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Author
Loukaitou-Sideris, Anastasia

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Revisiting Inner-City Strips: A Framework for Community and Economic Development

Anastasia Loukaitou-Sideris

Department of Urban Planning
University of California
Los Angeles, CA 90095

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University of California at Berkeley
Revisiting Inner-City Strips: A Framework for Community and Economic Development

Anastasia Loukaitou-Sideris
University of California, Los Angeles

This article focuses on the commercial strips of the American inner city, many of which are currently characterized by major decay and disinvestment. After a brief historical overview of the evolution and decay of inner-city commercial strips, the article turns to fieldwork research. The study uses case studies from Los Angeles for an assessment of the current economic environment of inner-city strips. Drawing information from surveys of inner-city residents and merchants along three corridors and focus group research with merchants along a fourth corridor, the article reports the perils and potential of business development along the strips and outlines suggestions for economic improvement and community development.

On April 29, 1992, many Los Angeles inner-city commercial corridors were on fire. Arson and looting of retail establishments were prompted by the verdict in the Rodney King trial. In reality, the riots were a direct cause of the woes of the American inner city. Commercial strips, which mostly attracted the anger and frustration of rioters, comprise many miles of commercially zoned land that for decades has been doomed to a state of perpetual abandonment and deterioration. These once-prosperous commercial environments exemplify the many problems of the American inner city—disinvestment, decay, poor physical infrastructure, and high crime rates.

The study of commercial strips can give us a good glimpse of the inner city's woes. Social and physical pathologies are clearly displayed here. Social problems of crime, drug addiction, and homelessness—ever-present in the late-20th-century American metropolis—are witnessed with much more intensity along these corridors. The boarded-up storefronts, trash-filled lots, and broken windows along the streets are telling signs of the physical deterioration and economic disinvestment that have occurred in the past few decades. At the same time, a small number of development projects—mostly housing by nonprofit corporations and community development corporations (CDCs)—have also appeared on the strips, a possible sign of a better future.

This article examines the elusive topic of economic and community development along inner-city strips. First, it briefly discusses the demise of inner-city corridors in the post–World War II era. The eventual decay of these streets is partly due to the inadequacy of public policies devised to save the inner city. The article then turns to case study examples from Los Angeles to report on the current economic environment of inner-city strips. Drawing from surveys of residents and merchants and focus group research with merchants along four inner-city Los Angeles corridors, the study discusses the problems and potentials present in inner-city commercial environments. The last part focuses on the prospects for commercial strip revitalization. Here, the author draws from the experience of helping merchants along an inner-city street to form a merchant association. These experiences, combined with those of other inner-city neighborhoods, inform a proposed

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framework for economic and community development in the inner city. This framework identifies the role and contribution to the revitalization process of merchants, local governments, and community-based institutions.

DEMISE OF INNER-CITY COMMERCIAL STRIPS

In most American cities, commercial inner-city strips appeared first as linear expansions of downtown, radiating from the center to adjacent neighborhoods. Initially served by streetcar lines, these strips received a further boost by the 1920s with the spread of the automobile (Warner, 1962). Businesses along the strips gained competitive advantages over those in downtown. The cost of land was considerably cheaper along these commercial corridors, and parking was ample. In the 1930s, banks and department stores opened branch outlets on major intersections along the strips. Thus, prior to World War II, most of these streets were economically successful and vibrant places for commercial and residential activities (Liebs, 1985).

But the scene started to change rapidly after the war. Even before the war, advances in transportation had contributed to a decentralization and dispersal of industries. Changes in the production technology and the rise of a postindustrial service economy after the war resulted in plant closures and an ever-weakening manufacturing base in the inner city. Federal housing subsidies enabled the “White flight” from the inner city to the suburbs, and the federal highway construction program often segmented and socially isolated poor inner-city neighborhoods.

Inner-city commercial corridors started declining quickly in almost every U.S. city in the 1950s. As the wealthier population flocked to the suburbs, housing along and behind the corridors filtered down to low-income families. The new grid of highways, superimposed on the American metropolises, typically encircled the downtown core, but it also contributed to the expansion and increasing economic marginality of a downtown frame of abandoned commercial buildings (Ford, 1994). In the 1960s, the increasing focus on downtown urban renewal brought an even sharper distinction between the central business district of corporate offices, cultural and civic buildings, and the outlying areas of the inner city with deteriorating housing, warehouses, and seedy retail establishments.

Commercial properties along the strips were highly devalued in the post–World War II era. As the economic crisis of the inner city deepened, businesses followed residents to the suburbs. Demand for commercial space along inner-city strips fell dramatically. Some shops were boarded up; others were simply razed. Physical desolation and a general deterioration of the urban form coupled this economic disinvestment. Public facilities and infrastructure deteriorated. Barbed-wire fences and graffiti multiplied. The building shell of many commercial and residential properties deteriorated badly.

Although the history of decline holds true for most inner-city commercial strips in this country, there have been exceptions to the rule (Ford, 1994). Almost all cities have some strip segments that have been gentrified (e.g., Melrose Avenue in Los Angeles, Union Street in San Francisco, the Short North district in Columbus, Ohio). Other streets have been revitalized as focal points of neighborhood identity (e.g., Castro Street in San Francisco). Some strips have also experienced a sort of ethnic gentrification and are now hosting thriving ethnic markets (e.g., Cuban strips in Miami, Latino strips in Los Angeles, southeast Asian strips in Orange County, California).

But beyond these notable exceptions, the majority of inner-city strips experienced an accelerated loss of business in the 1970s and 1980s. According to Halpern (1995),

Over the past two decades hundreds of thousands of blue-collar jobs have been lost from the inner city. Between 1969-1987 the unemployment rate for inner city males with limited education went from 19 percent to 50 percent. . . During the 1980's the percentage of city expenditures covered by federal aid fell from 22 to 6 percent. (p. 195)

Most of the employment opportunities generated by the postindustrial economy have arose in suburban and exurban locations at considerable distance from the inner city. Postwar changes in
the urban ecology and transportation systems have caused a relative deterioration in the access to job opportunities of many inner-city residents (Kain & Meyer, 1970).

At present, inner-city commercial strips are characterized by very low rates of business formation and survival (Bendick & Egan, 1991). As has been often documented, these streets typically display less attractive shopping environments with a limited variety of small retail establishments, absence of large stores and chain supermarkets, limited range of consumer items, lower quality of goods, less customer service, and higher prices (Jacobs, Macdonald, Marsh, & Wilson, 1997). The businesses that have remained in the inner city are often resigned to operating at the margin and are not skilled at marketing techniques (National Council for Urban Economic Development Information Service, 1979). In addition to the economic problems that many small businesses typically have to face, inner-city merchants are facing the extra perils of high crime rates, poor physical premises and surroundings (accentuated by the indifference of absentee landowners), and an extremely poor clientele.

The plight of the inner city has dramatically affected residents and businesses. The following surveys are intended to highlight some of the problems and prospects faced by inner-city commercial environments.

**IMPORTANCE OF COMMERCIAL STRIPS: THE VIEW OF RESIDENTS**

The empirical findings of this study are drawn from surveys of residents and business owners along 1-mile segments of Vermont Avenue, Crenshaw Boulevard, and Sunset Boulevard and focus group research with merchants along a 1-mile segment of Pico Boulevard. Vermont and Crenshaw are commercial strips in south-central Los Angeles, whereas Sunset and Pico are within the Mid-Cities area (see Figure 1). Both areas are at the fringes of downtown and are among the poorest in the city. At first glance, these inner-city streets seem to be in different states of economic decay. Vermont Avenue’s high commercial vacancy rates and “for sale” signs reveal a major economic disinvestment. Over the past three decades, Crenshaw Boulevard has witnessed a transition from a predominantly single-family residential area to a multifamily/mixed-use/commercial area. The boulevard displays some obvious signs of physical deterioration, reflected in its littered and cracked sidewalks, the unkempt yards, and the graffiti-tainted walls. Sunset Boulevard seems to have capitalized from its proximity to Hollywood’s entertainment industry and hosts a number of businesses geared toward this industry. Still, the street is plagued by high crime rates, prostitution, and business transience. Finally, Pico Boulevard hosts mostly a collection of run-down mom-and-pop establishments. This street is at the heart of the Pico-Union neighborhood, which is one of the city’s main entrance points for hundreds of thousands of immigrants, mostly from Mexico and Central America.

The four strip segments share some physical characteristics. Most of their commercial buildings were built prior to the 1950s. They are small and rather unassuming establishments, with retail storefronts directly facing the sidewalk. The rare exception to this pattern comes in the form of minimal development, usually at corner lots, which clusters 10 to 15 shops in one- or two-story configurations. The flight of businesses from the inner city has left a checkerboard pattern of development along the strips—a store here, a store there, with empty lots in between.

A total of 244 households located along the Vermont, Crenshaw, and Sunset strips or in the immediately adjacent residential area (one block behind) were surveyed regarding their level of use and satisfaction with the commercial strip. The racial profile changed with each street. Half of the respondents along Vermont were Latinos, and about one third were White. Along Crenshaw, 59% of the households surveyed were African American, 15.5% were Asian, 10% were Latino, and 10% were White. Finally, households along and behind Sunset were predominantly White (58%), and the rest were quite equally divided among Latino, Asian, and African American households. The median household income of those surveyed was, on average, below that of the county’s average ($34,965 in 1990). Incomes were considerably lower along Vermont, where the majority of the households surveyed reported household earnings of less than $20,000.
... these streets represented the critical backbone for the adjacent inner-city neighborhoods. Residents depended on their amenities for the fulfillment of basic retail and service needs. But these strips scored poorly in respect to resident satisfaction. Inner-city residents expressed their frustration with the high crime rates, ugly appearance, and lack of services. Surveys showed that these streets represented the critical backbone for the adjacent inner-city neighborhoods. Residents depended on their amenities for the fulfillment of basic retail and service needs. The majority of users visited them at least twice a week, with a significant number declaring themselves everyday users: 25.6% of Vermont, 34.2% of Crenshaw, and 41.5% of Sunset residents used the strips every day for their shopping and service needs. But these strips scored poorly in respect to resident satisfaction. Inner-city residents expressed their frustration with the high crime rates, ugly appearance, and lack of services. Residents were particularly discontented with what they perceived to be a low quality of merchandise in the local stores. They complained that they often have to go outside their area to shop, which added to their cost-of-living expenses, as much as many of them were transit dependent.

Lack of conformance with zoning plans and spot zoning have often created undesirable land uses (junkyards, body shops, etc.) for residents. In a specific question about desired shops and services, food markets, cafés, family restaurants, pharmacies, clothing and shoe stores, beauty salons, music and video stores, day care centers, and professional offices gathered people's preferences.
TABLE 1

<table>
<thead>
<tr>
<th>Businesses Along Each Corridor Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sunset</strong></td>
</tr>
<tr>
<td>Automotive</td>
</tr>
<tr>
<td>Bakery/doughnuts</td>
</tr>
<tr>
<td>Beauty salon</td>
</tr>
<tr>
<td>Beauty supply</td>
</tr>
<tr>
<td>Billiards</td>
</tr>
<tr>
<td>Camera shop</td>
</tr>
<tr>
<td>Coffee stand</td>
</tr>
<tr>
<td>Dry cleaners</td>
</tr>
<tr>
<td>Fabric/bead store</td>
</tr>
<tr>
<td>Luggage store</td>
</tr>
<tr>
<td>Minimarket</td>
</tr>
<tr>
<td>Movie theater</td>
</tr>
<tr>
<td>Nonprofit fund-raiser</td>
</tr>
<tr>
<td>Optical</td>
</tr>
<tr>
<td>Pharmacy</td>
</tr>
<tr>
<td>Phone shop</td>
</tr>
<tr>
<td>Printing</td>
</tr>
<tr>
<td>Restaurant/deli/cafe</td>
</tr>
<tr>
<td>Travel agency</td>
</tr>
<tr>
<td>Vitamin store</td>
</tr>
</tbody>
</table>

Total merchants surveyed | 35 | 34 | 29 |
Total number of merchants on corridor segment | 82 | 95 | 37 |
Merchants surveyed as % of total | 42.7 | 35.8 | 78.4 |

Overwhelmingly, residents expressed their willingness to support and patronize neighborhood-oriented retail and services if these would meet their expectations.

**THE PERILS OF BUSINESS DEVELOPMENT:**

**THE STORY OF MERCHANTS**

Along with the survey of residents, the survey of merchants complements the documentation of the sociophysical environment of the inner-city strip and enhances our understanding of its problems and prospects. A total of 98 business proprietors were surveyed in the spring of 1995 (35 at Sunset, 34 at Vermont, and 29 at Crenshaw, which represented 43%, 36%, and 78% of the total business establishments along these three strip segments [see Table 1]). The survey (see the appendix) was composed of 22 questions that asked merchants about the profile of their business (business type, number of employees, number of years in that location, customer characteristics), financial considerations (monthly rent, annual sales volume), reasons why they chose their location and the perceived advantages and disadvantages of the site, possible considerations of moving or selling, and reasons for doing so. Another set of questions asked merchants to express their views and opinions regarding different types of assistance or improvements that could help their business and investigated whether they already received any form of assistance. The following discussion summarizes and evaluates the survey's major findings.

**Business Profile**

Most business establishments surveyed along the three strips were neighborhood retail and service-oriented minimarkets, liquor stores, discount stores, beauty salons, doughnut shops, shoe
The majority of merchants reported social concerns as the most important detriment to their businesses. The preponderance of crime, the high numbers of undesirables (gangs, transients, prostitutes), and racial tensions have a negative effect on their businesses.

### TABLE 2
Main Reason for Choosing Present Location

<table>
<thead>
<tr>
<th>Reason</th>
<th>Sunset</th>
<th>Crenshaw</th>
<th>Vermont</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to targeted customers</td>
<td>21 (30%)</td>
<td>13 (19%)</td>
<td>14 (16%)</td>
</tr>
<tr>
<td>Available space/appropriate for business</td>
<td>12 (17%)</td>
<td>15 (22%)</td>
<td>14 (16%)</td>
</tr>
<tr>
<td>Affordable rent</td>
<td>13 (18%)</td>
<td>9 (13%)</td>
<td>14 (16%)</td>
</tr>
<tr>
<td>Familiarity with neighborhood</td>
<td>9 (13%)</td>
<td>9 (13%)</td>
<td>12 (14%)</td>
</tr>
<tr>
<td>Good public transportation access</td>
<td>3 (4%)</td>
<td>10 (14%)</td>
<td>9 (10%)</td>
</tr>
<tr>
<td>Other profitable businesses nearby</td>
<td>5 (7%)</td>
<td>2 (3%)</td>
<td>12 (14%)</td>
</tr>
<tr>
<td>Proximity to owner's residence</td>
<td>2 (3%)</td>
<td>4 (6%)</td>
<td>3 (3%)</td>
</tr>
<tr>
<td>Other</td>
<td>4 (5%)</td>
<td>5 (7%)</td>
<td>6 (7%)</td>
</tr>
</tbody>
</table>

The strained financial situation of inner-city businesses was revealed by the fact that, in all three strips, more than half the merchants reported a drop in sales during the past 2 years in a period of strong economic growth in California. The situation is the worst along Sunset Boulevard, from which, according to merchants, a significant number of studio-related businesses fled over the past few years to the city's fashionable Westside. This trend seems to have accelerated the perception of decay in the area. A large number of merchants (58.8% on Sunset, 64.4% on Crenshaw, and 67.6% on Vermont) confessed that they have actually considered closing down or selling their businesses. Around one third of the merchants in all three sites are also considering relocation. The predominant reasons reported were lack of profits and preponderance of crime.

The items listed by merchants as major disadvantages of their inner-city business location were social, economic, and physical in nature (see Table 3). As with the residents' perceptions, the majority of merchants reported social concerns as the most important detriment to their businesses. About half of the survey respondents along Vermont and a third along Crenshaw and Sunset argued...
TABLE 3
Main Disadvantage of Present Location

<table>
<thead>
<tr>
<th>Frequencies (and percentages) of Merchants' Responses</th>
<th>Sunset</th>
<th>Crenshaw</th>
<th>Vermont</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No profitable business activity</td>
<td>7 (20.6)</td>
<td>6 (19.4)</td>
<td>6 (18.2)</td>
</tr>
<tr>
<td>Expensive rent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-income customer base</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store/office space inappropriate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business competition nearby</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical/environmental</td>
<td>6 (17.6)</td>
<td>3 (9.7)</td>
<td>4 (12.1)</td>
</tr>
<tr>
<td>Poor physical location</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of physical amenities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dirty street/litter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation related</td>
<td>5 (14.7)</td>
<td>10 (32.3)</td>
<td>4 (12.1)</td>
</tr>
<tr>
<td>Lack of parking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too much traffic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>11 (32.4)</td>
<td>10 (32.3)</td>
<td>16 (48.5)</td>
</tr>
<tr>
<td>Lack of safety/crime</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesirables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Racial conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer fear of the area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>5 (14.7)</td>
<td>1 (3.2)</td>
<td>2 (6.1)</td>
</tr>
<tr>
<td>Other</td>
<td>0 (0.0)</td>
<td>1 (3.2)</td>
<td>1 (3.0)</td>
</tr>
<tr>
<td>Total</td>
<td>34 (100)</td>
<td>31 (100)</td>
<td>33 (100)</td>
</tr>
</tbody>
</table>

a. There are 31 responses at Crenshaw Avenue even though only 29 merchants were surveyed because two merchants reported two main disadvantages.

that the preponderance of crime, the high numbers of undesirables (gangs, transients, prostitutes), and racial tensions have a negative effect on their businesses. Merchants suffer because of frequent break-ins but also because customers are afraid to visit their shops. The fear of robbery and the fact that most local residents (especially the elderly) are afraid to venture out in the evening force many merchants to close their shops at 5:00 p.m. Complaints were expressed about the very slow police response and against absentee landlords, who typically fail to retrofit their establishments with security hardware. Only a handful of merchants could afford private security guards.

As in many inner-city areas, many businesses along the commercial strips are minority owned. All three corridors have experienced major population shifts during the past decade, with a general decrease in native African American residents and an increase in immigrants from East Asia and Central America. Social and racial conflicts, often the result of language and cultural barriers, are a source of mistrust between merchants and their clients and among merchants themselves. This was revealed in comments such as, "These kids are out of control and don't respect us" and "Some residents know all the scams." Referring to the welfare recipients, one merchant said, "When they have their checks at the beginning of the month, they pay; after that, they just take what they need."

Economic concerns represented the second most important disadvantage for inner-city businesses. The low-income customer base was mentioned as a serious detriment. In an area where residents suffer from unemployment and underemployment, it is the welfare economy that often dictates business activity. Sales are much higher at the beginning of the month, when checks arrive.

The poor aesthetic condition of the strip—the litter, lack of amenities, and physical disorder—was mentioned by some as yet another peril of business development, and the lack of adequate parking along Crenshaw Boulevard was troubling for some merchants.

Interestingly, economic factors have also driven most merchants to their present location (see Table 2). These strips are at the heart of some of the densest areas in the Los Angeles metropolitan area. The proximity to a large number of potential customers is clearly an advantage for inner-city merchants. Although inner-city communities represent islands of poverty, the purchasing power of the cumulative number of households is actually quite high.

The proximity to a large number of potential customers is clearly an advantage for inner-city merchants. Although inner-city communities represent islands of poverty, the purchasing power of the cumulative number of households is actually quite high.
TABLE 4

<table>
<thead>
<tr>
<th>Most Helpful Improvement/Policy</th>
<th>Percentage of Merchants Responding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sunset</td>
</tr>
<tr>
<td>First merchant response</td>
<td>Economic assistance</td>
</tr>
<tr>
<td></td>
<td>(23.8)</td>
</tr>
<tr>
<td>Second merchant response</td>
<td>Physical improvements</td>
</tr>
<tr>
<td></td>
<td>(19.0)</td>
</tr>
<tr>
<td>Third merchant response</td>
<td>Safety</td>
</tr>
<tr>
<td></td>
<td>(17.5)</td>
</tr>
</tbody>
</table>

The cumulative number of households is actually quite high. As researchers have shown (Bendick & Egan, 1991), inner-city areas are typically “understored,” with a ratio of stores to population quite lower than the national average. Thus, the lack of nearby competition and the affordability of rent were listed as important advantages of the site.

**Merchant Recommendations**

Economic assistance, physical improvements, and safety enhancement were the most frequent recommendations made by merchants on all three commercial strips (see Table 4). Specific programs of economic assistance suggested included low-interest loans, rent subsidies, tax breaks, and business-planning assistance. Few businesses (6% in Sunset, 20% in Crenshaw, 18% in Vermont) have so far received any government or community assistance (most often in the form of low-interest loans or business planning). Physical improvements were suggested by 21.7% of the merchants as most helpful to business development. Painting and facelift of commercial structures, street improvement, and general upkeep and cleanliness would help provide a shopper-friendly retail environment and attract more customers. The third most frequent response was safety enhancement for Vermont and Sunset merchants and transportation improvements (additional parking) for Crenshaw merchants. Other notable recommendations included the increase of mixed-use development, easier building and zoning permits, designation of redevelopment zones along corridors, more parking space, and discounts for local residents (see Figure 2).

Although the first three types of improvements were frequent responses in the survey, priorities among merchants often varied. There was one area of general consensus, however: 81% of the respondents answered affirmatively to the question, “Do you think that the establishment of a merchants’ association could help your business?”

**CAPITALIZING ON EXISTING ASSETS: THE FORMATION OF A MERCHANTS’ ASSOCIATION**

The opportunity to help businesses form a merchants’ association did not appear along the three streets but was offered in Pico Boulevard, a commercial strip that crosses the Pico-Union neighborhood of Los Angeles. Following the trends described previously, Pico Boulevard has eventually been transformed from a vibrant streetcar strip at the beginning of the century to a poor inner-city thoroughfare with run-down establishments and boarded-up storefronts.

In 1996, Genesis Plus, a consortium of local community institutions (churches and schools) and Pico-Union residents, was successful in attracting a $350,000 grant from the mayor’s office for
streetscape improvements. To respond to the requirements of the grant, the community had to prepare a work plan that identified specific improvement projects. In 1997, I responded to a request by Genesis Plus and initiated a graduate comprehensive urban planning studio, with the explicit goal of supporting this local effort and offering technical expertise in the drafting of the work plan.

Initially, the level of community involvement and participation on the part of the local businesses was minimal. Surveys of merchants revealed that they were isolated and uninformed about events taking place in the neighborhood. These merchants represented a mixture of Latino (Mexican, Salvadoran, Guatemalan, Honduran, and Nicaraguan), Korean, and Greek immigrants, some of whom have had business establishments along Pico Boulevard for years, whereas others were newcomers. Focus group research revealed that certain businesses have coexisted in the neighborhood adjacent to one another, enduring shared hardships in isolation. They viewed residents and other merchants with suspicion, and they disclosed that they had never thought intrabusiness collaboration possible in their neighborhood. The detrimental effects of this isolation have rendered the merchants unable to share information, collaborate on projects, or express a collective voice on issues affecting their businesses, such as crime and physical blight. The isolation has also constrained recirculation of local dollars through the use of local vendors. The overwhelming majority of the merchants along this strip segment, when surveyed, expressed the desire to work cooperatively.

To jump-start a merchants' association, weekly meetings were held for the first 5 weeks. Attendance grew progressively from meeting to meeting. Changes in approach (from formal written invitations to phone calls to door-to-door visits and finally recruitment of merchants by other merchants) and changes in venue (from meetings always hosted at the same store to meetings hosted by different merchants in turn) helped increase attendance. Attendees represented the wide range of ethnicities doing business in the area and the range of different businesses, in terms of size and length of tenure. Each meeting started with warm-up activities, when merchants interviewed and introduced one another and discovered facts about the background and experiences of others. These social activities were designed to help them get acquainted and also to enable them to identify the resources present in the group. The objective was to balance social activities with substantive visioning and strategizing.
Following John Kretzman and John McKnight's (1994) well-known argument of resource-based development, we viewed existing merchants as possible assets for economic revitalization. In these meetings, different asset-mapping exercises were used to build capacity and mobilize the merchants. For example, merchants were asked to represent graphically their network of local stores and individual contacts they had in the community. Participants were divided into three groups (based on their length of tenure in the community) and were asked to map the perceived strengths and weaknesses of the neighborhood. As merchants mapped on sheets of flip-chart paper the degree to which they bought or sold locally, they recognized not only weaknesses but also potentials. During other meetings, participants were asked to identify positive and exciting activities undertaken by other merchant's associations. In the discussion that followed, merchants identified many activities they would be interested in attending or hosting—festivals and sidewalk sales, the creation of a neighborhood business resource guide, a merchant newsletter, the organization of a weekend painting of business facades, and fund-raising efforts that could support the street beautification program.

Merchants along Pico Boulevard have initiated the process of constructing a common vision by developing a mission statement for their association and by identifying the assets and key issues affecting the community and their businesses. Asset mapping and the variety of participatory exercises have enabled merchants to identify and appreciate the unique skills and experiences possessed by themselves and other merchants. The positive sentiments generated through asset-based activities have encouraged merchants to look forward to attending meetings and actively enlisting more merchants in the association.

Within 3 months of their initial meeting, the merchants of Pico Boulevard were able to elect officers for their merchants' association and pledged to support one another by sharing information about customers and distributors. So as to promote and market their business, these merchants have also organized raffles to raise money for facade improvements, sidewalk sales, and holiday promotions. They have strengthened their ties with the neighborhood by sponsoring a local youth art program, which has created decorative ceramic address tiles for their business storefronts. Finally, they have decided to create a business resource guide and to "adopt" trees and trash cans.

Community building has been an essential part of the merchants' activities. As the merchants have become friends, advisors, and hosts to each other, they have also started to buy from each other, recycling local dollars. They have begun to understand their potential to exercise political leverage on behalf of their community. In their final report, the students working with the merchants summarized the progress they had seen:

Through grassroots organizing and collective commitment towards making changes in their community they have consistently increased their membership, shared responsibilities and information, and begun strategizing toward creating and realizing a common vision. If the amount of positive, "asset-based" efforts already exhibited is any indication of the cooperative activities yet to come, the emergence of the Merchants Association represents a truly significant form of community economic development (Smith & Hart, 1998, p. III-23).

REVISITING INNER-CITY STRIPS: A FRAMEWORK FOR ECONOMIC AND COMMUNITY DEVELOPMENT

In an essay titled "The Competitive Advantage of the Inner City," Michael Porter (1996) argues that strategic location, local market demand, human resources, and the prospect of integration with regional clusters represent the so-far-unrecognized or untapped potential for inner cities. Of course, as the survey has shown, these benefits are often counterbalanced by the landscape of poverty, poor physical condition, and lack of security that reign in inner-city corridors. Historically, several federal and local programs have sought to rejuvenate American inner cities, but these efforts have brought few tangible benefits. Some scholars have argued that the public sector should be the driving force behind inner-city revitalization (Glasmeier & Harrison, 1996).
Others have insisted that it is the private sector’s initiative and commitment that can generate tangible results (Porter, 1996), yet others have placed their faith and hope in community efforts, exemplified by the activities of local CDCs (Svidoff, 1994). But the persistence of inner-city woes and problems indicates that revitalization should not be an either/or effort. Can the current conditions that plague many inner-city businesses be overturned? Can a framework for economic and community development in the inner city be defined? It is our assumption that local governments, business owners, and community-based organizations such as CDCs have a major role to play in turning around inner-city disinvestment. The section that follows outlines what local governments, community-based institutions, and the merchants themselves can do to help the revitalization process.

The Role of Local Governments

Experiences of some cities have shown that local governments can bring positive change in inner-city areas if they follow a retail-friendly policy (Ferguson, 1998). The city of Chicago, for example, has initiated the Retail Chicago program, which includes public-private partnerships with retail operators and collaboration with selected CDCs in helping them develop and own inner-city retail centers.

Along Los Angeles inner-city strips, small neighborhood stores offer crucial retail services and, in many cases, employ local residents. Yet, their continuing presence is in jeopardy. A significant number of merchants have considered relocation. Nevertheless, existing city policies and programs have focused efforts on recruiting and attracting new and mostly large businesses to the inner city. Most of these efforts have not been successful because of the negative perception of the inner city held by outside investors. On the other hand, as our surveys have shown, assistance to inner-city merchants has been tenuous at best. Helping these small businesses survive by offering them economic incentives to keep them in operation may be a more effective and feasible municipal policy than providing tax breaks to major corporations to locate in inner-city sites (often the case with Empowerment Zone legislation). Admittedly, considered separately, the small businesses’ potential for job creation is limited. The majority of business establishments surveyed employed small numbers of employees. But the cumulative potential of these businesses to offer job opportunities to local residents is quite high.

As our survey has shown, assistance can come in different ways. Local governments can promote physical and economic rejuvenation by offering financing and tax rebates for improvements and by distributing low-interest loans and rent subsidies. The city’s role is crucial in reducing the blight that plagues many inner-city corridors, repairing the cracked sidewalks, collecting the trash, and upgrading the environmental conditions. It was very clear from the survey of Los Angeles merchants that physical improvements are considered a very important part of any economic- and community-development effort. Most merchants argued that improvements to their building’s exterior as well as enhancement of streetscape aesthetics will contribute toward a shopper-friendly environment and the attraction of customers and, at the same time, will make residents and merchants feel good about their neighborhood.

Prompted by the strong positive response toward physical improvements, we contacted seven southern California cities (Paramount, Buena Park, Montebello, West Hollywood, Norco, Arcadia, and Palm Springs) and interviewed the planners involved in the administration of commercial rehabilitation programs. The intent behind these programs is similar to enhance the physical environment of commercial areas to generate greater business activity. According to the planners interviewed, the rehabilitation of building facades has generally resulted in higher business sales volumes in the rehabilitated areas. The perception of planners in these cities is that commercial rehabilitation programs have increased municipal revenues from sales taxes and promoted economic development.

The financing options have varied from city to city. Some programs are offering a full grant for facade enhancement; others offer low-interest loans to businesses that wish more extensive rehabilitation. Some cities give merchants a partial rebate for commercial rehabilitation. Depending on
the program and the total rehabilitation cost, cities contribute between 60% and 75% of the total costs, up to a maximum of $25,000 to $60,000 per business. The basic attributes of these commercial rehabilitation programs are as follows:

- a focus on rehabilitating exterior facades (and only occasionally building interiors), which includes but is not limited to installation of new stucco, new paint, landscaping, concrete tile roofing, decorative block walls and fences, decorative concrete work, window and door treatment, storefront entrances, new signage and awnings, parking placement behind buildings, and improved lighting and security devices,
- insistence that building rehabilitation be consistent with the architectural guidelines and signage codes defined by the city, and
- attention to the correction of existing hazardous conditions and code violations

The collective experience of the planners interviewed led to the following recommendations for inner-city commercial rehabilitation:

- Stimulate joint financing between private and public sector. Rebate programs promote collaboration between the city and merchants receiving rehabilitation assistance.
- Inform merchants about existing commercial rehabilitation programs. Require that participants wait 5 years from the original completion date before applying for another loan, rebate, or grant.
- Focus facade rehabilitation on a very specific area, one block at a time. Having a series of rehabilitated facades provides a stronger visual impact than having them spread out along the strip.
- Where applicable, encourage rehabilitation in areas close to building anchors that draw attention to themselves because of their architecture or historic importance.

The local government’s role is also crucial in rezoning certain strips so that they better respond to today’s inner-city needs. Some derelict inner-city commercial strips are remnants of overly zealous zoning designations in the 1920s, when desires for anticipated future profits and land speculation override any consideration of the market feasibility of designating all land for commercial uses.

An Urban Land Institute (ULI) advisory workshop that centered around possibilities of recreating retail in south-central Los Angeles advised that the local government rezone commercial corridors to change the amount and consolidate the location of commercially zoned land and to encourage the clustering of future retail development at specific nodes. Needed new housing could then be developed on the excess of land that is commercially zoned (Suchman, 1996). Most merchants from the four strips—Sunset, Crenshaw, Vermont, and Pico—reacted positively to the idea of mixed use, in terms of both perceived increases in sales and increased customer activity. A significant number of merchants (about one third at Sunset and Crenshaw, one half at Vermont) felt that mixed use could also contribute to enhanced safety along the street because such development is likely to increase pedestrian presence.

In south-central Los Angeles, mixed-use developments have taken place along Central Avenue by the Dunbar Corporation (a local CDC). Another mixed-use development, featuring 35 apartment units and sponsored by the First Interstate Bank, is planned along Vermont Avenue (Sanders, 1996).

The local government’s role is also important in attracting supermarkets and convenience stores to the inner city. Research and market analyses have shown that there is a “grocery store gap” present in many inner cities. Marketing specialists advise that small neighborhood retail businesses (dry cleaners, coin laundries, beauty salons, fast food stores, etc.) can benefit from their physical proximity to supermarkets and other anchor stores. In the instances that chain supermarkets have decided to enter the inner city, they have generally encountered great financial success and community approval (Bendick & Egan, 1991). Local governments can galvanize competition among
supermarket operators, help in land assembly, and offer incentives and attractive development packages (Ferguson, 1998).

Finally, local governments can act to ameliorate the fear of crime that reigns in the inner city. Merchants considered crime and fear of crime as the most important disadvantage for running a business in the inner city. Unlike malls that are enclosed and in confined settings and thus easier to control, the physical layout of commercial strips allows different routes of escape for criminals. Furthermore, as researchers have shown (Perkins, Wandersman, Rich, & Taylor, 1993, Skogan, 1990), signs of dereliction (litter, graffiti, dilapidation of building structures), which abound in inner-city commercial strips, contribute to higher incidence of crime.

Although certain design changes (adequate lighting, installation of security hardware, existence of windows and openings that increase visibility from the street) can help create what has been coined "defensible space" (Newman, 1972), it is clear that the presence of police officers walking (or biking) the area will have a reassuring effect on merchants and their customers. More policing was considered a "very helpful improvement" by 88.2% of merchants along Vermont, 70.4% of merchants along Crenshaw, and 57.6% of merchants along Sunset (where a number of businesses hire private security officers) (see Figure 2). To the extent that publicly provided police services can replace privately purchased security services, the financial impact on inner-city small businesses can be significant. In addition, the consistent surveillance of bus stops, where many criminal incidents take place (Levine, Wachs, & Shirazi, 1986), by transit police can help transit-dependent customers feel safer.

The Role of Local Merchants

Public sector involvement and commitment in the inner city require money and political clout. Often, one inner-city area has to compete against another for a small piece of the same pie. Is there anything that merchants can do to promote their businesses? The experiences of Pico Boulevard merchants as well as other merchants around the country who have been able to come together and form merchant associations and Business Improvement Districts (BIDs) have shown that a unified response to common problems has a strong potential. In fact, the National Council for Urban Economic Development Information Service (1979) has argued that "neighborhood commercial revitalization projects should proceed only in those neighborhoods which have a committed and organized neighborhood group" (p. 3). Such a group is in a better position to establish both horizontal ties (collaboration among its members) and vertical ties (communication with and access to neighborhood residents and institutions as well as the larger community). Indeed, an association of merchants can represent the merchants' interests, provide technical support to individual merchants, and give a collective response to common problems. In inner cities, most of these problems involve issues of crime, lack of cleanliness, deterioration of built form, and sluggish business.

The existence of strong social networks is particularly important in the fight against crime because these contribute to a sense of ownership and territoriality of the locality shared by neighbors, who feel responsible to watch out for one another. In Pico-Union, local merchants are collaborating with the two neighborhood-watch groups for an effective citizen surveillance of their street.

Merchants' associations can play a major role in the general upkeep of the public environment of the sidewalk and the maintenance of commercial building facades. Such efforts have the additional advantage of establishing links between merchants and residents. The issue of trust between merchants and residents is a hurdle that any community or economic development effort needs to address. In certain cases, the survey unveiled a lack of trust and respect between residents and merchants.

Weekend neighborhood cleanups have brought together Pico-Union merchants and residents with a common objective: the cleanliness of their street. Adoption of street trees and trash cans by merchants has reaffirmed their commitment to the general welfare of the neighborhood. Merchant fund-raising efforts through commercial promotions and raffles have generated some funding for facade improvement. The donation of paint from a well-known warehouse (after solicitation by a

The issue of trust between merchants and residents is a hurdle that any community or economic development effort needs to address.
merchant and a local priest) and pro bono facade design by university students have brought the dream of revitalization much closer to reality.

The high densities that characterize many American inner cities result in effective demand for neighborhood retail items. However, residents often travel to outlying areas to get better quality and prices. Sluggish business in the inner city is then a result of this leakage of neighborhood dollars. Merchants can work to counteract this trend. For one thing, they need to understand the neighborhood's market demands and adjust their inventories accordingly. This may mean the inclusion of ethnic or other items not conventionally sold in chain supermarkets. Neighborhood-friendly policies, such as special discounts or credit for residents, efforts to hire employees from the neighborhood, and participation in and contribution to neighborhood events and activities can bind the ties between merchants and their local customers. Merchants can also contribute to the recirculation of neighborhood dollars by selecting distributors and partnering with businesses within their neighborhood.

The issue of communication with the "outside world" is important for business promotion. Most inner-city businesses cannot afford advertisement in the media. For this reason, efforts of local self-help become even more important. In Pico-Union, the creation of a Merchant Resource Directory details the services and products offered on the strip. A monthly newsletter offers news and promotion of local businesses. Both documents intend to enhance the visibility and image of Pico Boulevard as a neighborhood retail strip.

Ties with outside organizations, politicians, and local governments are also important. Often, the reconfiguration of merchant associations into BIDs establishes a legal body that is in a better position to negotiate with politicians and municipalities. The development of BIDs is problematic, however, in certain impoverished inner-city areas, where some businesses do not hold business licenses. In cases where BIDs can be formed, tax revenues should not be enhancing a municipality's general fund but rather be allocated to directly serve the needs of the local business community.

The Role of Community-Based Institutions

I want to briefly turn to the contribution of community-based institutions as a last component of the revitalization process. A detailed analysis of the role of CDCs in economic and community development is beyond the scope of this article. Nevertheless, we should note that CDCs can offer major assistance to inner-city businesses by being political advocates, community negotiators, cultural translators, and general catalysts of local cooperation (Bendick & Egan, 1991). Although the majority of CDCs concentrate their activities around the provision of much-needed housing, some CDCs have expanded their mission to include economic development and commercial revitalization. In Los Angeles, the Vernon-Slauson Economic Development Corporation has developed a supermarket-anchored inner-city shopping center. Tenants are offered lower rents for the first 5 years of operation, a fact that gives them a much better chance to survive the usually tumultuous first years. CDCs can also help local businesses in neighborhood relations, the selection and training of employees and the improvement of security (Ferguson, 1998).

The past 50 years have been particularly hard for American inner cities. The many programs and efforts that failed do not leave much room for hope. Yet again, there has never been a comprehensive vision or policy response that has involved a true collaboration of all the parties identified above. It is about time to try to put the untapped resources of the inner city into productive use.
APPENDIX
Merchant Survey

Date of Survey: ___________

Please check the box or supply the appropriate response for each question:

1. Name of business (optional) ____________________________________________

2. Type of business _______________________________________________________

3. Number of years in this location _________

4. Number of employees _________

5. Do you rent or own your commercial space?     □ Rent     □ Own

6. If you rent, how much is your monthly rent per square foot? $___________

7. In the last 2 years, has your sales volume been:
   □ (a) Up     □ (b) Down     □ (c) Stable
   Approximate annual sales volume. $___________

8. To the best of your knowledge, do the majority of your customers come:
   (a) □ From the immediate area (within 3-4 blocks or 1/4 mile)?
   (b) □ From the greater surrounding neighborhood (within 1/2 to 1 mile)?
   (c) □ From more than 1 mile away?
   (d) □ Don’t know

9. To the best of your knowledge, how do most of your customers travel to your business?
   □ (a) By car     □ (b) By bus     □ (c) On foot

10. Why did you choose your business’ present location? (Check all responses that apply to you, if you select more than one response, please rank them in order of importance, with 1 being the most important reason you chose this location.)
    (a) □ Affordable rent
    (b) □ Proximity to targeted customers
    (c) □ Other profitable businesses nearby
    (d) □ Good public transportation access
    (e) □ Available space/space appropriate for this type of business
    (h) □ Other (please specify) ___________________________________________

11. What is the main advantage of this location? ______________________________

12. What is the main disadvantage of this location? __________________________

13. Is proximity to public transit lines or bus stops important to your business?
    □ Yes     □ No     If yes, why?
                                                                                          

14. Have you considered moving your business?
    □ Yes     □ No

15. If you have considered moving your business, what is your major reason for doing so?
16 Have you considered closing down or selling your business?
☐ Yes  ☐ No

17. If you have considered closing your business, what is your major reason for doing so?

18 What improvements or assistance could help your business? Please check all that apply and indicate how helpful each item is to your business.

(a) Improvements to building exterior  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(b) More parking space  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(c) Better public transit  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(d) Street improvements (trees, benches, lighting)  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(e) More police presence:  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(f) Economic assistance (tax breaks, low-interest loans, low rents):  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(g) Easier building and zoning permitting:  ☐ very helpful  ☐ somewhat helpful  ☐ not helpful
(h) Other (please specify):  

19 "Mixed-use" development combines housing and commercial space in the same building. Commercial or retail space is usually found on a building’s first floor and housing units on the upper floors. How do you think mixed-use development (residences alongside commercial establishments) would affect business and customer activity on your street?

If there were mixed-use developments along the street,

(a) Customer activity would ☐ increase  ☐ decrease  ☐ stay the same  ☐ don’t know
(b) Business sales would ☐ increase  ☐ decrease  ☐ stay the same  ☐ don’t know
(c) Street safety would ☐ increase  ☐ decrease  ☐ stay the same  ☐ don’t know

20 Have you received any of the following types of government or community assistance in the start-up or operation of your business?

(a) Tax breaks  ☐ yes  ☐ no
(b) Low-interest loans  ☐ yes  ☐ no
(c) Rent subsidies  ☐ yes  ☐ no
(d) Business planning assistance  ☐ yes  ☐ no
(e) Other (please specify) 

21 In your opinion, what specific programs or improvements from those identified in Questions 18, 19, and 20 could help attract more customers or encourage more businesses to open on your street?

22 Do you think that the establishment of a Merchant Association can help your business?
☐ yes  ☐ no

NOTES

1 The most well-known and successful commercial street radiating from downtown Los Angeles in the 1920s and 1930s was Wilshire Boulevard. Its Miracle Mile segment, which boomed during the Depression era, acquired national fame.

2 Four hundred questionnaires were distributed in English and Spanish in each strip segment. All residential buildings along the three segments were included in the survey, and a systematic random sample was used to cover the residential streets immediately behind the corridor. We received 244 completed survey forms. For a detailed account of this survey and discussion of physical retrofit strategies for inner-city corridors, see Loukaitou-Sideris (1997).

3 Vermont Avenue had the highest rates of transit dependency among residents. Almost 32% of respondents did not own a car.
4 One merchant, who lives in Downey (about 20 miles away from his business), complained that he usually gets to his shop before the police when there is a break-in.

5 Merchants were asked to draw a circle on a piece of paper and put the name of their business inside the circle. Then they had to draw lines radiating off the circle to boxes. In the boxes, they had to write the names of local stores and other neighborhood contacts. This served as a diagram of each merchant's network of contacts. The purpose of this asset-mapping exercise was to help merchants visualize the connections they had with other members of their community. In this way, when merchants shared their drawings, they were reminded that they belonged to a community and were not isolated.

6 Most of these cities have used Community Development Block Grant (CDBG) funding to finance commercial rehabilitation programs. In some cases, commercial strips were designated as redevelopment areas (City of Norco, City of Palm Springs, and certain areas of City of Paramount).

7 Telephone interviews with Mr. John Carver, City of Paramount Community Development, Mr. Joaquin Wong, City of Buena Park Community Development, Ms. Marilyn Ludof, City of Montebello Economic Development Department, Mr. Mike Huntley, City of Montebello Planning Department, Mr. Brian Oulman, City of Norco Economic Development Coordinator, Mr. Dale Comers, City of Arcadia Planning Department, Ms. Alayne Windermann, City of West Hollywood interim community director; Ms. Bee Wilkening, City of West Hollywood Community Development, Mr. Jon Raymond, City of Palm Springs Economic Development Department.

8 I would like to thank an anonymous reviewer for raising this point.

9 Central Avenue's heyday was in the 1920s and 1930s, when it was the premier cultural center for African American life, with many jazz clubs, restaurants, and hotels. Prominent African Americans lived nearby. The inner-city disinvestment of the 1950s and 1960s brought a rapid decay to Central Avenue. In the 1990s, signs of revitalization are present with the remodeling of the Historic Dunbar Hotel and the building of housing and mixed-use projects.

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