

ACHIEVING ECONOMIC AND SOCIAL SUSTAINABILITY IN THE INNER CITY:
THE ROLE OF BUSINESS IMPROVEMENTS DISTRICTS

by

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Abstract

The inner city has been the site of many efforts to respond to economic decline and social stresses. Business Improvement Districts (BIDs) represent a new form of governance that plays an important role in the revitalization of inner-city districts. This work considers how the Strathcona Business Improvement Association (BIA), a BID located in Vancouver, British Columbia, Canada can contribute to the sustainable social and economic development in the Downtown Eastside district. The Strathcona BIA is distinguished from most other North American BIDs as its territory includes a large number of industrial properties. Low-income residents and industry in Strathcona currently face the prospect of being displaced by the construction of market housing. A review of literature that considers the processes affecting the inner city is combined with a review of best practices of BIDs to inform recommendations for the Strathcona BIA. A vision for Strathcona that meets the Vancouver Agreement's key objective of 'revitalization without displacement' involves three main components: 1) a public realm that is truly open to everybody; 2) a hub for cultural performance and production where artists can make, display, and sell their work; and 3) a green, specialized industrial cluster that employs local residents and innovates in a competitive marketplace. There are a multitude of activities that the Strathcona BIA may undertake to assist in the sustainable revitalization of the neighbourhood. A good starting point for the BIA involves a partnership with the stakeholders in the community to participate a municipal urban planning process to institutionalize a vision of the community in an Official Development Plan (ODP). The ODP can then serve as an important tool that guides interventions and activities pursued by the multitude of stakeholders in the community, including the BIA.

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Chapter 1 - Introduction and Thesis Outline

1.1 Introduction

The inner city has been the site of many efforts to respond to economic and social stresses brought on by economic restructuring. One recent response has been the creation of Business Improvement Districts (BIDs) to assist in the revitalization of inner city areas. This thesis considers how this new form of governance can be integrated within a framework of sustainability that serves as the basis for revitalization in an inner city neighbourhood.

1.2 Problem statement

BIDs are an emerging form of governance that plays an increasingly significant role in communities (Briffaut, 1999; Morçöl and Zimmerman, 2006). Inner cities have advantages when compared with suburban locations in terms of their central location and access to more affordable labour, however, they are disadvantaged due to the breakdown in delivery of public services (Porter, 1997). Special business districts and improvement areas offer the prospect of rectifying some of these disadvantages. The increased role of BIDs is not without controversy. BIDs are criticized mainly for their role in privatizing public space, their lack of democratic accountability, and their failure to follow equitable models of economic growth and public service delivery (Stokes, 2002).

Through innovative practices, BIDs have the potential to expand beyond traditional BID strategies of retail business development while developing a more broad-based neighbourhood coalition around a sustainable development vision. Strathcona is facing significant development pressures and there is potential for coalitions between residents and businesses to preserve and enhance the neighbourhood's assets. An effective coalition would address development pressures by developing a viable plan for revitalization that incorporates the principles of sustainability.

1.3 Research questions and objectives

The objective of the research was to combine academic literature that theorizes processes and trends with an account of practices of urban planning and BID management. This work seeks to explore how residents and businesses of Strathcona can respond to neighbourhood change in a way that takes into consideration common concerns of displacement and business revitalization while strengthening the community. More specifically, this work looks at the role of the Business Improvement Association (BIA).

This research sheds light on how BIDs can successfully interface with other stakeholders and engage in community-based planning for sustainability. A framework for broader involvement of a BID in the development of a sustainable neighbourhood is outlined in this study.

The study builds on existing knowledge regarding innovative urban governance and considers how a specific organization, the Strathcona Business Improvement Association, can develop a plan to meet the challenges faced by the neighbourhood of Strathcona while channelling its unique assets. Furthermore, this work outlines how a BID might pursue social development and industrial development that is in line with ecologically-sound principles.

1.4 Definitions

Business Improvement District (BID): A district formed by businesses in a defined geographical area. Enabled by state or provincial legislation, BIDs have the authority to levy a business tax on all commercial and industrial properties located within their boundaries. Variants of BID terminology include Business Improvement Association (BIA), Business Improvement Area (BIA), and Business Improvement Zone (BIZ). For the sake of simplicity, the author uses BID to refer to all of these variants, as it is the most commonly-used term in North America.

Downtown Eastside (DTES): A district of Vancouver's inner city that is composed of 8 neighbourhood sub-districts as shown in Figure 1.1.

Economic Sustainability¹: The development of local capacity to plan for and meet the needs of local residents around a framework of community

¹ Adapted from Roseland, 1998

economic development. An economically-sustainable community focuses on the creation of job opportunities while alleviating poverty and recognizes the value of non-material and non-monetary transactions between citizens.

Inner city: Neighbourhoods and districts immediately adjacent to the Central Business District.

Social Sustainability²: Fairness of opportunity for all to participate in the social life of the community by inclusion in the public realm and involvement in decision-making. A socially-sustainable community is one that provides for a good quality of life for all citizens.

Strathcona: Includes the established residential neighbourhoods in the Strathcona and Oppenheimer sub-districts (Figure 1.1). Also includes industrial and commercial areas that are within the boundaries of the Strathcona BIA (see Figure 1.2).

Sustainability: A framework of development that integrates sustainable social, economic, and ecological principles to ensure that development occurs in a manner that meets the needs of all members of society without compromising the ability of future generations to do so.

² Adapted from Roseland, 1998

Figure1.1: Vancouver Inner-City Local Areas



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Figure 1.2: Strathcona BIA Boundaries

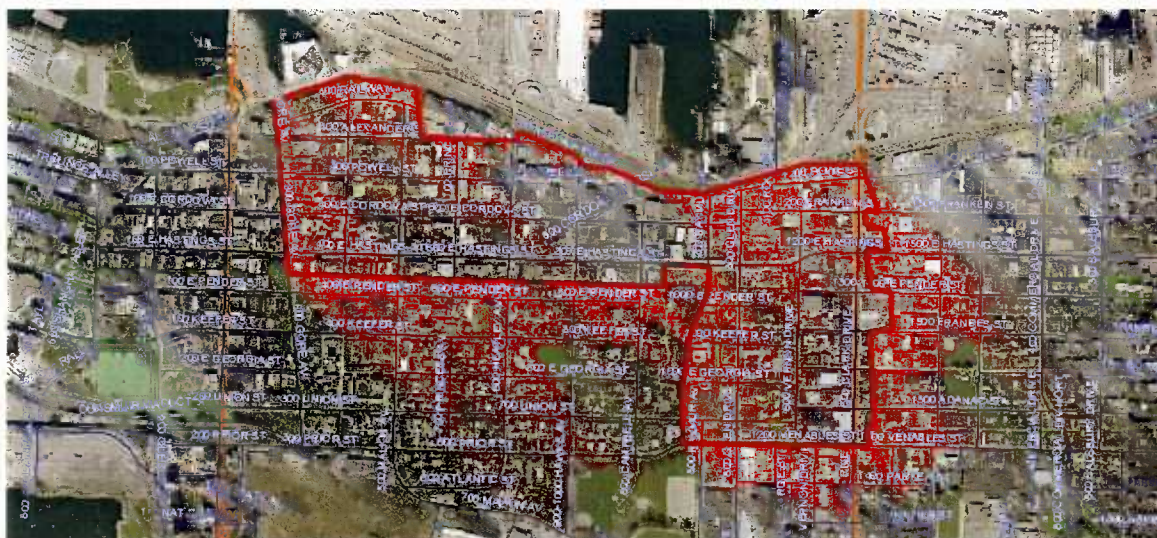


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1.5 Research process and methodology

The research process began with a call for proposals from the Vice Chair of the Strathcona Business Improvement Association, an organization that is interested in research on sustainable, business-led regeneration in the inner city. The initial process of the research was facilitated by the Social, Ecological, Economic Development Studies (SEEDS) program through the UBC Sustainability Office.

A literature review was undertaken to map out the current context in terms of Strathcona's history, its governance and institutional landscape, and the opportunities for development. Furthermore, this thesis explores best practices of BID organizations across North America, with particular attention given to innovative community development and consultation practices. A small number of informal interviews were conducted using a snowball-sampling method to enable the researcher to better understand the current framework within which the BID operates.

This research relies mainly on qualitative data from primary and secondary sources. Data was obtained from a variety of sources including academic sources, practitioner manuals, municipal planning documents and reports, BID annual reports and other publications, and conversations with key informants. A specific effort was made to include both academic and practitioner sources. Academic sources were used to develop an understanding of the broad and underlying processes relevant to the

research topic. Practitioner sources were consulted to assess the current state of development in BID activities. Strathcona BIA documents and annual reports were reviewed as were relevant key city policies and studies pertaining to the district of the Downtown Eastside and the neighbourhood of Strathcona. This data was supplemented by conversations with key informants including the Vice-Chair and Executive Director of the Strathcona BIA as well as a member of the City's Central Area Planning Department, who has extensive experience in the Downtown Eastside. Secondary data was obtained from empirical case-studies of BIDs and historical analyses of the neighbourhood of Strathcona.

1.6 Research assumptions and biases

The researcher started with the premise that sustainability must have a strong social and economic component that strives to achieve social justice. Secondly, it is recognized that BIDs are controversial organizations in some instances, however it is not the intention of the researcher to comment on whether they should exist, rather the intention is to see how a BID can willingly take actions to move the BID's community to more sustainable economic and social development.

1.7 Study limitations

This study represents the initial stage of a more extensive research agenda. The intention is to provide a look at the contours of the main issues and identify avenues for future research and action. While it is acknowledged

that ecological integrity is a key component of sustainability, this study mainly considers the issues of social and economic sustainability.

1.8 Validity and reliability

Data is only as good as its sources. It is recognized that the researcher has taken data and accounts from mostly, official, published sources, which may or may not reflect the entire spectrum of experience and opinions of those concerned. Wherever possible, the researcher consulted works of primary research that had descriptions of first-hand accounts. The researcher also benefited from the knowledge of the thesis committee members, who have direct experience with the geographical area in question. Finally, it is accepted that the case of Strathcona is unique and findings would not necessarily be replicated elsewhere. However, there are commonalities that could be useful or generalizable to other contexts.

1.9 Thesis overview

The thesis begins with an account and discussion of methods used by the author to undertake the research. A review of literature covers the areas of economic restructuring, factors influencing inner city decline, the role of neighbourhood organizations, governance and business improvement districts, a review of relevant literature on sustainability, and concludes with an account of key historical events in Strathcona. The opportunities and challenges of the neighbourhood are explained followed by an exploration of reference cases that represent best practices of a variety of BIDs. Specific

recommendations are made to highlight the main opportunities and actions the Strathcona BIA can undertake to make a contribution that helps the neighbourhood move toward more sustainable social and economic development.

Chapter 2 – Literature Review

2.1 Economic restructuring

Production

A review of twentieth century economic processes will allow for a proper contextualization of the economic and social complexity of Strathcona. As Vancouver's first neighbourhood, Strathcona is home to a wide spectrum of businesses that emerged during different economic periods. This complexity brings added challenges that must be addressed in order to create a realistic and effective visioning for the community. First we must consider the impact of global economic trends advanced capitalist economies and consider their effect on regional economies.

While Strathcona was the pre-eminent industrial centre of Vancouver for the better part of the late nineteenth and the first half of the twentieth century, processes of decentralization eroded the area's viability as an industrial district. At the regional scale, industry decentralized in the post-WWII period, aided by improvements in telephone and transportation technology. Many firms relocated to suburban locations, which offer access to inexpensive land, which is essential given trends favouring to single-storey industrial facilities. Suburban locations often have easier access to major transportation corridors, especially expressways, which are highly desired given that regional and inter-regional transportation is via truck-based distribution rather than railroad, as done in the past. (Fainstein and Fainstein)

At the global scale, Fainstein and Fainstein (1989) note a broader processes of decentralization of production and consumption in modern capitalist economies. This decentralization is carried out by global-scale companies which are able to achieve efficiency and profitability by breaking up the operating units of the corporation to realize benefit from the various locational advantages offered by different jurisdictions around the world. Improvements in information and communications technology as well as transportation have accelerated this process. As a result, advanced economies have seen their labour-intensive, manufacturing industries eroded as manufacturing has shifted to locations with lower wages and more flexible labour regulation. Inner city industries in advanced capitalist economies have difficulty competing in the global environment and have lost a large amount of industrial jobs.

More recently, there has been a resurgence in the economy of the inner city as a site of distinctive production and consumption (Hutton, 2008). 'New economy' industries involved in the creative services such as architecture, graphic design as well as those in the emerging multimedia sector have shown locational preferences for districts in the central city that had previously been vacant or underutilized. The inner city offers the economic and social agglomeration advantages that are critical for industries that produce a large amount of cultural/symbolic content. Sites such as warehouse districts constructed in the late 19th and early 20th century are

preferred by many firms because of the distinctive built environment, which suits the locational preferences of workers and also conveys important symbols to prospective clients (i.e. that the firm is hip and 'cutting edge') (Hutton, 2004). The case of Vancouver's inner city illustrates a 'new phase of industrial urbanism' in which ascendant industries have located outside the central business district in the districts of Yaletown, Gastown, and Victory Square as well as the light industrial areas of Mt. Pleasant and False Creek Flats (Hutton, 2008). This restructuring has been formally recognized by the City of Vancouver, as it has extended the eastern boundaries of its Metropolitan Core eastward from Main Street to Clark Drive and is currently conducting a policy review under the Metropolitan Core Jobs and Economy Land Use Plan.

Consumption

In the pre-WWII period, the inner city played a dominant role as the primary location for many retail and consumer services (Teaford, 1993). In contrast to manufacturing and office functions, consumer services (e.g. restaurants, laundries, banks, retail, etc.), depend more greatly on proximity to their market of local residents. It is argued that consumer services decentralized because residential development decentralized, not necessarily because businesses were trying to reduce operating costs (Fainstein and Fainstein). Furthermore, new formats of retailing such as the self-contained, suburban shopping mall emerged in the post-WWII period. The prevalence of this format of retailing was partly responsible for the decline of central city

commercial districts, which had difficulty competing with the ample free parking and climate-controlled, secure environment offered by the regional shopping mall.

Beginning in the 1980s, consumption in the inner city has been repackaged to take advantage of the characteristics that differentiate it from suburban locations. Cultural institutions such as art galleries, museums, musical performance spaces, and stadiums, tend to be concentrated in the inner city and attract visitors from across the region. In some cases, visitors are being drawn to the inner city for unique retail spaces that focus on artisanal production and small, independent businesses. Initially, the inner city was attractive for artisanal production because space was more flexible and offered at a lower cost than suburban locations. Increasingly, cost is less of a factor, and image of the district is becoming more important for the retailing of artisanal production.

The cultural turn in consumption, has meant that consumers are seeking out opportunities where they can assert their individuality through consumption of specialized goods. It is only certain parts of the inner city outside of the central business district that are the favoured locations for this 'distinctive' consumption.

The re-emergence of retail in the inner city is also related to an increase of residential population of the inner city, in particular, the increase of

population of middle and high-income residents with particular types of tastes and consumption patterns. As charted by Ley (1996), the inner city has been dramatically reshaped by the arrival of new class of residents who eschew conventional suburbanization patterns and choose to live in the inner city. The presence of a greater number of wealthy residents has increased local-serving retail opportunities (grocery stores, pharmacies, cafes, drycleaners, etc.) in many areas that were previously underserved in this respect.

Regional and Urban Economic Development

Kresl (1995) suggests that the regional/urban scale is the scale at which economic competitiveness can best be achieved in the current context. Free trade agreements make it more difficult for national governments to intervene to protect and develop local industries via tariffs and non-tariff trade barriers. In addition to a liberalized trade environment, "major changes in the technology of production, distribution, communication, and transportation have dramatically altered economic space, forced a reconsideration of center and periphery, and made it rational for cities to form new linkages and functional networks with other cities that previously had been considered economically remote." (p.50).

Opportunities for regions in advanced economies are mainly in the domains of the provision of high-order services, high-technology research and development, and the cultural economy (e.g. tourism, artisanal industries,

new media industries. In order to maintain the viability of local firms over the long term, regions must explore ways in which the economy can be more locally embedded via clustering and district strategies that facilitate innovation.

The aforementioned processes and trends resulted in the decline of inner city manufacturing and retail as well as a restructuring of office uses. We turn now to other factors for inner city decline.

2.2 The challenges of the inner city³

The inner city is the area of the region that has been most dramatically impacted by changes in the broader national and global economy. Bourne (1978) provides an overview of the explanations for the condition of the inner city. One of the earliest explanations of disinvestment and decline in the inner city is drawn from the field of urban ecology as first developed by Chicago sociologists Robert Park and Ernest Burgess in their 1923 work, *The City*. In this model of the city, concentric zones of land-uses radiate from the central business district. The model suggests that new arrivals to the city settle in tenement housing immediately adjacent to the central rail terminal and CBD. As immigrant groups improve their financial situation, they are able to purchase bigger, better housing in areas further out from the centre. Subsequent new arrivals take the places vacated by those who have relocated farther out from the core, and the waves of succession continue.

³ This section adapted from Bourne (1978)

The model also contains a 'zone of transition' where commercial and industrial land uses compete with the low-value residential properties. While this model has some explanatory power, it is based on assumptions of continuous urban growth, in-migration, an industrial economy, with a relative absence of urban planning.

A 'political economy' explanation suggests that unequal power relations and systematic exploitation under a capitalist system are the cause of inner city decline. It is argued that capitalism necessitates the under-employment of certain people and regions. In this situation businesses capture all of the benefits from the economic system, while avoiding paying the costs of restructuring. There is also a structural change hypothesis, that argues it is old industrial districts that are the most vulnerable to global structural changes in the economy.

A number of 'unintended' policy consequences affected the viability of inner-city districts for residential and industrial use. The construction of regional highways and freeways improved the accessibility of suburbs and removed the locational advantage of the central city. Furthermore the physical destruction, separation, and environmental degradation resulting from highway-building through the inner city accelerated the decline of many residential neighbourhoods. Inexpensive government-sponsored mortgages for new suburban housing combined with restriction on loans for inner city

housing improvement, accelerated the deterioration of inner city housing stock.

Gentrification is an additional challenge facing inner city districts such as the Downtown Eastside (DTES). As Wyly (2008) shows, the commodified nature of housing in a capitalist economy leads to negative outcomes for low-income residents of inner city neighbourhoods that are revitalized. Activists achieve 'partial successes' through mobilization of effective campaigns in certain instances such as the provision of social housing units in the new Woodward's development in the DTES. However, over the long-term social polarization within the neighbourhood increases and affordability decreases. It is suggested that alternatives to the market provision of housing need to be explored in order to avoid negative outcomes for low-income residents.

Each of the aforementioned factors has an impact to varying degrees depending on the local context. From the discussion, we can see that there are both internal and external factors that have affected the inner city. We now turn to a discussion of the various forms of resistance and response to the pressures exerted on inner city neighbourhood.

2.3 Neighbourhood organizations and local democracy

The inner city has been 'ground zero' for economic and social change and has been the location of intense struggles waged by urban social movements to reshape urban policy in a manner consistent with alternative values, or to

right previous wrongs. During the 20th century, several forms of grassroots movements made attempts to challenge the status quo of decision-making in the realm of city-building.

Ley and Hasson (1994) examine the way in which neighbourhood organizations in Vancouver and multiple cities in Israel have impacted urban development. In order to explain how and why effective neighbourhood organizations are formed and mobilized, it is useful to consider the main forces that determine outcomes of political struggles. Contextual/structural factors set the framework: the national and global economy and established models of governance constrain and enable movements. Human agency is the other important factor whereby a charismatic or entrepreneurial leader can affect the outcome of political struggle. It is also noted that human motives extend beyond rational cost-benefit analysis to include fear, pride and revenge.

Ley and Hasson identify four main types of neighbourhood organizations: ratepayer organizations, ethno-racial organizations, grassroots movements, and co-production/neo-corporatist organizations.

Ratepayers organizations were the earliest type of neighbourhood organization that made all of the decisions regarding the local physical and social environment. These groups were primarily motivated by a desire to

maintain the existing character of their neighbourhood and keep 'undesirables' out.

Ethno-racial organizations were formed in neighbourhoods with large visible minority populations and these groups acted as "political mediators between the state and the communities, serving the interests of both sides."(p.48)

Grassroots movements arose in response to the failures of the modern welfare state challenging cultural hegemony, paternalism, and social injustice. It was these groups who first brought forward proposals for policies encouraging local empowerment.

Co-production/neo-corporatist organizations are engaged in partnerships with the state through institutionalized structures for the delivery of services. As Ley and Hasson point out, these type of arrangements can be fraught with contradictions as they are supported by progressive and conservative politicians for very different reasons. Progressives seek to increase local empowerment while conservatives seek to reduce the state's responsibilities.

It is noted that there is fluidity between the categories over time, particularly between protest organizations and co-production organizations. "With the passage of time, however, protest organizations have frequently moderated their actions, and have become absorbed within the institutional-political

system, a sequence typically running the gamut from paternalism to protest, and finally to partnership or co-production." (Ley and Hasson: 4).

Ley and Hasson chart how neighbourhood organizations in Vancouver grew out of the 1960s protest movements that mobilized against urban renewal in the Downtown Eastside. Organizations such as the Strathcona Property Owners' and Tenants' Association were key to forming the coalition that stopped the demolition of large sections of Strathcona for urban freeways and high-rise public housing projects.

In the mid-1970s, the West Broadway Citizens' Committee succeeded in drawing attention to tenants' issues and preventing high-rise development, in the neighbourhood of Kitsilano. This organization arose at a time when the provincial government, led by the left-leaning New Democratic Party, engaged in governance reform that decentralized community planning and service delivery to locally-elected community resource boards. However, these gains were short-lived, as a right-leaning provincial government led by the Social Credit Party cancelled the community resource board program and organizations such as the West Broadway Citizens' Committee declined as its budget dried up.

This was also the period that saw a number of federally-sponsored programs such as co-op housing and neighbourhood improvement grants that met some demands for local empowerment. Neighbourhood organizations such

as the Downtown Eastside Residents' Association succeeded in gaining entitlements in the areas of social and co-op housing for low-income residents.

Although neighbourhood organizations succeeded in stopping urban renewal and obtaining funds for housing and upgrading neighbourhood, many were unsustainable over the long-term due to reliance on discretionary government funding and an overburdened volunteer base.

Ley and Hasson identify a recursive engagement of neighbourhood organizations with the state: "in the process of structuring with community organizations, the state may be restructured" (p.327). Over the years, the rise and fall of neighbourhood organizations is indicative of the struggle between contradictory projects of effective state control through administrative decentralization and decentralization initiated from below. They also acknowledge increasing complexity resulting from changing relations between civil society and the state where there is no longer a clear distinction between public and private.

Ley and Hasson raise two very important questions: How can civil society organizations enact the double-sided process of creative reform protected by state action and innovation from below through radical social initiatives? Secondly, how do we expand participatory democracy while strengthening the steering capacity of the local state? Business Improvement Districts may

offer some opportunities as they are increasingly becoming a part of governance at the district or neighbourhood scale.

2.4 BIDs and governance

Over the years, there have been efforts on the part of business and property owners, to mobilize to ensure that the interests of downtowns and inner city districts are addressed by policymakers. The most recent incarnation of this type of organization is the Business Improvement District (BID).

Morçöl and Zimmerman (2006) define Business Improvement Districts as publicly sanctioned organizations that provide a range of services to their members and in some cases to the wider community. They are enabled by state/provincial legislation and officially established by municipal governments. In most cases initiators of BIDs must obtain support from a majority of business and/or property owners in the proposed BID area. Once the BID is created, it operates for designated period (usually 5 years) before going before the elected officials of the municipal government to be approved for a renewal of its mandate. BID legislation also has provisions for the dissolution of a BID subject to a petition of a substantial majority of business owners and/or property owners. What distinguishes BIDs from most other associations and non-profit organizations is the power of coercive taxation, whereby they derive their revenue from taxation of all businesses and/or property owners that are located within their territory.

BIDs are rooted in the long privatist tradition of government and politics in the U.S. where there is a long history of voluntary associations formed for the purposes of common objectives (Morçöl and Zimmerman, 2006). At various times throughout the 19th and 20th centuries, business associations have been active in delivering public services and influencing public policymaking and implementation in their local areas. However, the degree of influence and responsibility of business associations has varied considerably throughout this period.

Throughout most of the 19th century, it was business coalitions that spearheaded the management and provision of urban services in North American cities. The early 20th century reformist movement sparked the creation of municipal government bureaucracies that assumed control and responsibility for urban services. It is this period that saw the first systematic attempts at city management and development by local government. Social services were expanded to serve the growing legions of new arrivals that populated the city. It was not until the Great Depression that senior levels of government took over responsibility for social welfare services from municipalities.

The post-WWII period witnessed another wave of modernist, rational approaches to governance. Decisions regarding the future of neighbourhoods were made by technocrats with specialized expertise. This system of decision-making brought about change through massive slum

clearance and highway-building projects in the name of urban renewal. It wasn't until the 1980s that more direct business association involvement in the planning and provision of services re-emerged. The neo-conservative framework of the Thatcher, Regan, and Mulroney governments called for a retrenchment of the state in favour of revitalization efforts led by the private sector. Special Improvement Districts, Empowerment Zones and Business Improvement Districts were created for this purpose.

In the 1990s, many North American cities experienced an urban renaissance where the inner city became an attractive place for higher income residents as well as new economy industries. Consequently, many new business improvement districts were formed to assist in developing place-based strategies that could take advantage of the new opportunities afforded by the renewed interest in (inner)city-living. A large number of BIDs were formed at the end of the 1990s. It is estimated that there were 800 to 1200 BIDs in the U.S. and Canada by the end of the decade (Briffault, 1999).

In the current decade, BIDs have solidified their presence and have taken on an increasing scope of activities. The trend toward 'third way' governance that favours public-private partnerships and the greater involvement of civil society and non-governmental organizations in governance has created many openings for BIDs.

This trend raises new questions regarding accountability and the role of government in society. Although governments formally possess oversight powers, they are rarely used (Wolf, 2006), which suggests that BIDs are given a considerable amount of latitude when it comes to formal mechanisms of accountability to local government.

BIDs take on a variety of forms based on provincial-level or state-level legislation. In the state of Georgia: BIDs are essentially another level of government, as they have the power to levy taxes and borrow money by floating bonds (Briffaut, 1999). In many jurisdictions such as Washington DC and the state of California, BID taxes are not levied on residential properties, but residents are encouraged to participate in the governance of BIDs as non-voting members of the BID board.

BIDs hold promise because they address the individual interests of business owners by conducting promotional activities that need to be done community-wide scale in order to be effective. Because of their local focus, BIDs are able to facilitate informal networks of information exchange and solidarity that can assist in cooperation and community-building (Morçöl and Zimmerman, 2006). In addition, many BIDs are concerned about the well-being of the wider community. The main challenge revolves around connecting BIDs with other stakeholders in the community to achieve common objectives. New discourses around development are centred

around the concept of sustainability, a framework that could be used by BIDs to pursue an alternative strategy of governance in their community.

2.5 Sustainability: an integrated framework

An alternative framework is proposed by those advocating sustainability, which attempts to see development and growth from a more holistic perspective. Sustainability is innovative in the sense that it seeks to highlight the interdependence of human and natural systems, as well as the interdependence among all members of society. The following definition of sustainability has been defined by the BC Roundtable on the Economy and the Environment :

“Sustainability is a term that has evolved from the idea of ‘sustainable development,’ defined as the realization of the development needs of all people without sacrificing the Earth’s capacity to sustain all life. Sustainability means achieving an equilibrium between human impacts and the carrying capacity of the natural world which can be sustained indefinitely.

Sustainability takes into account three interdependent elements: the environment, the economy and the social system. A balance between these elements will demand the adoption of a new ethic, a new lifestyle and new expectations to ensure our

collective survival. Sustainability is the key to our future quality of life.” (p.15)

With respect to the economy, the sustainability paradigm suggests a redefinition of priorities to ensure that communities must provide opportunities for their citizens to earn an income and must seek an equitable distribution of economic benefits. A vision of a sustainable economy is one where “[g]rowth in itself should not be a primary goal. Rather, we should consider economic well-being and quality of life in communities to be more important goals.” (BC Round Table: 79). Social sustainability revolves around social equity, which is defined as ‘fairness of opportunity’, whereby all groups, including those who have been traditionally under-represented, be included in decision-making.

Sustainability also requires that we consider the impacts of human activity on eco-systems. In an effort to reduce our impact on the natural environment, Bruggmann and Hersh (1991) suggest we look at the city as an eco-system with complex relations between human activities and the environment: Human ‘eco-systems’ such as cities transform energy and materials into products that are consumed, exported, or turned into by-products. Natural systems function sustainably because by-products are recycled. Our current urban systems need to be reformed as they are currently designed in a way that by-products often go unused as wastes.

Newman (1996) explains the social benefits offered by compact communities. Not only do they minimize the need for long-distance, motorized travel, they present the opportunity to live lifestyles in such a way that enhances community interaction in the public realm, in contrast to the private isolation of auto-dependent communities.

Roseland (1998) defines sustainable community economic development (CED) as the “process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term capacity and foster the integration of economic, social and environmental objectives” (p.160). This type of approach requires attention to the issues of local job creation, poverty alleviation, and improvements in quality of life. Furthermore, CED also recognizes the value of non-monetary and non-material transactions, things that are often unaccounted for in mainstream economics.

Given the complex series of economic processes and responses, it is imperative that a plan for ‘revitalization’ adopt strategies that build off of local economic strengths and ascendant industries while drawing on the lessons from previous attempts to foster local economic and social development. The main question that remains is how a business or a neighbourhood can successfully combine ecologically-sound operating principles with a community economic development orientation. More recently, issues of climate change have been brought to the forefront, and

questions are being raised about the sustainability of the global economy as it is currently structured. This could represent an opportunity to reshape the way our communities and economy function. However, this opportunity is best seized by drawing on the unique strengths and values that have developed since Strathcona was first established.

Chapter 3 - Histories of the DTES and Strathcona

This chapter considers how the global trends discussed in the previous chapter have shaped the neighbourhood of Strathcona. A discussion of the neighbourhood's economic and social histories will assist in establishing a framework for revitalization that is appropriate for Strathcona.

3.1 Vancouver's first neighbourhood

Prior to European arrival, the land in and around Strathcona was inhabited primarily by Aboriginal Coast Salish peoples. Permanent European settlement of Strathcona gained momentum with the construction of the Hastings Sawmill in 1865 on the south shore of Burrard Inlet at the foot of Dunlevy Street. From the outset, Strathcona was home to an ethnically heterogeneous population (McDonald, 1996). The Hastings mill was run by men of British ancestry and relied on the labour of people of Aboriginal, Chinese, British and many other ancestries who worked as millhands and domestic labour.

Vancouver's settlement pattern is reflective of the ethnically-segregated labour structure associated with the resource extraction economy. As Vancouver's original east side neighbourhood, Strathcona has always had strong working-class roots as a home for labourers working in the local sawmills and associated supportive services. Several single-room occupancy hotels (SROs) were built in the Downtown Eastside district that served as off-season homes for loggers and sailors. The ethnic enclaves of Chinatown,

Japantown, and Hogan's Alley, home to people of Chinese, Japanese, and African ancestry also developed in and around Strathcona. As a result, the Downtown Eastside developed a unique social structure that stood in contrast to the west side of the city, which was home to business owners and middle-class professionals and administrators, who were usually of British ancestry.

While the differences between families in Strathcona and those of the west side were primarily ones of ethnicity and economic means, a highly-visible group of 'transient' residents of the Downtown Eastside had a significantly different way of life. McDonald (1996) illustrates the contrast in lifestyles:

"Vancouver's floating population challenged the values and lifestyle of the respectable majority, especially on downtown streets. Lacking homes or roots in the community, transients, and seasonal workers took to the streets for both recreational and practical purposes. Streets in the zone between the waterfront and Chinatown were especially busy on Saturday nights."(p.224)

This was in direct contrast to areas outside the inner city, where life was contained mostly in the private domain of the home. McDonald explains that public streets take on an important role in the daily lives of residents of the inner city because as residents of SROs, they controlled very little private space. Furthermore, many of the

transient workers had few local family ties and therefore had different patterns of social activities that differentiated them from the majority of Vancouver residents.

3.2 Industry and commerce

Strathcona was also the first industrial district of Vancouver. After the incorporation of the City of Vancouver in 1886 and the completion of the transcontinental Canadian Pacific Railway (CPR) in 1887, many natural-resource processing and manufacturing industries sprung up adjacent to the Port of Vancouver and in proximity to the CPR terminus at Coal Harbour. A sugar refinery and major grain storage and handling facilities were some of the first major industrial businesses in the area. Overall, heavy industry in Vancouver was mostly composed of firms engaged in the processing of natural resources. Compared with other major Canadian cities such as Montreal and Toronto, Vancouver developed relatively few advanced manufacturing industries.

Many smaller industries, servicing the businesses and residents of Vancouver were located throughout Strathcona, particularly along Clark Drive. It was not uncommon for industrial activities such as auto repair shops and scrap yards to be interspersed among the homes of Strathcona (Atkin, 1994).

Strathcona for many years was also part of an important regional commercial district. This role was solidified during the rapid economic expansion

between 1907 and 1913. As the terminus of the interurban rail lines, the Downtown Eastside, particularly along the Hastings corridor became the city's pre-eminent retail and commercial district, with important retailers such as Woodward's being major regional shopping destinations. The completion of the Dominion Bank building (Vancouver's first skyscraper) at the corner of Hastings and Cambie Street marked the high point for the area as an important commercial and administrative hub. Important ethnically-specific commercial districts also emerged on Powell and Pender Street (known then as Dupont Street).

Shortly thereafter, the dominance of the district was challenged as larger office and retail buildings built further west on the downtown peninsula. The opening of the Birks office building and the Hudson's Bay Company flagship store in 1913 at the intersection of Granville Street and Georgia Street were emblematic of this spatial restructuring of the city commercial land uses that would permanently alter the role of the Downtown Eastside as a commercial centre.

3.3 Urban renewal

Urban renewal and land clearance have been a part of Vancouver's history since its inception via a concept of property that facilitates these processes (Blomley, 2004). The district of the Downtown Eastside and the neighbourhood of Strathcona have been home to groups of people who are marginalized from mainstream society and are therefore the most vulnerable

to strategies of land clearance and urban renewal. McDonald (1996) describes the position of residents of the Downtown Eastside: "...the city's single men, 'foreigners', and the poor occupied a distinct inner core that gave geographic expression to their social identity as people outside the mainstream of civic discourse." (p.213). In response to middle-class social fears and paranoia regarding blight and disorder, decision-makers in Vancouver periodically attempted to do away with perceived social ills and disorder by engaging in clearance of areas for urban renewal.

In 1887, residents of the Indian Rancherie, a settlement of Aboriginal people adjacent to the Hastings Mill, were expelled after a visit by the Chief of Police. The expulsion was prompted by extensive newspaper coverage of 'revelry, rioting, and shooting' at the Rancherie (McDonald, 1996).

After amalgamating with neighbouring municipalities of South Vancouver and Point Grey in 1923, the City commissioned the firm of Harland Bartholomew to create its first major urban plan. In addition to planning for development of surrounding farmland, the Bartholomew plan designed land use zoning for existing areas. It was determined that Strathcona would be zoned for three major types of redevelopment. The area to the west of Dunlevy was slated for the expansion of the central business district. The area north of Hastings and east of Dunlevy was zoned for heavy industry. The remaining parts of Strathcona, including the residential areas were zoned for 'six-storey' industrial (Atkin, 1994). At the level of the city decision-makers, Strathcona

was no longer considered to be a viable residential neighbourhood, despite what local residents may have thought. This perception of the neighbourhood accelerated its physical deterioration as low-rent industrial uses proliferated throughout residential areas. Furthermore, local residents were unable to access funds to upgrade or maintain their properties as lenders were reluctant to finance homeowners in an area slated for renewal.

The scope and scale of urban renewal efforts reached their peak in the 1950s and 1960s, when several proposals were put forward to radically alter the Downtown Eastside and Strathcona. 'Project 200', proposed by Marathon Properties, the real estate development arm of the CPR, planned for the destruction of most the warehousing district along the shores of Burrard Inlet and the construction of dozens of high-rise complexes, to be accessed by automobile freeways. The proposed elevated freeway alignment was to cut through the heart of the Downtown Eastside along Carrall Street and connect with the Georgia Viaduct before proceeding along the Strathcona Streets of Prior and Gore.

Another major aspect of renewal was to be the demolition of existing homes in Strathcona and the construction of large amounts of high-rise public housing. These strategies reflected a paradigm of modernist planning that proposed the rejection of old ways of living in favour of new technologically superior methods of construction and transportation as a means to reshape social structures for the better. However, this strategy did not sit well with

those who were the targets of renewal. In the case of Vancouver, a unique coalition of neighbourhood groups and activists drawn from both the city's East Side and West Side was successful in forcing a reconsideration of this strategy.

3.4 Neighbourhood activism

At the end of the 1960s a city-wide coalition against the freeway brought together a diverse group of activists including inner city residents, heritage activists, academics, and progressive civic politicians. Among the local activist groups in the coalition, was the Strathcona Property Owners' and Tenants' Association (SPOTA), which was successful in enfranchising the local residents, many of whom were of Chinese ancestry, that had been long marginalized in Vancouver's civic arena. The coalition succeeded in building widespread opposition to the City's urban renewal plans. Freeway construction was stopped (and save for the Dunsmuir and Georgia Viaducts) no freeway was ever constructed in the inner city. Federal government strategies of public housing were abandoned in favour of the Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP). The NIP provided funding for locally-proposed upgrading of public spaces and facilities while RRAP provided grants and loans directly to homeowners for repair and upgrading of their homes.

In the 1970s and 1980s, groups such as the Downtown Eastside Residents' Association (DERA) succeeded in pressuring the government to improve

conditions for low-income residents of the Downtown Eastside. Allied with key progressive members of Vancouver city council, DERA was able to secure the construction of a large number of locally-controlled social housing and community facilities. This represented a paradigm shift with respect to the provision of social housing, as the Federal government funded a bottom-up approach that emphasized co-op housing and other models as an alternative to top-down, government-run public housing models.

3.5 Economic decline and social crisis

1971 marked the culmination of a restructuring process in the inner city with the construction of the modernist international-style Pacific Centre shopping mall and office tower complex at the corner of Granville and Georgia. Much of the Hastings commercial corridor began to decline as it no longer attracted shoppers from across the city. The local market, made up of a high proportion of low-income households was insufficient to support the level of business activity that it had in earlier years. The closure of Woodward's department store, lynchpin of the Hastings corridor, resulted in a very high number of commercial vacancies.

A restructuring of residential land use meant that social problems became more concentrated in the Downtown Eastside and Strathcona as other central city neighbourhoods such as Downtown South became gentrified and housing became less affordable, forcing low-income tenants to relocate further east (Ley, 1996).

Severe cuts to government social housing budgets and income supports throughout the 1990s and into the 21st century have had a severe impact on the Downtown Eastside. The impacts of the retrenchment of the welfare state are most acutely felt and most visible in the inner city. Homelessness, addiction and mental health issues loom large in the district.

Recently, new organizations such as the Portland Hotel Society, a group with a strong social mandate, have emerged as major operators of SRO hotels and facilities in partnership with government. Also, a ground-breaking partnership has been formed between government, the private sector, and non-governmental organizations to redevelop the Woodward's site into a mixed-use project that includes market and non-market housing, retail, and community space. However, the Downtown Eastside and Strathcona now face unprecedented pressures for real estate development as most available sites on the Downtown Peninsula have been redeveloped.

Innovative approaches to revitalization are required to avoid repeating past errors. Facilitation of projects that pursue economic development in a form that provides opportunities for local residents and avoids displacement is essential. Urban planners and developers need to explore opportunities for cooperation with local groups and consider alternate conceptions of city life and the use of public space. By incorporating a better understanding of the unique social structure and history of the area, revitalization efforts are more

likely to have a positive impact on the community. These efforts will need to take full advantage of strategic opportunities that are specific to the neighbourhood.

Chapter 4 - Opportunities and Constraints for Strathcona

This chapter will consider what opportunities exist to address the major challenges of the neighbourhood of Strathcona and the district of the Downtown Eastside.

4.1 Institutional landscape

There is a complex web of institutions that have a stake and responsibilities in the Downtown Eastside, including Strathcona. Three levels of government have varying responsibilities. The federal government is active in the neighbourhood via Western Economic Diversification Canada, which provides funding for social and economic development initiatives. Federal government responsibilities in the domains of criminal law and health also play an important role in the neighbourhood. The provincial government is active in the provision of social services including income supports, health care, and social housing. For its part, the municipal government exercises power over land use zoning, social planning, economic development planning, social housing, and policing.

In addition to government agencies, there is also a strong contingent of non-governmental organizations that engage in social service provision, housing provision, advocacy and social enterprise development (e.g. Union Gospel Mission, Portland Hotel Society, Pivot Legal Society, Eastside Movement for Business & Economic Renewal Society). Many citizen activist groups are also

active in the area (e.g. Downtown Eastside Residents' Association, Tenants' Rights Action Coalition).

The homelessness and addiction crisis in the Downtown Eastside prompted the creation of the Vancouver Agreement, which altered the relationship between the three levels of government. The Agreement is innovative in its attempt at a horizontal governance arrangement that requires unanimous consent of all three levels of government. Although the Agreement contains many goals targeting wide community engagement, some groups in the community feel that the Vancouver Agreement has no presence in the community' because it is perceived that government partners are more comfortable working only with community business organizations and are reluctant to partner with any activist group (Mason, 2007). However, there is a history of collaboration between the government and the local community on several fronts through initiatives such as the Single Room Accommodation By-law and Homeless Action Plan. The Vancouver Agreement's Downtown Eastside Economic Revitalization Plan (2004) aims to 'stimulate demand for local products and services while strengthening the capabilities of local suppliers'. The current state of the DTES is challenging from an economic perspective. The current population of the district is 16,000, with 70% of residents classified as low-income. Currently, most employees of DTES firms live outside the district.

Four priorities have been established under the Vancouver Agreement to guide future development in the district. They include improved safety, improved social well-being of residents, improved health of residents, and economic revitalization. The Downtown Eastside Economic Revitalization Plan (2004) is a key part of the planning process for the DTES. The Plan identified seven main challenges that the district faces: safety and security concerns, the high cost of upgrading buildings, high commercial vacancy rates, a small local market for retail, physical separation from the rest of the city, a lack of identity: businesses and neighbourhoods are struggling to positively define themselves, and scepticism about the area's prospects and the ability to revitalize without displacing residents.

Three key strategies have been identified for economic revitalization of the Downtown Eastside. Along with each strategy is a list of several actions that could be undertaken to pursue each of these strategies. The following section will describe the actions in which an organization such as BIA could be involved.

The first strategy is to increase demand for the Downtown Eastside's products and services. Key actions include: taking advantage of key economic drivers of the city's economy, creating strong neighbourhood brands, and by upgrading the area's appearance and strengthening links with surrounding areas.

The second strategy is to strengthen the capabilities of local suppliers. Key actions include: upgrading building infrastructure and attracting new businesses to the area.

The third strategy is to increase employment opportunities. Key actions include: enhancing employment readiness and job retention skills and strengthening employer and community links.

A key organization involved in the implementation of the actions of the Economic Revitalization Plan is Building Opportunities with Business (BOB). BOB is a non-profit organization with an overarching goal of "inclusive revitalization process for the inner-city that values existing businesses and residents." The main activities of the organization revolve around increasing the number of jobs located in the area and improving employment opportunities and retention. BOB also supports business development by directing procurement contracts to local businesses and providing mentors, loans and other assistance to the area's businesses.

A unique feature of the Downtown Eastside is the presence of a number of social enterprises that are operated like businesses but are managed in pursuit of social and community goals. Well-established social enterprises such as United We Can, Potluck Café, and the Portland Hotel Society are important community institutions.

4.2 Industrial production

The City of Vancouver has converted significant amounts of industrial land to residential use over the past twenty years. The Expo lands on the north shore of False Creek, Yaletown, Coal Harbour, and Southeast False Creek (in-process) are all examples of industrial areas that have been redeveloped for new residential projects over the past two decades. However, it is recognized that an adequate supply of industrial land is a critical element for the city's economy in two respects. First, many of the light industries and commercial services located in the central city perform essential servicing functions for central city firms and residents. Secondly, industrial land uses, particularly those on the production side are labour-intensive, and offer employment opportunities for those with relatively fewer skills or education.

Strathcona possesses assets that could make it amenable for the development of new industrial clusters. First of all, the presence of an existing, affordable building stock, with small unit sizes, offers many opportunities for business incubation. Secondly, the dense urban form of the neighbourhood and the surrounding districts offers opportunities for the concentration of a greater number of firms within a relatively small geographic area, which would be advantageous as spatial proximity facilitates innovation in an industrial cluster, helping businesses adapt to rapidly changing market conditions.

The dense urban form of Strathcona also offers advantages when considering ecologically sustainable solutions for industry, including district heating systems, energy and waste sharing, reduction in truck transport, reduction in commuting by automobile, remediation of brownfields, and the reuse of existing buildings and materials.

A study of the industrial and commercial lands along Clark Drive and Powell Street (Harris Consulting and Cityspaces Consulting, 2007) identified the strengths, weaknesses, and opportunities for industrial and commercial growth in the DTES.

The report noted the following redevelopment challenges: a lack of vacant land to accommodate building expansion, older building stock, fragmented development upon small lots, soil contamination, aging public infrastructure, traffic congestion, conflicts between incompatible land uses, high square-foot lease rates, negative public perceptions regarding safety and security, competition for skilled labour, and the lack of a vital public realm.

Advantages were also noted. Strathcona currently provides an environment that acts as an incubator for new businesses. Even though the area has relatively high square-foot lease rates, unit sizes are smaller than average, which allows for competitive rents. The areas under study also had a high number of businesses generating high employment densities (90 jobs per net

acre), which are double of those found in newer, suburban industrial areas. (Harris Consulting and City Spaces Consulting: 30).

In consideration of future policy interventions, the report authors recommend the city look to San Francisco and Boston, which have the most successful industrial strategies for small and medium-sized businesses, particularly those involved in light industrial production, distribution and repair. It was pointed out that these types of industrial uses are generally more compatible with residential and commercial uses than heavy manufacturing.

The report recommends that the City encourage mixed-use industrial/flex space for areas of Powell Street and Clark Drive. It is suggested that the city could maintain and expand industrial space by allowing projects that have light industrial uses on the ground floor, with the option of adding rental live/work spaces on upper floors. The city must restrict these spaces to rental so they can more readily be converted to other uses later on as needed. The City can look to precedents such as the Mt. Pleasant light industrial area, which contains many firms that service the Broadway office corridor and has a relatively high employment density of 115 jobs per acres.

4.3 Artistic production

Popular discourse around the concepts of creative class (Florida, 2002) and creative cities (Landry, 2000; Helbrecht, 1998), and cultural planning (Evans,

2001) have highlighted the potential advantages to be gained by cities that have well-developed cultural scenes and cultural sectors.

Strathcona is home to a large concentration of artists and creative professionals (Sacco, 2006), who require large, relatively inexpensive, flexible space. Is there a potential to channel the talents of artists who wish to make a contribution to community development and the regional economy as Markusen and Schrock (2006) suggest? Or will the presence of the artists merely facilitate displacement of low-income residents as documented in New York and Chicago (Zukin, 1983; Lloyd, 2006)?

There are lessons to be learned from organizations such as Artspace in Minneapolis-St.Paul⁴ which has been developing properties for the use of artist co-operatives and non-profit organizations. These types of projects can assist in avoiding the displacement of artists that often occurs in 'up-and-coming' neighbourhoods.

The cultural environment of Strathcona and Vancouver could be further enhanced by the development of more performance spaces for local artists, particularly music spaces. Many local live music venues are currently under threat of closure in other parts of the inner city primarily due to 'incompatibility' with adjacent residential uses (Pickersgill, 2006).

⁴ A similar organization also exists in Toronto

4.4 Convivial city

The dense urban form, with a mixture of uses and large diversity of residents and users of public space is both a challenge and an asset. Achieving a 'convivial' atmosphere could be an important strategy that ensures that the neighbourhood will be welcoming to people from all walks of life, included those at the margins of society. As Peattie (1998) explains, a convivial environment allows space for social energy in small or dissenting manifestations that fulfill a human need to grow and express oneself. Effective planning cannot guarantee conviviality, but it can enhance the possibility with the right rules, props and the right places and spaces. A convivial environment doesn't solve problems, but it allows people to rise above them. This vision revolves around the idea that humans can have meaningful interactions with each other regardless of differences in life situation or experience.

Fainstein (2005) does caution that mere proximity does not necessarily ensure greater understanding among groups of people whose identities, lifestyles, and values are very different from one's own. She suggests that although urban planning often has diversity as its ultimate goal, there are doubts about how much planners can achieve in terms of equitable outcomes or a satisfying public realm.

4.5 Distinctive neighbourhood

New residential development pressures loom large in the Downtown Eastside and Strathcona. However, the City of Vancouver's commitment to revitalization without displacement has the potential to offer new avenues and models of development that preserve and enhance the community's assets. Furthermore, strategic planning for spaces of employment (via the Metro Core Jobs and Economy Land Use Plan) could result in greater protection of non-residential land uses from market pressures.

The case of the DTES and Strathcona is distinct from previous redevelopment locations such as North False Creek and Coal Harbour, because the area has a large number of existing residents. Therefore redevelopment of Strathcona requires a more elaborate approach to ensure that the objectives of zero displacement and economic revitalization are achieved. This unprecedented situation represents an opportunity for the neighbourhood of Strathcona to undergo a transformation that could result in a distinctive neighbourhood that contains a vibrant street environment that attracts visitors and serves residents. A public realm that is truly open to everybody. A hub for cultural performance and production where artists can make, display, and sell their work. A green, specialized industrial cluster that employs local residents and innovates in a competitive marketplace. The best practices of BID's from across North America suggest several ways in which BID's can structure their organizations and activities to meet their objectives.

Chapter 5 – Best Practices: BID Operating Characteristics

Across North America, Business Improvement Districts (BIDs) vary substantially in size, scope, structure, and sources of revenue. Different types of BIDs also have differing relationships with government and civil society organizations.

5.1 BID typology

Gross's (2005) study of BIDs in New York City revealed that BIDs performed different functions depending on their size, as measured by their annual budget. Small BIDs (Community BIDs), defined as those with annual budgets of less than \$300,000, were primarily concerned with the physical maintenance of their commercial district. Medium-sized BIDs (Main Street BIDs), defined as those with annual budgets between \$300,000 and \$1 million, were more likely to pursue marketing and promotional activities in addition to the physical maintenance. Larger BIDs (Corporate BIDs), with budgets greater than \$1million, were most likely to also undertake capital improvements to their districts in addition to physical maintenance and marketing.

Furthermore, differences in the composition of the boards of the BIDs varied according to BID size. At the top of the hierarchy, the board of a 'corporate' BID tends to be composed of individuals with extensive business skill sets including executives of major corporations, major commercial property management firms, large retail business owners, architects, large retail

business owners, and local government officials. On the other hand, 'main street' BIDs tend to have boards that are composed of second generation immigrants, with little formal education. Gross discovered through interviews with BID administrators, that in many main street BIDs, "the profit motive overshadows any development of community" (Gross: 180).

Due to their limited fiscal capacity, smaller BIDs are more likely to seek out partnerships with the wider community. This, combined with the fact that smaller BIDs tend to have more varied interests and visions among members, underscores the need for small BIDs to have well-developed group process skills. BIDs with limited resources tend to focus on activities of facilitation in contrast with large BIDs who are more likely to have their own staff to carry out all of their activities. For example, New York City's Lower East Side BID is involved more heavily in community development activities such as advocacy, technical assistance, and training for local merchants compared with larger BIDs that operate in central business districts. According to Gross, the type of activities that BIDs pursue depend on their resource base, the type of commercial properties they represent, the composition and balance of power among the key stakeholders that are represented, and the wealth of the community where the BID is located.

Wolf (2006) characterizes BIDs according to their organizational culture. BIDs in the United States operate primarily in one of the following four categories: entrepreneurial—emphasize program growth and risk-taking;

managerial: emphasize business-like efficient and effective provision of BID services; urban policy makers—BID is an important player in the policy arenas of local government and a willingness to try to influence policies and play a leadership role; community/business partnership: emphasize the BID as part of the broader community and willing to be involved in various community issues and efforts.

The Strathcona BIA has grown from an annual revenue base of \$250,000 in 2005 to \$400,000 in 2007. Based on the size of its assessment revenue, the Strathcona BIA can be considered a medium-sized BIA. However, one factor that distinguishes it from most other medium-sized, 'main street' BIA is that its membership consists primarily of non-retail industrial and commercial businesses. This represents an additional challenge that could see the BIA undertake other activities in addition to traditional retail marketing and place-making strategies. Secondly, Strathcona's close proximity to the central business district provides additional opportunities and adds additional pressures that many other 'main street' BIDs do not face, given their relative isolation from downtown. This proximity, along with the unique challenges of the neighbourhood suggest that the BIA could consider blending all four of Wolf's organizational cultures. However, it remains to be seen how this would be structured, given the limited resource base of the BIA. The 'urban policy maker' role is usually only performed by downtown BIDs that have access to the financial and human resources of the central business district.

5.2 Consultation and advocacy

BIDs are moving beyond the traditional membership base of business owners that characterizes other business organizations. This trend has highlighted the need for more complex organizational structures to govern a greater number and more diverse group of stakeholders (Segal, 2006). Traditionally, the main voice for central-city businesses was the regional Chamber of Commerce. However, in the face of increasing suburbanization of businesses, companies located in the central city saw the need for a central-city focused group to advocate for assistance with the issues that were particular to downtown and the inner city. Thus, many downtown and inner-city focused BIDs were formed to address these issues (Cloar, 2006). Joncas (2006) explains that most downtown or central city BIDs have missions that revolve around making their territory a good place to work, shop, live, play and invest whilst Chambers of Commerce are usually concerned primarily with making the *region* a good place to do *business*. With these two varied agendas and membership, each organization advocates for different measures to address their needs.

Although most BIDs do not have formal, legal requirements for participation of non-business interests, many BIDs have active involvement of a wide range of stakeholders. At the most basic level, BIDs network with other local organizations that represent other stakeholders in the community. This is an effective practice, particularly for BIDs with limited resources as it allows them to identify opportunities for partnerships to achieve common

objectives. Furthermore, wider consultation can reinforce the legitimacy of the BID in the eyes of residents, other organizations and elected officials. Many BIDs have representatives from non-business interests by incorporating them as non-voting members of their executive board.

Reinhard (2006) suggests a framework for BIDs that engage in advocacy. Three main factors determine whether a BID should conduct advocacy on a particular issue. First of all, the organizational structure of the BID is an important consideration. Engaging in advocacy that may be contrary to the views of some of the BID members is problematic because members are required by law to fund the BID and cannot opt out of the association. One solution to this problem is to create an advocacy organization that is a separate entity that runs on voluntary contributions. This has been done in St. Louis, where the Downtown St. Louis Partnership was formed as an entity separate from Downtown St. Louis Community Improvement District.

Secondly, the issue of consensus is important. There should be a 'supermajority' of members in favour of the advocacy position espoused by the BID. It follows that the BID should avoid taking sides on any issue that is between two members. A third consideration is the local area plan. It is highly recommended that the BID be involved in the municipal planning process for its local area. An effective local plan created with active participation of the BID can be useful for effective advocacy by assisting the

BID in evaluated projects and issues and defending the advocacy position of the BID to the membership and the public.

5.3 Co-operation/co-production

Jackson (2006) identifies three types of partnerships that BIDs can use to structure relationships with other civil society organizations. The first type of partnership is one with the BID as leader of the partnership. The Downtown Washington DC BID is an example of this type of structure, where the BID brings together and coordinates service delivery of more than twenty partner organizations. A second model is one where the partners share tasks, but maintain separate management. BIDs in Downtown San Diego, Philadelphia, and Portland (Oregon) use this model.

A third structure of partnership involves creating an entirely new organization to work on common interests. This model is effective in situations where the partners do not have longstanding pre-existing relationships as it provides a neutral territory where these new relationships can be negotiated. This model has been used by the New York City's Times Square Partnership.

Some BIDs have taken on additional roles and responsibilities that extend beyond issue-based cooperation and facilitation. Stokes (2002) examined several entrepreneurial BIDs in San Diego that engage in co-production with the municipal government. The City has pursued creative 'self-help' strategies for businesses through its Office of Small Business (OSB) that

offers grants that BIDs can apply for to finance specific projects. As a result, BIDs in San Diego tend to engage in entrepreneurial activities in order to fund their operations. The City has a well-developed BID office and several programs that disburse grants for specific activities of BIDs. In terms of BID governance, San Diego BIDs only require the approval of merchants for the creation of a BID (property owners' approval is not required).

The Small Business Enrichment Program (SBEP) offers grants to BIDs for physical improvements to their districts. These grants cannot be used to fund salaries or services. Eligibility for the grants is based on economic need of the community, which is measured by determining the percentage of residents in the neighbourhood that have household incomes below the median of the council ward. BIDs are also eligible for federally-funded Community Development Block Grants (CDBG). The City also hands over other local revenue derived from a hotel tax and parking meter revenues. The main activities pursued by San Diego BIDs are: place management of the public environment, the production of special events, as well as planning and political advocacy. It is noted that in San Diego, several BIDs engage in activities that are typically the purview of community development corporations.

The state of Georgia is another jurisdiction where BIDs engage in co-production, as state enabling legislation essentially gives BIDs significant powers of taxation and borrowing. BIDs in Georgia also administer a large

amount of government funding. BIDs can be very effective at capturing government funding, it is estimated that BIDs in Georgia attract six to ten dollars for every dollar of assessment revenue (Morçöl and Zimmerman, 2006).

5.4 Economic development

Ferguson (2006) shows how BIDs can be involved in economic development indirectly and directly. Indirect activities would include interventions that make their territory attractive for development through measures such as improvements and regular maintenance of the physical environment (storefronts, sidewalks, street furniture, etc.) and there are many BIDs who only pursue these strategies. However, there is a precedent for more direct programs of economic development, which could be necessary for districts that are not well-served by the existing market. For example, in an area that is having difficulty attracting the interest of real estate professionals, BID intervention could involve assembly and dissemination of relevant data to parties such as real estate brokers, leasing agents, property managers, bankers, and government officials.

The next level of intervention would involve business facilitation. The BID would follow up on inquiries made by the real estate community and assist with the selection of appropriate properties and put the prospective businesses in touch with the relevant building owners (the Downtown Dayton Partnership is considered a good example of a business facilitator in this

regard). Some programs involve more in-depth involvement of BID officials throughout the entire property acquisition process. The Ithaca, New York Downtown Partnership has pursued this type of strategy.

Inner city districts often serve as important business incubators because of the wide variety of spaces available at different lease rates and the high number of business service firms located in close proximity. In Grand Junction, Colorado, the Downtown Development Authority is involved in a partnership with local universities and government for business incubation.

Some BIDs operate in the realm of real estate development (project development). According to Ferguson, there are four main methods of BID participation in real estate development.

The first strategy that a BID can pursue is the creation of a vision for the district and the community via a strategic plan. It is noted that a well-developed strategic plan is very important for leveraging investment in the district and community from the private and public sector.

A second level of intervention would involve work on predevelopment and project formulation. The BID would conceptualize the parameters of possible developments and conduct an initial feasibility investigation, then market the project to investors in the private and public sector. Downtown Dayton, Ohio followed this strategy to secure a minor league baseball stadium.

A third more aggressive strategy requires a full feasibility study to demonstrate market potential followed by detailed business and financing pro forma preparation, and property-site assembly.

The fourth most comprehensive real estate development strategy would cast the BID or a subsidiary act as the project developer to oversee the project from start to finish. It is generally only the well-financed BIDs that have broad powers to raise money that are able to take on this role.

5.5 Comprehensive planning and development

As discussed in Section 6.3, there is a close relationship between BID organizations and the San Diego municipal government and the Downtown Partnership provides a good example of this sharing of responsibilities, particularly in the domain of urban planning. The Downtown San Diego Partnership was successful in incorporating multiple interests into the official downtown development plan. In San Diego, "the planning capacity of the Partnership rivals that of the city, and unlike the city, does not get distracted by competing political interests relating to neighborhood interests [associated with a ward city-council system.]"(Stokes: 201).

The case of the San Diego Downtown Partnership is instructive as the Partnership has also played an important role in political advocacy for downtown issues. The Partnership succeeded in linking the health of the downtown with the health of the regional economy (Stokes, 2002).

Philadelphia's Center City District (CCD) has achieved many of the same goals as its San Diego counterpart, although its relationship with the municipal government is quite different. The CCD derives the bulk of its revenue from property-based assessment on commercial properties and therefore relatively self-sufficient in the sense that it relies very little dependence on the city government or bureaucracy for funding or other resources. The CCD formed in the early 1990s after a building boom had doubled the downtown's office space within the span of five years. Downtown Philadelphia still remains a key part of the city's economy, with 300,000 jobs represented more than 40% of the city's total. The CCD encompasses an 80 block area that contains 38 million square feet of office space and 8000 hotel rooms. Seventy-five thousand people live in the central city and 8.2 million tourists visit each year⁵.

The CCD has one of the largest BID budgets in the U.S. The most recent figures report income of \$14.5 million, with \$12 million derived from the business tax levy, and the remainder derived from service and contract income. The CCD spends \$600,000 on research and development. This is done on a fee for service basis and is not funded from assessment revenue. The CCD also has the power to float bonds, giving it the ability to plan major infrastructure projects. With this financial clout, the CCD is able to undertake

⁵ All figures obtained from www.centercityphila.org

a sophisticated program of place-making via capital investment, place management, and marketing.

As explained by Cload (2006), the Downtown Denver Partnership⁶ is the umbrella organization for a well-developed constellation of four related organizations, each with specific responsibilities and capabilities. The Downtown Denver Partnership is the leading organization that is responsible for defining the vision for downtown as well as major communication and administration duties. The Downtown Denver BID is responsible for the physical maintenance of the commercial district, marketing of the district, and regulation of street-vending activities. The BID derives its revenue primarily from assessments of commercial properties.

Downtown Denver Inc. is a voluntary, member-funded organization that is active in the areas of advocacy, economic development, transportation, and marketing. A separate organization, Denver Civic Ventures is responsible for housing and special projects. Civic Ventures is funded primarily via grants and contracts with the government.

The fourth organization under the Partnership is Downtown Denver Events, which earns funding from sponsorships and other revenues associated with the events that Denver Events puts together. The spin-off of activities into multiple organizations is feasible in large, vibrant downtown areas. The main

⁶ A similar type of organization exists in downtown St. Louis

advantage of this form of organization is the added flexibility that is gained by having specific mandates tied with a specific source of revenue and membership base. In addition, maintaining ties via an umbrella organization allows for the sharing of resources and expertise as well as coordination of activities to achieve the same goals.

Table 5.1: Criteria for BID Evaluation

a) Membership

- Business activities (retail, industrial, office)
- Business size (small, large)
- Business type (independent, chain)
- Non-governmental organizations, non-profit organizations
- Local residents
- Government officials

b) Financing

- Business tax levy (local district)
- Grants (government, charitable foundations)
- Self-generated revenue from entrepreneurial activities (festivals, consulting, property development)
- Other local sources (parking tax, hotel tax, development cost levies)

c) Organizational Culture (Wolf, 2006)

- Entrepreneurial (program growth and risk-taking)
- Managerial (business-like, efficient and effective provision of BID services)
- Urban policy makers (BID is an important player in arenas of local government, influences policies and plays a leadership role.)
- Community/business partnership (BID is a part of the broader community and is involved in various community issues and efforts.)

d) Community Co-operation & Partnerships

- Consultation and participation with stakeholders to create vision for the district and neighbourhood
- Strategic alliances to work toward common objectives
- Formal partnerships for specific projects

e) Economic Development Activities (Ferguson, 2006)

- Place promotion and marketing
- Assembly and dissemination of data real estate professionals, financial institutions, government
- Real estate market facilitation (assist with selection of appropriate properties)
- Real estate project development
 - Vision and strategic plan for the community
 - Predevelopment and project formulation
 - Predevelopment + detailed business and financing pro-forma preparation, and property site assembly
 - BID subsidiary acting as a developer (overseeing projects from start to finish)
- Business incubation and technical assistance

f) Social Development Activities

- Accessible public realm (safety, space for marginalized people)
- Improving employability of local residents
 - Provision of social services (facilitation, direct provision)

Table 5.2: Evaluation of the Strathcona BIA

a) Membership

Existing: Primarily industrial, independent businesses of a variety of sizes. Membership also open to NGOs within the assessment area.

Opportunities: Ex-officio membership for government officials, residents' associations and other community groups?

b) Budget

Existing: Business tax levy: \$495,000, proposed increase to \$579,500 in 2008-09

Grants: \$95,000 Open Windows Project

Opportunities: Self-generated revenue from entrepreneurial activities (festivals, consulting, property development)

Other local sources (parking tax, hotel tax, development cost levies)

c) Organizational Culture (Wolf, 2006)

Existing: Entrepreneurial: several subcommittees undertaking R&D

Managerial: security, cleaning, physical infrastructure, business directory, banners,

Urban policy making: City's Industrial Land Use study's steering committee

Community/business partnership: Strathcona Revitalization Committee

Opportunities: Entrepreneurial: encourage and facilitate development of new industrial and commercial spaces

d) Community Co-operation & Partnerships

Existing: Strathcona Revitalization Committee, Oppenheimer Park Redevelopment Committee, Community Issues Forum (budgeted for 2008-2009 fiscal year)

Opportunities: Association/partnership with other BIAs (esp. Downtown and Chinatown), Partnership or association with cultural economy stakeholders

e) Economic Development Activities

Existing:

- Place promotion and marketing: banners, business directory, sponsorship
- Business incubation and technical assistance: sustainability expo and committee
- Vision and strategic plan for the community: Strathcona Revitalization Committee, City Industrial Lands Steering Committee
- Assembly and dissemination of data: online listing of property vacancies, survey of unfilled retail needs of employees and local businesses

Opportunities: Real estate development: involvement in development projects as facilitator, partner, or developer

f) Social Development Activities

Existing: Accessible public realm: security patrols, additional cleaning, place-making activities (murals, Open Windows Program for vacant storefronts)

Opportunities:

- Accessible public realm: policies for public realm improvements and patrolling that ensure accessibility for all members of the community
- Improving employability of local residents: partnerships with Building Opportunities with Business, local social enterprises
- Provision of social services: sponsorship of/partnership with local social service providers.

Chapter 6 – Best Practices: Sustainable Social and Economic Development

This chapter considers the BID strategies that range from business development to social service provision. These case studies provide examples of ways in which sustainable development objectives can be achieved under the auspices of a BID.

6.1 Adams Avenue Business Association (San Diego)

The Adams Avenue Business Association (AABA) is a small BID that is located in the inner city of San Diego. It collects a modest amount of assessment from business of \$50,000 annually. However, this modest assessment revenue is augmented to nearly \$400,000 in revenue brought in through a combination of special grants and revenues earned from event production. These additional revenue streams provide the resources for the BID to be involved in several community development activities.

The four main activities that the BID undertakes are a storefront facade program, streetscape and landscape projects, special event production and management, as well as community facility planning, financing and management. The two main events that BID runs are the Adams Avenue Street Fair and the Adams Avenue Roots Fair. These fairs serve a dual purpose, on the one hand they are a significant source of revenue as the BID earns nearly 50% of its operating income in this manner. Secondly, the street fairs are also an effective way of marketing the business community to

outside visitors (Stokes, 2002). An example of partnership with the community involved the construction of an annex for an overcrowded local public school that was financed partly by the BID.

6.2 West End BIZ (Winnipeg)

The West End Business Improvement Zone is another example of a small BID that is able to leverage a considerable amount of outside funding to improve the its commercial district and surrounding neighbourhoods. West End BIZ receives assessment revenue of \$340,000, with an additional \$540,000 raised from government grants. The main activities of the BIZ are safety patrols conducted by BIZ staff and neighbourhood volunteers, the coordination of a seasonal central food market and an annual street festival. The BIZ also administers grants for security improvements for local businesses (e.g. lighting, alarm systems). The BIZ is linked to the municipal government by having the district City Councillor sit on the executive board of the BIZ.

The BIZ also has close ties to the Spence Neighbourhood Association, and together the two organization are involved in advocacy efforts. The Neighbourhood Association administers federal housing funds from the Winnipeg Development Agreement as well as provincial funds from the Neighbourhoods Alive! Program. Issues of homelessness and housing are dealt with through the Winnipeg Housing and Homelessness Initiative, which provides 'single-window' access to housing programs.

There are several parallels between Winnipeg's West End and Strathcona. The West End has a concentration of low-income residents, and suffers from a city-wide reputation as an 'unsafe' neighbourhood. They also share some of the same issues regarding the deterioration of their housing stock. The governmental framework is similar in that both areas are part of tri-partite development agreements. Both the City of Winnipeg and the City of Vancouver have their own municipal charters that bestow upon them special powers that other municipalities do not have.

The main difference between the two contexts is that Vancouver has a more robust regional economy that puts additional pressures of redevelopment on Strathcona that are less present in Winnipeg.

6.3 Liberty Village BIA (Toronto)

The Liberty Village BIA could be of interest for Strathcona, because it was one of the only non-retail BIAs in Canada when it was formed in 2001. Liberty Village is a predominantly commercial/industrial area. There are a high number of 'new economy' and creative economy firms located in the Village. From a cursory examination, it appears that most of the BIA programs are aimed at improving the business environment and providing more amenities for those who work in the district. It is not clear to what extent the BIA has links with the broader community although it does have a

representative from Artscape Toronto on its executive board, which would suggest some links with cultural producers.

6.4 Downtown Washington DC BID

Jackson (2006) illustrates how various forms of BID partnerships pursue human service strategies that assist in the organization and provision of social services, income supports and housing. Jackson recommends that initial BID collaboration focus on immediate needs of the community by supporting outreach service programs in conjunction with existing social service providers. Housing and employment initiatives required a longer term commitment and should only be undertaken after developing well-established relationship with the social service providers and the community. By supporting social service projects such as drop-in centres, BIDs can help reduce conflict between businesses and the local homeless population while helping to address pressing medical and social needs of those in greatest need.

The Downtown Services Centre (DSC) in Washington, DC is considered a leader in the field of BID social service provision. The Downtown DC BID renovated a downtown church that was already home to an existing meals program for those in need. The renovated church became the home of the DSC, which coordinates the efforts of over 20 human services providers. The social services providers were brought in to set up 'satellite' operations in the DSC. The Center offers two meal programs, shower and laundry facilities, a

medical clinic, mental health outreach, and assistance with obtaining social security and veterans' benefits. The Downtown BID budgets \$500,000 annually for 'homelessness' issues, which represents 5% of its total annual budget of \$10 million. The BID has two primary objectives on the issue of homelessness. First, it seeks to reduce the number of people living on the streets and in the parks and is an important advocate for housing initiatives. Secondly, the BID coordinates service providers to ensure a 'continuum of care' for the vulnerable. The BID is also involved in job training and placement and its organization helps place 10 people per month in permanent jobs.

6.5 Philadelphia Center City District

In addition to providing comprehensive planning and development services involving place-making as discussed in chapter 6, the Philadelphia Center City District (CCD) has an acclaimed homeless outreach program, which was adopted city-wide.

The CCD is a major employer and runs its own departments that deal with security and maintenance. Security patrols are conducted by 'CSRs' whose responsibilities are conceptualized as a complement to police patrols. CSRs are a visible presence who field questions from visitors to the area (the vast majority of interactions), and document incidences of vandalism and disorderly conduct. The CCD's own data suggests that the vast majority of interactions that CSRs have involve fielding questions from visitors.

Field work conducted by (Stokes, 2002) suggests that many of the CSRs know most of the homeless people who frequent the area by name and are familiar with their individual histories. CSRs are not involved in the enforcement of the law, they focus on being the 'eyes and ears' of the police and business owners and provide information about criminal activities that CCD has analyzed via computer-generated models. CSRs are paid 20% less than a starting salary of a police officer, however, they are unionized, and informal conversations with employees indicated most were satisfied with their jobs (Stokes, 2002).

The CCD has a job training program that hires formerly homeless to perform maintenance duties across the district. New employees are hired at a wage that is slightly above the minimum wage. After 90 days on the job, maintenance employees are allowed to join the union and earn a union wage rate that is 50% higher than the minimum wage. The union provision was important in ensuring that the CCD did not encounter major opposition from the workers of the City of Philadelphia.

Surveys have been conducted by the CCD to measure the effectiveness of their interventions. Feelings of safety improved between 1994 and 1999, with the number of respondents saying they feel safe in downtown rising from 44% to 77%. Respondents' positive perceptions of the general atmosphere improved from 67% to 87%.

The CCD appears to be well-respected in the wider community:

“[I]nterviews from an assortment of public and non-profit agencies suggests that the CCD has both the best interests of the City at heart and the capacity and expertise to perform its planning and policy goals. Indeed, these perceptions, and the resulting political capital extended to the organization by city leaders are unprecedented for a private group in Philadelphia”.
(Stokes, 2002: 138)

While none of the case studies listed above are completely analogous to Strathcona, certain practices conducted by these BIDs could be adapted for the local context. The small BIDs provide good examples of how BIDs can leverage modest budgets to achieve ambitious objectives. The larger BIDs illustrate what can be accomplished with a framework of larger budgets and coordinated action that is sensitive to the needs and desires of business, visitors, and residents.

Chapter 7 - The Role of the Strathcona BIA

The preceding chapters have argued that even in an era of transnational economic forces, place matters to the extent that communities have the opportunity to take charge of social and economic development at the neighbourhood scale. Communities need to reassert their identity and obtain decision-making powers and the financial resources to fulfill their vision.

Given its complex economic and social history, the neighbourhood of Strathcona represents a case that offers significant opportunities for a coalition between local industry and local residents to manage 'revitalization' on new terms that ensure social and economic sustainability. The following chapter will highlight the specific actions that the Strathcona Business Improvement Association can take to address the needs of the community.

7.1 Development pressures

Industrial businesses, low-income residents, and artists face the prospect of being displaced by new residential developments in the district. This situation offers a unique opportunity for industry, residents, and artists to unite in an effort to preserve and enhance the industrial and commercial potential of the district while ensuring a degree of housing affordability.

The starting point for a successful strategy would be the creation of a vision for the neighbourhood that would be institutionalized via Official Community Development and District Development Plans. The Downtown Eastside Housing Plan and the Metro Core Jobs and Economy Land Use Plan will have

direct implications for zoning Oppenheimer District as well as significant areas of Strathcona that are currently zoned M-1 and M-2 industrial zoning. These reviews represent two key opportunities to adopt new vision for the area. The tool of land-use zoning would be used to support the community vision by specifying where new residential development would be permitted and where it would be curtailed. To prevent the displacement of industry, new residential development should only be permitted in areas where there is little risk of land-use conflict with industry, particularly heavy industry. In addition, the plans should include clear statements requiring that new industrial, commercial, and live-work developments be built to adequate standards that will ensure the spaces will be flexible over the long term as industrial space needs evolve (Harris Consulting and Cityspaces Consulting, 2007). Furthermore, live/work units should remain rental units to maximize flexibility. Once completed, the plans would play a role in offering the certainty that is required to leverage investment in the district from the private and public sector.

There are presently several city-wide urban planning initiatives that will affect Strathcona in the years to come. The Eco-density initiative has the potential to relieve some of the residential development pressure on Strathcona as the initiative calls for the City to refocus its residential densification efforts to areas beyond the Central Area. The City is also developing a Metropolitan Core Jobs and Economy Land Use Plan, which has extended the eastern boundary of the Central Area to Clark Drive to include

Strathcona. This planning process could result in additional measures to protect and encourage industrial and commercial land uses in the Central Area.

In order to effectively participate the urban planning process for the districts, the Strathcona BIA can draw on the experience of the Downtown San Diego BID, which spearheaded the creation of a Downtown Development Plan. The BID put a substantial amount of its resources toward research and development and consultation for the comprehensive plan. Taking a leadership role in the manner of the Downtown San Diego BID in a comprehensive planning process could be a challenge for the Strathcona BIA, given the institutional complexity of the area and the BIA's current level of resources. However, the BIA could still take on elements of the San Diego strategy and together with other partners effectively advocate for changes that will help achieve the vision for the district.

In terms of defining a vision for the public realm within a comprehensive process, the BIA should look to Philadelphia's Centre City District, which has directed many important public realm projects in its district. As far as industrial land use is concerned, San Francisco and Boston offer examples of city policies to maintain production, distribution and repair businesses in close proximity to the core in the face of substantial pressures for residential redevelopment (Harris Consulting and Cityspaces Consulting, 2007).

7.2 Institutional complexity

There are many governmental and non-governmental agencies operating in the district of the Downtown Eastside and the neighbourhood of Strathcona each with specific mandates, priorities and modes of operation which sometimes come into conflict with one another. Efforts have been made to develop better coordination among the three levels of government.

However, 'revitalization' plans could be further grounded in the community through improved coordination among civil society organizations. Effective consultation and partnerships with stakeholders are required to achieve community-wide objectives. A sustainability framework would be useful to bringing different organizations on board to act in a capacity that is best suited to their organization. By co-ordinating a multitude of organizations, each with their own specialized role within the sustainability framework, the duplication of efforts can be avoided and resources can be pooled, resulting in improved effectiveness.

As a locally-based organization with extensive network of members, the Strathcona BIA has many opportunities to create local partnerships to pursue specific strategies that will contribute to the achievement of goals set out in the economic revitalization plan of the Vancouver Agreement. Building Opportunities with Business (BOB) serves as an intermediary between the Vancouver Agreement and the region's business community as well as other NGOs involved with the Economic Revitalization Plan and other major planning initiatives for the Downtown Eastside. The BIA could assist BOB by

serving as a more localized intermediary between the business community, government and civil society organizations. There could be other opportunities for the Strathcona BIA, in partnership with neighbourhood organizations to advocate for and administer funding for initiatives via the Vancouver Agreement. The case of the West End BIZ in Winnipeg is instructive in this regard. The West End BIZ partners with the Spence Neighbourhood Association to access federal housing and revitalization grants via the Winnipeg Development Agreement and provincial grants via the Neighbourhoods Alive program. For precedents involving BID-facilitated provision of social services the BIA should look to the Downtown Washington DC Services Centre. Under this model the BID fostered better coordination among social service providers by creating a centralized facility that could deliver services to the area's homeless population.

7.3 Economic restructuring

An overarching priority of the BIA should involve the creation of a strong vision and for the area. It should be noted that this will be a challenging process given the varying visions and objectives of the many groups located in Strathcona. Nevertheless, the BIA should structure its interventions generally around a distinctive vision for Strathcona that includes the neighbourhood's unique attributes, which have the potential to be shaped into an accessible public realm, a hub green industry, and a concentration of cultural producers.

Beyond the creation of a vision, the BIA could take a leadership role to ensure that the space needs of new industries are met. The BIA should advocate for provisions in the Official Development Plan that include building code requirements and rental tenure requirements so that new spaces can accommodate future industrial uses.

Business incubation could be performed in all three categories of business although businesses in different categories would have some needs that are specific to their industry. The BIA could be involved more directly in economic development via real estate project development. By developing a capacity to assemble land and plan projects, the BIA could form partnerships or facilitate demonstration projects that could act as a catalyst for further development. A useful precedent is the case of Grand Junction, Colorado, where the local business improvement district organized a partnership with a local university to create a successful business incubator that has helped to grow the number of small businesses in the area.

A starting point to assist in the development of the cultural economy of the area would be to lobby for government support for a program that uses vacant storefronts as gallery space for local artists, which would assist in building a reputation for the area while softening the impact of multiple storefront vacancies. The BIA should also consider models pioneered by Artscape, an organization that was successful in acting as a developer to revitalize a district in St. Paul, Minnesota by renovating and leasing space to

artist cooperatives and non-profit groups. Artscape created a strong vision and brand for their districts, and was successful in financing the redevelopment of several properties with funding from various sources, including several charitable foundations. Furthermore, the model of tenure adopted by Artscape ensures that space is secured over the long-term to groups that are traditionally vulnerable to displacement. For the model to be successful, it is important that land acquisition take place before prices become prohibitive. The BIA may wish to consider a partnership with local cultural organizations to secure funding that can develop spaces using a similar structure before land prices in Strathcona become prohibitive to this type of model.

7.4 Social inclusion

Although the issue of displacement from the community is the most pressing issue facing the low-income community, there is also the risk low-income members of the community being marginalized as their neighbourhood undergoes revitalization, as many have limited financial means and barriers to participation in the labour market. Two main goals should be pursued to ensure that residents are not marginalized. First of all, revitalization efforts need to occur within a framework that ensures the public realm is convivial and open to all, regardless of economic means or social standing or status. Secondly, efforts need to be made to remove barriers to employment faced by local residents.

The BIA undertakes two main activities that have a significant impact on the public realm: security patrols and public realm enhancement projects. Private security patrols that target criminal activities can improve the safety (both perceived and real) of the public realm for all users of public space. The BIA needs to ensure that public realm enhancement and policing activities do not target or try to move along those who don't have the means to patronize many of the local businesses. Policies for security officials that clearly delineate what constitutes acceptable and non-acceptable behaviour would be useful in avoiding this type of targeting. It is important that security patrols target criminal activities that make the area unsafe while respecting the right of all people to use public space (BIDs such as the Philadelphia Center City District provide indications of how such security policies are operationalized). Secondly, the BIA should consider the impact of changes to the public realm to ensure that there is ample usable public space for residents to use at all times of year. While it is acknowledged that this is generally the purview of the municipal government, BIDs play indirect and direct roles in the creation of the public realm through participation in the drafting of development plans, and often play a direct role in funding and organizing specific public realm improvements. In the case of Strathcona, the BIA is involved in planning the renovation of Oppenheimer Park in conjunction with representatives from the Carnegie Centre, an important community institution for local residents. Participation in the planning of the park gives the BIA a direct opportunity to affect positive change in the public realm.

Another manner in which the Strathcona BIA could ensure the accessibility of the public realm is by offering free admission to any public events or festivals that the BIA may organize in the future. Free admission would not preclude the BIA from earning revenue from the event as other BIDs such as the Adams Avenue BID (San Diego) have been able to derive a considerable amount of revenue via sponsorships and the rental of booths to vendors while maintaining an environment that is open to all.

To address issues of employment for local residents the BIA can pursue two main strategies. An initial strategy could involve a partnership with an organization such as Building Opportunities with Business, which can provide the human resources capacity and expertise necessary to successfully place local residents in jobs with BIA members. Larger BIDs such as the Downtown Washington, DC BID offer examples of placement services that help around ten individuals per month connect with local employers⁷. A more direct approach to employment is that of the Philadelphia Center City District (CCD), which has a well-developed program through which it hires formerly homeless residents to perform maintenance duties in the district. The CCD pay maintenance employees a starting wage that is above minimum wage with an opportunity to join the maintenance workers' union after 90 days, after which they will earn wage that is 50% greater than the minimum wage (Stokes, 2002).

⁷ Source: www.downtowndc.org

The Strathcona BIA can draw on the experience of other North American BIDs and adapt the aforementioned best-practices to suit the specific circumstances of the Downtown Eastside and Strathcona. These best-practices need to be part of an effective long-term strategy that responds to development pressures in a manner that contributes to a sustainable vision of the community by reinforcing and developing new industries while meeting the needs of local residents.

Chapter 8 – Conclusion and Recommendations

8.1 Strathcona's past and its sustainable future

The inner city neighbourhood of Strathcona has been the site of many struggles in response to economic decline and urban renewal. By combining an understanding of urban social movements and global economic trends, it is posited that an organization such as a Business Improvement District can link economic revitalization with social development within the framework of sustainability. Sustainable development can be achieved in conjunction with sensitive urban planning policies that ensure that revitalization takes place without displacement of existing residents or industry.

Creative policies and interventions are required in order to secure benefits for those whose needs are not being met under the current framework of economic and social policies. New, horizontal governance arrangements that break down the private sector/public sector dichotomy hold the promise of more responsive, sensitive and durable arrangements that produce more equitable outcomes.

8.2 Key opportunities for Strathcona

Strathcona has the potential to become a vibrant neighbourhood that is home to low-income residents, cultural producers, and an industrial cluster of sustainable businesses. Actions can be taken by the business community and government to ensure that this vision is achieved. The neighbourhood is in need of a robust strategy that can deal with the considerable pressures for

new residential development by reinforcing the assets that make Strathcona unique.

8.3 Role of the BIA

With a largely industrial membership base, the Strathcona BIA is in relatively uncharted territory as most Business Improvement Districts in North America tend to have a membership base composed mainly of retail businesses. The BIA should consider developing the appropriate capacity and partnerships with other organizations that share common goals. This capacity could be used to create a vision for the district and the community via a strategic plan that meets the multiple needs of the businesses and residents.

There are a multitude of activities that the Strathcona BIA may undertake to assist in the sustainable revitalization of the neighbourhood. BIDs across North America are engaged in precedent-setting activities that run the gamut from streetscape improvements to business development to the provision of social services. The BIA needn't spearhead all initiatives. It can form strategic partnerships and alliances with other organizations that wish to achieve common goals.

8.4 Further research

As stated in the opening chapter, this work represents the first step of initial research to get a sense of the wider context of the economy, social movements, and governance via Business Improvement Districts. Further

research could be conducted on specific strategies and structures of BIDs with the intention of developing a strategic plan tailored to the needs of the Strathcona BIA.

Areas that merit further examination include: successful consultation processes and models that bring the business community, NGOs and residents together; Canadian funding sources and structures; feasibility of street festivals/other events for Strathcona; development of artist spaces via market-based, non-profit, and co-operative models; implementation of green industrial clusters in inner city districts; multi-storey industrial buildings; and co-location of manufacturing and retail activities.

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