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# **Urban Collective Governance Organizations: The Effect of Institutional Arrangements on Organizational Behavior**

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## **Abstract**

*The authors analyze how the institutional arrangements, considered rules and forms of public policy in this context, of four community benefits districts (CBDs) impact organizational behavior in these organizations. A community benefits district is a quasi-governmental city subdistrict organization that assesses an additional property tax to both residential and commercial property owners within its boundaries. In exchange for paying this additional tax, subdistrict property owners receive supplemental services such as safety, sanitation (garbage collection), and economic development. The authors examine these institutional arrangements in four subdistrict organizations in Baltimore, Maryland; New York, New York; Louisville, Kentucky; and Cincinnati, Ohio. Specifically, the authors find the following broad similarities in the organizations' institutional arrangements: legislation at the state and local level is required before the organizations can form; a necessary amount of favorable political will at the grassroots level is required before the organizations can form; organizational governance by an elected or appointed board is required; and a professional and non-professional staff that manages the organizations' daily operation is required. In addition, the authors find and discuss the importance of more nuanced differences in these institutional arrangements on organizational behavior. In the article, the authors show that how the organizations are institutionally structured affects the way in which they behave.*

## **URBAN COLLECTIVE GOVERNANCE ORGANIZATIONS: THE EFFECT OF INSTITUTIONAL ARRANGEMENTS ON ORGANIZATIONAL BEHAVIOR**

At least twelve U. S. cities have recently established community benefits district (CBD) organizations within their boundaries (Baer and Marando 2001).<sup>1</sup> The institutional arrangements of these city subdistrict organizations have been outlined but not thoroughly analyzed. In this article, we examine their institutional arrangements, defined here as rules and public policies, and show that how the organizations are institutionally structured

Public Administration & Management:

An Interactive Journal

8, 3, 2003, pp. 135-149

affects the way in which they behave. To accomplish this analysis, we examine and compare the institutional arrangements in four CBDs including Baltimore's Charles Village Community Benefits District (CVCBD), New York's 14<sup>th</sup> Street – Union Square Business Improvement District, Louisville Downtown Management District (LDMD), and Downtown Cincinnati Improvement District (DCID). Interviews with CBD organizations' executive directors and others knowledgeable about the districts provide data concerning institutional arrangements in each one. The availability of data helped to determine the four organizations examined, although the authors hope to extend the analysis to CBD organizations in additional cities in the future.

CBDs in different cities share common broad institutional arrangements, but their specific arrangements may vary from city to city. Using Baltimore's Charles Village CBD as a model, the following serve as common institutional arrangements in these subdistrict organizations (Baer and Marando 2001):

1. CBDs have the authority from a state legislature and city government to mandate an additional tax assessment levy above city-wide rates, which the city administers on all property owners, commercial and residential, within the subdistrict.<sup>2</sup>
2. CBDs are created only after the service preferences of subdistrict property owners (and sometimes residential tenants who do not own property) are identified and taken into account. A referendum is required to assess property owner and residential tenant support in Baltimore. In other cities, a specified number of signatures meeting a public petition requirement or attendance and participation at city-community sponsored public hearings may be used to assess support for creating CBDs.
3. CBDs are governed by an elected or appointed board whose qualifications are specified by city charter ordinance and in some cases state statute.
4. CBDs have full- and/or part-time professional and non-professional staff to manage the day-to-day operations of the subdistrict. Commonly, CBDs are created to provide primarily "traditional" municipal services such as security and trash removal but might also provide neighborhood organizing and economic revitalization services.

Examples of city subdistrict organizations that levy an additional property tax in return for supplemental public services include Business Improvement Districts (BIDs) and the newer Community Benefits Districts (CBDs). CBDs share a common legal heritage with the BID, a structure that normally taxes and provides services exclusively to commercial property owners. CBDs are the focus of this inquiry. The success of BIDs in meeting the service needs of city merchants stimulated their widespread adoption, and there are now 15,000 BIDs estimated to be in existence in North American cities (International Downtown Association 1996). The existing literature tends not to recognize that new BID-type arrangements such as CBDs have extended to mixed residential and commercial communities (Oakerson 1999).<sup>3</sup> A CBD is defined as a mixed-use city subdistrict organization whose area property owners, both residential and commercial, pay property taxes in addition to what the city levies in order to receive supplemental public services such as security, sanitation (garbage collection), and economic development.

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In this article, we define organizational behavior as “the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a *system approach*. That is, it interprets people-organization relationships in terms of the whole person, whole group, whole organization, and whole social system” (Clark 1997). In other words, when we speak of organizational behavior, we are referring to the actions of the entire organization. We recognize the strong importance and influence of the actions of specific individuals within an organization, but for the purposes of this paper, we examine organizational actions in a broader sense. However, we indirectly address the behavior of individuals, because organizational actions reflect the decisions of individuals within each organization.

### **THE EFFECT OF INSTITUTIONAL ARRANGEMENTS ON ORGANIZATIONAL BEHAVIOR IN FOUR COMMUNITY BENEFITS DISTRICTS (CBDs):**

Substantial variation in the level of public services delivered to different neighborhoods within any particular city may occur (Lineberry 1977). This fact contrasts with the way cities are often outlined in the literature as offering the same services throughout their territory. In addition, large cities increasingly rely on subdistrict organizations as structural mechanisms to provide tax and service differentiation among residents and businesses that is qualitatively different from informal approaches.

Hawkins, Percy, and Montreal offer findings that support the assumption that decentralized, specialized, and nested governance organizations are part of the “intergovernmental” system of sharing authority and delivering services (1996, 1997). Clearly city property owners and possibly residential tenants and merchants who do not own property in a city cannot create a subunit by themselves. A “higher” level local government is necessary for creating subdistrict government. In other words, subcity interests for creating subdistricts need to be “negotiated” with officials representing city interests (Thomas and Hawes 1999). And the creation of a city subdistrict such as a CBD is the result of a “compact” or officially sanctioned intergovernmental agreement involving state government as well (Briffault 1996, 1997, 1998). Thus, CBD creation reflects the results of a negotiated intergovernmental process between property owners (and residential or commercial tenants in certain cases) on the one hand and city and state officials on the other.

#### The Charles Village Community Benefits District:

In this section, we examine how the institutional arrangements in four CBD organizations affect organizational behavior. We begin with the Charles Village Community Benefits District (CVCBD) in Baltimore, Maryland. This CBD provides sanitation and safety services. The first institutional arrangement involved the necessity to pass state enabling legislation and a Baltimore city ordinance in order to create the CVCBD. This process of creating the CVCBD involved considerable conflict that ultimately affected the organization’s behavior.

Although the proposed benefits district was located in a lower-income area, the Mayor, the city delegation to the General Assembly, and several Baltimore City Councilpersons expressed concern that by creating subdistricts the city would become balkanized

with white middle-income neighborhoods engaged in an elitist movement to obtain services that exclude lower-income neighborhoods. Several legislators were further concerned that such balkanized subdistricts aimed to promote lifestyle homogeneity through subtle forms of “gating” by placing an additional tax levy on property owners.<sup>4</sup> Perhaps officials were concerned, because they believed that subdistrict creation in more affluent areas might also begin to occur. Their concerns motivated city officials to demand that an ordinance establishing subdistricts require that they be both larger in geographic scope and more diverse economically and racially than originally proposed. As a result, the CVCBD’s boundaries were enlarged from a 30-block area to a 100-block area before the 1994 Maryland legislative session (Baer and Marando 2001). Therefore, this institutional arrangement or public policy affected organizational behavior by creating a larger, more diverse district for the organization to manage.

State enabling legislation that authorized the creation of six subdistricts, including the CVCBD, within the City of Baltimore eventually passed in 1994. After passage of state enabling legislation, the Baltimore City Council adopted a local ordinance that created the Charles Village Community Benefits District (CVCBD). The CVCBD was the only subdistrict organization under analysis that experienced substantial conflict in its legislative creation process. The formation of the other districts proceeded fairly smoothly with city government support. This difference might be explained by the fact that the CVCBD’s tax base includes a large share of residential property owners while the other subdistricts have a much greater percentage of commercial property owners. As a result of the high residential component in the CVCBD, city officials may have a greater fear of subdistrict balkanization by residents’ ethnicity and income than in a district with a higher commercial component. In addition, the organization must manage the district so as to include the interests of a large group of residents as well as businesses.

A second institutional arrangement was a referendum in the proposed area that was a requirement for subdistrict adoption. Unlike the other three subdistrict organizations that petitioned property owners only, the CVCBD allowed both property owners and renters to vote in the referendum. One might explain the CVCBD’s use of a referendum that allowed both residential tenants and property owners to vote by the fact that this subdistrict contained a much higher percentage of residents, including renters, than did the other three subdistricts. In such a broad residential community, a referendum might be the most appropriate way to assess support. Also, because residential tenants may be more mobile than owner occupants and may have the ability to easily move out of the CVCBD by “voting with their feet”, those designing the subdistrict organization’s institutional structure wisely gave this important group an opportunity to vote in the referendum. Thus, the subdistrict’s substantial group of renters received a voice in deciding whether and under what conditions to create the subdistrict and hopefully will not choose to exit the district. The effect on organizational behavior of this policy to include renters is that this group is considered when the organization makes decisions, and renters are also allowed to be members of the organization’s Board of Directors in addition to property owners.

A thirteen to twenty-five member elected and appointed Board of Directors governs the CVCBD, and the Board serves as the third institutional arrangement. The Board originates from the community-at-large with members representing neighborhoods within the CVCBD and is responsive to the community, acting as its agent in determining

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policy and procedures. The Board is composed of residents, businesses, appointees of the Mayor and City Council, and non-profit organizations. Up to one-third of the Board members could potentially be residential tenants. This analysis shows that residential tenants are allowed to serve only on the CVCBD and 14th Street – Union Square Business Improvement District Boards, while only property owners are allowed to serve on the LDMD and DCID Boards. This attests to the added political power that renters have in the former two subdistricts where their numbers are much higher than in the latter two. As a result, this institutional arrangement or policy affects the former two organizations' behavior by giving this potentially mobile group of residential tenants added political power and a voice in the direction of the district.

The Board also forms a selection committee to hire an executive director for the CVCBD organization. This executive director then selects additional staff members including a director of safety and an economic development coordinator who then help the executive director choose non-professional safety and clean team workers. The selection process for this professional and non-professional staff serves as the fourth institutional arrangement. The CVCBD is the only subdistrict under examination that is not connected to a broader downtown organization, and, thus, such an organization is not involved in the CVCBD's staffing. In each of the other three CBDs, its broader downtown organization is somehow connected to the CBD's staff. Perhaps these three subdistricts are affiliated with downtown organizations, because they are more BID-like or commercial compared to the more residential CVCBD. Not being connected to a downtown organization for staffing affects the CVCBD's organizational behavior, because it is more concerned with residential issues as a result and is not as concerned with the vitality of downtown businesses and growth as are the other three districts.

New York's 14<sup>th</sup> Street – Union Square Business Improvement District:

This district has 75 percent commercial properties and 25 percent residential properties. Thus, although it has a higher percentage of commercial properties than the CVCBD that is no more than 50 percent commercial, it is still a mixed-use CBD structure. In fact, it has a higher percentage of residential property owners than do the two remaining districts in this study. As a result, calling itself a Business Improvement District is a misnomer, because this name implies that only commercial property owners pay additional taxes for supplemental services. In the 14<sup>th</sup> Street district, however, both residential and commercial property owners pay for these extra services.

Like the CVCBD, this subdistrict's first institutional arrangement was the necessity to pass state enabling legislation and a local city ordinance. However, unlike the case of the Baltimore CVCBD, the legislative process to form this New York subdistrict was not filled with conflict. The state of New York passed enabling legislation that allowed the local city council to create the CBD and allow tax assessment in the area. The district was created in 1984, the first of its kind to form in New York City. The effect of this first institutional arrangement on organizational behavior was that this CBD did not have to tailor its management style to deal with the conflictual issues faced by the Baltimore CBD such as district boundary expansion and the related concern over residential balkanization by ethnicity and income.

Then, the second institutional arrangement or policy involved the requirement that property owners sign a petition favoring the creation of the improvement district. The petition was successful. If fifty percent or more of affected property owners had objected to improvement district creation, it would have been unable to form. Tenants were not involved in the petition, because state laws and local ordinances say that property owners are the only ones who may form BIDs. Thus, compared to the Baltimore CVCBD, the 14<sup>th</sup> Street district is less inclusive in its creation process since it does not involve tenants. As a result, one might expect the organization to behave in a manner that does not take account of tenants to the same degree as the CVCBD.

The third institutional arrangement, a twenty-five voting member Board of Directors, currently governs the district. All Board members except four government officials are elected at the annual meeting. The four government officials are eligible to be on the Board through statute/legislation. Fifty-one percent of Board members must be property owners. And at least one member must be a residential tenant, although up to forty-nine percent of Board members could technically be residential tenants. Thus, tenants do have representation on the Board, although this representation might be very small. As previously stated, allowing tenants on the Board affects the organization's behavior, because it means that tenants as well as property owners will have a voice and influence in managing the district. As a result, the organization needs to take the preferences of tenants into account.

The Board of Directors then selects an executive director to run the organization. The executive director in turn selects district staff. The organization provides sanitation and safety services. Under this fourth institutional arrangement of staffing, five persons including the executive director hold full-time professional administrative positions in both the improvement district and the 14<sup>th</sup> Street – Union Square Local Development Corporation (LDC). The LDC is a downtown organization that focuses on stimulating development, improving Union Square Park, and enhancing the quality of life in the neighborhood through efforts to make the neighborhood cleaner and safer. The 14<sup>th</sup> Street district's policy of being connected to a downtown organization reflects the fact that this CBD has a more commercial composition than does the CVCBD. Because the 14<sup>th</sup> Street CBD's executive director works for both the LDC and the CBD, the latter's organizational behavior should take into account the needs of businesses more than the CVCBD that is not connected to a downtown organization.

#### The Louisville Downtown Management District:

The Louisville Downtown Management District (LDMD) began operation in 1992 and provides supplemental maintenance, marketing, and crime prevention services in a 61-block area of the central business district. The district is composed of approximately ninety percent commercial property and ten percent residential property. Similar to the previous two CBD organizations, the LDMD's first institutional arrangement involved passage of state enabling legislation and a City of Louisville ordinance in order to form the district. But, again, unlike the Baltimore case, the creation of the LDMD proceeded fairly smoothly. Local officials including the mayor and Board of Aldermen favored the creation of the district. In fact, creating the LDMD was part of the city's ten-year plan. This lack of conflict affected the CBD's organizational behavior, because it did not have to deal with

divisive boundary issues or divided constituencies, both of which make daily management more difficult.

In early 1992, after passage of state enabling legislation and a city council ordinance, local business persons went door to door asking property owners only to sign a petition in favor of creating the district. The use of a petition serves as the second institutional arrangement. Unlike the CVCBD, tenants in the LDMD were not involved in the petition to form the district and are not on the district's Board of Directors. According to the executive director, they are not involved, because state statute does not require that they be involved. Because tenants were not involved in the petition process or other structural processes of the CBD such as re-authorization, organizational behavior is impacted in the sense that the CBD does not have to consider their preferences when making its management decisions.

A third key component of the LDMD's institutional structure is its Board of Directors. A seventeen member Board governs the district. Some Board members such as the district commander of the police department are automatically appointed, while others are elected. One residential property owner is required to be on the Board. Board members serve a three-year term. Unlike in the CVCBD and the 14<sup>th</sup> Street district, residential tenants are not allowed to be LDMD Board members. This policy affects the LDMD's organizational behavior. Because residential tenants are not on the Board, they lack power in directing the organization. Thus, the CBD does not need to take their interests into account as much as do the prior two districts.

The final policy involves the organization's hiring of professional and non-professional staff. The LDMD provides both sanitation and safety services. In selecting an executive director, a search committee first gives its recommendation to the LDMD Board. If the Board approves the candidate for the position, the person is hired. Related to this fourth institutional arrangement is the LDMD's management by the Louisville Central Area, Inc. (LCA), a major research agency for downtown organizations and city government and a downtown development organization with the task of enhancing business life. The LCA manages the LDMD separately from the LDMD Board of Directors and covers the entire downtown consisting of 102 blocks. LCA's fiscal responsibilities include developing an annual LDMD budget, monitoring property assessment collections by the City's Department of Finance and Budget, preparing and providing monthly cash flow statements to the LDMD Board of Directors, maintaining and storing LDMD financial records, and coordinating an annual audit. The involvement of a downtown business organization is most likely linked to the highly commercial nature of the LDMD. This downtown agency's involvement that includes management of the CBD affects the LDMD's organizational behavior, because such control makes the CBD more likely to favor policies that will enhance commercial rather than residential interests.

#### Downtown Cincinnati Improvement District:

The Downtown Cincinnati Improvement District (DCID) began operation in 1998 and consists of 330 property owners. It is a revitalization district, providing mainly business development services, although it also provides sanitation and security services. Similar to the LDMD, its properties are approximately ninety percent commercial and ten percent residential. Thus, both of these districts are more BID-like than the CVCBD or the 14<sup>th</sup> Street

district, but they are still classified as CBDs since they assess an additional property tax to both commercial and residential property owners within their boundaries.

Its creation was also not conflict ridden like the CVCBD creation. In this organization, the first and second institutional arrangements are interconnected. State enabling legislation to form subdistricts had been passed in the Ohio legislature in the early 1990s, and Dayton was the first city in Ohio to form one. Thus, the path was clear to form the DCID in terms of state legislation. The next step involved getting downtown property owners to sign a petition in favor of creating the subdistrict. In November 1996, downtown property owners were asked to sign a petition for the adoption of DCID's Downtown Services Plan listing the services to be offered and how much to spend on these services as well as a budget. At least sixty percent of front footage property owners were required to sign the petition, and the petition was a success with sixty-two percent actually signing. Tenants were excluded from signing the petition. City Council then approved the DCID and its services plan in December 1996.

The process to create the DCID differs from the other three subdistrict organizations, because property owners in the DCID first signed a petition before city council approved the district's creation. In the other subdistricts, a city council ordinance favoring subdistrict creation was required before either a petition or referendum could occur. As a result, organizational behavior is affected, because those initiating the creation of the organization first had to lobby property owners within district boundaries before lobbying the city. In addition, because the institutional structure did not allow tenants to sign the petition, the organizational behavior of those managing the district is most likely affected as these managers do not need to be as accountable to tenants to the degree they would need to be if tenants served as a powerful political force in forming the district.

The third institutional component is the DCID's Board of Trustees that consists of nine members, four appointed and five elected. The four appointed members include the city manager, a city council appointee, a Hamilton County representative, and a representative from the Building Owner and Management Association (BOMA). Thus, local government officials have a substantial role on the Board and influence in managing the district. As a result, the CBD must consider the desires of these officials when making its daily operational decisions. At least one of the five elected Board members must be a residential property owner, so residential property owners receive at least a small share of power on the Board. However, the district excludes tenants from serving on the Board of Directors. Therefore, tenants lack a voice in governing the organization, and the CBD Board and staff do not need to devote much consideration to the preferences of tenants as a result.

The final institutional arrangement to be considered is staffing. Since DCID itself hires no staff and instead has only volunteers, the Board's relationship to DCID's employees flows through Downtown Cincinnati, Inc. (DCI), a downtown advocacy organization established in 1994 as a result of the city's loss of retail tenants. Donations from major corporations in the city and tri-state area fund DCI's operation. To acquire employees, the CBD Board hires or contracts with DCI. The president of DCI then runs the CBD organization and hires its employees. The staff includes ten professional, full-time employees and nine non-professional clean team and safety team employees. Because the



president of DCI, a downtown business organization, directly hires CBD employees, it is likely that these employees will focus more on commercial or business interests than on residential ones.

Table 1 illustrates the major institutional arrangements in each of the four CBD organizations under examination.

<b>Table 1: Institutional Arrangements in Four Community Benefits Districts (CBDs)</b>			
<b>CBD Name</b>	<b>Are State Legislature and City Government Approval Required to Create CBD?</b>	<b>Method Used to Assess Local Support for CBD Creation</b>	<b>Is Residential Tenant Input Taken Into Account in Assessing Local Support?</b>
<b>CVCBD</b>	Yes	Referendum	Yes
<b>14<sup>th</sup> Street-Union Square Business Improvement District</b>	Yes	Petition	No
<b>LDMD</b>	Yes	Petition	No
<b>DCID</b>	Yes	Petition	No

<b>Table 1: Institutional Arrangements in Four Community Benefits Districts (CBDs) (cont'd)</b>			
<b>CBD Name</b>	<b>CBD Board of Directors</b>	<b>Are Residential Tenants Allowed on the CBD Board of Directors?</b>	<b>Mechanism Used to Hire CBD Non-professional Staff</b>
<b>CVCBD</b>	Between 13 and 25 members (elected and appointed)	Yes	Safety team members – contracted out but not clean team members
<b>14<sup>th</sup> Street-Union Square Business Improvement District</b>	25 members (elected and appointed)	Yes	Clean team members – contracted out but not safety team members
<b>LDMD</b>	17 members (elected and appointed)	No	Both clean team and safety team members – contracted out
<b>DCID</b>	9 members (elected and appointed)	No	Clean team and safety team members – contracted out with DCI

## DISCUSSION AND IMPLICATIONS:

Overall, the current inquiry shows that CBDs share four similar broad institutional arrangements outlined earlier in the paper, and that these arrangements or policies affect organizational behavior. However, several key differences exist in the institutional arrangements of the four CBDs under analysis, and these differences affect policy implementation. First, the CVCBD is the only organization to require a referendum for subdistrict creation. The other three CBD organizations instead use a petition. Second, residential tenants as well as property owners are able to vote in the CVCBD's referendum, while the former group is not allowed to sign petitions in the other three subdistricts. Third, up to one third of the CVCBD's Board of Directors may be renters, and up to forty-nine percent of the 14<sup>th</sup> Street – Union Square Business Improvement District's Board members may be renters. In contrast, both the LDMD and DCID allow only property owners to be Board members.

The first difference in institutional arrangements may be the result of the CVCBD's position as a subdistrict with a greater balance between residential and commercial property owners. In fact, in order to create the CVCBD, organizers demanded that the subdistrict boundaries include a balanced mixed-use area. By way of contrast, the LDMD and the DCID developed in heavily commercial downtown areas with only a very small portion of residential property. The 14<sup>th</sup> Street – Union Square Business Improvement District lies

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between the two extremes in terms of its mix of residential and commercial properties. Thus, a referendum may prove more conducive in the CVCBD as a method to gauge a broader array of residents' support for the organization, and petitions may be more amenable for use in the heavily commercial districts.

In terms of the second and third difference, one finds that only the CVCBD and the 14<sup>th</sup> Street – Union Square Business Improvement District are institutionally required to be accountable to renters. Unlike the other three subdistrict organizations, the CVCBD allows renters to vote in the referendum along with property owners. And both the CVCBD and the 14<sup>th</sup> Street – Union Square Business Improvement District allow a substantial proportion of their Board of Directors to be residential tenants. As a result, residential tenants have a potentially strong voice in both the creation and operation of the CVCBD and in the operation of the 14<sup>th</sup> Street – Union Square Business Improvement District, but they lack such a voice in the other CBD organizations. Again, this is most likely due to the fact that renters compose a larger group in both the CVCBD and the 14<sup>th</sup> Street – Union Square Business Improvement District. And because renters may generally be mobile, these two subdistrict organizations designed institutional arrangements to give members of this group a voice so they would not move out of their subdistricts.

As a result of this analysis, we find that the CVCBD and 14<sup>th</sup> Street-Union Square Business Improvement District are more inclusive, because they are accountable to renters. This inclusiveness affects the two organizations' policy implementation in a favorable way, because the two CBDs take account of renters, an important part of their constituent base, in addition to property owners. Because the other two CBDs' institutional rules do not mandate that they be accountable to renters, they are less inclusive which may negatively impact their policy implementation. However, because the number of renters within their boundaries is so small, this lack of inclusion does not create as great a problem as it would in districts with a larger base of renters.

CBDs have the potential to stabilize areas containing both residents and businesses. If all areas of the city are able to form subdistricts, a CBD's obvious benefits may outweigh potential abuses involving exclusion or balkanization. If city property owners and possibly residential tenants do not form CBDs and, therefore, do not receive needed and desired supplemental services, they may find themselves living and working in areas that are becoming more and more unstable. Or they may simply decide to "exit" the city for the suburbs consistent with the polycentric model. Alternatively, through "voice" CBDs with the potential to help stabilize and prevent population decline and business closures in the inner city may be created, and these CBDs may even attract new residents and businesses from outside the city. Because many inner cities continue to experience instability, population loss, and business closures, CBDs may serve as a structural policy option to aid in stemming these trends.

## NOTES:

<sup>1</sup> A telephone survey with officials of 36 large cities concerning the existence of Community Benefits Districts (CBDs) was conducted. The National League of Cities also conducted a survey of subdistrict organizations. The assessment from both sources was that subdistrict

organizations similar to CBDs exist in at least twelve U. S. cities including Baltimore, Chicago, Cincinnati, Detroit, Great Falls, Houston, Louisville, New York, Philadelphia, San Jose, Santa Cruz, and Seattle. The subdistricts may be categorized as CBDs, because both residential and commercial property owners paid an additional property tax in order to receive supplemental services.

<sup>2</sup> This taxing authority distinguishes CBDs from more traditional neighborhood associations and residential community associations (RCAs).

<sup>3</sup> There is no official national count of city subdistricts. The Census of Government documents does not tally or report dependent districts of general purpose local governments. The Census of Government documents published every five years ending in "2" or "7" (i.e. 1992, 1997) report independent districts, not administrative units of cities. Estimates of some types of subdistricts do exist.

<sup>4</sup> Interview with City of Baltimore Council-person (April 1999)

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