

THE DOWNTOWN CURMUDGEON vs THE RETAIL CONTRARIAN

Michael J Berne blogs as the Retail Contrarian and N, David Milder blogs as the Downtown Curmudgeon. They both are unafraid of questioning conventional wisdom about downtown revitalization, taking fresh looks at downtown challenges and opportunities, or engaging in friendly debates about these subjects. This column reflects the email give and take they have been engaging in for several years now.

Downtown Tourism

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NDM: Mike, I've been working on an article about how to bring Midtown Manhattan into a full recovery mode, and from several analytical directions I keep coming to the conclusion that for it, tourism, especially foreign tourism, will probably be a far more important factor than new housing. Yet, I feel very uncomfortable with that conclusion.

One reason is that I had been feeling that Manhattan's attractions were suffering from a bad case of overtourism for years before the pandemic. For example, tourists accounted for between 65% and 88% of the visitors to its legit theaters and major museums. That has meant sky high theater tickets, e.g., \$500 per seat at the box office, thousands on the secondary market, and overcrowded museums that make it impossible to view their holdings properly and enjoyably.

I also have become much more concerned generally about overtourism, and wrote about it in a 2021 article in the IEDC's Economic Development Journal (N. David Milder. **Determining if Your Town, Downtown, or Main Street Tourist Industry Needs a Program to Become More Sustainable** Economic Development Journal / Summer 2021 / Volume 20 / Number 3 https://www.ndavidmilder.com/wp-content/uploads/2023/04/Milder-Does-Your-DTN-tourist-industry-need-to-be-more-sustainable-EDJ_Summer2021_final.pdf). Overtourism basically is a problem resulting from success, not failure, and involves tourist flows becoming so large and unruly that they endanger or seriously damage the geese that are laying the golden eggs. Many major cities in Europe (e.g., Paris, Barcelona, Dubrovnik) and several in the US like Key West, Charleston, Palm Springs and Miami Beach have dealt with this situation.

Overtourism is not new, but significant awareness of it as a public issue is. For example, back in 1965-1966, I lived in Paris while doing research for my PhD dissertation. When we told our French friends how much we were enjoying Paris, we were inevitably warned about how that would change toward the end of May when the tourists arrived. The city they felt would no longer be theirs, and too often would be taken over by cultural barbarians. Of course, that prediction proved to be absolutely on target, and I regret having to report how frequently we were embarrassed by the behaviors of our fellow Americans in restaurants, museums and even the Metro. Nevertheless, French leaders did not see they had a tourist problem they had to

respond to at that time, though quite a few looked down their cultural noses at all foreigners. That is not the case today.

BTW, even back then, the Louvre could be unbearably crowded, with the area around the Mona Lisa like a crowded zoo. However, there were distinct times when the crowds eased considerably, even around the Mona Lisa, and most savvy Parisians knew of them.

That said, despite my often personal dislike of tourist behaviors, I am very aware of and cannot ignore the revenues that tourism brings to all sorts of places, large and small. To help me get a better grip on this tourism issue I am asking myself questions like:

- What can be done to better manage the levels of tourist flows? A new art museum, Glenstone, seeks to create a serene and contemplative environment and limits how many people can visit at any one time. The Barnes Museum had done something similar for decades, though in a manner many visitors found very unfriendly.. Too often today these venues aspire to being world class, and that translates into trying to get the highest attendance possible, never mind overcrowding and not being able to fully appreciate the art.
- What can be done to better manage tourist behaviors? Some downtowns that complain about tourist behaviors are also those who advertise that they are party friendly, and a little naughty, and intentionally market to those market segments likely to create a problem. Spring break, anyone? What happens here, stays here?
- What is the right balance between the desire of residents to maintain the character of the town they live in and love and the wants and needs of visitors who are spending money in the town and aiding its economy? Mike, we started to get at this issue in an earlier column, and I think we need to dig much deeper into it in this one.

MJB: Thanks for kicking this one off, David. And before I say anything, let me recommend to our readers your extensive discussion of tourism and cities in that *Economic Development Journal* article last summer.

I have a number of thoughts on the subject. The level of us-versus-them snobbery with regard to tourists often rubs me the wrong way. You noted how “quite a few [Parisians] looked down their cultural noses at all foreigners.” I do not believe that is singular to Paris – it just seems like human nature, to try to make oneself feel better as an insider by casting aspersions at the rubes on the outside. Just like the club-goers who believe they are cool because *only they know* the real article. I find it tiresome, and especially noxious when it is written into policy and regulation, as it so often does through other guises.

It is especially rich when these insiders are materially benefiting from such notoriety. When one is fortunate enough to own property in a famous place, they can charge a premium when selling or leasing it (as well as borrow more against it). In other words, they are deriving value from the fame. To then complain about the inconveniences that accompany such good fortune – or worse yet, to whine about the barbarians at the gate – reads as clueless and entitled to me. The same

holds for those who live in a university town and rant about the students. Sorry, but you don't get one without the other. You don't get to enter the castle and then lift up the drawbridge.

Yes, sometimes things do get out of hand, and the barbarians really do act the part. Antisocial behavior should not be tolerated. But all too often I detect the faint whiff of subjectivity and judgement in the tourist backlash. Don't get me wrong: I feel that sense of judgement myself at times, the belief that I deserve preference because, unlike the heathens, I know how to appreciate and enjoy this gem. But in the end, no one – not the homeowners and taxpayers, nor the intellectuals and the sophisticates – owns such places. The wonders of this world – whether they be natural or human-made – belong to everyone on some level, as a sort of public trust.

Sorry for going so philosophical from the get...

NDM: Mike, I became more concerned that you might be having a gallbladder attack than your going so “philosophical.”

Re my statement: “That is not the case today.” That was not referring to a diminution of French cultural snobbery, but to French leaders not seeing an overtourism problem. I had just said that these leaders were unaware and looked down the cultural noses.

BTW I found that, as evidenced by the reduced frequency with which my French was being corrected and uproars about the incorporation of American English words into the French language were happening, French cultural snobbery has eased somewhat since my first trip there in 1962.

For some people, maximization of income is not a driving motivation. Concern about leading a certain type of life might be a stronger driving force. I tend to find those most concerned about making loads of money are fairly obnoxious, shallow and short sighted.

Among my French friends and acquaintances who warned that the tourist barbarians were coming were many who were not benefiting directly financially from them. They were concerned, however, about how people behaved in their city, about loud obnoxious behavior, violations of local behavioral norms, and a lack of respect for the city they were visiting. However, one ardent complainer was the owner of a café directly across the street from the Hertz car rental operation. Their customers often also visited the café. I frequently observed their arrogant and ill-mannered behavior in the café, especially by fellow Americans. The patron then would look at me and roll his eyes, and I would be very embarrassed. I think that people, be they local citizens or tourists, who are ill behaved and/or disrespectful should not be tolerated. I would not give tourists any free passes or get out of jail cards. Ignorance is neither bliss nor an excuse for such behavior.

Mike, you are actually raising in my mind a conundrum that I have found the inhabitants of many towns around the country have faced: will tourism's financial gains warrant any substantial changes in the local quality of life that it causes, when the local QoL is the reason they live in their

town? To my mind, they are asking an essential question. More problematic are situations where location leaders rush into a tourist-driven growth strategy or decide on an even deeper investment in tourism with little consideration of its consequences.

I also think that many of our tourist problems are the result of the attitudes and actions of the leaders and board members of our large cultural and arts organizations. Instead of focusing on having the best museum, or theater, or concert hall, they buy into being “world class” as indicated by having as large as possible admissions that includes a heavy preponderance of tourists. The situation around the Mona Lisa at the Louvre is symptomatic. There huge crowds huddle around the painting, most people cannot get anywhere close to the painting, but they can check that off their to do list and say they have seen it from about a figurative mile away. We have encountered similar sardine can crowding in several museums here in NYC . They should hand out small cans of olive oil with your admission so you can more easily squeeze in. More seriously, the leaders of these venues should be far more concerned about the quality of the environment they provide their visitors. For example, packed galleries and dirty overcrowded restrooms do not make for a great museum, no matter the quality of its holdings. I don’t think this argument is a piece of cultural snobbery. It is an argument that holds that museums are places where art and other valued objects are held, but places where the seeing and appreciation of such objects is their *raison d’etre*. The overtourism in these venues is fostered by their managements!!!

MJB: The gallbladder seems intact, but I appreciate your concern!

I have certainly felt embarrassed on occasion at the behavior of my fellow Americans while on holiday, almost as a sort of reflex action. But upon further reflection, I often realize that it is grounded in a false expectation of what travelers are somehow supposed to intuitively understand. How, after all, *can* a visitor be aware of such “local behavioral norms” when they are *not* local? On another level, such examples of cross-cultural miscommunication are fascinating to me, offering rare opportunities to observe and better understand how different peoples live, experience and perceive in fundamentally different ways. But if we cannot get beyond our sense of judgment, if we’re too blinded to the relativism of it all, we completely miss that dimension.

I would also challenge the various stereotypes that we hold in our minds about different kinds of tourists. Like the loud and obnoxious Americans, the snobby and imperious French or the loutish hooliganism of England’s traveling football supporters. I wonder whether, in percentage terms, these actually stand up to scrutiny – I’m not sure they do – or whether they’re just anecdote-driven – which I suspect they are. And yet they frame and prejudice the opinions that we have of visitors, and – it seems you’re saying – they *should* structure our policy responses as well. Moreover, how does one police boorishness or disrespect if it falls short of criminal misconduct?

I share your frustrations with major museums, and I realize it is the unavoidable outcome of my aforementioned belief that the wonders of the world are owned by everyone -- I just don’t know what a solution would look like. Either we limit traffic – say, to the Mona Lisa – by charging a premium, or we do so with a first-come, first-serve reservation system. Neither of those is ideal.

It's a bit like admission to elite schools and universities: these are (very) scarce resources, unfairly and somewhat arbitrarily allocated, yet what is an alternative that does not simply result in another scheme of unfair and arbitrary allocation? Maybe we should just start getting used to olive oil...

A bit of current news that captures a lot of these tensions is playing out – as it seemingly does every spring – in Miami Beach (<https://www.nytimes.com/2023/04/08/us/miami-beach-spring-break-curfew.html>). Curious about your take on that.

NDM: My gallbladder caused me more pain than I had ever had, so I am happy yours was not aflame.

Yes, stereotypes are generally not in order, but researched observations about national and regional cultures have been made and are often useful. I do not think that one needs to have an anthropological understanding of a culture to be aware of local norms. When we walk into a strange room or gathering elsewhere, or even walk down a sidewalk we are gathering signals from what we see, especially from the behaviors of others. Some signals we interpret as signs of order/disorder, but others indicate the kind of behaviors that seem permissible in that location. You can often tell about how loud people can be, or even how permissibly drunk or high, or even how they can physically treat others in these public settings.

Groups of native New Yorkers seldom walk spread out horizontally across the sidewalk, but groups of foreign tourists certainly do that with some frequency. To my mind they have not been very observant of local behaviors for which no classwork is required to comprehend, or are insistent on maintaining their own behavior patterns. The latter is fine as long as they do not make it more difficult for New Yorkers to walk comfortably on their city's sidewalks.

The “more olive oil” strategy makes it impossible for these venues to achieve their inherent primary missions – to enable people to see and hear pieces of great artistic merit in an environment conducive to understanding them. I strongly favor restricting access to maintain such an environment. Those deterred from access are unlikely to value having such an experience, or to learn about its potential value. These culture emporiums also have another strategic thrust available to them: to open more locations and put many more of their holdings on display right in their city's neighborhoods. For instance, Quartz reports that:” Much of the world's great art is housed in the vast archives of museums with limited display space. The largest museums typically display about 5% of their collection at any time.” <https://qz.com/583354/why-is-so-much-of-the-worlds-great-art-in-storage> The BBC found that:

- “ At New York's Museum of Modern Art, 24 of 1,221 works by Pablo Picasso in the institution's permanent collection can currently be seen by visitors.... Surrealist Joan Miró? Nine out of 156 works.
- “(T)he Tate shows about 20% of its permanent collection. The Louvre shows 8%, the Guggenheim a lowly 3%...” <https://www.bbc.com/culture/article/20150123-7-masterpieces-you-cant-see>

I think that what is happening in Miami Beach is very interesting and a lot can be learned from it. In my overtourism article in the EDJ I was really referring to Miami Beach a lot. In my article I detail how there are different types of tourism, some of which are far less liable to create problems than others. The Miami Beach situation is not really about doing away with tourism, but about which type shall dominate: partying and being naughty tourism, or residential tourism. Examples of the former are all the spring break towns and Las Vegas and LV wannabees, and casino towns. Examples of the latter are the Hamptons, Palm Beach, Boca Raton, Meredith in NH, the Berkshires, Aspen, Vail, Sun Valley, Palm Springs, etc.

Our friend Richard Florida has reported that Miami Beach has seen a huge infusion of wealthy people in high tech and arts industries who buy very expensive homes. They probably own more than one home, and are part timers in Miami Beach. The more time they stay in MB the more they will spend there. The “residential tourists” spend a lot more money than the “party tourists” and in a wider range of shops. They are more likely to spend serious money on art, apparel, home furnishings, personal and professional services, etc. than the party goers.

We first visited Miami Beach back in 1996. I quickly concluded that Ocean Drive was creating an image that no one was in charge of this place. There was no real sidewalk, so many people walked in the street, and during the evening an awful lot were drunk or high, walking with drinks or weed in hand. Urinating in the streets was an oft seen event, but cops were nowhere to be found. Fights on the street were also observed during our week there. The bars and hotels invested in party time tourism apparently reflect that in their marketing. If spring break goes away there is a good chance that residential tourism will pick up. That could mean that the bars and hotels don't go away, but they do change the market segments they target and serve, and their modus operandi. Perhaps also their ownerships. I would then expect far fewer behavioral signs of disorder on downtown streets. And fewer guns.

MJB: Great comments, David. I, too, struggle to keep my head when trying to get through Times Square for something, which is one of the reasons why I was amazed when Class A office towers went up at 42nd St and blue-chip companies moved in. Once I calm down, though, I realize that that very obliviousness – that kind of fugue state they're in -- is *also* part of why tourists are such reliable spenders. Take the good with the bad, I suppose...

I certainly get what you're saying about restricting access to elite cultural institutions as a way of screening for the “serious” visitors, but then there's the equity argument. That could be ameliorated with reduced or waived entrance fees for those who cannot afford it, though somehow the notion of means-testing for such purposes seems really strange (and, if done in public, stigmatizing). I do like the idea of smaller neighborhood satellites that can be tailored to local interests, though that means more fundraising, I'm assuming, and I also wonder whether such an initiative would be undermined by the alienating effect of charging more at the flagship...

Yeah, the picture that Rich (Florida) paints of South Beach today is not alluring to me personally, but I still have to visit every so often simply because I love Art Deco architecture (as well as wide, sandy beaches) – I just make sure to do my wanderings during the day when the vibe is considerably tamer. Certainly some of the behavior you’re referencing is downright antisocial and would need to be addressed, but if it’s just crowds and noise in the later hours, that becomes a matter of taste and subjectivity. And while, yes, there are people who live near Ocean Drive, most of them likely moved there *after* South Beach had started to emerge as a bonafide tourist and nightlife destination in the ‘80’s (and their property values, if they own, have undoubtedly skyrocketed as a result) – they really do not have a leg to stand on, in my book.

My larger concern would be one of killing the golden goose. You mention the residential tourists: I’d be interested to see data on how much they do actually spend in their second-home locale(s). To the extent that many of them still have first homes in highly-amenitized cities like New York and Chicago, they might still be making the lion’s share of their expenditures there. And to the extent that they *are* shopping locally, they might already be doing so in Bal Harbour, Aventura, the Design District, etc.

To take another example, I’ve been working in Hyannis (Cape Cod), where the retail mix along the Main Street caters largely to middle-class families vacationing there in the summer; there is comparatively much less for the large number of affluent second home-owners living in the trade area (which includes Hyannis Port and the famed Kennedy Compound just two miles away). Their expenditures are likely going instead to nearby Osterville instead, or, for that matter, to Copley Place.

In terms of Miami Beach’s threats to disavow Spring Break, part of that is a reflection of Florida tax code, which -- from what I understand in working or having worked across that state – devalues the fiscal importance of retail sales at the municipal level, because the State collects sales tax and then simply distributes it to localities based on population. Obviously there’s no income tax, so property tax becomes the major fiscal driver. In other words, Miami Beach’s budget would not be directly impacted by reductions in local sales-tax revenue, but it would be affected if affluent residents start to leave in disgust at what the place is perceived as becoming. The commitment to the tourist niche, however low-brow, is presumably much greater in states – like California and Colorado – where communities rely to a much greater extent on the sales-tax revenue derived from visitor spending.

NDM: Mike, the spending of the residential tourists is an empirical question that undoubtedly needs some good research. Without doing a systematic survey, years ago I did look closely at this issue in Meredith, NH, which has a large second home population composed mostly of well to do people in the financial, hi tech and professional service industries. They spent a lot locally on necessities like groceries, drugstore items, and in local restaurants, as well as for personal services and for home and household maintenance items (there was a significant home and hearth niche in this town), items that normal tourists don’t spend as much for, and the party timers spend even less. The residential tourists did not spend much on apparel because there were no stores locally

with the merchandise they preferred. In general, the presence of stores that met their preferences was a key to their spending. Many second homeowners did not like the local supermarket, for example, so they brought fancy foods and meats with them when visiting on weekends. But Miami Beach being so much larger and even more wealthy than Meredith does not have that paucity of vendors. I'll bet a lunch at any Manhattan restaurant you choose, Mike, that MB resident tourists spend a whole lot more than its partying and being naughty tourists.

The marketing by the bars and hotels in MB, to my mind, is problematic since it strongly signals that disorderly behavior very probably will be expected and tolerated. It also seeks to bring in those most likely to behave in such disorderly manners. In effect, it asks for likely troublemakers to visit MB.

Re possible equity issues resulting from a more regulated attendance format at our major cultural venues, I would say that they already exist on many levels with these venues, but the more limited attendance would not be another of them. The group of people in question would be those who really are not all that interested in the arts and would have to work harder to have access to these venues. They would still have the same opportunity to visit, if they want to make the effort, just like everyone else who is more interested in the arts. Now it may be that the arts venues want to attract and win over such disinterested in the arts folks, but is bringing them to a place providing a badly suboptimal experience the best way of doing that?

Organizations that have endowments of billions of dollars and holdings that can soar well into the hundreds of billions can surely raise the funds for more satellite locations where they can display more of their holdings. They lack the will, vision and motivation, not the ability to raise the needed funds.

MJB: Good points, David. Most of the "comparatively less-interested" museum-goers would not be crestfallen by the limited flagship access, though it might only take a tiny but vocal subset to weaken the will of such organizations, given the all-important "optics." I suppose that depends on the priorities of their patrons, though the larger institutions would presumably be the more risk-averse ones.

As for Miami Beach, I do not doubt that the second-home residents spend a great deal more than the party-hardy crowd, but here's, I think, where we need to delve into the nuances. You say that the consumption of the former depends on the presence of the right stores, but in this as in many other such cases, the right stores are not there because they're *already somewhere else* not too far away. South Florida's high-end offer has grown considerably in the last decade, with the emergence of the Design District in the 2010's, the opening of Brickell City Center in 2016 and now, further expansions of Bal Harbour Village and the Aventura Mall – even with its pandemic-era boom, I'm not sure that the market can support still more...

This is a prime example of how retail in a given district or community does not exist in a vacuum, but rather, as part of a larger ecology within which it must outcompete formidable rivals for the

attention of both consumers and prospective tenants. In remote tourist destinations, that ecology might be quite small, and competitors, few (or non-existent). And where visitors are generally immobile and therefore captive, there might well be alternatives but they are largely inaccessible. But with second-home, car-owning residents in a larger metropolitan area, it's, I think, a bit more complicated.

MJB: This has been a great conversation, David. As always, we have left so much on the table, but then again, there's only so much which readers can take of us two! On that note, **please, reader, send us your thoughts and comments on this subject!** And *don't hold back* -- neither of us do! We're hoping to get enough responses to justify an addendum to our next Curmudgeon versus Contrarian column, or, at the very least, find some other keen observers to join us in our future back-and-forths.