

Developing a Theory of Nightclub Location Choice

By

Stephen J Crim

B.A., Individualized Study (2005)

New York University

Submitted to the Department of Urban Studies and Planning in Partial Fulfillment of the
Requirements for the Degree of Master in City Planning

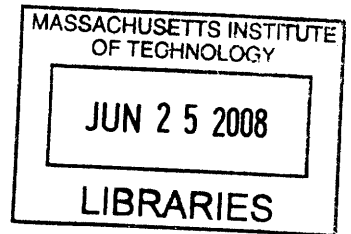
at the

Massachusetts Institute of Technology

June 2008

© 2008 Stephen J Crim. All rights reserved.

The author hereby grants to MIT permission to reproduce
and to distribute publicly paper and electronic
copies of this thesis document in whole or in part
in any medium now known or hereafter-created.



ARCHIVES

Signature of Author

A handwritten signature in black ink, appearing to be "Stephen J Crim".

.....
Department of Urban Studies and Planning
May 22, 2008

Certified by

A small handwritten mark, possibly a checkmark or initials.

.....
Karl F Seidman
Senior Lecturer in Economic Development
Thesis Supervisor

Accepted by

.....
Langley C Keyes
Ford Professor of City and Regional Planning
Chair, MCP Committee

Developing a Theory of Nightclub Location Choice

By

Stephen J Crim

Submitted to the Department of Urban Studies and Planning
on May 22, 2008 in partial fulfillment of the
Requirements for the Degree of Master in
City Planning

ABSTRACT

This work is an investigation of the factors that influence where nightclubs locate within a city. Nightclubs, like other social spaces, provide important social and economic benefits in the urban environment. As amenities, they attract labor to cities, and as sites of social exchange, they provide space in which individuals can create the networks necessary for innovative industrial production, especially in the fine arts and other creative sectors. Nightclubs also appear to have a role in neighborhood upgrading or gentrification. Despite their importance, this is the first study on the factors that determine nightclub location choice.

New York City and primarily Manhattan were chosen as sites for investigation because of the City's high number of nightclubs, and because of the regulatory as well as real estate pressures that are currently affecting the industry.

A variety of sources, including personal interviews with nightclub owners and their employees, various government documents, as well as spatial and non-spatial databases, were consulted to formulate conclusions. As is the case with other forms of retail, nightclub owners are most concerned with patron accessibility and proximity to complimentary businesses when deciding where to locate their businesses. Other factors are also discussed, as is a theory of how super-regional nightclub clusters form. Not surprisingly, the author finds that nightclub location choice is highly constrained by the content, administration, and evolution of various city and state laws.

Finally, recommendations designed to ease the regulatory burden on nightclubs while still controlling for nuisance concerns are presented for both government agencies and the industry.

Thesis Supervisor: Karl F Seidman

Title: Senior Lecturer in Economic Development

Acknowledgments

As is the case with any substantial project, the work I present here would not have been possible without the help of many individuals.

First, I want to thank all my interviewees, both named and unnamed in this text. They are all busy people who took time out of their schedule to speak with some graduate student that just showed up out of the blue. Thanks go out to Profs. Karl Seidman and Lorlene Hoyt for advising me so ably over the past year. I also want to thank Prof. Judith Tendler, who taught the Thesis Preparation course where I developed my research topic; though she did not always seem to understand where I was going with my topic, she was always supportive nonetheless, and for that I am grateful. Thanks to my classmates Rachel W. and Eric B. G., who engaged me in the most productive conversation of my thesis prep semester; it was while walking with them from class in Building 4 out to Lobby 7 that my research question really crystallized. I must also acknowledge Daniel Sheehan and Lisa Sweeney of the MIT GIS lab, who were immensely patient and helpful as I tried to clean and georeference the data I used in my study. However, Sarah Williams is truly responsible for making any of the GIS analysis in this thesis possible, and I owe her my sincere appreciation (along with some geocoded data layers). Thanks also go out to Adam Lynn and Christopher Rado for providing me access to the City Planning Department's archive of historic zoning maps. Also, I wish to thank Prof. Elizabeth Currid for her book *The Warhol Economy: How Fashion, Art, and Music Make New York*. Reading it was a great inspiration to me as I was starting my research, and she was very encouraging when I spoke with her personally about my project.

Many people in my personal life were also key to making this thesis possible. First and foremost, I need to thank Scott Lee C. for being my clubbing buddy for almost all the years I lived in New York. Most of my best nights out started with him, and visiting New York is a poorer experience now that he has moved away.

Mom and dad gave much-needed emotional support. Adam B. was the most supportive, understanding boyfriend that a graduate student could have. Molly M. made me laugh when I needed it. David L., Luke C., as well as Sergio R. and Maggie P. graciously let me stay in their apartments while researching in New York. Erin S. lent me her very expensive camera for the night of failed picture taking that I narrate in my introductory chapter. Hattie S. provided some valuable interview contacts, as did Rachel P. Sylvia R., Sam B., Brian A., and Cara S. were great company when I was relaxing between interviews in the City.

I need to acknowledge the founders and staff of the New York Public Library's Humanities and Social Science Library on Fifth Avenue and West 42nd Street. A researcher could not ask for a more beautiful home away from home.

To end, I want to dedicate this thesis to everyone who values a good night of uninhibited dancing; you make the world a better place.

Contents

Introduction 7

Cue the music

Chapter 2: Background 13

Why nightclubs matter

Chapter 3: Location Factors 23

Where's the party?

Chapter 4: Regulation 43

You don't have to go home, but you can't stay here

Chapter 5: Conclusion 61

Last dance

Epilogue 71

On an uptown platform

References 73

Appendix A: Mix Tape 78

Introduction

Cue the music

The New York nightclub experience is rich with sights, sounds, and colors, but not only when you are inside the club itself. The environment on the dance floor is the night's main event, where lighting systems, speakers, a range of interior design schemes, the other patrons, and, yes, alcohol, come together to make a place that feels a world away from the city even though it's only as far as the nearest emergency exit. Yet outside those doors, back on the streets, there is a special world as well, where the city we know by day turns slightly sideways and where the experience of a club truly begins and ends. Clubbing is not just what goes on once you are past the bouncer, and the mix of stimuli that hits you on the street is a compliment to that which you get inside.

Inside the club, the sounds you hear are whatever the DJ plays for you and your fellow dancers. Outside the club, you hear a spontaneous melody of stilettos on concrete sidewalks, the gentle rush of traffic punctuated by car horns wailing, and the boisterous voices that pass with clusters of friends. Inside the club, colors are rich and varied, perhaps changing with every beat thanks to spotlights digitally-synched with the record. Outside the club, you get a rich mix of sodium-yellow for the street lights, black shadows, the white glow coming from automobiles streaming up and down the avenues, and beacon's of pink, blue, or green where the club entrances meet the sidewalk.

Sometime after 1 AM on the morning of March 30th, 2008, I found myself immersed in just this sort of romantic environment with a friend's Canon digital camera in hand,

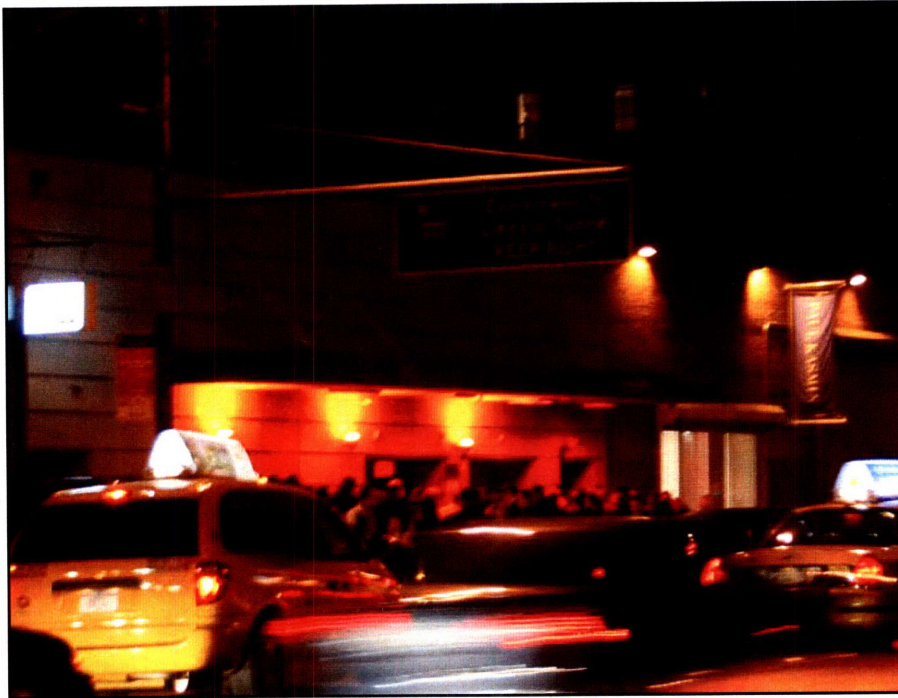


Figure 1.1.
1:00 AM, March 30, 2008.
Marquee. The only clear
shot from my futile expedi-
tion. Source: The Author

caught up in research, of all things. Beautiful women ridiculously underdressed for the late-winter chill clicked and clacked in their heels around the corner of Tenth Avenue and West 27th Street, while men talking into cell phones projected their voices in the aural equivalent of chest puffing. Tow trucks moving on and off the industrial lots nearby awkwardly jockeyed for space between the hives of clubbers, and I stood trying to compose shots of club facades with a piece of equipment far beyond my range of technical knowledge.

A half-hour later, I declared the night a loss and began walking back towards the subway on Eighth Avenue with a long ride back to my friend's apartment on 173rd Street in front of me. All I had to show for my efforts were a series of blurry photos and an aggravating experience with the bouncers at Bungalow 8. There, at 515 West 27th Street, I wanted to get a shot of the famously-selective velvet rope and the building behind. The neon "No Vacancy" sign installed left of the door was not encouraging, especially because only the "No" was lit. Yet I was determined to try anyway. My lawyer friends tell me that you are legally allowed to photograph any private property that you can see from a public street, but since my camera was borrowed and expensive to replace, I decided to ask the doorman's permission anyway. The last thing I wanted was an over-zealous man in a black puffy jacket smashing the equipment against the asphalt.

"Excuse me, sir. Would you mind if I took a picture of your façade here?"

"Yes, I would mind." He turns to another imposing man coming out the club's door.

"Hey, this guy says he wants to take a picture of the building here."

"What do you want it for?"

I pull out my MIT business card and explain that I am taking photographs for a

research project. The bouncer makes no move to take the card, and as my hand stays extended in the wind, he tells me that I need to contact Amy Sacco (the owner, who is by reputation nearly impossible to get a hold of) if I want to take pictures. Retracting my arm, I wish the men a good night and walk back towards Tenth Avenue. In retrospect, I do not know why I thought my research explanation was going to get me anywhere. Over the past few months, I have discovered that while the graduate student angle works with some people in the nightlife industry, it does nothing with many others. This is not surprising, though. Research and discos do not frequently mix, but perhaps with the study that I present to you here, that will start to change.

The Dork at the Discotheque: Methodology

Over the following pages, I will present the preliminary findings of a qualitative and quantitative investigation into how nightclubs open where they do in New York City. I chose New York because it is a city with a nightlife scene that I know well, having lived there before. Firsthand knowledge has proven fundamentally important for studying nightlife. In her work on New York's creative economy, Professor Elizabeth Currid emphasized how important personal connections were to accessing interviewees, and she repeated this to me when I spoke with her at the start of my study (2007). I also chose to study New York because it is a city with a large nightlife industry, both in size and reputation. After all, we are talking about "the City That Never Sleeps." However, New York, in spite of the nickname, it is a city where nightlife is embattled. Over the past few years, real estate prices have continued to rise in defiance of a national downturn, middle-class and wealthy residential populations have continued to expand into formerly-industrial and low-income neighborhoods, putting nightclubs into frequent conflict with neighbors, and a few high-profile crimes that occurred in and around clubs in 2006 cast an uncomfortable spotlight on the industry that continues to have repercussions today. All of this has provided a rich environment for study.

You may wonder why I have chosen to study nightclubs instead of a broader concept of nightlife. First, I should explain what I define as a nightclub for the purposes of this study. Taking a broad definition, I define a nightclub as any space where beverages are served, and where dancing is the primary form of entertainment on offer. Live musical or other entertainment might be provided, but this is incidental to the primary draw of dancing. I make this distinction in order to exclude places that are primarily concert halls (i.e., the Bowery Ballroom or Irving Plaza). These spaces may host events that have a dance-focused experience (for example, the annual Saint-at-Large Black Party, a large-scale, gay "circuit" party, used the Hammerstein Ballroom as its venue in 2008). That said, I do reference the experience of Deryck Todd, a party producer who does not own a venue but who hosts regular dance party at venues around the City. I count his experience because while his venue might change, the experience is consistently akin to that found in other nightclubs with a fixed location, and his location preferences seemed similar to those of nightclub owners who lease a permanent

space. My focus on venues where dancing is the primary draw comes both from interviews which indicated that the location preferences of performance spaces are different from those of dance spaces, and because various New York policies (including zoning, the City's cabaret law, and the hiring of off-duty police for security patrols) treat them differently. While my original definition was going to be any establishment that has both a New York State on-premise or cabaret liquor license¹ and a New York City cabaret license, I soon discovered that such a definition would be too rigid. Using the regulatory structure of an industry to define the industry alone sets up an approach that does not work when you are attempting to understand how regulations and markets interact. Furthermore, some venues that are nightclubs are operating illegally without cabaret licenses (though my interviews lead me to believe that compliance is high), and some venues with cabaret licenses are actually banquet halls.

At the outset, I limited my geographic scope to New York City's Five Boroughs. While New York as an economic unit extends far beyond the City's borders, the idea of defining a market shed for nightlife out into New Jersey, Connecticut, and Long Island seemed cumbersome, and it would also have forced me to deal with the multiple regulatory regimes that boggle regional planners with much more experience than I. My original intention was to limit my study to events that have taken place in the past 10 years so that I could find enough interviewees who were present for the evolution of the industry, and so that I would not need to consider the massive changes in City political and regulatory life that accompanied the administration of Mayor Rudolph Giuliani.

Given these parameters, I set out to determine which factors influenced nightclub location choice in New York City. I used personal interviews with nightclub owners and party promoters, nightlife property brokers, and other club employees such as bartenders and live performers. While I set out to interview a range of City government representatives, the primary challenge of my research was finding out more about how the nightclub industry operated. Thus, I had to devote more of my interview time to nightclub insiders, and so I used city agency reports and other documents, as well as quotes from city officials in the press to glean information about regulatory policy. I also wanted to speak with a few nightclub landlords, however, this group of stakeholders proved hard to contact, and so I have only been able to include minimal first-hand and a bit more second-hand perspectives from them. Furthermore, because of my personal history, the people I was connected with in the New York nightlife industry were almost all in Manhattan. These people were in turn mostly connected to people who owned or worked in clubs in that Borough, and so I was not able to get a sample of contacts that could represent the entire City. Finally, as my work continued, I realized that understanding the events of the past 10 years in New York nightlife involved investigating changes in the New York scene before 1997, and while I sought to maintain as closed a period

1 The State Liquor Authority may issue nightclubs either class of license, depending on their legal occupant capacity.

of time as possible, some of my observations and analysis come out of events that go back into the 1980s.

Pairing my qualitative research with quantitative research, I began collecting relevant state liquor license and city cabaret license records, as well as listings for clubs published in the weekly city guide *Time Out New York*. I intended to make quantitative tests of my qualitative information using this data, however this information proved difficult to come by or manipulate effectively, and so I was unable to make use of it in any meaningful statistical tests.

The liquor license data was useful, however, in mapping the geographic impact of New York State's liquor laws, which was a useful addition to my analysis of where nightclub establishments are allowed under zoning regulations in the present and how that has changed since 1997. Because the City only began keeping digital vector files of its zoning maps in 2003, time constraints surrounding the conversion of scanned paper maps into vector files that I could use for longitudinal comparison forced me to consider only the Borough of Manhattan, and only to compare the zoning at the end of 1997 with the most recent version of New York's digital zoning information, which currently comes from October, 2006.

In sum, as is the case for almost all research, my study has evolved over time, and the study that I developed has inherent weaknesses. Yet I am confident that what I heard, read, experienced, and calculated all has value for our understanding of how nightlife operates in the space of New York. Clearly, using a limited set of interviews and data from one city will not be sufficient to build a grand theory of nightclub location selection for the world, the United States, or even New York City, but I believe that my work will make a valuable first contribution to a body of literature that is currently lacking.

A Map for Your Reading

In Chapter Two, I will lay out why the nightclub industry is important to the urban economy and how understanding its location decisions is important to our overall understanding of that economy. I will also use this chapter to outline my methodology in greater detail, defining what I count as a nightclub for my research purposes, and describing the sources of information I relied on to make my conclusions. In Chapter Three, I will present what I have found to be the most important market factors that determine where nightclub owners chose to locate their business within New York City. While I identify a few factors, the two most important are a prospective location's accessibility for patrons and its proximity to complimentary uses, including other clubs. Finally, I will present a rough theory of how nightclub clusters form at the neighborhood level. Then, in Chapter Four, I will outline how New York City and State law affects the nightclub real estate market. Restrictions on where the retail sale of alcohol and social dancing can legally take place, as well as the governmental structures that administer these restrictions dramatically limit the nightclub entrepreneur's free-

dom of movement when opening new venues.

To end, in Chapter Five I will draw on the whole of my experience and make the argument that the laws governing clubs create unnecessary conflict between different land uses, and that state and local policy on nightclubs is contradictory. I will go on to make suggestions for how the relevant levels of New York government can change its policies to create an environment in which nightclubs are allowed to open, operate, and close with less interference from government while still controlling for the inevitable nuisances associated with nightclub land use.

Of course, further research will be necessary for all the topics I cover here, and so I finish Chapter Five with a list of follow-up research questions that have occurred to me over the course of my study, and which I leave for other researchers to take up.

Before I continue, though, I want to fully disclose my bias coming into this research. As you have probably surmised and as you will read, I am an avid club patron, and as a young man who has a high tolerance for noisy neighbors, I am much more likely to identify with the needs and concerns of the nightclub industry than with government agencies that are trying to restrict them at the behest of others. This thesis is not meant to be a study of the political forces and motives of City and State regulatory agencies either. I ask my central question from the perspective of nightclub owners and other industry insiders, and these men and women make up the majority of interview list. However, I believe that my investigation into regulatory policy gives me sufficient background to critique it. Furthermore, I believe that in a City where anti-nightclub viewpoints hold sway over communities and regulatory bodies, and the focus is frequently on what the community can do to control nightclubs, contributing information from the perspective of the industry only serves to balance out the conversation.

Finally, because nightclubs are an auditory experience, I thought it best to somehow incorporate sound into the experience of reading this thesis. As such, I have created a list of dance tunes that you might wish to listen to while reading. You can find this list in Appendix A.

Cue the music...

Chapter 2: Background

Why nightclubs matter

“You just want an excuse to go out and drink, don’t you?” That was the response when I first told my academic advisor that I was going to study nightclub location choice in New York for my urban planning thesis research. Her comment was more an example of her understated sense of humor than actual disapproval of my topic, yet that first response says a lot about the traditional American attitude towards socializing, drinking, and dancing. To many people, nightlife and nightclubs are frivolity, pure nuisance, or dens of sin.

As a lover of dancing, I have probably been irritating and sinful around the world, but having reviewed the work of various economists and urban scholars, I have found that none of my nights out have been frivolous. Nightlife and nightclubs mean big business and big impact for urban economies.

Definition of a Nightclub

Before delving into the role that nightclubs play in the urban economy, I want to explore what defines a nightclub a bit further. Many Americans have been to a nightclub and go to them regularly (Mintel 2002), but defining what characteristics add up to a nightclub is not so easy since they come in so many different varieties. Around the country and around New York City, someone out on the town might go to many different kinds of places that she or others would consider a nightclub. In the past, researchers have used a variety of criteria to group and define nightclubs. Some have used

music genre and the types of entertainment (live music, recorded music, dancing, performance, etc.) to group these spaces, while others have focused on the class status of patrons (Purcell and Graham 2005). The ongoing attempt to create a typology of nightlife speaks to the diversity of experience that anyone can find after the sun goes down.

Nevertheless, in the popular conscious and in economic research there do appear to be some commonalities. The Wikipedia entry for “Nightclub” defines a nightclub as

a drinking, dancing, and entertainment venue which does its primary business after dark. A nightclub is usually distinguished from bars, pubs or taverns, by the inclusion of a dance floor and a DJ booth, where a DJ plays recorded dance and pop music... The music in nightclubs is either live bands or, more commonly a mix of songs played by a DJ through a powerful PA system.

In its 2002 report on the United States nightclub market, the Mintel International Group, a market research firm, admitted that the line between nightclubs and other kinds of entertainment was blurring, but identified “bars serving liquor, dance floors, VIP rooms, and lounges (with food when required)” as universal elements (p. 7). Taking a slightly different approach, Stone, in a thesis on nightclubs as contemporary public spaces, used “as broad a definition as possible” for “nightclub.” For her, proper licensing for alcohol and dancing, and “that the establishments themselves have chosen to be referred to by that name” as the only unifying characteristics (1995, p. 8).

All of these authors influenced my process of defining nightclubs for the purpose of this study. At certain points I considered using a strict definition that would have only included establishments with cabaret and liquor licenses, and I contemplated typologies based on the dominant music genre at each club, how “cool” a club was in the popular perception, and even the patron profile. In the end, however, I decided that the broad-style definition found in the Wikipedia entry and in Stone’s (1995) work better lent themselves to the preliminary nature of my research. From these definitions, I came to my own, which is any space where beverages are served, and where dancing is the primary form of entertainment on offer. Using legal definitions for nightclubs would have limited consideration of establishments that were operating without proper authorizations, and dividing the market by music genre or patron profile would have been unhelpful in a study that has sought to uncover the location processes that apply to the entire New York City industry.

Direct Economic Impact of Nightclubs

There is an undeniable romance to clubbing. The ritual of dressing up, the electricity of meeting new people, the dreamy haze provided by alcohol and dance, and the feeling of freedom that comes with returning home as the sun begins to creep over the eastern sky can provide rich experience for a club-goer. Yet behind the flash and magic, nightclubs are fundamentally businesses that have economic transactions to complete just like any other firm. They have suppliers, landlords, and

other businesses to pay as well as staff to employ.

How much money and how many jobs does this industry represent? According to data from the United States Census Bureau's County Business Patterns (CBP) series, 47,191 "Drinking Places" (the government industry category that includes nightclubs, represented by North American Industrial Classification System [NAICS] code 72241)¹ employed 351,912 people nationwide in 2005 (the last year for which data is available). These employees took home approximately \$4 billion in (nominal) wages, though this is probably an undercount since employees at these kinds of establishments take home cash tip income that can easily go unreported. The CBP also reported that in 2005, New York City (defined as New York, Bronx, Richmond, Queens, and Kings Counties) was home to 1,372 drinking places, and employed 9,115 people with total earnings of \$172,275,000. In terms of employment, this made drinking places the 78th largest industry in New York City out of the 493 industries for which the Census Bureau published detailed 2005 data,² placing it between "Public Relations Agencies" and "Savings Institutions," and well below "Full-Service Restaurants," which, with 96,225 employees city-wide, was the third largest employer in the Five Boroughs that year. If we rank the industries by payroll, "Drinking Places" drop to 155th place, paying out a little less than "Painting and Wall Covering Contractors," but a little more than "Educational Support Services." By percentages, "Drinking Places" provided 0.29% of all New York City jobs in 2005, and only 0.08% of its reported wages.³

At this point, I should mention that using government data to measure the nightclub industry nationally or in New York City is complicated by the way the government divides the economy. While "Drinking Places" includes nightclubs, it also includes "bars", "cocktail lounges", "lounges", and "taverns" (U.S. Census Bureau). Therefore, the number of actual nightclub establishments and the size of their presence in the labor force must number somewhere below the figures provided above.

The alternative to government data about nightclubs is in private market research. At the national level, the 2002 Mintel report used data from Nightclub & Bar Magazine to estimate that around 20,000 nightclubs are operating around the United States at any given point, and based on patron interviews, Mintel estimates that these clubs are bringing in anywhere between \$22 and \$33 billion a year in revenues (2002, p. 19). At the New York City scale, market research firm Audience

1 The NAICS classifies nightclubs that do not serve alcohol under code 71399, "All Other Amusement and Recreation Industries." I am excluding these establishments from consideration here because the 71399 code includes many other kinds of establishments, and I think we can safely assume that most, if not all, New York City nightclubs are operating as businesses that serve alcohol.

2 For privacy reasons, the Census Bureau does not publish exact employment or payroll data as part of the CBP series for industries with few establishments in a given geography. In 2005, the Census bureau withheld this data for nearly 700 5-digit-level NAICS industries in New York City as part of this policy; however, the government tables indicate that none of these withheld industries employed more than 999 people. Therefore, the ranking of industries by employment size that I present here remains accurate even if we take the withheld industries into account.

3 These figures exclude industries for which specific data was withheld.

Research and Analysis (ARA) has produced the only reports that have tried to quantify the nightclub industry's size. In a report commissioned in 2004 by the New York Nightlife Association, ARA cross-referenced popular nightlife listing guides to generate a universe of 838 "nightlife businesses" which included 712 "bars and lounges," and 126 "dance clubs and music venues" (p. 6-7).⁴ Using surveys sent to business owners, ARA estimated that these 838 firms generated \$1.2 billion in expenditures that went mainly to food and beverage wholesalers, insurance companies, office/kitchen/maintenance supplies, rent, debt service, marketing, and utilities (p. 4). Meanwhile, these firms paid out \$531 million in wages and salaries to 19,400 full-time-equivalent employees (p. 15).

Beyond differences in methodology, I cannot find an easy way to reconcile the large discrepancies between the government data and ARA's data, but what should be obvious by now is that getting a firm grasp on the nightclub market's size is no easy thing to do. That said, no matter what source you use, the numbers show a relatively small industry in the context of New York City's total economy. If every bar and nightclub in New York were to shut down tomorrow, a relatively small percentage of the workforce would be out of a job. The importance of nightclubs only becomes obvious when we look beyond the employment and revenue numbers of the industry itself and consider the indirect contribution that nightclubs make to the wider economy.

Indirect Effects

Beyond the direct economic impact of the nightclub industry in terms of payments to other firms and employees, nightclubs, like all industries, have indirect economic impacts as well. The dollars that nightclubs pay to other firms generate employment and output for those firms, who go on to generate employment and output for still other firms, and so on. The 2004 ARA report attempts to capture these impacts through the use of a RIMS II input-output model customized for New York City. Incorporating spending by nightlife (not just nightclub) firms and the spending of nightlife patrons on purchases related to the consumption of nightlife (dining, clothing purchases) the authors arrive at an indirect economic impact of approximately \$8.5 billion in additional revenue, \$2 billion in additional earnings, and 76,000 additional jobs (p. 15-16). Of course, it is hard to judge the accuracy of the model's output without seeing its design, and there are no other studies that use similar

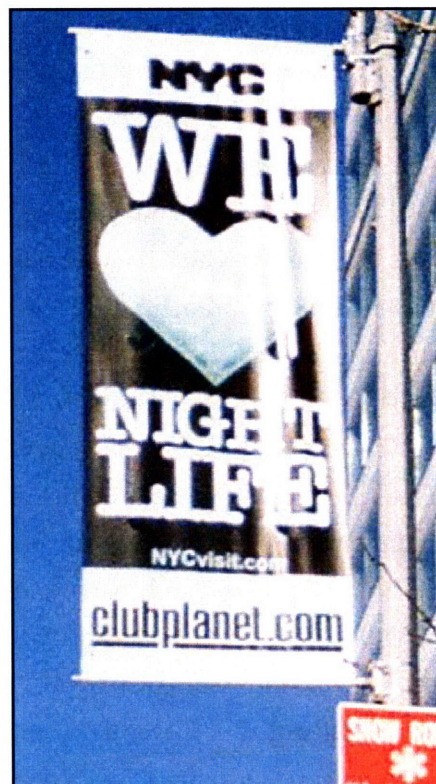


Figure 2.1. A 2002 report estimates that in the United States, people ♥ nightlife to the tune of \$33 billion a year. Source: Mintel International Group.

techniques for the New York City nightlife industry, so quick comparisons are impossible. However, we can safely say that the City's nightlife generates far more economic activity than the direct, government-collected figures indicate. Furthermore, there are other ways in which nightclubs appear to impact the wider economy, ways that are not yet quantified through economic models, but which some economists still believe are in play.

In thinking about the factors that make a firm successful, we have traditionally looked at access to land, labor, capital, and access to markets for the business' output as the fundamental elements. However, more and more economists are coming to see that, especially for firms generating new products and knowledge, relationships with and physical proximity to other firms is vital to success in the marketplace.

As part of a 1991 issue of the journal *Research Policy* devoted to the subject of industrial networks and innovation, Chris DeBresson and Fernand Amesse present an introductory paper on the concept. In it, they describe how innovating firms develop networks with each other in order to share some of the risk that is inherent in developing novel products by spreading costs and by setting standards for the new product. More importantly, these networks allow for joint exploration of new processes and combinations that can create innovations. Yet as other scholars have found, these networks cannot be formed through means of remote communication, even though contemporary telecommunications allow us to theoretically get in touch with about half of the world's population at any time. The formation of these networks requires shared culture, language, work experience, and trust, factors (especially trust) that are all reinforced by close proximity and frequent interaction (DeBresson and Amesse 1991; Sassen 2000; Polenske 2004). Furthermore, the simple transmission of knowledge cannot always be adequately accommodated over the telephone or in an e-mail. Jane Jacobs draws a useful distinction between information (such as the present value of one currency relative to another) which can be effectively communicated across distance with technology, and knowledge, which she describes as "vague, difficult to codify and often only serendipitously recognized" and best transmitted through frequent, in-person interaction (in Audrestch and Feldman 2003, p. 6).

Not all of this interaction between firms, represented by their employees, occurs in an office or a conference hall. Analee Saxenian's work on Silicon Valley (in Dawkins 2003) attributes that region's success as a center for computing technology in part to its dense social networks of information technology workers, and she finds that informal environments, including restaurants and bars, are host to surprisingly large amounts of information exchange and business dealing (in Currid 2007). Anecdotally, we know that when Google purchased YouTube for \$1.65 billion the deal was finalized in a Denny's restaurant (Currid 2007) and as one medical research scientist recently told me, the point of going to annual research conferences isn't to listen to the sessions, but to socialize, and "catch up with everybody." He further described evenings at the conference hotel as being "like the prom," with every doctor and researcher watching closely to see who is going to dinner with who, as

this indicates who has funding agreements with whom.

Of course, we might dismiss the economic importance of informal social spaces as limited to the world of high-tech computing or life sciences. After all, DeBresson and Amesse (1991) only mention the biotechnology industry by name, and it's clear that many other scholars of firm networks have manufacturing and research-intensive industries in mind. However, the definition of innovation that they offer ("new technical combinations...of various components"; 1991, p. 370) is broad enough that we can reasonably consider a wide range of firms as innovative. Currid (2007), by referencing economist Richard Caves, shows us how the cultural economy (including the arts, fashion, and media) of New York City behave in a way very similar to the industries that DeBresson and Amesse (1991) and Audrestch and Feldman (2003) are discussing. Caves, in his book, *Creative Industries: Contracts Between Art and Commerce*, explains that the production of creative products actually bring together many diverse lines of product development, production methods, and marketing techniques, and that they "incorporate innovation and meaningful new forms at almost every stage in the production process" (in Currid 2007, p. 77). As an example, we might look at the designer fashion industry. Fashion design is essentially the constant reworking of components such as silhouettes, fabrics, and the talent of individual designers to create new outputs. Design firms operate with incredible market uncertainty, as new and established firms are at the mercy of fickle consumer taste. Designers also cannot work alone as "heroic entrepreneurs," but must partner with a wide array of suppliers, retailers, and media outlets to create a market for their products. It should come as no surprise then that creative industries, like biotechnology, need social relationships and spaces for success.

Yet unlike like finance, the legal profession, or even manufacturing, where the social world is a site for spillovers, Currid finds that the social scene in New York City is "the decisive mechanism by which cultural products" including art, music, and fashion "are generated, evaluated and sent to the market" (2007, p. 4). She declares that "[the nightclub] Bungalow 8 and the SoHo [neighborhood] of the creative industries are the Marshallian industrial districts of the Industrial Revolution" (2007, p. 95). Currid is not the first scholar to see the relationship between informal spaces and artistic production. Markusen (2006), in her study of the Minneapolis-St. Paul arts scene, concludes that spaces outside of the mainstream museums and performance venues provide important points of contact and collaboration. Through her interviews, she identifies community arts centers, artist live/work buildings, and small-scale performance venues as key to the interaction between individuals as they improve their craft and seek to make money from their work.

Currid (2007) agrees with Markusen (2006) that small and underground venues offer spaces for "creative producers" that are just as important as the major, established venues, like the Metropolitan Museum of Art, the Whitney Museum of American Art, and the semi-annual Fashion Weeks. However, she finds important artistic interactions going on outside of artistic venues alto-

gether, in social spaces such as nightclubs and bars. Larry Tee recalls that when he was the house DJ at Luxx (a now-closed nightclub in Williamsburg, Brooklyn) he would routinely see design staff from major fashion houses like Dior and Dolce and Gabbana coming to dance and get inspiration for their collections from the crowd (Currid 2007). Similarly, in a recent article profiling Calvin Klein, the fashion designer recalls how the idea for his iconic blue jeans originally came from a man who approached him on the dance floor of Studio 54 (Sischy 2008). Finally, friends of mine in the publishing industry have long talked about the importance of social functions to their work; it gets to the point where parties are not so much a fun social event, but a work obligation that must be fulfilled even if they are tired and want to go home.

I want to clarify that the cultural economy is intimately tied to social events not just because artists and media industry types are outgoing or simply enjoy parties more than the general population. Rather, as Currid (2007) points out, the production of artistic and cultural products, by its very nature, requires social spaces to function. As she points out, the quality of artistic and culture products are subjective, and so when cultural producers are deciding with whom to do business, they rely more on social ties, on “who they know,” more than in other industries. There are no easy ways to judge the relative merit of one painter over another or one graphic designer over another, and so the person who ends up getting picked for the freelance job is often just whoever the hiring individual knows.

We should be careful, however, not to think of amenities and social spaces as only important for the attraction of wealthy, global elites in the arts and sciences. All labor is easier to attract to a place when amenities are nearby (DiPasquale and Wheaton 1996), and all firms can attract more applicants to their New York City offices as long as the city is perceived as and actually is a desirable place to live. As Ann Markusen warned in a 1996 speech, most cities simply cannot compete on cost when they attempt to retain and attract firms. Instead, they need to have qualities that will keep labor and firms even as the cost of doing business remains high or increases; in order to remain competitive over time a city “has to be lovable” (Markusen 1996, p. 59). Quality of life is what draws new people of all kinds to New York in spite of the incredible cost of living and keeps people there in spite of the hassle of congested living (Markusen 1996). Clark (2004b) further reminds us that social spaces like churches and nightlife can be sites where immigrant groups form the kinds of connections that help them find work and adjust to life in the United States. In the end, “amenities count for everyone, to some degree” and while poorer or less-skilled individuals might make their location decisions more on the basis of job opportunity, they will still benefit from and be drawn by places with high quality of life (Clark 2004b, p. 108-9)

We can see all of this literature and scholarly inquiry reflected in municipal economic policy as well. In a 2006 interview, New York Mayor Michael Bloomberg uses his personal experience as the founder and former CEO of Bloomberg LP, a financial information firm, to explain why quality of

life was a central element of his plan for Lower Manhattan's recovery following the terrorist attacks of September 11, 2001:

“Companies come here [to New York] because the people they want to employ want to live here...I can look at my own business. We [Bloomberg LP] never would have been remotely successful anywhere else in the world” (Mahler 2006, p. 69)

Putting the mayor's comments into practice, on its Web site, the New York City Economic Development Corporation includes “make New York City more livable” as the first element of its three-pronged strategy for the City's future.

Of course, we should bear in mind that government policies focused on urban amenities have had drawbacks. Some watching urban politics have seen “voracious efforts by civic boosters to create a new city ‘cultural brand’...largely directed towards mobile, non-local and corporate capital, property developers and high-income urban-livers and professional workers” (Chatterton and Hollands 2002, p. 97) that has led to the exclusion of some populations' nightlife amenities in favor of others. In Britain, Chatterton and Hollands (2002) and Talbot (2004) find that some cities have favored and even promoted high-end, mainstream nightlife while continuing to neglect or suppress alternative nightlife. In Newcastle-on-Thyne, this has led to a situation where corporately-owned mega clubs dominate a city center that is well-served by transportation, while nightclubs serving minority or alternative populations have been pushed out to the city's margins, making access difficult (Chatterton and Hollands 2002).

Neighborhood Change

Continuing on themes of socioeconomic change, nightlife venues also appear as agents of neighborhood change or gentrification in prior writing. Collins (2004) has given us examples where gay nightlife has played an important role in changing neighborhoods in Britain. In his “Stages in the development of gay villages in England” the opening of gay bars is one of the first steps in the long conversion of an “urban area in decline” to “assimilation into the fashionable mainstream” (p. 1802; see Figure 2.3).

Writing on gentrification in New York indicates that nightlife is part of neighborhood change there as well. Some of the City's best known night spots sit where industrial uses or low-income communities used to be. The Meatpacking District, now home to clubs like Lotus, Cielo, and up-market boutiques was (as the name implies) a center of food processing. An article on the neighborhood's rising commercial rents quotes a Vice President from CB Richard Ellis (a commercial property management and brokerage company) as identifying restaurants and clubs as the first businesses that started bringing in foot traffic and converting the neighborhood from its industrial past to its high-end present (Holusha 2003). Giving some quantitative backing to this anecdotal evidence, Helms'

(2003) study of neighborhoods in Chicago found that the presence of amenities in a neighborhood made housing renovations more likely there than in other neighborhoods.

I should be clear that the reading I have done does not indicate that nightlife in and of itself creates gentrification. In her examination of the Minneapolis-St. Paul artistic community, Markusen (2006) argues that artists are not inherently gentrifiers, but only act as a gentrifying force when the underlying real estate market is experiencing price pressures. Similarly, in his consideration of New York gentrification in the 1980s and 1990s, Smith argues that while artists gave marginal neighborhoods like the East Village a mystique and “personality,” the transformation of that neighborhood was still fundamentally based on increased demand for housing in centrally-located neighborhoods (1996, p. 19). In the same way, nightlife in London (as seen in Collins 2004) and New York may only be part of a gentrification process because the underlying real estate market is pushing people to search for housing in previously-neglected neighborhoods and by going to nightlife venues in un-gentrified neighborhoods they begin to think of the nearby apartments as possible places for them to live.

Prior Nightclub Location Choice Research

The study of nightclubs is certainly not new. Yet as Clark observes, “we still have precious little serious analysis of culture, entertainment, and amenity-related phenomena” (Clark 2004a, p. 2) in general, and there is little information about how nightclub owners make location decisions in spite of

all the material that hints at their industry’s importance to the urban economy. At the national and regional level, the 2002 Mintel report identifies three locations where nightclubs locate: large urban centers, college towns, and tourist destinations (such as Las Vegas or Orlando, Florida), though expansion is occurring in suburban locations. At the city level, Stone’s research in New York City (1995) identified a few themes that can inform further research. First, she notes a long-term cycle in

Table 2. Stages in the development of urban gay villages in England	
<i>Stage 1: 'Pre-conditions'—urban area in decline: location of sexual and legal liminal activities and behaviour</i>	
<i>Key features</i>	
	1. Twilight/marginal area showing extensive physical urban decay
	2. Presence of street-based and/or near off-street (predominantly heterosexual) prostitution
	3. Significant stock of vacant commercial premises
	4. Low property prices/rental values
	5. Typical presence of at least one gay licenced public house
<i>Stage 2: 'Emergence'—clustering of gay male social and recreational opportunities</i>	
<i>Key features</i>	
	1. Conversion of some other nearby licensed public houses into 'gay run' pubs
	2. Increase in applications made for liquor licences to support conversion of some other existing commercial premises into gay nightclub or additional licensed public houses
	3. Upgrading or renovation of existing gay pub(s) in the area
	4. Substantial increase in gay male customer base and pub revenue stream
<i>Stage 3: 'Expansion and diversification'—widening gay enterprise service-sector base</i>	
<i>Key features</i>	
	1. Conversion of some other existing commercial premises for gay service-sector enterprises: gay health clubs/saunas, gay retail lifestyle accessory stores, gay café-bars
	2. Further applications for liquor licences and planning permission for additional gay nightclubs
	3. Increasing gay household density in the existing stock of residential units in the gay village locale
	4. Increasing physical visibility and public awareness of the urban gay village to mainstream society
	5. Growth of gay tradespersons and professional practices operating in or near the gay village, or via its community media
	6. Increasingly significant and sustained contribution to the gay service-sector enterprises' revenue streams from visiting gay tourists
<i>Stage 4: 'Integration'—assimilation into the fashionable mainstream</i>	
<i>Key features</i>	
	1. Increasing presence of heterosexual custom in ostensibly gay pubs/bars
	2. Conversion of some existing commercial premises for new mainstream society service-sector enterprises (bars, clubs, restaurants)
	3. Influx of young urban professionals to the existing stock of residential units in the gay village environs
	4. Outflow and suburbanisation of early gay residential colonisers
	5. Increasing applications and construction of new-build (apartment) residential units in the gay village environs
	6. Increasingly significant and sustained contribution to gay service-sector enterprises' revenue streams from the heterosexual community

Figure 2.2. Dance Dance Revolution? Stages of “urban gay village” development. Note the arrival of “pubs” early on. Source: Collins (2004)

the average size of nightclubs, from the 1920s and 30s when clubs were small and intimate, to the 1940s when they grew tremendously in size, to the 50s when they shrunk again and so on.

She also points out how nightclubs often closely match the tastes (or perceived tastes) of the people who live in the surrounding neighborhoods. For example, clubs opening in SoHo and TriBeCa at the time of her writing mostly catered to the artistic populations that lived there, while Midtown remains, in her observation, a perennial site for nightclubs since the neighborhood has few residents and can serve “as a meeting ground for people around the city” (p. 73-4). Finally, Stone (1995) emphasizes the role of government regulation in determining where nightclubs locate, and as a heavily-regulated industry, as do other authors.

Other authors focusing on Britain have examined the effects of land use regulation and other licensing regimes on the pub and nightclub property market (Frost 2003; Shelley 2005; Owens 2006). However the applicability of their work to New York and the United States is difficult to gauge given the differences between UK and US property markets, and given that the UK nightlife market is dominated by large, nation-wide corporations while the United States market is largely supplied by locally-based individuals and partnerships (Mintel International Group Ltd. 2002).

Square One

What we have then is an industry that, while small in terms of direct employment, has broad effects on the wider economy and urban land use changes. It is a heavily-regulated industry that operates under strong location restrictions, but there is little understanding of how firm owners make their location decisions. It is from this background that I began my work.

Chapter 3: Location Factors

Where's the party?

“It’s just the zoning and the rent.”

That was the response I got when I told a real estate executive visiting MIT that my thesis topic was nightclub location choice. The exchange left me stunned and full of questions. How could someone give such a glib response to what I thought was an interesting, complex issue? Was all the work I had done up to that point worthless? Would I need to start over again? I told some people about the experience and they urged me to press on. In the end, it turns out that the issue of where nightclubs locate is much more complex than that one person had imagined.

Based on my investigation, the two most important factors driving nightclub location choice are factors that are commonly-understood to affect all kinds of retail businesses. These factors are accessibility for patrons and proximity to complimentary uses. In general, a nightclub owner wants to locate his or her business in a place where prospective patrons can easily reach it, and he or she will benefit from locating near other businesses that will generate foot traffic for the club.

In addition to these two prime factors, I have also identified visibility and building stock requirements as aspects that will inform a nightlife entrepreneur’s location decision. Naturally, these factors do not influence the location decisions of nightclub entrepreneurs equally. An entrepreneur’s business model influences the relative importance of all these parameters, and where possible, I discuss how the kind of club that one wishes to open will change how a club owner prioritizes these

considerations. Furthermore, it would be dishonest of me to say that any of these factors are truly independent of each other or that club owners, say, decide their target consumer in a process separate from their decision about venue size. All of these considerations are interrelated. Yet while anyone might find a song imminently danceable only when played in complete form, dissecting it into melody, lyrics, and the quality of the vocals is the only way to fully appreciate its attraction or begin to reproduce it. In the same way, I have attempted to break the location decisions of nightclub owners down into its components so that we can better understand the whole process.

To conclude the chapter, I will explore the leasing and other arrangements that nightclub owners make to get themselves into their desired spaces, and I will present an initial theory of how super-regional nightclub clusters form in New York City neighborhoods.

Accessibility

A night out in New York is usually an expensive proposition. Between the cost of drinks, any applicable cover charge, and coat check (in the colder months) the prices start to add up, but only once you have already reached the nightclub or clubs you are visiting for the night. Before that there are the costs of transportation, which may include, depending on where you are coming from, cab or public transit fare, gas, tolls, and parking. Then there are time costs as well. Sunset does not mean the end of traffic jams in and around New York City, and while the public transportation system is excellent by American standards, service is geared towards the movement of workers in and out of the Manhattan central business district during the weekdays, not to and from nightlife in the evenings and on weekends. Alex Picken, a real estate broker specializing in nightclub and bar transactions, reminded me that mobility reduces at night, not only due to the transport service changes, but also because of legitimate safety reasons. For one, automobile travel is less desirable because a (responsible) driver must limit their alcohol intake accordingly. Furthermore, while crime is much less of a worry in today's New York City than it once was, women are still vulnerable to attack at night, and are thus less likely to venture far from high-traffic areas or their means of returning home after the sun has gone down.

Given these costs, nightclub owners must be mindful of their accessibility to patrons when choosing a location, especially if it is outside of an established nightlife cluster. Both brokers and nightlife industry workers included proximity to transit and roads when they talked about the factors they think are fundamental for making a successful nightclub location. Steve Lewis, currently a nightclub interior designer and author of the nightclub blog, Goodnight Mr. Lewis related his experience of opening Life on Bleecker Street during the 1980s. While it was, in his words, "a new neighborhood" for nightclubs, he was confident that people would come because it was within a reasonable cost distance for travel by cab.

Of course, there is more to accessibility than simply being close to a subway stop or the

Holland Tunnel. Of all the location choice factors that I have discovered in my research, accessibility is the one most influenced by a nightclub owner's business model, because the question "am I accessible?" can only be answered if you know to whom you are trying to be accessible. Different consumers of New York nightlife are willing to travel different distances depending on where they are coming from. The patterns that my contacts revealed fit nicely with economic theories that conceptualize housing location choice as a trade off between the cost of a home and the cost of commuting. In other words, those who choose to live in central locations do so because they have a low tolerance for frequent travel, and thus pay more in housing costs in exchange for lower travel costs. Those who live in peripheral locations do so because they would rather pay lower housing prices and pay more in travel. Usually in this theory, the travel cost we imagine is the one associated with getting to work, but the theory seems to apply to nightclubs as well.

Tourists travel long and time-consuming distances to reach nightclubs. Some come to New York primarily to go out (Audience Research and Analysis 2004; Newman, Caras, and Dubin 2006), and once they get there, they are willing to venture out to find a good night out. After all, if they have already flown in from around the United States or Europe, than what is cab ride in comparison? As Amanda Smear, Special Events Coordinator for the club Marquee put it, "they follow the fun... They'll go where they think it's cool" (interview). The problem for tourists, however, is information. While they may be more willing to travel around the city in search of a good time, they may not necessarily know where to find it, and given that the majority of New York City's hotel rooms as well as its other tourist-attracting amenities are on Manhattan, their likeliness to travel further a field is limited. Many a tourist map for New York does not even show Manhattan above 96th Street, let alone the other boroughs. Given these problems, Steve Lewis pointed out that a club wishing to attract international or domestic visitors would have trouble making it outside Manhattan (interview).

Perhaps just as mobile as tourists are consumers who live in the New York metropolitan area but outside the city. Alex Picken put the travel time for nightlife at about two hours in one direction, a time span that can get you pretty far out into the suburbs of New Jersey, Connecticut, and Long Island (interview). Derisively referred to as the "Bridge and Tunnel" crowd (since they need to take a bridge or tunnel to reach Manhattan Island), these consumers are generally considered un-cool by those who live in Manhattan, but most clubs want their business. As many of my interviewee's reminded me, they frequently have large amounts of disposable income, and since their transportation costs reduce the frequency with which they can go out, when they do go out, they spend heavily. Furthermore, suburban consumers are often linked into the social world of New York City, and can, in general, learn about hip venues faster than national or international tourists, which means that clubs in peripheral locations are more accessible. Using listing web sites, as well as word-of-mouth to find new venues, they are very trend drive (Amanda Smear interview).

Within New York, the closer your target market lives to existing nightlife centers, the less

mobile they will be. Patrons from, say, the farthest ends of Queens or the Bronx are similar to their neighbors in New Jersey and Long Island. Kathy Condon, long-time bar manager for the Roxy, saw them and their spending habits frequently over the years. With higher travel costs to pay, they would come out less often, but when they did, they would splash out more money on drinks than patrons from Manhattan or the closer-in parts of the Outer Boroughs (interview). As another example, while staying with a friend in Washington Heights for my research, I was surprised to see large numbers of young people crowding the downtown 168th Street subway platform on weekend evenings, probably en route to a bar or club. Even people who live on the Upper West and Upper East Sides will leave their neighborhoods to go out. Currid quotes Andy Spade (husband and business partner of handbag designer Kate Spade) explaining that “I live right in the middle of the Upper East Side, where it is totally generic, but I don’t go out there” (2007). Steve Lewis and others confirmed the nightclub industry rule of thumb that people who live in Uptown Manhattan will go Downtown but that people who live Downtown will not go Uptown. As Deryck Todd, a downtown party producer, put it to me, no “self-respecting” Downtown person is going to go up to 86th and 2nd Avenue; “[p]eople go up there to visit their grandparents.”

As you go into the Manhattan core nightclub area (a few interviewees put this roughly as the area between TriBeCa and Midtown), patrons become less and less likely to travel beyond their neighborhood for nightlife. In talking about their business, many interviewees divided the market by neighborhood. Andrew Goldberg, whose job with Marquee includes taking care of special clients, remarked that it would be hard to open a high-end club on the Lower East Side because “people don’t want to spend money” there, implying that a Lower East Side club would only attract the residents of the Lower East Side. In talking about the club he wants to open someday, Deryck Todd revealed that he wants it to have a sexually-mixed crowd, therefore he wants to put it somewhere around Fifth Avenue and 17th Street, somewhere “right near the gay-borhood [Chelsea] but not right in it.”

In some neighborhoods in the Outer Boroughs, as well, clusters of nightclubs have grown to the point where residents do not feel the need to travel into Manhattan for dancing. Steve Lewis advised anyone who wanted to open a club for young people without much money, he would put it in Williamsburg, Brooklyn where those people live (interview), and a few of my friends who live in Brooklyn report that they never go into Manhattan on the weekends, finding all their clubbing needs closer to home. The gay party paper made its February 29th, 2008 edition “The Outer Borough Issue” with descriptions of club districts in Queens, Brooklyn, and The Bronx (the article’s author couldn’t find anything on Staten Island), districts that seemed populated by people who did not travel into the TriBeCa-to-Midtown core for nightlife. On the cover, the authors encourage their readers to “explore the world outside Manhattan” and the writing sometimes feels like a travel diary that makes the “natives” seem exotic (“I won’t forget the fun bars, jovial crowds and – most importantly – the hunks who left this drunken white boy wanting a Latino boyfriend”; Chenevert 2008).

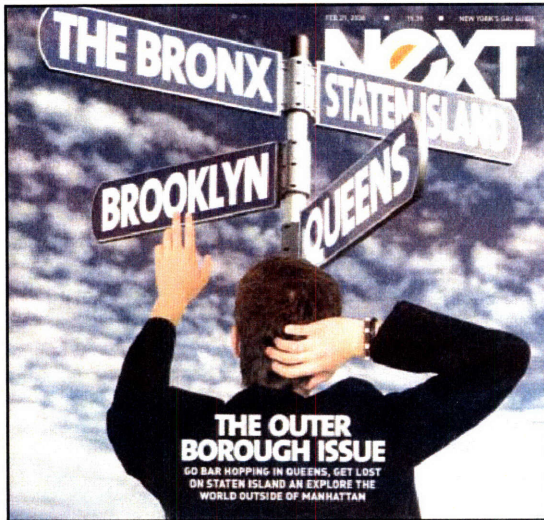


Figure 3.1. Where are We? Next magazine reports on gay nightlife in the exotic world outside Manhattan (2008).

Besides the racial politics that influence human sexuality and the nightlife industry – topics that could fill many theses on their own – these articles indicate that club accessibility is about more than the actual time and money cost of getting to a location. There is also a perception factor that, while frequently based in the actual cost of getting to a location, is separate. In talking about HK, which is at 9th Avenue and West 39th Street, the club’s manager, Rickey Mercado, explained to me that while he hopes to attract patrons from Hell’s Kitchen and Chelsea, he does not think he will ever pull in the “Lower East Side boys” because it’s “not their scene.” It is true that the Lower East Side, by Manhattan standards, is far from Ninth Avenue and 39th Street. Getting between

the two neighborhoods on public transport requires at least one subway transfer (and transfer times after midnight can be more than 20 minutes) or walking a good distance from the nearest subway stop with a direct connection. Cab fare, at a minimum would probably be \$12 each way. However, notice that he did not say traveling from the Lower East Side is too time consuming or expensive, but that its mental distance is too far.

The perceived distance factor is greatest in the relationship between Manhattan and the other boroughs. As Matthew Isaacs, principal with the Bloc Group public relations firm described it, even though some parts of Queens and Brooklyn are not that far from Manhattan’s neighborhoods (in 2004, I took a 15-minute cab ride around midnight from Astoria to First Avenue and East 69th Street in Manhattan for \$6), “there’s something about the Manhattan lifestyle that just precludes people from going across the river.” My contacts drove this point home when I questioned why Manhattan neighborhoods, like West Chelsea, which were once largely uninhabited and which have poor public transit connections, became nightlife destinations before places like inner Queens. Multiple people in the industry said it was simply because those neighborhoods are on Manhattan Island.

The examples of West Chelsea, the Meatpacking District, and the Lower East Side demonstrate that perceived distance can change, and I continue to be fascinated by the question of whether the center of New York club life will ever move off of Manhattan as rents rise and as the area zoned for their use there contracts. Isaacs confirmed that as the city gets more expensive and as more and young, relatively-affluent nightlife consumers move out of Manhattan, the perceived distance of these places shrinks. Picken noted that there is already heavy traffic both to and from Manhattan on the L train (which connects Williamsburg, Brooklyn to Manhattan) on weekend nights, and another

broker mentioned that gay clubs already frequently open in the outer boroughs (as the *Next* magazine feature articles highlighted (Chenevert 2008; Moylan 2008)). The trend we have seen before is that young and minority groups (racial and sexual) will venture into peripheral neighborhoods for housing and amenities first and that older or wealthier, mainstream crowds follow (Pattison 1977; Smith 1996). That may happen someday outside Manhattan, but even though perceived distance may shrink, there are cost reasons why the shift might never occur.

Steve Lewis was the most categorical in rejecting the idea that the center of New York City nightlife would move out of Manhattan. Using Brooklyn as an example, he points out that while rent is cheaper, other costs like insurance are not, and since the City's labor market is well-integrated, wages are the same. At the same time, these places are materially less accessible than Manhattan. The tourist infrastructure is all there and taxis are notoriously hard to flag outside Manhattan and select Outer Borough neighborhoods. Someday, hotels might open in great numbers in the outer boroughs and taxis can be drawn out of Manhattan if there is a critical mass of customers. However, the radial structure of New York City's transit infrastructure will continue to make Manhattan much more accessible than the other Boroughs unless there is major investment in projects there. The slate of new transit projects currently on the table (Moynihan Station, the third Hudson River tunnel, East Side Access for the Long Island Rail Road, extension of the number seven subway line, etc.) favors mobility to Manhattan; meanwhile, the only subway line that connects Brooklyn and Queens without going through Manhattan (the G train) runs with four cars instead of the usual six, and there is constant rumor that the Transit Authority will eliminate service (though it denies these charges (Ramirez 2008)).

In many of my interviews, industry insiders told me that in order to survive, they need to attract locals as well as out-of-towners, whether they be Bridge-and-Tunnel or tourists. As such, nightlife entrepreneurs will continue to have strong incentives for locating in Manhattan even as rent and regulatory burdens increase.

Clustering

In locating their establishments, nightclub entrepreneurs must not only consider the location of their own business relative to potential patrons but also their location relative to other clubs. Just as nightclubs are like other forms of retail in that they need foot traffic to stay afloat, they also benefit from clustering like other retail. In shopping and dining, we see the advantages of clustering expressed in shopping malls, whether they are the classic suburban product of the sixties and seventies or the more recent "lifestyle centers." With nightclubs, the benefits of locating together have manifested themselves in places like the Meatpacking District.

Clustering benefits nightclubs because, together, they can draw in more customers than they could if they all stood alone. Say it is 11:30 PM and you find yourself outside a club with a doorman

who doesn't think your look is cool enough for entry. If it took you a while to get to that club and there are no other venues around, you might just need to turn around and go home. According to Matthew Isaac, that is just what used to happen at Studio 54; if you got shot down there, your night was over, and you slunk back to wherever you came from. Perhaps you would return the next week and try again, but how many times do you want to venture out only to suffer the embarrassment of rejection? With clustering, if one club turns you away and there are others located nearby, you have more chances of getting in somewhere and eventually going home (whether it be yours or someone else's) happy.

This simple example illustrates what the industry players who spoke with me said time and again: clustering is important. Smear and Isaacs all commented on how clubs share foot traffic, and that club districts live in a symbiotic relationship, even though the individual operators do not formally cooperate all that much. Marquee, as Smear described, gets the benefit of sitting at the head of the 27th Street nightclub strip, putting it in between cab drop offs on Tenth Avenue and any other location on the street. Meanwhile, other clubs like the Pink Elephant or Home benefit from anyone who gets turned down at Marquee's door. Clustering also makes up for any disappointment that a patron might feel after getting into a particular club (Steve Lewis interview). Say the music is not to your liking on a particular night at APT. Cielo and a few other clubs are nearby and chances are better that you will find something to keep you dancing.

The advantages of clustering appear quite strong as well, not only because they lower the consumer cost of reaching them, but also because clustering creates an aura, an atmosphere of excitement that different clubs jointly create and share. As Steven Kamali, a broker specializing in nightclub transactions said about the Meatpacking District, "it's like Disney World...At night it has lights. It's not like Times Square but it has energy." Other neighborhoods like Midtown or the Financial District might have great "fundamentals" (excellent transport connections, buildings with large floorplates, and few residential tenants nearby) but they lack sexiness, and so their potential as nightclub districts is limited. In the words of Alex Picken, "you want some cachet in the neighborhood." Midtown does have a few nightclubs, but the missing ingredient seems to be in the complimentary uses that have made other districts runaway successes for their respective owners. After all, years of retail location choice research have shown us that the clustering of not only identical but also complimentary uses benefits all players. This is why malls have food courts and why there are few shopping centers with only clothing or home appliance stores.

In the same way, various interviewees pointed out that the success of the Meatpacking District rests on the fact that it has nightclubs next to bars, restaurants, and hotels. As Lewis reminded me, there's a time factor involved here. If your plans call for dinner, drinks, and dancing, the most powerful nightlife districts will allow you to accomplish all those activities within a few blocks. If you're visiting from out of town, having a hotel nearby means you would never need to set foot in or

pay for motorized transportation after getting from the airport, bus, train station, or parking garage. Add in some retail offerings, and a consumptive weekend in Manhattan might never extend beyond a quarter mile. Another club beyond this radius will trouble competing for your dollars (or euros, pounds, yen, etc.). Midtown and – to a lesser extent – the Financial District have hotels, shopping, and restaurants, but they also have office towers, and plenty of space that dies down to nothing after seven or eight PM on weekdays, let alone on the weekends. Meanwhile, in the residential neighborhoods, the traffic is intense, the restaurants fill, and the streets can be crowded well towards dawn.

Before I conclude on clustering, I should note that as is the case with all clusters and agglomerations, there are upper-limits to the benefits of nightclubs locating near each other. In general theories of industrial clustering, while firms benefit from locating near each other, eventually a cluster can become so large that congestion and rising prices eat into profits. In the same way, a mall cannot keep on growing without spending more and more on management and infrastructure costs, and after it grows past a certain point, the walk from Macy's to Nordstrom's gets so long that there's no advantage to having them under one roof or management company, even if the path is fully air-conditioned.

For nightclubs, the limitations to cluster size appear to be in the congestion and crime that can evolve. Heavy traffic in the middle of the night is common in New York, especially right around clubs and bars, as taxis jockey with drivers coming to clubs from outside the city. Noise also becomes a factor, with the reduced tolerance of residential neighbors colliding with the raised voices of drunken club-goers and the honking of impatient drivers. Finally, the chances that alcohol will combine with ego to create a bar fight expands with the more people you have around. And just as an atmosphere of fun and excitement can spread from one club to another, so can suspicion and fear. If a brawl starts at the club next door, it's very easy for regulators and neighbors to implicate your establishment as well (Alex Picken interview; Andrew Goldberg interview). In short there are strong reasons to cluster, but there are limits, limits which also vary by the type of club a particular owner intends to open.

A few times during the course of my research, I heard about the differences between clubs that could act as a destination space, a space where patrons come to spend their whole night, versus clubs that are heavily dependent on walk-ins, and which may be part of a patron's bar-hopping route. Initially, I thought this distinction might be dependent on the club's size. After all, Alex Picken described a destination nightclub as a large venue with multiple dance floors, something like Webster Hall, Limelight/Avalon, or Pacha. Kathy Condon also presented the Roxy (a large venue) as a destination space, explaining that even though its location near Tenth Avenue meant a long walk from the nearest subway (on Eighth Avenue) or a cab ride through what was once an undesirable neighborhood, "that's where you'd go." However, a club owner's ability to locate outside of a cluster is more than a function of its size. Deryck Todd described his events at Don Hill's as destination events, yet

his current attendance record at about 600 patrons is much smaller than capacity or average attendance at the Roxy or similar spaces. Steve Lewis, Alex Picken, and others also made distinctions between the drawing power of venues where live performance is central to the experience and places where going out and meeting people is the focus; live performance venues will generally, have stronger drawing power. Finally, the reputation of the club owner seems to be an important factor in their freedom of location in and out of clusters. As Amanda Smear put it, “Amy Sacco could open a place on the moon” but she warned that a no-name first-timer would be taking a big gamble by locating away from an established nightclub area.

The major distinction, then, between clubs that need to cluster for survival and those that do not appears to be found in the uniqueness of the experience on offer. That uniqueness might come from size, in that not many venues can offer five dance floors with multiple music genres on one night. Yet Deryck Todd also appears to have created a destination event at Don Hill’s because his parties only happen a few times a year and because they incorporate different forms of live performance every time. Finally, if you, as a club owner, have built up a strong reputation as someone who can offer a great night out, then patrons will be willing to trek out to your new venue because they trust that you will reward them with your singular talent for creating a good time.

Visibility: “You Just See Us”

If you were looking for me on a Friday night from about June, 2003 to January, 2004, you probably would have found me at Opaline. Walking down Avenue A, just below East 6th Street, it was at number 85, down an exposed staircase, and in the basement level. Some of my favorite going-out-in-Manhattan memories began there, but when Rickey Mercado went to open it, friends and colleagues were less-than-positive about the space. “‘You’re across the street from the Con Ed Plant. It’s a dead space, plus you’re downstairs,’” they told him (Rickey Mercado interview).¹ Nightclub owners can put together a venue in some difficult spaces, however street presence apparently still matters, and usually that means being on the ground floor (Rickey Mercado interview). Like a restaurant or a store, clubs need foot traffic (Andrew Goldberg interview), and foot traffic can come from visibility. Amanda Smear stressed that the club’s position on Tenth Avenue gives it an advantage over other clubs which are in the area but which are on the smaller side streets. As she put it, “you just see us,” and if you tell a cab that you want to go to 27th Street and Tenth Avenue to hit one of the many clubs located near there, then the cabbie will very likely drop you off right at Marquee’s door.

While it was not a primary focus of my investigation or even a question during my interviews, I also noticed differences in how clubs treated their exterior facades. The bulk of a club’s

¹ Con Ed is short for Consolidated Edison, the power company that serves New York City. The plant mentioned here is an electrical substation located on the Eastern side of Avenue A between East 6th and East 5th Streets. Its Avenue A façade is a blank brick wall, hence the “dead space” comment.



Figure 3.2. The Façade of 85 Avenue A. The entrance to the former Opaline space is down the stairs. Source: The Author

decorating budget obviously goes towards interior work, but my observations confirm the relationship that Stone (1995) noticed between a club's size and exclusivity and the visual presence of a club's exterior. In her research, she found that "the more exciting, the more 'in' the place, the more unassuming was its exterior design", a relationship that still seems true today. Bungalow 8, which for a few years was an impossible-to-get-into club with legal capacity for only 100 people (Amanda Smear interview), has a dark, simple façade. The materials and details are luxurious-looking (such as the metal door handle shaped like the number "8"), but in the industrial context of 27th Street it's easy to miss by day. At night, only a small pink light illuminates the sidewalk. Moving up the scale of size and down the scale of exclusivity, Marquee has a slick, white stone façade with frosted-glass doors and lights that showcase it on Tenth Avenue. At the other end of the spectrum, Webster Hall, a space with five dance floors and a lax door policy has a theater-style Marquee. Naturally, there are outliers that defy this relationship. The Roxy could hold 3,000 patrons, but it lacked even a sign with the club's name outside, and now that it is closed (though the building remains standing), I have trouble finding it at night or by day. Nevertheless, I feel confident in saying that the larger and more inclusive your club is, the more likely you are to dress up the outside.

In the end, however, it seems that physical visibility is much less important than visibility in the press and the popular imagination. Club owners, their staff, and party promoters use a range of media to appeal to their markets. For venues trying to catch a wide audience, radio ads can reach the entire New York metropolitan area, and internet-based listing sites can be effective for drawing in people from outside of New York City (Doug "Dougie" Mayer interview; Amanda Smear interview). Other clubs advertise in weekly listings like Time Out New York. Still other venues spend little or nothing on advertising, at least not directly. Rather, they hire employees or promoters who

are plugged into certain social networks and who can draw in the crowd they're looking for. Mercado was able to overcome his less-than-ideal location at Opaline by hiring people who were "in the scene." These were the kinds of people that had extensive personal networks, and who, with a few phone calls, could fill the club. Finally, some venues try to generate free publicity through newspapers, party listings, and blogs. Deryck Todd was the most blunt when he said, "Press. You need press." And the surest way to get press is to get celebrities or other "A-listers" into your club. Matthew Isaacs of the Bloc Group calls it "celebrity wrangling," and he sees it as one of the main services that he and his firm can offer clubs. With celebrities in the door, the others follow (Amanda Smear interview).

An exploration of celebrity worship, word-of-mouth and its place in contemporary marketing could fill multiple theses and probably already has. However, the relationship that clubs have with celebrities and tastemakers in New York has important implications for club location choice. Both Currid (2007) and Smear emphasized the value that celebrities, artists, and other bold-faced names can offer nightclubs, but they also highlighted the capricious consumption habits of these groups. Currid found that "in New York City, the ability to recreate and evolve with the changing creative scene is not just possible, it is encouraged" (2007) while Smear simply said that you can draw A-listers anywhere "as long as it's new or if you have a relationship with them." In her opinion, novelty is most important for the most-coveted group of guests in her industry: the New York fashion elite. Having an industry party with luminaries like Anna Wintour (the current editor-in-chief of *American Vogue*) or Zac Posen (a young, hot designer) is, for her, like "the hand of God on your club," but these people are the most difficult to attract, and they only go to new places.

Connecting the dots here, if a club owner's promotional strategy is based on a group of highly mobile, novelty-driven people, then he or she will have a strong incentive to look for new locations in which to open up shop, and not to keep that club open for more than a few years before moving on again. Obviously, not all clubs are trying to attract fashionistas, actors, or performance artists to make their clubs popular, and it seems that the more mainstream your audience is, the less important this marketing strategy becomes, and the less likely you are to use novel locations to generate interest. Clubs like Webster Hall have managed to draw in hundreds of people to the same location every week for years. In fact, multiple interviewees with different target audiences told me that if nightclub longevity is the goal, then you must provide a consistent, high-quality experience for a committed set of regular patrons. Yet if you are trying to create an aura of exclusivity and a following in the celebrity press, then novel locations are part of the game.

Building Stock

As compared to other retail uses, nightclubs take up a lot of space, which is not surprising when you consider the range of activities that make up the nightclub experience. At a

minimum, there's dancing, standing and drinking, sitting and drinking (sometimes), trips to the restroom, and enough room to make trips to and from all these activities, though only the largest of clubs seem to have any dedicated circulation space (after all, as Stone observed in her 1995 thesis, nightclubs are designed to force physical contact). From there, your business model might demand space for a VIP section, a stage, and other features. Taking the above list as an absolute minimum inventory of patron activities, a nightclub owner must then consider space for the bar, the DJ, storage for liquor and other revenue items, as well as coat check. It's easy to see how the space needs for even the tiniest capacity venue start to add up. Restaurants might need a kitchen, a bathroom and storage space, but at least all the customers stay seated and within a narrow floor space while eating.

As the 2002 Mintel report and various interviewees repeated, building and fire codes really dictate the building size one needs to open a club. In most parts of the United States, the number is around 10 square feet of accessible area per person. In New York City, Section BC 1004 of the Construction Codes requires a range of space specifications depending on the use of that space. For example, there must be at least five feet of dance floor for every patron, while a seating area with tables and chairs must have 15 square feet per patron. On average, an owner will need about eight feet per customer not counting storage, bathrooms, or circulation areas.

In spite of these common space requirements, nightclub owners manage to convert a wide variety of buildings to their needs. I have always been impressed by the diversity of spaces in which New York owners manage to put their venues. 219 Flamingo and the Slide were on the street levels of East Village tenement buildings. Limelight (now Avalon) is in a deconsecrated Episcopalian church on Sixth Avenue. The infamous Tunnel was located on the ground floor of a 19th century industrial building that housed an indoor rail spur for cargo transport (hence the name). Marquee is in a former Sanitation Department garage on Tenth Avenue (Andrew Goldberg interview). Webster Hall has been a meeting hall or dance space for over a century, and like other major cities, New York has its fair share of warehouse nightclubs.² As an MIT Masters of Architecture student observed in his thesis on nightclub districts, discotheques as a “building type” are not usually a subject of study. They are normally located in structures originally built for another purpose, like “abandoned warehouses, garages or wharf buildings. Rarely is a discothèque designed as a free-standing building” (De Natale 1984).

As such, floor plans can vary quite a bit. Some venues have a straightforward “entrance, bar, dance floor” sequence, but the layouts only get more creative from there. Limelight's dance floors, for example, are connected by a network of passageways that I have always found easy to get lost in while sober, let alone after a few drinks. In spite of the diversity, however, people with whom I consulted across the industry seemed to share a few general criteria when they evaluated the quality of a

² “House” music gets its name from the shortening of the word “warehouse.” The genre was first developed at parties in the abandoned warehouses of Chicago.

space for nightclubs. Steven Kamali stressed the importance of sight lines within the building, as did others. In his experience, the best nightclubs are designed so that patrons--including those in the VIP section--can see each other, keeping the “energy” of the club in one physical space. Similarly, Deryck Todd, said that he liked using Don Hill’s as a venue because its single-floor layout allows the whole club to see the stage during the artistic performances that are the hallmark of his Bowie Ball parties, and because it allows him to create a “homogeneous experience” for his guests. Even in larger, multi-level venues, it’s clear that owners like to create unified spaces by playing with mezzanines and cuts in the floors. Beto Sutter offered that the best club space is actually one where you have enough ceiling height for a mezzanine so that you can provide more space for people to take a break from dancing but where they can still watch the crowd below. Even Pacha, with 30,000 square feet and four levels for dancing, employs a cut in floors three and four so that even someone swilling a martini two floors above can see the dancers on the main floor.

In fact, the only time nightclub owners seem to distribute dance space across floors or across rooms is when they’re trying to create spaces with different atmospheres, or at minimum, different music. Limelight, Webster Hall, and the Roxy have all used side rooms as spaces for music that is different from that played on the main floor.

Landlords and Leases

No matter how many dance floors an owner wants or in what neighborhood he or she wants to open his or her venue, club owner will almost certainly end up leasing their space. Nearly all nightclubs rent, with one broker estimated that only around 10% of club owners actually own the building in which it operates. Therefore, I thought it would be important to get the landlords’ perspectives on nightclubs, and to ask them how and why they got into owning a building with a nightclub in it.

Unfortunately, the hardest players to reach in the nightclub real estate market were the landlords. Usually only the business owner and the brokers even knew who the landlord was. Kathy Condon, who worked at the Roxy for almost 20 years, said she probably would not know that property’s owner if she saw him on the street. When I was actually able to get a hold of a landlord, he told me that his experience with the club had been so bad that he did not want to speak about it on the record. Alex Picken told me that liability issues are a common concern for property owners, and that while they will frequently take out large insurance policies to protect themselves from lawsuits, the trouble that nightclub tenants can cause makes the experience terrible for landlords.

My hunch is that the acrimony stems in part from the fact that many landlords do not know what they are getting into when they take on a nightclub tenant. Many landlords, especially those that own properties originally designed for manufacturing purposes, seem to fall into the role. A 2000 article from the New York Times profiles the building on West 27th Street and Eleventh Ave-

nue that at one time housed Peter Gatien's Tunnel nightclub (Gray). The building is owned by Coleman Burke, who uses most of the structure for a ministorage business, and even when the nightclub was open, the majority of the enormous structure was still used as locker space. The former nightclub is now a banquet facility, and the article mentioned that Mr. Burke is slowly converting the building to office space as "conditions permit." While the Tunnel story is only one example, it fits with Alex Picken's assessment that landlords usually take on nightclubs as tenants because they can offer higher rents than the uses that came before, not because the landlords are seeking them out.

A few brokers specializing in nightclubs described the lease terms for such properties as standard for commercial space. Most have a term of 10 to 25 years with a rent abatement of a few months that allows the owner to refit the property how he or she wants and to get the business running. The interior design process can be lengthy as the landlord usually delivers the space with no improvements. Depending on how the space was outfitted before, club owners are then responsible for the installation of HVAC, fire suppression and emergency egress, the bar, and any other interior design that he or she wants. One broker told me that renovation can cost anywhere from \$150,000 to \$1 million. The low end of that range is possible for spaces that were already outfitted for a similar use, like a restaurant. These spaces already have the HVAC and fire systems necessary to get a certificate of occupancy, and the necessary plumbing work for a bar and bathrooms. While he could not recall exact figures, Rickey Mercado told me it cost him about \$100,000 to install soundproofing, a DJ booth, and a proper dance floor at Opaline (which was a restaurant beforehand) though he did not have enough capital to install everything at once. For the first few months, patrons were moving around on concrete.

Obviously, given all these startup costs, a nightclub owner is going to want to recoup his or her investment by staying open for as long as possible, which explains the 10-to-25-year leases. However, brokers and owners put the average club lifespan at about 2 or 3 years. In order to make up for the lost time, a club will sell its lease on to another business in exchange for what is known as a "fixture fee" or "key money," a charge that appears to give nightclub owners a lucrative return for their initial investment even if they cannot live out the full term of their lease.

The amount of the charge will depend on a variety of factors, including the existing infrastructure, such as HVAC and plumbing (Alex Picken interview; Steven Kamli interview). Existing interior design work may or may not affect the key money amount. After all, many club owners will want to re-decorate anyway to give the space a new feeling. However, if an owner is converting a space that attracted one type of crowd in the past to attract a new crowd, he or she may not have to renovate much at all, since few in the target audience will have seen the place before (Alex Picken interview). The current rent will also affect the key money price, as taking over an existing lease can provide an owner with rents much lower than what is on offer through new leases. While the commercial leases that govern nightclub properties include escalation clauses, they are frequently only set

at about 3% per year, and with New York City real estate prices increasing at annual rates far above that, getting a lease first signed only a few years ago can translate into a hefty discount (Alex Picken interview; Steven Kamali interview).

Finally, the licenses (liquor and cabaret) that any existing property has associated with it will increase the space's value and thus the key money fee. In New York State and City, liquor licenses and cabaret licenses are issued to a business at a particular location, and if the business moves, it cannot take the licenses along. Rather, it must reapply for the licenses at a new location. When a new nightclub takes over an existing club's lease, it does not automatically get transfer of the old licenses, but it can apply for temporary licenses while it attempts to get new ones in the new business' name, a process which is much easier than trying to obtain licenses for the first time in a location since the community and the government have already gone through an approval process for such licenses at that location. Prior violations on a premises' record with the SLA or bad relations with the community can lower the fixture fee because the new owner may face a suspicious audience when it tries to get approval. That said, a savvy entrepreneur with a good community reputation can find opportunity in these "distressed" properties (Steve Lewis interview). Beto Sutter and John Blair bought the Limelight property through a bankruptcy court sale, and used their good relationship with Manhattan's Community Board 4 to smooth over the process of opening the space as a club again after all the trouble from Peter Gatian's days (Beto Sutter interview).

While nightclubs have always recycled spaces and neighborhoods over the years, these days most in the industry report that the regulatory environment in Manhattan has gotten to the point where it is exceedingly difficult to open a club in a space that was not a club before. I received mixed messages, however, on the relative merits of taking over an existing lease versus opening in a completely new venue. Matthew Isaacs and Steve Lewis offered that it is much easier to buy into an existing lease than it is to start a new location. Deryck Todd also mentioned that he likes hosting his parties at Don Hill's because it was the site of the Misshapes parties earlier in the decade and the Squeezebox parties in the 1990s. Hosting in the same location helps him because his target crowd already knows the space. At the same time, Matthew Isaacs and Steve Lewis both also offered that, all things being equal, converting a space is harder because it has an association with what was there before. During a 1989 hearing on zoning for cabarets that followed court-ordered changes in the City's cabaret laws, an unnamed representative from the New York Cabaret Association (which I assume to be the forerunner to today's New York Nightlife Association) also commented that it was difficult to open a venue where one already existed (NYC City Planning Commission 1989).

A Theory of Nightlife Clustering

In the Environment Impact Statement for the 2005 West Chelsea re-zoning, the authors note that small nightlife establishments exist in "almost every neighborhood in the city," which the

Next magazine stories about Outer-Borough establishments demonstrates (Chenevert 2008; Moylan 2008). Also, remember that “Saturday Night Fever,” a movie that heavily influenced the image of late 1970s disco, was set in the (real) Bay Ridge, Brooklyn club 2001 Odyssey, not Manhattan. While I spent most of my time investigating the mainstream nightlife venues in Manhattan, I recognize that spaces for dancing exist elsewhere.

Today’s well-known club districts have also frequently been home to smaller venues or to venues that served minority markets in the past. The question I had going into my research, however, was how does a neighborhood with clubs that serve a local market convert into a neighborhood with clubs that serve the entire city or the entire world (through tourist visits)? How did Chelsea, before a center of gay male subculture, become a center for mainstream, straight nightlife? How did the Meatpacking District convert from a wholesale food market to a haven for sex clubs and then into a cluster of well-known nightclubs? And, going into the future, what might turn Williamsburg or Jackson Heights into centers of “alternative” nightlife into the next celebrity hang out?

It appears that the famous club districts live and die in a roughly three-stage process. It all begins with a path-breaking entrepreneur who is looking for a new neighborhood where he or she can find relaxed community boards and police precincts, low rent, and the novelty that comes with opening in a new, “undiscovered” location (Michael Issacs interview; Amanda Smear interview). The financial payoffs for being a first mover are great. Because of the 10 to 25-year lease terms, the entrepreneur can lock in a low rate in a disinvested neighborhood or industrial district. Matthew Isaacs told me that Lotus pays \$17,000 per month on a 8,000 square feet space while the rent on a 4,000 square foot space next door is \$75,000 per month. Also, with a lax community attitude, there are fewer time and money costs associated with fighting for the necessary licenses.

However, not just anyone can locate in a new neighborhood. At one point I asked Alex Picken if there was a future for nightlife in the Financial District. My reasoning was that the neighborhood is convenient to transport (almost all subway lines stop there and it has connections to the PATH train), and it has a small (but growing) residential population. Later research actually confirmed that most of the neighborhood is zoned to allow nightclubs because of provisions in the Lower Manhattan Special District. Alex responded that while the fundamentals are good, the image of the neighborhood is not ripe for nightclub development. Nevertheless, he did say that if something truly buzz-worthy went in first, then a district could form.

Over and over again, I was reminded of the importance of a class of special nightclub owners, the ones who can create buzz. These are the people who have the mobility to open outside of an established cluster and make a new one. Yet what characterizes these people? What sets them apart from every other nightclub owner? Multiple interviewees vaguely described them as people with “talent.” Andrew Goldberg describes them as “visionary.” My contacts made these people sound like the “heroic entrepreneurs” of the economist Joseph Schumpeter (in DeBresson and Amesse 1991),

the innovative, risk-taking men and women who shake up the economy and society now and again. The problem with heroic entrepreneurs, as part of a theory of development, however, is that they seem to come from nowhere. Other economists, like (DeBresson and Amesse 1991), and (Audrestch and Feldman 2003) try to overcome this problem by focusing on the environment of social and economic interactions that allow entrepreneurs to gain the experience and professional connections necessary to strike out alone and start their own ventures. Especially (Audrestch and Feldman 2003) explore how entrepreneurs use employment with other firms to gain the tools necessary to innovate on their own, and based on a few examples of recent, path-breaking nightlife entrepreneurs I suspect that the same thing is happening in the nightclub industry. Amy Sacco (the one who Amanda Smear said could open a club on the moon) did not just show up in Chelsea one day and open Lot 61 (the venue that preceded her more-recent Bungalow 8). She started working at restaurants in her home state of New Jersey, went to restaurant school, worked at a series of eateries and bars over the years, and took time to work for a venture capital firm (Bumiller 1998; Grigoriadis 2003). Ian Schrager and Steve Rubell, the owners of Studio 54, were from Queens and had opened a restaurant-cum-disco out there before starting their disco sensation in Manhattan. Noah Tepperberg and Jason Strauss, the owners of Marquee, are New York natives and began their careers in nightlife when they were teenagers, promoting parties at clubs like Life (Made in Manhattan 2004). One final commonality between these people is that they were all young when they opened their first blockbuster venue. Amy Sacco was in her late 20s when she opened Lot 61, as were Noah Tepperberg and Jason Strauss when they opened Marquee; Ian Schrager turned 60 in 2007, which means he must have been about 29 when Studio 54 opened in 1976. While I do not think this means that a nightlife entrepreneur's career ends when he or she turns thirty, it may indicate that such a person needs to start young. Perhaps youth is necessary to gain credibility in a trendy industry that prizes youth; perhaps youth is necessary to work the demanding hours that it takes to get a nightclub venue off the ground (after all, there is the work that goes on during the daytime when the rest of the economy is at full swing and then there's the time till four am when your business is open); perhaps it's a combination of the two.

What all of these people have in common is that they were socially and professionally connected to New York entertainment world by dint of their former employers and their status as New York area natives. This is not to say that every current coat check attendant or bartender is going to become the next king or queen of nightlife. However, in an industry that a few interviewees said is now saturated with stock brokers looking to make an investment, these connected people appear to have a leg up through their networks. Kathy Condon speculated that the next generation of nightlife impresarios might be found in the increasing number of children who are now growing up in New York again after years of family flight.

With their connections to the City's social scene and investors in place, the path-breaking

entrepreneur can open outside of an existing cluster and take advantage of the financial incentives. As the club gains popularity and coverage in the press, others follow, seeking to benefit from the foot traffic generated by the first venue and the low rents. Matthew Isaacs compares these clubs to the Banana Republic clothing store chain. Like Banana Republic, their product is not distinctive and therefore cannot strike out on their own. Rather, they must open where foot traffic is already present. This is where the “no-namers” that Amanda Smear mentioned can come in.

Complimentary uses like restaurants and bars come in, and while the club owners might all be making good money at this point, the neighborhood starts to change in ways that will lead to the clusters’ collapse. First, rents will be rising with demand, which is problematic for nightclubs because they are often the use that is least able to compete with other uses for leases. The already-established clubs will be sheltered from the increases by their long-term commercial leases, but new clubs will face higher costs, and this may shift the mix of clubs towards upscale venues that can pass on higher rents to their patrons. Table 3.1 shows the rents that different uses were paying for space in the study area when the of the Department of City Planning’s 2005 studied it prior to the West Chelsea re-zoning. You will notice that nightclubs only pay more than industrial space across the board, but that they are still paying equal rents to converted office space and some low-end retail. When I shared these numbers with a nightclub broker, he told me that they were out-of-date; prices had generally gone up. Matthew Isaacs thought that office rents in West Chelsea had actually risen to \$70 per square foot, a number that is quite high for Manhattan, but which may be accurate given the building of Interactive Corporation’s Class-A headquarters on Eleventh Avenue and 18th Street. However, my contacts confirmed that the relative rent order is about the same across the city. Interestingly, people in the industry indicated that nightclubs as a whole industry do not have an absolute rent ceiling where they can no longer afford to pay. Alex Picken and Matthew Isaacs

Use	Rent (2005 nominal \$/sq. ft.)
Residential	41-43
Gallery Space	30-60
Industrial	10-15
Converted Office	25-30
Retail	10-150*
Nightclub	25-45
*This broad range covers the difference between marginal locations on Tenth and Eleventh Avenue and the big box stores on Seventh	

Table 3.1. Rent Comparison. Prices for various uses in the Chelsea neighborhood of Manhattan as of March, 2005. Source: NYC Dept. of City Planning, 2005

pointed out that owners can pass costs on to consumers, especially through drink prices. According to the Mintel market study, nightclub beverages in the United States usually have a 300% to 500% markup (2002). Bottle service in a club often costs into the hundreds of dollars while the retail price of vodka is around \$40, and though I did not confirm this, I am sure that clubs get a wholesale price from their distributors. In other words, high-end venues can still open in existing clusters after non-nightlife investment in a neighborhood, but venues with a value-market orientation probably will not. They may also be able to survive the first round of lease renewals (though the short lifespan of



Figure 3.3. Corporate America in Clubland. Frank Ghery's IAC headquarters, AKA "the iceberg." The Roxy was located in the gray warehouse next door. Source: The Author.

most clubs makes this a moot point in general).

All venues, however, will suffer as the life of the cluster continues. Landlords seeking higher rents can refuse to renew nightclub leases or may try to force out an existing tenant with a current lease. Matthew Isaacs also mentioned that some landlords will offer to buy out a lease if the return on conversion to housing or some other use is great enough (interview). The cluster will simultaneously suffer a decline in its cachet. As more and more people discover an area that the fashionable crowd originally colonized, they become alienated and start to move on. As the West 27th Street cluster got out of hand with police barricades and floodlights during the summer of 2006, Amy Sacco complained in the press that the situation had gotten intolerable for her celebrity clientele and rumors started circulating that she would sell Bungalow 8 (Morgan 2006). While the case of West 27th Street was extreme, it is an example of the general tendency for exclusive venues to move on while "general audience" venues continue operating. Sometime around this turning point, however, new clubs stop opening in the area, attracted now by whatever neighborhood the A-list venues migrate to. With rents rising, the cool factor diminishing, and regulatory trouble brewing between nightlife's diseconomies of scale (congestion, noise) and new, incompatible uses like apartments, the cluster dies.

I should note here that individual clubs can outlast this cycle and some venues go on to operate for decades. Webster Hall has been a nightclub for over 25 years, and Splash continues to draw in crowds even after the City Planning Commission re-zoned the block it sits on in 2004 so that it needs to get a special permit to operate. My contacts attributed the longevity of places like this to

MIKHAELA REID



Figure 3.4. Shh!! A cartoonist reads the future for the arts (and nightclubs) in West Chelsea. Source: Reid (2008).

providing a consistent, high-quality experience to a group of regular patrons, good relationships with their respective community boards, and a management team that is willing to work hard for years at a time, refreshing a space with redecorations. As Steve Lewis put it to me, “these are boxes...they are garages...it’s illusions, it’s smoke and mirrors. Spaces don’t get tired, the people who run them get tired.”

Conclusion

What should be clear by now is that the how and why of nightclub location choice is far from a simple process and that like many other uses, nightclub owners face a series of factors when making decisions about where they will set up shop. Many of these location considerations are similar to those facing other forms of retail. However, nightclubs in New York City operate under land use and licensing controls that are quite different from those that govern Macy’s or any local grocery store.

As the real estate executive that so-easily brushed off my research correctly indicated, regulation, by setting strong restrictions on where nightclubs can operate, is an especially important factor for nightclub location choice.

Chapter 4: Regulation

You don't have to go home, but you can't stay here

It's probably about 1 AM, and a taxi has just brought some friends and me to West 12th Street, just beyond Abingdon Square and just before the peculiar geography of Greenwich Village allows West 4th Street—which normally runs parallel to West 12th Street—to cross. Stumbling out of the cab, we right ourselves on the sidewalk. We're all a bit tipsy, having just left a birthday celebration with an open bar, but we're determined to act cool, look our very best, and get past the doormen at Beatrice Inn. "It's so hard to get in," one of my friends had said. Sure enough, as we walk up we hear a trio of tough-looking men, bundled against the cold in black North Face jackets, telling a group of women that "it's not going to happen tonight."

Then, the leader of our group walks up, and with an air of confidence bolstered by the mojitos on offer at the last party, asks if the four of us can come inside. The answer is no, but he keeps on trying, and as the routine "but we've got friends inside!" argument starts I step back a bit and start to take in the neighborhood. I have always loved this part of town, with its brownstones, narrow sidewalks, and old trees. It's the part of Manhattan where a patrician New Yorker from the mid-1800s might still feel comfortable, and come to think of it, it's an odd location for an exclusive night spot. After all, there are expensive apartments right above and all around.

With the argument going no where, our leader turns to us and begins calling our friends who are (really) inside.

“Get your coats. They won’t let us in.”

Soon the doormen start shooing us down the block.

“You can’t stand out here.”

“We’re waiting for people to come out.”

“You have to move down the block.”

We move a few feet. We wait. We start bitching about door policies at New York clubs.

“Shhhh!” says one of the doormen. Apparently we are being too loud.

At this point, my mind begins to wander, and I picture an elderly lady who has probably lived for decades in an apartment above where that club sits, and who would not think twice about calling the police if there was any hint of noise coming from her downstairs neighbor after 11 PM. She has these tough-looking doormen, gatekeepers of Manhattan cool, scared to death, because they know that if she complains, the place could be fined and maybe shuttered for a whole weekend, leaving a gaping hole in their week’s income.

In the popular imagination, New York and New York nightlife especially, has a raucous, untamed reputation. Yet while a night out in the City can be fun, it is most certainly not an unregulated affair. Those bouncers who are so dismissive of potential patrons but so cowed by the neighbors are a symptom of the multi-layered regulatory structure that governs the operation of nightclubs in the city, especially the places where they can open. What I have found is that New York City zoning laws and State liquor laws combine in a way that greatly restricts where nightclubs can operate without running afoul of community opposition, at least in Manhattan. Furthermore, the agencies that create and enforce these laws typically side with non-nightclub uses when conflict occurs and lack the tools necessary to allow both nightclubs and other uses to co-exist in the same neighborhoods. In sum, the regulatory situation in Manhattan especially is increasingly burdensome on nightclubs.

The 808 and Use Group 12A: Nightclub Zoning

In the language of the 1961 Zoning Resolution (which is still in effect today with modifications), nightclubs are “Eating or drinking places, without restrictions on entertainment or dancing,” and as the Resolution expects that nightclubs will generate large amounts of traffic, zoning policy keeps them in “secondary, major, or central commercial areas” (Zoning Resolution of the City of New York, Chapter 3, Section 32-21).

In practice, this means that stand-alone nightclubs are part of Use Group 12 (“large entertainment facilities”; New York Dept. of City Planning 2006), and are allowed as-of-right in C4, C6, C7, and C8 commercial districts, as well as most manufacturing districts.¹ However, there are some important caveats. In C4, and certain C-6 districts, a nightclub must provide an indoor waiting area of at least 4 square feet multiplied by the space’s legal number of occupants, not including cir-

¹ Nightclubs located within hotels are classified under Use Group 10 (“large retail”; New York Dept. of City Planning 2006), however, here I am only considering “stand-alone” nightclubs, which are part of Use Group 12.

ulation space or restrooms. In the same districts, nightclubs face other restrictions in how close the entrance may be to a residentially-zoned parcel.

Technically, the Zoning Resolution also allows nightclubs into C2, C3, and the few manufacturing districts where nightclubs are not allowed as-of-right with a special permit from the city's Board of Standards and Appeals (BSA), but a litany of building requirements and performance standards come with that permit, and my interviewees reported that such permits are rarely sought after in practice in part because of these extra strictures (Robert Bookman interview; Alex Picken interview). Industry insiders also made the case that these permits are undesirable because even if an owner were able to comply with all the special permit requirements, the process would leave him or her open to tremendous risk, as the BSA issues permits for a maximum of three years with no guarantee of renewal. Imagine pouring in the money necessary to get a club going and then, three years later, have to close because your special permit is not renewed. This is not to say that club owners never attempt to get one of these permits or that the BSA never grants them. A quick search of the BSA's web site for the term "73-244" (the section of the Zoning Resolution that authorizes such permits) shows that Splash, a long-open venue on West 17th Street between Fifth and Sixth Avenues had to go before the BSA in May of 2007 in order to renew its permit (Bulletin of the New York City Board of Standards and Appeals 2007). However, that same search only pulled up 33 documents with the term "73-244" present, and considering that the search covers documents going back as far as 2003 and that in many cases multiple documents refer to the same venue, it would seem that 73-244 permits are uncommon, or at least they have been over the past few years.

Zoning for Nightclubs: Present and Past

In order to find out how the zoning resolution affects nightclub zoning, I have mapped and measured the areas of Manhattan where nightclubs are allowed to locate as-of-right. Using the Department of City Planning's MapPLUTO files from October 2006,² I was able to identify every Manhattan tax lot where the basic zoning code allows for nightclubs classified under use group 12A, taking into account the land use provisions in the city's Special Zoning Districts. The majority of the Borough's lots where nightclubs are allowed as-of-right under use group 12A lie west of Fifth Avenue, south of 59th Street, with major gaps in the residential cores of Chelsea, Greenwich Village, and SoHo. Areas of contiguous as-of-right space also sit on the western edge of SoHo, the Lower East Side, Chinatown, and the Financial District, where the Lower Manhattan Special District allows nightclubs to locate in the C-5 districts that are off-limits in the rest of Manhattan (see Figure 4.1).

All together, these lots represent 1,800 acres of land, or approximately 17% of Manhattan's

² The DCP's MapPLUTO files merge property information at the tax lot level from a variety of city sources including the Department of Finance and the DCP with ESRI shapefile format geometry. For more information about the files, including metadata, see the DCP's Bytes of the Big Apple program web site at <http://www.nyc.gov/html/dcp/html/bytes/applbyte.shtml>.

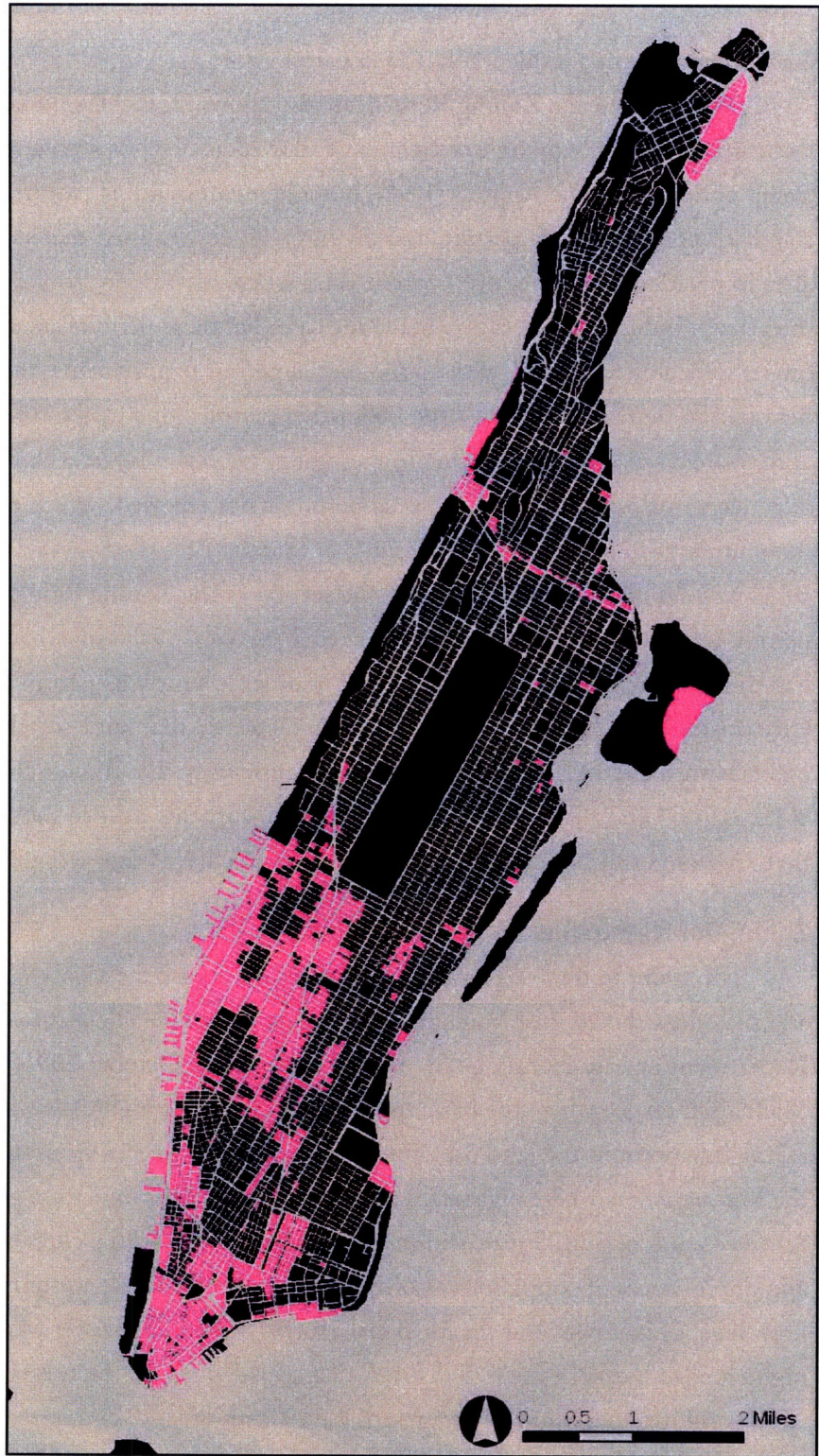


Figure 4.1. Club Zones: Borough of Manhattan. Areas zoned to allow nightclubs as-of-right as part of Use Group 12A. Includes provisions of Special Zoning Districts, and location restrictions within districts. Source: Author's elaboration from NYC Dept. of City Planning October, 2006 MapPLUTO files, and the Zoning Resolution of the City of New York.

Use Group	Description (example uses)	Area Allowed As of Right (acres)	Percent of Manhattan Total Buildable Area
4	Community Facilities (houses of worship, hospitals)	7,669	72%
1	Single-family detached residential	7,106	67%
3	Community Facilities (schools, libraries)	7,106	67%
2	All non-single-family housing	6,660	62%
6	Local retail and service (food, dry cleaners)	3,162	30%
9	Business services (printers, caterers)	2,872	27%
10	Large retail establishments (department stores)	2,709	25%
5	Transient hotels	2,646	25%
11	Custom manufacturing (jewelry-making)	2,458	23%
8	Amusement facilities (movie theaters, bowling alleys); service uses (appliance repair)	2,423	23%
12	Large entertainment facilities (arenas and nightclubs)	2,260	21%
7	Home maintenance and repair services (electrical shops)	2,172	20%
14	Facilities for boating	1,259	12%
13	Low coverage or open uses (golf driving ranges, camps)	1,079	10%
16	Semi-industrial uses (auto, welding, woodworking shops)	1,079	10%
17	Industrial uses with high performance standards	1,029	10%
18	Industrial uses	66	1%
15	Large commercial amusements (amusement parks)	0	0%

Table 4.1. Use Groups Compared. Land area where New York City’s use groups are allowed to locate as-of-right in Manhattan. Note that these figures do not reflect special restrictions within districts. Source: Author’s elaboration from NYC Dept. of City Planning October, 2006 MapPLUTO files and New York Dept. of City Planning (2006), p. 131.

total tax lot area. Putting this number in the context of other uses is difficult as the city does not produce a summary of the land area where each use group is allowed as-of-right. However, a quick analysis allows us a rough comparison of the room that nightclub owners have to maneuver around Manhattan as compared to other business owners. Using the Use Group Charts found in the 2006 edition of the *Zoning Handbook*, I was able to identify which Manhattan parcels in the October 2006 MapPLUTO files could host uses from each of the City’s 18 use groups as-of-right.³ Use group 12 is one of the most restricted Retail and Commercial use groups in the city. The Zoning Resolution only constrains Use Group 7 (“home maintenance and repair services”), Use Group 14 (“Facilities for boating and related activities”), Use Group 13 (“Low coverage or open uses like golf driving ranges”), and Use Group 15 (“Large commercial amusement establishments”)⁴ more (New York Dept. of City Planning 2006).

This snapshot provides a good first impression of how restrained nightclubs are under land use policy. But while taking a snapshot of where zoning permits nightclubs today is informative for an entrepreneur trying to open a nightclub or a family that is trying to avoid the noise associated with them, the real story in nightclub zoning is in how it has changed over the years, changes that

³ This analysis did not include details of the Zoning Resolution which limit the location of certain uses within parts of zoning districts where they are generally allowed as of right. For example, nightclubs are allowed as-of-right in C6 districts, but not within 100-feet of a residential district. Here, I did not include this caveat because doing so would require me to include all similar caveats for all use groups, a task for which I did not have time.

⁴ Use Group 15 is mapped as-of-right only in Coney Island, Brooklyn.

are intimately tied up in the restructuring of New York City's economy. Louisa Craddock, a Project Manager for the Zoning and Urban Design division of the New York City Department of City Planning put the problem of zoning for cabarets to me this way: "just as you wouldn't want to put a factory next to a home, you don't put cabarets near them either." Manhattan was actually home to many factories at one time. A land use map from a 1966 City Planning Commission document shows a Manhattan Island with vast swaths of now-fashionable residential neighborhoods covered in industrial uses. All of TriBeCa and SoHo for example are covered with uses like "Apparel" and "Textiles"(reprinted in Bутtenwieser, Willen, and Rossant 2002). As these uses left in the late 20th century, other uses, like nightclubs, which are allowed to locate as-of-right in manufacturing districts, were able to move in along with the residents who first made loft-style living chic. However, as New York's economic base has shifted further away from manufacturing towards services, and people have taken up residence in formerly-industrial neighborhoods in greater numbers, the DCP has changed its zoning accordingly, mapping formerly-industrial districts as commercial and residential.

A few of my contacts in the nightclub industry expressed the feeling that the city was slowly zoning them out of existence (Beto Sutter interview; Robert Bookman interview). Louisa Craddock admitted that pressure for residential and commercial development is hard to stop anywhere in the city, especially in Manhattan. Yet no one I spoke with could actually quantify a reduction in land open for nightclub development under the City's Zoning Resolution. To fill in this information gap, I decided to run a historical comparison of the zoning maps. I selected December, 31st, 1997, a date approximately 10 years before my research, as a reference point, and obtained a set of scanned zoning maps that were in effect for Manhattan at that time. By vectorizing these maps into ESRI shapefiles, I was then able to create spatial joins with the 2006 MapPLUTO files and analyze which tax lots were zoned to allow nightclubs as of right at the end of 1997.⁵

From this data, I found that in the nine years between the end of 2007 and when the DCP generated the 2006 MapPLUTO files, the Department rezoned Manhattan in a combination of ways that translated into a 64-acre loss of land where nightclubs can locate as-of-right (see Table 4.2). This figure represents a 3% drop from the 1997 total. While this reduction appears small, it hides a subtle yet important shift in Manhattan's nightclub zoning over the past ten years. The "M" manufacturing districts in which nightclubs were allowed as of right contracted by 154 acres, while the "C" commercial districts in which nightclubs are allowed as of right expanded by 90 acres from 1997 to 2006. This breakdown of the overall picture is important, because it exposes how zoning policy has

5 Due to time constraints and difficulties in finding historic zoning texts, I was not able to vectorize and include Special Districts (some of which were repealed or replaced between 1997 and 2006) in my analysis. Also, I was not able to model certain restrictions the way I was able to for the 2006 data. For example, nightclubs are allowed as-of-right in C4 districts, but only by special permit if the location is within 100 feet of a residential district, but since I did not have time to vectorize all the residential districts in Manhattan for 1997, I could not analyze this restriction. As a result, I have adjusted my 2006 numbers, removing the effects of special districts and residential-proximity restrictions to create a more accurate longitudinal comparison.

Zoning District	1997 Area (acres)	2006 Area (acres)	Change '97 to '06	Housing Allowed As-of-Right in this District?
C6-2A	48	97	49	Yes
C6-4	220	243	24	Yes
C6-9	0	23	23	Yes
C6-3A	10	31	21	Yes
M3-1	19	39	20	Yes
C4-6	26	42	16	Yes
C6-7T	0	14	14	Yes
C6-4A	24	38	14	Yes
M1-1	52	65	13	Yes
C6-3	18	30	12	Yes
C6-4M	17	28	11	Yes
C4-4D	0	11	11	Yes
C8-3	20	29	9	Yes
M1-2	23	31	8	Yes
C4-5X	0	6	6	Yes
C6-3X	4	11	6	Yes
M2-1	6	10	5	Yes
C6-6	58	63	4	Yes
C6-6.5	10	14	4	Yes
C4-4A	0	3	3	Yes
C6-5	13	15	2	Yes
C4-2F	0	1	1	Yes
C6-2G	20	21	1	Yes
C4-7	77	78	1	Yes
C4-5	9	10	1	Yes
C4-7A	0	0	0	Yes
C4-5A	5	5	0	Yes
C6-7.5	0	0	0	Yes
C6-4X	10	10	0	Yes
C6-5.5	15	14	-1	Yes
M2-4	12	11	-1	Yes
C4-2	3	0	-3	Yes
M1-4	48	45	-3	Yes
M3-2	30	27	-3	Yes
C6-4.5	29	26	-3	No
C8-4	26	22	-4	No
C6-1G	39	34	-5	No
M2-2	10	4	-6	No
C4-6A	43	36	-6	No
M1-6	126	117	-9	No
C6-1	119	109	-11	No
C4-4	72	58	-14	No
C6-7	41	21	-20	No
C6-2	100	78	-22	No
C6-2M	61	10	-51	No
M1-5	227	149	-79	No
M2-3	529	424	-105	No
TOTAL	2,219	2,155	-64	

Table 4.2. Changes in Nightclub Zoning 1997-2006: Borough of Manhattan. Over this period, the absolute area where nightclubs can locate as-of-right decreased by approximately 3%. At the same time, the area where nightclubs can locate as-of-right but where housing--a conflicting use--cannot decreased by approximately 10%. Source: Author's elaboration from NYC Dept. of City Planning October, 2006 MapPLUTO files, historic zoning maps, and the Zoning Resolution of the City of New York

Change in Area (acres) where Housing is Not Allowed	Change in Area (acres) where Housing is Allowed
-155	91

put nightclubs into conflict with other uses in recent years. Residential uses are not allowed in most manufacturing districts, but they are in commercial districts, along with a host of other uses like general retail and office space.

The Environmental Impact Assessment for the 2005 re-zoning of West Chelsea—an action that changed many manufacturing parcels into commercial parcels—addressed the incompatibility of nightclub and residential uses and concluded that

City laws exist that regulate noise and disorderly conduct that may be associated with drinking and dancing establishments. It is expected that a properly operated cabaret should not be a nuisance to its surrounding neighborhood and should not have compatibility issues with residential uses (*West Chelsea EIS* 2005).

However I think almost everyone in the nightclub industry would agree when I say that the Department of City Planning was overly-optimistic. Many interviewees told me that nightclubs are better located at a distance from residential uses because there are fewer opportunities for noise complaints and confrontation with residents. Soundproofing is an option for some clubs, but it does not come cheap and even a club with systems in place to prevent noise from seeping outside has the problem of crowds waiting around out front, a problem that has only become harder to manage since 2003. That year, far-reaching smoking bans at the state and city level began pushing patrons outside of clubs whenever they wanted a cigarette. Lucky accidents of architecture can remove this problem as it has for the Meatpacking District club APT which managed to create a smoking deck in the small alley between its back door and the blank wall of a neighboring building. Unfortunately, the dense built environment of New York makes these spaces infrequent.

In sum, the peaceful coexistence of nightclub uses with residential uses is, at best, an expensive proposition where possible at all, and in spite of the Department of City Planning's positive outlook for nightclubs and apartments co-existing after the 2005 re-zoning, the story of Chelsea is actually an excellent example of how nightclubs and residential uses have trouble living cheek-by-jowl in New York.

The neighborhood has long had a mix of industrial, commercial and residential zoning. Along Sixth, Seventh, Eighth, and Ninth Avenues, property was zoned commercial. West of 10th Avenue, the area was completely zoned for industrial use, but along the side streets, the zoning was a mixed bag, with residential districts on some blocks and light industrial on others. As far back as 1980s, clubs were re-purposing abandoned warehouses west of Tenth Avenue between West 14th Street and West 34th Street (Howe 1992; Kathy Condon interview), and while they were not immediately abutting residential properties, problems still bubbled up. In a 1992 article on the neighborhood, a New York Times reporter describes how trouble would begin when subway-riding disco patrons would cross “Chelsea’s residential district by the thousands all night long and beyond 4 A.M.,

when most of the clubs close” (Howe 1992). Alex Picken pointed out that similar problems continue up through the present day with club-goers stumbling back east through the same residential areas in search of cabs or the subway, “yelling, and screaming, and peeing.”

The difference between the early 1990s and 2008 is that the city has re-zoned the neighborhood to allow more residential uses. In 1999, an action by the City Planning Commission reclassified industrial districts between Sixth and Seventh Avenues and along West 23rd Street between Ninth and Tenth Avenues as commercial and residential. The intention was to “[provide] adequate opportunities for new housing development, as well as revitalize underutilized manufacturing land” (NYC Dept. of City Planning 1999), and judging by the luxury high-rises that went up along 23rd Street around the turn of the century, the re-zoning was successful in achieving the Department’s goals. The 2005 re-zoning followed up by changing most of the manufacturing districts between Tenth and Eleventh Avenues to commercial districts which allow nightclubs as-of-right, but which also allow residential uses. Already this is having an impact on the viability of nightclubs in the area. For example, in 2006, Happy Valley on West 27th Street closed when the landlord successfully fought to terminate the club’s lease, in part because he or she is trying to sell condominiums on the floors above (Romano 2006). The Roxy, which was open for more than 20 years on West 18th Street, also closed in 2006. While the club was facing financial difficulties and had to file for Chapter 11 bankruptcy protections in late 2005, Scott Aguiar, a former club employee also blamed shifts in the neighborhood’s composition for the club’s ultimate demise. “The community doesn’t want it anymore,” Aguiar said in an interview with the Village Voice. “Nobody wants an eyesore of a nightclub there” (Romano 2006). Manufacturing districts remain on some side streets between Tenth and Eleventh Avenues and between Eleventh and Twelfth Avenues, but to reach any club that might locate over there, any loud club-goers will need to pass through even more residential density than they did in 1992.

I should point out that the West Chelsea club zone is not dying out exclusively because of noise concerns. As these examples show, real estate prices are also in play, with residential and commercial uses that are able to pay more for the rent and purchase of space beating out nightclubs for what is now a highly-desirable part of town. The West 23rd Street luxury apartments that followed the 1999 re-zoning were small potatoes compared to the Frank Ghery designed Interactive Corporation headquarters on Eleventh Avenue and the multi-million dollar condominium developments nearby. As much as we might attribute these changes to “the market,” we should remember that zoning shapes the market. Star Architect Jean Nouvel’s 100 Eleventh Avenue condominium would not have been legal without a re-zoning.

When I asked Louisa Craddock if the city was doing anything to preserve manufacturing or commercial zones to allow uses like nightclubs to continue, her response indicated that the city was unable or unwilling to stop the expansion of uses incompatible with nightclubs. In a fatalistic tone,

she told me “the city is bounded by rivers, except for the Bronx. People are always looking for new [residential] space.”

Liquor Licensing: A Design against Density

If local zoning policy sets the stage for conflict between clubs and neighboring uses, then it is state liquor licensing policy that has led to all out war in recent years.

According to New York State liquor laws, within any locality home to more than 20,000 people, no on-premise or cabaret license (the two kinds of licenses that may be granted to a nightclub; on-premise licenses are granted to businesses with a capacity of 600 or fewer patrons, while cabaret licenses are granted to those with capacity above 600) may be granted for a business within 500 feet of three or more other businesses with their own on-premise licenses. The State Liquor Authority (SLA) can, however, issue a license if, after consulting with the local community through a public hearing, the Authority determines that another license would be in the public interest. Legislators wrote the law in reaction to a strip of motorcycle bars that had opened in a low density commercial zone of Queens (Robert Bookman interview). However, despite the laws New York City origins, no one gave consideration to the incredible density of Manhattan and how a 500-foot limit would affect businesses in a built environment where the standard grid block is only 1000 feet long by 200 wide, with many other blocks at sizes considerably smaller.

As a result, most of the hearings that the SLA holds as part of the “500-foot rule” pertain to new licenses in New York City. A quick scan of the SLA web site (New York State Liquor Authority) shows that from July, 2006 to March 2008, the Authority held close to 90 hearings on applications for licenses that would violate the 500 foot rule, but only seven of these hearings concerned license applications outside the jurisdiction of the New York City SLA office. While the New York City office also covers the close-in suburbs of Long Island and Westchester County, the clear majority of the New York hearings pertain to applications in the City.

To get a comprehensive view of the 500-foot law’s impact on New York City, I turned again to spatial and non-spatial data analysis. Using records that I obtained from the SLA through a New York Freedom of Information Law request, I was able to geo-reference all “on-premise” and “cabaret” liquor licenses in the Five Boroughs. From this process, I then mapped the locations where three licenses were located within 500 feet (see Figure 4.2).

Broadly, mapping the licenses confirms the general impression given by my interviewees that the state’s 500-Foot Law is inappropriate, if not for New York City as a whole, then certainly Manhattan below 59th Street and other neighborhoods in all five boroughs. The law has the greatest impact in Manhattan, where nearly 50% of the tax lots are already within 500 feet of three liquor licenses. The other borough’s do not have nearly the density of liquor licenses. Of course, looking at the borough scale is deceiving, as the distribution of commercial property and liquor licenses is

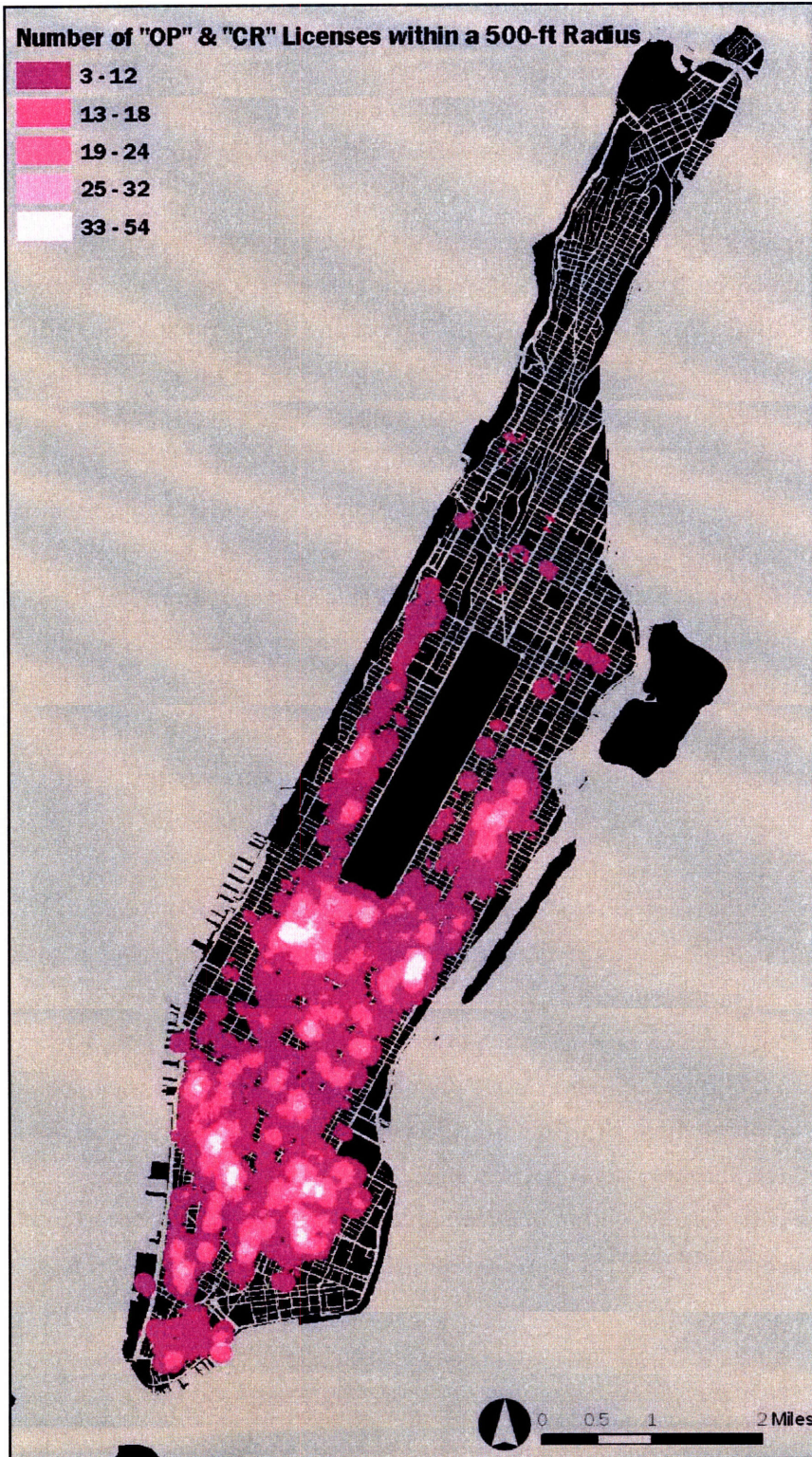


Figure 4.2. The 500-Ft Law: Borough of Manhattan. Number of "On-Premise" and "Cabaret" licenses within a 500-ft radius. Source: Author's elaboration using NYC Dept. of City Planning GOAT software with NY State Liquor Authority Data from February, 2008.

not uniform across the city. The majority of the Outer Boroughs are residential neighborhoods, and even parts of Manhattan have relatively low commercial density. A more descriptive picture of liquor license density is gained when we move to the neighborhood level. Since Community Boards are part of the 500-foot adjudication process, I have used their boundaries to define a neighborhood-level analysis.

With 98% of its tax lots within 500 feet of three on-premise liquor licenses, Manhattan Community District Five, which covers Midtown, appears to be the part of New York most affected by the 500-foot law. Based on this analysis, it would seem that almost any new nightclub (or other business) that would want to sell liquor-based drinks would need to go before a 500-foot hearing. Entrepreneurs in Manhattan Community District 2 (Greenwich Village, West Village, NoHo, SoHo, Lower East Side, Chinatown, Little Italy) seem almost guaranteed to go before a hearing as well, since 88.5% of that district's tax lot property is within 500 feet of three or more existing licensed establishments. With 27.6% of its usable land within 500 feet of three or more licenses, Brooklyn Community Board 2 (Brooklyn Heights, Fulton Mall, Boerum Hill, Fort Greene, Brooklyn Navy Yard, Fulton Ferry, and Clinton Hill) is the Outer Borough district where an entrepreneur would have the greatest chance of falling under the 500-foot law.

This analysis is only a first attempt at getting a comprehensive view of the 500-foot law in New York City, and there are analysis techniques that could produce more accurate results.⁶ With that said, I believe my results support those who think the state's law is inappropriate for parts of New York City.

Any supporter of the 500-foot law as it stands in New York might argue that a community board needs to have a say when multiple locations selling alcohol want to set up within close proximity to each other. Before I argue against the place of Community Boards in policing New York City liquor licenses, let me first say that I think a three-license hurdle is far too low for New York City. Just over 48,000 tax lots sit within 500 feet of four or more premises licensed for on-premise sale. In fact, 64 tax lots in the city (all in Manhattan) sit within 500 feet of 50 or more liquor licenses. While these 64 lots represent the extreme, they also point out that many New York City neighborhoods can function with many more than three licenses within 500 feet, unless of course there has been some sort of social collapse in these neighborhoods that I have not heard of since I downloaded the SLA data.

⁶ The results presented here could be misleading because I used tax lots as the smallest unit of geography. If all New York City tax lots were equally sized this would not be a problem, but this is not the case. Large tax lots, such as the one for Stuyvesant Town in Manhattan were wholly counted as "within 500 feet" of three or more other licenses because three licenses were within five-hundred feet of the property's edge along East 14th Street. A superior analysis would have selected only the portions of these large lots that were actually within 500 feet of the other licenses. The gold standard would be to use building footprint geometry for this kind of analysis, thereby capturing only the buildings within 500 feet of other licensed premises, not the lots, which may hold more than one building. At the time of writing the DCP did provide a building footprint shapefile but without any further attributes. The Sanborn Company also had a building footprint file available with attributes, but only for Manhattan below 59th Street and Downtown Brooklyn.

Of course, if the City's Community Boards were made up of superhumanly rational beings that were able to make calculated assessments of their neighborhood's character and make reasonable judgments of whether or not an additional liquor license is appropriate, then the law would not need to be changed. We should also remember that Community Boards only have an advisory role within the SLA hearing structure. If the public and nightclub entrepreneurs could trust the SLA board that hears 500-foot cases to ignore unreasonable Community Board opposition, then the law would also be a non-issue for the most part.

Unfortunately, neither of these scenarios are currently playing out in New York City. For a few years after the legislature passed the law in 1992, bars, restaurants, and nightclubs continued to open in New York without much trouble from the 500-foot law. It took the Community Boards a few years to realize that they had advisory power in SLA hearings, and even then the SLA would frequently issue a license even if the Community Board was against it. (Robert Bookman interview; Fickenscher 2006; Faherty 2008). However, all that has changed since 2006, when a shakeup at the Authority put officials highly sympathetic to the Community Boards in power. In September of that year, the SLA instated a four-month freeze on new licenses for nightclubs and bars (though not restaurants) while it "[reviewed] its licensing procedures" (Weiman 2006). After four months passed, the authority began issuing new licenses again, but a fundamental change had taken place. Since then, while the power of the Community Boards in 500-foot hearings has remained advisory, the SLA almost always follows the Boards' recommendations; where the Authority at one time approved 71% of all licenses rejected by the Boards, it now only approves 14% (Fickenscher 2006).

The people in the nightlife industry who spoke with me recognize the problems that can come when lots of nightlife establishments locate close together. Some point to the experience of West 27th Street in Manhattan as an example, and others sympathize with why residents do not want to live with the noise related to nightclubs right under their windows. However, they complain that by following the Community Boards' recommendations so consistently, the SLA has radicalized the Boards. Robert Bookman, lawyer for the New York Nightlife Association, recalls that while Community Boards were once willing to sit down and reach compromises with nightlife owners about the way their club would operate, they no longer have an incentive to compromise. Now the Boards will even unilaterally demand closing times from businesses that are earlier than the legally-required time in order to grant an approval (Faherty 2008; Linder 2008). Two people in the nightclub industry (Alex Picken interview; Matthew Isaacs interview) told me that Manhattan Community Board Two has managed to stifle a nascent club cluster around Kenmare Square by advising against the issuance of new licenses. An article in the "Intelligencer" section of *New York Magazine* (Landman 2008) and a series of posts on the New York food blog *Eater* also picked up the story of celebrity chef David Bouley and his troubles in getting Manhattan's Community Board 1 to approve a license for his up-scale *TriBeCa* Japanese restaurant and cooking school (though he did eventually get the license).

At the root of these controversies is the fundamental problem that comes with allowing Community Boards to have power over nightclubs. Community Boards are the smallest unit of New York City government. They are a forum in which ordinary citizens can raise their concerns about conditions in their neighborhoods, and they give a platform from which small groups can fight against the large bureaucracy of New York City government. However, giving these local bodies firm control over the licensing and development over nightlife licenses seems to create an imbalance in scale between businesses and the government that regulates them. As Rob Bookman put it, the liquor licenses issued in New York City--and especially those for nightclubs—serve an area much larger than the immediate community in which they sit. As discussed earlier, New York nightclubs draw in patrons from beyond single neighborhoods, beyond the city, and beyond the New York region. Remember that nightclubs are included in Use Group 12 of the zoning code precisely because they “have a wide service area” .

In the rest of New York, applications for on-premise licenses that violate the 500-foot rule go to the town clerk. In other words, a government body that represents the whole locality gets to advise the SLA whether or not another liquor license in that area is “in the public interest.” New York City no longer has a city-wide ABC board to hear such matters (Robert Bookman interview), but perhaps a board should be revived to review such applications, or they might even be referred to the Borough Presidents’ offices.

Cabaret Licensing: We Can Dance if We Want To...and if We Have a Permit

Having researched the regulatory structure governing nightclubs, I was surprised to find that one law which gets a lot of attention in New York actually has little effect on where nightclubs locate. Here I am speaking about the cabaret laws, which, passed in 1926, mandate that any New York City venue that wants to host dancing by its patrons must have a license. Naturally, this includes nightclubs, though the law does not use that term. Rather, Title 20 Chapter 2 Subchapter 20 §20–360 of the New York City Administrative Code refers to “cabarets,” which explains why the law is commonly referred to as the Cabaret Law.

The law has a rich and controversial history, and while some sections have been repealed or struck down since 1926, the portions that govern patron dancing remain unchanged.⁷ After years of dormancy, the administration of Mayor Rudolph Guiliani brought the cabaret laws to bear with new vigor on nightclubs (Paul Chevigny interview). As part of his quality-of-life campaign, the administration began using cabaret law violations to proactively shut down clubs that were the source of noise complaints and that were perceived to be centers of drug use. Paul Chevigny, an NYU law professor who has written about the cabaret laws, and represented various legal challenges to their constitutionality, sees the Giuliani crackdown as the natural result of a 1990s “dance craze” colliding

⁷ For more about the history of the law, see Chevigny (1991), Freedman (1986), Romano (2002), and *Metropolis in Motion*.

with an administration that was all about law and order. In his words, “Giuliani didn’t hate nightlife, he liked law enforcement” (interview). Others who witnessed the period see more malice in the administration’s actions, however; Keith Levy, a nightclub performer, and Beto Sutter, a club owner and promoter, told me that the city seemed to be especially harsh with venues catering to racial minorities and gays.

Since Giuliani left office, use of the cabaret laws to shutter clubs has ebbed and flowed, but in 2005 the state judicial system ruled against an attempt to have the law overturned on constitutional grounds (Paul Chevigny interview)⁸. There are still reports of clubs being shut down under the law (Ryzik 2006; Romano 2006), however Chevigny and Robert Bookman think that the city is now less proactive about using it to shut down venues than it was during the Giuliani years, and everyone I spoke with in the industry thinks the law has little direct effect on where nightclubs locate.

Naturally, having your nightclub shutdown for a cabaret violation can be costly. There is loss of business, which is only made worse by the city’s propensity for acting on cabaret violations right before the weekend or even during a club’s prime hours. Fines can also add up. A few years ago, the Slipper Room, a small venue on the Lower East Side that is primarily a bar with music, burlesque, and theatrical performances received a \$30,000 fine for hosting patron dancing without a cabaret license (though a lawyer got the DCA to drop the fine; Romano 2002). However, Bookman told me that obtaining a cabaret license is basically a formality once an owner has met building and fire codes and a host of other legal requirements. It is not that complying with these codes is cheap, but obtaining the license itself is more of an administrative headache than a barrier to location for nightclubs.

Paul Chevigny tells me that at one point, former Department of Consumer Affairs Commissioner Gretchen Dykstra proposed that the city replace the cabaret law with a nightclub license structure. The plan was not popular, and so she asked Prof. Chevigny to take a look the proposal, hoping that he would give it his blessing. Yet after looking at the new law, his reaction was “you’re playing a shell game with me,” because the new license did nothing about restrictive cabaret zoning.

Overlaying the Laws

Getting a firm grasp on the spatial implications of nightclub regulation in New York City and State is not easy. As we have seen, the traditional press and blogs report on the various laws that limit where these businesses can open, however, in my experience they rarely connect the dots between them.

Pulling together the data I compiled on city zoning rules and the state’s 500-foot law, I was able to map areas of Manhattan where a nightclub owner could both open a venue as-of-right and

⁸ The 2005 case challenging the constitutionality of the cabaret laws was *Festa v. New York City Department of Consumer Affairs*. Those with knowledge of Federal First Amendment case law will know that the US Supreme Court decided there is no protection of dancing under the Federal Constitution in 1989’s *City of Dallas v. Stanglin*, however New York State’s Constitutional protections of expression are broader in scope, which is why there was hope that the cabaret laws could be overturned at that level (Chevigny interview; Romano 2002).

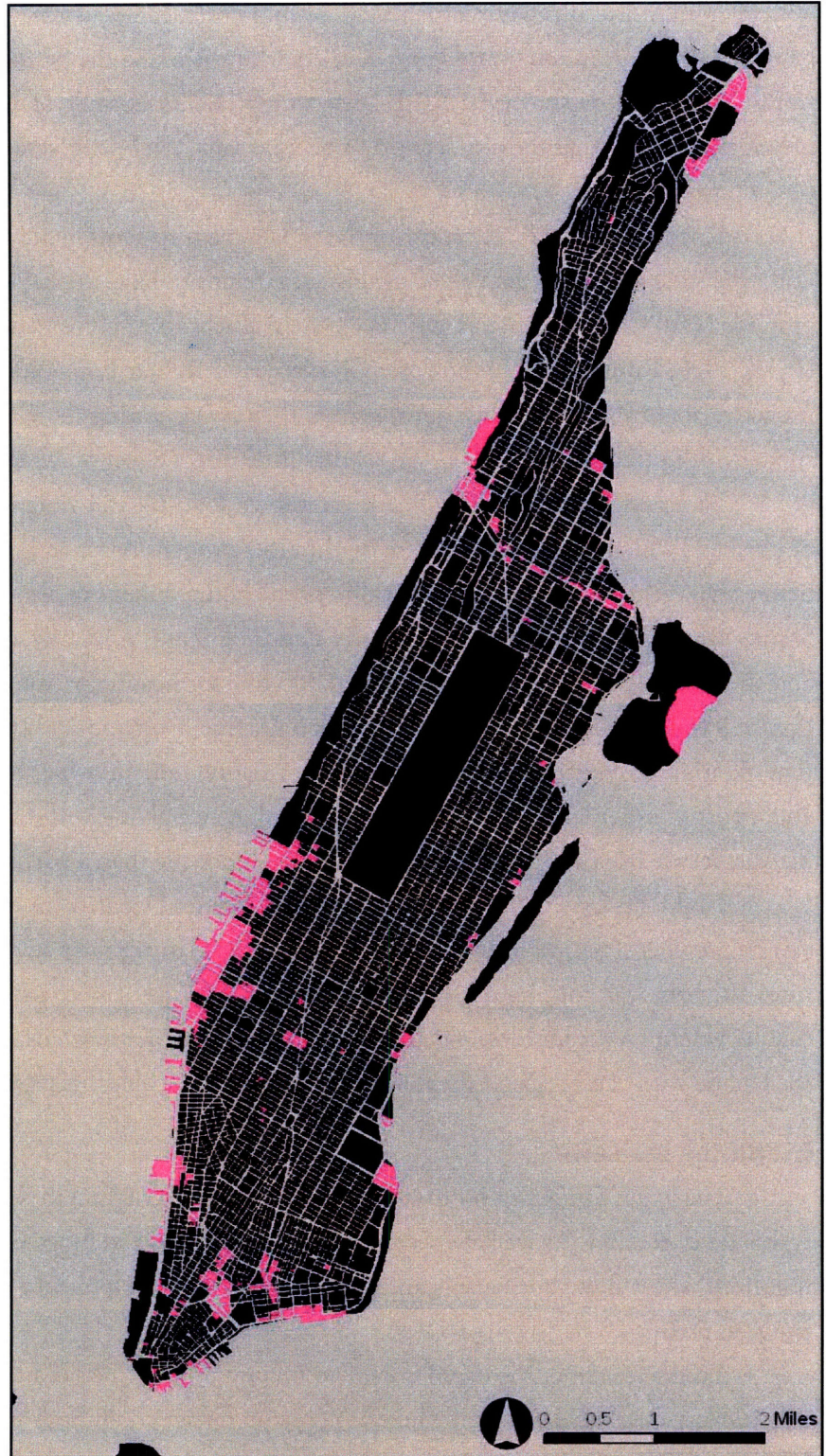


Figure 4.3. Free and Clear: Borough of Manhattan. Areas zoned to allow nightclubs as-of-right as part of use group 12A and not within 500 feet of three or more other on-premise liquor licenses. Source: Author's elaboration of NYC Dept. of City Planning MapPLUTO files from October 2006 and State Liquor Authority records from February 2008.

where he or she would not be within 500 feet of three existing licenses, thereby avoiding an SLA hearing (see Figure 4.3).⁹ As I expected, overlaying these laws dramatically restricts the freedom of movement that nightclubs have. Approximately 66% of the land zoned for nightclubs as of right in October 2006 is close enough to three or more other licenses that the SLA would trigger a hearing. That translates into about 800 acres of buildable land, most of which is sits along the waterfront or on piers between West 23rd Street and West 59th Street. The other noticeable clusters are along 125th Street and a few contiguous blocks roughly bounded by West 125th Street to the south, Broadway to the East, the Henry Hudson Parkway to the West, and 133rd Street to the North.

At this point, I want to recall that all of the spatial analysis I have done here does not take into account the current land uses present. Just as the area where nightclubs are zoned as of right next to Stuyvesant Town is actually occupied by a power plant, other parts of the City where a nightclub could legally as-of-right and without a SLA hearing are occupied by institutional or infrastructure uses that will probably remain into the far future. For example, the part of Randalls and Wards Island that keeps appearing in these maps is occupied by a sewage treatment plant, and the large parcel of land on the waterfront just beyond West 145th Street and Riverside Drive is a state park. What about the cluster of land that I mentioned between West 125th Street and West 133rd Street along the Hudson? Most of it is intended for Columbia University's controversial Manhattanville campus expansion.

A Club Cartel?

By now, it should be clear that City and State regulations severely restrict the land available for nightclubs. Before I conclude, however, I want to illuminate how this structure also erects financial barriers to entry for new owners. It does this through the “key money” fees present in the nightclub real estate market. Because the value of these fees are tied to the liquor and cabaret licenses that the business already has at a particular location, the city and state are essentially increasing the initial costs of opening a nightclub. In a way, the regulatory structure turns nightclub leases into assets for the business owners (Matthew Isaacs interview), favoring current businesses at the expense of future ones. Also, as nightclub licenses become harder to obtain in a given neighborhood, then key money fees go up, which will favor high-end businesses that can pass on the cost to consumers through expensive drinks and cover charges; meanwhile entrepreneurs who are trying to reach further down the market will need to look elsewhere.

In a 2002 article, Romano echoes the sentiment of some owners who think that the cabaret laws create a “club cartel.” In the same article, David Rabin, the owner of Lotus and current presi-

⁹ Remember that the liquor license data and the zoning data come from different years (the zoning from 2006, the liquor license data from 2008). Therefore, this analysis has inherent inaccuracy; an accurate depiction would have overlaid data from the same year, if not the same quarter or month. Still, I believe that the results of the overlay give an accurate impression of how these laws combine to limit the range of movement that nightclubs have.

dent of the New York Nightlife Association, responded negatively to the idea that he and others with cabaret licenses represent a cartel, but he seems to admit the argument's validity when he says that the current system rewards those who follow the rules with "a built-in and protected niche." In the same article, he goes on to say that eliminating the law would equal a loss of value for businesses that are already licensed.

This is not the first time that cities have favored certain kinds of nightlife either directly or indirectly with their policies. Talbot (2004) as well as Chatterton and Hollands (2002) find similar situations in London and other British cities. However, we must remember that the State's 500-foot law is in place so that cities can mitigate some of the negative consequences of alcohol consumption, and that New York City's zoning resolution is intended to create an environment where different land uses with different environmental quality needs can co-exist. Even if we temporarily accept that such laws, as currently enforced, are necessary to maintain peace and quality of life in New York, we need to recognize that they are not written to favor certain nightclubs over others, which is currently the case.

Meanwhile, Back on West 12th Street...

Given the layering of restrictions on nightclubs, it is no wonder that bouncers can get so antsy and defensive when patrons are milling around the door to their venue. Outside almost every bar and club in the city now, you can now see signs that say something to the effect of "please respect our neighbors by being quiet when outside." Had my friends and I been more belligerent that night at Beatrice Inn, who knows what kind of trouble the club's owners and employees might have gotten into?

On a micro level, I think this investigation of the regulatory hurdles facing clubs should encourage all patrons to cut doormen some slack when they are shooed away from a door; after all, they are just trying to protect their business. The question of what to do on a macro scale is more difficult, but my research has given me some initial answers.

Chapter 5: Conclusion

Last dance

In the preceding chapters I have separated and dissected the regulatory and market environments that shape the nightclub industry in order to make the driving forces of club location easier to understand. I have found that, like other kinds of retail, the primary concerns for nightclub owners when choosing their locations are accessibility for patrons and proximity to other nightclubs as well as complimentary uses. On the regulatory side, I have concluded that a combination of state licensing law and city land use policy greatly restricts where nightclubs can open in the city, and that these laws alter the industry in ways that go beyond their intended purpose of mitigating the nuisances that come from nightclubs to create limitations on club openings. Examining all of these components together, I am dismayed to see how city and state government enact policies that directly conflict with the market tendencies of clubs, even when some of these same agencies recognize the importance that nightlife has in New York. I am also fascinated by the ways in which city and state policies on nightclubs contradict each other.

To finish this presentation of my study, I highlight these contradictions and conflicts, and then present a few ideas for how we might correct them. Ultimately, though, the past few months of research have only been a first pass at understanding nightclub location choice, and I freely admit that there are many ways in which others can improve upon and expand my work. To conclude, I present strategies for how fellow researchers might do just that.

Conflicts

Between Policy and Industry

At present, I see two important areas where city and state policies directly conflict with market tendencies nightclub location. First and foremost, the State's 500-foot law and the power of the Community Boards in the law's application operate squarely against nightclubs' clustering tendencies. Because on-premise liquor licenses cover all uses from restaurants to nightclubs, the 500-foot law could put a nightclub before the review of a Community Board, even if there are no other nightclubs nearby. The recent denial of liquor licenses in the Kenmare Square area demonstrates how the law can shut down a cluster before it even begins.

Furthermore, the intersection of city land use policy and State liquor licensing intersect to reduce accessibility to nightclubs. At present, nightclubs are effectively, if not technically, treated like industrial uses to be moved away from other uses as much as possible, but nightclubs share more business characteristics with retail than industrial uses. Between the city's zoning resolution and the 500-foot law, nightclubs are pushed towards districts that are "isolated and a considerable distance from public transportation" (Newman, Caras and Dubin 2006, p. 17) or into districts like Midtown that do not have the density of complimentary uses on which nightclubs thrive.

Between City and State Policy

The example of the Lower Manhattan Special District indicates an important policy contradiction between the City and the State regarding nightclubs. While the Department of City Planning can ask the City Planning Commission to extend as-of-right status to nightclubs in special districts or through any other zoning change, these actions can be curtailed by the Community Boards through State-level legislation. In other municipalities, where 500-foot hearings are advised by the town clerk, the local planning department, in so far as it can influence municipal policy, can advise on 500-foot hearings in coordination with its land use plans. Yet in New York City, with the Community Boards in control, the 500-foot law makes no provision for the Planning Department's land-use planning goals.

Suggestions for Planners/City Officials

Given the importance of nightclubs to the City's economy, and given the ways in which nightclub policies in New York create conflict with the industry while fostering conflict between nightclubs and other uses, I think it is important that the relevant agencies within state and city government find ways to reform their policies so that they can still achieve their valid land use planning goals while allowing the industry to thrive.

Recognize the Value of Nightclubs

First and foremost, I believe that the individuals who work within city and state government need to recognize the value that nightclubs possess, because this recognition is the first step towards

creating balanced policies that will allow nightclubs to co-exist with other uses. In reading public documents from various City agencies, I have seen glimmers of recognition. In December, 2006, the City Council released a report summarizing the results of its September, 2006 Nightlife Safety Summit. The first paragraph of the executive summary highlights an article from Forbes magazine that calls New York City's nightlife "the best in the nation," and goes on to quote the Audience Research and Analysis report on nightlife's economic impact (Newman, Caras and Dubin 2006). Meanwhile, the New York City Economic Development Corporation highlights the "world-renowned museums, theaters, nightclubs, sporting teams and restaurants" of the City on its "Living in NYC: Culture and Entertainment" page. The language of the Lower Manhattan Special District is another example.

However, other encounters with city employees have contradicted the attitudes I saw in these documents. One city employee told me that nightclubs are put "where they won't bother other, 'more respectable' uses." When I told another city employee about my thesis research, I was told "I think we already have our nightclub districts well established." What is troubling was that these two people were from agencies involved in city land use and economic development policy. Other contacts at the Economic Development Corporation and another business-related agency were more supportive of my research, but said they were not able to find anyone within their organizations that was looking at nightclubs or, more generally, nightlife as an industry. Finally, while the "Safer Nights, Safer City" report came out of a meeting that brought nightlife industry insiders into dialogue with law enforcement and politicians, its final recommendations focused on strengthening the enforcement of existing laws, and did not advocate for some of the ideas that the nightlife representatives offered, including an effort to allow City police offers to patrol nightlife districts while on duty.

The administrations of Mayors Guiliani and Bloomberg have repeatedly touted the importance of "quality of life," and in general, I think they have been on the right track. However, their definitions of livability have been too narrow. While reducing nighttime noise might improve the quality of life for some, the closure of a favorite nightclub because of a noise complaint reduces quality of life for others, and getting government decision-makers to recognize that is a necessary first step in improving New York's nightlife climate.

Make the Burden of Environmental Quality a Two-Way Street

According to the 2006 edition of the Department of City Planning's *Zoning Handbook*, "[t]he 1961 Zoning Resolution separated industrial and residential areas to insulate residential communities from industrial traffic and other irritants, and to shield industry from nuisance-generated complaints" (p. 67). Applying this logic to nightlife, allowing nightclubs as-of-right in manufacturing districts makes sense: residents are not bothered by late-night noise there, and nightclubs get to operate without visits from the police or fines. Since the City Council passed the 1961 resolution, however, the city has slowly turned to a mixed land use strategy (NYC Dept. of City Planning 2006), and nightlife's protective enclaves in manufacturing zones have disappeared. As I have already said,

nightclubs share more characteristics with other forms of retail than they do with manufacturing, and I do not think the answer to nightlife land use conflicts is the preservation of manufacturing zones or the creation of Euclidian zones set aside for nightlife or other forms of entertainment. For one, even if these zones are initially successful at drawing in nightclubs and allowing venues to thrive without creating nuisance for other uses, the demand for novelty in New York nightlife will probably make these zones undesirable for new nightclubs after a few years. Also, if the supply of land for nightclubs were to be concentrated into a few key areas, I imagine that alternative venues or venues serving low-income populations would lose out to high-end venues on the rent market, and the city could be left with nightlife that only serves one segment of the population. Furthermore, as Chatterton and Hollands (2002) have found in England, trying to shoe horn New York City's entire nightclub supply into defined geographic areas may actually increase violence and nuisance problems by concentrating alcohol consumption into small zones, and experience tells us that noise and drunken behavior would not stay confined to such nightclub districts.

Given all of these reasons, I think a mixed-use zoning strategy for nightclubs makes sense for Manhattan and most of the city. As Matthew Isaacs pointed out, people in New York like to out near where they live, and having a range of complimentary uses would benefit club clusters as well as provide checks on the excesses that can come when clubs pack densely together.

Of course, the question is how to deal with the conflicts that come out of a mixed-use zoning strategy for nightclubs. As Louisa Craddock (one of the *Handbook's* authors) put it to me, noise and "rowdiness" are the Department of City Planning's key concerns with nightclubs. As I and my contacts in the industry have said, these are legitimate concerns, but the question I ask is if the City is to have a mixed-use strategy for land use regulation, then why shouldn't all uses have a responsibility to reduce conflict? I agree that abutting users can have no control over bar brawls, but I think the DCP should look at making noise abatement a responsibility for both the generator of the noise and the parties that object to it. As a concrete solution, the City could amend the Zoning Resolution so that all new residential construction within districts where nightclubs are allowed as-of-right include double-glazed windows and other sound-proofing techniques. I suspect that this would reduce conflicts between other land uses completely unrelated to nightlife as well.

In a Department of City Planning report on manufacturing districts from 1993, the authors note that "zoning...may sometimes unjustifiably exclude different types of business investment and activities from specific areas. While such activities may legitimately be restricted because their presence raises health, safety, and public welfare issues, the underlying rationales for such restrictive zoning must be reexamined periodically in light of changing conditions" (p. 1). For nightclubs, I would say that such reexamination needs to happen now.

Allow Police Details to Patrol Nightclub Districts

In addition to rethinking land use controls to address noise issues, a closer working relation-

ship between the New York City Police Department and nightclub owners could help with concerns about violence and other disorderly conduct. In the summer of 2006, the City initiated a harsh crackdown on the West 27th Street club row, using spotlights, barricades, and officers mounted on horseback. Local nightlife business owners reacted negatively, to say the least, as did patrons. However, by the time I visited West 27th Street in March, 2008, the police presence had decreased to one cruiser and perhaps six beat cops patrolling the block. I even saw bouncers having friendly conversations with officers on the street. My one observation does not give enough information to say whether or not the police presence there is keeping the street any safer than it would have been otherwise, or if police presence has deterred customers, but it is an encouraging sign, and through my interviews and in the “Safer Nights, Safer City” report, nightlife industry representatives said they would love to have more police cooperation in patrolling their operations. They even expressed willingness to pay officers to work while off-duty through the City’s paid detail program if the city cannot afford and chooses not to assign officers to nightclub areas as part of normal patrols.¹

Yet, as I have learned, the barrier for such cooperation comes from the State Liquor Authority. Places like Madison Square Garden and other sports stadiums (places that generate high volumes of traffic and noise) can use the Paid Detail program for their events, but nightclubs cannot because of a SLA rule that prevents officers “from having a direct or indirect interest in the sale of alcoholic beverages” (Newman, Caras and Dubin 2006, p. 16).² While I understand that the City does not have direct control over this law, I believe that the mayor and the City’s representatives in the state legislature should lobby for an interpretation of the law that would permit nightclubs to hire police through the Paid Detail program or through some sort of other intermediary system, if not for its wholesale repeal. If a lobbying campaign were successful, and if police details actually make club districts safer and more orderly (this would need to be tested), the benefits would be felt not only by neighbors but also the club owners themselves. It would help mitigate the negative effects of club clustering, and allow establishments to go on sharing foot traffic without sharing the air of chaos that has characterized West 27th Street and the Lower East Side in recent years.

Adjust the 500-Foot Law for New York City

Based on my spatial analysis of New York City’s liquor licenses, I agree with people like Rob Bookman and argue that the three license threshold for a 500-foot SLA hearing is too low in the context of New York City. There are limits to how many points for alcohol sales can be located together before related nuisances become a problem, but the statute is far too burdensome as it cur-

1 Under this system, a private entity can hire NYPD officers to guard their premises wearing both their uniforms and their weapons. The hiring entity then pays the Police Department directly for the services and the Department pays the officer in turn.

2 During the Nightlife Safety Summit, club owners pointed out that Madison Square Garden sells alcohol, but law enforcement representatives responded that the SLA considers alcohol sales at sports arenas and similar venues as an “incidental activity,” and thus does not violate the relevant codes (Newman, Caras, and Dubin 2006, p. 15).

rently stands. Even if a club owner comes out of a hearing with a license, he or she loses time going through the hearing process and the Liquor Authority becomes burdened with more cases than it might need to hear otherwise.

An alternative to changing the hearing's thresholds would be to change the way the law is administered. In the "Safer Nights, Safer City" report, the authors recommend that the SLA give the City authority to create its own body for adjudication of license issues. Calling the SLA "ill-equipped to identify and preemptively deal with the City's nightlife problems before they get out of hand" (Newman, Caras and Dubin 2006, p. 27), it's clear that the City Council would like such a body to carry out a stricter enforcement agenda for liquor license violations. However, creating a new body for the City could also be an opportunity to create a regulatory process that balances the promotion and control of the nightclub industry. We might imagine structures that help to guide decision-making with respect for nightclub business interests and broader-level thinking about the industry's evolution. Specific measures might include placing a representative from the nightclub and bar industry on license hearing panels, and the transfer of advisory powers from the Community Boards to the Borough President's office or some other body that represents a larger geographic area of the city.

Create a Mayor's Office for Nightlife

To conclude its list of policy recommendations the "Safer Nights, Safer City" authors recommend the creation of a City office, desk, or task force on nightlife. This was the first time I saw this idea floated anywhere, but given the success of another Mayor's office, the Mayor's Office of Film, Theatre and Broadcasting (MOFTB), I advocate that the City explore this idea.

The MOFTB describes itself as "the one-stop shop for all production needs in New York City, including free permits, free public locations and free police assistance. The agency markets NYC as a prime location, provides premiere customer service to production companies and facilitates production throughout the five boroughs" (Mayor's Office of Film). Its creation in 1966 was an early recognition by New York City government of the economic benefits that cultural and entertainment industries offer the city. In explaining his decision to create the office, Mayor John Lindsay declared that "[e]ach additional feature film or commercial television show means additional jobs for New York residents...Additional jobs means a healthier economy. And a healthier economy means a healthier city" (Mayor's Office of Film, under "History of the MOFTB"). The argument sounds similar to the ones that Currid (2007) and Audience Research and Analysis (2004) make about nightlife, and just like nightlife, the film, theatre, and broadcast industries are important to New York, not only because they employ New Yorkers, but because they also keep the city visible in the global consciousness, helping to create the New York mystique that continues attracting tourists and residents.

If the Mayor's staff can generate an agency that would smooth over the regulatory burdens for clubs, I think the returns could be similar to those gained for the film industry. Furthermore,

such a body could also be an advocate for the industry in the other regulatory agencies, advising in SLA hearings, and submitting zoning amendments to the City Planning Commission.³

Suggestions for the Nightclub Industry

While my primary focus has been finding ways in which city and state policy can be altered to improve the conditions for nightclub location decisions, I have also identified actions that players in the nightclub industry could take to improve their relationships with other uses and the agencies that regulate them.

Through the New York Nightlife Association (NYNA), nightclub owners in the City have already taken the first steps necessary to advocate for themselves before government and in the press; Robert Bookman, NYNA's lawyer, routinely appears in newspaper, television, and radio segments on developments in nightlife regulation. However, as a trade group, I believe that NYNA could benefit the industry if it expanded its range of activities. Based on the materials available through its web site, NYNA is primarily focused on legislative and public relations campaigns, which is understandable given the regulatory climate (NYNA "An Open Letter"; New York Nightlife Association 2006). NYNA also offers classes on the safe sale of alcohol in partnership with the New York State Restaurant Association, and it has helped owners identify firms that can teach their security staff training courses mandated by state law (NYNA "An Open Letter"; NYNA Homepage). The organization should look at expanding its educational programs and disseminating industry best-practices to its membership, perhaps using materials generated by groups like the Responsible Hospitality Institute.⁴ Should NYPD paid detail become a reality for City nightclubs, NYNA might also consider building a citywide pool for paid detail funds; after all, when one set of clubs is implicated in crimes, the whole industry seems to suffer the consequences, and so all clubs would benefit from adequate policing of even a few club clusters.

There are also mechanisms by which NYNA members and non-members can act on their own to improve community relations. Some nightclub owners and managers have taken it upon themselves to join their community boards, and while some have expressed frustration with the Boards (Rickey Mercado interview), I would encourage other nightclub employees to try getting onto their Boards so that they can at least have a voice in that process. Outside of that, nightclub owners might benefit from actively joining any Business Improvement Districts that cover the neighborhoods where they operate. The City's Department of Small Business Services claims that with 59 in operation around the Five Boroughs, New York has the most BIDs of any municipality in the United States (New York City Department of Small Business Services), and if nightclub owners can develop relationships with neighboring businesses and property owners through them, they might

3 The mayor is one of the public officials empowered to submit a zoning amendment proposal under the City Charter. NYC Dept. of City Planning (2006).

4 See <http://www.rhiweb.org/>

be able to diffuse nuisance conflicts before they start, and create helpful alliances in the regulatory process.

Areas for Future Research

The work that I have presented here represents months of reading, interviewing, walking neighborhoods, data cleaning and analysis, as well as an uncertain amount of money spent on cover charges and drinks. It also incorporates years of my direct observation of the New York nightlife industry as a consumer. Of course, research is never complete or perfect, and I encourage other writers to expand on my work.

First and foremost, I encourage authors to complete studies similar to mine that fill in the gaps left by my methodological weaknesses. As I admitted in my introduction, my study was limited to a specific subset of City nightclubs that may not accurately represent the industry and its range of location decision processes. As my study focused primarily on mainstream Manhattan venues with middle class, primarily-white clientele, I hope that others will focus on the part of the industry that serves working class, racially-mixed and immigrant clientele outside of Manhattan. Such studies might reveal other location choice factors that simply do not apply to the sample of nightclubs that I studied, or it may reveal that some of the factors I identified are unique to mainstream, Manhattan clubs.

Other interesting topics for investigation might include how regulatory policy is applied evenly or unevenly to clubs across the space and economic classes of the city. It may be that entrepreneurs serving non-white populations or locating in the Outer Boroughs can operate with fewer constraints. The Mintel (2002) market study indicates that Hispanic Americans patronize nightclubs more frequently than whites, and so I wonder if Hispanic neighborhoods and their respective Community Boards are more tolerant of new liquor licenses and the nuisances that come with nightclub neighbors. I also wonder if more clubs outside of Manhattan operate without Cabaret Licenses, which would indicate that club owners face fewer regulatory hurdles outside of Manhattan.

While some researchers might expand the qualitative analysis of New York's industry, others might also deepen the quantitative analysis of the market. While I have identified factors that influence nightclub location choice, we need a statistical study that quantifies the relationship between these factors and nightclub rents or key money prices. Our understanding would also benefit from analysis using spatial statistics. Controlling for the effects of zoning, tests that measure spatial autocorrelation could refine our understanding of nightclub clustering, while tests that relate nightclub locations to gradients of accessibility in terms of time and money costs could help us understand the importance of proximity to target customers. Researchers should also include other variables in their regressions to see if other, hidden factors might be driving the market.

Writers concerned with research design would also do the rest of us a great service by de-

veloping better ways to identify and track the locations of nightclubs. As the Mintel (2002) report pointed out, distinguishing nightclubs for bars and even restaurants is difficult to do, and researchers need to be creative in the way they design their samples. Government data, like cabaret and liquor license roles helps to a certain point, but as we have seen here, these records are an imperfect way to inventory City nightclubs. I still believe that using listing guides to create club inventories is a valid technique as others have done before (Collins 2004), but I found that these guides can suffer from self-reporting problems and the demands of turning out a publication within certain page limits means that print guides can have inconsistently-sized lists from week to week. A better research design might have cross-referenced different popular sources the way Audience Research and Analysis (2004) did. Following their lead, a writer might pick a variety of guides targeted at various segments of the market and pull in mentions from nightlife and popular culture blogs to create a comprehensive list that tracks nightclub openings and closings at locations around the city. Such a list would also benefit from periodic physical survey, and while sending out researchers to canvas clubs is necessarily more time consuming and expensive than using others' lists, for an industry as fluid as nightclubs, nothing is better.

Given that so much of the prior discussion of amenities as a factor in urban economic development comes from discussions about city competitiveness, a study that goes beyond any one city, and that compares the nightclub industries around the world could be informative and thought-provoking. From personal experience, I know that the internationally-famous nightclub culture of Madrid, Spain is spatially-organized in ways that are quite different from New York. There, clubs seem to open, close, and change locations with less frequency than they do in New York. Understanding how it is that regulation and market forces create an industry that is more static than New York's but still vibrant might help us gain an understanding of what



Figure 5.1. “Would any of you be willing to participate in a comparative study?” Researchers might follow the example of this *New York* magazine article. Source: Crisell (2006)

factors in nightclub location choice are universal across cities and which are specific to each locale. Comparative research might also help us develop new policy ideas for managing and stimulating the industry.

Finally, there were two important themes that appeared in my research but which I could not adequately address within the main body of my work. The first is the ebb and flow of average nightclub venue size over time in the City as Stone (1995) and Caldwell (2005) found, and a few of my industry contacts noted. These sources offered a variety of explanations for why such fluctuations might be occurring, including the rise of alternative entertainment (television in the 1950s, the internet today), evolving real estate markets, changing regulation, and even broad social trends, such as a lingering sense of insecurity following the terrorist attacks of September 11th, 2001. Teasing out these factors over time will not be easy, but understanding the socioeconomic shifts that influence nightclub size is important from a location choice perspective. Since New York nightclubs are almost always take over existing buildings, floor plate requirements will alter where nightclub owners are looking to locate their business.

The second theme that I think deserves special attention is the evolving relationship between nightclubs and the artistic community in New York. As I have said, Currid (2007) makes the case that artistic production has a special connection to nightlife, and it is this connection that helps give nightlife's role in the City's economy special importance. However, in my conversations with him, former nightclub owner Steve Lewis made a special point of commenting on what he sees as a decoupling of nightlife and the arts. In his view, where nightlife was once more of a creative venture, in recent years it has become more like other businesses, which leaves the artist out of the picture. Currid herself quotes *Village Voice* nightlife columnist Michael Musto as saying roughly the same thing (2007, p. 39).

I am not sure what this means for either industry. If nightclubs no longer incorporate bohemians in the experience they are selling, will New York club life lose its appeal (as some say it has already)? If artists no longer have clubs that court them and bring them together, will they lose opportunities to find collaborators and other employment? Or will both industries continue operating normally but without each other? No matter what the eventual outcome, I think we should have more study of the connection between artists and nightclubs because it could have implications for how we understand the economic impact of entertainment amenities.

In the end, you and others might come away with a set of completely different set of questions from those I offer here, or you might see obvious answers to them that did not occur to me. In any case, the important take away is that nightclubs are a rich area for inquiry that can call on the expertise of multiple disciplines and one which we have only just begun to understand.

Epilogue

On an uptown platform

Back on that unsuccessful night of picture taking along West 27th Street, I was coming around the brutalist fortress that houses the Fashion Institute of Technology at Seventh Avenue and West 26th Street, heading back to the train, when it suddenly dawned on me that most of the subway stations on the West Side were closed to uptown service for weekend track work. I was already freezing and the nearest subway was now at least six blocks further away than I had originally thought. Both aggravated and amused at this typical inconvenience, I let out a hard breath of air, and continued soldiering north. Sometime after two in the morning I finally made it down the stairs to the Uptown A/C/E platform at the 42nd Street station. I was cold, my chronic knee pain was acting up, and I had no clue how long I would be waiting before the next train arrived.

Leaning against one of the blue-painted steel support columns, I looked around the brightly-lit station with its glossy, white tile walls, and focused on a woman standing with her arms crossed just a few feet away. Rail thin, with fashionable black bangs and a matching Chanel purse, she was one of those New York women that would only appear on billboards in most cities. Of course, given the number of models living in the City, she probably was on billboards somewhere. A group of men in baggy jackets and ball caps had just descended the stairs and began looking at her with smiles and not-so-hidden pointing. As some light cat-calling began, she turned in the other direction and I moved to the other side of the staircase, where a group of waiting passengers had

loosely gathered around a man playing an acoustic guitar.

As our performer launched into Al Green's "Let's Stay Together," strumming his strings and letting the lyrics flow like silk, some of my fellow passengers stayed glued to their magazines and headphones, but most everyone slowly let the music take over. Some shuffled their feet to the beat. I and some others began singing along, and as two girls on the platform bench began grooving and clapping in time, a couple locked hands with the man resting his head against his woman's. There we were, a group of strangers singing and swaying together in the middle of the night.

Just as the guitar man was ending his rendition of "Lean on Me," the distant rumbling of the Uptown A grew louder, and soon it was barreling into the station from the black expanse of the tunnel. Our performer finished his song, and as the cars came to a halt on the tracks, the audience began to stir towards the doors, some seeming to linger, as if they did not want to leave the platform and the music.

The New York nightclub experience is rich with sights, sounds, and colors, but not only when you are inside the club itself. The environment on the dance floor is the night's main event, but outside the club, there is a special world as well. On some nights the best part is when you are underground, waiting for the train that will take you home.



Figure 6.1. 2:10 AM, March 30, 2008. Uptown A/C/E platform, 42nd Street-Port Authority Station. By far, the best part of the night. Source: The Author

References

- Audience Research and Analysis. 2004. *The \$9 Billion Impact of the Nightlife Industry on New York City: A study of spending by bar/lounges and clubs/music venues and their attendees* (accessed 16 January, 2008) <http://www.audience-research.com/News/NightLifeEconomicImpact2003.pdf>.
- Audrestch, David B., and Maryann P. Feldman. 2003. "Knowledge Spillovers and the Geography of Innovation". In *Handbook of Urban and Regional Economics*, edited by J. V. Henderson and J. F. Thisse. Amsterdam: Elsevier B.V.
- Bulletin of the New York City Board of Standards and Appeals*. 2007. 92 (20). New York: NYC Board of Standards and Appeals. (accessed April 28, 2008) <http://www.nyc.gov/html/bsa/html/home/home.shtml>.
- Bumiller, Elisabeth. "Hostess of Her Own Party, 6 Nights a Week." *New York Times*, 18 May, 1998, <http://www.proquest.com>.
- Buttenwieser, Ann L., Paul Willen, and James S. Rossant. 2002. *The Lower Manhattan Plan*. Edited by C. Willis. New York: Princeton Architectural Press.
- Caldwell, Mark. 2005. *New York Night: The Mystique and its History*. New York: Scribner.
- Chatterton, Paul, and Robert Hollands. 2002. "Theorising urban playscapes: Producing, regulating and consuming youthful nightlife city spaces." *Urban Studies* 39 (1):95.
- Chenevert, Bill. "The Queens of Queens." *Next*, 29 February, 2008, 10-11.
- Clark, Terry Nichols. 2004. "Introduction: Taking Entertainment Seriously". In *The City as an Entertainment Machine*, edited by T. N. Clark. Oxford, UK: Elsevier.
- . 2004. "Urban Amenities: Lakes, Opera, and Juice Bars: Do they Drive Development?" In *The City as an Entertainment Machine*, edited by T. N. Clark. Oxford, UK: Elsevier.
- Collins, Alan. 2004. "Sexual Dissidence, Enterprise and Assimilation: Bedfellows in Urban Regeneration." *Urban Studies* 41 (9):1789-1806.
- Crisell, Luke. "Who's Having More Fun?" *New York* March 26, 2007, 54-55.
- Currid, Elizabeth. 2007. *The Warhol economy : how fashion, art, and music drive New York City*. Princeton: Princeton University Press.
- Dawkins, Casey J. 2003. "Regional Development Theory: Conceptual Foundations, Classic Works, and Recent Developments." *Journal of Planning Literature* 18 (2):131-72.

- De Natale, Victor Ocie. 1984. Teaching an old strip new tricks : a renovation proposal for Boston's nightclub district. Master's Thesis, Architecture, Massachusetts Institute of Technology, Cambridge, MA.
- DeBresson, Chris, and Fernand Amesse. 1991. "Networks of Innovators: A Review and Introduction to the Issue." *Research Policy* 20 (5):363-79.
- DiPasquale, Denise, and William C. Wheaton. 1996. "Economic Growth and Metropolitan Real Estate Markets". In *Urban Economics and Real Estate Markets*. Englewood Cliffs, NJ: Prentice-Hall.
- Faherty, Christopher. "Restaurateur's Difficulties Point to Community Boards Trend." *New York Sun*, 13 March, 2008, <http://www.lexisnexis.com>.
- Fickenscher, Lisa. "Liquor unit shuts door." *Crain's New York Business*, 4 September, 2006, <http://www.proquest.com/>.
- Frost, Christopher. 2003. "Current trends in the UK property market for pubs, bars and restaurants." *Journal of Retail & Leisure Property* 3 (1):50-64.
- Gray, Christopher. 2000. *Streetscapes/The Terminal Stores, From 27th to 28th St. and 11th Ave. to the Hudson River; A Full-Block 1891 Fortress With a Medieval Look* (accessed 28 April, 2008) <http://query.nytimes.com/gst/fullpage.html?res=9C04E2D91431F934A1575BC0A9669C8B63&sec=&spon=>.
- Grigoriadis, Vanessa. "A Chelsea Girl Makes a Name All Over Town." *New York Times*, June 29, 2003, <http://www.lexisnexis.com>.
- Helms, Andrew C. 2003. "Understanding Gentrification: an empirical analysis of the determinants of urban housing renovation." *Journal of Urban Economics* 54:474-498.
- Holusha, John. "From Git to Chic to Tres Chic." *New York Times*, 23 November, 2003, <http://www.proquest.com/>.
- Howe, Marvin. "Discomania? Some Say It's Really Discoterror." *New York Times*, June 4, 1992, <http://www.proquest.com.libproxy.mit.edu/>.
- Landman, Beth. "Tribeca Says Chef David's A Big Bouley." *New York Magazine*, 24 February, 2008, <http://nymag.com/news/intelligencer/44488/>.
- Linder, Brad. 2008. *New York Night Clubs Pressured to Close Earlier*. Washington, DC.
- "Made in Manhattan." *Nightclub & Bar*, August, 2004.

- Mahler, Johnathan. "The Bloomberg Vista." *New York Times Magazine*, 10 September, 2006, 66.
- Markusen, Ann. 1996. Toronto's Economic Future: A Ruminaton on Comparisons with Seven US Cities. Paper read at Urban Regions in a Global Context: Directions for the Greater Toronto Area, October 18-20, 1995, at University of Toronto.
- . 2006. "Urban Development and the Politics of a Creative Class: evidence from a Study of Artists." *Environment and Planning A* 38:1921-40.
- Mayor's Office of Film, Theatre and Broadcasting. *Mayor's Office of Film, Theatre and Broadcasting Homepage* (accessed 28 April, 2008) <http://nyc.gov/html/film/html/index/index.shtml>.
- Mintel International Group Ltd. 2002. Nightclubs - US - August, 2002. London: Mintel International Group Ltd.
- Morgan, Spencer. "A Nightclub Queen Gets Ready to Sell Her Chilly Hotspot." *The New York Observer* 2006, 1.
- Moylan, Brian. "The Bronx is Up!" *Next*, February 29, 2008, 13.
- New York City Department of Small Business Services. *Help for Neighborhoods: Business Improvement Districts*. NYC SBS (accessed 28 April, 2008) <http://nyc.gov/html/sbs/html/neighborhood/bid.shtml>.
- New York City Dept. of City Planning. 1993. *Citywide Industry Study: Zoning Technical Report*. New York: Dept. of City Planning.
- . 2006. *Zoning Handbook*. New York: NYC Dept. of City Planning.
- New York Dept. of City Planning. 2006. *Zoning handbook*. New York: Dept. of City Planning.
- New York Nightlife Association. *New York Nightlife Association Homepage*. NYNA (accessed 19 May, 2008) <http://www.nyna.org/>.
- . *An Open Letter to Nightlife Establishments*. NYNA (accessed 17 December, 2007) <http://www.nyna.org>.
- . *NYNA Newsletter*, Fall, 2006, <http://www.nyna.org>.
- New York State Liquor Authority. *New York State Liquor Authority: Division of Alcoholic Beverage Control Homepage*. New York State Liquor Authority (accessed 12 March, 2008) <http://www.abc.state.ny.us>.
- Newman, Robert, James Caras, and Liz Dubin. 2006. *Safer Nights, Safer City: Recommendations*

of the NYC Council from the Nightlife Safety Summit. New York City Council (accessed 16 January, 2008) http://www.manhattancb4.org/Liquor/NightlifeReform/nightlife_summit_report_fn.pdf.

NYC City Planning Commission. 1989. *NYC Zoning Resolution Amendment M 890808 (A) ZRY*. New York: NYC City Planning Commission

NYC Dept. of City Planning. *Zoning Resolution of the City of New York*. NYC Dept. of City Planning (accessed March 17, 2008) <http://www.nyc.gov/html/dcp/html/zone/zonetext.shtml>.

Owens, Stephen. 2006. "The impact of the new Licensing Act together with a difficult trading environment and other new legislation on capital and rental values of UK nightclubs."

Journal of Retail & Leisure Property 5 (4):341-353.

Pattison, Timothy James. 1977. The process of neighborhood upgrading and gentrification : an examination of two neighborhoods in the Boston metropolitan area. Master's Thesis, Department of Urban Studies and Planning, Massachusetts Institute of Technology, Cambridge, MA.

Planning, New York City Dept. of City. "City Planning Commission Certifies Comprehensive Proposal for Zoning Changes in Chelsea." 19 May, 1999, <http://www.nyc.gov/html/dcp/html/about/prchel.shtml>.

Polenske, Karen R. 2004. "Competition, Collaboration, and Cooperation: an Uneasy Triangle in Networks of Firms and Regions." *Regional Studies* 38 (9):1029-43.

Purcell, John, and Kathryn Graham. 2005. "A typology of Toronto nightclubs at the turn of the millennium." *Contemporary Drug Problems* 32 (1):131.

Ramirez, Anthony. "At Last, Some Attention for Subway Lines Less Traveled." *New York Times*, 9 April, 2008, <http://www.nytimes.com>.

Reid, Mikhaela. "On a Chelsea gallery tour in the not-so-distant future." *Chelsea Now*, February 29, 2008, 14.

Romano, Tricia. "The Safety Dance: You Can't Dance if You Want To." *The Village Voice*, 26 November, 2002, <http://www.villagevoice.com/news/0248,romano,40202,1.html>.

———. "Boo!: Halloween triggers another hellish series of misfortunes for New York nightlife." *The Village Voice*, October 31, 2006, <http://www.villagevoice.com>.

Ryzik, Melena. "Dance Hall Daze." *New York Times*, 5 November, 2006, <http://www.lexisnexis.com>.

- Sassen, Saskia. 2000. *Cities in a World Economy*. Second ed. Thousand Oaks, CA: Pine Forge Press.
- Shelley, Trevor. 2005. "There appears to be a stronger demand for restaurants and bars than ever before." *Journal of Retail & Leisure Property* 4 (3):257-259.
- Sischy, Ingrid. "Calvin to the Core." *Vanity Fair*, April, 2008, 218-38.
- Smith, Neil. 1996. *The New Urban Frontier : Gentrification and the Revanchist City*. London ; New York: Routledge.
- Stone, Joanna Elizabeth. 1995. The fantasy of the New York nightclub : a study of an urban public space. Master's Thesis, Department of Urban Studies and Planning, Massachusetts Institute of Technology, Cambridge, MA.
- Talbot, Deborah. 2004. "Regulation and Racial Differentiation in the Construction of Night-time Economies: A London Case Study." *Urban Studies* 41 (4):887-901.
- U.S. Census Bureau. *2002 NAICS Codes and Titles* (accessed May 18, 2008) <http://www.census.gov/epcd/naics02/naicod02.htm>.
- Weiman, Vanessa. "Brokers grapple with liquor license freeze." *The Real Deal*, October, 2006, <http://www.therealdeal.net>.
- West Chelsea District and High Line Open Space Rezoning EIS* 2005. NYC Dept. of City Planning (accessed 3 December 2007) <http://www.nyc.gov/html/dcp/html/westchelsea/westchelsea5.shtml>.

Appendix A: Mix Tape

Because music is an integral part of the nightclub experience, I believe that music should accompany any reading of this thesis. The following is a list of tracks that represent some of my favorite dance tunes. Because recording formats change so quickly, I have not included any media with this thesis. Instead, I suggest that you find the following tracks using whichever format is currently most popular, sit back, hit play and enjoy.

- Track 1 Felix Da Housecat "Ready 2 Wear"
- Track 2 Eric Prydz "Call on Me"
- Track 3 Poker Pets "Lovin' You"
- Track 4 Freemasons "Love on My Mind"
- Track 5 Dannii Minogue vs. Dead or Alive "I Begin to Spin"
- Track 6 Armand Van Helden "I Want your Soul (Original)"
- Track 7 Riva Feat. Dannii Minogue "Who Do You Love Now?"
- Track 8 Mason "Exceeder"
- Track 9 Hot Chip "Ready for the Floor"
- Track 10 New Order "Bizarre Love Triangle"
- Track 11 Madonna "Get Into the Groove"
- Track 12 CeCe Peniston "Finally"