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## The L.I.D. B.I.D.

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THE L.I.D. B.I.D.

Senior Project Submitted to  
The Division of Interdivisional Programs  
of Bard College

by  
Joshua J. Gachette

Annandale-on-Hudson, New York  
May 2018

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a stickler for logical flow, though I've still got a lot more work to do in that department...  
“Thanks,” Kris!

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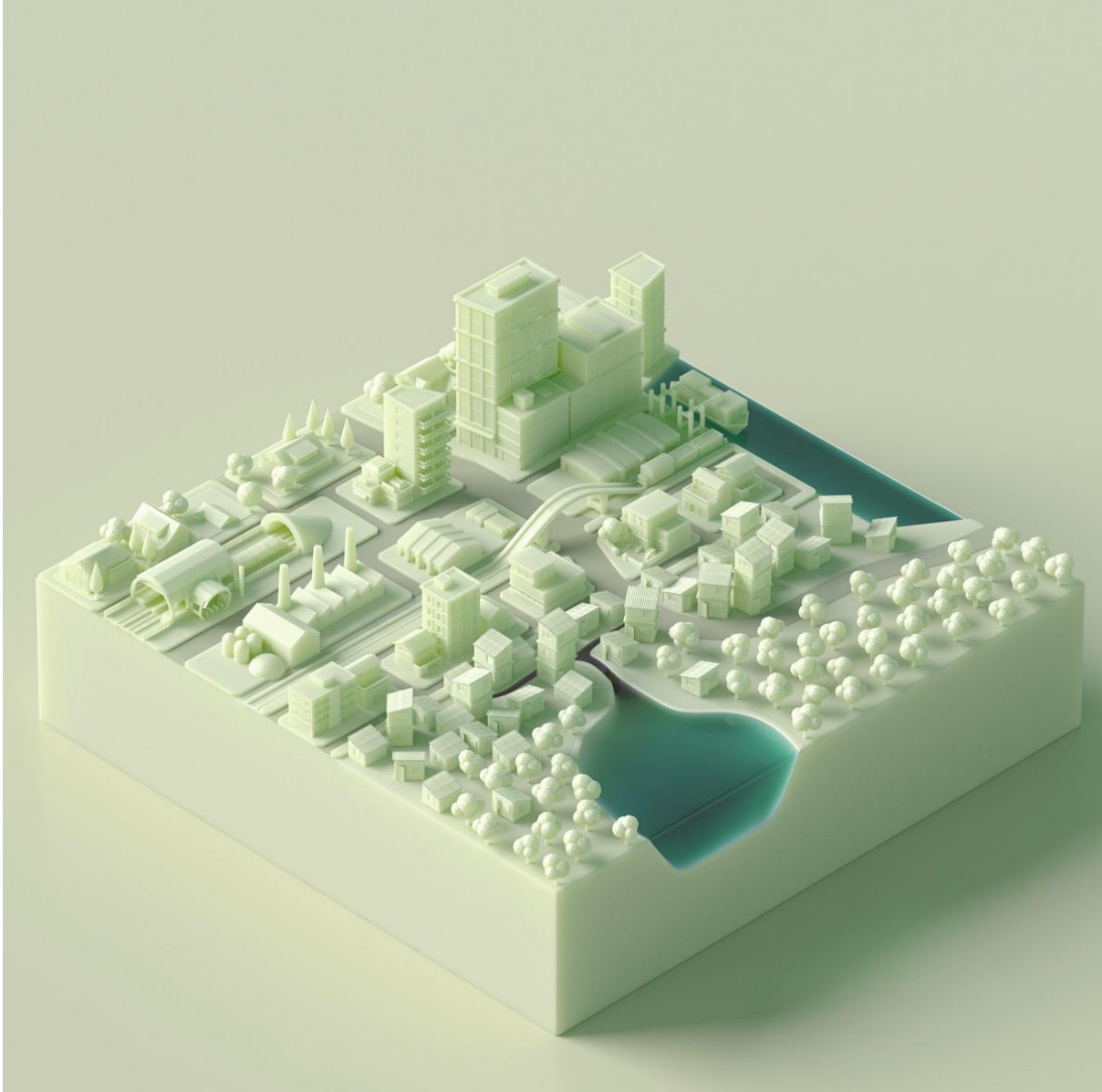
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A patchwork system that effectively mimics natural rainfall patterns limits impermeable ground cover in between public lots, private lots and sidewalks. Those in-between spaces are potentially a liability. The special assessment structure is flexible enough to minimize impermeable ground cover in between public lots, private lots and sidewalks.

# The L.I.D. B.I.D.

*By adopting Low Impact Development, a Business Improvement District can reduce urban flooding*

## Abstract

The private sector is bereft of storm water management structures that reduce flooding in cities, but “public / private partnerships can be excellent vehicles for delivering innovation in storm water management,” according to the Urban Land Institute, a think tank based in Washington D.C. (27). Low Impact Development (LID) embodies good stormwater management. It keeps rainwater out of the combined sewer overflow system by retaining it in place. Business Improvement Districts are one type of public private partnership and a growing influence in urban life. They are a global phenomena, but owe their popularity in America to changes at the Department of Housing and Urban Development, made under President William J. Clinton. This report asks how a BID can contribute to a neighborhood-wide network of LID that reduces flood risk.

## Introduction

“Market-rate residents want to live in sustainable communities,” says the Urban Land Institute but private land management strategies are lacking. Most of the recent reports on stormwater policies focus “on the public realm. Fewer have focused on implications for private sector real estate developers” (ULI, 1). Private real estate developers who include rain absorbent amenities earn a profit from so doing, according to a recent report titled “Harvesting the Value of Water,” which profiles rainwater management techniques coming out of the real estate sector. (Examples of absorbent amenities include rooftop gardens and curbside retention ponds made of gravel.) A Business Improvement District (BID) coordinates with developers and tenants throughout the district, to create the illusion of a local sensibility there. It maintains public spaces, and advises private landowners on how to best manage their properties. Much as a homeowners’



association tells residents how to keep their lawns, a BID tells store owners how to arrange their storefronts. It gives them grants to install awnings and other visual cues to cement a sense of distinct aesthetic continuity from one block to the next.

In Brooklyn, the Myrtle Avenue BID incentivizes businesses to remove solid storefront security gates and replace them with security gates that have tiny gaps to keep the storefront visible when they are down. The Central Atlanta Progress has its Ambassadors dress in pith hats and shorts like Aussie outbacks, when they are helping visitors way find around the district.

Flood management structures are a hyper-local need, that have to reflect the real estate in the area. They have to fit the buildings' use and aesthetic, as well as topography. Factors like soil composition and slope gradients have a lot to do with how a parcel of land floods. There are also wind tunnels that change the microclimate in between buildings. These tiny individual components on separate private properties interlock, and affect the ways that a downtown floods when it rains. A city has big invisible corridors for ecosystem services to move through. Ecosystem services are the forces regulate the environment. There are specific ecosystem services associated with rain management.

A “block-by-block rain gradient” (BBRG) is a contiguous corridor for rainwater to pass through. The point of a BBRG is to mimic the natural system processes that store, infiltrate, retain, and detail precipitation and rainfall between private lots, public lots and sidewalks, as close to the source as possible. They all work together in “bits and pieces,” to keep rainwater out of the storm drain. Water squares, rooftop gardens, and sidewalk gardens are interdependent components of a system.<sup>1</sup>

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<sup>1</sup> Jane Jacobs was a sociologist who specialized in cities. She said that the “bits and pieces” of a city fit together into a “fabric of use.” “Bits and pieces” and a “fabric of use” correspond to the two constituent elements that compose *any* system: leverage points and emergence. The leverage points within a system are its weak spots. Like Achilles' heels, they are small, vulnerable

Real estate publications and recent trends in urban development show that consumers want LID. According to the Urban Land Institute “real estate developers, designers, and building operators [have] emphasized the multiple benefits that green infrastructure and stormwater management mechanisms have brought to their properties, often leading to increased real estate value” (4). Some observers have called this “environmental gentrification.”<sup>2</sup>

Underused spaces are, all things being equal, the easiest places to develop in a city. Developers are making creative use of underused spaces, like rooftops, industrial waterfronts and alleyways, by incorporating elements of low impact development. This report takes its cues from the *NYC Comprehensive Waterfront Plan* and Chicago’s Green Alleys program, when it grapples with the feasibility of turning nonporous surfaces into semi porous surfaces that can retain rainwater. Those make clear that public-private partnerships are the biggest force building urban spaces in 21st century American cities. The BBRG can make the city more flood resilient while also imparting a contiguous aesthetic throughout the district, which makes it safer and more marketable at once.

#### Defining a BID

A Business Improvement District (BID) is *one* type of special assessment area. A special assessment district (SSA) is a geographically defined range where a non-governmental management agency supplements public services. A supplementary public service may or may not resemble a government service and the select few who pay for it, receive it. If a majority of

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places. Sidewalks that flood are leverage points. The “emergent” state happens when the “bits and pieces” work together to make an outcome that exceeds the sum of its parts. Urban flooding is the emergent state. But the emergent state can also be an averted flood. If one curbside garden can absorb  $x$  fluid ounces of rainwater, then according to that same principle of emergence, ten curbside gardens will absorb more than  $10x$  fluid ounces of rainwater. The whole complex system of BBRG has greater value than the sum of its constituent parts.

<sup>2</sup> The appendix section discusses gentrification, and it takes the position that gentrification is a nebulous term which involves a lot of moving pieces. LID does not correspond with the displacement of poor communities, but the policies that operate in tandem LID getting built have the potential to displace, empower or not affect at all the lives of the proverbial “gentrified.”

business owners in the district approve of the BID, every business in the district has to pay its assessment fee.

Each BID has a unique selection of services to offer. Some are more extensive than others. The “smallest BIDs focus on physical maintenance of an area, midsize BIDs tend to concentrate on marketing and promotional activities, and the largest BIDs, in addition to maintenance and promotion, engage in capital improvement activities” (Mitchell, 73). Street cleaning is the only activity that all BIDs offer. The reason is that garbage is a negative externality experienced everywhere. An active pedestrian corridor produces a lot of trash, which dirties the sidewalk and goes into curbside trash bins. If the trash accumulates fewer people will visit that corridor because of its festering stench. That negatively affects business owners who are not responsible for the trash. A BID intervenes when it internalizes the negative externality. A BID cleans the street more frequently and thoroughly than the public utility and then charges every business in that corridor a nominal fee. For an example consider the follow: Newark’s sanitation department collects trash twice a week. The Newark Downtown District, a BID, collects it seven days a week.

A big budget BID offers more services. BIDs “become occupied with as many activities as possible,” and the range of possibility is limited by its assets (Mitchell, 73). A BID wants to be able to tell its shareholders, in precise, quantifiable terms, that its expenses are “activating” underused spaces within the district. A BID has the structural propensity to expand the size of its coverage zone, too. When a BID grows its service area, that is called an “expansion.” After a few years of service it may decide to expand its boundaries in order to service more city blocks.

There are more than one thousand BIDs in forty-nine states. The first BID was founded in 1970 Canada. The first *American* BID came to New Orleans four years later. But most of them were established well after that, in the 1990s. Many things happened in the 1990s and two of them

made BIDs a more relevant fixture of urban life: the passage of the Americans with Disabilities Act (ADA) and a protocol change at the Department of Housing and Urban Development (HUD).

The first, the Americans with Disabilities Act, became law in 1990. Among other things it mandated “reasonable accommodations” for public and private spaces. The Architectural Barriers Act of 1968 made all government buildings universally accessible decades prior, but it did not include stipulations about public areas (Blackwell, 28). The ADA compelled states to make sidewalks “reasonably” accommodating to wheelchairs and assisted walkers, and in order to fund and oversee the construction of curb cuts across the USA, state legislatures used BIDs. BIDs built curbs in California, New Jersey, Washington D.C., the Lower East Side of New York City, Sarasota, FL, and other places.

The second reason BIDs spread so fast is because of recommended strategies for urban renewal at Department of Housing and Urban Development (HUD). It used to support slum clearance, which uses eminent domain law to raze a large area in a blighted neighborhood, and rebuild a different kind of development in its place. Public-private partnerships can still have the effect of changing demographics and buildings in a blighted neighborhood, but they work on a more protracted timeline. They do not demolish a community wholesale, which slum renewal does. Chambers of Commerce, Community Development Economic Corporations (CDEC) and Business Improvement Districts are public benefit corporations, that reward private developers with grants and tax incentives and allotments so long as they meet certain stipulations.<sup>3</sup> They all cooperate.

The Anacostia Waterfront Initiative is an example of how these different agencies work together. The AWI started in Washington D.C. in the 1990s. It centered on the Navy Yard neighborhood, which was the kind of sleazy place best known for its sex shops. That neighborhood

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<sup>3</sup> CEDCs attract companies to the neighborhood, which grows the local economy. Chambers of Commerce are older than CEDCs and they advocate for businesses already in the district.

has since become a sought after place to live. The WC Smith development firm was instrumental in this phase of the Anacostia Waterfront Initiative, which has multiple phases. Its biggest contribution is Canal Park, on the former site of a big bus parking lot beside the canal. Canal Park implements Low Impact Development (LID) techniques throughout the park, which double as flood controls: bioretention swales, a filtration system, a green roof, rain gardens, a rainwater cistern, and an ice rink made of frozen rainwater. WC Smith's Senior VP of Development, Brad Fennell attributes this project's success to public and private groups in collaboration.

“The project would not have been successful without the partnerships with private developers, the city and federal governments, and the Capitol Riverfront BID” (ULI, 26). Mr. Fennell does not go into greater detail about what exactly the Capitol Riverfront BID did to earn its accolades, but by interrogating the relationship between the Capital Riverfront BID, Canal Park and WC Smith, we can garner some insights about how developers and BIDs work together to program, build and maintain spaces. This has implications for whether or not a district-wide network of Low Impact Development is feasible.

Analysts at the Urban Land Institute write that “Canal Park came to fruition through a public/private partnership,” and that “the Anacostia Waterfront Initiative provided the initial vision for the area's revitalization” (27). The Anacostia Waterfront Initiative is a thirty year plan “led by the District of Columbia government and embraced by 19 regional and federal agency partners,” says its official website. WC Smith developed the area to fit an agenda that regional partners including the Capitol Riverfront BID already laid out. It is not as though they had free reign to program the site without any guidelines.

When a BID envisions a uniquely local and contiguous sense of place it gives developers a clear model to aspire to. The next step then is filling the space with people who share that vision.

A BID intervenes at this stage too, when it organizes events and programming. The Capitol Riverfront BID hosts events in Canal Park. Many of them, like the weekly Farmer’s Market, are centered around food.<sup>4</sup>

When a BID puts forth a vision for the area, it permeates down to the people who use it. They feel encouraged to make a certain use of the space, and that affects the approach a BID takes to clean, maintain and patrol the space. Janet Weston, the park manager at WC Smith, says that the residents who live around the park have been “captured” by the “concept” of environmental conservation there.<sup>5</sup> A local vision matters because it sets a chain reaction into effect, that attracts a base coalition of residents and developers. The BID keeps those vital parties engaged after it attracts them, when it sustains a visual presence in the park. That same partnership structure is building up Riverfront Park on a former brownfield in Newark, NJ. The Newark Downtown District BID worked with two local community development corporations and the Trust for Public Land to design the park, and now the NDD hosts programming there as well as has its Ambassadors clean and patrol the facilities — in an arrangement that closely resembles the Capitol Riverfront BID in Washington D.C.

Urban rivers are neglected places. They turned obsolete because the interstate highway system and long haul trucking were more effective than shipping by water. After decades or centuries of heavy industrial use, urban river fronts were left in no state for recreation. But market rate residents are now showing interest in accessible waterfronts, which they have not before. The supply of accessible waterfront space is growing because liability structures for brownfield

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<sup>4</sup> Every Thursday, the Capitol Riverfront provides a festive marketplace with over ten local farmers and vendors selling fresh fruits and vegetables, breads and baked goods, herbs and spices, pickles, olive oil, jams, honey, desserts, flowers, prepared foods and more. The fresh food market is presented by the Capitol Riverfront BID and Diverse Markets Management, in partnership with The Donohoe Company — according to [www.capitolriverfront.org/](http://www.capitolriverfront.org/).

<sup>5</sup> “The whole concept of environmental conservation in the park is what has captured people who live around here,” explains Janet Weston, the park manager at WC Smith (ULI, 27).

cleanups have become less stringent. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) has been amended to lighten its policy of “joint and several liability” for brownfield remediations. Under the previous framework of “joint and several liability” the entire chain of title assumed responsibility for the liability costs of environmental contamination. Companies who had absolutely nothing to do with polluting a site were being made to pay for the misdeeds of a long-defunct company that they owned some assets from. That disincentivized developers from developing downtown brownfields because nobody wanted to incur that risk, of being compelled to finance a Superfund cleanup (Pearsall, 2295). There was a “cooling effect” over the market for urban waterfront properties (Burch, et. al.).

Then, the “joint and several liability” structure was replaced by Voluntary Cleanup Programs (VCPs). Government development agencies combine VCPs with tax and land abatements to steer developers towards sub-prime locations. The advantage for the developer is that they design their own standards for reporting and remediating the cleanup efforts, which are less stringent than what the government would mandate otherwise. The government risks losing taxable revenue when it offers those incentives to developers, but they usually make that money back in tax collections when the site increases its assessed value. BIDs are similar to VCPs, in that they use targeted development to increase the value of local real estate in the long term.

Some real estate developers will be willing to upgrade their facilities with LID provided the right set of easements and abatements from the local government and CEDC. Because public-private partnerships are incentivizing voluntary cleanup projects, and market-rate residents are interested in sustainable communities built up around LID, some developers (hypothetically speaking) will upgrade their properties because they can charge more for it. But even if a high proportion of developers “build green” that is not a sufficient replacement for a district-wide

network of Low Impact Development. LID situated on private properties are not enough to reduce flood risk in a meaningful way. A coordinated approach that connects LID on private and public grounds is vital. But so far we have only seen examples of a developer upgrading real estate that they own. The literature does not include examples of developers who buy-in, into to a network that extends past its property line. The reason they incur the costs of a voluntary cleanup programs is because all subsequent profits acute to the firm.

A non-absorbent property increases the likelihood that the buildings around it will flood, in much the same way that a business that produces a lot of curbside trash decreases the attractiveness of other businesses on that block. A collective land management structure is applicable in both these cases, to internalize the cost of that externality. The aim of these next sections is to contextualize the risk of flooding, why it is applicable, and how it might motivate interest in a collective land management structure that builds a BBRG. A BID is not necessarily the only way to construct a BBRG, but it is a growing facet of urban life that does curbside installations and forms a vision for the district. Those two obligations are commensurate with a block-by-block rain gradient composed of LID.

When a BID crafts a vision for the district, private land owners develop their properties in line with it. Their goal is to attract high-caliber investors and residents, which it does by beautifying an area in order to affect people's impression of the place. A Business Improvement District fundamentally affects the ways in which people engage a city. Chief Executive Officer of the Newark Downtown District, Anthony McMillan says a BID "changes people's perceptions, [by] beautify[ing] an area." Michael Edwards, the Chief Executive Officer at the Chicago Loop Alliance was equally attuned to the power of perception when he said "experience can be another form of consumption." The job of the public sector is to make sure that infrastructures work, and



the BID asks itself how people experience those infrastructures. Based on how, it makes its own installations and services to supplement the public's, or it consults local government on how to improve theirs.

BIDs think about the subjective downtown experience because they, like a Visitor's Bureau, compete with other districts in the region to attract workers, revelers and investors. Public agencies spend less time thinking about their customers' experience, because they have less incentive to. The *Journal of Flood Risk Management* says that municipal action on climate change is lacking because it is too hung up on making a "logical, scientific case" that fits into a "rational calculus of costs and and benefits." Instead, the journal encourages people concerned about the environment to "embed new norms and values associated with climate change action and integrated flood risk management" because "humans often operate on the basis of routines and standard operating procedures" (Burch, et. al.).<sup>6</sup>

Routines and standard operating procedures are a form of experience. A seemingly innocuous decision not to litter, for example, is the first step in embedding "new norms and values" to do with climate action and integrated flood risk management. A BID can use its experience with local promotion in order to "embed new norms and values associated with climate change action and integrated flood risk management," at the same time that it coordinates between real estate owners in the district in order to make the urban "bits and pieces" fit into a "fabric of use" that retains rainwater and reduces flood risk.

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<sup>6</sup> In the context of municipal action on climate change, the critical finding that humans often operate on the basis of routines and standard operating procedures rather than according to a rational calculus of costs and benefits forces a shift in attention away from making a logical, scientific case for the avoided costs yielded by climate change action. Instead a need is identified to embed new norms and values associated with climate change action and integrated flood risk management throughout the familiar and established practices and procedures of an institution. (Burch, et. al.)

### Central City Sea Rise

The seas along the East Coast from North Carolina to New England are rising three to four times faster than the global average.<sup>7</sup> Climate change is increasing the annual expected rainfall and the frequency of flash floods that start and stop within a matter of minutes. That puts powerhouse cities like Washington D.C., New York City and Boston in direct risk of flooding. That corridor generates more GDP per square foot than anywhere else in the country.<sup>8</sup> So while flood risk is an exceptional liability for real estate owners all along East Coast, sea level rise in the financial districts would represent an extraordinary asset loss. Low Impact Development (LID) is an approach to dealing with rainwater which reduces the chances of an urban flood, and reduces the risk of asset losses in a downtown metropolitan area. As a result, the designers who work in urban rain management are increasing the aestheticism of their work. Their elegant designs service a growing niche demand.

A metropolitan flood management strategy cannot afford to be gauche; it has to accentuate the landscape. Real estate is a high valued asset in all these cities, and while a cumbersome flood wall keeps the water out it snuffs out the building's aesthetic value. Speaking about a flood barrier protection system that his firm built in New York City, a representative from Plaza Construction noted that it "had to fit with the aesthetics of the building [at 55 Water St.]. Basically, it had to be invisible to the occupants and visitors of the building." That is one of the largest office structures in the city, with fifty-four stories and 38 million square feet located in the financial district.

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<sup>7</sup> Mark Twain, in the way that only he knew how, is purported to have once said "if you don't like the weather in New England, just wait a few minutes." If only he had replaced "weather" with "climate" and "minutes" with "years," he may as well have been talking about global warming.

<sup>8</sup> According to City Lab, an NPR affiliate, "There are more than 3,000 counties in the U.S. Of the 75 with the highest incomes, 44 are located in the Northeast, including Maryland and Virginia. The corridor of metropolitan statistical areas that runs from Washington, D.C., through Baltimore, Philadelphia, New York and Boston includes 37 of these top-earning counties." <https://www.citylab.com/life/2013/12/staggering-concentrated-wealth-americas-northeast-corridor/7872/>

According to the developer Plaza Construction, it can protect the entire building and the sixty foot basement against an eight-foot-high flood.

In Boston Article 37 of the Municipal Zoning Code was the first green building standard in the country. It gives applicants a LEED (Leadership in Energy and Environmental Design) credit if they submit calculations for groundwater area absorption and retention rates. In 2007 developer BXP built Atlantic Wharf, Boston's first green skyscraper, in compliance with Article 37. According to the Urban Land Institute it renovated and integrated 42 percent of the existing historic structures, which includes streetscapes and facades. Some industry professionals call that approach "Retropolitan." This paper calls that approach "proof positive" that a downtown can use flood control strategies to preserve its historical structures.

These new flood protection systems are supplementing conventional urban greywater management that relies on pipes and retention ponds. Those store the water away from where it fell and slowly release it into the ground, or into a combined sewer overflow. LID differs, in that it tries to keep rainwater close to where it fell, instead of getting a grey pipe involved. The way it does that is by replacing asphalt and concrete with soil and porous pavement. These semi permeable ground covers retain rainwater close to where it fell, which reduces the strain on the sewer and lowers the chances of a flood.

The storm drain is connected to a combined sewer overflow (CSO) system. The CSO combines storm drain water with raw sewage. Usually that mixed water passes through a treatment plant before release into a natural waterway — but not when it rains. Rain inundates the system. While the volume of sewage remains fixed, the storm drain water gets mixed in on the way to the treatment plant, and the plant receives more water faster than it can process. Since the whole system is linked from the storm drain to the treatment plant, it can overflow onto the street —

septic chunks and all. Engineers want to avoid that scenario, so they bypass the treatment plant, and pour untreated water back into the environment. The CSO makes cities susceptible to floods, and contaminates the environment. Its designers fallaciously thought that sea currents would pull waste away from the city. But dilution is an inadequate solution.

### The Assessment

A patchwork system that effectively mimics natural rainfall patterns limits impermeable ground cover in between public lots, private lots and sidewalks. Those in-between spaces are potentially a liability. The special assessment structure is flexible enough to minimize impermeable ground cover in between public lots, private lots and sidewalks. Businesses within the BID's jurisdiction are legally mandated to pay an *assessment* to receive special services. The BID makes up its own assessment formulas and rates. Every BID has a unique assessment structure and each business pays a different rate. Its payees can be landowners, building owners, or tenants. Were the assessment a "tax," the managers in charge of formulating it would be violating the Fourteenth Amendment to the United States Constitution.<sup>9</sup>

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<sup>9</sup> The Fourteenth Amendment passed after the American Civil War, to (barely) protect the "emancipated" slaves. It prohibited the Confederate states from "deny[ing] any person within its jurisdiction the equal protection of the laws." Nowadays the Fourteenth Amendment prohibits a municipality from taxing comparable businesses at different rates. That is because U.S. tort tradition identifies the "power to tax [as] the power to destroy," which would make excess taxation a violation of the Takings Clause, as per the Fifth Amendment. That withstanding there *is* one administrative entity that has the legal right to tax differentially: a special assessment zone. Recall, a Business Improvement District is one type of special assessment zone. A BID is allowed to levy different fees to different landowners constituents because the fee it collects is legally an "assessment," not a "tax." City planners can use that legal loophole to encourage certain land developments that preserve ecosystem services. A comprehensive approach to stormwater management requires a block-by-block rain gradient that takes topographical gradients into account. Therefore it can best mimic natural rain processes, which are very nuanced. Microclimates vary from block to block and require different land cover. Within a single block different types of businesses have different needs, too. Based on how they use their property, different *types* of retrofitting are best for the ecology, and owners require specific incentive structures for compliance to be profitable for them. The most expedient route to that happy medium taxes different building owners at different rates for different amenities, which the Fourteenth Amendment would "unconstitutional" in all cases, but a BID assessment.

The payment price is usually based off of the building structure, either its assessed valuation<sup>10</sup> or its square footage. One SUNY public policy report cites examples of creative assessment structures. These are some of the more convoluted ones:

- The Downtown DC BID charges an assessment of \$.14 cents per net rentable square of space for improved properties, \$.14 cents per square foot of land for unimproved properties (including parking lots), and \$60.00 per hotel room.
- The Third Street Promenade and Downtown District in Santa Monica, California charges properties assessed on an annual basis, whichever is less: 1 x the business license tax up to a maximum of \$19,002.33; or .13 x square footage x 12. Cap and per-square-amounts are increased according to the annual consumer price index.
- The Columbia (South Carolina) Center City Partnership charges an assessment of \$.001593 of value (escalates 5 percent annually); Main Street property owners pay an additional \$3.46 per foot of frontage for extra services, such as daily sidewalk cleaning.
- San Jose (California) Downtown Association charges annual fees are calculated on expected benefit: retail \$26.40 per employee/\$240 minimum; non-retail \$15.60 per employee/\$150 minimum; apartments and hotels \$7.20 per room/\$240 minimum; parking lots \$300; property owners range from \$400 (less than 10,000 square feet) to a \$6,000 maximum charge per year depending on square footage (Mitchell, 65).

The power to assess is the power to destroy, which means that A BID's assessment model steers the way that companies do business.<sup>11</sup> With its differential pricing structure, a BID charges certain production factors at a higher price. Consider, for example, the San Jose Downtown Association, where annual fees are calculated on expected benefit. The SJDA charges non-retail vendors less money per employee than it does retail vendors, because human employees are a more important production factor for retailers. In theory the SJDA could raise its assessment by charging

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<sup>10</sup> Assessed valuation is different from market valuation.

<sup>11</sup> Daniel Webster argued that "the power to tax is the power to destroy" in the Supreme Court case, *McCulloch v. Maryland* (1819).

non-retailers an additional \$10.80 per employee, but doing so would incentivize those vendors to hire fewer workers. The BID can influence how many employees a private business hires. It can also influence where in the district a business locates.

In Columbia, SC, the Center City Partnership charges building owners on Main Street an extra charge, on top of their district assessment. Building owners are interested in recuperating those costs, which they pass onto their tenants in the form of increased rent. Main Street is a prime economic corridor, with disproportionate market power relative to its size in the district. A similar principle can be used to create a rain corridor. A BID can encourage LID in an ecologically-sensitive part of the district, such as by offering a conditional discount on its assessment to building owners who install green roofs and semi-porous curbside amenities.

### Boulevards

Boulevards have a disproportionate effect on urban space, considering how little space they take up. They are useful for business and leisure. A boulevard is a wide street lined with storefronts, horticulture, and other engagements. It may be closed off to cars, or not. But it is certainly a wide, flat plane that is prone to flood. A boulevard is *also* a prime way to intervene in localized, pedestrian-based place-making. We've built our cities around boulevards, and they flood easily because of it. The boulevard system pushes houses outside the city, and pulls stores into the city. Commercial properties agglomerate in higher densities than residential properties do, and they are less likely to include permeable surfaces like gardens and yards. Boulevards, because of their materiality and their effect on high-density development, correspond to high rates of water runoff.

Georges-Eugène Haussmann built the first modern boulevards system in Paris in the 1800s. Part of his project, known colloquially as the "grand renovation," involved annexing suburbs around the city. These suburbs drew homes out of the central city, which cultural institutions in

the interior replaced. Paris, once sprawlingly cramped, now flaunts its high art. The sprawling crampedness was a liability for Napoleon, as evidenced by the two cholera outbreaks and seven armed revolts that broke out in Paris within a period of twenty years. Some boulevards were complete by 1871, when the Army successfully quelled a socialist uprising. Cramped streets gave the defending rebels a strategic advantage over the besieging Army, because cramped streets made tactical maneuvering difficult. The Parisian boulevards enhance flow — the flow of armies, tourists, and the flow of rainwater. The smooth sidewalks that reduce friction for deliverymen with handcarts do the same with rainwater. They collect detritus, unimpeded, on its course downhill into the drainage basin. That water is called “non-point-source pollution.”

Rainwater coming down turns into one of two forms: grey-water or waste-water. Neither is drinkable. “Waste water” touches contaminants, like oil or feces. It cannot be filtered, as it were. Grey-water can be re-used, but it is non-potable as well. Technically a “fresh” raindrop becomes grey-water before it hits the ground. It loses purity somewhere between the cloud and the sidewalk, after encasing areal particulates. (Examples include dust, sand and exhaust.) Grey-water can still flush toilets though, and scrub curbs, and water flowers. Special devices collect, store and release grey-water. Many flood management structures double as attractive green amenities, like: curbside gardens, blue roofs and swales. They have the potential to change the perspectival relations between the ecosystem and the built urban environment, and that makes a uniquely local sense of place.<sup>12</sup>

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<sup>12</sup> The aim of improving and maintaining the city infrastructure is to create a sense of place—to develop an aesthetic sensation and offer spiritual and pleasurable experiences. Tony Hiss, author of *Experience of Place: A New Way of Looking at and Dealing with Our Radically Changing Cities and Countryside*, contends that people are naturally drawn to places that offer rich experiences. Richness may be about beauty, character, perspective, utility, or some combination of these. The key is to assemble enough multisensory cues that lead people to pick up an upbeat impression of a place without being conscious of doing so. It is often the small things that matter the most. In keeping with the ideas of Frederick Law Olmsted from the late-1800s, natural landscaping is especially important because it is believed to soften the impact of buildings and paved areas, to lead people to relax through their innate affection for nature, and to enhance a sense of belonging in the natural scheme of things. Once again, the ideals of the City Beautiful come into play (Mitchell, 83)

A BID is Both Civic and Corporate

Despite its name, a Business Improvement District has more in common with civic husbandry groups of the 1800s, than they do with merchant associations of the 1950s. Its primary goal is corporate, to profit the firms that participate. But it has a duty to serve the general public too. The result is tension, between the civic and corporate duties that a BID has. For instance, some districts plan events and services for the homeless; other BIDs are alleged to hire homeless people to beat up other homeless people.<sup>13</sup> The first BID is more beneficent than the second, surely. But when its Ambassadors go around the District before commuters arrive to wake up people sleeping, it still it prioritizes the business community over the homeless. Sometimes the public interest and private interest are diametrically opposed.

But civic husbandry is at the essence of a BID's mission, whether or not its employees know that. The specific decorations that a BID uses in a downtown have a specific historical reference point, which is the City Beautiful:

In tandem with grand designs, the City Beautiful entailed a multitude of ordinary improvements to significantly improve the larger picture. [...] Graceful street furniture was added to parks and streets. Elegant light fixtures replaced ugly utility poles. Small neighborhood parks were developed alongside boulevards and other roadways. Pedestrian pathways were designed to subtly blend trees into the man-made environment. Even waste disposal plants were housed in gracefully designed edifices. (Mitchell, 23)

Specialty light fixtures, pocket parks and graceful trash cans endure, as the calling cards of a typical modern BID. When a BID installs a bench on the corner, that is not an example of a business promotion team who has supplemented its usual marketing services with a public good.

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<sup>13</sup> David Kennedy says that the Grand Central Partnership BID is “notorious for allegedly hiring ‘goon squads’ to roust homeless individuals from heating grates, sidewalks, and doorways, using force if necessary” (284). He later elaborates: “the GCP was running a ‘social services’/‘job training’ program which hired homeless people at \$1.16 an hour to beat up other homeless people” (322).



Instead it is an example of a civic organization with government ties not having the budget to install more benches, so it does marketing campaigns instead.

David Kennedy at Yale is critical of BIDs, while James Mitchell from SUNY takes a more conciliatory tone. Yet both men agree that BIDs base their mission in re-creating Greek agoras and Roman forums. Both these spaces functioned as community meeting places in antiquity, hence *agora* comes from the Greek meaning “gathering place.” But as industrial urbanism made people live more compartmentalized lives farther apart from one another there was a desire amongst planners to re-invigorate a sense of collective virtue.

David Kennedy refers to BIDs as “the alter ego” of conventional government (286), because it is a state agent managed by private partners. In most of the U.S., the state legislature charters a BID, not the local government.<sup>14</sup> So when it offers grants and mandates an assessment fee, it is doing so as an extension of the state apparatus. The assessment bill gets calculated by city assessors and appears as a surcharge on a member’s tax bill. The government threatens asset forfeiture if a business does not pay, the same way it would for a public debt.<sup>15</sup>

This assessment fee is another example of a BID’s civic roots. It mimics the way Americans paid for their public works improvements, up until the 1950s. Before then, extension costs were paid by owners of the properties abutting the line, the logic being that the beneficiaries should be the payees too. That system finally changed when “politically-connected property owners shifted their support to elected officials who proclaimed it was fairer to

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<sup>14</sup> David Kennedy says that New York City is one of a handful of cities where the authority to start a district does not reside with the state legislature. The authorization process changed in 1990, to require “approval of the city planning commission, various community boards, the borough president, the city council, and the state comptroller” (Kennedy, 293).

<sup>15</sup> “BIDs may employ their own funds or work with other city agencies to put up antique lampposts, place colorful trash receptacles on streets, set up ornamental benches, hang holiday lights, plant trees and shrubbery, mount uniform newspaper racks, decorate utility poles with hanging flower baskets, construct kiosks for handbills, install uniform address plaques, put up glow-in-the-dark street signs, develop playgrounds, install drinking fountains, build enclosed gazebos, and refurbish or expand sidewalks and plazas.” (Mitchell, 81)

distribute the burden of public works improvements to the city as a whole through a general property tax system” (Mitchell, 20).

Its biggest inspiration comes from the special assessment zones that built up the City Beautiful. Their architects affiliated with the City Beautiful movement were almost all educated at the *École des Beaux-Arts* in Paris, Mitchell claims, which “led them to prefer architecture in the Greek and Roman tradition” (22).

Under the City Beautiful motif, neoclassical architecture was reflected in New York City’s municipal building, the Boston Public Library, and the St. Louis Art Museum. It was ensconced in the grand railroad stations of the era, including Union Station in Kansas City and Pennsylvania Station in New York. It was represented in almost exact replicas of the Greek Parthenon assembled in the parks of Nashville and Denver. It was spread throughout the county in local banks, post offices, and hospitals whose entryways contained Doric, Ionic, or Corinthian columns. The presence of Greek columns, elaborate friezes, iron pediments, golden domes, and landscaped esplanades were expected to instill such a high level of civic-mindedness in communities that all other social and economic problems would have to be resolved as matter of collective self esteem. (Mitchell, 22)

They thought that these structures would instill “civil mindedness” because that is how they functioned in Greco-Roman societies. Agoras and forums were marketplaces, but also for religious, political and social meeting. Shopping is considered apolitical now. A neoliberal, corporate, twenty-first century American city does not uphold the same cultural signifiers as Ancient Rome; the forms do not invoke the same feelings as they used to.

Victor Gruen was an Austrian architect who designed American malls in an attempt to revive civic virtue. He thought suburbs were devoid of community, as he explains in *The Heart of Our Cities*. “Spread, sprawl, and scatterization, flight and blight [are] some of the germs that infect and cause disease of our urban heart.” He saw the social paradigm atomizing, and sought to make a community space that could rein in the diffuseness. So he started by enclosing his structures in glass. Then he made the storefronts inward-facing, to mimic an American Main Street.

Like Gruen, the architects who embraced the City Beautiful movement thought that social maladies could be healed by good design techniques. Those men worked with the managers of Special Assessment Districts to foster a specific image of what success looks like in a downtown area. The special districts set up fixtures on the curb that complemented the styles coming out of the École des Beaux-Arts. They worked in tandem to create a cohesive sense of place, and a century later BIDs imitate some of those details.

So while a BID uses corporate terminology to articulate its work, its history and its reasons for activating space suggest a more civic imperative. BIDs pay to activate spaces that get less use than they are capable of. Many of the goals of urban conservation and New Urbanism are in tandem with this goal of activating underused spaces. Parklets, green roofs and sidewalk gardens transform non-spaces into more personable, walkable places. That is the definition of “activation,” as urban planners use it. For an example of that we next look to Chicago where, both the local BID and the state government activated alleyways. But they engaged this same underused resource in different ways.

### The Economy of Re-Use in the Alleys of Chicago

The International Downtown Association is a think tank based in Washington D.C. with partners from the public and private sectors. As a step towards renewing a city, it recommends activating “the uncommon spaces of a community,” ranging “from empty alleys to mall parking to sidewalks.” The Chicago Loop Alliance follows this advice, by sponsoring events in alleys.<sup>16</sup> The programs include different types of art and performance. The SSA has a budget of between 20 thousand and 25 thousand dollars per event. That is a significant cost but the return on

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<sup>16</sup> Illinois calls its districts Special Service Areas (SSA), as opposed to Business Improvement Districts. These two terms are interchangeable, though.

investment is high, because it pulls in a lot of promotion for the district. It creates a uniquely local experience.

The Loop Alliance transforms the alleys by opening them to the public, because they are a space that is otherwise “not in play with the streetscape,” according to Placemaking and Creative Manager Kate Keleman. Chicagoans will not dally into an alley without a reason to. When the Chicago Loop Alliance programs art events with free Lagunitas beer, that encourages people to “engage the space.” Ms. Keleman says that the Chicago Loop Alliance emphasizes the “economy of re-use in alleys.”

The Green Alley program is another example of economical re-use. That is a program by the Chicago Department of Transportation, that installs permeable pavement, open-bottom catch basins, and high-albedo pavement. According to the *Chicago Green Alley Handbook*, the cost of the program is competitive with traditional alleyway design when the decreased long-term maintenance costs are taken into account. Traditional designs are more prone to potholes, which require expensive repairs. That cost increases by orders of magnitude when it scales up to 1900 miles; Chicago’s alleyways have enough pavement to cover five medium-sized airports. That means five airports’ worth of non point source pollution. The alleys do not have their own storm drains, so flooding is common. The alleys are cut off from the rest of the city — literally, from the sewers, and figuratively — from the larger goings on.

Creative Manager Keleman said “there are no women who hang out in alleys,” which makes Chicagoan women persona non grata in 1900 miles of their city. That impedes women’s right to the city. A “right to [space in] the city” was a term first coined by Henri Lefebvre in 1968. He used that term to describe accessibility, walkability, and scale linking public and private spaces

(Smith, 79). Jane Jacobs expressed that same sentiment. They differed only on the unit of analysis: Jacobs was interested in human economy whereas Lefebvre was a bit more technocratic in his concern with built structures. But their ideas share a lot in common. They both position ideal city is one that has the advantages of cluster economies yet manages to resist the alienating forces that accompany “bigness” in an urban space.

### Curb Cuts and Water Squares

Through public events that engage specific spaces, a Business Improvement District can “embed new norms and values associated with climate change action and integrated flood risk management.” An objective paradigm emphasizes built structures and material flows. But a sense of place is not entirely material. “The city” is the space where someone has their personal urban adventure, and “sustainable” is a subjective term that offers a more concrete description of residents’ aspirations than it does any hard truth about how the community was built and functions.

BIDs make a lot of their mission facilitating interactions between persons and locations. The reason they do so is because those interpersonal interactions create a uniquely local sense of space. “Experience can be another form of consumption,” according to the CEO of the Chicago Loop Alliance. BIDs use events like farmers markets, weekly luncheons, and artistic outings, to bring the community together. The Newark Downtown District uses PSE&G Plaza for a lot of its events. PSE&G Plaza is a large corporate plaza that would otherwise go un-used, having little shade, a large but decommissioned fountain, and a brutalist tower as its namesake. But the NDD engages that space with popular seasonal programming.

A “water square” is a innovative way to “activate” downtown space that doubles as flood control. A water square is a plaza that retains water during peak rainfall and acts as a community space in dry weather. The open space resembles a miniature amphitheater. It has diagonal sides

that form a slope between the sidewalk and the bottom of the basin — and through a porous material or hidden pipes, it drains at the bottom. A water square is like a bathtub that retains water and then slowly secretes it.

The C40 Cities Climate Leadership Group says that the water square was created mainly for areas that needed additional space to store water, and did not have access to canals or other traditional options. It is a flexible model that can work most anywhere. Like the Chicagoan alleys, a water square can fit into an economy of re-use. It activates downtown space and makes a new social hub, considering that every built space within a city space randomizes interactions between people.

There is usually a higher proportion of people in groups *inside of* a plaza than on the street even though there are more people there alone, overall. The high proportion of people in groups is “an index of selectivity,” alleges William Whyte. The author of *The Social Life of Small Urban Spaces* says “when people go to a place in twos or threes or rendezvous there, it is most often because they have decided to” (Whyte, 17). He collected his data in Milan, New York City and Tokyo, using participant observation. All his participants in Milan, New York City and Tokyo behaved similarly, from which he deduced that “given the basic elements of a center city — such as high pedestrian volumes, and concentration and mixture of activities — people in one place tend to act much like people in another” (Whyte, 23). Though best known for his book about 1950’s corporate culture, *The Company Man*, Mr. Whyte was also an enduring critic of urban planning who was involved with the NYC Planning Commission. Some of the findings in *The Social Life of Small Urban Spaces* were presented to the commission.

He observed that most people stationed themselves next to well-defined objects, like a lamppost or steps. If not there, they’ll gravitate towards the “100 percent location,” a real estate

term for “the location in the middle of the pedestrian flow” (21). The plaza will continue to attract people, as long as they can maintain “civil inattention,” as Whyte calls it. He is referring to the thousand yard stare people do past one another to be polite when close-by. Civil inattention is powerful and rare. Vacuous houses, low density suburbs, single-occupancy cars and isolated downtown towers keep people in solitude, so their occupants rarely have to use civil inattention. Interpersonal interactions produce a uniquely local sense of space because interpersonal interactions are a uniquely local departure from the isolation that urban design tends to cause.

But despite all these trends, the way that any given person uses a space is sporadic and random. Individuals will use the space according to their needs and imaginations, not those of the designers. Jane Jacobs made an entire career out of this point, with her assertion that “freedom of countless numbers of people to make and carry out countless plans” precedes “good” urban planning (Mitchell, 47). A recent article in *The Stanford Social Innovation Review* substantiates her idea, with what it calls “the curb cut effect.”

One study of “unencumbered pedestrians” in Sarasota, FL found that nine out of every ten go out of their way to use a curb cut.<sup>17</sup> A curb cut smooths out the gradation between an asphalt street and the concrete sidewalk above it. The sidewalk is but a few inches higher than street level, easy to step over but very difficult for someone with an immobilized knee or a wheelchair to maneuver over. Most of the people who use curb cuts are able-bodied — which is

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<sup>17</sup> America got its first curb cut in 1945. It was in Kalamazoo, MI of all places, which is perhaps why the rest of the country did not follow suit. Public curb cuts started gaining momentum in the 1970s, on the West Coast. Activists in Berkeley, CA repeatedly poured rudimentary concrete ramps between the street and raised sidewalk, disregarding the threat of arrest. Their gumption garnered attention, and in 1972 Berkeley became the second American city to install a curb cut. Cities followed suit nationwide. Curb cuts were built and paid for at the local level, but there were two landmark federal policies that put them into a broader context: the 1968 Architectural Barriers Act mandated that all government buildings were handicap-accessible, and the 1990 Americans with Disabilities Act prohibited disability-based discrimination and mandated changes to the built environment, including curb cuts. The significance of these federal laws is that they made it explicitly clear to the public that curb cuts were intended for the disabled, without exemption. Yet an overwhelming majority of able-bodied persons used them anyway.

to say, most of the people who use curb cuts do not need them. People use a space in novel ways, that exceed the uses its designer envisioned.

### Conclusion

In the summer of 1988, there was a riot in Tompkins Square Park. Revelers rammed a police barricade through the glass doors of an upscale apartment building called The Christodora. It was the first one in the neighborhood, and its impact was immediately felt. A neighbor a few doors down from the Christodora said,

“People really did feel that the neighborhood had been invaded and occupied by an enemy force. For there to be a building in the neighborhood that had a doorman and an elevator was pretty shocking. It was looked at as an interloper and a harbinger of things to come. And lo and behold, things did come.”

One of the things that came was an expansion in the Union Square BID nearby, which boasted corporate partners like Con Edison. The *New York Times* reported on massive changes in the Union Square area: “Until the last couple of years it would have been unthinkable for anyone to worry about Union Square's becoming too slick. The park itself was a rundown, rubble-strewn smudge, a drug-dealing center.”

Howard Wolfson accuses BIDs of cutting “the urban jungle” into “pacified and wealthy hamlets.” In much the same way, a BID can cut “the urban jungle” into its constituent ecological zones. The districts in a central city correspond to the different terrains and species that commerce grew around. That is because districts form according to local economic conditions, and those local economic conditions are the result of local ecologies. The natural environment impedes certain types of production which, the principle of path dependency tell us, will affect



the way a growing city subdivides. Path dependency is the tendency an organism has to keep doing things a certain way. A trading city is one example of a path dependent organism.

Locational path dependency explains why the mid-Atlantic coast produces more GDP than anywhere else in the country — because of its access to ocean-based trade — as well as the highest sea level rises.

Wolfs’ rhetoric of “hamlets and islands” re-frames commercial transactions into examples of insular biogeography. When they are geographically isolated, plant and animal populations become symbiotic. A BID’s decisions, especially about horticulture, attract specific species.<sup>18</sup> *Synurbanisation* refers to the ability of species populations to adapt to specifically-urban life.<sup>19</sup> Pigeons and squirrels thrive in people-made places. These animals are more noticeable than plants and microbes, but those synurbanize too. They form the lowest trophic level, which builds a scaffolding upon which a synurbanized population emerges. Urbanization superimposes humanity’s forms onto the “natural” environment, and then nature re-emerges through the fissures. Birds, for example, have “adapted their nesting requirements and foraging habits to be conducive with urban lifestyles” because they are adept at finding open access points (Harris, et. al.). The end result is a tapestry of non-permeable paved surfaces and semi-permeable ground cover. Their districts’ designs affect how rainwater moves through it, and how the plants, animals and microbes fare when it rains. Every city is made place-specific by its human capital. A block-by-block rain gradient can highlight the uniqueness of its natural capital.

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<sup>18</sup> Street horticulture that is native to the district requires less fertilizer and water to thrive, than does non-native horticulture. Native plants also have synergy with native animals, especially birds and insects. By and large insects and birds are better adapted to city living than small mammals are.

<sup>19</sup> Harris, E., Crom, E. D., & Wilson, A. (2016). Pigeons and people: mortal enemies or lifelong companions? A case study on staff perceptions of the pigeons on the University of South Africa, Muckleneuk campus. *Journal of Public Affairs*, 16(4), 331-340.

### **Appendix 1: Gentrification**

“Gentrification” is an overgeneralized term. It erroneously conflates many distinct policies carried out by many different players at many different scales. Realtors, zoning boards, the mayor’s office, federal policies and international capital all have a course in designating how a city improves. In American urban history there have been two major eras of gentrification: the first started in the 1960s and lasted until the mid-1970s, roughly.

“Gentrification,” so-called, begins in the 1960s when the federal government subsidized suburban housing at the same time that state governments permitted racial covenants there. That policy was commensurate with the Immigration and Nationality Act of 1965 which, for the first time in American history, got rid of quotas on immigrants from non Western European countries. That attracted immigrants from the Far East, Latin America and the Caribbean — particularly from Puerto Rico and other Caribbean islands. (Pan-Asian immigration would not increase much until the 1970s.) Those migrants headed for big industrial cities for three main reasons: they were looking for work, they were locked out of the suburbs and they fostered community networks with other ex-pats there. They and northern-bound Black Southerners found out that the jobs were gone. City centers effectively became economic refugee camps for internally displaced persons.<sup>20</sup> We see an expansion in public housing during this era, that failed to keep pace with the grow of the underclass. Old townhouses, in neighborhoods like Brooklyn, N.Y., were demolished to make way for brand new roads and large-scale housing developments, which were

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<sup>20</sup> “Cheap saloons opened in some of the abandoned stores. Soon there were street gangs, fighting gangs, Irish and Puerto-Rican teen-agers, seeping down from the notorious Red Hook section to continue their racial warfare and prey on passers-by. The side streets off Third Avenue — streets whose apartments were now filled with families on welfare, families without fathers, and with poor Spanish-speaking families without clothes adequate for the cold New York winters — became places to dump and strip stolen cars; the streets began to be filled with their ravaged hulks. (Caro, 185)

heavily modeled after the post-modern machinations of a brutalist Swiss architect named Le Corbusier. With this, the scene was set for the first round of gentrification.

The incentives of suburban living lowered the price and prestige of city buildings. The first wave of gentrification came, when upwardly mobile middle class White people bought brownstones. They were bohemians, artists and young. Their campaign to move in was contrived, as evidenced by the first Brownstone Fair in 1973:

Organized by the Brooklyn Brownstone Conference, a new middle-class civic group, the fair advertised itself as a showcase for “Everything You Always Wanted to Know About Brooklyn Brownstones.” More than two thousand attendees strolled past fifty exhibits run by enthusiastic volunteers. Instructional booths offered tips on old electrical wiring, stonemasonry, architectural ornamentation, and carpentry. Gardeners and horticulturalists gave instructions on tree planting and care, community gardening, and negotiation strategies with the city park department. The Community Bookstore, started by Park Slope brownstoners, displayed more than a dozen “brownstone books” penned by Brooklyn’s new middle class, ranging from local histories to renovation guides. [...] To cap off the event, Brooklyn Union Gas sponsored a fleet of buses to take fair attendees on tours of Brooklyn brownstone neighborhoods. (The invention, 189)

The Housing Authority’s towers were diametrically opposed to the brownstones — both in form and in function. Public houses were a relic of the Great Society under Johnson. They were a government asset unlike brownstones, which were privately owned. Brownstones were much shorter physically, and some had private gardens. Thanks to Robert Moses and his slash-and-burn tactics, any and every urban garden took on edenic traits. The “elderly white ethnics shielded from mass consumer culture held on to a vanishing pastoral lifestyle” in Brooklyn’s brownstones (Osman, 173).

The second wave started in the mid-1990s, following HUD’s public-private directive. The financial sector was growing and real estate became a hotly-traded commodity. That wave brought young urban professionals into the city, whereas the first wave brought bohemian creatives who had lower incomes. The calculus for buying and selling real estate has changed

since then, but a booster mentality is the sinew that ties the Brooklyn brownstoners to the next phase of gentrification, which came with neoliberalized financialization in the 1990s. They adopted rhetoric of Western expansion in both instances.<sup>21</sup> Neil Smith, author of *The New Urban Frontier*, remarks that “The social meaning of gentrification is increasingly constructed through the vocabulary of the frontier myth” (11). When a new condominium (called The Armory) was built two blocks away from Times Square the *New York Times* reported that “the trailblazers” had “tamed” West 42nd Street, which it called “the Wild Wild West.” The pun is clever, but sinister. A couple of suburban transplants writing in the *New Yorker* confess, “moving down here is a kind of urban pioneering, and tell [Mother] she should be proud. We liken our crossing Houston Street to pioneers crossing the Rockies” (12).

We are still living in this second phase of gentrification but an in augmented version that is fracturing into a third, called “environmental gentrification.” The University of California defines environmental gentrification as “the process whereby the seemingly progressive discourse of urban sustainability [drives up] property values and displace low-income residents.” These brackets denote an addendum in the original quote which reads, “the seemingly

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<sup>21</sup> The social meaning of gentrification is increasingly constructed through the vocabulary of the frontier myth, and at first glance this appropriation of language and landscape might seem simply playful, innocent. Newspapers habitually extol the courage of urban “homesteaders,” the adventurous spirit and rugged individualism of the new settlers, brave “urban pioneers,” presumably going where, in the words of Star Trek, no (white) man has ever gone before. “We find a place on the lower [sic] East Side,” confesses one suburban couple in the genteel pages of the *New Yorker*:

Ludlow Street. No one we know would think of living here. No one we know has ever heard of Ludlow Street. Maybe someday this neighborhood will be the way the Village was before we knew anything about New York.... We explain that moving down here is a kind of urban pioneering, and tell [Mother] she should be proud. We liken our crossing Houston Street to pioneers crossing the Rockies.  
 (“Ludlow Street” 1988)

In its real estate section, the *New York Times* (March 27, 1983) announces “The Taming of the Wild Wild West,” pursuant to the construction of the “Armory Condominium” two blocks west of Times Square:

The trailblazers have done their work: West 42nd Street has been tamed, domesticated and polished into the most exciting, freshest, most energetic new neighborhood in all of New York...for really savvy buyers, there’s the rapid escalation of land prices along the western corridor of 42nd Street. (After all, if the real estate people don’t know when a neighborhood is about to bust loose, who does?)

progressive discourse of urban sustainability is used to drive up property values.” The passive voice (“is used to drive up”) underestimates that price signals are natural. A lot of the amenities that fall under the umbrella of urban sustainability are pleasant to look at and live around. Market rate residents gravitate to rooftop gardens and flower-lined streets. Furthermore to say that the “progressive discourse of urban sustainability” precedes gentrification is the logical equivalent of wondering whether the chicken or the egg came first. A discourse about making a place more resilient arises when people are interested in preserving that place, and normally a place that people want to save is a place being gentrified. The Brooklyn brownstoner movement is one example of that. New Orleans post-Katrina is another example. A lot of working class residents have not returned to New Orleans since Hurricane Katrina made landfall in 2005, and higher-income residents have taken their place. They live in new developments with better flood controls than were there before. A similar trend is playing out with the *NYC Comprehensive Waterfront Plan* too, as per Hurricane Sandy.

#### Appendix 2: A History of Special Districts

In 1950s America, urban renewal and suburbanization were completely commensurate. When residents left the central city for the suburbs, downtown merchants lost their customer base. BIDs made inner city stores competitive with suburban stores, which typically had larger selections and nicer facilities. BIDs as they are known today grew out of central city merchant groups. Urban merchants consolidated their power in the age of de-industrialization, and they became a Fourth Estate of sorts. City governments were eager to form partnerships with them, because these store owners stabilized the tax base. These public-private partnerships subsequently *became* Business Improvement Districts as we know them today. The Central

Atlanta Progress (CAP) is a BID in Georgia, that exemplifies these changes. It was founded in 1941, as the Central Atlanta Improvement Association. It became the Central Atlanta Progress in 1967, and turned into an improvement district in 1995 (Mitchell, 29). This is one example among many, of how a BID gradually expands its institutional complexity. It has more employees, more managers and more responsibilities than its antecedent.

David Kennedy is a Yale affiliate, who places the first special metropolitan district in 1790 Philadelphia. Philadelphia is where the Framers drafted the Articles of Confederation. The Articles of Confederation preceded the Constitution, and put severe constraints on federal power.<sup>22</sup> That Philadelphians relied on special metropolitan districts was commensurate with the national zeitgeist, which sacrificed scale and efficiency to prioritize local autonomy. That sentiment was resolute, staying constant as settlers began moving into the American heartland from the Atlantic Coast. Special districts were developed in the Atlantic colonies and moved West, where they regulated water allocation.

*Nature's Metropolis* by environmental historian William Cronon. It chronicles the growth of Chicago, Illinois, from a swampy trading center for Indian tribes into one of the Occident's biggest cities ever. "Repeatedly in the nineteenth century, western cities came into being when eastern capital created remote colonies in landscapes that as yet contained relatively few people" (Cronon, 52). Repeatedly, natural capital begot financial capital and financial capital begot public works improvements, as paid for by a special assessment district. Lumber and wheat entered Chicago as raw commodities, and left as speculators' receipts.<sup>23</sup> Many of those speculators took

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<sup>22</sup> The Constitution increased the right of the federal government, to compel states into doing certain things (like paying taxes) and prohibit states from doing certain other things (like making unilateral deals).

<sup>23</sup> "In 1834, Chicago's first newspaper, the *Democrat*, showed a total of 865 subscriptions at the end of its first full year of publication. Only a fourth of those subscriptions were sold within the city itself [...] fully 25 percent of the *Democrat's* subscribers lived in the East" (Cronon, 61).

up residence in the city, and pooled their money to fund beautification projects. The middle and upper classes did beautification nationwide, but the most ambitious projects were in Chicago.

Jerry Rubin says these reformers were influenced by thinkers like Edward Bellamy, whose book *Looking Backward* prescribed a new ideology called “utopian idealism.” Utopian idealism tried to awaken civic pride through urban design. “The supposition was that aesthetics could awaken a healthy sense of community among city dwellers, which in turn would inspire people to make their city a superior place to live.” The urban reformers, no matter where in the country they lived, upheld two prime examples of utopian idealism done right: Central Park in New York (1859) and the Great Columbian Exposition in Chicago (1893). Frederick Law Olmsted landscaped them both.

The Columbian Exposition was so named in commemoration of Italian explorer Christopher Columbus. When his crew landed on the Caribbean islands, it set into effect a chain of events that made Chicago possible. The fair was a simulation of a shrunken utopia, like every one since. The broad collection of people, buildings and animals has a theme. It positions a way of seeing the world and experiencing the fair. The theme during the Space Age was “the world of tomorrow.” Two years before the U.S. entered World War Two it was “peace through understanding.”

The theme of the Columbian Expo was “The White City,” so named after fifteen exhibition halls in the neoclassical style, all painted white. There were moving sidewalks, a ferris wheel — and exhibitions about public administration. While belly dancers tantalized the Orientalist gaze, and American Indians performed in human zoos. Outside the fairground in downtown Chicago, Frederick Jackson Turner was giving academic lectures about his Frontier Thesis. The frontier produces a *joie de vivre* which is quintessentially American, he said, that comes out of contest

between wild and industrial forces. William Cronon puts forward a less jingoistic version of Turner's gestalt: western natural capital plus eastern built capital equaled the Western frontier. Cronon writes in the present, so he is a detached observer, unlike Jackson who lamented that trend. He saw the West "closing." Would American men lose vitality? The White City reassured anyone who would listen, that the city of the future could be a virtuous place, just like the halcyon frontier was. Like 1964's "World of Tomorrow" and '39's "Peace through Understanding," The White City of 1893 showed its fairgoers the best version of a world they could imagine. It gave America a template for urban design to aspire to.

Nearly one out of every two Americans visited the White City; twenty-seven million in total. Every one walked away with an appreciation for "utopian idealism" in urban design. The fair taught them the power of aesthetic planning. They could replicate the White City's street lamps, landscaping, gardens, fountains and boulevards in their home towns. For the first time, people thought that city life could be enjoyable, and not just a consequence of being unable to move away. That utopian vision was a product of the fair, that directly paved the way for the creation of BIDs. "The event that truly heralded the City Beautiful was the Great Colombian Exposition held in Chicago in 1893" (Mitchell, 21).<sup>24</sup> The City Beautiful movement wanted to supplement the municipal apparatus.

The Greek agora and the Roman forum were centers of community life with marketplaces, places of worship, and public amenities that offered shade (like colonnades). It bred common identity, goodwill and critical discourse among free citizens. The structures were alleged to instill virtue, which was missing in urban life at the turn of the twentieth century. American cities

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<sup>24</sup> "Standing in sharp contrast to the disorderly cities of the period, the twenty-seven million visitors to the exposition — nearly half of the American population at the time — carried back to their communities the White City as a model for city planning and a means to develop a sense of importance for where they lived" (Mitchell, 22).



embraced civic husbandry in response. Many of those architects and artists studied at the *École des Beaux Arts* in Paris. They learned the Greco-Roman style there, and brought columns, domes, friezes and esplanades back to the U.S.

Never mind their lack of virtue — the city governments were too ineffectual to organize any husbandry projects. Corrupt political machines occupied the civil service, and their towns could not grow into White Cities until those old guard were out of the way. So reformers crafted brand new administrative agencies like park boards and municipal improvement corporations in the early twentieth century, to circumnavigate the power of political machines.<sup>25</sup> They set the precedent for Business Improvement Districts.

The special districts in colonial Philadelphia *replaced* local government duties; the new White City agencies merely *supplemented* local government duties — technocratically and bureaucratically. The early commissioners and boards effectively seized jurisdictional power from city government. The reason they were able to do so is because their protocol used best practice and professional clerical standards, while political appointments were still based on patronage. Every city district shares a goal and a methodology: making cities more “livable,” coordinating with private landowners and building public structures that foster civic pride.

The City Beautiful entailed a multitude of ordinary improvements to significantly improve the larger picture. [...] Graceful street furniture was added to parks and streets. Elegant light fixtures replaced ugly utility poles. Small neighborhood parks were developed alongside boulevards and other roadways. Pedestrian pathways were designed to subtly blend trees into the man-made environment. Even waste disposal plants were housed in gracefully designed edifices. (Kennedy, 50)

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<sup>25</sup> “Creative state legislation was enacted to strengthen the eminent domain powers of local governments. Innovative administrative agencies (such as park boards and municipal improvement commissions) were established to overcome the power of political machines” (Rubin, 23).

As an example of how “ordinary improvements” correspond to a “larger picture,” let us consider the Magnificent Mile, an upscale stretch of Chicago, IL, on Michigan Avenue. It is maintained by a SSA, called the Magnificent Mile Association. Michigan Avenue has six lanes of traffic and very wide sidewalks. The SSA maintains a long pedestrian island with deep planters in it, down the middle of Michigan Avenue the whole way. There are shrubs inside them, which Ambassadors tend to. The district has some of the tallest skyscrapers in the city, and they cast a perennial shadow in some places. Consider the combined effect on a pedestrian. Every facade in their periphery is a skyscraper, and in the foreground they see a line of hedges and pavement. Intermittently they will see a shadow, or an Ambassador. Everything they see is necessarily *inside* Michigan Ave. It is a totalized environment. Nowadays, most every BID installs custom-designed trash bins, curbside plants, special light fixtures and public benches, and the first groups to install those were the administrative agencies pursuing the “City Beautiful” vision.

That movement grew out of the Progressive Era. Therefore, the City Beautiful was in conversation with a whole realm of discursive symbols and values. From that movement there emerged a common set of urban symbols all across the country. “Success” in a downtown was suddenly beholden to an aesthetic standard that was legible to the masses. Every successful downtown had a flagship department store, which were new in the early twentieth century — and floral planters and evenly-spaced storefront awnings with trashcans on every corner. The world wars interrupted that vision, because the demands of wartime austerity turned urban life utilitarian and industrial again. Scarcity and grit were the anthesis of the City Beautiful movement, which asked how America’s public life could be virtuous when it lost its frontier. Then suburbanization after World War Two ended the City Beautiful movement for good. The

reason suburbs undermined urban husbandry is because it opened up new land for residential development. The City Beautiful movement was partially motivated this notion that there was nowhere else to go; city living was a consequence of inability to leave.

The national housing stock was in low supply before 1945, because nobody was buying or building houses during the Great Depression. Then demand jumped on V-Day, when millions of G.I.s came home from the service. Nine months later veterans and their lovers started growing the population. The Baby Boomers were worsening the housing shortage in infancy, as their families took to temporary housing arrangements.<sup>26</sup>

Soldiers were eager to build domestic lives and the Levitt & Sons Company met their demand. The company built upper middle class suburban homes before the war. But upon leaving the service himself, William Levitt incorporated the modular fabrication techniques from the Pacific theater, into his houses. His innovations cheapened and hastened home construction by orders of magnitude. Cheap suburban houses drove automobilization, too. Marginal land that had once been for farming opened up for commuters to live on. Suburbanites were no longer confined to the walkable radius outside the train station. Even though city living had been going out of fashion for decades, the socioeconomic scene after World War Two kicked suburbanization into high gear. For G.I.s who had been living in communal barracks for the duration of the war, the prospect of high-density city living lost whatever appeal it once had, especially when compounded with the increased racial tensions coming from the Great Migration. The City Beautiful model did

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<sup>26</sup> "After the war, both the marriage and the birth rates continued at a high level. In individual terms, this rise in family formation coupled with the decline in housing starts meant that there were virtually no homes for sale or apartments for rent at war's end. Continuing a trend begun during the Great Depression, six million families were doubling up with relatives or friends by 1947, and another 500,000 were occupying quonset huts or temporary quarters. Neither figure included families living in substandard dwellings or those in desperate need of more room. In Chicago, 250 former trolley cars were sold as homes. In New York City a newly wed couple set up housekeeping for two days in a department store window in hopes that the publicity would help them find an apartment. In Omaha a newspaper advertisement proposed: 'Big Ice Box, 7 x 17 feet, could be fixed up to live in.' In Atlanta the city bought 100 trailers for veterans. In North Dakota surplus grain bins were turned into apartments. In brief, the demand for housing was unprecedented." (Jackson, 672)

not account for racial tensions because the Black population was low in most Northern cities then. Fewer than ten percent America's Blacks lived in the North in 1910. Their presence would steadily grow over the next sixty years. All the while, Black fear and greener pastures set the stage for an exodus out of the city beautiful. White Flight effectively ended the City Beautiful, once Cape Cod cul-de-sacs replaced farms off the shoulder of I-95. The cost of turnpikes, toll roads and suburban schools were paid for through special assessments. The New York-New Jersey Port Authority and the Bi-State Development District in the area around St. Louis are two examples of metropolitan districts that funded suburban transportation routes in the 1950s. Residents left, and retailers followed them.

1920 was the first year in American history that the population was minority rural majority urban, and all those new city slickers were buying their wares in department stores. Chain department stores like of Woolworth's, J.C. Penny and Sears-Roebuck increased their market share during the Great Depression, because even though consumers were buying less, their scale advantage enabled them to undersell their smaller competitors.

In response, downtown businesses created "nonprofit associations designed to protect and promote downtown interests" (Rubin, 28). They accepted voluntary contributions to sustain themselves. Examples included Baltimore's Downtown Committee, the Downtown Association of Milwaukee, the Downtown Property Owners Association of Oakland, the Central Business District Association of Los Angeles, and the Main Street Association of Buffalo. Then, national research projects sprung up to back them. The Urban Land Institute's Central Business District

Council did panel studies starting in 1949 to improve customer satisfaction.<sup>27</sup> The studies barely helped downtowns revitalize.

The merchant associations turned into BIDs. The first step was to make their dues mandatory. With a more consistent source of revenue, merchant guilds could plan more ambitious projects ahead of time, secure loans, and also incentivized broader participation from its members (because everybody's dues money was at stake now). The second step was to build affiliations with state governments. That had two effects: streamlining revenue collection and gaining parity with city governments. Now BID members' dues were getting calculated as a surcharge on their tax bill. Of course tax accounting is a more consistent formula than anything a small merchant's organization can muster, and these new institutional relationships increased the bureaucratization and impartiality of assessment collection. That increased consistency made it feasible for BIDs to make their criteria more detailed — whether that made their “tax” more convoluted, regressive or progressive is an economic question that this analysis does not address. BID managers got additional leverage from the fact that they were legally an appendage of the state government, a far cry from the original merchant associations. Those had no government affiliation, which put them under mayoral jurisdiction. In the event of a tiff between city and state legislators, a BID can play one side against the other to maximize its own benefit. Armed with these new institutional capacities, BIDs started springing up nationwide in a bid to reclaim the city beautiful.

In 1974 America got its first BID, in the New Orleans Downtown Development District (DDD). Two years later Brooklyn followed suit, having set up the Fulton Mall. New York City

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<sup>27</sup> If the Urban Land Institute sounds familiar, it should! The Urban Land Institute published “Harvesting the Value of Water” in 2017. That article is featured prominently in this report. It was written “to address a gap in today’s research on stormwater management approaches. Although much has been written on the topic of green infrastructure and water management, most recent reports focus on stormwater policies or opportunities for capturing stormwater in the public realm. Fewer have focused on implications for private sector real estate developers.”

made other special districts. Those included the Special Theater District around Times Square, the Clinton Preservation District, and a Special Park Improvement District for Central Park. Crime rates within their boundaries declined in the years since. Critics like David Kennedy say that crime rates declined because of “spillover effects,” meaning that BIDs pushed crime out of their jurisdiction into neighboring communities. One member of a community board adjacent to the GCP complained: “what we're concerned about is moving homeless people from place to place, based on a community group's ability to pay” (Kennedy, 319). That concern is largely conjectural, because different studies using different static regression models have found very different results. The issue of whether BIDs cause a “spillover” effect on crime remains inconclusive. Even if they do, criminality and flood waters do not accumulate the same way though. A BID cannot export its flood risk. So were a BID to design a block-by-block rain gradient that spans multiple city blocks, the rain water it absorbs is physically incapable of spilling over across the district line — unlike the petty criminals that a BID chases away.

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