

Turning Downtowns Around:

BUSINESS IMPROVEMENT DISTRICTS

by Beth Humstone

In the 1970s suburban shopping malls were draining the life out of downtowns around the country. Retail businesses and offices in center cities were either closing or moving out to the periphery. They left behind places plagued by crime and arson, deferred maintenance, and abandoned properties. Downtowns were in crisis and planners, developers, preservationists, property owners, and city officials diligently were looking for ways to turn the situation around.

Among the tools developed to draw activity back to Main Street was the Downtown Business District or Business Improvement District (BID). Now, nearly forty years later, as downtowns have faced a different kind of threat – that of a nationwide economic downturn – it is time to take a look at how these business districts are doing and how they are poised to address today’s challenges.

WHAT IS A BUSINESS IMPROVEMENT DISTRICT?

Business improvement districts have several characteristics that differ from other community development and main street revitalization tools. They operate in a clearly delineated area within which property owners and/or merchants are subject to a tax or fee assessed under city tax authority.¹

BIDs are established locally according to state enabling legislation. They operate as nonprofit 501(c)(4) organizations, public-private partnerships, or city agencies. They bring special skills and services to downtowns that local governments are unable to provide.

Today there are an estimated 800 downtown business districts in the United

¹ In some cities residential properties, including condominiums and rental apartments, may be exempt. In others, they are assessed along with commercial properties.



Every Thursday evening during summer, downtown Grand Junction, Colorado, is home to a lively farmers market. It is sponsored by the Grand Junction Downtown Partnership, which includes a BID established in 2005 to fund marketing, promotions, public relations, advertising and special events.

States² in communities ranging in population from 1,000 to over 8 million. Some cities have multiple BIDs, each geared to a different neighborhood or commercial center. All states, except Wyoming, have legislation enabling BIDs.

Within broad legislative parameters of promoting and marketing downtowns and making them clean and safe, BIDs have undertaken creative approaches to downtown revitalization, and have been credited with many downtown turnarounds. When BIDs were first formed in the 1970s and 1980s, their primary activities were removing litter, making the streets safe again, and boosting local businesses.

Over the years BIDs have expanded the scope of their activities to include: promotion of their unique settings and historic architecture; installation of parks, benches, and street lighting; and holding special events. As strong advocates for downtowns, BIDs pressure local governments for services and help to change the rules to make these areas better places to live and work.

One key to BIDs’ success is the alliances they form with other downtown boosters. Among their common partners are:

- Main Street Programs of the National Main Street Center, which utilize preservation-based strategies to rebuild “places and enterprises that create sustainable, vibrant, and unique communities.”³
- Chambers of Commerce and merchants’ associations working to boost businesses and attract tourism.
- Not-for-profit organizations and developers rehabilitating properties that

² Email correspondence from Rowena Gono, Research Director for the International Downtown Association (May 24, 2010).

³ <http://www.preservationnation.org/main-street/about-main-street/>

provide spaces for new businesses and residents.

- Social service agencies offering assistance with problem behaviors and/or promoting and celebrating cultural diversity.
- City planning and community development offices, which provide important strategic direction, regulations, technical assistance, and infrastructure investments.

TODAY'S CHALLENGES

In spite of their past successes, business improvement districts are facing many challenges. These include not only retail vacancies and sagging investment resulting from the weak economy, but also issues such as homelessness and panhandling, graffiti, residential / night-life conflicts, and parking.

1. The Changing Retail Environment

Long gone are the anchor stores in downtowns that attracted other stores and restaurants and brought in shoppers. Even the specialty stores that replaced many of these retailers are in trouble, leaving BIDs to ponder the future of retailing.

Nevertheless, there are promising developments in downtown retailing that BIDs are guiding, including the emergence of “Buy Local” and “Farm to Table” campaigns that support patronage of locally-owned and independent businesses and locally-produced food.

These initiatives reflect a growing interest nationwide in defining and marketing a community's unique character and assets – to contrast with the blandness and sameness of regional malls and suburban strip developments. Roberta Brandes Gratz, an award-winning journalist and urban critic, refers to this as a time for “rebirth of local opportunities”

4 Conversation with Roberta Brandes Gratz, February 3, 2010. Editor's Note: Roberta Brandes Gratz has written several articles on downtown-related topics for the *Planning Commissioners Journal*: “To Market to Market” (on farmers markets); “We Don't Have Enough Parking” (on the common oversupply of parking in our downtowns); and “Downtowns Grow One Step at a Time.” For details and to order or download these articles, go to: www.plannersweb.com/gratz.html.



Savannah College of Art and Design's 85,000 square-foot Jen Library – one of the largest art school libraries in the country – occupies an entire city block downtown. It is housed in the former Levy and Maas Brothers Department store building.

and predicts that big projects are not going to get us out of our current doldrums, but rather the smaller, deliberate steps of local people.⁴

It appears that campaigns supporting local businesses and products are having some results. One survey showed that more shoppers deliberately sought out local businesses in the 2009 holiday season than in previous years.⁵ There is a resurgence of farmers markets downtown and restaurants that make use of local vegetables, cheese, meat, and fruit (as consumers demand high quality, organic, locally-produced food).

“Buy Local Thrive Local” in St. Croix Falls, Wisconsin is a three year project through which Americorps VISTA staff identify and promote both locally-owned businesses and food products – and organize “re-skilling” workshops in food production, crafts, art, and nature to help stock local businesses with local products. The St. Croix Falls BID is a partner in the project. Many similar Buy Local projects around the country are also partnerships in which BIDs play active roles.

Another promising development is the reuse of large, vacant downtown spaces for art schools, incubator businesses and industries, and showrooms. These can become new anchors in downtowns. The Savannah College of Art and Design has transformed many old downtown buildings into places for education in the visual arts, attracting artists,

5 Stacy Mitchell, “Holiday Sales Increase at Independent Businesses, National Survey Finds,” (January 14, 2010); available at: www.newrules.org [search for “holiday sales”].

entertainment, shops, and restaurants. Maine College of Art occupies the old Porteous Department Store in the center of what is now the Portland Arts District. A Michigan boat building company recently relocated to a former bank building in downtown Syracuse.

2. Problem Behaviors

In many cities, the population of homeless individuals, runaway youth, and vagrants on downtown streets has increased. Problem behaviors, including panhandling and drug dealing, can deter visitors and residents alike. However, downtowns are also the places where social services, including shelter, food, health care, and counseling are located to serve these populations. The challenge for the downtown district is how to remain a center for all members of the community, while minimizing the intrusion of problem behaviors.



Just around the corner from a jazz concert on the Church Street Marketplace in Burlington, Vermont, a young man is looking for spare change.



One approach to problem behaviors utilized by BIDs is the street outreach team. Burlington, Vermont's team, now a program of the United Way of Chittenden County, began in 1996 through the Church Street Marketplace District Commission, a BID. It addresses problems associated with youth, homeless, and the mentally ill in the city's small downtown. The program puts skilled social workers

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on the street to connect people to community services that may assist with their needs and deter problem behaviors. Burlington's program has become a model for other communities.

3. Graffiti

Larger cities have been addressing graffiti for years. But now even smaller cities and towns are facing this problem. Chris Naumann of the Downtown Bozeman Partnership says, "We have recently seen a dramatic increase in the occurrence of graffiti and tagging (yes, even here in Montana!). Two years ago we began a comprehensive graffiti removal program to address the problem in our historic Main Street district. In 2009 the program removed over 500 tags in our 14 block district."

Graffiti can be a challenge for BIDs with limited resources, but these organizations know that they must respond promptly and effectively – usually within 24 hours. Demonstrating their immedi-



Dealing with graffiti in Bozeman, Montana, to make sure the downtown main street stays attractive.



Amenities downtown can also include tree plantings, which make for a more attractive and pleasant environment. These two photos were taken on the same block in downtown Burlington, where restaurants host outdoor dining.



ate response to the problem, the Downtown Akron Partnership has posted videos on YouTube of employees at work removing graffiti.⁶

4. Residential Growth in the Downtown

A positive development in recent years is the growing number of people of all incomes living in downtowns. Many come seeking more convenient lifestyles where they can walk to shops, services, and entertainment while downsizing their living spaces. Young people look for proximity to nightlife and sporting events. Older residents choose buildings that offer accessibility to services they increasingly use.

Although many BIDs maintain their focus on downtown businesses, some are shifting to embrace residential development as a core part of their mission, and are welcoming resident members to their boards. According to Janis Beitzer, Executive Director of the Portland (Maine) Downtown District, BIDs are going to have to either develop more services for residents or reduce fees for them.

But with more residents living downtown, conflicts can arise. Residents may complain, for example, about late night noise from bars and nightclubs.⁷ Yet late hours and night life are often part of having a thriving downtown.

Some BIDS, such as the Portland

Downtown District, have set up committees made up of bar owners, music venue owners and operators, police, and BID staff. Portland's Night Life Oversight Committee has been successful in mitigating problems by working with owners and operators of bars and nightclubs and cooperating with police and other members of city government – while advocating for a vibrant nightlife.

According to Lauren Adkins of the National Main Street Center, some downtowns are establishing hospitality zones with patrols to address these problems. The national Responsible Hospitality Institute recommends best practices for hospitality zones and provides a network for people who work in these areas.⁸

5. Transportation Challenges

Meeting the needs of diverse populations for transportation can be challenging for downtown districts. Many have worked to make parking plentiful, convenient, and cheap in an effort to successfully compete with suburban locations with their acres of free parking. Yet, most now recognize that continually

⁷ Noise can be a serious problem as a downtown's residential population grows. While noise from late night crowds at nightclubs and bars are one concern, there are others such as early daytime noise from construction and garbage collection.

⁸ According to the Responsible Hospitality Institute, hospitality zones are areas in a city with extended hours, a high concentration of dining and entertainment businesses, active street life, and a center of events and celebrations. These zones may or may not align with zoning districts and BID boundaries.

⁶ Currently posted at: www.youtube.com/watch?v=gKwbAFo5PSE

expanding parking is not a solution for dense downtowns and that use of alternative modes of transportation must be encouraged as well.

Many downtowns are running out of room for parking – especially surface lots. Moreover, parking structures are expensive. Congestion also is limiting the ability to continually accommodate more and more cars.

BIDs are working on long term solutions that promote walking, bicycling, and transit to and around downtowns in addition to parking. Quite a few partner with transit agencies to provide regular bus loops within downtowns that are discounted or free for shoppers, employees, and residents. Some help install and maintain bus shelters and/or bicycle racks. BIDs also often encourage downtown employers to offer bus passes in addition to parking passes. In Ohio, the Downtown Cleveland Alliance operates a program through which bicycles can be rented and bike rental passes obtained.

Many of the basic services BIDs typically provide promote a more walkable environment. BIDs clean, plow, and repair sidewalks; make crosswalks safe and accessible; provide adequate light-

ing; and offer amenities such as benches. They also keep the downtown streets visually interesting for the pedestrian with holiday lighting, store displays, plantings, and wall murals.

6. New Advances in Promotion

A growing number of BIDs are utilizing social media to promote and market downtowns. BIDs ask people to become “fans” on Facebook, “tweet” about upcoming events and new store openings on Twitter, and post videos on YouTube. Some even develop “apps” for people to report problems, such as graffiti or public drunkenness, or to locate historic sites, entertainment venues, restaurants, markets, and shops. In addition, social media, such as LinkedIn, have assisted BIDs in networking with each other.

SUMMING UP:

Over the years, many downtowns have benefited from BIDs. The continued adaptability of BIDs to changes in retailing, social marketing, diversifying populations, and shifts in national and local economies will be key to their success in the future. So far, even small BIDs have proven they can embrace these new challenges and be successful. ♦



New Orleans' Oak Street Main Street is one of a growing number of downtown and main street organizations using social media such as Facebook.

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Portland, Maine

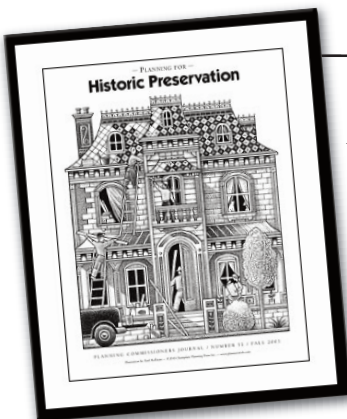
The Portland Downtown District, a not-for-profit 501(c)(4) organization founded in 1992, has three full time staff and an active board who are leaders and facilitators in support of the quality of life and vitality of downtown Portland.

The organization's goals are to keep the area clean and safe, promote and market the downtown for businesses, residents, and tourism, and advocate for policies and actions that accomplish the mission.

Among PDD's innovations are a recently-funded street outreach team for problem behaviors, creative holiday lights by a local artist, pedestrian wayfinding signs, and summer concerts by area bands where local brews are served.

Resources

- National Main Street Center: www.preservationnation.org/main-street
- International Downtown Association: www.ida-downtown.org/
- Responsible Hospitality Institute: www.rhiweb.org/
- Farm to Table: www.earthpledge.org/f2t
- The HomeTown Advantage (a program of the New Rules Project): www.newrules.org/new-rules-project-programs
- Burlington (VT) Community Street Outreach Project: reposted at: www.plannersweb.com/community-outreach.pdf
- St. Croix Falls Buy Local Thrive Local: www.scfbuylocal.org/aboutus.htm
- Downtown Cleveland Alliance: www.downtownclevelandalliance.com
- Portland Downtown District: www.portlandmaine.com
- Minneapolis Downtown Improvement District Ambassador Program: www.youtube.com/watch?v=kuH_txCD1r0



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Enjoying Each Others' Company

by Wayne Senville

Bryant Park is six acres of open space in the heart of midtown Manhattan. Located between 40th and 42nd Streets, it is bounded on the west by Sixth Avenue and on the east by the classic New York Public Library's Central Research Branch on Fifth Avenue. At the center of the park, a lush acre-and-a-half expanse of lawn.

Visiting Bryant Park during an early afternoon this May, I found hundreds of people reading, chatting, having lunch, working on their laptops, playing chess, throwing pétanque balls,¹ doing tai chi, relaxing by the fountain, and most of all, enjoying each others' company. In fact, on an average spring day more than 11,000 people visit the park, a number that almost doubles in summer.

Returning to Bryant Park today is a remarkable experience for someone who grew up in the New York City area in the 1960s and 70s. I remember Bryant Park as a place to avoid.

In 1973 then New York City Parks Commissioner Richard Clurman even

threatened to close down the park. As reported in *The New York Times* on September 13th of that year, "Clurman warned yesterday that he might close Bryant Park to the public as a last resort to keep undesirables from using it. ... The park, he said, is inhabited by gamblers, junkies, brown-baggers sucking at wine and liquor bottles, derelicts, panhandlers, and menacing rip-off specialists."

How did Bryant Park's turn around happen, and why is it such a lively, successful place today – a place that pumps millions of dollars into New York's economy and has anchored what is now one of the most sought after areas for businesses to locate?²

I put these questions to Norman Mintz who has long been involved with Bryant Park as an urban designer, and has also served in a similar capacity for New York's 34th Street Partnership, a business improvement district (BID) that provides services in a 31 block area of Manhattan.

Mintz attributes much of Bryant Park's success to use of a nonprofit BID to fund and manage the park. As he told me, "although BIDs are usually connected with commercial districts, the Bryant Park Business Improvement District functions the same way, in that the buildings around the park are assessed by the square foot, with monies collected funneled through the City of New York to the Bryant Park Corporation (BPC)."³

Dan Biederman, President of the BPC and the 34th Street Partnership, notes that Bryant Park's \$8 million annual operat-



View towards New York Public Library at east end of park.

ing and construction budget is entirely drawn from revenue generated by corporate sponsorships; restaurant concessions; event revenues; and assessments paid by properties with the BID.⁴ In other words, it costs the general city taxpayer nothing.

Event fees can be especially lucrative. Biederman notes, for example, that "for a mid-six figure fee, Microsoft asked only that the Bryant Park Corp. host a free 45-minute concert by Sting in late 2001, with the backdrop of a banner promoting Windows XP." While a figure like this sounds staggering (and outside New York and a handful of other cities certainly is), Biederman adds that "great earned income programs start small, as did Bryant Park's in 1993 with a small fee for an event with balloons celebrating the public offering of a German corporation."⁵

While adequate funding is essential, it isn't all that is needed. According to Kathy Madden, Senior Vice President for the Project for Public Spaces, active, well-used public spaces depend on

¹ Pétanque is popular in France, and is similar to bocce.

² For more on the economic benefits that parks can bring, see Ernst & Young, *How Smart Park Investment Pays Its Way* (including a case study of Bryant Park); Executive Summary at: www.ny4p.org (search "Ernst").





effective management and programming. Mintz fully agrees: “Bryant Park is a perfect example. The key to its success is in how it is managed. This, of course, includes maintenance, but above all means programming.”

As Mintz explains, what makes Bryant Park so popular is that it is filled with uses that appeal to the public: “There is the Reading Room, ping pong, chess, carousel, pétanque, player piano,

yoga, tai chi, ice skating, and so on. Let’s not forget the public restrooms, which are immaculate in their appearance. And also the perennial gardens, which are a feature unto themselves.”

Not surprisingly, these all cost money. For Mintz, any successful revitaliza-



3 For a history of Bryant Park and the Bryant Park Corporation’s role see: www.bryantpark.org. Information about the park’s revenues and expenses is available in the BPC’s Financial Statement, also online.

4 From an op-ed by Biederman in the *New York Daily News* (“N.Y. parks can save themselves” March 29, 2010).

5 Id.

6 For my full report see “Campus Martius Park in Downtown Detroit” at: www.circletheusa.com (June 9, 2009).

tion project, whether for a city or a park, requires “having the financial resources to hire enough staff.” For the BPC that means a well-trained staff of 80 to provide security, sanitation, and maintenance services.

Are publicly-owned, but privately-managed, parks and open space the direction we’re heading? For a growing

number of planners and urban analysts, this kind of public-private relationship offers the best way to provide public spaces with much needed funding, while ensuring they’re well-managed.

That’s also what I heard last summer during a visit to Campus Martius, the privately-managed city park in the heart

of downtown Detroit.⁶ Bob Gregory, Director of the Detroit 300 Conservancy, the nonprofit that manages the park, told me: “The business community, in celebration of Detroit’s 300th birthday, wanted to leave a ‘legacy gift’ to the City, in the form of this new open space. As the City didn’t have the financial resources,

this was the only way Campus Martius could be built and maintained.” The model Detroit drew on – Bryant Park.

One can argue that the operation and maintenance of downtown parks is a traditional municipal function. But nonprofit park conservancies and BIDs are proving their effectiveness in managing these parks and open spaces. The end result: healthier parks that help attract new businesses into the heart of our cities; increased property values and tax revenues; and open spaces valued by residents, office workers, and visitors from near and far. Not a bad outcome. ♦

Wayne Senville is Editor of the Planning Commissioners Journal. His most recent articles for the PCJ were “Dealing With Contentious Public Hearings” in PCJ #77 and “Libraries at the Heart of Our Communities” in PCJ #75.

