

THE CHALLENGES OF USING BIDS IN LOWER-INCOME AREAS: THE CASE OF GERMANTOWN, PHILADELPHIA

*Robert Stokes**

I. INTRODUCTION

In April 1995, Mayor Edward Rendell signed the bill that created a special services district for the Central Germantown community.¹ The process that created the Germantown Special Services District (GSSD) had been neither easy nor fast—initial discussions of the district began in 1992. The GSSD was the fourth district to be approved in Philadelphia. The first two districts, the Center City District and the South Street/Headhouse District represented a more common use of business improvement districts (BIDs), by providing additional services in central business districts as well as entertainment and tourism areas with healthy real property tax and customer bases. Germantown, along with the Frankford Special Services District (the city's third approved district, located in the city's lower northeast neighborhood of Frankford), represented a novel use of the BID model in areas with significant economic, social, and physical challenges. As the BID model largely relies on a self-help model of urban management and service delivery, districts with little resources typically struggle to reach their goals.² This is especially true when those goals go beyond simple place management and maintenance functions to include larger initiatives related to the social and economic transformation of urban communities.

The case of Central Germantown and the GSSD points to a need for a broader set of public policies to assist BIDs operating in low-income communities. Such policies should focus on maintaining a predictable base budget level while helping to develop programs and strategies that leverage existing organizational strengths.

This Case Study draws on a number of sources, including a synthesis of three major studies of Central Germantown's commercial

* Robert Stokes is an associate professor and coordinator of the Environmental Studies and Policy Programs at Drexel University.

1. Phila., Pa., Ordinance No. 1027 (Apr. 18, 1995).

2. Robert Stokes, *Business Improvement Districts and Inner City Revitalization: The Case of Philadelphia's Frankford Special Services District*, 29 INT'L J. PUB. ADMIN. 173, 174 (2006).

district over the past decade, a review of historical news items collected by the Urban Archives at Temple University, an examination of city planning and census data, and the results of a survey interview with the director of the GSSD. Part II includes a discussion of the physical, social, and economic context of the Central Germantown area; Part III describes the community's historical efforts at redevelopment; Part IV looks at the current state of the district, including the challenges faced by its leaders in implementing a commercial and community revitalization program; Part V analyzes these challenges, as well as the accomplishments of the GSSD; and Part VI provides conclusions and policy recommendations.

II. PHYSICAL, SOCIAL, AND ECONOMIC PROFILE OF CENTRAL GERMANTOWN

Germantown is located in the lower northwest section of the city of Philadelphia. To its south are the neighborhoods of North Philadelphia, including the impoverished community of Nicetown. To its northeast are the more affluent communities of Mount Airy and Chestnut Hill. As of the 2000 census, the seven census tracts adjacent to the Central Germantown business district held a total population of 28,715, of which 87% were African American and 10% White (no other racial or ethnic group comprised 1% or more of the total population).³ Of approximately 13,000 housing units in these tracts, 13% were vacant.⁴ A majority (58%) of the 11,000 occupied units in this community were rental properties.⁵ Nearly 26% of the residents lived below the poverty line in 2000, in contrast to the city average of 22%.⁶ About half of the population failed to graduate

3. *American FactFinder*, U.S. CENSUS BUREAU, <http://factfinder.census.gov/> (follow "Data Sets" hyperlink; then click "Census 2000" and follow "Quick Tables" hyperlink under "Census 2000 Summary File 1 (SF 1) 100-Percent Data"; then select "Census Tract" under "Select a geographic type"; then select "Pennsylvania" under "Select a state"; then select "Philadelphia County" under "Select a county"; then select tracts 238, 241-42, 244-46, and 252; then click "Add"; then click "Next"; then select "DP-1 Profile of General Demographic Characteristics: 2000"; then click "Add"; then click "Show Result").

4. *Id.*

5. *Id.*

6. *Id.* (follow "Data Sets" hyperlink; then click "Census 2000" and follow "Quick Tables" hyperlink under "Census 2000 Summary File 3 (SF 3) - Sample Data"; then select "Census Tract" under "Select a geographic type"; then select "Pennsylvania" under "Select a state"; then select "Philadelphia County" under "Select a county"; then select tracts 238, 241-42, 244-46, and 252; then click "Add"; then select "County" under "select a geographic type"; then select "Pennsylvania" under "Select a state"; then select "Philadelphia County" under "Select a

from high school, compared to the citywide rate of 55%, while about 15% of the population reported attaining at least a bachelor's degree, compared to the 18% citywide rate.⁷ Compared to the city as a whole, the crime rate for the area in 2006 was high. Serious personal crime was at sixteen incidents per thousand residents, which is almost as high as the city average of eighteen per thousand, while the rate of serious property crime at sixty-two per thousand was the same as the city average.⁸

Despite the sizable retail agglomeration in Germantown, the community is commercially underserved, with 23,000 square feet of occupied, gross leasable space (GLS) per thousand residents, compared to the city median of 31,000 square feet of GLS per thousand.⁹ The most recent official retail census for Central Germantown revealed 270 business establishments and an 11.9% vacancy rate.¹⁰ A separate study of the city's BIDs done in 1999 found 293 business addresses with fifty-eight vacant properties in Central Germantown, a vacancy rate of nearly 20%.¹¹

III. HISTORY OF CENTRAL GERMANTOWN'S REDEVELOPMENT EFFORTS

Germantown is a historically significant community with a number of revolutionary-era homes still standing. The neighborhood has, for much of its history, also been a center for retail trade. In the

county"; then click "Add"; then click "Next"; then select "DP-3 Profile of Selected Economic Characteristics: 2000"; then click "Add"; then click "Show Result").

7. *Id.* (follow "Data Sets" hyperlink; then click "Census 2000" and follow "Quick Tables" hyperlink under "Census 2000 Summary File 3 (SF 3) - Sample Data"; then select "Census Tract" under "Select a geographic type"; then select "Pennsylvania" under "Select a state"; then select "Philadelphia County" under "Select a county"; then select tracts 238, 241-42, 244-46, and 252; then click "Add"; then select "County" under "select a geographic type"; then select "Pennsylvania" under "Select a state"; then select "Philadelphia County" under "Select a county"; then click "Add"; then click "Next"; then select "DP-2 Profile of Selected Social Characteristics: 2000"; then click "Add"; then click "Show Result").

8. See *CrimeBase Neighborhood Reports*, U. PA. CARTOGRAPHIC MODELING LAB, <http://cml.upenn.edu/crimebase/cbsProfileRequest.asp> (select "Germantown" from the drop-down menu under "Choose one of the NIS Neighborhoods"; then select "Create Web Report") (last visited Nov. 8, 2010).

9. See PHILA. SHOPS UPDATE 2002-2003 (Phila. City Planning Comm'n, Phila., Pa.), Apr. 2004, at 19.

10. See PHILA. SHOPS UPDATE: A CITYWIDE INVENTORY OF RETAIL CENTERS (Phila. City Planning Comm'n), Dec. 1996, at 20.

11. ROBERT STOKES ET AL., CO-PRODUCING COMMERCIAL SAFETY SERVICES IN PHILADELPHIA: FINAL REPORT 96 (Ctr. for Pub. Policy, Temple Univ., Phila., Pa. Nov. 2006), available at <http://www.ncjrs.gov/pdffiles1/nij/grants/216345.pdf>.

1950s, for instance, Germantown had nearly 300 businesses, including diverse shops, which ranged in size from large department stores to hot dog stands.¹²

Like many older urban communities, the postwar years were unkind to Germantown. An exodus of residents and commerce to the suburbs was followed by an influx of poorer groups.¹³ These demographic shifts and decreasing economic activity have led to a series of efforts to revitalize the area. In fact, in every decade since World War II, there has been some large-scale effort at redeveloping Central Germantown. In each case, planners sought to reconfigure Germantown's colonial streetscape into a modern shopping district modeled after suburban-style shopping districts that provided larger stores and ample parking.¹⁴ The sense that Germantown, like other Philadelphia neighborhoods, was losing ground to newer suburban developments goes back to the early 1950s, when the area's leading civic organization, the Germantown Businessmen's Association, sought to improve area parking and vehicle circulation by proposing two wide avenues and two massive parking lots that would have held 500 cars apiece.¹⁵ They also sought state assistance for the development of a supermarket, then a rarity in the city—a market that purported to be, at 100,000 square feet, the largest in the country.¹⁶ Despite the enthusiasm for the market, it was never built. While much of the redevelopment fervor of the 1950s failed to rekindle the area's prior standing as a leading local shopping destination, this same theme continued on into the 1960s, as unabated suburbanization created an even stronger emphasis on automobile-friendly development. In 1963, the Philadelphia City Planning Commission released a report aimed at increasing business activity and eliminating blight in Germantown. It recommended a pedestrian mall, improved store access, more convenient parking, and possibly new office buildings and apartments.¹⁷ Additionally, the plan envisioned a restoration of landmarks of the American Revolution.¹⁸ The study also recognized the changing demographics of the

12. *300 Businesses Draw Throngs to Shopping Area*, EVENING BULL. (Phila.), June 10, 1952.

13. *Central Germantown District Is Certified for Redevelopment*, EVENING BULL. (Phila.), Sept. 11, 1965.

14. *Plans for New Germantown Are Nearing Completion*, EVENING BULL. (Phila.), Dec. 5, 1962.

15. *City Gets Plan for Germantown*, EVENING BULL. (Phila.), July 6, 1952.

16. *Central Germantown District Is Certified for Redevelopment*, *supra* note 13.

17. *Germantown Needs Clustered Shops for Future Growth, Planners Say*, EVENING BULL. (Phila.), Dec. 20, 1964.

18. *Id.*

area, and suggested that Germantown needed to retain the residency of middle- and upper-class families.¹⁹

By the late 1960s, it became apparent that little progress was being made from a growing litany of planning studies and redevelopment proposals. The expense of large-scale redevelopment in an already intensely developed area, as well as competing proposals from downtown interests and other neighborhoods, left the goals of Germantown's business leaders largely unmet.

With Germantown's historical importance and distinctive community ideals around progressive community participation, each successive generation of community leaders worked hard at pursuing an inclusive renewal process. In the late 1960s, during the height of white suburban flight and urban racial unrest in the city, community leaders in Germantown saw themselves at the forefront of a battle to save American cities, believing that Germantown's failure as a functioning, integrated community predicted failure across urban America.²⁰

Yet another redevelopment plan, proposed in the late 1970s, sought federal aid to develop a suburban style mall in Germantown.²¹ Though the mall project fell through, the Philadelphia Redevelopment Authority introduced a scaled-back plan, the Maplewood pedestrian mall and parking facilities.²² Unfortunately, in the eight years it took to realize the scaled back plans, the retail environment had continued its downward trajectory; additional competition arose in suburban communities, the spending power of local residents continued to erode, and crime increased in and around the shopping district.²³ One by one, the major department stores, such as Allen's, Rowell's, Sears, and J.C. Penney, all left the area. With vacant retail properties lining the formerly bustling Germantown and Cheltenham Avenues, lower-end retailers set up shop.²⁴ This era also showed the difficulty of maintaining democratic processes in a community that had long defined itself as progressive and integrated.

19. *Id.*

20. Peter H. Binzen, *Germantown: Urban Living at a Crossroads*, EVENING BULL. (Phila.), Oct. 26, 1969, at 3.

21. Dianne C. Gordon, *High Interest Rates Snag Development of Mall in Germantown*, EVENING BULL. (Phila.), Jan. 16, 1980, at B19.

22. *Id.*

23. Adrian Lee, *When Stores Are Under Siege*, EVENING BULL. (Phila.), Jan. 24, 1979, at A11.

24. Nick Peters, *Allen's Is Closing Germantown Store*, EVENING BULL. (Phila.), Jan. 14, 1979, at C1.

Underneath the constant efforts of renewal in Germantown was the changing face of commercial district users. As far back as the 1950s, planners were considering how to manage the changing demographics of the customer base, recognizing that middle-class locals were driving to newly constructed suburban retail areas.²⁵ Moreover, Germantown was increasingly becoming home to poorer residents and renters as the Philadelphia Housing Authority constructed public housing, and many of its stately Victorian homes were retrofitted into multi-family units.²⁶ Concomitant to these demographic changes were higher levels of disorder and crime. In 1979, journalist Adrian Lee posited a link between changing community norms brought about by demographic changes, crime, and business decline in the area:

The statistics are bleak; and yet they are not essentially of physical violence—murders, rapes, sidewalk strong-arm jobs. They are of that almost casual, supposedly victimless crime, larceny—pilferage, store thefts. And yet the victim, if not written up in police records, is real enough. The victim is not a person; it is a neighborhood, its atmosphere. The *aparatchnik* [sic] of security takes over—the folding steel gates across the bulk windows, the guards with guns, merchandise secured to display racks.²⁷

Lee's words presaged the work of urban scholars in the 1980s who pointed to a growing sense that urban areas were disadvantaged due to a lack of effective governance, not because of infrastructure or other physical features.²⁸ The failure of public actors and voluntary civic organizations to effectively manage places and coordinate specialized services necessitated a new form of urban governance. This new form, the special services district, had an early start in Philadelphia's central business district and was quickly replicated in urban commercial areas in the city's neighborhoods.²⁹

25. See *Central Germantown District Is Certified for Redevelopment*, *supra* note 13.

26. Binzen, *supra* note 20.

27. Lee, *supra* note 23.

28. See James Q. Wilson & George L. Kelling, *Broken Windows*, *THE ATLANTIC MONTHLY*, Mar. 1982, at 29, 36, 38, available at <http://www.theatlantic.com/magazine/archive/1982/03/broken-windows/4465> (last visited Nov. 8, 2010).

29. See Richard Briffault, *A Government for Our Time: Business Improvement Districts and Urban Governance*, 99 *COLUM. L. REV.* 365, 365 (1999).

IV. THE CENTRAL GERMANTOWN COUNCIL AND THE CREATION OF THE GSSD

Germantown has a strong history in the use of nonprofit community development organizations to affect redevelopment goals. In Central Germantown, many nonprofit services currently filter through the Central Germantown Council (CGC). The CGC is a community development corporation that began operation in 1981 to improve Central Germantown physically and socially through economic development.³⁰ It was through the CGC that Germantown developed a plan for a special services district in the community. With the assistance of the Center City District (CCD), the city's first and largest BID, the CGC began planning for its own BID in 1992.³¹ The CCD had received a grant from the William Penn Foundation, a local philanthropic organization, that enabled them to assist other, smaller city BIDs in planning their service areas.³² Area property owners met at a public meeting in September of 1994 to discuss the creation of a BID. As per the BID-enabling legislation, they were also required to discuss the types of special services that might be appropriate for the area.³³

As in other areas, support for a special assessment was not unanimous in Central Germantown.³⁴ Reluctance stemmed from a sense that the city itself should provide the proposed services.³⁵ Moreover, some feared that the special district distinction would reduce the level of city services even further. In addition, some merchants and property owners thought that assessments would raise the cost of doing business in the area, thus making them less competitive.

In Germantown, resistance to the formation of the GSSD took the form of a petition, circulated in 1994, to reject the district. Ultimately, objections to the district faded, as the hearing of the Rules Committee of Philadelphia City Council for the creation of the GSSD drew only supporters, including representatives of the CCD, the

30. CENT. GERMANTOWN COUNCIL, ANNUAL REPORT 2006, available at <http://www.centralgermantowncouncil.com/cgc-annualreport.htm> (last visited Nov. 8, 2010).

31. See *Germantown Special Services District Organizational Profile and History*, CENT. GERMANTOWN COUNCIL, <http://www.centralgermantowncouncil.com/cgc-gssd.htm> (last visited Nov. 8, 2010) [hereinafter *GSSD Organizational Profile*].

32. See CENT. GERMANTOWN COUNCIL, *supra* note 30.

33. *GSSD Organizational Profile*, *supra* note 31.

34. *Id.*

35. *Id.*

CGC, and the Germantown Business Association, along with area residents eager to improve the shopping district.³⁶

A. *Birth of a BID: GSSD Governance and Operations, 1995–2009*

In the fall of 1994, the GSSD set the bylaws that would govern the district, and in March of 1995, city council voted unanimously in favor of the creation of the district.³⁷ GSSD planners sought a diverse representation of community interests for its board of directors, but in keeping with standard BID practice in the United States,³⁸ the board chose mostly local commercial property owners. The planning committee then forwarded a budget that emphasized sidewalk and common area sanitation services.³⁹ By 1999, the board had fewer representatives of commercial interests and was more representative of a broader set of community interests—the board included four retail business owners, three representatives from the leadership of the CGC, as well as three local residents: the principal of Germantown High School, the editor of a local newspaper entitled the *Germantown Courier*, and a local lawyer.⁴⁰

From its inception, the GSSD suffered from fiscal problems. The total assessments collected by the district were not robust, requiring augmentation with funds from the federally funded, locally administered community development block grant (CDBG) program and from the CGC.⁴¹ GSSD budgets from 1996 to 1999 show that the special district assessment formula, absent any delinquencies, would have netted the district \$84,000.⁴² Due to expected assessment delinquencies, district leaders budgeted for a contingency shortfall of 35% of the total budget (\$29,225).⁴³ The CDBG program added \$50,000 to the annual budget each year for the first three years, while the CGC added \$20,000 in the first year, \$15,000 in the second, \$10,000 in the third, and \$5000 in the fourth.⁴⁴ Ultimately, the district

36. *Id.*

37. See Phila., Pa., Ordinance No. 1027 (Apr. 18, 1995).

38. See Briffault, *supra* note 29, at 412.

39. Phila., Pa., Ordinance No. 1027 (Apr. 18, 1995).

40. STOKES ET AL., *supra* note 11, at 93.

41. Phila., Pa., Ordinance No. 1027 (Apr. 18, 1995).

42. *Id.*

43. The city's Commerce Department, in the enabling ordinance, estimated and accounted for a delinquency rate of 6%. The actual delinquency rate for the GSSD far exceeded this level. Reverend LeRoi Simmons, Acting Dir., GSSD, Response to *Philadelphia BID Director Survey*, Ctr. for Pub. Policy, Drexel Univ. (Dec. 17, 2009) [hereinafter Simmons, *Survey Response*].

44. STOKES ET AL., *supra* note 11, at 93.

operated on an annual budget of approximately \$100,000 for its first three years. With such scarce resources, the district focused the majority of its early budgets (63%) on its cleaning program, while 24% was expended on the district manager's salary and 10% on office costs.⁴⁵ Its small marketing program (1.8% of the budget) focused on organizing and educating local students about litter and graffiti abatement.⁴⁶

Despite a clear need, the GSSD struggled to expand its services to include safety and security programs. Early efforts were made to stem illegal activities occurring within nearby Vernon Park, where the GSSD administrative offices are located. Other efforts to coordinate safety programs included the private purchase of two bicycles for police use and inviting staff from the CCD to give crime prevention seminars to local merchants.⁴⁷ In the late 1990s, the GSSD also paid for and provided pagers to the bicycle officers; merchants were given the pager number and instructed to page the officer in an emergency.⁴⁸

A 1999 Temple University study of the area found that even though the GSSD had been in existence for three years, merchants were either unimpressed with, or largely unaware of, the BID's activities.⁴⁹ Only 11% of merchants agreed that the GSSD had improved the area, while two-thirds of the respondents did not know whether the GSSD had improved the area or made it safer.⁵⁰ Nearly 50% of the respondents thought crime scared away potential customers, and only 20% thought the area was safe in general.⁵¹ Focus group respondents cited the misuse of Vernon Park by drug and alcohol users as a big problem in the area.⁵² Respondents also raised concerns about school-aged children who used the area after (and for some truants, during) school hours.⁵³ An assessment of the area's physical environment noted high levels of social disorder, including loitering, as well as physical disorder, including litter and graffiti.⁵⁴

45. *Id.* at 94.

46. Phila., Pa., Ordinance No. 1027 (Apr. 18, 1995).

47. STOKES ET AL., *supra* note 11, at 94.

48. *Id.*

49. *See id.* at 103.

50. *See id.* at 108.

51. *Id.* at 104.

52. *Id.* at 94.

53. *Id.* at 95.

54. *Id.* at 97.

In 1999, the CGC commissioned a survey of over 1000 district users to learn their perceptions of the district. The survey showed that customers were disappointed with the area in terms of parking availability, safety, and a lack of upscale, sit-down restaurants.⁵⁵ The problem of market mix was also a predominant theme, “with some community leaders indicating that check cashing, beeper stores, rental stores, and pawn shops had replaced traditional banks and retail establishments,” while fast food restaurants dominated the local eatery market.⁵⁶ Many of the shop owners in the neighborhood are Korean,⁵⁷ which has historically been a source of tension and distrust in Germantown, especially within the African American community.⁵⁸ In fact, a significant portion of CGC survey respondents indicated a desire for more businesses owned and operated by African Americans in the area.⁵⁹ Despite the challenges faced by the district in its first five years, it was reauthorized for an additional twenty-five years in 2000. Bill No. 397, sponsored by Councilwoman Donna Reed Miller, who represents the Central Germantown area, extended the GSSD until the end of 2025.⁶⁰ The extension of the GSSD raises questions about the appropriateness of the legal process for BID reauthorization provisions in the city. It also illustrates the power of elected officials and local nonprofit organizations to maintain support of such organizations absent the widespread support of merchants or commercial property owners.

55. REAL ESTATE STRATEGIES, INC. & MARIANNA THOMAS ARCHITECTS, RETAIL OPPORTUNITIES IN THE GERMANTOWN BUSINESS DISTRICT: PATRONS’ PREFERENCES AND DEMOGRAPHIC INFLUENCES 14-15 (1999) (prepared for the Central Germantown Council).

56. *Id.* at 15; STOKES ET AL., *supra* note 11, at 95.

57. Jennifer Lee, *The Comparative Disadvantage of African-American Owned Enterprises: Ethnic Succession and Social Capital in Black Communities*, in SOCIAL CAPITAL IN THE CITY: COMMUNITY AND CIVIC LIFE IN PHILADELPHIA 141, 143, 148-52 (Richard Dilworth ed., 2005).

58. Lou Antosh, *Blacks Want Korean Merchant Out, Some Call It Racism*, EVENING BULL. (Phila.), Oct. 2, 1981, at B1.

59. REAL ESTATE STRATEGIES, INC. & MARIANNA THOMAS ARCHITECTS, RETAIL OPPORTUNITIES IN THE GERMANTOWN BUSINESS DISTRICT: PATRONS’ PREFERENCES AND DEMOGRAPHIC INFLUENCES, *supra* note 55, at 32.

60. Phila., Pa., Ordinance No. 397 (Dec. 19, 2000); Councilwoman Donna Miller – 8th District, PHILA.GOV, <http://phila.gov/cityCouncil/DonnaMiller.html> (last visited Nov. 8, 2010).

V. ANALYSIS OF BID OPERATIONS

A. GSSD Challenges: Budget and Resources

The central challenge of the GSSD, now and historically, has been its lack of resources. The GSSD's current operations are hamstrung due to an insufficient tax base, which also takes away from the operational capacities of the BID. In the case of smaller BIDs, such as GSSD, the failure to raise sufficient funds threatens their very existence.

By law, BID assessments are tied to property tax assessments, and BIDs themselves are responsible for collecting these assessments in Philadelphia.⁶¹ As might be expected, some BIDs, including the GSSD, have struggled to collect assessments. The enabling legislation allows BIDs to place liens on recalcitrant property owners, but many of the property owners who fail to pay their assessments to the BID are also in arrears with the City.

The acting director of the GSSD, Reverend LeRoi Simmons, stated that the largest set of challenges facing his organization were fiscal in nature, specifically the decline in city support, which has not been made up for in assessment revenues.⁶² Due to these fiscal problems, early organizational community development goals, such as the GSSD employing community members, were also dashed.

Funding cuts have necessitated a leaner, less human-focused operation. This forced the GSSD to invest in cleaning machines rather than use human resources for the district's cleaning tasks.⁶³ Simmons believes that the city should invest more capital into BID operations, provide special incentives through BIDs for local businesses to help promote programming, and provide technical assistance for grant development and other outside sources of income.⁶⁴

B. GSSD Accomplishments

The GSSD has had mixed results. Due to limited resources, the GSSD picked sanitation and street cleaning as its primary service

61. See 53 PA. CONS. STAT. ANN. § 5406 (West 2009).

62. A cut in city funding forced the GSSD to lay off staff, including the operations director. In fact, Reverend Simmons is also the executive director of the CGC, the local CDC. Additionally, Reverend Simmons served on the board of directors of the GSSD prior to taking over the leadership of the organization. Telephone Interview with Reverend LeRoi Simmons, Acting Dir., GSSD (Oct. 2009).

63. Simmons, *Survey Response*, *supra* note 43.

64. Telephone Interview with Reverend LeRoi Simmons, *supra* note 62.

orientation.⁶⁵ The lack of resources aimed at the direct safety provision has necessitated that the GSSD work closely with the local police district to provide a more focused policing effort in the district.⁶⁶ The GSSD also encouraged the local police captain to institute a directed foot and bike patrol in the commercial area.⁶⁷ Other efforts have included a dedicated police presence in Vernon Park.⁶⁸ The district claimed some early victories in the reduction of quality of life offenses, such as reports of open-air alcohol consumption, graffiti, and truant loitering.⁶⁹ The GSSD has also been active in solving public order issues in the area, including the removal of illegal car wash vendors.

VI. CONCLUSIONS AND POLICY RECOMMENDATIONS

Examining the history of the GSSD through an established set of predictors of BID success yields mixed results. First, as noted by the long-time CCD director and national BID expert Paul Levy, the success of a BID comes largely from integrating local-business stakeholders into the governance process.⁷⁰ While the definition of BID stakeholders can be vague, with possible conflicts between renter merchants and commercial property owners, making BID operations largely reflective of local business concerns is paramount. In Germantown, early surveys of merchants suggest little evidence that key stakeholders were involved in determining policy or practices, with many of the merchants unaware of the GSSD and the impact of its activities.⁷¹

One possible conflict over organizational goals was evident in the GSSD leadership's conceptualization of the GSSD's service focus. That is, while the CGC might have had more comprehensive community development goals—such as low-income housing, employment training, and poverty reduction—the GSSD's limited budget made those goals unrealizable. Research has shown that the use of BIDs as a redevelopment tool in struggling neighborhood commercial districts presents a set of challenges that are difficult to over-

65. CENT. GERMANTOWN COUNCIL, *supra* note 30; GSSD *Organizational Profile*, *supra* note 31.

66. GSSD *Organizational Profile*, *supra* note 31.

67. *Id.*; CENT. GERMANTOWN COUNCIL, *supra* note 30.

68. GSSD *Organizational Profile*, *supra* note 31.

69. *Id.*

70. Paul Levy, *Paying for the Public Life*, 15 ECON. DEV. Q. 124, 129–30 (2001).

71. STOKES ET AL., *supra* note 11, at 102–03.

come without a larger set of support mechanisms.⁷² In the case of the GSSD, its structure and resources offered hope for community empowerment outcomes as well as a formal link between the business district and its adjacent residential area, as the staff of the GSSD had been largely culled from established community groups. The GSSD started with a limited budget that has only gotten smaller as city support has dried up.

The most pressing issue facing the GSSD is its ability to maintain meaningful resource levels. With the public sector's failure to offer substantial levels of financial and managerial assistance, this problem will continue to vex smaller commercial districts like the GSSD that wish to copy the successes of their larger BID counterparts in downtown areas. Other cities have tried to leverage more resources for their smaller BIDs through the dedication of citywide small business fees to support grant programs and BID umbrella organizations. They have also tried to assist with outside fund-raising via events like farmers markets and concerts.⁷³

Despite the challenges, the GSSD provides its service area with greater levels of potential service coordination, as well as the capacity to develop plans and marketing efforts that promote increased levels of economic activity and safety for the users of the district. Thus, it would seem that another important goal for small districts is to keep services simple. That is, BIDs must focus on the bread-and-butter efforts of offering a quality public environment while positively promoting these results to a broader community. At the same time, cities need to find a more sustainable financing model for localized place-management organizations such as the GSSD. The strength of these organizations lies in their local business knowledge; their smaller, more nimble decision-making processes; and their self-help mentalities. However, without suitable resource levels, it is difficult to do little more than artificially raise local expectations for success.

72. See, e.g., Jill Gross, *Business Improvement Districts in New York City's Low-Income and High-Income Neighborhoods*, 19 *ECON. DEV. Q.* 174 (2005); John MacDonald et al., *The Role of Community Context in Business District Revitalization Strategies: Business Improvement Districts in Los Angeles*, 33 *PUB. PERFORMANCE & MGMT. REV.* 462 (2010).

73. See Robert Stokes, *Business Improvement Districts and Small Business Advocacy: The Case of San Diego's Citywide BID Program*, 21 *ECON. DEV. Q.* 278, 285-86 (2007).