

The City's Role in Renewal:

A Comparative Study of Redevelopment in Two New Haven Districts

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New Haven, like many American cities, has a complicated relationship with government-initiated redevelopment. After World War II, New Haven, along with other American cities, experienced “white flight” and an influx of a less affluent black and Hispanic population.¹ As the downtown of New Haven emptied out, the city’s population became poorer compared to the nearby suburban population² and property values declined.³ Mayor Richard Lee, elected in 1953, implemented numerous projects designed to stave off blight and draw taxpayers back into the city.⁴ These projects proved quite expensive; New Haven received more federal funding per capita than any other U.S. city⁵ and spent a total of over \$180 million dollars on urban renewal initiatives.⁶

While there is no doubt that Lee’s undertakings radically changed New Haven, some of his projects now appear to be monumental mistakes. Lee commissioned two department stores in an effort to draw suburban shoppers into downtown; Malley’s and

¹ SUSAN S. FAINSTEIN ET AL., RESTRUCTURING THE CITY: THE POLITICAL ECONOMY OF URBAN REDEVELOPMENT 30 (Rev. Ed. 1986).

² *Id.* at 30. This assessment is based on a comparison between the median incomes of New Haven residents and residents of nearby suburbs.

³ *Id.* at 34. While gross assessed value of real city property actually increased between 1956 and 1978, it declined substantially in constant dollars. *Id.*

⁴ *See Id.* at 39-49 (describing urban renewal projects in New Haven).

⁵ DOUGLAS RAE, CITY: URBANISM AND ITS END 324 (2003).

⁶ FAINSTEIN, *supra* note 1, at 29, *citing* U.S. Department of Housing and Urban Development (USDHUD), THE PRESIDENT’S NATIONAL URBAN POLICY REPORT (1980).

Macey's were built in the early 1960s.⁷ Malley's closed in 1982⁸ while Macy's held out until 1993.⁹ The New Haven Coliseum, for which the city incurred \$23 million in public debt for construction costs,¹⁰ was considered an eyesore by many until it was finally demolished in 2007.¹¹ Lee's highway plans were never fully implemented, giving the Oak Street Connector the nickname "the road to nowhere."¹²

Despite the dismal results of these projects, New Haven has remained an active participant in its continued development. While the experience of the urban renewal of the 1950s and 60s might council against large-scale, city-engineered projects, New Haven has subsequently undertaken similar projects, although not on as grand a scale. In fact, New Haven is currently embarking on several new projects.¹³

⁷ *Id.*

⁸ Mark Wiznia, *The Death and Life of Chapel Square*, YALE DAILY NEWS, Jan. 23, 2002, available at <http://www.yaledailynews.com/news/2002/jan/24/the-death-and-life-of-chapel-square/>.

⁹ *Id.*

¹⁰ FAINSTEIN, *supra* note 1, at 44.

¹¹ *New Haven Coliseum Razed for Development*, USA TODAY, Jan. 20, 2007, available at http://www.usatoday.com/news/nation/2007-01-20-newhaven-arena_x.htm.

¹² Ryan Lynch, *New Haven's Road to Revitalization: Re-creating a Community from the Route 34 Connector*, MOBILIZING THE REGION, Mar. 27, 2008, available at <http://blog.tstc.org/2008/03/27/new-havens-road-to-revitalization-re-creating-a-community-from-the-route-34-connector/>.

¹³ The City is currently working on a Route 34 Municipal Development Plan, which seeks to revitalize the area between Howe Street and Route 10 (which was cleared for the Oak Street Connector). CITY PLAN DEPARTMENT, ROUTE 34 MUNICIPAL DEVELOPMENT PLAN, <http://www.cityofnewhaven.com/CityPlan/Route34MDP.asp>. The City is also working on the Farmington Canal Greenway, a walking and biking trail that traces parts of the former Farmington Canal, completed in 1835. Farmington Canal Rail to Trail Association,

Looking forward to New Haven's future, we are faced with the question of what role the city should take in redevelopment. John Elwood looked for insight into that question in his 1994 article *Rethinking Government Participation in Urban Renewal: Neighborhood Revitalization in New Haven*.¹⁴ He examined two redevelopment projects: the Ninth Square and Upper State Street. While the former was achieved in a Lee-esque manner, with significant government funding and involvement, the latter was initiated and carried out largely by small property owners, although the government did provide incentives and assistance.

Elwood characterizes the Ninth Square project as "coarse-grained," based on the fact that the entire area was developed according to a master plan, and Upper State Street, which redeveloped building by building, as "fine-grained."¹⁵ Elwood argues that the government-driven, coarse-grained approach is in various ways inferior to the more spontaneous fine-grained approach. Specifically, Elwood notes that Upper State Street-type development is faster and lessens the government's financial burden.

In this article, I embark on a similar comparison, focusing on the Ninth Square and what I will call the "Crown Street District." The Ninth Square occupies a four-

<http://www.farmingtoncanal.org/AboutTrail.htm> (last visited Dec. 16, 2010); see CITY PLAN DEPARTMENT, NEW COMPREHENSIVE PLAN OF DEVELOPMENT, VIII: TRANSPORTATION (2003), available at <http://www.cityofnewhaven.com/CityPlan/PlanningPrograms.asp#Plan>. The River Street Municipal Development Plan involves more than \$20 million dollars of spending to acquire brownfields, restore buildings, and build a new waterfront park. CITY PLAN DEPARTMENT, RIVER STREET MUNICIPAL DEVELOPMENT PLAN, <http://www.cityofnewhaven.com/CityPlan/riverstreet.asp>.

¹⁴ John P. Elwood, *Rethinking Government Participation in Urban Renewal: Neighborhood Revitalization in New Haven*, 12 YALE L. & POL'Y REV. 172 (1994).

¹⁵ *Id.* at 140-42.

square-block area between Chapel and George Streets and Church and State Streets.¹⁶

The Crown Street District is much less clearly demarcated but encompasses a variety of commercial establishments along Crown Street and its cross streets, between High Street and Church Street.¹⁷ While Elwood focuses on the costs of the development process itself, I focus more on the question of ultimate success. I ask whether New Haven has succeeded in revitalizing the Ninth Square, and to what extent revitalization can be accomplished without such government involvement.

As Elwood points out, the Ninth Square Project got off to a slow start. However, the area now contains numerous mixed commercial and residential buildings as well as some restaurants and bars. Still, like other areas of New Haven, it is plagued by empty storefronts and a lack of pedestrian traffic. Reviews of the Ninth Square redevelopment project are mixed. Criticisms point to empty storefronts and streets¹⁸ while proponents note the popularity of the housing,¹⁹ the substantial number of restaurants²⁰ and the artistic character of the neighborhood.²¹

Crown Street suggests a different model for redevelopment. The contrast between the Ninth Square and the Crown Street District is even starker than the contrast between

¹⁶ See Appendix 1.

¹⁷ *Id.*

¹⁸ See Molly Ball, *A Funky Warehouse District—Who's Buying?*, NEW HAVEN REG., Sept. 22, 2000, available at <http://yaleherald.com/archive/xxx/2000.09.22/features/front.html>.

¹⁹ *Id.*

²⁰ See THE YALE DAILY NEWS, THE INSIDER'S GUIDE TO THE COLLEGES 150 (37th Ed., 2011).

²¹ See Ball, *supra* note 18; see also Mary E. O'Leary, *Recycled Retail: Empty New Haven Storefronts Filled with Artists' Creations*, NEW HAVEN REG., Sept. 12, 2010, available at http://www.nhregister.com/articles/2010/09/12/news/new_haven/doc4c8c4bcd84c3d417782095.txt?viewmode=fullstory.

the Ninth Square and Upper State Street. Unlike the Ninth Square, the Crown Street District redeveloped organically, without the help of a government redevelopment plan or even significant funding.²² Still, it has become a significant pull for both New Haven and non-New Haven residents. On Thursday, Friday and Saturday nights, Crown Street throngs with people taking advantage of its nightlife.²³

In a sense, Crown Street marks the fruition of Lee's hope for New Haven, that suburbanites would be drawn back into the downtown.²⁴ Still, Crown Street's success may be a mixed blessing. The bars and clubs have brought unruly crowds and crime to the area, driving up police costs and potentially driving business from surrounding restaurants. The picture that ultimately emerges is less clear-cut than that Elwood drew in his comparison between the Ninth Square and Upper State Street. While Crown Street demonstrates that renewal can take place without the City driving it, the City then has less control over the product of that renewal. The Ninth Square was targeted for renewal in part because of "its hodgepodge of discount stores, off-price wholesale outlets, greasy spoon food joints and its resident video game arcade."²⁵ The bars and clubs of Crown

²² The City did, however play some role: certain buildings in the vicinity were built or rebuilt by city initiative and other buildings benefitted from a façade renovation program. *See infra* Section III B.

²³ *See* Appendix 2, L-O.

²⁴ G. WILLIAM DOMHOFF, WHO REALLY RULES?: NEW HAVEN AND COMMUNITY POWER REEXAMINED 40-41 (1978).

²⁵ Cory Alperstein, NEW HAVEN DOWNTOWN COUNCIL, THE NINTH SQUARE: A CHRONICLE 1 (1985), *on file* at the New Haven Museum.

Street are considered by some to be similarly undesirable.²⁶ How involved the City should be, therefore, depends on how we define success.

I. NEW HAVEN'S RENEWAL PAST

Plans to redevelop New Haven were initiated in 1941 when City Engineer Maynard Meyer and Planning Consultant Maurice Rotival conducted a study of the city and formulated a plan for its future.²⁷ The resulting plan, which focused heavily on new highways, and a revised plan that Rotival prepared in 1953, substantially influenced the plans that Mayor Lee eventually implemented.²⁸ The Redevelopment Agency was established in 1950, during the mayoral tenure of William Celentano.²⁹ By the time Lee took office in 1954, with his future Development Administrator Edward Logue at his side, much of the renewal plan was already in place.³⁰ However, Lee and Logue brought the plans to life.³¹

²⁶ See, e.g., William Kaempffer, *Mayor: Clubs May Be Hurting Downtown*, NEW HAVEN REG., Oct. 5, 2010, available at <http://www.nhregister.com/articles/2010/09/29/news/doc4ca2cd3236278152498303.txt> (citing the mayor's recent comment that the clubs may have outlived their welcome and may become a liability to downtown); Opinion, *Letter: On Crown St., 'Let's Kick the Nightclubs Out,'* NEW HAVEN REG., Sept. 23, 2010, available at <http://www.nhregister.com/articles/2010/09/23/opinion/doc4c9ade9b771f4960993640.txt> (Crown street "is a stain on the city").

²⁷ See RICO CEDRO, *MODERN VISIONS: TWENTIETH CENTURY URBAN DESIGN IN NEW HAVEN* 14 (1988).

²⁸ *Id.* at 16.

²⁹ FAINSTEIN, *supra* note 1, at 37.

³⁰ *Id.* at 37-38.

³¹ *Id.* at 38.

In *Restructuring the City: The Political Economy of Urban Redevelopment*, Susan Fainstein and her co-authors suggest that, as cities around the country fought decline, “New Haven was seen as a test case for the possibilities of planning and public investment to check inner-city decline.”³² Lee sought to reinvent New Haven,³³ eliminate blight³⁴ and reverse the trend of disbursement to the suburbs.³⁵ In pursuit of this goal, the City condemned and consolidated land parcels, razing pre-existing, smaller structures to make way for newer, larger ones.³⁶ By bulldozing the old buildings, many of which were in fact dilapidated,³⁷ Lee hoped to revive the dying city.³⁸

In the process, 7,704 households containing 22,496 persons were displaced.³⁹ Additionally, 2,216 businesses were displaced,⁴⁰ many of which left New Haven altogether.⁴¹ Due to the city’s practice of assembling land and demolishing structures without specific plans for development, many of the lots cleared by the City remained

³² *Id.* at 29.

³³ See Letter from Richard Lee to Vincent Scully (July 22, 1966) as reprinted in RAE, *supra* note 5, at 335 (“When I think of all the gin mills, the pool parlors and flop houses which dotted our main avenues... I cannot help but feel a deep sense of pride in the transformation from what New Haven was like to what it is today.”).

³⁴ See FAINSTEIN, *supra* note 1, at 39-40 (discussing slum clearance).

³⁵ See DOMHOFF, *supra* note 24, at 40-41.

³⁶ See RAE, *supra* note 5, at 332.

³⁷ *Id.* at 335.

³⁸ FAINSTEIN, *supra* note 1, at 37.

³⁹ RAE, *supra* note 5, at 339.

⁴⁰ *Id.* at 343.

⁴¹ FAINSTEIN, *supra* note 1, at 44.

empty for long periods of time.⁴² Despite these sacrifices, urban renewal did not provide the promised benefits. Increases in property values were minimal.⁴³ Sales figures in New Haven continued to decline.⁴⁴ Fainstein points out that the \$160 million of federal funds New Haven received would have generated the amount of increase in tax revenue attributable to urban renewal if invested at only a 2.5 percent return rate.⁴⁵ She concludes: “Overall, then, a rough assessment of renewal suggests that ... [the city’s activities’] net impact on the condition of the city was probably negative.”⁴⁶

With this legacy of immensely expensive and grandiose but largely failed renewal, New Haven continued to face the problem of how to handle urban decline. By the 1980s, downtown New Haven was showing signs of blight: Malley’s was closed, low-end stores occupied the Chapel Mall, and the Coliseum was failing to generate the revenue Lee foresaw.⁴⁷ With a more cautious attitude towards urban renewal and without the vast federal funds that had been available to Lee,⁴⁸ New Haven in the 1980s and 90s adopted a somewhat different approach.

⁴² This approach was actually built into federal rules, under which the city was responsible for planning a project and clearing land before entertaining proposals from developers. BERNARD J. FRIEDEN & LYNN B. SAGALYN, *DOWNTOWN, INC.: HOW AMERICA REBUILDS CITIES* 773 (1989).

⁴³ FAINSTEIN, *supra* note 1, at 49.

⁴⁴ *Id.* at 44 (noting that, in real terms, New Haven sales figures declined 10 percent from 1967 to 1972 and another 24 percent from 1972 to 1977).

⁴⁵ *Id.* at 49.

⁴⁶ *Id.* at 50.

⁴⁷ *Id.* at 44.

⁴⁸ With Nixon’s election, the federal government started drastically reduced funding for urban redevelopment. By 1980-81, New Haven’s grant was 25% of what it had been in 1975. *Id.* at 57.

II. NINTH SQUARE

A. History

New Haven's original design, implemented in the 17th century, consisted of nine half-mile-long squares.⁴⁹ The Green occupies the center square. The Ninth Square, at the southeast corner of the nine squares, was designated as such because it was the last to be redeveloped.⁵⁰ Throughout the 17th, 18th and 19th centuries, the Ninth Square was a busy commercial area.⁵¹ Its prime location near the harbor, the Farmington Canal, and the railroad made it a center for manufacturing and trade through much of New Haven's history.⁵² As it was close to the Green, Yale University and New Haven's government buildings, the Ninth Square was also a central area in New Haven civic life.⁵³ A report prepared by the New Haven Downtown Council for the National Trust for Historic Preservation describes the Ninth Square as “‘an imprint’ of the urban history of New Haven,” where the architecture charts the city's changes over the late 19th and early 20th centuries.⁵⁴

⁴⁹ Floyd M. Shumway & Richard Hegel, *New Haven: A Topographical History*, 34 NEW HAVEN COLONY HIST. SOC'Y, at 13 (Spring 1988).

⁵⁰ Elwood, *supra* note 13, at 148.

⁵¹ Shumway & Hegel, *supra* note 49, at 18-19; *see also* Elwood, *supra* note 14, at 148.

⁵² Alperstein, *supra* note 25, at 1.

⁵³ *Id.*

⁵⁴ *Id.* at 3.

After World War II, the Ninth Square, like the rest of New Haven, was affected by the relocation of people and businesses from the city to the suburbs.⁵⁵ Unlike much of downtown New Haven, however, the Ninth Square was not targeted for a comprehensive redevelopment in the 1950s and 60s.⁵⁶ According to Bryan McGrath, Coordinator of Greater New Haven Clean Cities Coalition and former planner in the City Plan Department, the Ninth Square was spared because of its warehouses and distributors, which the City hoped would continue to generate revenue.⁵⁷ Like much of downtown, however, the Ninth Square showed signs of blight in the 1970s and 80s; in fact, the Ninth Square was in particularly bad shape.⁵⁸ In 1985, the Downtown Council noted the Ninth Square's "high rate of building vacancy, its acres of empty land, its hodgepodge of discount stores, off-price wholesale outlets, greasy spoon food joints and its resident video game arcade."⁵⁹

B. Redevelopment

⁵⁵ *Id.* at 5; *see* Elwood, *supra* note 14, at 149.

⁵⁶ However, the area on South Orange Street adjacent to the Coliseum was cleared as part of Urban Renewal. *See* RAE, *supra* note 5, at 337, Figure 10.8 (showing the area cleared for the Church Street Project).

⁵⁷ Interview with Bryan McGrath, Coordinator of New Haven Clean Cities and former Planner, City Plan Department (Dec. 1, 2010).

⁵⁸ Alperstein, *supra* note 25, at 9 (The Ninth Square "represented in the late 1970s one of the most deteriorated sections of the central business district."); *see* Angela D. Chatman, *Two Consultants Named for 'Ninth Square,'* NEW HAVEN REG., Aug. 11, 1983, at 1; *see also* Elwood, *supra* note 14, at 149.

⁵⁹ Alperstein, *supra* note 25, at 1.

Because of its historical importance and significant deterioration, the Ninth Square was an obvious focal point for renewal attempts.⁶⁰ In the late 1960s, Chad Floyd, an architect, proposed revitalizing the Ninth Square to create a festival marketplace.⁶¹ The developer Joel Schiavone, who later revitalized New Haven's Entertainment District, was also interested in the Ninth Square and together with the City Plan Department devised, in the 1970s, a plan for its renewal.⁶² The plan proposed the rehabilitation of twenty-one buildings on Orange and Crown Streets, with the properties to be acquired by purchasing from owners when possible and by use of eminent domain when needed.⁶³ The project would have required substantial public assistance, and adequate funding could not be obtained at that time.⁶⁴ Another redevelopment proposal, which focused on integrating the Ninth Square with New Haven's malls, also failed to come to fruition.⁶⁵

In 1980, Biagio DiLieto became mayor of New Haven and sought to make progress on downtown renewal.⁶⁶ By then, the extensive federal funding that had helped fuel Lee's redevelopment was no longer available, and a new strategy was needed.⁶⁷ Together with the Downtown Council, DiLieto commissioned the American City Corporation to prepare *A Work Plan for an Action Program for Downtown New Haven*.⁶⁸ The report suggested a variety of measures including the development of an

⁶⁰ *Id.* at 9.

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.* at 9-10.

⁶⁵ *Id.* at 11.

⁶⁶ *Id.* at 12.

⁶⁷ FAINSTEIN, *supra* note 1, at 57. *See also supra* note 48 and accompanying text.

⁶⁸ Alperstein, *supra* note 25, at 12.

entertainment district, a hotel, and residential and office plans. The first two projects, begun in 1981, were the Shubert Square Entertainment District and the renovation of the Chapel Square Mall.⁶⁹ A variety of other projects followed.⁷⁰

Focus turned once again to the Ninth Square. In 1982, the Office of Downtown and Harbor Development (ODHD) created a Downtown Commercial Revitalization Program that focused on providing funding for façade restoration and public improvements along lower Chapel Street.⁷¹ Kathleen Etkin, the development coordinator of the ODHD, was not initially able to obtain funding for façade restoration for the portion of Chapel Street in the Ninth Square, so she focused instead on obtaining historic district status for the district.⁷²

The Urban Reinvestment Group was founded in 1981 with the purpose of rehabilitating historic buildings and neighborhoods and revitalizing downtown commercial areas.⁷³ Conrad True and Tom Gallaher of the Group developed a comprehensive plan for redeveloping the Ninth Square.⁷⁴ They attempted to coordinate with local property owners in an effort to implement a project that would be beneficial to all involved. True and Gallaher were ultimately unable to secure investors.⁷⁵ In *The Ninth Square Project: A Chronicle*, the Downtown Council explained its view on the project's likelihood of success: "It may be that Gallaher & True, Inc., might eventually have found

⁶⁹ *Id.* at 13.

⁷⁰ *Id.* at 13-14.

⁷¹ *Id.* at 15.

⁷² *Id.* at 16.

⁷³ *Id.*

⁷⁴ *Id.* at 17.

⁷⁵ *Id.* at 18.

the right group of investors for the Ninth Square project.... On the other hand, it was equally likely that, eventually, too much discussion of developer interest might have produced a level of speculation among property owners that would have made the ultimate cost of the project too expensive.”⁷⁶ New Haven, of course, would not run into such a problem since it could use eminent domain to acquire holdout properties. At this point, New Haven opted to direct the redevelopment of the Ninth Square itself, but hoped that the process could occur in an organic fashion, with local property owners driving the project.⁷⁷ The Downtown Council held several meetings with local property owners to gauge interest, and determined that interest was there.⁷⁸ Still, the decision to take over the project, and the Downtown Council’s explanation that a private developer might be unable to carry it off, echo a sentiment reminiscent of Lee-era renewal: that the City’s involvement is necessary for redevelopment. Though the Downtown Council suggested that Gallaher & True *might* have succeeded, it does not seem entirely convinced.

In 1983, property owners hoping to draw business into the area as well as entrepreneurs hoping to capitalize on redevelopment formed the Ninth Square Development Association.⁷⁹ In 1984, the Association succeeded in its campaign to have the Ninth Square designated as a historic district on the National Register of Historic Places.⁸⁰ This made property owners eligible for federal tax credits on amounts invested

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *Id.* at 21.

⁷⁹ *Id.* at 48; see Elwood, *supra* note 14, at 150.

⁸⁰ National Register of Historic Places Inventory—Nomination Form, Ninth Square Historic District, Aug. 11, 1987, *available at* <http://pdfhost.focus.nps.gov/.../84001135.pdf>.

in historic properties.⁸¹ Additionally, property owners voted to establish a special services district in the Ninth Square. Under this system, property owners paid increased taxes in return for services such as extra security, public improvements and garbage collection.⁸²

The New Haven Historic Limited Partnership (HLP), a \$400,000 investor syndicate, was formed in 1984 for the purpose of redeveloping Ninth Square properties.⁸³ HLP began buying up properties,⁸⁴ but it soon became clear that it would not be able to finance the entire project.⁸⁵ The Tax Reform Act of 1986 made the situation even bleaker by reducing the tax credit available for renovating historic buildings.⁸⁶

The City, at the urging of the Ninth Square Association and the Downtown Council, chose a replacement for HLP: McCormick, Baron & Associates (MBA), a St. Louis firm.⁸⁷ The City and MBA worked together to create a plan for the Ninth Square,

⁸¹ See 26 U.S.C. § 46(b)(4) (Supp. III 1985); Elwood, *supra* note 14, at 150.

⁸² *Property Owners OK taxing district for Ninth Square*, NEW HAVEN REG., May 1, 1985, at 23; see Elwood, *supra* note 14, at 151.

⁸³ Alperstein, *supra* note 25, at 92.

⁸⁴ Janet Kipphut, *Expert Sees No End to City Renaissance*, NEW HAVEN REG., Sept. 9, 1984, at F1; see Elwood, *supra* note 14, at 151.

⁸⁵ Steve Hamm, *Small Fry Forge Ahead To Develop Ninth Square*, NEW HAVEN REG., Aug. 2, 1987, at F1; see Elwood, *supra* note 14, at 151.

⁸⁶ Tax Reform Act of 1986, Pub. L. 99-514, § 252, 100 Stat. 2085, 2189-2208 (codified at 26 U.S.C. § 42 (1988)); see Elwood, *supra* note 14, at 151-52.

⁸⁷ OFFICE OF DOWNTOWN AND HARBOR DEVELOPMENT, EXECUTIVE SUMMARY OF THE NINTH SQUARE PROJECT at D-6 (April, 1988) [hereinafter EXECUTIVE SUMMARY], in MCCORMACK, BARON & ASSOC., NINTH SQUARE: URBAN DEVELOPMENT ACTION GRANT PROJECT PROPOSED DOCUMENTS (April 1988) [hereinafter UDAG PROPOSED DOCUMENTS] (on file at the City Plan Department). See Appendix 3 for a map of the project area.

which was finalized in April of 1988.⁸⁸ The goal was the production of a “mixed-income rental project, coupled with the renovation of historic building stock,” to create “a true downtown neighborhood, as well as an expanded market for downtown retail establishments.”⁸⁹ This was to be achieved by providing, through refurbishment of existing buildings and new construction, a residential neighborhood with retail spaces on the ground floors and apartments above.⁹⁰

The plan called for the creation of 530 new and rehabilitated residential units.⁹¹ Over 20% of these were to be available as affordable housing.⁹² Along with the reduction of the tax credit for historic building restoration, the Tax Reform Act of 1986 created an investment tax credit for affordable housing,⁹³ making the provision of affordable housing an attractive way to obtain federal funding. In addition, the plan predicted 125,000 square feet of retail and office space and 947 parking spaces in parking decks.⁹⁴

The plan was to be funded through a combination of a \$10.694 million Urban Development Action Grant (UDAG) and \$105 million in public and private financing commitments.⁹⁵ Specifically, the plan foresaw about \$53 million in local and state funds, \$26 million in private equity from Bear Stearns & Co., \$2 million from Yale, \$500,000

⁸⁸ UDAG PROPOSED DOCUMENTS, *supra* note 87.

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.* at D-7.

⁹² *Id.*

⁹³ Tax Reform Act of 1986, Pub. L. 99-514, § 252 (codified at 26 U.S.C. § 42 (1988)); *see* Elwood, *supra* note 14, at 152-53.

⁹⁴ EXECUTIVE SUMMARY, *supra* note 87, at D-7.

⁹⁵ *Id.*

from the New Haven Foundation, and about \$14 million in Special Obligation Bonds issued by the City.⁹⁶

Properties were to be acquired by purchase from owners to the extent possible, with the City acquiring any additional needed properties by eminent domain.⁹⁷ Additionally, some properties would remain in the hands of owners who, according to Parcel Development Agreements, would renovate them.⁹⁸ MBA was responsible for acquiring land to the extent possible, structuring financing commitments, designing the project (with approval from the City) and construction.⁹⁹ The City's responsibilities included issuing bonds as part of the project's financing, installing public improvements such as sidewalks and street lighting, acquiring additional properties by eminent domain, and demolishing buildings as needed.¹⁰⁰ The first construction was slated to begin in 1988, with the whole project to be completed in three to four years.¹⁰¹

Properties involved in the project would be exempt from real estate taxes and would instead pay Payments in Lieu of Taxes (PILOTs) for twenty years.¹⁰² Increases in property values beyond the current level would go to an account set up to pay principle and interest on the Special Obligation Bonds issued by the City until the bonds were paid off.¹⁰³ This use of tax increment financing allowed the City to provide funding in a subtle

⁹⁶ *Id.*

⁹⁷ *Id.* at D-8.

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ *Id.* at D-9.

¹⁰¹ *Id.* at D-11.

¹⁰² *Summary of Tax Agreement, in Id.* at D-45.

¹⁰³ *Id.*

way, as the funds would come from tax revenues rather than direct government expenditure. Property owners who retained their properties and entered into Parcel Development Agreements (PDAs) would get tax advantages as well: a base amount would be set at the 1985 value, and it would be compounded annually by two percent for ten years and three percent for the remaining five years.¹⁰⁴ This deal was presumably based on the assumption that property taxes would otherwise increase at a more rapid rate. Owners with PDAs could also benefit from a façade program, which provided public funds to match up to \$35,000 in improvements per building.¹⁰⁵ To benefit from the program, rehabilitation work had to meet published historic rehabilitation standards of the Department of Interior.¹⁰⁶

In its Executive Summary of the Ninth Square Project, published in 1988, the Office of Downtown and Harbor Development notes parallels between the Project and earlier urban renewal attempts: “The traditional public responsibilities such as land acquisition, relocation, and public improvements are similar to those undertaken with federal money in the urban renewal period.”¹⁰⁷ The Summary notes, however, some key differences: historic buildings would be preserved rather than demolished, financing was to be in place before demolition began, and properties were not to be taken off of the tax rolls “for any appreciable length of time.”¹⁰⁸ Still, with its substantial public outlays and

¹⁰⁴ *Id.*

¹⁰⁵ *Summary of Ninth Square UDAG Project Façade Program in UDAG PROPOSED DOCUMENTS, supra note 87, at D-54.*

¹⁰⁶ *Id.*

¹⁰⁷ EXECUTIVE SUMMARY, *supra note 87, at D-12.*

¹⁰⁸ *Id.*

large-scale redevelopment, the Ninth Square Project was prone to some of the same pitfalls that plagues earlier renewal projects.

As Elwood points out, the project was substantially delayed.¹⁰⁹ MBA did not break ground until May of 1993.¹¹⁰ In an effort to integrate the redevelopment effort, MBA collaborated with small developers, who renovated some of the buildings.¹¹¹

Elwood notes that these renovations progressed much more rapidly than those carried out by MBA; in one case a developer converted two old buildings into luxury apartments in fifteen months.¹¹² Elwood attributes the delays to the many layers of government approval needed for MBA to go forward; MBA had to await approval of the U.S. Department of Housing and Development (HUD) to get its grant, and every aspect of the project had to be approved by the Redevelopment Agency Board, the City Planning Commission, and the Board of Alderman.¹¹³ MBA also had to assemble investors, which proved difficult.¹¹⁴ Further, since it acquired many of the needed properties through the City's use of eminent domain, MBA was required to act as a state agent.¹¹⁵ This meant that it had to wait for the City to relocate tenants from condemned buildings as required

¹⁰⁹ Elwood, *supra* note 14, at 158.

¹¹⁰ Stephen Higgins, *9th Square Finally Off Square 1*, NEW HAVEN REG., May 14, 1993, at 1; see Elwood, *supra* note 14, at 159.

¹¹¹ Fred Vogelstein, *Ninth Square Gets 1st Residents*, NEW HAVEN REG., Jan. 25, 1989, at 53; see Elwood, *supra* note 14, at 158.

¹¹² Elwood, *supra* note 14, at 158-59.

¹¹³ *Id.* at 159.

¹¹⁴ *Id.* at 162.

¹¹⁵ *Id.* at 160, *citing* Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. §§4601-4655 (1988) (“[A]ny person who has the authority to acquire property by eminent domain under State law” is treated as a “State agency” for the purposes of the Act.”).

by federal law.¹¹⁶ The eminent domain process itself also caused delay. Connecticut law required that the City first offer to compensate property owners; if the property owner rejected that compensation, a state referee determined whether the amount was reasonable.¹¹⁷ If it was found unreasonable, the City could submit a new offer, and the cycle continued.¹¹⁸ The project also faced a setback when the Connecticut real estate market declined in 1990, making the prospect of putting a large quantity of new apartments and retail space on the market unprofitable and jeopardizing MBA's funding.¹¹⁹

The project was ultimately divided into two phases.¹²⁰ Phase I was completed in 1994.¹²¹ Phase II was never entirely carried out as planned,¹²² although some aspects of the project are still underway.¹²³ Phase I was carried out by Ninth Square Project Limited Partnership (PLP), which includes both MBA and the Related Companies, a New York-based real estate firm.¹²⁴ Phase I focused on the construction of a 188-unit apartment

¹¹⁶ 42 U.S.C. § 4625 (1988); *see* Elwood, *supra* note 14, at 160.

¹¹⁷ CONN. GEN. STAT. § 8 (1993); *see* Elwood, *supra* note 14, at 161.

¹¹⁸ *Id.*

¹¹⁹ Elwood, *supra* note 14, at 161.

¹²⁰ *See* Appendix 4 for a map of the project areas.

¹²¹ Kendra Locke, *Ninth Square is Set to Phase in Housing Next*, YALE DAILY NEWS, March 5, 2004, *available at* <http://www.yaledailynews.com/news/2004/mar/05/ninth-square-is-set-to-phase-in-housing-next/>.

¹²² Interview with Bryan McGrath, *supra* note 57.

¹²³ *See* New Haven City Plan Commission Site Plan Review: Ninth Square II (June 21, 2006), *available at* www.cityofnewhaven.com/uploads/1391-05%20232%20State%20St.pdf; New Haven Redevelopment Agency, Minutes from Sept. 28, 2010 meeting, *available at* <http://www.cityofnewhaven.com/EconomicDevelopment/Governance/ReDev.asp>.

¹²⁴ Elwood, *supra* note 14, at 153.

building along Orange Street, between Crown and George Streets, as well as commercial and residential space in smaller buildings,¹²⁵ for a total of 335 new and renovated residential units and 50,000 square feet of commercial space.¹²⁶ Phase I also involved the installation of various improvements including new sidewalks, trees, streetlights, curbs, and streets.¹²⁷

MBA's expenditures during Phase I were similar to those projected in the 1988 Executive Summary. The total project cost for Phase I was \$86.6 million.¹²⁸ It included: \$10 million in Connecticut Housing Finance Authority (CHFA) taxable bonds purchased by Yale University, \$31.8 million in tax-exempt CHFA bonds, \$9.5 million in Special Obligation Bonds issued by New Haven, \$4.6 million in loan and grant money from New Haven, a \$7 million State Department of Housing and Economic Development grant, \$8.9 million in UDAG grant money, and \$14.8 million in private investments.¹²⁹

Most of the initial funding was used on Phase I.¹³⁰ About \$1.8 million of the original \$10.69 UDAG grant was left over,¹³¹ but MBA felt that more money would be

¹²⁵ Craig A. Shutt, *Case Study: Precast Cuts Time, Costs on Multi-Unit Housing Project*, ASCENT MAGAZINE (Winter, 1996), available at www.pci.org/view_file.cfm?file=AS-96WI-1.PDF.

¹²⁶ CITY PLAN DEPARTMENT, COMPREHENSIVE PLAN, SECTION VI: DOWNTOWN, at VI.10 (2003) [hereinafter COMPREHENSIVE PLAN, DOWNTOWN], available at <http://www.cityofnewhaven.com/cityplan/PlanningPrograms.asp#Plan>.

¹²⁷ Elwood, *supra* note 14, at 155.

¹²⁸ Shutt, *supra* note 100.

¹²⁹ *Id.*

¹³⁰ Interview with Bryan McGrath, *supra* note 57.

¹³¹ See Elwood at 158. A \$10.69 million UDAG grant was obtained during the Reagan administration, leaving about \$1.8 million after \$8.9 million was spent in Phase I.

needed for Phase II.¹³² MBA ultimately decided to pull out.¹³³ The City took over the project, selling some of the properties to other developers.¹³⁴

Phase II was planned to include the renovation of several buildings as well as some new construction, resulting in a total of 221 new residential units and 25,000 square feet of rehabilitated commercial space.¹³⁵ New Haven obtained a grant of \$13.2 million for the project¹³⁶ and secured three new developers.¹³⁷ Some of the buildings have been completed,¹³⁸ while some are still in progress.¹³⁹ In 2006 the cost of Phase II was expected to be \$34.9 million.¹⁴⁰ Combined with Phase I, this brings the total cost of the project to \$121.5 million.

In addition to the Project's high cost, it also proved extremely disruptive to the neighborhood, despite early efforts to include landowners in the redevelopment process and devise a solution that would benefit them. A look at the block of the Ninth Square

¹³² Interview with Bryan McGrath, *supra* note 57.

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ COMPREHENSIVE PLAN, DOWNTOWN, at VI.10.

¹³⁶ Melissa Nicefaro, *What Goes Up: In Commercial Real Estate, It's Out with the Old (the New Haven Coliseum) and in with the New (a Reborn Chapel Square Mall?)*, BUS. NEW HAVEN, De. 23, 2002, available at http://www.conntact.com/archive_index/archive_pages/3976_Business_New_Haven.html.

¹³⁷ *Id.*

¹³⁸ A building on the corner of Church and Chapel Streets was recently completed. For a rendering, see COMPREHENSIVE PLAN, DOWNTOWN, at V1.10.

¹³⁹ Developer David Nyberg purchased a former warehouse and former printing company building, both on Crown Street, from the City and is working on renovating them. See New Haven Redevelopment Agency, September 28, 2010 Minutes at 2.

¹⁴⁰ CITY OF NEW HAVEN CONNECTICUT, GENERAL OBLIGATION BONDS, ISSUE OF 2006, at B-20.

bounded by George and Crown Streets and Church and Orange Streets over the course of Phase I is instructive. In 1987, Crown Street between Church and Orange Streets was filled with businesses and had only one vacancy.¹⁴¹ By 1990, most of the addresses either no longer existed (indicating that they had been demolished or were combined with other addresses) or had no information in the phonebook, suggesting that the businesses were probably gone.¹⁴² By 1995, the year after Phase I concluded, there were only two businesses on that block of Crown Street, down from sixteen in 1987.¹⁴³

In 1987, Orange Street between George and Crown Streets had two vacancies but still had several businesses.¹⁴⁴ By 1995, the area had been razed,¹⁴⁵ and only one of the former businesses remained (although the Ninth Square Residences at 44 Orange Street brought many new residents to the area). By comparison, the block of Church Street between George and Crown Streets, which was not “revitalized” as part of the Ninth Square Project, maintained a fairly steady supply of businesses.¹⁴⁶

C. Success?

Certainly the Ninth Square Project has been lengthy and expensive, but what has it produced? According to the Downtown and Harbor Development’s Executive

¹⁴¹ The Johnson City Directory: New Haven, Connecticut [hereinafter Johnson Directory] (1987), at 796.

¹⁴² Johnson Directory, *supra* note 140 (1990), at 697.

¹⁴³ Johnson Directory, *supra* note 140 (1995), at 50.

¹⁴⁴ Johnson Directory, *supra* note 140 (1987), at 857.

¹⁴⁵ Elwood, *supra* note 14, at 155.

¹⁴⁶ Johnson Directory, *supra* note 140 (1987), at 788, 1990 at 690, 1995 at 37.

Summary of 1988, the goal of the Ninth Square Project was the production of a “mixed-income rental project, coupled with the renovation of historic building stock,” to create “a true downtown neighborhood, as well as an expanded market for downtown retail establishments.”¹⁴⁷

Phase I of the project did succeed in producing 335 new and renovated residential units. Because of restrictions imposed by the use of CHFA and UDAG grants, over half of the units produced in Phase I will remain affordable.¹⁴⁸ Because Federal Low Income Housing Tax Credits were used for the Project, 56% of the units were set aside for residents earning incomes below 60% of the median for the area.¹⁴⁹

According to a 1997 study, at that time, 26% of tenants at the Residences at Ninth Square (the new and renovated housing provided by Ninth Square Phase I) had below 50% of the area median income (AMI).¹⁵⁰ 46% had 50-79% of the AMI, 9% had 80-99% of the AMI, and 19% had more than the AMI.¹⁵¹ The study also found that a broad spread of incomes was represented, from residents with no earned income to residents earning \$169,000 per year.¹⁵² In 1997, 16% of the current residents used section eight

¹⁴⁷ EXECUTIVE SUMMARY, *supra* note 87, at 1.

¹⁴⁸ COMPREHENSIVE PLAN, DOWNTOWN, at VI.10.

¹⁴⁹ Paul C. Brophy & Rhonda N. Smith, *Mixed-Income Housing Factors for Success*, 3 CITYSCAPE: A JOURNAL OF POLICY DEVELOPMENT AND RESEARCH at 19, NOV. 2, 1997, prepared for U.S. Department of Housing and Urban Development, Office of Policy Development and Research, available at www.ci.miami.fl.us/...%20Public%20Housing%20Agency%20Reports/4.%20Mixed-Income%20Housing%20Factors%20for%20Success.pdf.

¹⁵⁰ *Id.* at 18.

¹⁵¹ *Id.*

¹⁵² *Id.*

certificates.¹⁵³ With only 19% of residents above the median income for the area and a wide income spread for residents, the Project does seem to have achieved its goal of providing mixed-income rental opportunities.

The residential units created in Phase I also have a high rate of occupancy. The 1997 study found that after two years of leasing (in 1996), the Residences at Ninth Square had an occupancy rate of 96%.¹⁵⁴ On December 13, 2010, when I called the Residences at Ninth Square Office, there were no available studios and only one available one-bedroom unit.

The Project has also been faithful to its goal of renovating historic building stock. Phase I resulted in the restoration of eleven historic buildings.¹⁵⁵ The new construction, including the largest, Stonehill House at 44 Orange Street, fits in well with the restored historic structures.

The goal of creating “a true downtown neighborhood, as well as an expanded market for downtown retail establishments”¹⁵⁶ has been less clearly fulfilled. The Ninth Square looks like a downtown neighborhood, but it does still lack pedestrian traffic.¹⁵⁷ Many of the storefronts have also often been notoriously empty.¹⁵⁸ A Yale Daily News

¹⁵³ *Id.* at 20.

¹⁵⁴ *Id.* at 19.

¹⁵⁵ Ball, *supra* note 18.

¹⁵⁶ EXECUTIVE SUMMARY, *supra* note 87, at D-6.

¹⁵⁷ See Ball, *supra* note 18 (“The streets... are empty all day.... This is Ninth Square”); Appendix; Appendix 2, A-E. See Appendix 2, G & H for photographs of the Ninth Square at night.

¹⁵⁸ See, e.g., Alexander Applebaum, *Turning the Corner?: Developer’s See Light at the End of the Tunnel for Ninth Square’s Laggard Commercial Component*, BUS. NEW HAVEN, Mar. 3, 1998, available at [http://webcache.googleusercontent.com /search?q=](http://webcache.googleusercontent.com/search?q=)

article noted in 2000 that, “while the Ninth Square's residential spaces met with success from day one and its high-caliber restaurants have become a destination for customers from all over New Haven and the surrounding areas, all other forms of retail have virtually failed in the area.”¹⁵⁹ The Ninth Square does offer an upscale and diverse restaurant scene, however, including a Japanese restaurant (Miso), an Indian restaurant (Thali Too), a Malaysian restaurant (Bentara), a Chinese restaurant (Royal Palace), a steakhouse (Central Steakhouse), and two classic American restaurants (Kitchen Table and Fosters). Also, there are some signs of growth-- while some of the restaurants have been popular installations of the Ninth Square for a while,¹⁶⁰ Fosters opened in 2006 in a three-front space in the Chamberlain Building (at 50 Orange Street) that had been vacant for eighteen years.¹⁶¹ Still, many of the Ninth Square's commercial spaces are still un-rented. While there are few visibly empty storefronts,¹⁶² some un-rented spaces are occupied by installations of Project Storefront, a program produced by the New Haven

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/archive_pages/3022_Business_New_Haven.html+alexander-applebaum+Turning
+the+Corner%3F&cd=6&hl=en&ct=clnk&gl=us&client=firefox-a (“The Ninth Square project has two faces. One shows blocks of restored brick towers, high occupancy rates for upscale and subsidized housing in a previously uninhabited stretch of downtown New Haven, and a standard of maintenance that neighbors and boosters praise.... The other face shows waves of empty storefronts, dashed retail initiatives and persistent economic shortfall for developers and tax collectors.”).

¹⁵⁹ Katie DeWitt, *Ninth Sq. Struggles to Fill Retail Spaces*, YALE DAILY NEWS, Apr. 21, 2005, available at <http://www.yaledailynews.com/news/2005/apr/21/ninth-sq-struggles-to-fill-retail-spaces/>.

¹⁶⁰ Ball, *supra* note 18.

¹⁶¹ Foster's Restaurant, <http://fostersrestaurant.com/about/>.

¹⁶² See *infra* Section III C.

Department of Cultural Affairs.¹⁶³ The Project gives artists and “creative entrepreneurs” space “to test the viability of new creative and arts-related retail and other businesses by providing access to empty retail space.”¹⁶⁴ Related Companies (the real estate agent that partnered with MBA for the Ninth Square Project and still the owner of many Ninth Square properties) agreed to provide the artists and entrepreneurs free use of the space until renters are found.¹⁶⁵ Additionally, the Economic Development Corporation provided \$30,000 in funding to the Project.¹⁶⁶ According to Related Companies: “We saw an opportunity with Project Storefronts to promote new retail uses to our Ninth Square development. Project Storefronts will promote more visitors to the Ninth Square which provides higher visibility for these retail spaces and at the same time, promotes new patrons.”¹⁶⁷

Current installations include the Grove, a “social space for entrepreneurs,” Detritus, a bookstore, Crosby Street Gallery, a gallery and performance space showcasing emerging artists, and Upcycle Arts, a gathering space for art groups and eco-boutique.¹⁶⁸

While Project Storefront enhances the artistic character of the neighborhood, and is certainly better than empty spaces, it does suggest that New Haven is still struggling to make the Ninth Square succeed as the retail area it envisioned. According to Bryan

¹⁶³ Project Storefront, <http://www.projectstorefrontsnewhaven.com/index.htm>.

¹⁶⁴ *Id.*

¹⁶⁵ Department of Cultural Affairs, *Launch of Project Storefronts: New Initiative by the Department of Cultural Affairs Promoting the Arts & Activating Retail*, AUG. 31, 2010, available at <http://www.cityofnewhaven.com/CulturalAffairs/News/ReadMore.asp?ID={05F67331-0AF5-4963-8899-C84C6AFC26DE}>.

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*, quoting Tom Evans of Related Companies.

¹⁶⁸ *Id.*

McGrath, however, the storefronts are not un-rented because there are no takers.¹⁶⁹ He said that Related Companies is careful about the types of businesses it allows, and that, because of the success of its residential spaces, it can afford to wait for the right businesses.

Additionally, the businesses that do occupy storefronts in the Ninth Square are not geared well towards attracting foot traffic. While the restaurants are popular, they are closed for much of the day. Two architecture firms occupy a large portion of Crown Street between Church and Orange Streets. Another architecture firm inhabits a prime spot at 84 Orange Street, and yet another is at 35 Crown Street, between Orange and State Streets. These architecture firms may be desirable businesses to have in the area, but they probably do not generate significant foot traffic. A Leaf Photography Studio at 91 Orange Street and Artspace (which offers exhibition and performance space, at 50 Orange Street) have limited hours,¹⁷⁰ making them somewhat inaccessible to visitors. In fact, the only store in the area that seems to draw significant crowds throughout the day is Woodland Coffee & Tea, at 97 Orange Street. According to Woodland's owner, however, the Ninth Square is not an ideal location and a space closer to Yale would be preferable.¹⁷¹

The Ninth Square Project has achieved some of its goals but not others. It resulted in a substantial amount of new and renovated residential space, which is filled. It has attracted certain businesses, most notably architecture firms and restaurants. However,

¹⁶⁹ Interview with Bryan McGrath, *supra* note 57.

¹⁷⁰ A Leaf Photography is open Tuesday-Friday, 12pm-5pm and Saturday 12pm-4pm. Info New Haven, <http://www.infonewhaven.com/shopping/leaf-photography>. Artspace is open Wednesday and Thursday, 12pm-6pm and Friday and Saturday, 12pm-8pm. Art Space, <http://artspacenh.org/about/directions>.

¹⁷¹ DeWitt, *supra* note 15p, quoting Nebyat Shewaye, Woodland's owner.

the Ninth Square has not drawn the level of commercial and pedestrian attention its planners hoped it would. The Ninth Square is not filled with the thronging bars and nightclubs of Crown Street, but this is probably at least partly by choice. The Ninth Square does have two bars, 116 Crown and Firehouse 12, but they are more upscale and quieter than the Crown Street fare.¹⁷² All told, the Ninth Square Project is still unfinished two and a half decades after its inception and has consumed substantial government (and private) funds, but it has achieved some success. Crown Street indicates, however, that revitalization can proceed along a very different path.

III. CROWN STREET

A. History

The Crown Street area was historically an entertainment district. The Shubert Theater, on College Street between Chapel and Crown Streets, opened in 1914.¹⁷³ The

¹⁷² The New York Times described 116 Crown as “a chic, urban place where upscale meets pop culture, an environment that encourages conversation.” Stephanie Lyness, *A Meeting Place Marrying Design and Cuisine*, N.Y. TIMES, Jan. 20, 2008, available at <http://www.nytimes.com/2008/01/20/nyregion/nyregionspecial2/20dinet.html>. In addition to a bar, Firehouse 12 is a recording studio and jazz venue that offers “the perfect relaxed setting for conversation and a drink after work, a cocktail before or after a trip to one of the excellent restaurants in our neighborhood, or a glass of wine or a beer before or after one of our performances.” Firehouse 12, <http://firehouse12.com/bar.asp>.

¹⁷³ Shubert Theater, <http://www.shubert.com/shubert-theater/the-history>.

Shubert drew big stars through the sixties, including Ethel, John and Lionel Barrymore, Will Rogers, the Marx Brothers, Paul Newman and Julie Andrews.¹⁷⁴

Crown Street itself offered less highbrow entertainment. In 1918, Crown Street was lined with billiard halls, saloons, a bowling alley, and a variety of shops.¹⁷⁵ Prohibition may have taken its toll on Crown Street, however; in 1928, many of the former saloons were vacant,¹⁷⁶ though a bowling alley occupied 114 Crown Street.¹⁷⁷ By 1938, a tavern and liquor store had moved in¹⁷⁸ and another bowling alley occupied 216 Crown Street.¹⁷⁹ In 1948, near the beginning of the urban decay trend, Crown Street was home to several restaurants, two bowling alleys, a billiards club and a tavern.¹⁸⁰ In 1958, just before Lee's plans for the area were implemented, Crown Street had a substantial number of vacant lots,¹⁸¹ but it was still occupied by restaurants, shops, and Crown Theatre at 216 Crown Street.

Urban renewal changed the landscape substantially. In 1968, Macy's and its parking lobby occupied the entire block between Church and Temple Streets.¹⁸² While Crown Theatre was still there, Crown Street had largely lost its entertainment businesses.

¹⁷⁴ *Id.*

¹⁷⁵ Price & Lee New Haven Directory, vol. 79 (1918) at 970.

¹⁷⁶ *See, e.g.*, 153, 164, and 165 Crown Street. Price & Lee New Haven Directory, vol. 89 (1928) at 1413-15.

¹⁷⁷ *Id.*

¹⁷⁸ These occupied 153 and 158 Crown Street. Price & Lee New Haven Directory, vol. 99 (1938) at 928.

¹⁷⁹ *Id.*

¹⁸⁰ Price & Lee New Haven Directory, vol. 108 (1948) at 1211.

¹⁸¹ *See, e.g.*, 107, 109, 166, 212, 214, 221. Price & Lee New Haven Directory, vol. 118 (1958) at 919.

¹⁸² Price & Lee New Haven Directory, vol. 128 (1968) at 48.

There were a few restaurants but no bars or taverns between Orange and High Streets.¹⁸³ However, Crown Street had its fair share of garages, parking lots¹⁸⁴ and car rentals.¹⁸⁵

In the 1970s and 80s, Crown Street showed serious signs of blight. While there were some vacant buildings on Crown Street throughout the 20th century,¹⁸⁶ in 1978 there were sixteen vacant or largely vacant properties on Crown Street between State and High Streets.¹⁸⁷ Crown Street had few restaurants or bars, although it did have a pool hall¹⁸⁸ and off-track betting.¹⁸⁹ In 1988, there were fewer vacancies,¹⁹⁰ but there appears to have been little to draw people to the area.¹⁹¹ However, the Grotto, a nightclub and recording studio, had moved into 130 Crown,¹⁹² perhaps foreshadowing the redevelopment that would take place.

¹⁸³ The restaurants were located at 204, 213, 237, 238, and 243 Crown Street. Price & Lee New Haven Directory, vol. 128 (1968) at 48.

¹⁸⁴ Located at 208, 219, 220, and 249 Crown Street. *Id.*

¹⁸⁵ Located at 255, 260, 269, and 280 Crown Street. *Id.*

¹⁸⁶ *See, e.g.*, Price & Lee New Haven Directory, vols. 79, 89, 99, 108, 118, 128.

¹⁸⁷ Price & Lee New Haven Directory, vol. 135 (1978) at 43-44. The vacant properties were located at 47, 51, 52, 58, 112, 116, 122, 124, 130, 216, 234, 249, 250, 256, 261, and 281 Crown Street.

¹⁸⁸ Located 230 Crown Street. *Id.*

¹⁸⁹ Located at 254 Crown Street. *Id.*

¹⁹⁰ Numbers 52, 57, 110, 198, 269 were listed as vacant. Numbers 80, 95, 204, 245 were listed as "No Information," which suggests that they may have been vacant. The Johnson City Directory: New Haven, Connecticut (1988), at 778-79.

¹⁹¹ Representative businesses include: Connecticut Janitorial Service (at 35 Crown), Specialized Packing International (at 100 Crown), Arthur T. Barbieri- Herbalife Distributor (at 199 Crown), and car rentals at 255 and 280 Crown. *Id.*

¹⁹² *Id.* at 778.

B. Revitalization

Although Crown Street was never the subject of a cohesive revitalization project, it was affected by certain city initiatives. The Temple Street Garage, designed by Paul Rudolph, was part of Lee's plan for New Haven's renewal.¹⁹³ It was connected to Malley's and was originally intended to be connected to the Oak Street Connector by tunnel.¹⁹⁴ Temple Street Garage still occupies a substantial portion of Temple Street between Crown and George Streets, and also fronts on George Street. The Crown Street Garage, designed by Carleton Granberry Associates, was built in 1971.¹⁹⁵ It occupies nearly the entire block of Crown between College and Temple Streets. These projects have clearly had a huge impact on the character of Crown Street. What before urban renewal was an area of fine-grained shops is now dominated by massive parking structures.

In the 1980s, Joel Schiavone, with New Haven's support, developed significant portions of Chapel and College Streets. This large-scale development involved Crown Street itself only minimally but has probably affected the area significantly. At the time Schiavone was devising plans to redevelop the area it was fairly rundown; an April, 1980 article in Connecticut Magazine described College Street as "a dreary stretch of greasy spoon restaurants, boarded-up movie houses, and sooty office buildings near the city

¹⁹³ See Appendix 5. The area designated "public parking" is occupied by the Temple Street Garage.

¹⁹⁴ New Haven Development Guide (1961) (on file at the New Haven Museum).

¹⁹⁵ Stephen Kobasa, *Object Lesson #55*, NEW HAVEN INDEPENDENT, Mar. 25, 2010, available at http://newhavenindependent.org/index.php/archives /entry/object_lesson_55/.

green.”¹⁹⁶ Schiavone started buying property downtown in 1977, intending to rehabilitate College Street as an entertainment district.¹⁹⁷ At the time, many buildings were in bad repair, and the Taft, a major feature of the area, had been vacant since 1970.¹⁹⁸ With the help of the City and the architecture firm Maitland/Strauss/Behr, Schiavone prepared a plan for the Entertainment District and a UDAG proposal.¹⁹⁹ Schiavone planned to renovate the Roger Sherman Theater, the Hyperion building, and a variety of residential and commercial spaces on the blocks bounded by Chapel and Crown Streets and High and Temple Streets.²⁰⁰ He also hoped to renovate the Crown Street Garage, but the City never agreed to sell it to him.²⁰¹ The project was to be financed through a combination of a graduated tax assessment (with taxes increasing at 10% increments until reaching their full value after ten years), a public improvement grant of approximately \$2 million from

¹⁹⁶ Bryan Miller, *The Toast of Downtown*, CONNECTICUT, April 1980, at 52. See also Wendy A. Semel, *Renewing Downtown New Haven: Schiavone's Entertainment District, 1979-1996* at 1-2 (on file at the New Haven Museum).

¹⁹⁷ Semel, *supra* note at 1, citing Chris Capot, *Schiavone Striving to Regain Real Estate*, NEW HAVEN REG., Oct. 9, 1995.

¹⁹⁸ MAITLAND/STRAUSS/BEHR, ARCHITECTS, COLLEGE STREET DEVELOPMENT: EXISTING CONDITIONS ANALYSIS & DEVELOPMENT PROGRAM, PREPARED FOR THE CITY OF NEW HAVEN 16 (Jan. 1980) [hereinafter COLLEGE STREET DEVELOPMENT] (on file at the City Plan Department).

¹⁹⁹ SCHIAVONE REALTY & DEVELOPMENT CORP. & MAITLAND/STRAUSS/BEHR, ARCHITECTS, P.C., COLLEGE STREET ENTERTAINMENT DISTRICT: PROPOSAL (Feb. 20, 1980) [hereinafter COLLEGE STREET PROPOSAL] (on file at the New Haven History Museum); see Semel, *supra* note 196, at 2.

²⁰⁰ See COLLEGE STREET DEVELOPMENT, *supra* note 198, at 2-3.

²⁰¹ Letter from Joel Schiavone, Schiavone Realty and Development Corp., to Yasga Esclara, Development Administrator, Office of Business Development, City of New Haven, Conn. (Mar. 28, 1991), cited in Semel at 15.

the City of New Haven, and a \$7.3 million UDAG grant.²⁰² At that time, the Starrett Development Company was converting the former Hotel Taft into apartment buildings, and Schiavone and the City already had an agreement in place for restoration of the Shubert Theater²⁰³ (to be constructed at a cost of \$5.6 million by the city).²⁰⁴

Schiavone was unable to obtain a UDAG grant.²⁰⁵ However, he did receive some government support. Schiavone purchased the Shubert from the City at the bargain price of \$35,000.²⁰⁶ He agreed to carry out the renovations but would be aided by the City in certain ways, including with a \$535,000 loan for the property's second mortgage.²⁰⁷ Schiavone also receives \$1.2 million in state and federal grants.²⁰⁸

The City agreed to spend up to \$400,000 for sidewalk and street improvements on College, Chapel and Crown Streets (\$50,000 of which Schiavone would eventually reimburse).²⁰⁹ Additionally, the City agreed to acquire the Loew's-Poli Hyperion Theater and sell it to Schiavone for the cost of the city's purchase.²¹⁰ The City also granted

²⁰² *Financing Assistance Assumptions*, COLLEGE STREET PROPOSAL, *supra* note 199, at 1.

²⁰³ Miller, *supra* note 196, at 53.

²⁰⁴ *Financing Assistance Assumptions*, COLLEGE STREET PROPOSAL, *supra* note 199, at 1.

²⁰⁵ Semel, *supra* note 196, at 7.

²⁰⁶ Memorandum of Understanding by and between Schiavone Realty and Development Corp. and the City of New Haven, Shubert Square and Roger Sherman Theater [hereinafter Memorandum of Understanding], *cited in* Semel, *supra* note 196, at 7-8.

²⁰⁷ CITY OF NEW HAVEN, BIAGIO DILieto, MAYOR, SHUBERT THEATRE/SHUBERT SQUARE PROPOSAL, *Shubert Theatre Financial Data 2* (1982) (on file at the City Plan Department).

²⁰⁸ *Id.* at 1.

²⁰⁹ Memorandum of Understanding, *supra* note 206.

²¹⁰ *Id.*

Schiavone seven-year tax deferrals on various properties in the Entertainment District.²¹¹

Schiavone obtained a \$1.45 million loan from Yale as well.²¹²

These projects were the work of a private developer, Joel Schiavone, but New Haven did provide substantial assistance. While the project only involved Crown Street itself minimally (the garage planned for Crown Street between High and College Streets was never built),²¹³ it probably had a significant affect on Crown Street. The project was quite successful in revitalizing the area. An article in Connecticut Business News Journal declared that Joel Schiavone was “widely viewed as a miracle worker” for his downtown renewal efforts.²¹⁴ Another article in Connecticut Business News Journal stated that, “by 1995, “Schiavone's real estate revolution had transformed downtown New Haven's retail economy,” converting a dilapidated part of town “into a bustling neighborhood teeming with street-level retail with upper-level housing... [and] seamlessly transforming the area from a retail-starved urban axis into a nascent dining and theater district brimming with life.”²¹⁵ Such a change on nearby College Street would be expected to make Crown Street feel more accessible and bring in more foot traffic.

In emphasizing Crown Street’s organic revitalization, it would be misleading to suggest that the City played no role. New Haven did play a role, but its contributions

²¹¹ *Id.*

²¹² Michael C. Bingham, *Where Have You Gone, Joel Schiavone?*, CONNECTICUT BUS. NEWS J., BUS. NEW HAVEN., Oct. 1, 2001, available at http://www.conntact.com/archive_index/archive_pages/599_Business_New_Haven.html; see Semel at 11.

²¹³ See Appendix 6 for a map of the project area. The parking garage (10) was never built.

²¹⁴ *Id.*

²¹⁵ Lisa MiCall, *The Many Lives of Joel Schiavone*, CONNECTICUT BUS. NEWS J., BUS. NEW HAVEN, June 11, 2003, available at http://www.conntact.com/archive_index/archive_pages/4268_Business_New_Haven.html.

were piecemeal. The City was profoundly involved in planning, funding, and overseeing the Ninth Square Project. The vision for the project was that of City planners and of the developer the City chose, MBA. Crown Street today, conversely, is not the culmination of the City's vision. Lee envisioned a shopping mecca on and around Crown Street, but the two parking garages are the only vestige of that failed dream. However, the City helped Schiavone to create an Entertainment District on College Street, effecting a revitalization that probably produced some spill over onto Crown Street.

Interestingly, the scene on Crown Street is quite different from what the City envisioned for College Street. College Street, with its theaters, restaurants and retail, has become the Entertainment District Schiavone and the City envisioned. Though it continued to have financial difficulties,²¹⁶ the Shubert Theater is a popular destination, best known according to a New York Times article as a stopover for post-Broadway tours.²¹⁷ Judith Lisi, executive director of the Shubert, said in 1990 that the theater was no longer running at a deficit, which it had in the past, and that its Broadway show series had 12,000 subscribers.²¹⁸ College Street has popular, upscale restaurants, including Pacifico, Downtown at the Taft, and Bespoke, and a cigar lounge, the Owl Shop. Crown Street is also an entertainment district, but it provides a less highbrow form of entertainment. The City did not engineer Crown Street's current character, and some city

²¹⁶ *New Haven Trying to Keep Ailing Shubert Open*, N.Y. TIMES, Mar. 22, 1985, § B, at 4; see Semel at 13.

²¹⁷ Alvin Klein, *The View From: The Shubert Theater in New Haven; 60 Miles from Broadway, History Trods the Boards*, N.Y. TIMES, May 6, 1990, available at <http://www.nytimes.com/1990/05/06/nyregion/view-shubert-theater-new-haven-60-miles-broadway-history-trod-boards.html>.

²¹⁸ *Id.*

officials are not entirely pleased with it. Mayor John DeStefano Jr. recently said that some of the clubs “represent a detriment to those around them,” and he didn’t “see clubs adding value to this community any longer.”²¹⁹

In contrast to the Ninth Square, the only redevelopment incentive that has directly been implemented in the Crown Street District is the Façade Renovation Grant Program.²²⁰ Besides façade grants, property and business owners on Crown Street have renovated their own spaces at their own expense. According to Clay Williams, the program’s coordinator, the program, which is run by New Haven’s Office of Economic and Business Development, started about twenty years ago.²²¹ Its purpose is to take an active role in eliminating blight in New Haven neighborhoods. It has changed somewhat over the years, but the program currently offers matching funds up to \$30,000 for renovation of building facades facing public thoroughfares. Building owners or business owners can apply for grants. Applicants submit architectural designs to the Design Review Committee. If the application is approved, the applicant is reimbursed for 50% of his or her costs once the façade renovation is completed. Some buildings on Crown Street have benefitted from this program. The portion of 199 Crown Street occupied by Amistad America received \$1,839 in grants in 2001. The portion of 199 Crown Street occupied by Chameleon & Co., a hair salon, received \$9,752 in 2003. The portion of 201 Crown Street previously occupied by the Sci-Fi Café received \$30,000 in 2001. LoRicco Tower

²¹⁹Kaempffer, *supra* note 26.

²²⁰ Telephone Interview with Tony Bialecki, Deputy Director of Economic Development, Office of Economic & Business Development (Nov. 16, 2010).

²²¹ Telephone Interview with Clay Williams, Small Business Development Officer, Office of Economic & Business Development (Nov. 16, 2010).

Condo Association, at 216 Crown Street, received \$15,000 in 2003. Swings, at 280 Crown, received \$13,363.50 in 2006. The Wine Thief, at 181 Crown Street, received \$23,000 in 2007.

Also, Crown Street is part of New Haven's Town Green Special Services District. The district is the equivalent of a Business Improvement District.²²² It runs roughly from York Street to State Street and from Frontage Street to Trumbull Street, although it is not a perfect rectangle.²²³ The District was authorized by the State of Connecticut and City of New Haven, but downtown property owners initiated its creation. The Town Green District was established by popular vote in 1996 and recertified in 2000.²²⁴ Property owners in the District pay extra taxes in return for services including litter removal, sidewalk washing, graffiti removal, paint touch-ups, and safety services.²²⁵ Safety ambassadors wearing yellow uniforms and connected by radio to the police department patrol the District.²²⁶

In contrast to the Ninth Square, the Crown Street District revitalization was essentially an organic process.²²⁷ BAR, the oldest of the nightclubs now on Crown Street, was at the forefront of the club scene. According to the "history" section of BAR's website, the decision to open was "[f]ueled by dissatisfaction with New Haven's

²²² Town Green Special Services District, [http://www.infonewhaven.com /content/ town-green-special-services-district](http://www.infonewhaven.com/content/town-green-special-services-district) (last visited Dec. 16, 2010).

²²³ Telephone Interview with Rena Leddy, Executive Director of Town Green District (Nov. 10, 2010).

²²⁴ Town Green Special Services District Website, *supra* note 221.

²²⁵ *Id.*

²²⁶ *Id.*

²²⁷ Interview with Rena Leddy, *supra* note 222.

nightlife.”²²⁸ The building chosen by the founders, Randal Hoder and Stuart Press, was originally built in 1915 as an automobile showroom.²²⁹ Before renovations in preparation of BAR’s opening, the building had been vacant for ten years.²³⁰ According to BAR’s manager, Frank Patrick, there was nothing in the area when BAR opened. Today, he says, BAR does a brisk business in New Haven and employs roughly sixty to sixty-five employees at a given time.

According to Rena Leddy, Executive Director of the Town Green Special Services District, the arrival of a couple of nightclubs made the area appeal to more. Leddy noted that the spaces in the Crown Street District are not traditional retail spaces, and are therefore of a type that is often difficult to rent. The Crown Street Garage occupies nearly the entire block between College and Temple Streets. Temple Street Garage occupies another large area. The spaces in the ground floors of parking garages are generally not appealing to retailers, leading to low rents, according to Leddy. For clubs, conversely, the spaces are ideal. The warehouse-like spaces can accommodate large crowds, and the uninviting storefronts generally are not problematic.

When the Playwright opened on 144 Temple Street in November 2001, the New Haven Register cited its opening as proof of New Haven’s renaissance, calling it “an anchor for a once-bleak stretch of Temple Street.”²³¹ There are currently several bars and clubs in the area: Gotham Citi Café (at 130 Crown Street), Black Bear (at 124 Temple

²²⁸ BAR, <http://www.barnightclub.com/> (last visited Dec. 16, 2010).

²²⁹ *Id.*

²³⁰ *Id.*

²³¹ Todd Lyon, *No Ordinary Irish Pub: The Owners of the Playwright on Temple Call it a ‘Superpub,’* NEW HAVEN REG., Nov. 28, 2001, available at <http://www.nhregister.com/articles/2001/11/28/import/2697299.txt>.

Street), Wicked Wolf (at 144 Temple Street), Crown Grill (at 201 Crown Street), Kelly's Restaurant and Bar (at 196 Crown Street), Stella Blues (at 204 Crown Street), Press 200 (at 200 Crown Street), Alchemy Nightclub (at 223 College Street), and Koji (at 182 Temple Street). Static (at 212 Crown Street) is currently under renovation.

There is a fair amount of turnover in some locations. Lansdowne closed recently, as did Hula Hanks.²³² According to Rena Leddy, the closing of these and other bars and clubs does not necessarily indicate financial problems.²³³ Frequent turnover is common for clubs, which need to constantly reinvent themselves to stay popular.²³⁴ The history of 201 Crown Street supports this proposition. Anthony Delmonaco opened a club called Sci-Fi Café at 201 Crown Street in 2001.²³⁵ He reopened the club under the name Hammer Jaks in 2006, and then as Sinergy in 2009. Most recently, the club was called Crown Street Bar and Grill.²³⁶ The fact that Delmonaco retained ownership through four different incarnations of the club indicates that it did not close periodically because it was driven out of business.

The club scene that has developed on Crown Street benefits New Haven in various ways. On weekend nights, the clubs are brimming with people who spend money at them and at nearby parking garages and food establishments. Downtown police

²³² David Sepulveda, *Downtown Goes "UpCrown"*, NEW HAVEN INDEPENDENT, Oct. 25, 2010, available at http://www.nhregister.com/articles/2010/06/05/business/ee1_wicked0605060510.txthttp://newhavenindependent.org/index.php/archives/entry/oricco_story/.

²³³ Interview with Rena Leddy, *supra* note 222,

²³⁴ *Id.*

²³⁵ Melissa Bailey, *Club's License Suspended*, NEW HAVEN INDEPENDENT, Oct. 29, 2010, available at http://newhavenindependent.org/index.php/archives/entry/clubs_license_suspended/.

²³⁶ *Id.*

District Manager Lt. Rebecca Sweeney estimated that 14,000 patrons populated the district on a Saturday night in September.²³⁷

The clubs occupy spaces that might otherwise be vacant, increasing tax revenues for New Haven. Additionally, the clubs provide jobs. 116 Crown, a moderately sized bar by New Haven standards, employs about twenty people at a time, most of whom are New Haven residents.²³⁸ According to BAR's manager, Frank Patrick, the restaurant and bar employs sixty to sixty-five employees at a time.

However, the Crown Street scene is not uniformly viewed as a positive contribution to New Haven. Several recent incidents have cast doubt on whether it is beneficial to the city. In November 2009, a Hamden resident was stabbed as many eleven times at Club Sinergy, at 201 Crown Street, resulting in his death.²³⁹ There had been another stabbing at the club a year earlier, though that victim survived.²⁴⁰

In February 2010, a "boozy brawl" on Crown Street resulted in the injury of eight police officers and the arrest of nine people.²⁴¹ According to a Yale Daily News article covering the event, "As 2 a.m. approached, at least eight NHPD officers stood outside the

²³⁷ Melissa Bailey, Paul Bass, & Thomas MacMillan, *14,000 Jammed Club District Evening of Cop Shoot-Out; Nightspots Join Call for Solution*, NEW HAVEN INDEPENDENT, Sept. 21, 2010, available at http://newhavenindependent.org/index.php/archives/entry/crown_street_shootout/ (that estimate was made by downtown police District Manager Lt. Rebecca Sweeney).

²³⁸ Interview with Rena Leddy, *supra* note 222.

²³⁹ William, Kaempffer, *Man Killed in Bar Fight*, NEW HAVEN REG., Nov. 29, 2009, available at http://www.nhregister.com/articles/2009/11/29/news/new_haven/a1murder29.txt.

²⁴⁰ *Id.*

²⁴¹ Colin Ross, *Nine Arrested in Crown Street Brawl*, YALE DAILY NEWS, Feb. 23, 2010, available at <http://www.yaledailynews.com/news/2010/feb/23/nine-arrested-in-crown-street-brawl/>.

bars of New Haven’s lively Crown Street and braced for the surge of intoxicated people that would soon be headed their way, some of whom would be looking for a fight, according to the police report. Sure enough, as people congregated on the streets, a fight broke out.”²⁴²

In August 2010, a Bridgeport resident was found dead from a gunshot wound in a parking lot near Gotham Citi nightclub.²⁴³

In September 2010, there was a shoot-out at the corner of College and Crown Streets.²⁴⁴ The gunman missed his target and instead hit two other New Haven residents, later firing at police officers as well (injuries were non-life-threatening).²⁴⁵

New Haven has substantially increased its police presence on Crown Street in response to these incidents. After the shoot-out, the police launched a “major crackdown” involving more than 40 officers and officials, who made 28 arrests over the course of three days.²⁴⁶ According to Mayor DeStefano, the crackdown cost \$15,000.²⁴⁷ He compared this to the mere \$900 in personal property taxes paid by club Oracle (now closed) in the previous year. DeStefano said that there was a “serious disconnect” between the revenue the clubs provide to the city and the resources they consume.²⁴⁸ He

²⁴² *Id.*

²⁴³ Egidio DiBenedetto & Colin Ross, *Police to Increase Presence Near Crown Street*, YALE DAILY NEWS, Sept. 21, 2010, available at <http://www.yaledailynews.com/news/2010/sep/21/police-to-increase-presence-near-crown-street/>.

²⁴⁴ *Id.*

²⁴⁵ *Id.*

²⁴⁶ Kaempffer, *supra* note 26.

²⁴⁷ *Id.*

²⁴⁸ *Id.*

has proposed instituting an extra tax on the clubs to help defray police costs.²⁴⁹ Even so, DeStefano has concluded that New Haven might be better off without the clubs.²⁵⁰

It is true that Crown Street is proving to be a substantial expense. The annual police budget for providing security during the weekend in the club district increased from \$200,000 several years ago to \$500,000 in early 2010 to \$900,000 now.²⁵¹ New Haven might be able to get rid of the most out-of-control clubs, possibly by inspecting them out of business, as a New Haven Register article suggested,²⁵² without sacrificing very much tax revenue. The building occupied by Static Nightclub, for example, owes \$22,350 in taxes this year, but this includes both the club space and the upstairs, residential space. However, the City would lose more than just tax revenue. It would lose a source of employment as well as revenue generated by club-goers in the form of parking fees (much of which go directly to the City since it owns two major parking garages in the vicinity).

IV. A COMPARISON

The Ninth Square and Crown Street are adjacent areas of New Haven and were in similar states of deterioration in the early 1980s. From there, however, their paths

²⁴⁹ *Id.*

²⁵⁰ *Id.*

²⁵¹ Allan Appel, *Downtown Confronts Cops, City*, NEW HAVEN INDEPENDENT, Oct. 6, 2010 (Statement of Rob Smuts, Chief Administrative Officer, New Haven Police), available at http://newhavenindependent.org/index.php/archives/entry/downtown_confronts_the_cops_and_the_city/.

²⁵² Kaempffer, *supra*

diverged significantly: Ninth Square became the target of a comprehensive, city-driven renewal project, while Crown Street redeveloped largely organically. A comparison between these two areas today may provide insight into the question of whether large-scale, city-driven renewal projects are worth the substantial government resources they consume.

Elwood draws a sharp contrast between Upper State Street and Ninth Square. He notes initially: “Given the pervasiveness and persistence of government involvement in urban redevelopment, the most important question is not whether the City should be involved, but the terms on which it should distribute its largesse.”²⁵³ He compares the “coarse-grained Ninth square project with the fine-grained Upper State Street project”²⁵⁴ and concludes that “it appears that a neighborhood can be successfully revitalized without major assistance from municipal, state or federal authorities.”²⁵⁵ Although the Upper State Street Project was, as Elwood suggests, far less concerted and expensive to the government than Ninth Square, it did receive government funding and was the target of a specific government renewal program. Local property owners started the process, banding together to create the Upper State Street Association and reverse the deterioration of the neighborhood.²⁵⁶ However, the City roughly simultaneously became involved, creating the Neighborhood Commercial Revitalization Program, under which grants for renovation and public improvements would be available.²⁵⁷ The City also

²⁵³ Elwood, *supra* note 14, at 140.

²⁵⁴ *Id.*

²⁵⁵ *Id.* at 182.

²⁵⁶ *Id.* at 168.

²⁵⁷ *Id.* at 168-69.

provided to property and storeowners free consultations with architects, bankers, real estate brokers and building contractors.²⁵⁸

Direct public funding for the project included City of New Haven bonds, a Connecticut Department of Economic Development grant, an HUD grant, and public improvements, and totaled about \$1 million.²⁵⁹ While these direct contributions are modest, it should be noted that city involvement in developing the renewal program, evaluating projects and procuring the services of professionals to advise property owners presumably generated additional costs.

Crown Street suggests that renewal can take place without a government-sponsored effort. Not only can “a neighborhood... be successfully revitalized without major assistance from municipal, state or federal authorities,”²⁶⁰ as Elwood suggests, it can be revitalized without any concerted assistance from government, and even without any concerted effort at all. Unlike Upper State Street, Crown Street’s revitalization was gradual and piecemeal and did not involve substantial coordination between storeowners.²⁶¹

The government, then, does not need to be involved in renewal. However, a comparison of the Ninth Square and Crown Street indicates that the level of government involvement in an area’s renewal can substantially affect the nature of the neighborhood that results. In an effort to assess the relative success of revitalization in the two areas, I

²⁵⁸ *Id.* at 170.

²⁵⁹ *Id.* at 172.

²⁶⁰ *Id.* at 148.

²⁶¹ *See Id.* at 168-69 (describing the development of the Upper State Street Association and its cooperation with the City’s Neighborhood Commercial Revitalization Program).

compare the Ninth Square and Crown Street on four dimensions: property values, rents, demand for parking, and vacancies.

A. Property Value

Property values can be a valuable indicator of a neighborhood's desirability. In order to compare the Ninth Square and Crown Street, I calculated average property values per square foot of floor space. The property values are based on the New Haven Tax Assessor's assessed property values.²⁶² Under Connecticut law, assessed values are 70% of market values,²⁶³ so I calculated market values by dividing assessed values by 0.7. In defining properties on a particular block, I included a property on a particular street if it fronts substantially on that street. I did not count empty lots or outdoor parking lots, as they do not contain floor space.

The property value per square foot on Crown Street between High and College Streets is \$68.80.²⁶⁴ It is \$68.79 on Crown Street between College and Temple Streets, and \$41.59 on Crown Street between Temple and Church Streets. Note, however, that the value for the block between College and Temple Streets is not very reliable: there are very few data points since one side of the street consists only of Temple Street Garage

²⁶² New Haven Tax Assessors Online Database for New Haven, CT, <http://data.visionappraisal.com/newhavenct/DEFAULT.asp> for New Haven's searchable Tax Assessor's database.

²⁶³ 203 CONN. STAT. § 12-62A.

²⁶⁴ See Appendix 7.

and a lot that is under construction, and the other side essentially consists of only two parcels

The average property values per square foot in the Ninth Square are as follows: \$82.65 for Crown Street between Church and Orange Streets, \$42.54 for Crown Street between Orange and State Streets, and \$71.30 for Orange Street between Crown and Chapel Streets. The lower value for Crown Street between Orange and State Streets is of interest because most of that block has not yet been renovated and is fairly dilapidated.²⁶⁵

While this data does not necessarily indicate whether the Ninth Square or Crown Street is ultimately “more successful,” it does suggest that property values are higher per square foot in the Ninth Square. Crown Street between Church and Orange Streets is \$14 more valuable per square foot than Crown Street between College and Temple Streets, despite the fact that they are only one block apart.

Another interesting feature of this data is that apartment buildings tend to have higher property values per square foot than other buildings. The property values for the apartments in 196 Crown Street and 116 Crown Street are significantly higher per square foot than values of other properties on their respective blocks. The high value of residential space makes the Ninth Square Project’s focus on providing it seem like a wise decision. From a tax revenue standpoint, the 335 new and renovated residential units produced by Phase I of the Ninth Square Project are a good investment, particularly since

²⁶⁵ See Appendix 2, C & E.

much of this space was previously warehouses,²⁶⁶ which would be expected to have much lower values.²⁶⁷

It should also be noted that the presence of undeveloped parcels (typically used as outdoor parking lots), excluded from these calculations, significantly affects the net property value of an area. Each of the blocks discussed above contains some undeveloped land, although the size of the undeveloped parcels on each block varies substantially.²⁶⁸ The average value per square foot of undeveloped land is far lower than that of developed land, ranging from around \$17 to \$96 per square foot. (Note that these values cannot be directly compared to the value per square foot of floor space, since most buildings have multiple stories and may not occupy the entire lot). Blocks with substantial amounts of undeveloped land, notably Crown Street between High Street and College Street and Crown Street between Orange and State Streets, are less valuable tax-wise than they could be.²⁶⁹ The fact that at least one empty lot that was supposed to be developed as part of the Ninth Square Project Phase II (232 State Street) is still vacant illustrates Elwood's point that large-scale government rehabilitation is subject to substantial delays and shows

²⁶⁶ *See, e.g.,* Ball, *supra* note 18.

²⁶⁷ Commercial spaces, of course, bring other benefits that residential spaces do not, specifically visitors to the area, employment opportunities and retail sales.

²⁶⁸ *See* Appendix 8.

²⁶⁹ The large lot on Crown Street between Temple and Church Streets is under construction as part of the Gateway College Project. *See* CITY PLAN DEPARTMENT, GATEWAY COMMUNITY COLLEGE RELOCATION TO DOWNTOWN, *available at* <http://www.cityofnewhaven.com/economicdevelopment/Projects/readmore.asp?ID={78E88EC4-7E11-4679-BE18-5E21B730123E}>. 232 State Street, which fronts largely on Crown Street between Orange and State Streets, is set to be developed by David Nyberg. *See* New Haven City Plan Commission Site Plan Review, 232 State Street, 28-36, 40-44 Crown Street (June 21, 2006), *available at* www.cityofnewhaven.com/uploads/1391-05%20232%20State%20St.pdf.

that this results in a loss of government tax revenue. Confirming the trend of somewhat higher property values in the Ninth Square, empty land is on average worth roughly \$60 per square foot in the Ninth Square and \$51 per square foot on Crown Street.

Property value per square foot of floor space depends on the value of buildings in addition to land. Since buildings in the two areas of study were built or renovated at different times and have likely been depreciated different amounts, I also looked at land values alone.²⁷⁰ The land values per acre in the Ninth Square and Crown Street follow roughly the same pattern as the property values per square foot of floor space.²⁷¹ On average, values in the Ninth Square are somewhat higher (Crown Street, between Church and Orange Streets, has the highest land value).

Property values are generally somewhat higher in the Ninth Square than on Crown Street. However, the values are not very different. Additionally, based on the use of space in the two districts, it is not entirely surprising that the Ninth Square would have higher property values than Crown Street; a fair amount of Crown Street is dominated by parking garages, which tend to have fairly low values per square foot. If property values represent desirability, the property values discussed here indicate that Crown Street and the Ninth Square are fairly comparable in terms of desirability.

B. Rent

²⁷⁰ Land values were not available for certain buildings, so they have been excluded from these calculations.

²⁷¹ See Appendix 9.

According to the local representative of Related Companies, the storefronts that Related owns on Orange Street in the Ninth Square rent for \$16/sq. ft. By comparison, an empty ground floor restaurant space in the LoRicco building at 216 Crown Street is for-rent at \$7.5/sq. ft.²⁷²

The unsubsidized rents at the Residences at Ninth Square start at \$971 per month for a studio, at \$1250 for a one bedroom, and at \$1600 for a two bedroom.²⁷³ The rent per square foot is \$2.96 for a one bedroom.²⁷⁴ Apartments in the Liberty Building, at 152 Temple Street, just next to Crown Street, rent for \$1065-\$1080 for studios and \$1330-\$1592 for one bedrooms.²⁷⁵ The rent per square foot is \$1.86-\$2.04 per square foot for a one bedroom.²⁷⁶ Based on this small sample, rents in the Ninth Square are higher than on Crown Street, for both commercial and residential space. Like the lower average property values on Crown Street, the lower commercial rents on Crown Street are probably due to less desirable land uses (parking garages). Various factors might contribute to higher residential rents in the Ninth Square, such as the fact that Crown Street is much louder at night. The significance of these different rent values should not be overemphasized, but it

²⁷² The rent is \$1500 a month for 200 sq. ft. according to Ronald LoRicco, the building's owner.

²⁷³ The Residences at Ninth Square, <http://www.apartmentguide.com/rentals/Connecticut/New-Haven/The-Residences-At-Ninth-Square/2886/>.

²⁷⁴ *Id.* A one bedroom is about 422 sq. ft.

²⁷⁵ The Liberty Building, <http://www.thelibertybuilding.com/>.

²⁷⁶ *Id.* One bedrooms range from 650-857 sq. ft.

does suggest that the Ninth Square Project may have succeeded in increasing the value of the Ninth Square, more than the value would have increased without such a project.²⁷⁷

C. Parking Demand

Another possible indicator of the success of a revitalized commercial and residential area, such as the Ninth Square, is the demand for parking. A recent parking survey divided downtown New Haven into four quadrants (Audubon, Broadway, South and West of Chapel/Crown, and Ninth Square).²⁷⁸ The survey found that the quadrant called South and West of Chapel/Crown (which is primarily Crown Street) had the highest occupancy rate: 91%.²⁷⁹ The Ninth Square had the second highest parking space occupancy rate at 89%.²⁸⁰ However, while the off-street parking spaces in the Ninth Square were highly utilized (a substantial number of people from Yale New Haven Hospital used the lot at the former Coliseum site), on-street parking was at only 51% of capacity-- the lowest on-street rate of any quadrant.²⁸¹ The fact that off-street parking is highly subscribed in the Ninth Square while on-street parking is far from capacity suggests that people who are parking in the Ninth Square may not actually be visiting it.

²⁷⁷ This statement assumes that, without the Ninth Square Project, the development of the Ninth Square would have been comparable to that of Crown Street, which might not be the case.

²⁷⁸ Economic Development Administration, City of New Haven, Minutes of Meeting of April 13, 2010 at 4-5, *available at* www.cityofnewhaven.com/.

²⁷⁹ *Id.* at 4.

²⁸⁰ *Id.*

²⁸¹ *Id.*

On-street metered parking would be more convenient for people visiting shops or restaurants for an hour or two, whereas off-street parking makes more sense for people who are leaving for significant periods of time, for example to go to work or, as the survey suggests, to the hospital.

Overall parking demand is slightly higher on Crown Street than in the Ninth Square. This is probably attributable in part to Crown Street's more central location. However, the unusually low rate of on-street parking demand in the Ninth Square confirms the aptness of a common criticism of the Ninth Square—that it has few visitors.

D. Vacant Properties

Empty storefronts can be another indicator of the desirability of a given area. The parts of the Ninth Square that have been redeveloped have relatively few empty storefronts. As of December 2010, the only visibly vacant storefront on Crown Street between Church and Orange Streets is part of the Chamberlain building at 50 Orange Street (part of the retail space that fronts on Crown Street appears vacant, though the rest of the retail space, including that fronting on Orange Street, is occupied by Artspace). On Orange Street between Crown and Chapel Streets, a parking garage is empty and up for lease and the building on the corner of Orange and Chapel Street formerly occupied 2 Brothers Beauty Supply (808 Chapel) is entirely empty and quite rundown. 41 Center Street (which lies between Church and Orange Streets) is for lease. The vacancy of these spaces indicates some lack of demand. The appearance of empty storefronts also makes an area feel undesirable. Presumably, this was part of the impetus behind Project

Storefront.²⁸² Project Storefront currently uses a 5500 sq. ft. space on Orange, adding to the tally of un-rented storefronts.

Some parts of the Ninth Square that have not yet been redeveloped are in bad shape: between Orange and State Streets an entire block is unoccupied (40-44 Crown, 30-36 Crown, 26-28 Crown, and 232 State Street). These properties, originally part of Ninth Square Phase II, are slated for development into a new residential condominium complex by developer David Nyberg.²⁸³ While the vacancy of these spaces does not reflect lack of demand, as they are not ready for occupation, the fact that they have remained vacant for so long negatively impacts the neighborhood.

Crown Street has some empty storefronts as well. Hula Hanks and Lansdowne both closed earlier this year, and their spaces are still unoccupied.²⁸⁴ The space formerly occupied by Lansdowne is being converted into a new bar. From the outside of Hula Hanks, it is not clear whether it is under construction, but it does not appear to be for rent. Static is also currently under construction. Additionally, there is one restaurant space for rent in the LoRicco Building.

Un-rented storefronts are more prevalent in the Ninth Square than on Crown Street. This confirms another common criticism of the Ninth Square.²⁸⁵ However, the

²⁸² See *supra* notes 163-68 and accompanying text.

²⁸³ City Plan Department, New Haven City Plan Commission Site Plan Review: 232 State Street, 28-36, 40-44 Crown Street (June 21, 2006); Mary E. O'Leary, *Work to Resume on Crown Buildings*, NEW HAVEN REG., Dec. 8, 2008, available at <http://www.nhregister.com/articles/2008/12/08/news/a3-mon-necrown.txt>.

²⁸⁴ See *supra* note 231 and accompanying text.

²⁸⁵ See, for example, Ball, *supra* note 18 and DeWitt, *supra* note 159, for discussions of the empty storefront problem in the Ninth Square.

current number of empty storefronts in the Ninth Square is not enormously high, and the vacancies that do exist are probably attributable in part to the selectivity of the landlords.²⁸⁶ All told, the empty storefronts in the Ninth Square indicate an area in which the Project was not entirely successful, but this failing should not be exaggerated.

E. Analysis

In the previous four sections, I compared the Ninth Square and Crown Street on the basis of four indicators. The comparison suggests that property in the Ninth Square is somewhat more valuable than that on Crown Street but that Crown Street is more fully populated, both by businesses and by visitors. In purely economic terms, this comparison indicates that the Ninth Square Project may not have been worth the funds and time it consumed. Ninth Square properties are not drastically more valuable than Crown Street properties, which the government did not contribute substantially to building or renovating. Further, Crown Street more successfully fills its commercial spaces and attracts visitors.

Financially, the City might have been better off leaving the revitalization of the Ninth Square to the market. Whether the benefits of the Ninth Square Project outweigh its costs (and they may not), Crown Street suggests that benefits of redevelopment can be reaped at a much lower cost (at least to the public). Developers, storeowners and property owners may, when left largely to their own devices, revive a decrepit part of the city largely on their own.

²⁸⁶ See *supra* note 169 and accompanying text (Bryan McGrath asserts that Related Companies, at least, is selective regarding its tenants).

Despite minimal public outlays for the redevelopment of Crown Street, however, it does generate substantial costs to the City. In New Haven's 2010 budget, the Police Department is allotted \$36,456,332.²⁸⁷ Compared to this figure, the \$900,000 the Police Department spends per year to police the club district on weekend nights²⁸⁸ is substantial, particularly since the club district covers only a few blocks. New Haven's August 2010 Monthly Financial Report noted, in fact, that police overtime will be problematic budget-wise if current trends continue.²⁸⁹ A look at the overall efficiency of a redevelopment effort must look at long-term costs and benefits. In the long term, the Ninth Square may compare more favorably to Crown Street than it does based on redevelopment costs alone.

More importantly, however, the value of redevelopment cannot be assessed in pure monetary terms. The purpose of redevelopment is not simply to produce the highest monetary benefit at the lowest cost. The Ninth Square's renewal may be less economically efficient than Crown Street's, but the Ninth Square may better meet the City's goals.

Despite their proximity, the Ninth Square and Crown Street have different personalities. The Ninth Square is "a funky warehouse district"²⁹⁰ with artists, architecture firms and upscale restaurants (and some un-rented storefronts). Crown Street is New Haven's club district, populated by an estimated 14,000 patrons on a Saturday

²⁸⁷ City of New Haven, Monthly Financial Report, FY 2010-11 at 6, *available at* www.cityofnewhaven.com/Finance/pdfs/20100827154146055.pdf.

²⁸⁸ *See* Appel, *supra* note 250.

²⁸⁹ City of New Haven, Month Financial Report, *supra* note 286, at 4.

²⁹⁰ Ball, *supra* note 18.

night²⁹¹ and viewed by some as “a stain on the city.”²⁹² Given the number of patrons, Crown Street seems better than the Ninth Square at satisfying market demand. This is consistent with the conventional argument that government subsidies can reduce efficiency by distorting the market.²⁹³ By altering prices, government subsidies may induce people to over produce goods.²⁹⁴ In the Ninth Square context, it certainly seems plausible that a private developer without government subsidies (who would presumably seek to maximize profit) would not have pursued a comparable project to that which the Federal Government, Connecticut, New Haven and Yale University heavily subsidized.

However, there are certain collective and shared benefits that a competitive market will not produce.²⁹⁵ A redevelopment project such as the Ninth Square Project creates collective benefits that are hard to price. New Haven residents (and potentially non-residents also) benefit from the absence of what was a shabby part of town, from the availability of newer, nicer streets to walk on, and from a pleasanter view. These benefits likely would not be fully reflected in the profits of a private developer.

²⁹¹ Melissa Bailey, Paul Bass, & Thomas MacMillan, *14,000 Jammed Club District Evening of Cop Shoot-Out; Nightspots Join Call for Solution*, NEW HAVEN INDEPENDENT, Sept. 21, 2010, available at http://newhavenindependent.org/index.php/archives/entry/crown_street_shootout/ (that estimate was made by downtown police District Manager Lt. Rebecca Sweeney).

²⁹² *Letter: On Crown St., ‘Let’s Kick the Nightclubs Out,’ supra* note 26.

²⁹³ For a description of this argument, see, for example, DAVID N. HYMAN, *PUBLIC FINANCE: A CONTEMPORARY APPLICATION OF THEORY TO POLICY* 65-67 (9th ed. 2008).

²⁹⁴ *Id.* at 66.

²⁹⁵ *Id.* at 62.

Affordable housing downtown is another benefit that the market might not produce. Ninth Square Phase I produced a high proportion of subsidized housing.²⁹⁶ Conversely, David Nyberg, who is developing some of the buildings previously intended to be rehabilitated in Phase II, has decided not to supply affordable housing, thereby forfeiting a \$7.2 million state grant.²⁹⁷ Nyberg apparently concluded that provision of the subsidized units was not cost-effective.²⁹⁸ But their absence will likely exacerbate the problem complained of by one of New Haven's alderwomen, that "[w]hat we have in New Haven is the rich folk living downtown and the poor folk in the neighborhoods."²⁹⁹ This example is particularly interesting since Nyberg would have received a substantial government subsidy to produce subsidized housing. This suggests that grants to individual developers might be insufficient to achieve some of the city's goals. Conversely, MBA worked together with the City and was required to fulfill requirements set by the City.

²⁹⁶ Some doubt the effectiveness of providing affordable housing in this way, by subsidizing certain units in an otherwise market-rate building. *See e.g.*, Robert C. Ellickson, *The False Promise of the Mixed-Income Housing Project*, 57 UCLA L. REV. 983 (2010). A discussion of the merits of this approach is beyond the scope of this paper.

²⁹⁷ *See* Andy Bromage, *Ninth Square Lagging in Affordable Units*, NEW HAVEN REG., Jan. 9, 2006, available at <http://www.nhregister.com/articles/2006/01/09/import/15893354.txt>; Editorial, *Ninth Square's Revival is Success*, NEW HAVEN REG., Jan. 16, 2006, available at <http://www.nhregister.com/articles/2006/01/16/import/15936417.txt>.

²⁹⁸ Bromage, *supra* note 281.

²⁹⁹ Statement of Alderwoman Andrea Jackson Brooks, *in* Bromage, *supra* note 281.

The Ninth Square also produces variety. Nightclubs and bars might have been the most profitable use of the land,³⁰⁰ but the City envisioned something else: a rehabilitated historic district, with apartments, restaurants and coffee shops,³⁰¹ not a club district. An artistic community has developed in the Ninth Square that probably would not choose to locate amidst nightclubs. The most recent addition to that community is Project Storefront, which ironically is made possible by the availability of empty storefronts in the Ninth Square.

Also, Crown Street produces negative externalities that might not be reflected in market prices. The additional police costs expended on Crown Street may not be prohibitively high on their own, but there are other costs that are harder to price. The crime and crowding that the clubs generate negatively impact New Haven residents.³⁰² People might be bothered by the fact that they live near the type of downtown that requires such high police costs.

I do not suggest that these difficult-to-price benefits mean that the Ninth Square Project was efficient or that Crown Street is inefficient. Some of the costs and benefits I've discussed, such as the degree to which the clubs detract from New Haveners' quality of life or the satisfaction derived from the presence of an artistic community, are

³⁰⁰ It is possible, of course, that Crown Street already had the market on nightclubs cornered or that the Ninth Square's location is not central enough to support a similar scene.

³⁰¹ See, e.g., DeWitt, *supra* note 159.

³⁰² See, e.g., William Kaempffer, *Restaurant-goers Dive for Cover as Shots Ring Out in Downtown Entertainment District*, NEW HAVEN REG., Oct. 19, 2010, available at <http://www.nhregister.com/articles/2010/09/19/blotter/doc4c9674a1258a7609154121.txt> (describing patrons of Pacifico Restaurant responding to shots fired nearby at the corner of Crown and College Streets. One bullet broke through a window of the restaurant.).

prohibitively difficult to assess. Instead, I mean to demonstrate that the fact that non-city-driven redevelopment on the Crown Street model is possible does not necessarily mean that the city should withdraw from renewal. The Ninth Square looks more successful now that it did from Elwood's vantage point in 1994, and it might look even better in another fifteen years.

V. CONCLUSION

By many accounts, Mayor Richard Lee's urban renewal was a failure.³⁰³ It was destructive and disruptive and resulted in some projects that vastly miscalculated demand.³⁰⁴ With the Ninth Square Project, the City seemed to head down a similar path. It once again used eminent domain to acquire properties, displacing the businesses and residents of the area. The Project, which relied on a substantial amount of government support to begin with, took longer and cost more than expected. However, the Ninth Square Project did differ from Lee's urban renewal in certain key ways, indicating that the City had learned a lesson. Historic buildings were preserved rather than demolished and new buildings were harmonized with the old. Development plans and financing were

³⁰³ *See, e.g.*, FAINSTEIN, *supra* note 1, at 49-50 ("Overall, then, a rough assessment of renewal ... suggests that ... [its] net impact on the condition of the city was probably negative."); RAE, *supra* note 5, at 313 ("Lee and his administration failed to achieve the overall goal of renewing the city of New Haven.").

³⁰⁴ For example, Malley's, Macey's and the Coliseum were not the successes Lee envisioned. *See supra* notes 6-10 and accompanying text.

in place before demolition began, largely avoiding the problem of empty lots with nothing to build on them.³⁰⁵

Still, Crown Street presents another model of redevelopment, one in which the government does not act as overseer at all. Elwood argues that, instead of providing massive subsidies to a single developer (as in the Ninth Square Project), it might be more efficient for governments to provide more modest subsidies to many developers, achieving a more fine-grained pattern of redevelopment (as in Upper State Street).³⁰⁶ In fact, Crown Street indicates, the City might not need to provide any subsidies; it might be more efficient to let the market drive redevelopment.

The comparison between the Ninth Square and Crown Street suggests, however, that the City should not necessarily pull out of the redevelopment game. The purpose of redevelopment is not simply to generate the highest direct economic benefit. The Ninth Square provides certain public goods that the market, left alone, would not supply. Ultimately, both the Ninth Square and Crown Street offer hope for the future of city revitalization. Mayor Richard Lee believed that the city's renewal depended upon the removal of "the blight and obsolescence of the environment" of a large part of the City, and that renewal could not take place without "a comprehensive program."³⁰⁷ The blight and obsolescence were to be eradicated by eradicating much of the City itself, and the role of the City in developing and executing the comprehensive program was considered

³⁰⁵ See EXECUTIVE SUMMARY, *supra* note 87, at D-12, describing key differences between the Ninth Square Project and Urban Renewal.

³⁰⁶ Elwood, *supra* note 14, at 182-83.

³⁰⁷ Richard Lee, "Opening Opportunities" (New Haven: Community Progress, Inc., 1962) as reprinted in RAE, *supra* note 5, at 347.

essential. The Ninth Square indicates that the City has learned to question the first proposition, and Crown Street casts doubt on the second. Moving forward, and building on our mistakes, there is room for both approaches. A project like the Ninth Square, which is reminiscent of Lee's urban renewal but takes a more delicate approach, can complement the revitalization that happens organically, by supplying goods that the market won't provide. The City's future role in development, then, relies on its ability to choose its battles.