

Examining the Economic Footprint of the
Tacoma Business Improvement Area

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Business Improvement Districts are a public private partnership that works to improve property values for business owners within the designated district boundaries. As a result, many scholars within the fields of urban geography and sociology have worked to understand the exclusionary implications that these partnerships represent—specifically concerning the exclusion of homeless individuals and other unwanted groups. However, another useful direction to take in analyzing BID's is to test how they impact the economic climate of a city with the use of GIS. Since the main intent of BIDs is to produce a safer and more consumer friendly downtown core, the development within these boundaries will hypothetically look different than the surrounding areas. Relevant to this research is the issue of the economic makeup of the Tacoma Business Improvement Area and three outlying regions. By looking at the extent to which the Tacoma Business Improvement Area is successful in raising property values within the area, and comparing that data to the outlying regions, more can be learned concerning how the partnership shapes economic space. In addition, a secondary spatial analysis of the types of businesses within the boundary will lend to an understanding of what economic sectors are the most prevalent in the area, and how this compares to the outlying regions.

This research provides an alternative analysis to conventional ways of looking at Business Improvement Districts (Areas). The common way of critiquing these organizations within the discourse of Geography and Sociology has involved looking at the factors involved in excluding social groups from the equation. Don Mitchell's (2003) book "The Right to the City: Social Justice and the Fight for Public Space" explores how underrepresented groups such as the homeless are excluded through the privatization of public space. He makes the distinction between the public and private spheres, and identifies the increasing movement towards

privatization. In his analysis, he includes references to how these measures of patrolling public space serve to deny homeless individuals the inherent “right to be.” The main function of BIDs is to organize private security services to relocate these individuals. Arguably, this creates an environment where people become less accustomed to the problem of homelessness, creating an “out-of-sight out of mind” dynamic. In addition to denying individuals the right to public space, this is harmful because it prevents the issue of homelessness from being confronted in the proper ways.

Sharron Zukin’s (1995) book “The culture of Cities” examines the construction of a symbolic economy of cultural amenities aimed at producing a Disney World image of public space. This is an increasingly prevalent theme which encompasses issues such as gentrification and the emergence of a new cultural economy which introduces more high end and low end employment distinctions. In relation to the power to control these areas, Zukin argues that “...culture is a powerful means of controlling cities. As a source of images and memories, it symbolizes “who belongs” in specific places... with the disappearance of local manufacturing industries and periodic crises in government and finance, culture is more and more the business of cities—the basis of their tourist attractions and their unique competitive edge” (Zukin, 1995). In terms of “who belongs” BID’s complicates the equation by introducing private security forces which function to patrol the area and relocate homeless individuals from public streets and parks. This raises the question of the role of private entities in shaping public space.

These arguments provide context to the emergence of the debate over private control over public space and the development of new symbolic constructions of the city. Although this research will not confront the issue of social exclusion, the broader theme of private control over

public space is a major consideration. Specifically, the aim is to examine the economic makeup of these areas to provide for further conclusions. For example, we will explore whether or not Tacoma represents an example of a cultural economy. Moving further into the debate over BIDs will assist in providing a more specific context to aims of this research.

Conceptual Framework

Before entering into the analysis of the Tacoma Business Improvement Area, a more specific exploration on the discourse of Business Improvement Districts will provide a framework by which this research will be situated in relation to alternative critiques. Starting first by exploring the definition of a BID, author Richard Briffault explores in great detail the purpose of these projects. He explains that BIDs emerged in the mid 1970's as a way to provide services outside of city governments. He defines a BID as "...a territorial subdivision of a city in which property owners or businesses are subject to additional taxes. The revenues generated by these district-specific taxes are reserved to fund services and improvements within the district and to pay for the administrative costs of BID operations" (1999;368). A more localized definition specific to the Tacoma BIA would expand on this definition in relation to services. The Tacoma BIA functions to promote publicity campaigns to attract consumer traffic to the downtown area and clean streets campaigns to rid the city of trash and homeless members. Much of this is aimed at increasing revenues for business owners. However, in relation to city officials, BIDs are becoming increasingly useful due to the ever increasing need to promote city image.

In an era of globalization, cities are forced to compete for a competitive advantage to attract foreign investments. Tacoma as a Pacific Rim city not only faces the challenge of

competing for these foreign markets, but also faces challenges in competing with nearby cities in the region. In relation to this argument, author Paul R. Levy argues that:

“because downtowns have become the most important economic generators for older communities, cities need to position them to compete more effectively with the suburbs and to play a larger role in the metropolitan economy. Downtowns are no longer simply places for work and shopping, they must consolidate their position as regional centers for arts, culture, entertainment, fine dining, and, increasingly, for conventions and sports” (2001;17).

This relates to what types of businesses are encouraged in downtown regions. However, I would add that producer services such as high finance, attorney services, and other amenities aimed at a market based economy become increasingly significant in global competition.

A producer service is a term coined by American economist Adam Smith. He makes the distinction between ‘productive’ and ‘unproductive’ labor. He identifies that “the labour of a manufacturer adds generally to the value of the materials which he works upon... the labour of a menial servant, on the other hand, adds to the value of nothing” (Smith 1937 as cited in O’Farrell and Hitchens 1990). This is contrary to a more Marxist analysis, in which the business owner extracts labor value from the laborer to produce an increase in value. Regardless, all labor is productive in producing goods, but despite this fact, much of conventional economic relies on this distinction. However, how we classify producer services relies on the distinction between “services on the basis of markets served, identifying services as those which serve businesses and those which serve consumers (1990:165). For the purpose of this research, producer services will be defined on the distinction between those which serve businesses and those which serve consumers. By looking at this distinction and identifying the demographic count within the BIA,

we can test the hypothesis that the majority of businesses will be dedicated to this sector of employment. The methodology portion of this paper will identify the taxonomic identifiers used to achieve this distinction.

One portion of this project is an exploratory analysis of whether or not the Tacoma BIA achieves the goals they promote—specifically the improvement of property values within the district. This analysis is intended to provide links to an alternative hypothesis concerning the extent to which profit is centered in this region. Specifically, this relates to how much value is excluded in the outlying areas. A similar analysis to this was conducted in Philadelphia in 2005 to test the claim of whether or not BIDs decrease crime. In the beginning of the article, Lorlene M. Hoyt provides an articulate summary of her research goals:

“While it is beyond the scope of this study to directly address the ... controversies regarding accountability and inequity, it makes a significant contribution the BID debate by identifying the theories that underpin the BID model, developing a conceptual framework that examines the linkages between crime theories and BID services, and—through the use of spatial and statistical methods of analysis—measuring the impact of BID organizations on criminal activity in and around commercial areas.”

In her study, Hoyt found variable results from her analysis, which included the use of GIS tools to compare regions by the use of tabular and vector data. While the areas within Philadelphia’s BID showed a decrease in crime over the five year study period, multiple variables may have contributed to the results. In addition, she found no evidence to support the idea that crime in the outlying regions were higher as a result. However, her research represents a new way to observe and analyze BIDs in relation to underpinning the processes by which these organizations operate.

It is under this framework that my own research will operate. By testing the claim that BID's increase property values, I will attempt to observe the factors involved in producing this change by observing the economic climate in close proximity to the BIA in order to draw conclusions about which sectors are intentionally or unintentionally included or excluded from the process.

Methodology

The Tacoma Business Improvement Area was established in 1988 and is a not-for-profit organization with a 501(c)(4) status (Tacoma BIA, 2010). The boundary encompasses an 84 block radius in the Downtown Tacoma Area including 502 parcels. The BIA is dependent on taxation from business owners within the area, and functions under the direction of a board of directors also known as the Local Development Council (Tacoma BIA, 2010). The organization operates to improve property values, decrease crime, and clean the streets of litter. The overall purpose of this research is to test the hypothesis that the BIA increases property values and compare the results to areas directly outside of the boundary.

The start of this project was intended to explore how the Tacoma BIA shaped

Tacoma Parcel Study Region Boundaries

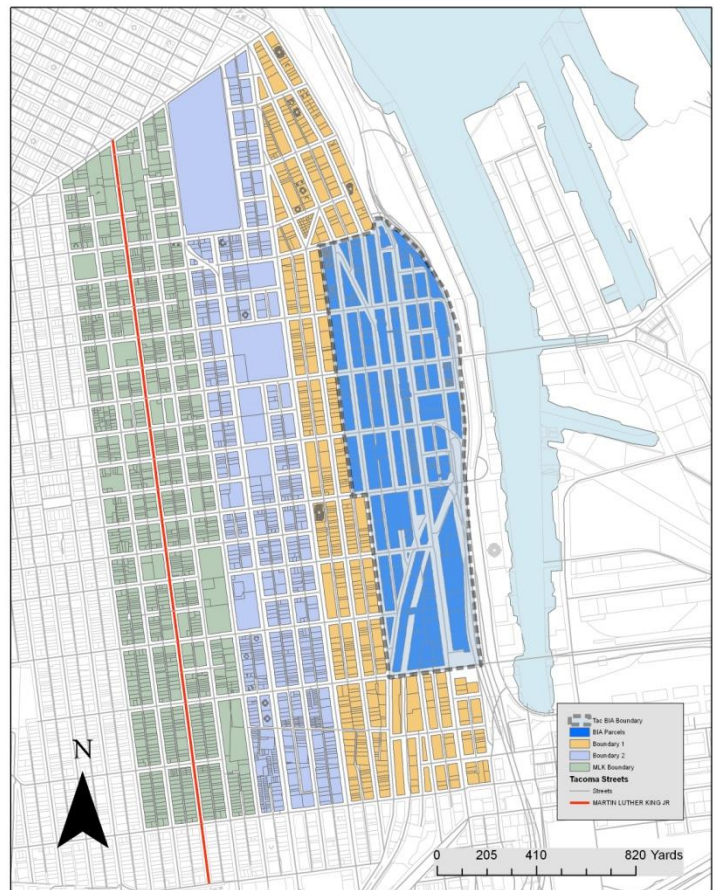


Figure 1 (above) showing the boundaries of the study region with the BIA (blue), boundary 1 (orange), boundary 2 (light blue) and MLK Boundary (green).

space. The analysis began by identifying a study region to focus on. It was important to identify areas in close enough proximity to the BIA boundary in order to provide for a fine analysis. Conversely, the study region needed to be large enough to allow for a good generalization of data. The first boundary was designated to explore the three block area directly outside the BIA to see what businesses were excluded from the process. The second boundary (designated in Figure 1 as light blue) was intended to explore the area between the BIA and a second business zone—the Martin Luther King Junior way area (outlined in green). This strip of parcels represents the third buffer, which is intended to represent the possibility of containing higher income property. The first hypothesis is that the BIA will contain the highest property values, with the boundaries in between MLK and the BIA representing a lower proportion of the overall taxable value.

The second intent of the research was to explore what the economic makeup of each region was. Originally, the project plan was designed to analyze only the relationship between taxable value and space. However, in order to provide for a richer analysis, the land use designations provided by the parcel data layer were reclassified and categorized into 27 sections. These sections were intended to generalize broadly about the types of businesses contained within each region. For example, the cultural services designation includes the Tacoma Art Museum as one of its businesses. The second step involved generalizing the data even further in order to generalize about how much high end, middle, and low end sectors comprised the study region. The terminology was coined from Sharon Zukin’s (1995) book “The Cultures of Cities” where she explored the decline and bifurcation of employment in globalizing cities.

The purpose of this research, as discussed earlier, is to (1) identify whether or not the BIA holds a high concentration of taxable property values, and if so, compare this to the outlying regions identified in **Figure 1**; (2) examine the economic makeup of the BIA in relation to concentrations of producer services (high end), consumer and cultural amenities (low end), and low sector employment (low end); (3) divide the tax parcel classifications into 27 sectors and examine each boundaries makeup; (4) explore the concentrations of housing in each area. This research relies on testing the claim that the BIA has a different concentration of value, and that the BIA is comprised primarily of producer service employment and middle sector cultural amenities.

The objectives of this study is to find (1) any identifiable differences in taxable land value between the Tacoma BIA and three outlying areas designated in **Figure 1**; (2) reclassify the parcel data into 27 main categories identified in **Table 1** and observe the concentration of those categories in relation to each study area; and (3) examine the business makeup within each region in relation to three designated classifiers of business sectors (Low end, Middle, and High End) identified in **Table 1**.

For the objective (1) analysis, the use of the Inverse Distance Weighting (IDW) interpolation tool within ArcGIS provided a

High End	Middle	Low End	N/A
-Professional Services (Architectural Firms, Management Firms)	-High end restaurants Public Services (Libraries, community Centers, Women's Shelters)	-Warehousing -Small Business	-Parking -Unknown -Parks Misc Buildings (unoccupied) -Community Land
-Producer Services (Legal Services, Records Management Services, and other business services)	-Health Services (Hospitals, Dental Services, Walk-in Clinics) -Manufacturing	-Retail Consumer Products -Restaurant (Low End) -Low End Consumer Retail	
-Finance (Banks, Investment Services, Real Estate Services)	-Government and Public Amenities (Municipal Building, Fire and Police Stations, Courthouse) -Education (Public Schools and Colleges) -Cultural resources (Art Museums, Religious Institutions) -Auto Retail -Hotel Services	-Auto Services	

Table 1
 Classifications and land use designation groups

good visualization of the concentration of taxable values within the study region (see **Figure 2**). In addition, the use of ArcScene augmented this visualization further by providing a way to extrude parcels for a more interesting effect (**Figure 3** and **Figure 4**). Tabular analysis of the boundaries provided statistics for each region, which provided for a good representation of the relationship between boundary size per acre and taxable land value.

For the business parcel analysis in objective (2) and (3), a classification system provided 27 discrete categories within which each land use designation was included. These categories were then reclassified into three broader classifications: High End Sector (3), Middle Sector (2), Low End Sector (1), and No Designation (0). These categories were visualized by the use of charts and maps showing concentrations in each region.

Results

Starting with the first objective, the taxable value of the study area was interpolated via Inverse Distance Weighting to show the areas with high concentrations of land value. Accordingly, the highest region represented the BIA boundary with 39.9% of the total taxable value. In the outlying regions, taxable value drops from the 39.9% found in the BIA to 20.2% in

Table 2.
Study area boundary classified by taxable value
Per parcel, parcel acreage, Price per Acre and
Percent Total.

<i>Boundary</i>	<i>Total Taxable Value</i>	<i>Percent TaxVA</i>	<i>Total Parcel Acres</i>	<i>Price Per Acre</i>	<i>Parcel Count</i>	<i>Percent Total</i>
<i>BIA Boundary</i>	<i>\$471,769,734.00</i>	<i>39.9%</i>	<i>84.164</i>	<i>\$5,605,362.55</i>	<i>502</i>	<i>14.8%</i>
<i>Boundary 1</i>	<i>\$238,535,647.00</i>	<i>20.2%</i>	<i>109.5344</i>	<i>\$2,177,723.59</i>	<i>862</i>	<i>25.4%</i>
<i>Boundary 2</i>	<i>\$171,631,880.00</i>	<i>14.5%</i>	<i>142.7695</i>	<i>\$1,202,160.69</i>	<i>831</i>	<i>24.5%</i>
<i>MLK Boundary</i>	<i>\$299,715,699.00</i>	<i>25.4%</i>	<i>170.1393</i>	<i>\$1,761,590.06</i>	<i>1195</i>	<i>35.3%</i>
	<i>\$1,181,652,960.00</i>	<i>100</i>	<i>506.6072</i>		<i>3390</i>	<i>100</i>

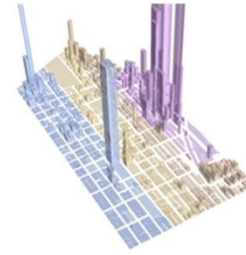


Figure 3 (Above) showing a 3d visualization of parcels extruded by taxable value.

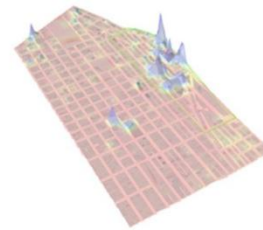
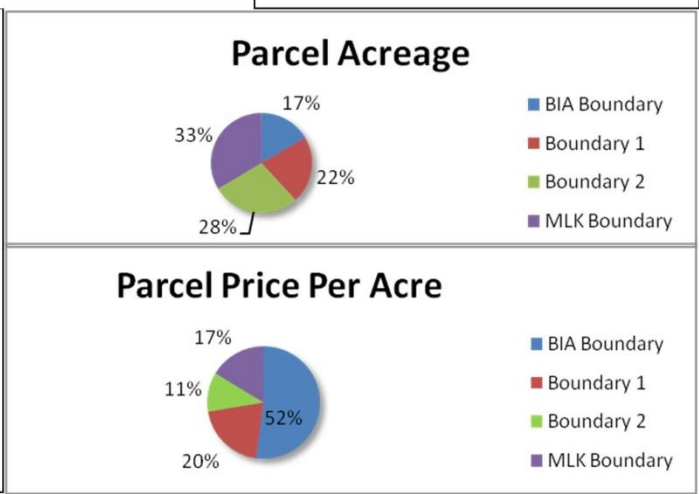


Figure 4 (Above) showing a 3d landscape representation of the study area with elevation

Figure 2 (above) showing the study regions with the landscape interpolated by taxable value by the use of Inverse Distance Weighting.

Chart 1 (top right) showing the percentage of parcel acreage by study region.

Chart 2 (bottom right) showing parcel price per acre, calculated from total taxable value and acreage for each study region.



boundary 1, and 14.5% in boundary 2. After the drop, the value rises to 25.4% in the MLK boundary region. This representation provides a good indication of an overall decline in value visualized in **Figure 2**. In relation to the first hypothesis, it appears that the BIA does contain the highest taxable value overall—and per acre—with a decline in the middle regions between MLK and the BIA. In relation to size, the study region acreage shows the BIA as representative of only

17% of the overall study region, with the other 83% dedicated to the outlying boundaries. When observing the price per acre in the study area, the BIA represents 52 percent of the total price per acre at \$5,605,362.55. This is in contrast to the decline in total price per acre with 20% within boundary 1, 11% in boundary 2, and 17% in the MLK boundary. The MLK region is the largest boundary in acreage, representing 33% percent of the overall area. With the decline in price, this area represents the greatest discrepancy relation to size and value.

Moving to the second objective, businesses were separated from residential parcels shown in **Figure 5**

This provides a reference to how much land was devoted to residential dwelling and how much was reserved to parking and community land. As you can see from the map, much of the Business Improvement Area is comprised of parking, residential, and businesses. Of the 502 parcels within the

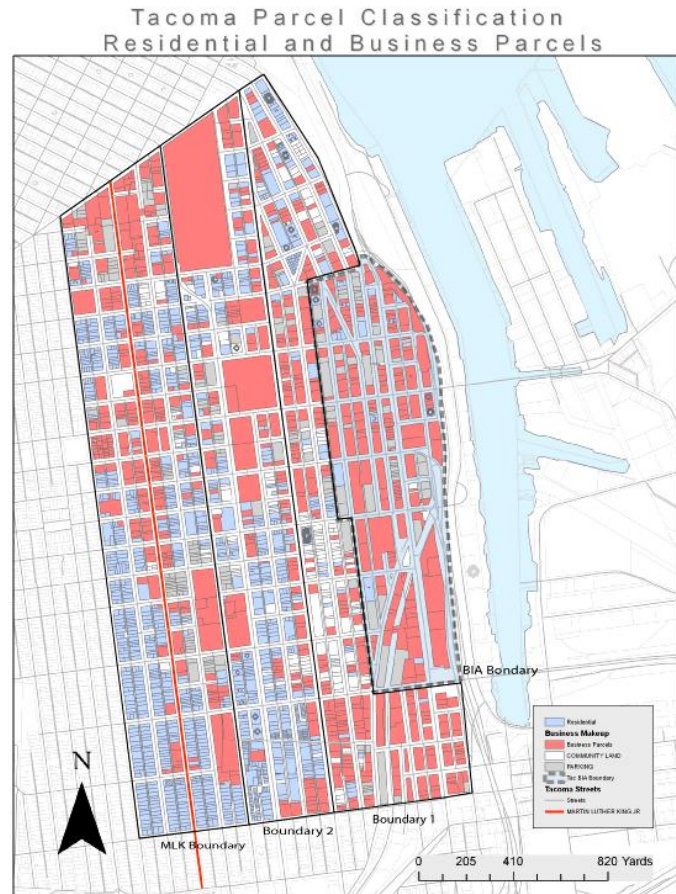


Figure 5(above) representing the division between business parcels (red) with residential parcels (blue) with parking and vacant land designated.

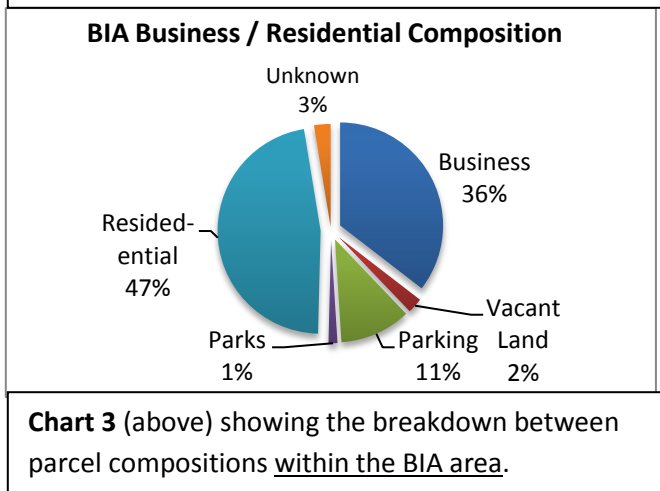
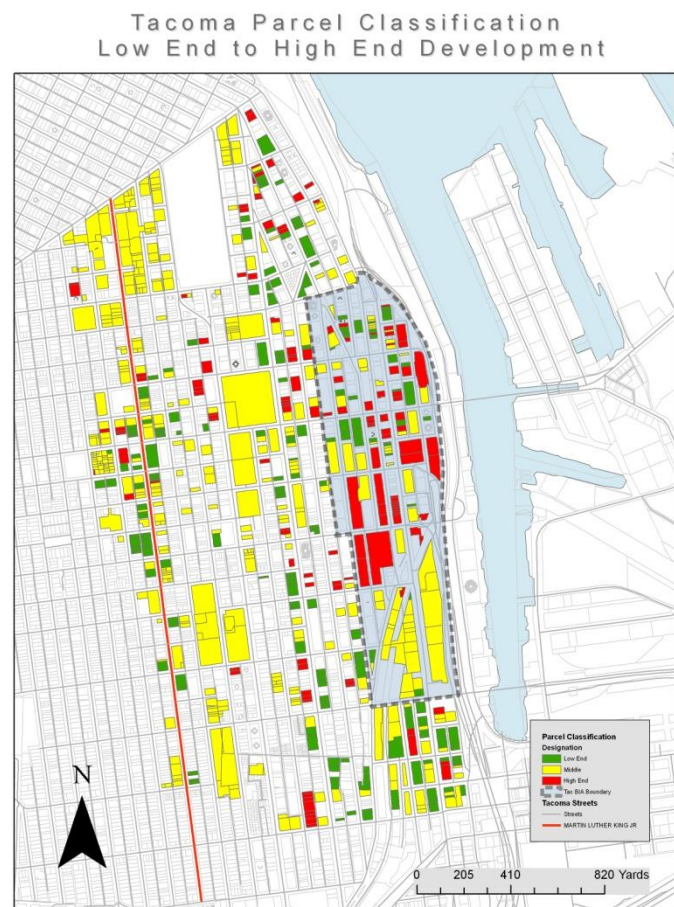


Chart 3 (above) showing the breakdown between parcel compositions within the BIA area.

BIA, 47% was dedicated to residential use, 36% was dedicated to business, and 11% dedicated to parking. With respect to business and residential, the amount of space dedicated to each appear to be about equal with a 10% difference in favor of residential.

The final step in of this research was to classify parcels based on the devised system of weighting shown in **Table 1** on page 8. The classification system was approximated based on the land use designations provided in the parcel dataset. For high sector employment, all of the businesses in finance, producer services, and professional services were included. The middle sector included cultural and public services, education, and manufacturing. For the low end, small businesses and low end retail and restaurants were included. The results showed that 42.3% of the parcels represented residential and no classification, 17.7% represented low end, 29.9% represented middle end, and 10.2% represented high end retail. Within the BIA area, 38.7% represented no classification 52 19.5% represented low end, 21.8% represented middle end, and 19.9% represented high end. Of the high end parcels, the BIA represented 39.9% of the study region.



Discussion

By looking at the data, the most influential findings pointed towards the BIA as containing a high amount of property values. This may be a result of the downtown business area’s general make-up, or it could be representative of an intentional move to incorporate the highest valued areas into the boundary. By looking closer however, the latter argument begins to take shape. In relation to the surrounding businesses, there appears to be a small divot where the boundary is readjusted to include (or exclude) a strip of parcels. In this portion of the Tacoma parcel data; there are some defining features that serve as an explanation to why the boundary is shaped the way it is. Amongst the parcels excluded are an iron workers union, the old Eagles Lodge, and a few department stores. Most of the parcels on the indented portion of the BIA are part of the University of Washington-Tacoma footprint, and contain vacant land and single family residential units.



Conclusion

Overall, the research into the BIA showed some significant patterns involving the economic and business makeup of the area. The data was able to position the BIA as containing a large proportion of land values in relation to the surrounding areas. Specifically, this research showed that the middle areas were strikingly shallow compared to the MLK and the BIA. In

relation to how BIA's receive money, it would make sense to attempt to channel the highest land value areas into the boundary in order to increase revenue. If records were available to track income value over time, it would be interesting to look at how the BIA has transformed relative to the real estate environment. This is an area of future work that would require a more intensive use of GIS. If it were possible to produce 10-15 IDW maps showing annual land value, patterns could be tracked more accurately. In addition, if each map was incorporated into a video with a fluid transition from one scene to another, the flows of land prices would become even more apparent.

Karl Marx once said that if you were able to observe the progression of capital over time and space you would see that money has fluidity to it—it flows through space with a tidal rhythm. GIS represents the best way to capture this movement by looking at how investments concentrate in different locations. The maps in this research may represent only a snapshot of the progression of the BIA, but they display a specific fingerprint identifiable to how the BIA concentrates and builds off of investment. In twenty years, the boundary may expand with a denser and higher concentration of land value within the area. As a result, this growth may impact the surrounding areas in unpredictable ways. Accordingly, this research example serves as a tool to understand how growth can affect complex processes within cities. After a while of tracking the flow of land values through an area by studying the expansion of a BID, the resulting data may be useful in providing new theories of how contemporary cities develop.

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