

“Organizing Collective Effort for Improving Commercial Districts: Lessons from Business Associations in Detroit”

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Wonhyung Elsa Lee is a PhD candidate in urban and regional planning at the University of Michigan, where she got a master’s in social work. Her major research concerns organizing voluntary and collective actions for improving commercial districts and businesses, with a special focus on the process of forming business improvement districts (BIDs). Such sublocal governance and private management tools are increasingly engaged in solving various sociophysical problems in cities; thus, why and in what condition BIDs are formed, not formed, or even disestablished after formation becomes a critical question to guide future use of such tools. She studies this issue both in the contexts of “shrinking cities” such as Detroit and of “global cities” like Los Angeles.

Summary and Findings: Business improvement districts (BIDs) are local organizations that revitalize commercial areas, typically initiated by property owners or business owners who are willing to pay an additional fee to make the areas safer, cleaner, and more marketable. This research examines a case in which BID formation has not been so active (i.e., Detroit) by asking where and how communities have been organizing collective efforts to protect businesses and improve the business environment, and what those communities identify as the potentials and barriers for establishing BIDs. The first part of the research involves descriptive mapping analyses that compare the average percentage of vacant business addresses by Census tracts between 2008 and 2012. The second part involves in-depth interviews with staff at the only BID in Detroit as well as two business associations. In summary, the study found that commercial vacancy rates have kept increasing in Detroit since 2008; several communities organized business improvement efforts through a BID or business associations, but the location of these organizations may not necessarily match with that of the neediest communities; the BID has been efficacious for reducing trash, graffiti, and crime; and communities have identified several barriers to establish a BID.

Implications for Policy and Practice: For policy, this research extends the current literature on urban revitalization, urban governance, and formation of BIDs. This study will foster discussion on the emergence of new actors in urban revitalization and the process of how those new actors gain autonomous governing power for managing commercial landscapes. The political aspect of the BID formation—why local stakeholders desire private management tools and how they negotiate their self-interest to act collectively—will be an important addition to the existing theoretical frameworks that have explained BID formation. For practice, this study offers insights for local governments, planners, and community organizers into understanding how grassroots collective efforts among community stakeholders evolve into an actual organization; evaluating assets and weaknesses of the area and assisting a business community to establish a BID or a similar intervention program according to the city’s needs, particularly in the areas that struggle with forming collective action to improve commercial areas; examining the accumulated impact of private urban management systems that provide exclusive services; and understanding the means and consequences of how communities will organize themselves in the future.