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Finding a Unified Research Agenda for the Many Faces of Business Improvement Districts

Göktuğ Morçöl, Lorlene Hoyt, Jack W. Meek, and Ulf Zimmermann, eds., Business Improvement Districts: Research, Theories, and Controversies (Boca Raton, FL: CRC Press, 2008). xxv, 522 pp. \$99.95 (cloth), ISBN: 9781420045765.

While local governments have embraced Business Improvement Districts (BIDs) since the 1990s, the literature on BIDs has only recently flourished. *Business Improvement Districts: Research, Theories, and Controversies* is a timely piece of scholarly work that compiles into a single resource the theoretical and practical issues that have been addressed in a number of disparate articles. The book is a collection of essays, organized into three sections: (1) theoretical and legal issues and perspectives, (2) BIDs in the United States, and (3) BIDs in Canada, Great Britain, and Ireland. The first section offers seven thought pieces on conceptualizing BIDs as a policy and mechanism of service provision. The final two sections illustrate through case studies the various incarnations of BIDs and how different localities address BID formation, governance, and performance.

The first essay in the book is Göktuğ Morçöl and Ulf Zimmermann’s overview of metropolitan governance and BIDs, in which they introduce the definition, history, and context of BIDs. BIDs, “self-assessment districts that are initiated and governed by property or business owners and authorized by governments to operate in designated urban and suburban geographic areas” (2), are examples of public–private ventures or “quasi-governmental” entities that provide supplemental services. However, BIDs can be an elusive concept, as they are structured in varying ways, and even given different names, depending on the state.

As the case studies in the book reinforce, BIDs emerged as a combined response to structural and market changes in urban downtowns and political efforts on the part of local businesses. Morçöl and Zimmermann highlight the unique nature of BIDs, entities that exist at the “intersection of traditionally defined realms of the public and the private” (46), and the source of a number of practical, theoretical, and legal issues, the most important of which are addressed in the body of the book.

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The remaining five essays of the first section can be grouped into three broad themes. Susan E. Baer's essay on private governments and the polycentric perspective and Devika Gopal-Agge and Lorlene Hoyt's essay on the "Retail–Revitalization Nexus" both attempt to place BIDs within a larger theoretical framework. BIDs are a governance mechanism used to address heterogeneous demand for services, but they also function as a business development policy. While the two frameworks are often disparate, these chapters highlight their complementarity. Baer presents BIDs as an example of polycentric governance, which relies on small, homogeneous units of government to independently serve diverse groups, as opposed to a consolidated metropolitan-wide structure. Gopal-Agge and Hoyt contend that BIDs be viewed as part of a larger retail strategy, and they present a model that is tiered in its comprehensiveness of service provision and performance evaluation: the foundational tier establishes the basic infrastructure for BID functions, whereas the top tier ensures the long-term sustainability of BID activities. Both perspectives have implications for citywide growth and development, as the business districts often require distinct public services from those provided for the typical resident.

BIDs are variations of urban management and governance structures that have been in use for some time, such as the special districts in the United States and Town Centre Management (TCM) in Great Britain. Greg Lloyd and Deborah Peel's essay on BIDs in Britain and Lorlene Hoyt's essay on the policy transfer of BIDs to New Zealand, South Africa, and other countries both conceptualize the proliferation of BIDs as a local revitalization policy beyond North America. The authors of both essays suggest that BIDs have emerged within a process of policy learning that tailors these earlier incarnations to new local conditions and challenges. For example, BIDs address the "funding and free-rider weaknesses" (86) that were characteristic of their predecessors and better exploit networks among diverse stakeholders. These two pieces in particular demonstrate that the diffusion and importation of BIDs are emblematic of the increasing globalization of urban policies.

Finally, Brian R. Hochleitner confronts one of the greatest controversies over BIDs: their democratic accountability. Specifically, he argues that while the relatively small size and scope of BIDs reduce the burden of transparency, it is still important to identify the mechanisms through which BID stakeholders are made accountable. Hochleitner concisely identifies the key stakeholders in the BID—local property and business owners subject to the BID assessments, residents of the BID, and residents of the municipality. He lays out the mechanisms through which BIDs are made accountable to these individuals, in an attempt

to demonstrate that BIDs are in fact politically accountable, despite the concerns of critics.

The second part of the book highlights the nuances of BIDs across U.S. municipalities. Three of the chapters point to the institutional differences in BIDs across states. We learn from Jonathan B. Justice and Robert S. Goldsmith that BIDs in New Jersey, unlike those in other states, can be designated or dissolved entirely by the local municipality. Gökтуğ Morçöl and Patricia A. Patrick observe that, in Pennsylvania, BIDs are highly autonomous and, in actuality, are not very accountable to local government. These BIDs are not merely policy tools, but participants in metropolitan governance, and their research suggests the need to rethink traditional understandings of accountability and democratic representation. In Morçöl and Zimmermann's chapter on BIDs in Atlanta, we learn that in Georgia, BIDs are also unique in that they are constitutionally established as local governments (as opposed to nonprofit organizations or public authorities in other states). These BIDs are some of the most powerful in the country because of their governmental status and intergovernmental networks, and the authors stress the importance of understanding the political coalitions that constitute BIDs. The remaining chapters emphasize how variation in citywide and neighborhood contexts can influence BID operations and outputs. Jack W. Meek and Paul Hubler study five BIDs in Southern California and conclude that the effectiveness of the BID is very much dependent on the context of formation, the size of the budget, the reach of services, and the extent of collaboration with government and nongovernmental organizations. Similarly, Jill Simone Gross finds an association between the service outcomes of BIDs and the context within which they operate in New York City: larger BIDs tend to focus on more marketing, promotional and capital improvement projects, compared to the physical maintenance concentration of the smaller BIDs. In San Diego, Robert J. Stokes finds that BIDs are part of a larger economic development strategy that taps into private resources, and is complemented by the use of "micro districts" to serve the needs of less organized, smaller business districts. James F. Wolf uses a survey of 12 large BIDs across the country and nicely outlines the ways in which BIDs collaborate with the local government in service provision. The interaction can range from seamless integration to explicit separation of responsibilities. Finally, Susanna Schaller and Gabriella Modan are particularly concerned with the conflict that arises over BIDs and the management of public space in ethnically and economically mixed neighborhoods. By examining the Mount Pleasant BID in Washington, D.C., they find that the use of public space is indeed conditioned on these community characteristics.

The final section of the book focuses on the similarities and differences between U.S. BIDs and BID-like

entities formed in localities outside the United States. In general, these chapters highlight the challenges of adapting such a policy to distinct cultural and legal environments. Tony Hernandez and Ken Jones recount the history of BIDs in Canada, much of which echoes that of the BIDs found in the United States. Based on observations from a case study of Ontario, the authors stress that BIDs have been a crucial entrepreneurial effort in revitalizing the retail centers of downtowns. Alan Reeve profiles TCMs in Britain, a movement by the private business sector to privatize traditionally public services in urban downtowns. The key difference between TCMs and BIDs is the former's voluntary nature and lack of a binding assessment—therefore, the free-rider problem is more severe and participation is less reliable. Although there is little research on TCMs, Reeve does a very nice job of condensing the literature and suggesting avenues for future research. Martin Blackwell provides a nice overview of BIDs in England, which emerged after the BID successes observed in the United States and very much resemble the American BID incarnations. The BIDs in England, however, struggle with the implementation of the assessment, which is levied on the occupier (not the property owner), and guaranteeing that the benefit from the BID exceeds the cost for all participants. Finally, John Ratcliffe and Brenda Ryan chronicle the adoption of the BID model in Ireland, which was part of an urban revitalization effort similar to that in the United States and initiated by the business community. Like the BIDs in England, occupiers are responsible for paying the BID assessment, and therefore have the right to vote. Unlike BIDs in England and the United States, the Irish system does not have a weighted voting scheme, which is believed to generate a more “equitable power structure” (479).

For those who are unfamiliar with the BID concept, this book offers an excellent overview and introduction to the practical and theoretical issues that dominate the literature and policy arena. The combination of theoretical and applied treatments offers a unique and sorely needed perspective. The controversies surrounding BIDs are outlined throughout the book, but their implications and validity are not fully addressed. A high point of the book is certainly its anthology of case studies; these chapters help to make tangible the BID phenomenon, which is diverse and particular to individual state and local environments.

While the book offers an excellent overview and introduction to the BID concept, it lacks a rigorous, objective evaluation of it. The case studies and thought exercises would be nicely complemented by some kind of systematic analysis of impacts. BIDs have been in place long enough to produce measurable outcomes, and what policy makers truly need to understand is how different realizations of BIDs operate within different political, economic, and social environments

and subsequently produce different outcomes. BIDs have the potential to affect not only their direct stakeholders, but also the neighborhoods where they reside and the city at large. How does the BID influence the turnover of businesses? Do BIDs contribute to neighborhood upgrading, and are neighborhoods without BIDs left at a disadvantage in terms of public and private investment? And do BIDs affect the level of service provision by the local municipality, in BID and non-BID neighborhoods and the city as a whole?

Knowing that the investigation of many of these research questions is subject to the challenges of finding complete, detailed, and historical data on BIDs, I would like to have seen a more explicit call for data collection and management on the part of BIDs and local governments. Gina Caruso and Rachel Weber raise a crucial deficiency of current BID operations: the lack of good performance measures. They use BIDs in Illinois to demonstrate which performance indicators are best for certain types of BIDs. This effort should be commended, for the impact and effectiveness of BIDs would be better understood if BIDs themselves collected performance measures on a consistent basis.

The book succeeds as a valuable reference tool for policy makers, local governments, and researchers, and in a single place catalogues the controversies and questions surrounding BID formation, structure, and operation. The reality is that we know quite a bit about what BIDs look like, where they operate, and how they vary across localities and states. While the diversity of BIDs is evident, the consistency in mission and general functionality is noteworthy, and local governments and policy makers should take advantage of such a rich policy-learning opportunity. This book makes the next research and data collection steps very clear, and now it is up to BID officials, local governments, and policy researchers to inform the next generation of BID organizations and services.

Notes

1. An emerging empirical literature includes papers that examine the impact of BIDs on crime (Brooks 2008; Calanog 2006; Hoyt 2005), property values (Ellen, Schwartz and Voicu 2007), and local public services (Meltzer 2009), as well as BID adoption (Brooks 2006, 2007, 2008; Brooks and Strange 2009; Meltzer 2009).

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