another possibility for industry. Geologists estimate that Nebraska has more unused ground water than any other state in the nation.

In terms of Omaha's regional setting, the Omaha SMSA ranks 60th among the 216 SMSA's in the nation. On the basis of population, the Omaha SMSA is the largest urban concentration within a radius of 200 miles from the central city. Within a 550 mile radius, however, there are seven metropolitan areas: Kansas City, Minneapolis-St. Paul, St. Louis, Oklahoma City, Chicago, Milwaukee, and Denver, all with populations larger than that of the Omaha SMSA. To a considerable extent the seven larger SMSA's exert competitive pressures upon the various trading delineations and market regions available to Omaha's commerce and industry.

Although Omaha is located in a plains state, it has many hills and valleys. These numerous north-south ridges and valleys in the Omaha area slowed the development of good east-west traffic routes. The ridges, a factor in retarding westward expansion, encouraged north-south expansion. Much of Omaha's railroad network lies in valleys which are narrow and steep-sided, and limit areas suitable for industrial expansion. Therefore, planned industrial districts have aided development.

TABLE 1. OMAHA'S SURROUNDING SMSA COMPETITORS

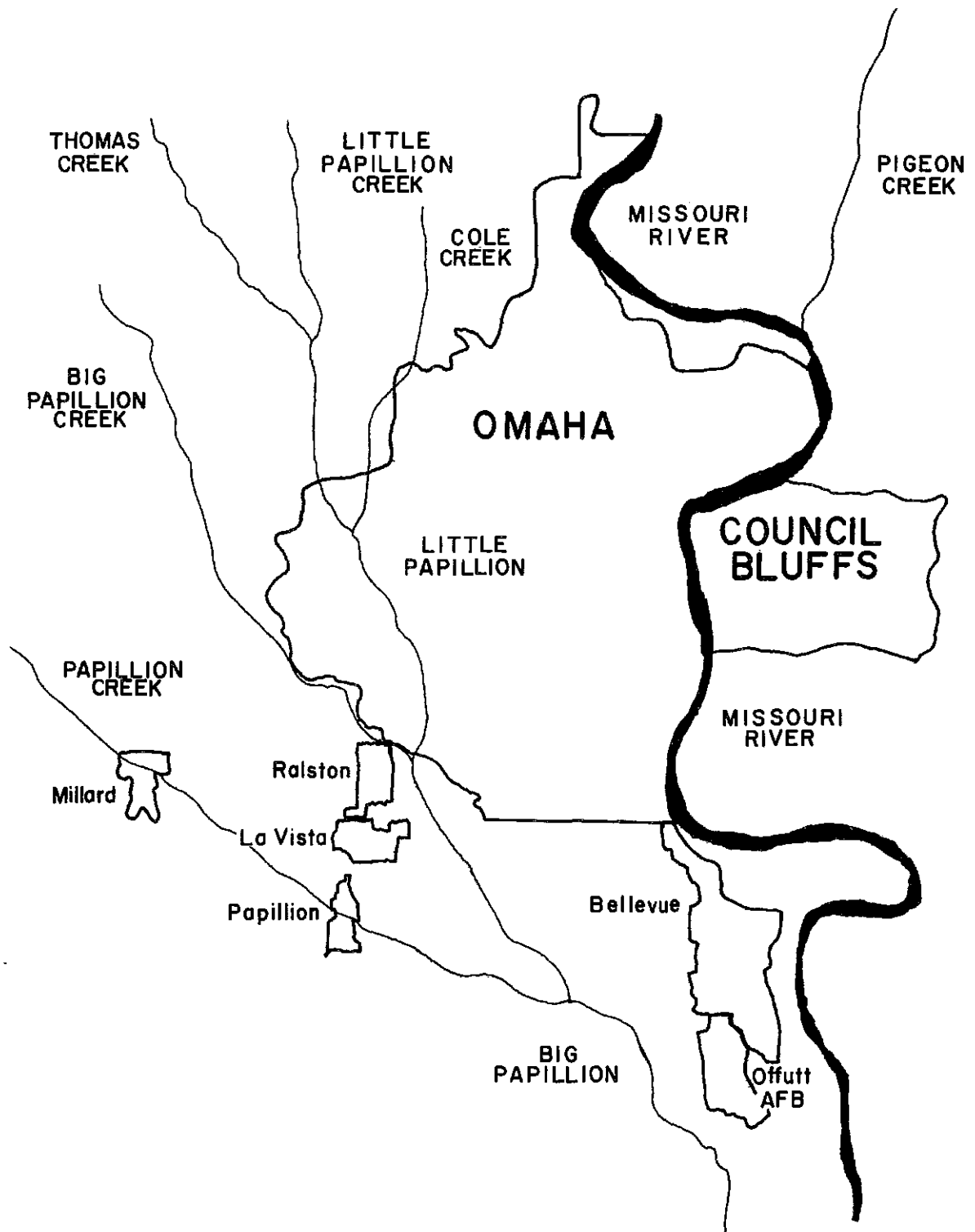
<u>SMSA</u>	<u>Road Mileage from Omaha.</u>	<u>1960 SMSA Population</u>	<u>SMSA Rank</u>
Omaha	0	457,873	60
Kansas City, Missouri	204	1,092,545	21
Minneapolis-St. Paul	359	1,482,030	14
St. Louis	453	2,104,669	9
Oklahoma City	470	511,833	53
Chicago	474	6,220,913	2
Milwaukee	491	1,232,731	18
Denver	540	929,383	26

Source: U.S. Census, 1960.

TABLE 2. OMAHA COMPETITOR SMSA GROWTH PATTERNS

	<u>SMSA</u>			<u>Central City</u>		
	<u>1960</u>	<u>1950</u>	<u>% Change</u>	<u>1960</u>	<u>1950</u>	<u>% Change</u>
Omaha	457,873	366,395	+25.0	301,598	251,117	+20.1
Kansas City, Missouri	1,092,545	848,655	+28.7	475,539	456,622	+ 4.1
Minneapolis- St. Paul	1,482,030	1,151,053	+28.8	796,283	833,067	- 4.4
St. Louis	2,104,669	1,755,334	+19.9	750,026	856,796	-12.5
Oklahoma City	511,833	392,439	+30.4	324,253	243,504	+33.2
Chicago	6,220,913	5,177,868	+20.1	3,550,404	3,620,962	- 1.9
Milwaukee	1,232,731	980,309	+25.7	741,324	637,392	+16.3
Denver	929,383	612,128	+51.8	493,887	415,786	+18.8

Source: U.S. Census, 1960.



**MAJOR STREAM SYSTEM
OF OMAHA AREA**

in Omaha more so than in cities where such expansion is less restricted. The steep slopes speed the runoff of storm water and with the many roofs and paved surfaces which accompany development, large runoffs of water occur in short periods of time. To minimize the hazards of flash flooding, it has been necessary to channel runoff into rapid volume underground storm sewers and to maintain many areas adjacent to the major drainageways as greenbelts, free of development.

HUMAN FACTORS

In the summer of 1804 Lewis and Clark first reached the vicinity of Omaha where they met with the native inhabitants of the area--the Otoe, Missouri, and Omaha tribes. Omaha, in the next few years thereafter, developed into a fur trading post and a departure point for the pioneer migration to the west. The city of Omaha had its birth in 1854, after the Nebraska Territory was organized.

President Lincoln, in 1859, chose Council Bluffs (situated directly across from Omaha on the east side of the Missouri River) to be the eastern terminus of the first transcontinental railroad. Ground was broken for the Union Pacific in 1863, and six years later, at Promontory, Utah, a golden spike was driven to unite the rails of the Union Pacific and the Central Pacific, which was built eastward from California. As the Union Pacific crawled westward, Omaha developed a firm hold as a trade and supply center. Since those early days, the population has grown and the economy has thrived on the industry and commerce linked to Omaha by all modes of transportation.

Omaha rose to a position as one of the country's most important

rail centers as soon as the transcontinental line was opened, and the city soon realized its importance as a shipping and processing center for the vast agricultural empire of the Middle West. The first meat packing plant in Omaha was opened in 1871--followed by the Union Stock Yards Company which was organized in 1876. By virtue of its situation, Omaha was ideally suited to serve the great meat packing industry. The vast quantities of corn and grain to the east were readily available to provide the feed for the range cattle raised to the west of Omaha. By keen promotional effort, the Union Stock Yards Company contributed much toward making Omaha the world's largest livestock market and meat packing center.

Omaha, Nebraska's largest city, is at the eastern edge of the state and extends along the west bank of the Missouri River, the boundary between Nebraska and Iowa. The Omaha SMSA covers approximately 1,533 square miles of which 569 square miles are located on the Nebraska side of the Missouri and 964 square miles on the Iowa side. The city of Omaha lies in Douglas County. Directly across the Missouri River from the city of Omaha is the second largest municipality of the SMSA, the city of Council Bluffs, in Pottawattamie County, Iowa. The third largest city, Bellevue, is situated in Sarpy County directly south of Omaha.

The People

The population of the Omaha area has increased at a stable rate for the past several years. Since 1960 the population of the SMSA has grown from 457,873 to 521,200 in 1965--an increase of 14%. According

to projected estimates by Sales Managements of Omaha, the 1970 SMSA population will be about 562,300. Because of favorable legislation, annexation has been a main factor in the growth of the city of Omaha. A total of 6,831 acres were added between 1950 and 1960, and this trend has continued since then.

The median age of the population in the Omaha SMSA is lower than the U.S. average. The median male age is 27.5 years as compared to the national figure of 28.5, while the median female age in the Omaha SMSA is 28.8 compared to the national average of 30.4 years. In terms of the available working force in the Omaha Metropolitan Area, 53.9% of the male population is between the ages of 18 and 64, with another 37.9% under 18 years old. The female population includes 54.9% between the ages of 18 and 64 with another 35.3% under 18. These figures are indicative of the fact that the Omaha area has a good supply of moderate age workers at present and a substantial reserve.

TABLE 3. POPULATION AGE DISTRIBUTION OF
OMAHA METROPOLITAN STATISTICAL AREA

	<u>Male</u>	<u>Female</u>
Median Age Omaha SMSA	27.5	28.8
Median Age U. S. A.	28.5	30.4
	<u>% Male</u>	<u>% Female</u>
Under 18 years	37.9	35.3
18 - 34	22.4	23.0
35 - 64	31.5	31.9
65 and over	8.2	9.8

Source: U.S. Census of Population, 1960.

The ethnic composition of the Omaha Metropolitan Area as of 1960 when it had a population of 430,214, was 94.0% white. This represented an increase of 23.5% over that of 1950. Six per cent were nonwhite, an increase of 54% during the 1950's. Of the white population, first or second generation foreign stock accounted for 18.6%. Of this foreign stock, 21.1% were foreign born. Those making up the first and second generation foreign stock were distributed among the following major nationalities: Germany, 20.9%; Czechoslovakia, 10.5%; Italy, 7.9%; Poland, 7.5%; Sweden, 7.3%; United Kingdom, 6%; USSR, 5%; and the remaining 34.9% consisted of minor groups. It is interesting to note that a large proportion of the foreign born settled in South Omaha, the center of the stock yard and meat packing industries.

The Omaha SMSA has been favored with the development of the diverse educational facilities that are so necessary to the growth of a modern metropolitan area. Consequently, the labor of the Omaha area has a high quality of educational background. Nebraska ranks among the top ten states in both the proportion of students completing four years of high school and in the proportion of the population twenty-five years of age or older who are high school graduates. As a corollary to this, the rate of dropouts among secondary school students in the state is well below the national average. One out of five Omaha adults is a college graduate, and in the ratio of college bachelor degrees to total population Nebraska ranks second in the nation.

Among the higher education facilities serving modern industrial needs of the community are three institutions of university rank and two colleges for women. The University of Omaha maintains colleges of

Liberal Arts and Sciences, Business Administration, Engineering and Technology, Teacher Education, Graduate Studies, and a two year Technical Institute. Its College of Continuing Studies is popular with employees of all types of business and industry because of its broad offerings of evening classes in all areas of study. The Conference Center of the University of Omaha offers a wide variety of non-credit courses and facilities for special conferences serving over 20,000 persons per year.

Creighton University has colleges of Liberal Arts, Business Administration, and Teacher Education, but is perhaps best known for its schools of Pharmacy, Law, Medicine, and Dentistry. The University of Nebraska College of Medicine, located in Omaha, enhances the city's position as a leading medical center in the Midwest. Duchesne College and College of Saint Mary are Catholic colleges for girls serving the area. A newly created school, Bellevue College, has been located in the city of Bellevue directly to the south of Omaha. These facilities plus the University of Nebraska, only one hour southwest of Omaha via Interstate 80, provide a well-rounded nucleus from which capable personnel can be recruited and in which present personnel can expand their knowledge in many areas of study.

The public and parochial elementary and secondary school systems of the Omaha SMSA are of generally excellent quality. In 1965 Nebraska high schools graduated 22,988 students, of which 61.7% enrolled in two year or four year colleges. A wide variety of public and private post-secondary vocational and technical programs are available to labor in the Omaha SMSA.

Labor Force

Omaha's labor atmosphere includes above average conditions in labor relations, available supply of labor, productivity, and employee turnover. Omaha is in a "B" labor classification wherein labor and employment are well balanced. About one-fourth of Omaha's labor force is unionized with a combined AFL-CIO membership of 45,000 and about 3,000 workers belonging to independent unions.

Significant to development has been the attraction of thousands of rural families and youth to the city as well as to surrounding communities where workers commute to jobs in the Omaha area. These workers develop skills swiftly, and productivity is outstanding.

Total employment in the SMSA increased in the past six years, from 190,200 in 1960 to 210,650 in November 1966. Significant growth in manufacturing employment has been offset in part by cut-backs in the meat packing industry as is illustrated by the fact that in 1960, total manufacturing employment was 37,400 as compared to the November 1966 figure of 38,200. The total labor force today is balanced due to the diversification of the economy and employment has remained stable at nearly full employment. The Omaha labor force is distributed as follows: Wholesale and Retail Trade, 22%; Manufacturing, 19%; Service Enterprises, 14%; Government, 12%; Transportation, Utilities, and Communication Services, 11%; Insurance, Real Estate, and Financial Activities, 8%; Construction Activities, 5%; Other, 9%.

Transportation

Omaha is served by one of the finest transportation networks in

the midwest. Through its modern and efficient equipment, the development of Omaha as a wholesale and retail trade center serving a large area has been greatly enhanced. Also, Nebraska has a "free port" law which exempts from property taxes all products shipped into the state for interim storage but destined for markets outside of the state. This law places further focus on the development of Omaha's trade area and makes Omaha the logical nodal point for regional businesses and their associated warehousing functions.

Ranked as the fourth largest rail center in the United States, Omaha is served by nine major railroads with one, the Union Pacific, having its general offices in Omaha. Nearly one hundred freight trains and thirty-four passenger trains leave and enter Omaha daily. Shippers and receivers of freight receive the latest information in the industrial, packaging, container, and loading fields. Due to Omaha's central location in the United States, the area can boast first morning freight delivery to Kansas City and Des Moines; second morning delivery to Denver, St. Louis, Chicago, Minneapolis-St. Paul; third and fourth morning delivery to Pacific coast points; fourth and fifth morning delivery to all east coast points.

Truck transportation, an ever-increasing sign of prosperity, is utilized by Omaha to serve as a major trucking center for nine states. Over 140 common carriers provide direct service to all important business centers throughout the nation. Single carrier service to 44 states with service to the remaining states (Hawaii excluded) on an interline basis involving no more than two carriers, gives Omaha shippers advantages in cost factors. Truck transport provides overnight

service to Chicago, Denver, Kansas City, Minneapolis-St. Paul, Oklahoma City, and St. Louis; and third and fourth morning service to the east and west coasts.

Airlines, serving through the modern Eppley Airfield facilities, link Omaha with the major transcontinental airline routes. Eppley Airfield is a Class I air terminal and is located only ten minutes from the central business district. It is served by five airlines (United, Braniff International, Frontier, North Central, and Ozark). Included in the more than 80 flights per day is nonstop jet service to St. Louis, Chicago, Denver, Kansas City, Los Angeles, Minneapolis-St. Paul, San Francisco and New York City. Single plane service is available to 57 cities in 23 states. Five additional satellite fields for corporate and private aircraft are conveniently located near all of Omaha's industrial areas. In addition, five bus lines, including Greyhound and Continental Trailways, have 115 arrivals and departures daily, providing both passenger and package express service.

River transportation, [REDACTED] indicates the growing usage of this type of transport. Tonnage handled at the Port of Omaha increased by 31% in a six year period (1960-65). The present 7½ foot channel permits barge traffic from Sioux City to the Mouth of the Mississippi. However, by 1968 the channel depth is scheduled to be nine feet, thereby permitting the heavier loading of barges and lower volume freight costs. The nine foot channel will permit traffic to enter Omaha from as far north as Yankton, South Dakota, and Omaha will then be connected to other inland water systems, plus the Gulf of Mexico and to the Atlantic Ocean via the St. Lawrence Seaway. As a

result of the Missouri River Development Program, areas along the waterfront have now been freed of the possibility of flooding so that large industrial land tracts are available for river oriented firms dependent on low transport rates.

Omaha has benefited in the past by major highway routes converging upon it, and its future is even brighter due to its locational setting on the Interstate Highway System. Interstate 80 passes directly through south portions of Omaha and is expected to be one of the major cross country routes in the future. Interstate 29, located on the eastern side of the Missouri River, will serve as a north and south link; the intersection of I80 and I29 will present a bright future for the Omaha area. Omaha, at present, is also served by the convergence of five Federal highways--US 30A, 6, 73, 75, and 275.

Production

Because of its central location and excellent transportation network, Omaha has been a leading service and processing center for the surrounding agricultural region. However, the Omaha SMSA does not depend solely on agricultural production, but has a diversified economic base, including many manufacturing plants with major markets beyond the metropolitan area. Omaha has been classified by Howard J. Nelson as a diverse function city with above average emphasis in financial activities and wholesaling. This indicates that Omaha is a focal point of its region.

For the tenth consecutive year, Omaha retained the title of the world's largest livestock market and meat packing center. Eighteen

packing plants convert livestock from midwest farms and ranches into steaks, chops, and roasts. Total receipts in 1965 were off 17% from 1964 due primarily to the slowdown of hog production in 1965 when over 800,000 fewer head moved to the market. The industrywide trend toward decentralization has had an adverse effect on all major livestock centers, but industry leaders believe the central market will continue to perform an important function in the marketing process. To meet stricter anti-pollution requirements, the City is aggressively moving toward a solution to the problem of means of a large treatment facility to be constructed in 1967.

TABLE 4. LIVESTOCK MARKET

<u>Year</u>	<u>Received</u>	<u>Processed</u>
1965	5,215,052	3,450,270
1964	6,305,231	4,737,546
1963	6,189,499	4,644,836
1962	6,164,075	4,550,551
1961	6,027,575	4,502,374
1960	6,170,567	4,490,581

Source: U.S. Dept. of Agriculture

Omaha ranks second in the nation in production of frozen food products and is one of the leading food processing centers in the country. Due to its central position relative to a large, highly productive, farming region, Omaha can capitalize on the advantages of processing the bulky raw materials with least gathering costs and then, in terms of value added, its finished products can compete in a wider distributional area. Food processing is Omaha's largest industry and accounts for more than one billion dollars worth of foodstuffs moving onto the nation's family tables every year. Among the long list of

Omaha products are TV dinners, milk, macaroni, cake mixes, beer, and cereals.

Insurance is a significant industry in Omaha, and the thirty-seven home offices located in Omaha represent 3.7% of all the insurance companies in the United States. These companies employ over 8,500 people. Mutual of Omaha is the largest of its kind in the world. This type of industry again points to Omaha's major asset for the outside world--nodality or "crossroads of the nation."

Omaha's industrial economy rests on a sound foundation of 96 diversified million dollar companies. Omaha's first industrial development tract is fully occupied and has provided locations for 45 plants. There are several other tracts laid out with major facilities such as rail, water, and power already within the available land. The nation's third largest ready-to-eat breakfast food plant, Kelloggs, along with six other firms, has moved into another industrial tract. From 1950 to 1963 Omaha increased its resources at the rate of 20 industrial buildings per year. Of the 275 buildings constructed in the past fourteen year period, 241 or 87.6% were erected as warehouses and 34 or 12.4% were constructed as factories. Omaha has been building warehouses at the rate of 17 per year and adding factories at the rate of 2 per year.

Distribution

Because of its geographical location and excellent transportation facilities, Omaha, since its earliest days, has been a leading center for retail and wholesale trade. Omaha's market has traditionally been recognized as one of the leading test markets in the United States

for new products and sales ideas. Over 530,000 people reside within the three county SMSA, and within a 200 mile radius there is a total of 3,331,500 people. In two hours or less or within 100 miles of Omaha there are 3,500 manufacturing plants that employ 138,000 people. Cash income from agricultural production in this area amounted to 2 billion dollars in 1964, and value added by manufacturing exceeded 1.3 billion dollars. The total population of the contiguous area amounted to 1.5 million people.

The Omaha wholesale market area includes Nebraska, Western Iowa, Northwest Missouri, Northern Kansas, and part of Wyoming and South Dakota. This area includes 11.7 million people with an estimated purchasing power of 25.5 billion dollars. Due to the dominance of Chicago to the east, the influence of Omaha wholesalers extends more to the west than to the east. Wholesale trade volume grew by 18% in the period from 1958 to 1963.

Omaha has more than 2,600 retail stores including 350 food markets. The customers come primarily from the city and from 11 counties in Nebraska and 7 counties in Iowa--a market of 740,200 people with an annual buying income of 1.74 billion dollars. The retail sales of the SMSA increased 21% from 1958 to 1963, and the impact of shopping centers has stimulated promotional efforts to increase customer spending. The effective buying income per household was \$8,688 in 1965 as compared to the national average of \$7,412.

A total of 9 planned shopping centers are located strategically throughout the city. They represent a parking capacity of 73 acres and each has a food store plus other facilities to serve a local

contiguous area. In terms of future development, the Westroads Shopping Complex is under construction and when finished is planned to have 121 business units.

Government

Omaha also functions as a center of varied government offices, services, and military facilities. A branch of the Federal Reserve Bank of Kansas City is located in Omaha and emphasizes the importance of the Omaha SMSA as a financial center. As of February, 1966, a total of 11,974 military personnel were stationed in the Omaha area creating local expenditures (including payroll) of over 13,857,000 dollars. Such expenditures greatly enhanced the value of these government functions in terms of their relative importance to Omaha.

The central location of Omaha has made it ideally situated for the headquarters of the Strategic Air Command (SAC) which is at Offutt Air Force Base just south of the city. Headquarters of the Naval Reserve Training Command is located at Fort Omaha, supervising Naval Reserve activities in the 50 states. The Missouri River Division or the U.S. Army Engineers makes its headquarters in Omaha directing construction projects in 10 states. The Sixteenth Army Corps (reserves) is also headquartered in Omaha where it directs Army reserve activities.

SOCIAL VARIABLES

This section considers the processes which make the Omaha SMSA a community. Of the elements responsible for community-generating processes, the key lies in the activities which men carry out in pursuing their own ends in such fields as work, play, health, and safety.

Some of these activities could be carried out by individuals, but in most cases, cooperation with other persons is either necessary or desirable. These activities form a community out of a set of people through the following processes:

1. Similar activities and problems lead the people of an area to develop and adopt similar values, attitudes, and beliefs.

2. The existence of these common problems can best be solved by joint action of the members of an area and there is a common dependence of activities on the same events which creates a common interest and a common goal.

3. In industrial society, community action develops out of self interests pooled together to enhance the achievement of most of its members' goals. Specialists engage in activities that are not similar, but do depend on one another. This interdependence of dissimilar activities creates common goals and community action.

4. Each problem successfully met through community action, leaves its residue of sentiments and organization which are necessary for the solution of future problems.

The question to be considered in this section is what form community organization takes in the Omaha SMSA, and even more specifically, in the city itself. The structure of the community and community organization developed to assist the attainment of goals by the citizens of Omaha can be divided into two areas--the public and the private. The private area includes non-tax supported forms of community organization which deal with occupations, incomes, manufacturing, wholesale, and retail sales, etc.

One private community organization completely supported by donations from members of the community is United Community Services. The major functions of this organization are to collect and distribute money for many of the social agencies within the city as well as to coordinate the services offered by these agencies. More than one hundred agencies work with the United Community Services which collected over \$2,576,000 in its last campaign. This type of private community organization makes the use of many public tax supported programs unnecessary in Omaha.

Public structures of community organization are the community processes which are tax supported and function to allow men to carry out their personal goals in cooperation with the other members of the community. The major activities covered by public community structures in Omaha include education, health, welfare, safety, leisure time activities, maintenance of physical facilities (roads, sewers, water, light), and land use.

The table on the following page shows the areas of public service provided by each government organization to the city, and where their revenue is obtained. The majority of the income received by these government bodies is collected through a property tax. The property taxes paid by the citizens of Omaha to meet these public needs in 1966 were split into five parts--public education being the largest single expenditure with 48.58% of the taxes allocated to this area, the city of Omaha receiving 24.75% for its services, the State of Nebraska receiving 13.67%, Douglas County receiving 12.33%, and MUD receiving 0.67% for hydrant rental.

PUBLIC SERVICES AND REVENUE IN OMAHA SMSA BY
TYPE OF GOVERNMENT FOR 1966

<u>Government</u>	<u>Services</u>	<u>Revenue</u>
State of Nebraska	Education, public assistance, workmen's compensation, safety, courts, parks and recreation areas, research, penal and charitable institutions, health, industrial development, transportation, tourism, general government.	Property Tax Federal Aid Excise Taxes License Fees Death & Gift Tax Severance Tax Corporate Filing Fee Franchise Tax Unemployment Compensation
Counties Douglas Sarpy Pottawattamie	Safety, public assistance, health, courts, education, penal and charitable institutions, land development, public defender, research, and general government, roads.	Property Tax License Fees
Public Schools	Education, research, administration	Property Tax
City of Omaha	<u>Public Safety</u> Police protection, civil defense, disaster warnings, building inspections, fire protection, rescue squad service, fire prevention inspections, traffic control, street lighting <u>Health and Sanitation</u> Disease control, swimming pool inspections, sewage treatment, garbage and refuse pick up and disposal, animal control, county hospital emergency ward services <u>Highways and Public Works</u> Street design, construction and maintenance, sewer construction and maintenance, snow removal, traffic engineering, forestry service, public buildings, municipal dock <u>Culture and Recreation</u> Libraries, parks, swimming pools, golf courses, ball fields, tennis courts, playgrounds, recreation programs, auditorium, stadium, zoo. <u>General Government</u> Mayor, City Council, Municipal Court, Human Relations, City Planning, City Clerk, Personnel Administration, Law Administration, Public Housing, Finance and Budgets, Purchasing, Elections	Property Tax Utility Tax Occupation Tax Wheel Tax Parking Meters Sewer Services Municipal Enterprises Gas Tax Motor Vehicle Registrations User Tax and Fees

These private and public processes of organization are what make the Omaha SMSA a community which solves its problems by joint action of its members and aids its citizens in achieving their personal goals. Through this community organization, the people of the Omaha SMSA can distribute the available resources to meet the needs of the community.

THE FUTURE OF THE OMAHA SMSA

1. The central location of Omaha in the United States, combined with its exceptional transportation facilities in all aspects, will serve to attract firms throughout the country. Management and home offices of worldwide firms will also find Omaha very lucrative because of its central location as an ideal meeting city for all of their sales representatives. Such business types as insurance, government functions, wholesalers, meat packers, and other firms will find continued value in exploiting Omaha's nodality in respect to the rest of the United States and the world.
2. Water will also prove to be one of Omaha's major assets in the future. Its vast supplies of unused water reserves will serve as a major attraction to industrial plants requiring large volumes of water for its processes. In anticipation of the demand, a new 17 million dollar water plant is under construction to assure such quantities of water for Omaha's future development. Scheduled for completion in early 1967, it has been hailed as one of the most modern plants in the world, and the new facility was being used as a model in other parts of the nation even as it came off the drawing boards.

3. In terms of physical expansion, Omaha's surrounding land is well suited for industrial as well as residential expansion with a variety of high and low value land sites being available. However, care must be taken to provide adequate drainage from newly populated or industrialized areas. Generally, the land surrounding Omaha is very conducive to expansion, and with the planned residential and industrial tracts, the expansion capabilities for the future of Omaha are very bright.
4. Omaha's labor market will also be an important determinant in the future. Present characteristics as (1) a stable population increase, (2) a young, but well educated labor force, (3) a good chance for technological advancement through ample higher educational facilities, (4) high productivity per worker, (5) and a low employment turnover, all will enhance the attractiveness of the labor force of the Omaha SMSA.
5. Transportation has in the past served to make Omaha a logical break-in-bulk point. One outstanding factor appears to be the deepened channel of the Missouri River, which when completed, will link Omaha to the St. Lawrence Seaway and the Atlantic. With increased tonnage per barge, reduced freight costs should stimulate the growth of water oriented industries in Omaha. The availability of flood-free industrial tracts adjacent to the river are a further inducement for such development.
6. One of the most pressing problems facing Omaha today is its future as a livestock and meat packing center. Due to the forces of decentralization of plants and modernization of plants, this industry

has declined in relative importance since 1960. At present the city is planning the construction of a sewage disposal plant in cooperation with the meat packing firms in an effort to meet the Federal government's anti-pollution requirements and to induce the meat packers to remain in Omaha.

7. Omaha's position as a retail, wholesale, and financial center is expected to be strengthened in the ensuing years. With increasing population and urbanization of the Omaha SMSA and its tributary area, plus increased urbanization along the periphery of its trade area, Omaha's position as a major distributor of all types of commodities should increase. Evidences of this type of increase can be shown by the fact that of 19 major structures per year being constructed, 17 are warehouses.

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