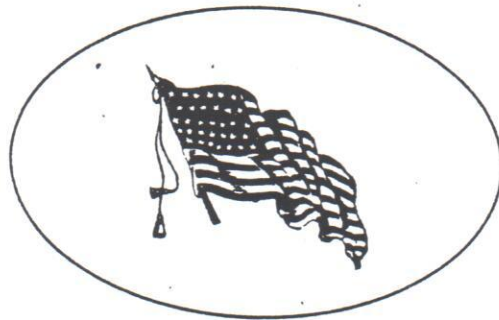


"The revolution at the state and local government level will help transform America, and every American should be aware of it and of this book." —NEWT GINGRICH

# REVOLUTION AT THE ROOTS

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MAKING OUR GOVERNMENT  
SMALLER, BETTER,  
AND CLOSER TO HOME



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*WILLIAM D. EGGERS*  
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## OPERATING DOWNTOWN BUSINESS DISTRICTS LIKE SHOPPING MALLS

Big-city downtown shopping districts—long a popular destination for visitors—have become another casualty of Americans' growing fear of crime. In deciding between going into the city to shop or going to the suburban mall, the mall increasingly is winning. Convenience may be partly behind this, but a major reason is the perception that downtown business areas have serious crime problems.

This perception is misguided: studies demonstrate downtown areas to be relatively safe. But again, it is the perception that is important. The sense that these areas are plagued by crime, filth, and disorder has driven away customers, which in turn has caused businesses to leave city downtowns for the malls, mini-malls, and office centers of the nation's suburbs, exurbs, and edge cities.

In some downtown areas, however, people generally still feel safe. A friend told us a story about shopping in a not-so-good part of downtown Washington, D.C.—the murder capital of America. When he came out of the store it was late and he had to walk a couple blocks past darkened, closed stores. Almost no one was around. Yet he was not at all afraid. Why not? Because he was in a mall.

Why did he feel safe in a mall when he would have been petrified out on the streets? Because the businesses in the mall own the entire shopping area, and they make sure that it is clean and safe. Cities are discovering that there is much to gain from giving downtown business some control in managing business districts. Giving businesses the authority to manage certain tightly defined business districts gives them far greater control over what they will look like. Rather than just complaining to City Hall, businesses can obtain their own security, street cleaning, and sanitation services for the downtown area.

Termed Business Improvement Districts (BIDs), these areas are given the legal authority to levy a tax on businesses, in effect allowing private landlords to augment municipal services with everything from additional security to better trash collection to social services. Over 1,200 BIDs now exist in America—24 in New York City alone. BIDs may be the best hope for reclaiming downtown areas from the feeling of danger that has

motivated shoppers, store owners, and companies to flee to the suburbs.

Manhattan's Grand Central Partnership, with a \$5 million annual operating budget and a capital improvement budget of \$20 million, covers 53 blocks in midtown Manhattan. Grand Central's executive director Daniel Biederman is one of the pioneers of the BID concept and a firm believer that a clean neighborhood is a happy neighborhood. "If you remove all the graffiti, make the storefronts much cleaner and more attractive, remove the peddlers, light the area better, and get the homeless off the streets into shelters, you can get the public to feel that the area is not so dangerous a place after all," says Biederman.<sup>73</sup>

Subscribing to the broken windows theory, Biederman is *obsessive* about maintaining physical order in the district. Graffiti is removed within 24 hours—always. Pointing to city-owned trash cans with exasperation he says, "I've told the city many times, 'If you are not going to maintain these, they can't stay, they're going away.' I'm not putting up with this crap."<sup>74</sup> Grand Central's 55 unarmed security officers and dozens of sanitation workers maintain order in this heavily trafficked downtown area, particularly near the train station. Like a conscientious neighbor, they will speak up when they see someone littering in the street or being a public nuisance.

The Grand Central Partnership has achieved impressive results. The sidewalks and train station are so clean (littering has been reduced by 90 percent) that we were hard-pressed to find even a gum wrapper. The presence of the security officers has eliminated much of the petty crime around Grand Central Terminal—street crime is down by over a third and serious crimes have been cut in half since Grand Central Partnership took control in 1988, and the panhandlers and homeless have been moved into the Partnership's privately financed homeless programs.<sup>75</sup>

Biederman displays the kind of ownership pride over the Grand Central area that would be all but impossible to duplicate by even the best of the new reform mayors. "I have a good eye and I believe in dotting the i's," says Biederman. "We treat everything like they would in a small town. Even in urban areas like New York City almost everyone wants basically the same thing: they want somewhere pleasant and attractive where they can feel safe."