

MANAYUNK DEVELOPMENT CORPORATION: THE SEARCH FOR SUSTAINABLE GENTRIFICATION AND A PARKING SPOT

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I. INTRODUCTION

In 1985, local business and civic leaders formed the New Manayunk Corporation to “encourage economic development that benefits the entire community” of Manayunk,¹ a now-gentrified neighborhood in the northwest section of Philadelphia that sits beside the Schuylkill River. The New Manayunk Corporation’s portfolio included capital projects and parking management in the neighborhood.² Seven years later, influenced by national models of urban regeneration, the scope of the organization expanded considerably when it took over neighborhood marketing and promotion from a business association that had managed Manayunk’s many weekend festivals.³ The organization was renamed the Manayunk Development Corporation (MDC).⁴ Presently, the MDC acts as a “local chamber of commerce,” liaises between business owners and residents, and manages the Manayunk Special Services District (MSSD), a governmental entity created by the city of Philadelphia in 1996.⁵ The MDC’s major task as a nonprofit organization is to manage and maintain the neighborhood’s reputation as an interesting place to shop, dine, and work.

There are two important institutional moments in the MDC’s history. The first came in the 1980s when the city government gave the

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1. Manayunk Dev. Corp., *About Us*, MANAYUNK.COM, <http://www.manayunk.com/> (follow “About Us” hyperlink) (last visited Nov. 8, 2010).

2. *Id.*

3. *Id.*

4. *Id.*

5. See New Manayunk Corp., Return of Organization Exempt From Income Tax (Form 990), pt. III, (Aug. 15, 2008).

MDC's predecessor control of municipal parking lots;⁶ the second came in 1996 when the city government formed the special services district.⁷ As is the case with business improvement throughout Philadelphia, the MDC's organizational muscle strengthened with the creation of the special services district. The state government gives the city the power to pass local ordinances creating neighborhood-level districts that can levy taxes—called assessments—on businesses to carry out basic municipal functions.⁸ The MDC sponsored the creation of the MSSD and is responsible for its governance and administration. The levy assessed by the MSSD insures a steady flow of revenue to the MDC. But even more important to the MDC's institutional robustness was the early involvement of its predecessor organization in parking lot management. The New Manayunk Corporation leased the only parking lot in the business corridor from the city, and the MDC would go on to build and manage other parking lots.⁹ This gives the MDC control of the pivotal policy issue in the commercial district. The MDC combines neighborhood commercial capital development, marketing and promotion, and civic networking functions in an effort to keep Manayunk competitive in a metropolitan area with an increasing number of gentrifying neighborhoods that aspire to offer the same mix of ambiance, history, and safety.

II. WHERE PHILADELPHIANS GO TO DRINK

"Manayunk" is a Lenape (Native American) word meaning "where we go to drink."¹⁰ To walk along the gentrified neighborhood's main street (named Main Street), past its many bars and restaurants, is to learn that the community maintains some connection to its past. Manayunk first boomed when eighteenth-century industrialists built a canal system along the Schuylkill River, making the town an ideal location for mills.¹¹ Manayunk's industrial capacity

6. E-mail from Kay Sykora (Smith), Dir., Schuylkill River Project, former Exec. Dir., Manayunk Dev. Corp., to Richard Flanagan (Jan. 12, 2010, 1:30 PM) (on file with author).

7. See Phila., Pa., Ordinance No. 970325 (July 1, 1997) (noting approval of the MSSD on November 5, 1996).

8. *Id.*

9. E-mail from Kay Sykora (Smith), *supra* note 6.

10. See JOHN L. COTTER, DANIEL G. ROBERTS & MICHAEL PARRINGTON, *THE BURIED PAST: AN ARCHEOLOGICAL HISTORY OF PHILADELPHIA* 29 (1992).

11. Geraldine A. Fisher, *The Gentrification of Manayunk* 32 (2006) (unpublished M.A. thesis, University of Pennsylvania), available at <http://repository.upenn.edu/etd.html> (follow "Advanced Search" hyperlink; enter "Fisher" in last name search box and click "search").

expanded throughout the 1800s, peaking in the 1920s when the neighborhood's space limitations restricted its ability to keep pace with modern industrial production.¹² After World War II, factories closed and businesses along Main Street folded, yet many Manayunkers stayed and commuted to new jobs throughout the metropolitan area.¹³ Geraldine Fisher has argued that the neighborhood's geographic isolation created a strong sense of social solidarity among residents.¹⁴ Even today, three decades after the start of the neighborhood's gentrification, Manayunk continues to have a high concentration of senior citizens in the streets that border the Roxborough and Wissahickon Park neighborhoods.¹⁵

In the 1970s, the notion that Manayunk was a good neighborhood to live in spread by word of mouth among artists and those working in the creative industries—residential and commercial rents were very low, the neighborhood was safe, and the river, canal, and steep hill that overlooked the commercial corridor created an intimate village feeling. In the same period, City Councilman Al Pearlman and Mayor Frank Rizzo allocated \$2 million to refurbish and beautify the canal and tow path that sits beside the river, and \$125,000 to create municipal parking lots in an effort to attract tourists to the neighborhood.¹⁶ By the 1980s, antique shops and restaurants opened, and the city provided grants for improvements along Main Street.¹⁷

Gentrification in Manayunk accelerated in 1988 when businessman Daniel Neducsin discovered the neighborhood while celebrating his birthday with friends at Jake's Restaurant and Bar, a cozy new American bistro.¹⁸ Impressed, he planted his flag in the neighborhood soon after, buying up properties along Main Street and opening restaurants, including Kansas City Prime, a steakhouse,

12. *Id.* at 38.

13. *Id.* at 39.

14. *Id.* at 40.

15. In 2000, 14% of Philadelphians were 65 or older. *American FactFinder*, U.S. CENSUS BUREAU, <http://factfinder.census.gov/> (under "Fast Access to Information," type "Philadelphia" in "city/town, county, or zip" and click "Go"; select "Philadelphia city, Pennsylvania"; select the "2000" tab, and refer to the "65 and older" row). In the 19127 zip code, of which the less gentrified section of Manayunk is a part (away from the river and the retail commercial corridor along Main Street), 15% of residents were 65 or older; in the gentrified section of town along the river, only 11% of residents were 65 or older. *Id.* (under "Fast Access to Information," enter 19127 in "city/town, county, or zip" and click "Go"; refer to "65 or older" row, and click on "map") [hereinafter *American FactFinder* 19127 information].

16. Fisher, *supra* note 11, at 46–47.

17. *Id.* at 47–49.

18. Henry Holcomb, *The Man Who Re-created Manayunk's Main Street*, PHILA. INQUIRER, Feb. 23, 1993, at C01.

and Sonoma, a bar and grill. In 1995, Neducsin partnered with former Philadelphia mayor William Green and opened Arroyo Grille, a Tex-Mex restaurant.¹⁹ As the area attracted other restaurateurs, Main Street became something of a restaurant row. By the mid-1990s, Neducsin had established Manayunk as the metropolitan region's "hottest restaurant enclave."²⁰ Retailers, including big chain merchants like Pottery Barn and Restoration Hardware, soon followed, capitalizing on the buzz that the restaurant night life promoted.²¹

The accelerated gentrification that Neducsin engineered weakened the social cohesion of the neighborhood, although the underlying logic of industrial job loss was a more primary factor.²² Families left and schools closed as the neighborhood changed.²³ Absentee owners bought up properties, converting many of the single-family residences into multi-unit apartments.²⁴ Lifelong Manayunkers and the urban pioneers and artists of the 1970s now shared the neighborhood with recently graduated young-adult professionals who appreciated the neighborhood's amenities and relatively low rents in comparison to other sections of gentrified Philadelphia.²⁵ Many in the neighborhood now worry about Manayunk's "fraternity house" atmosphere.²⁶

Manayunk is a white racial enclave in a majority-minority city. In 2000, the population of 11,821 within the MSSD was 91% white, with 20% holding a Bachelor's degree or higher.²⁷ The median household income of \$40,208 was more than 25% higher than Philadelphia as a whole.²⁸ Prices for homes and rental units in 2000 were about a third

19. Gerald Etter, *Colorful, Stylish Manayunk Eatery Has a Tex-Mex Menu Big on Barbeque*, PHILA. INQUIRER, Nov. 19, 1999, at 30; Jane M. Von Bergen, *Eatery Promises Revival at Plant Site Building*, PHILA. INQUIRER, May 22, 1995, at E01.

20. Peter O. Keegan, *Manayunk: Philadelphia's Best-Kept Secret*, NATION'S RESTAURANT NEWS, Mar. 28, 1994, available at http://findarticles.com/p/articles/mi_m3190/is_n13_v28/ai_14963190/.

21. Peter Van Allen, *Main Street Redone*, PHILA. BUS. J., Dec. 19, 2003, available at <http://philadelphia.bizjournals.com/philadelphia/stories/2003/12/22/story2.html>.

22. Fisher, *supra* note 11, at 38-45.

23. *Id.* at 62-63.

24. *Id.* at 61-62.

25. Sono Motoyama, *Manayunk Cools Down*, PHILA. DAILY NEWS, Nov. 16, 2004, at 51.

26. Fisher, *supra* note 11, at 62.

27. *NeighborhoodBase Neighborhood Reports*, U. PA. CARTOGRAPHIC MODELING LAB., <http://cml.upenn.edu/nbase/nbProfileRequest.asp> (in "Basic" search box, select "Manayunk," and click "Create Web Report") (last visited Nov. 8, 2010).

28. *Id.*

higher than the rest of the city.²⁹ Although rents and home prices are less expensive than in other gentrified parts of Philadelphia, a few trendy and elegant condominium complexes that were built along the river within the last decade are quite pricey.³⁰ Manayunk is a relatively safe neighborhood reporting only sixty-eight robberies or aggravated assaults in 2006.³¹ The zip code area that hugs the river (close to Manayunk's downtown) is a subset of the MSSD, which covers half of the neighborhood's population.³² Within this section of the neighborhood, 28% of residents were twenty-five to thirty-four years old and 94% were white, according to the 2000 Census report.³³ More than half of the residents in this zip code were never married.³⁴ Not surprisingly, many of the bars and restaurants along Manayunk's Main Street attract a younger crowd.³⁵

By the late 1990s, the MDC focused on managing and sustaining gentrification. Along with organizations such as the Manayunk Neighborhood Council, the MDC lobbied local government for measures that would provide relief from weekend and evening traffic congestion.³⁶ In response, Councilman Michael Nutter sponsored legislation that would place a moratorium on opening new restaurants in the neighborhood.³⁷ The MDC supported the measure, and it passed.³⁸ This was a source of much conflict, as newer or excluded restaurateurs felt that the MDC, under the influence of board member Neducsin, was attempting to monopolize business along Main Street for Neducsin's eateries by manipulating the political process

29. *Id.*

30. Motoyama, *supra* note 25.

31. *CrimeBase Neighborhood Reports*, U. PA. CARTOGRAPHIC MODELING LAB., <http://cml.upenn.edu/crimebase/cbsProfileRequest.asp> (in "Basic" search box, select "Manayunk," and click "Create Web Report") (last visited Nov. 8, 2010).

32. *American FactFinder* 19127 information, *supra* note 15.

33. *Id.*; *NeighborhoodBase*, *supra* note 27.

34. *American FactFinder* 19127 information, *supra* note 15.

35. North Light Cmty. Ctr. Leadership Team, *The Decline of Owner-Occupancy & Growth of Rental Properties in Manayunk and Lower Roxborough*, NORTH LIGHT COMMUNITY CENTER, 6-7 (Fall 2000) <http://www.northlightcommunitycenter.org/assets/documents/EPOP.pdf>.

36. See Tamar Chary, *No Parking: Bill Before Council Would Bar New Restaurants in Manayunk That Have No Dedicated Off-Street Parking*, PHILA. CITY PAPER, Nov. 2-9, 1995, at 12, available at <http://citypaper.net/articles/110295/article008.shtml?print=1>.

37. Motoyama, *supra* note 25; Dianna Marder, *Bill Would Restrict New Eateries on Manayunk's Main Street*, PHILA. INQUIRER, Dec. 6, 1996, at B3.

38. Marder, *supra* note 37; *Five-Year Ban on Restaurants OK'd for Part of Manayunk*, PHILA. INQUIRER, Mar. 7, 1997, at B2.

to exclude other entrepreneurs—a charge Neducsin denies.³⁹ Although the moratorium was understandable in light of the many traffic and parking problems, some argue that excluding new restaurants in the 1990s reduced the neighborhood's vitality.⁴⁰ Possibly as a result of the ban, Manayunk's star presently burns less brightly than other trendy, funky areas in the metropolis.

The most enduring complaint from residents and visitors is the lack of parking. In recent years, family houses have been converted to rental units to accommodate many of the young singles in the neighborhood.⁴¹ This has increased the demand for street parking in the residential sections.⁴² A survey conducted by the City Planning Commission in 1997 found that lack of street parking was one of the primary complaints among local residents.⁴³ Among those who planned to move out of the neighborhood, lack of parking was their central complaint.⁴⁴ "Lack of guaranteed parking for residents is an ongoing problem [that] increases hostility and resistance to new residents," one survey respondent noted.⁴⁵ To curb this problem, some local residents argue for zoning changes that would restrict the number of rental units in Manayunk.⁴⁶ Others argue that the bursting of the housing bubble in 2007 will likely reduce the number of speculators turning spacious family homes into multi-unit apartments.⁴⁷

The parking problem in the commercial district is more difficult to summarize. The MDC staff and those with local knowledge insist

39. See Lawrence Goodman, *Can Manayunk Bounce Back?*, PHILA. MAG., Jan., 2002. Similarly, in the 1990s, the MDC tried to control growth by lobbying the city government to restrict the issuance of liquor licenses to new restaurants in the neighborhood. Critics of the effort charged that Neducsin was behind the effort and that the real reason for the initiative was not to control growth, but to discourage the emergence of new competitors to Neducsin's established restaurants. Both Neducsin and the local city councilman, Michael Nutter, denied the charge. See Howard Altman, *Want a Liquor License in Manayunk? Sign Here, Says the MDC*, PHILA. CITY PAPER, Dec. 19-26, 1996, available at <http://citypaper.net/articles/121996/article030.shtml>.

40. See Goodman, *supra* note 39.

41. North Light Cmty. Ctr. Leadership Team, *supra* note 35, at 4-7.

42. *Id.*

43. Phila. City Planning Comm'n, *Findings of the Opinion Survey of Manayunk Residents* (Mar. 1998), <http://www.manayunkcouncil.org/survey-summary.html> (last visited Nov. 8, 2010).

44. *Id.*

45. Phila. City Planning Comm'n, *Opinion Survey: Neighborhood Issues* (Mar. 1998), <http://www.manayunkcouncil.org/survey-issues.html> (last visited Nov. 8, 2010).

46. North Light Cmty. Ctr. Leadership Team, *supra* note 35, at 13.

47. Interview with anonymous Manayunk community leader (Nov. 17, 2009).

that there is adequate commercial parking.⁴⁸ In the last decade, parking spots were added that greatly expanded the availability of commercial parking, and presently there are approximately 500 off-street parking spaces.⁴⁹ However, outside consultants concluded that even more aggressive, consumer-friendly parking reforms were needed, including a pricing system that charged peak and off-peak rates to better manage demand.⁵⁰ It certainly is the case that many visitors to Manayunk think parking is a problem. In response to a 2009 survey asking residents in the Philadelphia area about some of the reasons why they do not visit the Manayunk district regularly, 65% said that finding parking was too difficult, while 35% responded that parking was too expensive.⁵¹ While there may be some disagreement between insiders and outsiders about the scope of the actual parking problem, Manayunk suffers from the perception that it has yet to be remedied.

The MDC maintains robust relationships with the social services sector and the environmental and historic preservation network in the neighborhood. North Light Community Center, a social services organization that started in the New Deal,⁵² provides day care services, youth programming and recreation, tutoring, and scholarships.⁵³ The MDC partners with North Light to run a summer youth program that employs teenagers in local businesses and exposes them to different career possibilities.⁵⁴ The MDC, as the local business conduit to North Light, also participates in fundraisers to support programs. In November 2009, for example, the MDC helped organize a “Pints for North Light” event held at the Manayunk

48. Interview with Jane Lipton, Exec. Dir., Manayunk Dev. Corp. (Jan. 22, 2010); E-mail from Kay Sykora (Smith), *supra* note 6.

49. E-mail from Kay Sykora (Smith), *supra* note 6.

50. See Progressive Urban Mgmt. Assocs., Strategic Plan for the Manayunk Development Corporation 16 (June, 2009) (on file with author).

51. *Id.* at 6. Progressive Urban Management Associates conducted a consumer survey of 1286 respondents. Surveys were distributed to local stakeholders, local community groups, and registered voters in the metropolitan region. *Id.* at 4. The results are suggestive, but not scientific because the sample was self-selected rather than randomly selected. However, the consultants followed commonly used protocols in consumer research.

52. See *The History of North Light Community Center*, NORTH LIGHT CMTY. CTR., <http://northlightcommunitycenter.org/history.htm> (last visited Nov. 8, 2010).

53. *Programs*, NORTH LIGHT CMTY. CTR., <http://northlightcommunitycenter.org/programs.htm> (last visited Nov. 8, 2010).

54. See *Students Prepare for Working World Through SCEP*, NORTH LIGHT CMTY. CTR., <http://www.northlightcommunitycenter.org/scep2.htm> (last visited Nov. 8, 2010).

Brewery and Restaurant.⁵⁵ A silent auction raised money, and local restaurants and regional breweries got a chance to show off their food and drink. The MDC collaborated with North Light to support the work of Journey's Way, a local nonprofit that builds senior citizen housing in the neighborhood and provides support services for adults over age fifty-five.⁵⁶

The MDC also connects with the community through the network of individuals and organizations who seek to preserve the historic look and feel of Manayunk's mill town and industrial past, and those interested in the promotion of urban parks.⁵⁷ Below the Main Street corridor sits the Manayunk Canal, and adjacent to it is the Manayunk Towpath, a greenway that is part of the Schuylkill National and State Heritage Area.⁵⁸ The MDC and the Schuylkill Project, supported by grassroots groups like the Friends of the Manayunk Canal, seek to restore the locks of the canal to navigable condition.⁵⁹ This coalition is working in support of a canal bank stabilization project intended to better manage the canal's propensity to flood and erode.⁶⁰ To that end, the MDC has functioned as the pass-through fiscal agent on behalf of the coalition for state and city capital funds required to do the restoration work, and has worked to get federal funding for the project.⁶¹ The coalition recently won \$8-9 million in state and city grants, and ground will break on the project in 2010.⁶² The MDC and the Schuylkill Project

55. See PINTS FOR NORTH LIGHT, <http://www.pintsfornorthlight.com> (last visited Nov. 8, 2010) (describing the second annual event planned for 2010).

56. E-mail from Kay Sykora (Smith), *supra* note 6.

57. There is significant government support for this work. In 1984, Manayunk was placed on the National Historic Register of Historic Places by the federal government, an honorific that attracted some notice and provides tax breaks for renovations in designated districts. Many of the properties along Main Street and the canal are included in the Philadelphia Register of Historic Places. Changes to protected properties must be approved by the Philadelphia Historical Commission before a building permit will be issued. See CITY OF PHILADELPHIA, HISTORICAL COMMISSION, <http://www.phila.gov/historical/index.html> (last updated Oct., 2009).

58. See *Skippack Valley*, SCHUYLKILL RIVER NAT'L & ST. HERITAGE AREA, http://www.schuylkillriver.org/Skippack_Valley.aspx (last visited Nov. 8, 2010); E-mail from Kay Sykora (Smith), *supra* note 6.

59. See *About FMC*, FRIENDS OF THE MANAYUNK CANAL, <http://www.manayunkcanal.org/About-FMC/25/> (last visited Nov. 8, 2010); *About Us*, DESTINATION SCHUYLKILL RIVER, http://www.destinationchuylkillriver.org/about_us.php (last visited Nov. 8, 2010).

60. E-mail from Kay Sykora (Smith), *supra* note 6.

61. *Id.*

62. *Id.*

requested an additional \$11 million in federal funding to support the restoration work.⁶³

While neighborhood and development groups make common cause of the restoration efforts, there has been some tension regarding the development of Venice Island, a sliver of land that sits between the canal and the Schuylkill River and runs the length of Manayunk.⁶⁴ Venice Island is the last piece of undeveloped land in the neighborhood.⁶⁵ Businesses and developers were successful in getting local Councilman Michael Nutter and the city government to rezone Venice Island from industrial to residential use in 1999, but they did so over the objections of the Manayunk Neighborhood Council and the Friends of the Manayunk Canal.⁶⁶ The executive director of the MDC at the time, Kay Sykora (Smith), testified in support of the residential use plan, as did Dan Neducsin, the influential local businessman and developer.⁶⁷ While the river views are scenic, it is a challenging location for development because the island sits in a flood plain.⁶⁸ An ambitious development plan was fiercely contested in the courts for years by the neighborhood and environmental coalition.⁶⁹ In the end, the developers prevailed. Carl Dranoff, a prominent Philadelphia developer, built Venice Lofts, a well-appointed residential complex, on Venice Island.⁷⁰ Neighborhood activists warn that flooding is still a concern and that there are insufficient routes on and off the small island in case of an emergency.⁷¹

The MDC is a well-budgeted organization. An examination of IRS filings for the organization's fiscal year 2007 shows that fees levied by the MSSD generated \$135,000, and parking fees produced

63. *Id.*

64. See *Maps*, FRIENDS OF THE MANAYUNK CANAL, <http://www.manayunkcanal.org/Maps/50> (last visited Nov. 8, 2010) (containing maps of relevant areas); *The Venice Island Issue*, MANAYUNK NEIGHBORHOOD COUNCIL, <http://www.manayunkcouncil.org/VeniceIsland/index.html#Summary> [hereinafter *Venice Island Issue*].

65. *Venice Island Issue*, *supra* note 64.

66. Mark Jaffe, *Council Approves Island Rezoning*, PHILA. INQUIRER, Dec. 17, 1999, at B1.

67. Fisher, *supra* note 11, at 68.

68. Mark Jaffe, *Some Housing Proponents Balk at Venice Island Plan: A Proposed Development of Four-and-Five Story Buildings on the Flood-Prone Island Goes Beyond New Zoning Rules*, PHILA. INQUIRER, Mar. 28, 2000, at B1.

69. See *Venice Island Issue*, *supra* note 64.

70. *Portfolio: Venice Lofts*, DRANOFF PROPERTIES, <http://www.dranoffproperties.com/portfolio/venice-lofts/> (last visited Nov. 8, 2010).

71. *Flood Facts of the Day: #1 in a Series*, MANAYUNK NEIGHBORHOOD COUNCIL, <http://www.manayunkcouncil.org/VeniceIsland/venice-fact1.html> (last updated Aug. 16, 2010).

\$281,000.⁷² The biggest festival of the year, Manayunk Arts, generated revenues of \$173,000.⁷³ On the outgoing side, the MDC spent \$156,000 on community events (including advertising and special promotion) and \$167,000 on community maintenance, which included the budget to make repairs and perform small maintenance tasks in the business district.⁷⁴ The MSSD transferred funds to the MDC to carry out street maintenance, holiday lighting, and neighborhood marketing.⁷⁵ The MDC is also involved in coordinating the financing of capital construction projects carried out by the city, including the infrastructure needed for a planned Lower Venice Park and Performance Center.⁷⁶ Presently, the MDC employs a full-time director, a deputy director, a small support staff, and a street cleaning team of three.⁷⁷

The MDC, in partnership with the East Falls Development Corporation and other civic groups,⁷⁸ supports the Schuylkill Project, a regional effort to restore the Schuylkill waterfront.⁷⁹ A full-time director and program director for the Schuylkill Project set about to find funding to support restoration of the canal area and won capital grants from federal and state sources to restore canal trails.⁸⁰ A grant from the William Penn Foundation supports the Schuylkill Project staff and covered the expense of a comprehensive strategic plan in 2008.⁸¹

III. THE LIMITS OF GENTRIFICATION

The MDC maintains a good working relationship with elected officials. As far back as the 1970s, the Mayor and city council recognized the potential for economic development in the neighborhood. City council supported the creation of the Special Services District in

72. See New Manayunk Corp., Return of Organization Exempt From Income Tax (Form 990), Financial Statements 5 (Aug. 15, 2008).

73. *Id.* at 22.

74. *Id.* at 5.

75. See Progressive Urban Mgmt. Assocs., *supra* note 50, at 27 (evidencing the financial support provided to the MDC by the MSSD).

76. E-mail from Kay Sykora (Smith), *supra* note 6.

77. Progressive Urban Mgmt. Assocs., *supra* note 50, at 24.

78. While the MDC serves as the fiscal agent of the Schuylkill Project for the purpose of grant application filings, the policy work of the Schuylkill Project is a stand-alone venture that is not part of the core work of the MDC. See E-mail from Kay Sykora (Smith), *supra* note 6.

79. *Id.*

80. *Id.*

81. See *id.*; Telephone Interview with Kay Sykora (Smith), Dir., Schuylkill River Project, former Exec. Dir., Manayunk Dev. Corp. (Jan. 22, 2010).

1996⁸² and its renewal in 2001.⁸³ Then-Councilman Michael Nutter sponsored both the legislation that created the district⁸⁴ and its reauthorization.⁸⁵ In the five-year plan submitted to the city council, the MDC proposed to improve pedestrian safety in the commercial district through better signage and new crosswalks, establish a Manayunk trademark, engage in public relations activities, and install nineteenth-century lampposts along Main Street.⁸⁶ Testifying in support of the renewal of the special services district designation in 2001, the MDC Executive Director Kay Sykora (Smith) asserted, "With the success of other areas of the city and the suburbs, these dollars will be used to upgrade our maintenance efforts, expand on promotions and do some small capital improvements."⁸⁷ She pointed out that Manayunk was a district that brought suburban shoppers into the city.⁸⁸

As Sykora (Smith) once remarked, "Parking has always been the battle cry for Manayunk," and it is on this matter where we see the most city intervention and public controversy.⁸⁹ In the late 1990s, Mayor Rendell, after having a difficult time locating a parking spot when he went out to dinner in Manayunk one evening, urged his transportation commissioner to address the neighborhood parking problem.⁹⁰ To provide more parking, the city purchased land on Venice Island, and the MDC paid to pave the new lot.⁹¹ The MDC has slowly and steadily been expanding the parking capacity of the downtown area by dedicating the parking fee revenue to acquisition and improvement of parking lots.⁹² But the public perception persists that the parking situation has not improved.

82. See Phila., Pa., Ordinance No. 970325 (July 1, 1997) (noting the creation of the MSSD on Nov. 5, 1996).

83. *Hearing on Bill No. 000717, Bill No. 010125, Bill No. 010126, Bill No. 010181, Bill No. 010233, Bill No. 010424, Bill No. 010425, Bill No. 010524, Bill No. 010540, Bill No. 010557, Bill No. 010604, and Bill No. 010605 Before the Comm. on Rules 75-76* (Phila., Pa., Nov. 20, 2001) [hereinafter *Hearing on Bill No. 010605*], available at <http://legislation.phila.gov/transcripts/Public%20Hearings/rules/2001/ru112001.pdf>.

84. See Phila., Pa., Ordinance No. 020183 (June 13, 2002).

85. *Hearing on Bill No. 010605*, *supra* note 83.

86. Phila., Pa., Ordinance No. 970325 (July 1, 1997).

87. *Hearing on Bill No. 010605*, *supra* note 83, at 68 (statement of Kay Sykora (Smith), Exec. Dir., Manayunk Dev. Corp.).

88. *Id.*

89. Marc Meltzer, *Council Takes Up Manayunk Parking Woes*, PHILA. DAILY NEWS, Nov. 29, 1995, at 12.

90. *Id.*

91. *Id.*

92. E-mail from Kay Sykora (Smith), *supra* note 6.

The five-year moratorium on new restaurants imposed in 1997 may have mitigated some traffic problems, but it prevented the marketplace from developing new restaurants. It also created bitter feelings in the commercial district because many business owners felt that they were being strong-armed by the MDC and the neighborhood establishment. The blame for some of the difficulties that the neighborhood is experiencing now—namely, its loss of a sense of shared vision and its declining fortunes as a trendy neighborhood—can be traced to this rather ham-fisted city ordinance. Councilman Nutter's effort to satisfy unhappy homeowners and established businesses locked newcomers out of Main Street and created divisions among retailers and restaurateurs.

IV. PLANNING FOR A SUSTAINABLE FUTURE

In 2008, the MDC conducted a strategic planning process using the Denver-based firm, Progressive Urban Management Associates (PUMA).⁹³ When it made preliminary presentations in the spring of 2009, PUMA reported that although residents appeared reasonably satisfied with the community, there was a desire to move ahead in different directions by attracting new businesses, particularly independent, interesting retailers.⁹⁴ Parking, as always, remains the neighborhood's biggest problem, and the sense of public safety its strength.⁹⁵ PUMA recommended, first, increasing member assessments, something the MDC board is contemplating as the special services district is up for renewal in 2012;⁹⁶ second, a more thoughtful management approach to the parking problem, namely, lowering the parking rates that the MDC charged in its lots, and encouraging train and bus travel to the neighborhood;⁹⁷ third, that the MDC open its board membership to more community residents and impose term limits on board service;⁹⁸ and fourth, a name change to "Manayunk Economic Development Corporation" to better reflect

93. Bernard J. Scally, *New Strategy for Historic Corridor, Roxborough Review*, MONTGOMERY-NEWS.COM (June 6, 2009), http://montgomerynews.com/articles/2009/06/06/roxborough_review/news/doc4a255c620c2e5584296567.txt.

94. Progressive Urban Mgmt. Assocs., *supra* note 50, at 1-7.

95. *Id.* at 6.

96. *Id.* at 27. The assessment fees charged by the special services district are low and generate a small share of the MDC's budget. The consultants recommended raising the fees and putting the dollars to work.

97. *Id.* at 16. Its survey found that the expense and the lack of parking were the most important reasons why people might not visit the commercial district. *Id.* at 6.

98. *Id.* at 25.

its current mission.⁹⁹ PUMA also asserted that the MDC “needs more reliable funding, more tools at its disposal and a stronger board and committee structure that are working lock-step towards the same goals.”¹⁰⁰

Manayunk is no longer the trendiest neighborhood in town. The most ambitious plans in the neighborhood—to build condominiums, retail shops, and public amenities along the canal area—are on hold until the recession lifts.¹⁰¹ The MDC will devote future efforts to mitigating some of the parking difficulties (both real and perceived), beautifying the Main Street area so that it will attract older, affluent shoppers, and lobbying for funding from the government to quickly transform the industrial shabbiness of the canal area and Venice Island into a more well-preserved natural and historical resource.¹⁰² The MDC is at a critical moment in its development—indeed, community stakeholders characterized Manayunk as a great ship without a rudder.¹⁰³ The MDC is unlikely to engineer Manayunk’s reemergence as the hottest destination neighborhood in the city, even though many local businesses harbor such hopes. Manayunk’s potential as a healthy sub-regional dining and shopping alternative looks promising if it can develop leadership in the post-Dan Neducsin era.

V. NEIGHBORHOOD POWERBROKER?

The role of the business and public entrepreneur Dan Neducsin is central to understanding the gentrification of Manayunk and the robustness of the MDC. Manayunk has long been Neducsin’s project. In 2007, he owned 50 buildings and 300 apartment units, making him the neighborhood’s biggest property owner and taxpayer.¹⁰⁴ He bought property and opened restaurants that established the neighborhood as the destination of weekenders throughout the region.¹⁰⁵ He built political connections with city officials that established Ma-

99. *Id.* at 2.

100. *Id.* at 11.

101. Theresa Everline, *Manayunk’s Venice Island: Fights and Neglect*, BROWNSTONER PHILA., (May 24, 2010, 11:07 AM), http://philly.brownstoner.com/2010/05/manayunks_venice_island_fights_1.php.

102. Progressive Urban Mgmt. Assocs., *supra* note 50, at 12–22.

103. *Id.* at 12.

104. *Id.* at 31.

105. *Id.* at 42.

Manayunk as a favorite neighborhood in city hall for many years.¹⁰⁶ In 2008, as evidence of Neducsin's powerbroker status, it was rumored that Mayor Michael Nutter offered him a position as deputy mayor and liaison to the business community—a job offer he politely declined.¹⁰⁷ Neducsin had close ties to the mayoral administrations of Edward Rendell and John Street as well and opened up a restaurant and co-owned several properties with the former mayor of Philadelphia William Green.¹⁰⁸ Neducsin credits his success in Manayunk to his “good relationship with City Hall.”¹⁰⁹

Neducsin invested in Manayunk because of its proximity to major highways and the downtown area, and its location next to the river.¹¹⁰ The business district is on “an old time street that was conducive to retail shopping,” Neducsin said.¹¹¹ He did not want Manayunk to turn into a destination for college students;¹¹² rather, he wanted to attract consumers older than twenty-five.¹¹³ To that end, he encouraged the establishment of better retailers and restaurants along the commercial strip, using the leverage of owning many properties in the business district.¹¹⁴

As important as Neducsin is in understanding the neighborhood's development over the past three decades, it would be a mistake to understand Manayunk as a neighborhood exclusively shaped by his desires—it is not a company town. The business development model for Manayunk was in place before Neducsin entered the scene. A prescient 1982 report commissioned by the Philadelphia City Planning Commission called for the “historic gentrification” of the neighborhood, arguing that future retail development should not disturb the “quaint . . . ethnic mill-town character of the District”¹¹⁵ The city of Philadelphia recognized the tax-generating pos-

106. See, e.g., *Did Nutter Approach Dan Neducsin About Deputy Mayor Spot?*, PHILA. MAGAZINE, (Nov. 2, 2007, 10:14 AM), <http://blogs.phillymag.com/news/2007/11/02/did-nutter-approach-dan-neducsin-about-deputy-mayor-spot>.

107. *Id.*

108. See Fisher, *supra* note 11, at 51.

109. *Id.*

110. *Id.* at 50.

111. *Id.*

112. *Id.* at 51.

113. See *id.* at 62.

114. See *id.* at 51.

115. Mary Jo Rendon, *Manayunk as a Historic District 28* (1987) (unpublished M.S. thesis, University of Pennsylvania) (on file with the University of Pennsylvania) (citing Edward L. Crow, *The Development Program for the Main Street Commercial District* (1982) (unpublished report)). Crow was so impressed with the potential of the neighborhood that he pur-

sibilities of Manayunk in the 1980s by providing grants for façade renovation and other retail improvements.¹¹⁶ Many across the metropolitan area recognized the worth of the burgeoning grassroots arts scene and innovative sporting events anchored by the neighborhood, such as the internationally-established Philadelphia bike race.¹¹⁷

The literature on business improvement districts notes that these organizations often do not allow for sufficient democratic participation and access.¹¹⁸ This view carries some weight in the case of Manayunk. The citizens who lived in Manayunk before gentrification did not participate in Neducsin's private vision or in the implementation of the planning reports of city agencies and private consultants. Much of the opposition to the MDC and the informal establishment in the neighborhood comes from the Manayunk Neighborhood Council and focuses on the cause of no-growth politics. The council has worked to stop development of new condominiums on Venice Island. The MDC has diffused some of the anger by working cooperatively on canal improvement projects with local groups, but the power of business consistently prevails in the political arena and in the courts.¹¹⁹

Critics have complained about the relationship between the MDC and Dan Neducsin over the years. Many within the neighborhood argue that Neducsin controls the organization.¹²⁰ Some business owners have charged that Neducsin has used his influence within the MDC and city government to shut out enterprises that do not fit in well with his vision of upscale gentrification.¹²¹ While Neducsin dismisses such charges, it is certainly true that he has been the dominant force in the organization. Consultants have recommended that the MDC institute term limits on members of the board to encourage more diversity in governance and establish a more formal role for the representation of community residents in the organiza-

chased land in the neighborhood and became president of the New Manayunk Corporation, the MDC's predecessor organization.

116. See Fisher, *supra* note 11, at 47–48.

117. See Sarajane Freligh, *Manayunk Is Making the Most of a Bike Race*, PHILA. INQUIRER, June 10, 1987, at G-10.

118. Richard Briffault, *A Government for Our Time? Business Improvement Districts and Urban Governance*, 99 COLUM. L. REV. 365, 455 (1999); see also JERRY MITCHELL, BUSINESS IMPROVEMENT DISTRICTS AND THE SHAPE OF AMERICAN CITIES 105–08 (2008).

119. See *Venice Island Issue*, *supra* note 64.

120. See Holcomb, *supra* note 18.

121. See, e.g., Altman, *supra* note 39.

tion.¹²² But what critics often miss is the layer of leadership provided by the early urban pioneers that dates back to the 1970s. This cadre's orientation is closer to the progressive politics of the 1960s than the corporate model of urban renewal of the 1980s and 1990s, and they have influenced the debate about the future of the neighborhood as well.¹²³ Critics have also made Neducsin the personification of market and demographic trends and neighborhood conflicts that would have very likely occurred with or without him. Now, however, Neducsin's hold seems to be slackening as the MDC enters a period of leadership transition.

VI. CONCLUSION

Business improvement and special services districts have been important tools in the revitalization of Philadelphia.¹²⁴ In Manayunk, the transformation of the neighborhood started before the formal creation of the special services district. Although the development was driven by private dollars, the City of Philadelphia shaped the development of the neighborhood and the MDC in critical ways. First, the City transferred control of parking lots to the MDC. While the parking fees were dedicated to lot improvements, the more important impact was making the MDC the steward of the neighborhood's scarcest resource. Second, the creation of the special services district in 1996 provided the MDC with a reliable flow of revenue with which to carry out its essential functions, including street improvements, neighborhood promotion, and weekend and seasonal festival management. Over the next several years, the MDC will have to develop a new generation of leadership by reaching more deeply into the neighborhood's civic sector, and local leaders will have to develop a sustainable vision for Manayunk that does not look back to the glory days of the 1990s.

122. Progressive Urban Mgmt. Assocs., *supra* note 50, at 25. The MSSD is very much a creature of the MDC as a matter of practice. PUMA recommended enhancing the assessments of the MSSD to better fulfill the mission of the MDC. *Id.* at 27-28.

123. Fisher, *supra* note 11, at 44-48; E-mail from Kay Sykora (Smith), *supra* note 6.

124. See Paul Steinke, *The Pros and Cons of Philadelphia's Business Improvement Districts*, NEXT AM. CITY, Summer 2006, available at <http://americancity.org/magazine/article/the-pros-and-cons-of-philadelphias-business-improvement-districts-steinke>.