The Privatisation of Public Space?
The American Experience of Business Improvement Districts and their Relationship to Local Governance

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ABSTRACT Legislation is currently in progress to enable Local Authorities to set up Business Improvement Districts (BIDs). These evolved in the United States in the 1980s and 1990s as a response to urban decline and decreasing levels of government funding. They are voluntary associations of local businesses which volunteer to levy a ‘tax’ upon themselves. This fund is used to improve the local area and acts as a supplement to the money already spent by the public sector – most commonly funds raised are spent on enhanced security and street furniture. Although often successful in regenerating and improving city centres, concerns have been raised by some community groups that there has been too much expansion by private sector organisations into what should be the responsibility of elected local government.

Introduction
Legislation is currently in progress to enable Local Authorities to set up Business Improvement Districts (BIDs). These originated in Canada but have been most prevalent in the United States of America. They are voluntary associations of local businesses which raise an agreed levy upon themselves that is spent in improving the local area. The aim is to make a business location more attractive to consumers and other businesses by spending this levy on improvements in the local environment and security.

This can be seen as the provision by the private sector of what has traditionally been a public sector provision and operation of community services and public goods. Some commentators have argued that this is
both necessary and desirable in an increasingly privatised economy with an ethos of low taxation. Others have argued that it represents a ‘creeping privatisation’, of the public realm and cedes to the private sector too much authority, leading to a decline in local democracy and accountability.

The objective of this paper is to highlight what can be learned from the American experience of BIDs. It examines both the relative success of some BIDs and the concerns raised by those that have either failed entirely or have been controversial and problematic. The paper uses secondary research, focusing mainly on an analysis of American academic and business publications and a reading of a wide range of American BID websites.

The Origins of Business Improvement Districts

Business Improvement Districts (BIDs) began 40 years ago. In 1965 a Toronto businessman, Alex Ling, was so concerned about the graffiti, litter and vandalism in the area that his shop was located that he contacted other local businesses and suggested they do something about it. The local city government was under-funded and over-stretched, and could offer little help. Consequently local businesses decided to ‘tax’ themselves, and contributed money based on the size of their business. The cash was pooled, and over the next year was spent on extra street lighting, smarter street furniture and extra litter collection. The result was an immediate success. Trade and profits increased substantially, and easily outweighed the money spent (Houston, 1999). The idea spread rapidly, first across Canada and the USA and soon across the rest of the world. Today there are BIDs in cities as far apart as Kingston, Jamaica and Wellington, New Zealand. The number of BIDs in the USA is increasing so rapidly it is hard to find a definite number, but current estimates suggest there are over 1,000 (Loukaitou-Sideris, 2004).

The growth of BIDs since the early 1970s can be linked to wider economic changes in the United States that have been mirrored in Western Europe. The decline of traditional industries such as steel and car manufacture left cities such as Pittsburgh and Detroit in serious economic decline, with the usual path of a decline in the local tax base, high levels of unemployment, a labour force with outdated skills, and a consequent spiral of blighted neighbourhoods and inner city decay (Clarke, 1997).

City centres often suffered a double blow from the growth of out of town shopping malls and office parks clustered around motorway junctions which offer pleasant shopping and working environments with easy access and abundant parking, in contrast to cities, where parking is problematic and there is a fear of crime and aggressive begging. The city was seen as an unpleasant place to live and work. The structural problems of deindustrialisation significantly accelerated the post-war growth of suburbanisation,
the new patterns of living and working that had evolved with mass car ownership (Saxenian, 1996).

The 1970s also saw the growth of what have been termed ‘edge cities’ (Garreau, 1992). These ‘sub cities’ grew up around major road foci on the outskirts of existing cities, such as the ‘Route 128 Region’ near Boston. They soon contained ‘all the functions a city ever has’ (Garreau, 1992: 4) offices, housing, shopping malls, schools, churches and cinemas, and acted as a further drain on the prosperity of traditional cities. Financial services companies which had always located in the Central Business Districts began to move to such ‘cities’ in large numbers attracted by abundant land and easy car access. Many of their employees moved out with them, and both the taxes of corporations and employees were increasingly directed to providing policing, road maintenance and parks for these areas, at the expense of depleted urban centres (Garreau, 1992: 20).

The rapid growth of ‘Master Planned’ or ‘Gated’ communities in the United States has been another factor that was both simultaneously cause and effect of continued urban decline. The most recent census data (Low, 2003) suggests that over 18 million Americans live in Gated communities. These communities represent a very clear attempt on the part of millions of affluent Americans to literally fence themselves off from the wider community of urban centres. Schools, churches, cinemas and golf courses are provided on site by the company that owns and manages the project, and residents pay a ‘management fee’ in return for such communal services as refuse collection and 24-hour armed security patrols. These management fees are taxes in all but name, and many such communities actively resist any attempt to incorporate them into the nearest town or city (Blakely & Snyder, 1997). The ‘taxes’ they pay to the company are hypothecated – they are spent wholly within the community, and nothing is diverted to subsidise less affluent groups; the relatively affluent want to avoid redistributive taxation (Webster, 2001).

This in itself is part of a wider picture of ‘the retreat of the state’ that began in the UK and USA in the early 1980s. Governments gained election victories on a platform that included lower taxation levels and a smaller role for the state. In 1978 voters in California voted for Proposition 13, which capped property taxes, and many other State Legislations soon passed similar legislation (Briffault, 1999).

Economic decline, the movement of both businesses and people to the suburbs, the increase in ‘separatist’ Gated communities and the election of successive governments committed to a reduction in state spending (at both local and national level) left many city centres beleaguered and run down. It created an atmosphere in which ‘the role of business leaders was to complain about dirt, crime, inadequate parking and taxes, and the role of local governments was to alibi, avoid, delay and dissemble’ (Houston, 2003, p. 15). In these circumstances many businesses decided to sidestep local government and do something themselves.
The Function of Business Improvement Districts

Central Business Districts simultaneously suffered both from the economic competition of the suburbs and new Edge Cities and the self-perpetuating cycle of decline in the urban tax base. As cities became less affluent, so more businesses moved out, leading to further decrease in the revenue raised from hotel bed taxes, restaurant taxes, business property taxes and residential property taxes. Spending cuts lead to a decrease in budgets for police, street cleaning, parks, road maintenance, and street furniture, providing further incentive for both businesses and residents to move to the affluent periphery. Federal aid programmes, tax incentives and city marketing campaigns had limited success (Porter, 1995). The incentives for businesses to leave simply outweighed the incentives for them to stay.

BIDs were a private sector response to these market forces, and the failure of Federal aid and spending programmes to provide a sufficiently powerful counterweight. They provide in effect a ‘substitute’ public sector. Revenue is raised, relocation incentives are provided by offering discounts and exemptions on money paid to the BID for business new to the area (http://www.downtowndc.org) and the income raised is spent on the provision of local amenities and infrastructure. BIDs in effect collect and spend a hypothecated business property tax. At its most elementary a BID is a legally defined body made up of local businesses that levies money from its members and spends the money in a manner agreed by the members. BIDs are geographically based, and in the USA have occupied as small an area as a single city block and as large an area as 350. The smallest have an annual budget of a few hundred dollars and the largest, such as the Lincoln Square BID in New York, raise and spend over $1 million a year and employ full time staff to manage their administration. (http://www.lincolnbid.org).

BIDs represent a concerted effort by business leaders to change perceptions of downtown as a whole, to surmount the limits of public resources and to respond to suburban competition with well-funded, professional private sector organisations. BIDs gather under one roof the diverse disciplines of crime prevention, maintenance, marketing, landscape architecture and urban design for a coordinated approach to downtown improvements. (Levy, 1998: 7)

BIDs are most commonly found in retail areas, but have also been set up in financial services areas and even on industrial estates and university precincts. The idea of a BID has generated variants – in 2003 several churches in a rundown part of Los Angeles adopted the system to pool their revenue to spend on improving their parish (http://www.lacity.org). Despite these variations in scale and origin there is a high degree of uniformity in prioritising the budget: street lighting, CCTV, security staff, street cleaning and improved street furniture.

The intention is always the same – to attract people, both shoppers and businesses, away from out of town malls and back into the city centre. In
order to do this the centre needs to offer what malls and business parks offer – a clean, safe, attractive and easily accessible environment. Many city centres are already well on the way to achieving this and it would be a mistake to see BIDs as only operating in blighted, marginalised urban areas. Many exist in affluent districts where they function as a ‘top up’ to largely adequate local services, and where the priority is more likely to be the provision of extra hanging baskets than the provision of private security guards (http://www.lajollabythesea.com).

There is certainly no ‘one size fits all’ approach to BIDs in the USA, and this flexibility has proved to be one of the strong points of the BID success story. BIDs can be ‘microfitted’ to suit local conditions and needs, and local business communities run BIDs to suit what they perceive to be local priorities. Businesses may ‘tax’ themselves a little or a lot, monthly or annually, under any assessment regime they see fit and spend the money on whatever suits them, and although this clearly needs to be done in co-operation with local government, it is a matter for the BID members to manage the budget and prioritise spending (Garodnick, 2000).

Many commentators have identified this high degree of autonomy as being one of the key determinants of success for the American BID model. Many businesses believe the private sector has the knowledge, flexibility and organisational ability to manage the revenue raised more efficiently than local government. A 1999 survey of over 250 BIDs found that businesses believed ‘the ideal is for the BID manager and the governing board to have the freedom and flexibility to discover what is the best way to enhance the district area’ (Mitchell, 1999: 12).

The Federal nature of the American political system means that there are wide variations in the degree of co-operation between local government and local businesses in the administration of BIDs. No single model exists. In some cities the BID is a wholly private sector initiative, whilst in others the high degree of co-operation between the BID and the local government means that it is a public–private partnership in all but name. As Mitchell (1999: 10) notes, ‘No two BIDs are exactly alike because each is an experiment in public administration for a particular area’. Analysts looking for a ‘Model BID’ blueprint will fail to find one.

Although the aims and principal mechanisms for achieving them are much the same, there is a wide range of ‘peripheral’ activities that some BIDs engage in to a greater extent than others. Most BIDs have a website providing street maps alongside information on parking locations and contact numbers for local businesses. Some BIDs are more ambitious.

Websites can be used to advertise job vacancies, some even specifying which jobs may be suitable for disabled applicants. The San Diego BID has an energy efficiency subcommittee which provides members with advice on cutting fuel bills. BIDs in New York have used their funds to try and stop certain parts of the city becoming 9–5 ghettos by developing and promoting bars, restaurants and residential apartment conversions. This process of
Gentrification has increased local property values and brought in primarily young professional residents with high levels of discretionary income (Hamilton, 2001).

Some BIDs have found that the area they cover includes a significant number of residential properties. The Philadelphia BID estimates that it has over 75,000 residents in its 120-block area (http://www.centrecityphila.org). This means some BIDs find themselves taking on responsibilities and complications they did not initially envisage. Residents’ associations and BIDs have sometimes clashed over the management of the city centre, with residents wanting to have some voting power on the BID Board. In some cases BIDs have asked residents in the area to contribute towards BID costs on the grounds that residents are benefiting from enhanced security provision and landscaping (Berman et al., 1997). On the positive side, BIDs can earn revenue from residents by putting buyers in touch with sellers via their website.

At their most ambitious, BIDs have expanded to become property developers, buying and refurbishing empty or abandoned buildings and leasing them on favourable terms to both BID members and businesses interested in relocating to the city centre. Redeveloping such buildings as residential apartments has also proved highly effective in helping to regenerate an area. Vacant lots that have been used as rubbish dumps have been cleaned up and landscaped to provide small ‘urban parks’ in areas that were without any green space (http://www.bryantpark.org). This is not a risk-free option however, and some BIDs have found themselves in the financial difficulties that are an inevitable part of a fluctuating property market.

Potential Problems with BIDs: Internal and External

The success of BIDs (at least in terms of the goals of businesses) can be suggested, if not finally measured, by the high level of growth since the 1970s noted above. However there are failings and disputes both within BIDs and between BIDs and the wider community. Some of the most common are discussed below.

One of the most difficult areas has proved to be the initial formation of the BID, and mistakes made have sometimes led directly to the failure of the BID in its early stages. One of the most common errors has been failure to contact those eligible to vote on the BID’s formation, often due to out of date mailing lists and incomplete records.

An example of this breakdown of communication can be found in the Madison Avenue BID in New York. Letters were sent to over 250 commercial property owners, but as these were absentee/corporate landlords the mail was very rarely passed on by the tenants. Consequently only 12 of 268 owners were canvassed on their opinion regarding the proposed BID. The legal terms agreed for the BID stipulated that a majority of those
entitled to vote had to vote against it to prevent it being set up by default and consequently it was set up without the knowledge or consent of the majority of those involved. Mistakes like this have proved very serious, with BID members taking legal action against the BID they unwillingly find themselves part of, meaning BID funds had to set aside to defend the BID against its own members (Berman et al., 1997).

Under current proposals such mistakes should be minimised when BIDs are introduced into the UK. A ‘double blind’ vote is needed to secure the information of a BID, whereby both a numeric majority of ratepayers and a majority of ratepayers by value is required to approve the formation of a BID. Even so, the American experience demonstrates that poor communication between local government and businesses can be very problematic.

**Revenue Assessment**

When a BID has been successfully initiated, the next most common problem has been, unsurprisingly, who pays how much and who gets to decide how the money raised is spent. Current proposals for the UK allow for the levy on businesses not to be confined to being assessed by rateable value, which will allow for variants to suit local conditions.

BIDs in the USA have raised money in a variety of ways – by measuring floor space, turnover, profit, number of employees, or (most commonly) by the rental value of premises. Discounts operate in some BIDs, with those businesses on ‘Main Street’ paying a higher rate than those on the periphery of the BID. Because of this there can be disputes over which system is to be used, with most businesses simply being in favour of whatever system means their payments are the lowest. This relates to issues of voting structures and of co-operation noted below. As Dobbs and Moore (2002) note, ‘Many problems relate to alternative agendas among partners . . . It may be seen as an opportunity by some agencies to undertake activities whilst utilising other budgets’.

**Voting Structures**

Some BIDs have reported a lack of co-operation between small, locally based businesses and larger national or international businesses which have much less commitment to the local community. Almost all BIDs have experienced disputes about exactly what the money should be spent on, and as voting power on the BID Board is directly linked to the level of ‘tax’ paid many smaller businesses have complained of having no real say in the process. In extreme cases the largest three or four contributors have been able to outvote everyone else put together, although this has proved to be a temporary victory: disgruntled members leave as soon as they are able and take their contributions with them. In some BIDs this issue has been addressed by giving favourable discounts to smaller businesses, and by
making clear ‘sunset’ provisions for the BID to be quickly wound down should it fail to satisfy a majority of its members (http://www.milwuakee-
downtown.com). This both encourages businesses to sign up to begin with and creates a mechanism to encourage some level of compromise in Board meetings. Although larger contributors are still able to combine to outvote other members, there is no incentive to push through partisan measures if it simply leads to firms voting for the closure of the BID.

**Trust and Co-operation**

Mistrust and lack of co-operation can hamper BIDs in the same way as any other organisation. In some cases there have been allegations of corruption in the handing out of maintenance or security contracts, and of the Directors of BID Boards paying themselves generous salaries. This has led to expensive litigation and the end of the BID amidst a great deal of ill-will within the local business community. The courts’ ruling on a failed BID in California exemplified many of the common problems in a failed BID. A review of the cheques written showed the major expenses were salaries … for the part time Executive Directors … During the first year of operation the BID had … multiple changes of officers. There have been no regularly scheduled meetings … The BID was hindered by the lack of active participation by about 60% of the businesses … and by a failure to establish short term goals. (http://www.amadacourt.org/grandjury)

**The Privatisation of Public Space?**

Some community groups in the United States have claimed that BIDs are contributing to an erosion of what the Architect Robert Venturi (1977: 124) called ‘the messy vitality of cities’. They claim that the local character of their city centre is being eroded and that BIDs are in effect simply outdoor malls which provide a bland shopping experience with bland corporate art and an unremarkable series of shops which means that every High Street looks like every other High Street, and where local landmarks and eccentric buildings are replaced with anodyne offices. ‘These improvements have facilitated gentrification: high rents, the exodus of small independent shops, and the influx of chain stores’ (http://www.communityartsadvocates.org).

Academic critics of BIDs have suggested that they are simply an extension of ‘Gated communities’ by other means, where only the affluent are welcome and which constitute miniature paradigms of privatisation ‘which allows white collar workers to walk from car to office or from car to boutique with minimum exposure to the public street’ (Davis, 1990: 324). However, this is to ignore the clear differences between a mall and a public street. The owners of a mall have a legal right to refuse admission. Malls also have clear opening and closing times. Neither of these applies to public streets.
The provision of private security has also been contentious in some cities, with complaints that city centres are in effect policed by private companies, and that security staff are given tacit instructions to move homeless people out of the area by any means necessary. The Boston Police Department was so concerned about this that they successfully campaigned against the setting up of BID in the city (Levy, 2001: 5). In Los Angeles a lawsuit has been filed against four separate BIDs by a local community charity, alleging that their security staff are guilty of ‘violating the civil rights of the poor and homeless’ (http://www.losangelesmission.com).

**Indirect Costs**

One unforeseen consequence of some BIDs is that they have been ‘too successful’. Thriving city centres have seen upward pressure on rents, and sometimes smaller businesses have been priced out of prime locations. This has understandably generated very considerable ill-will as these businesses have helped to make the area successful by contributing to the BID. It is a problem for tenants, not landlords. There is strong statistical evidence to suggest that increased security patrols, zero tolerance of aggressive begging and saturation CCTV lead to a safer city centre. The statistical evidence as to whether this simply displaces crime to other parts of the city is not strong enough to settle the question either way (Brooks, 2004: 37).

**Measuring the Success of a BID**

Mitchell’s research found that only about half of BIDs had a system for measuring their success. Those that attempted to do so did not use any standard or ‘Best Practice’ benchmark, but most commonly used their own ‘in house’ system of ‘suggestive indicators’ such as hotel vacancy rates, or reported incidents of shoplifting (Mitchell, 1999: 7). Mitchell suggests that although the success of BIDs cannot be measured by an agreed system of benchmarking, their success can be implied by the simple fact that the number of BIDs has greatly increased and that BIDs have started to appear in cities throughout the Western world (if we define success simply as meeting the business goals of BID members).

Numbers of BIDs which either failed at the inception stage or were voted out of existence by their members are impossible to obtain. Very little trace is left of the latter, and none at all of the former. Mitchell (1999: 14) notes that identifying and counting BIDs was ‘no easy matter’ and that it was ‘often difficult to discern the differences among voluntary merchant associations, economic development agencies and BIDs’. When BID members vote to continue or discontinue a BID, they are deciding whether or not it is a success.
Business Improvement Districts: Their Potential for the UK

The government intends that British cities shall have the legislative framework to set up BIDs of their own if they wish, and the assumption is that BIDs can help improve and regenerate the central business and retail districts as they have done in many cities in the USA.

It is certainly the case that many British cities have suffered from a similar pattern of problems to their American counterparts. With the exception of Gated communities, all the patterns discussed above can be seen to a greater or lesser degree in most British cities. Long term deindustrialisation has led to job losses in former industrial centres. High unemployment leads to crime, vandalism, boarded up shops and neglected streets and parks. New motorway networks and higher rates of car ownership lead to the evolution of out of town living, working and shopping, with motorway junctions becoming key foci for these activities. Between 1981 and 2001 there has been a commitment to scaling down the role of the state and moving to a low tax–low spend regime (Ball et al., 1999).

As Lowndes and Wilson (2001: 46) note, ‘In Britain the last two decades have seen an erosion in the responsibilities of directly elected local government alongside a growth in ... new roles for the private and voluntary sectors’. Public–private partnerships, the Private Finance Initiative and the privatisation of public utilities are all part of an increased government commitment to the private sector as a provider of public goods and services. With such a considerable similarity of experience it is not surprising that the government has decided to introduce an American initiative.

To a large extent BIDs represent simply an extension of the current practice of many cities to market and manage themselves. The Association of Town Centre Managers is closely involved with the introduction of BIDs in the UK, and the goals of BIDs duplicate the goals of Town Centre Managers – to help ‘town and city centres realise their natural roles both as prosperous locations for business and investment and as focal points for vibrant inclusive communities’ (http://www.actm.org). The Manager of the prototype ‘Circle’ BID was formerly Town Centre Manager for Kingston upon Thames (Regeneration & Renewal, 18 April 2001: 17). Introducing legislation to allow BIDs simply puts many existing schemes on a more formal basis.

The introduction of legislation is in itself a departure from the American model, in which BIDs are largely independent of government, subject of course to existing State and Federal laws.

The government’s intention is to use legislation to introduce mandatory procedures that are intended to avoid many of the problems noted above. It is likely that such legislation will mitigate rather than wholly avoid such problems. Many problems arise simply through different groups having different goals and priorities.
For instance, Clause 54 states that ‘The BID levy is not limited to being calculated on the basis of rateable value’. As noted, in the USA disputes have arisen regarding the relative scale of contribution and voting rights based on the size of business premises, and this provides a mechanism for BIDs to seek alternatives. However, such disputes did not arise directly because size or value of premises was the levy-mechanism selected, but because business favoured whichever system left them with the smallest contribution and the largest voting power. Selecting another levy-mechanism will in all probability simply mean that disputes will occur over what the new system is to be, with each businesses preferring a system advantageous to itself.

The UK version of BIDs is clearly envisaged as more of a public–private partnership than is usually the case in the USA. The government explicitly describes BIDs as ‘a partnership arrangement [between] local authorities and the local business community’ (http://www.odpm.gov.uk). They suggest that some funding for BIDs may be obtained from the European Regional Development Fund and from Regional Development Associations, whilst making it clear that most of the funding will come from the private sector. A pilot BID in London was set up in 2001 with £4.6 million from the Single Regeneration Budget and £7.5 million from local businesses. Its aims are identical to those of most American BIDs; to create ‘a more appealing environment, reducing crime, marketing the area, and providing a voice for business’ (http://www.p-r-p.co.uk).

The British model assumes that the local authority will be responsible for collecting the BID levy, usually (although not necessarily) as a simple addition to business rates, and will in some circumstances be able to veto proposals from the BID members. The additional levy will be kept separate from business rates and may only be spent on projects approved by the BID members. Mutual co-operation and partnership are made necessary by the legislative framework in which BIDs will operate. As in the American model, the levy is in effect on hypothecated voluntary tax; the difference is that local government will collect it and have some say (if only by veto) in how it will be spent.

For instance, in order to set up a BID, two majority votes will have to be obtained: a simple numerical majority of all businesses in the area, and a majority by the rateable value of their premises. The ‘free rider’ problem is dealt with simply by making it compulsory for all businesses within the designated area to pay an additional levy if this ‘dual key’ majority is obtained.

Some degree of flexibility is ensured by allowing the BID members to agree levy discounts for small businesses, new businesses and charities if they wish, and by permitting them to appeal to the Secretary of State if they feel a Local Authority veto of their proposals is unreasonable (http://www.odpm.gov.uk). If members of the BID cannot agree on spending or voting procedures amongst themselves, or cannot effectively work with local
government, then the BID may be terminated. No BID may last more than five years without a renewal vote being necessary, again using the ‘dual key’ voting system.

The involvement of local government, although advantageous, is also potentially contentious. Businesses may shy away from what they could initially perceive as yet another government programme bogged down with red tape, a small budget and lots of political correctness on the principle that ‘while no doubt well intentioned, such programmes were top down, frequently bypassed local accountability, and trampled over local sensibilities . . . people simply did not believe they would be given any real say over how the money was spent’ (Ashcroft, 2000: 257). Houston’s research confirms this: ‘Opposition comes from business people who have a long standing grudge against the local government . . . the BID gets tangled up in local politics’ (Houston, 2003: 15).

No piece of legislation can be expected to untangle local disagreements. It is highly likely that some of the problems discussed above will appear in one form or another in British BIDs. For instance, the concern of some American academics and community groups at the loss of individual city character is already being duplicated in the UK. The current plan to close Quiggins (a local arts and community centre) in Liverpool city centre to help facilitate a regeneration project that involves the local BID is a good example (Hansard, 24 March 2004). The debate exactly duplicates that in some American cities between the need to renew and regenerate on the one hand, and the potential loss of local community and character on the other. What business groups perceive to be regeneration and improvement can be seen by local community groups as ‘creeping gentrification’. They are concerned about the homogenisation of cities, with streetscapes designed to ‘ensure a seamless continuum of middle class work, consumption and recreation’ (Davies, 1990: 231).

The currently proposed legislation does attempt to facilitate solutions to some of the problems of American BIDs identified above. Others will have to be solved by local negotiation between BIDs, community groups and local government.

Conclusion

Business Improvement Districts are an attempt to compete with out of town shopping malls by duplicating many of the same processes. A carefully managed, clean, safe streetscape is paid for on a voluntary basis by retailers with the cost ultimately being recouped from consumers via increased sales. Consumers are still paying for the provision of the clean, safe and attractive areas they choose to shop in, but not through a conventional tax.

In their original American format they are a private sector, market driven response to both long term changes in patterns of residential and business
location facilitated by mass car ownership, and to the evolution of low tax–
low spend government.

Although there is no standard numerical measure of their success, their rapid rate of expansion strongly suggest that they fulfil the needs and expectations of their members, although other groups are sometimes hostile to such programmes, claiming that they are wholly aimed at serving the agendas of local business groups and not the wider community.

Currently proposed legislation should eliminate some of the problems identified in American BIDs by the introduction of a legal framework which limits their activities and obliges them to co-operate closely with local government. However, such legislation cannot be expected to satisfy all groups and solve all disputes.

References


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