CLEAN, SAFE, AND PRETTY: THE EMERGING PLANNING ROLE OF THE OLD CITY DISTRICT

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I. INTRODUCTION

On May 8, 1997, the Philadelphia City Council enacted a bill authorizing the creation of the Old City Special Services District (the Old City District or OCD). Philadelphia’s then-Mayor Edward G. Rendell signed the bill into law on May 17, 1997.1 The OCD began operations on June 23, 1998, when Mayor Rendell signed a second bill authorizing the plan, budget, district boundaries, and property levy to fund the district.2 The OCD encompasses a twenty-two-block area of Old City, the historic core of Philadelphia that contains some of the city’s most important historic resources.3 Independence National Historic Park is in the district and is home to the Liberty Bell, Independence Hall, and the Constitution Center. Smaller historic attractions in the district include the Betsy Ross House and Elfreth’s Alley.4 Old City has emerged as an important tourist and entertainment destination for Philadelphia, offering a mix of restaurants, bars, art galleries, and shops along with the historic attractions and drawing nearly seven million visitors each year.5

The City established the OCD to improve the Old City neighborhood as a place for people to meet, work, and shop by supplementing municipal services with additional cleaning, maintenance, public safety, marketing, and promotional programs. Once established,

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1. Phila., Pa., Ordinance No. 970093 (May 16, 1997) (authorizing the formation of the OCD).
3. The OCD extends east from Sixth Street to Front Street, and north from Walnut Street to Florist Street.
5. Telephone Interview with Cynthia M. Philo, CEO, OCD (Dec. 11, 2009).
the leaders of the OCD realized that the services they were providing, while effective, were not enough to further their mission in the wake of declining support from the city government. The leaders recognized the need to assume more of a planning and economic development role and enlarged their program offerings. A pivotal moment in the development of the Old City District came in 2002 with the initiation of the *Old City Vision and Action Plan*, a comprehensive program of lighting, streetscape, and landscape improvements. As described further in this Case Study, the development and implementation of the plan required a reorganization of the OCD to manage plan-related initiatives.

II. CONTEXT

Through effective marketing of the district, Old City has become a popular destination for tourists, creative workers, and visitors who are drawn to its trendy stores, galleries, and restaurants. Community efforts in the district, such as organizing to resist certain high impact uses such as bars and lobbying for historic district designation, have effectively preserved its historic character while encouraging new, contemporary development. The careful blending of old and new has resulted in the formation of a unique “Hipstoric” destination.

Old City provides a mix of historic properties, converted-lofts, and modern condominiums that have attracted a relatively young, educated, and professional residential base that supports the economy of the district and lends to its vibrancy. Indeed, Old City has been one of the fastest growing residential districts in Philadelphia in recent years. In 2000, the total population of Old City was 2650;
new residential development since then has increased the population to approximately 5000 today.\textsuperscript{10}

Socioeconomic indicators from the 2000 U.S. Census paint a picture of a young, professional, wealthy, and predominantly white resident population. Whereas citywide 45% of the population was white and 43.2% black, in Old City, 80% of residents were white while nearly 13% were black.\textsuperscript{11} The median household income in Old City in 1999 was $48,886, a full 59% higher than Philadelphia’s median household income of $30,746.\textsuperscript{12} Nearly 9.3% of Old City residents live below the poverty level, which is significantly less than the 22.9% of residents below the poverty level throughout the city.\textsuperscript{13} Also, the Old City population is highly educated. In 2000, nearly 72% of residents over twenty-five years of age had some type of post-secondary degree, compared with 22.5% citywide; and nearly 36% of Old City residents had a graduate or professional degree, substantially higher than the 7.52% citywide.\textsuperscript{14} Property tenure data indicate a more transient population: whereas 40.75% of the residents citywide were renters in 2000, 77.1% of Old City residents rent.\textsuperscript{15}

\textsuperscript{10} Telephone Interview with Cynthia M. Philo, supra note 5.

\textsuperscript{11} \textit{American FactFinder}, supra note 9 (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 tract 1; then click “Add”; then select “Place” under “Select Geographic Type”; then select “Pennsylvania” under “Select a State”; then select “Philadelphia city”; then click “Add”; then click “Next”; then select “DP-1. Profile of General Demographic Characteristics: 2000” under “show all tables”; then click “Show Result”).

\textsuperscript{12} 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 tract 1; then click “Add”; then select “Place” under “Select Geographic Type”; then select “Pennsylvania” under “Select a State”; then select “Philadelphia city”; then click “Add”; then click “Next”; then select “DP-3. Profile of Selected Economic Characteristics: 2000” under “show all tables”; then click “Show Result”).

\textsuperscript{13} Id.

\textsuperscript{14} 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 tract 1; then click “Add”; then select “Place” under “Select Geographic Type”; then select “Pennsylvania” under “Select a State”; then select “Philadelphia city”; then click “Add”; then click “Next”; then select “DP-2. Profile of Selected Social Characteristics: 2000” under “show all tables”; then click “Show Result”).

\textsuperscript{15} Id. (follow instructions provided supra note 11).
Housing indicators further affirm that Old City is wealthier and suffers less blight than Philadelphia as a whole. Of the 1900 housing units in the district in 2000, 8% were vacant, which is lower than the citywide vacancy of 10.9%. In Old City, the median value of an owner-occupied housing unit was $189,700 and the median monthly rent was $959; substantially higher than those citywide, where the median value of an owner-occupied housing unit was $59,700 and the median monthly rent was $569.

A. Current Opportunities and Challenges

The OCD can point to a number of successes but continues to face a number of challenges. Levels of crime have decreased in the district, suggesting that supplemental security services—especially additional police services during peak entertainment times on the weekends, such as when special events occur or when bars let out—have been effective. Despite the weak national and local economy, commercial activity in 2009 remained steady. There has been some new investment in the district, including completion of nine new residential development projects over the past five years. While not all of these projects were immediately successful, the level of investment signals the perceived strength of the market in Old City.

The biggest challenges today relate to preserving the aesthetics of the district. The prevalence of litter, poor maintenance of properties, and presence of street panhandlers are continuing challenges to the retail and dining experience and perceived quality of life. An ongoing program of litter and graffiti removal, initiated at the district’s formation, is still vital to preserving its attractive appearance. Addi-

16. Id.
17. 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 tract 1; then click “Add”; then select “Place” under “Select Geographic Type”; then select “Pennsylvania” under “Select a State”; then select “Philadelphia city”; then click “Add”; then click “Next”; then select “DP-4. Profile of Selected Housing Characteristics: 2000” under “show all tables”; then click “Show Result”).
20. Telephone Interview with Cynthia M. Philo, supra note 5.
tional concerns today include sidewalks in poor condition, inadequate street lighting, and an undersupply of parking.22

The OCD budget has steadily increased since the district’s inception, but remains modest nonetheless. In 1998, the budget was $447,000; today, it is approximately $650,000.23 Property tax assessments account for 98% of revenue; the other 2% comes from state and private-foundation grants targeted at specific programs or initiatives, such as developing a strategic plan.24 The property assessment levy is capped at 5% by the City, so any increase in the budget has to come from alternative sources.25 The OCD’s budget supports two full-time employees—an Executive Director and a Director of Operations—and one part-time employee to provide administrative support.26

B. Community Connections

The OCD has formal and informal connections to other community nonprofits with whom it works on projects of mutual benefit. The OCD interacts with the Old City Civic Association (OCCA), a neighborhood civic association, and the Old City Arts Association (OCAA), an artists’ collaborative that, among other things, developed the original and very successful First Friday program.27 A representative from OCD attends the monthly meetings of the OCCA, primarily for the purpose of sharing information.28 While the OCD is generally pro-business,29 it has partnered with the OCCA in successfully resisting nuisance uses, such as preventing bars from opening when there is strong resistance from residents.30 It also interacts with the Old City Business Collective (OCBC), a recently formed consortium of business owners. A recent initiative by the OCD, the OCCA, and the OCBC involves a joint public relations campaign to

22. Id.
23. Telephone Interview with Cynthia M. Philo, supra note 5.
25. Telephone Interview with Cynthia M. Philo, supra note 5.
26. Id.
27. Philo indicated that First Friday has been very successful since its inception in 1991. Id; Philo, Survey Response, supra note 18. The program, unique to arts districts, involves extended gallery and retail hours on the first Friday of every month and is hosted by the OCCA. See The Old City Experience, OLD CITY ARTS ASS’N, http://www.oldcityarts.org/start.html (last visited Nov. 8, 2010).
28. Telephone Interview with Cynthia M. Philo, supra note 5.
29. Id.
30. Id.
promote the district. Informally, the OCD is linked to other BIDs in the city through the sharing of information and resources. A more formal relationship exists with the Center City District (CCD), its neighbor to the west, with whom it contracts to provide cleaning services.

The OCD has a good relationship with the City of Philadelphia. Also, the OCD communicates on a regular basis with the Philadelphia Police Department, with whom it contracts to provide extra patrols on weekends. It also has regular contact with the Streets Department and Licenses and Inspection Department. These relationships have facilitated quicker response times from city representatives when needed. It has limited interaction with the commerce department, city council, and the mayor’s office, but this does not affect the day-to-day operations of the district. The OCD gets very little supplemental funding for developmental investments in the district and, at times, experiences a poor response for basic city services, such as snow plowing and road maintenance.

III. HISTORY

In the face of a rapid influx of new residents, businesses, restaurants, and a growing arts community, neighborhood business and community leaders created the OCD in 1997. The Historic East Market Street (HEMS) took the lead in initiating the formation of the OCD, with the backing of the OCCA and OCAA. HEMS was a historic preservation and economic development organization charged with maintaining elements of the streetscape along Market Street from Fifth Street to Front Street. HEMS had previously initiated and managed a $14 million streetscape restoration along East Market Street. The OCD was conceived to be the springboard to bring together the larger business and local community initiatives that

31. Id.
32. Id.
33. Id.
34. Id.
35. Id.
37. Telephone Interview with Cynthia M. Philo, supra note 5.
39. Telephone Interview with Cynthia M. Philo, supra note 5.
40. Id.
41. Id.
would keep all of Old City clean, safe, and economically vibrant. HEMS was subsequently absorbed by the OCD and today a separate nonprofit entity that operates within the authority manages HEMS activities.

Chief advocate for the OCD on the Philadelphia City Council was Councilman Frank DiCicco, who had the strong support of business and community leaders from Old City. Councilman DiCicco has remained a firm supporter of the authority since its founding. Modeled after the Center City District (CCD), the Old City District would levy a tax on commercial property owners to be used for cleaning, securing, and marketing the area. Supporters, particularly DiCicco, would frequently point to the success of the CCD in justifying the creation of the OCD.

The ordinance forming the OCD authorized a nineteen member board of directors that serves as its governing body. Members represent commercial property owners, businesses, residents, and civic associations. Voting members include fifteen representatives from businesses and two residents. There are two non-voting members: a representative from the Independence National Historical Park and a representative from the OCCA. The district also tries to maintain a member who represents the OCAA. This overlap helps to reinforce the common missions of each of the local organizations. Members serve for a term of five years. The board is tasked with providing oversight of the authority’s programs and services and is responsible for appointing an executive director who oversees daily operations, coordinates development, and administers programs and services. Board positions have been relatively stable with minimal turnover, and a number of representatives have served

42. Id.
43. Id.
44. Id.
45. McNally, supra note 38.
46. Id.; see also Telephone Interview with Cynthia M. Philo, supra note 5.
47. Phila., Pa., Ordinance 970093 (May 16, 1997) (ordinance authorizing formation of the OCD).
49. Id.
50. Id.
51. Telephone Interview with Cynthia M. Philo, supra note 5.
52. PA. DEPT. OF STATE, CORP. BUREAU, ARTICLES OF INCORPORATION OF THE OLD CITY SPECIAL SERVICES DISTRICT OF PHILADELPHIA 8 (1997).
53. Telephone Interview with Cynthia M. Philo, supra note 5.
multiple terms.54 Existing board members and the executive director of the OCD identify new members.55

Aside from a handful of individual opponents who attended public hearings during the formation of the district, there was no broad-based opposition to its creation. DiCicco reasoned that the success of other business improvement districts, including those in Center City, Germantown, South Street, and City Avenue, helped in generating support and mitigating opposition to the plan.56 Two notable opponents included the Kaiserman Company and Penn Mutual Life Insurance Company, who, at the time, were two of the largest commercial property owners in the district.57 Their early opposition rested on the basis that they were already privately providing many of the services that the district would offer.58 As the largest commercial property owners in Old City, they would also bear the greatest cost for the authority’s operation since their property levy would be the highest. Their opposition subsided once the district started operating and they saw its benefits.59 The OCD has invited representatives from these companies to serve on the board, and a Kaiserman Company representative has served on the board since its founding.60

Certain key persons were instrumental in creating and shaping the OCD. Retail industry executives John Taxin and Stockton Strawbridge were active in its formation. John Taxin was owner of the Old Original Bookbinder’s, a long-established restaurant in Old City.61 He had a substantial stake in the neighborhood, and was a leader of the effort to create the OCD.62 Stockton Strawbridge was an owner of Strawbridge & Clothier, a longstanding retail giant in Philadelphia.63 He spearheaded the restoration of East Market Street with HEMS and later became a leader of the OCD effort.64 The board appointed Cynthia M. Philo, an attorney, as the first executive director

54. Id.
55. Id.
56. McNally, supra note 38.
57. Telephone Interview with Cynthia M. Philo, supra note 5.
58. Id.
59. Id.
60. Id.
62. Telephone Interview with Cynthia M. Philo, supra note 5.
63. Philadelphia Keeps Strawbridge Name but Loses a Retail Tradition, N.Y. TIMES, July 22, 1996, at A13; Telephone Interview with Cynthia M. Philo, supra note 5.
64. Telephone Interview with Cynthia M. Philo, supra note 5.
of the OCD, and today she serves as its CEO.\textsuperscript{65} She has been instrumental in shaping the district since its founding by singlehandedly managing and operating the district until a second staff person was hired in 2003.\textsuperscript{66} Stanley Taraila has also been influential in shaping the OCD. He is a principal with Renaissance Properties, a major developer in the district. He presently serves on the board and has been active with recent initiatives such as developing the Strategic Plan for the OCD and trying to identify sources of funding.

\textbf{A. Major Milestones}

The OCD was established to supplement municipal services by providing maintenance, public safety, and promotional marketing programs—functions that are typical of most BIDs.\textsuperscript{67} Initially, the district engaged in an ongoing cleaning and an intensive graffiti-cleaning effort by contracting with the Center City District (CCD) for cleaning services.\textsuperscript{68} The OCD provided supplemental security services at first by contracting with the CCD for uniformed community service representatives and later by contracting with the Philadelphia Police.\textsuperscript{69} The district also worked on a marketing campaign to promote the district. It produced promotional brochures, initiated a banner program, and developed and maintained a website—efforts designed to draw tourists, shoppers, and businesses into the district.\textsuperscript{70}

The city initially authorized the district for five years.\textsuperscript{71} At the end of the term, the city council would hold one or more public hearings to consider another five-year authorization.\textsuperscript{72} Preparation for these hearings required a considerable commitment of time and resources from the OCD. The five-year cap also limited the time horizon of projects undertaken by the authority. A first significant milestone came in December 2002 when city council approved an amendment to the OCD’s Articles of Incorporation to extend the term of the au-

\begin{itemize}
\item \textsuperscript{65} Id.
\item \textsuperscript{66} Id.
\item \textsuperscript{67} Leah Brooks, \textit{Does Spatial Variation in Heterogeneity Matter? Assessing the Adoption Patterns of Business Improvement Districts}, 23 REV. OF POL’Y RES. 1219, 1219 (2006).
\item \textsuperscript{68} Telephone Interview with Cynthia M. Philo, \textit{supra} note 5.
\item \textsuperscript{69} Id.
\item \textsuperscript{70} Id.
\item \textsuperscript{71} Phila., Pa., Ordinance No. 970093 (May 16, 1997).
\item \textsuperscript{72} Telephone Interview with Cynthia M. Philo, \textit{supra} note 5.
\end{itemize}
The twenty-year authorization would enable OCD to commit fewer resources to seeking reauthorization and enable them to take on projects with longer time horizons.

Another important milestone came with the hiring of an additional staff person in 2003.74 For five years, the CEO worked alone in managing and operating the district. The demands of running a business improvement district are extensive and budgets generally do not support large staff resources. The second staff person took over many of the day-to-day administrative tasks and released the CEO to work on new initiatives. Both milestones—the twenty-year extension and the additional staff—resulted in increased resources, enabling the OCD to operate more efficiently and expand its functions.75 The changes set the stage for a new phase of growth for the authority.

The next significant milestone came when the OCD decided to develop and implement a comprehensive plan of physical streetscape improvements. The Old City Vision and Action Plan signified a shift to a greater role of planning within the district and, thus, marked a pivotal moment in the development and evolution of the OCD, as discussed in detail in the next section.

Presently, the OCD is on the cusp of a new period of growth. The board of directors recently completed a strategic planning exercise that gave it the opportunity to reassess its mission and activities.76 The process resulted in the formulation of a number of goals and established a foundation for future endeavors. Two new goals in particular, if successfully pursued, will shift the district in a new direction. First, the possibility of increasing the property levy above the 5% cap, thereby increasing the budget, is under consideration.77 Second, the OCD wants to assume a more proactive role in economic development, including working directly with private developers when structuring development projects.78

73. Philo, Survey Response, supra note 18.
74. Id.
75. Telephone Interview with Cynthia M. Philo, supra note 5.
77. Telephone Interview with Cynthia M. Philo, supra note 5.
78. Id.
IV. THE DEVELOPMENTAL MOMENT

The developmental moment for the OCD came in 2002 with the adoption of the *Old City Vision and Action Plan*.79 Identified as the single most ambitious goal of the OCD, the plan included a program of sidewalk improvements, lighting enhancements, landscape amenities, and other streetscape upgrades.80 The plan was designed to enhance the vitality of Old City with physical improvements and act as a catalyst to further promote and leverage private investment in the district. The extensive amount of foot traffic in the district placed tremendous stress on the pedestrian infrastructure, necessitating sidewalk repairs.81 Lighting improvements were particularly important because of the active night life. Lighting, which enables people to move around the district safely, plays a key role in supporting a vibrant nighttime environment.82 The OCD felt compelled to initiate its own physical improvement program since it did not anticipate additional funding for streetscape improvements from the City.83

This moment marked a shift in roles for the OCD, from providing supplemental service improvements to assuming greater planning responsibilities. Physical improvements are more demanding of organizational resources. They are long-term projects that require planning, time, and effective project management. They are also very costly; with an initial estimated price tag of $6 million,84 OCD would have to raise significant funds above and beyond the property tax levy to implement the plan.

The *Old City Vision and Action Plan* came about through the efforts of the OCD staff and board of directors. The CEO and individual members of the board took the lead in managing the planning process.85 They hired a consultant and solicited input from business owners and community groups during its development.86 There was broad support for the plan from the board of the directors, the OCD

79. OLD CITY SPECIAL SERVS. DIST., supra note 6.
80. Philo, Survey Response, supra note 18.
81. Telephone Interview with Cynthia M. Philo, supra note 5.
82. Id.
83. Id.
84. Id.
85. Id.
86. Id.
staff, and district property owners. They hoped and believed the plan would bring aesthetic improvements to the district.

The plan has a number of elements; among the most important are lighting improvements, improvements to the sidewalks, and decorative elements such as flower boxes and banners. The OCD is responsible for overseeing its implementation, which will happen over an extended period of time and require funding commitments from public and private sources. The OCD posted the plan on its website to promote awareness and encourage private improvements consistent with the plan.

The plan is still in the process of implementation. While there has been some progress, a number of challenges have emerged, particularly in relation to funding limitations. In the stiff competition for municipal resources, Old City is not a priority for investment because the city perceives it as relatively stable and economically vibrant. Blighted or declining neighborhoods have been the priority recipients of scarce local resources. So far the OCD has not raised the required funding needed to complete the project. It has had success in raising matching funds from private sources but so far has failed to access public funding from local and state coffers. City neighborhood development funds, which are administered by the city’s Department of Commerce, will fund lighting improvements, but, thus far, the department has denied the OCD’s applications. Its biggest challenge has been convincing local officials that it should qualify for discretionary funds.

The OCD plan has changed throughout the multiple phases of implementation. For most physical improvement plans, implementation occurs over a long period of time. During that time, plans and goals must adapt to changes in the political, economic, financial, and regulatory environment. For example, an external factor that influenced the plan occurred in 2005 when the City designated Old City as a historic district. As a consequence, properties, which were designated as contributing to the historic character of the neighborhood, became subject to regulatory oversight by the Philadelphia Historical Commission. Certain improvements that were part of

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87. Id.
88. Id.
89. Id.
90. Id.
91. Id.
92. Id.
the plan, such as flower boxes and exterior attached lighting to historic façades, were not permitted under the historic regulations.\footnote{Id.; see also PHILA., PA., CODE § 14–2007 (2009).}

The implementation of the plan has impacted the organization and functions of the OCD. The initiative resulted in a shift in organizational resources. Managing a “clean and safe” program of services required staff and resources to oversee the provision of services, respond to business owners, and maintain relationships with city staff.\footnote{Telephone Interview with Cynthia M. Philo, supra note 5.} Implementing the \textit{Old City Vision and Action Plan} required new skills and activities and a general restructuring of organizational resources. Fundraising was a major task, and district staff and board members had to commit significant time to accessing public and private funding resources.\footnote{Id.} They devoted more time to developing strategic partnerships with other community groups to work on projects of mutual interest.\footnote{Id.}

Those managing and served by the OCD broadly consider the changes brought about by the plan as positive.\footnote{Id.} The recently completed strategic planning exercise identified future directions for the OCD that build on the new planning capacity and, if successful, will propel the OCD to an even greater planning role.

\section*{V. Current State of Affairs}

Today, the OCD is strong and, despite stagnant resources, looking for ways to further support the business community. The OCD continues with its core functions of providing a range of supplemental services, including graffiti removal, litter cleanup, and supplemental security services. These services remain vital to the enhancement and perceived quality of life in the district. The district is continuing with efforts to implement the \textit{Old City Vision and Action Plan}, despite some early funding setbacks. The OCD has adapted to support the efforts by adding staff, redirecting efforts to plan management, and fundraising.\footnote{See id.} In the wake of declining support from the City, the OCD’s efforts are even more important to the physical improvement of the district. It continues to look for ways to creatively partner with like-minded groups to bring resources to the district.
The developmental moment was significant because it illustrates the growing demands on BIDs to address the needs of local districts. The evolution of the OCD is reflective of broader trends: BIDs across the country are finding that they are assuming more responsibilities that are typically the domain of local governments.\(^9\) Old City is a low-priority neighborhood for support from the City. While the district is an important generator of tourism and economic growth, it has a neighborhood profile that does not justify public spending beyond basic service provision. In the local competition for resources, the OCD is often at a disadvantage due to its relative wealth and stability. In order to continue to generate the resources to reinvest in the district, the OCD will have to assume increased responsibility to initiate planning and then identify and access both public and private funding necessary to implement new programs.

VI. EVALUATION

The OCD has a history of adapting to changing circumstances and has largely been shaped by choices of key decision-makers responding to external circumstances. The OCD is constrained by the limits of its authorizing legislation and the broader institutional arrangements of the local government. A close examination of the emergence and implementation of the \textit{Old City Streets and Action Plan} reveals the multiple influences of structure and agency within the OCD and the interplay of public and private interests in local governance and planning.\(^10\)

A number of factors, both internal and external, influenced the decision to undertake the \textit{Old City Vision and Action Plan}. The OCD was largely successful in meeting its original goals. The “clean and safe” program, which provided for litter maintenance, graffiti cleanup, and stepped-up security patrols, was effective.\(^11\) Yet the OCD staff and board members realized these efforts would not be enough in preserving the economic vitality of the district. In the wake of the declining planning capacity of the City, the OCD stepped forward to assume more public planning responsibility.

Key individuals involved with the OCD, including members of the board of directors and the executive director, promoted new


\(^11\) Telephone Interview with Cynthia M. Philo, \textit{supra} note 5.
programs and initiatives. For instance, the decision to undertake the streetscape plan was made by individual members of the board of directors and the executive director. 102 These individuals were committed to these initiatives, and they championed the planning efforts. Capital investment projects are long-term with multiple actions that require effective management and oversight. Individual leadership is essential to the early and ongoing success of the projects.

It is unlikely that any individual actor could have altered the course of the development. An individual could have soundly argued against the initiation of the plan and the new responsibilities and risks that it would entail. Yet supporters could readily point to the success of other BIDs with similar programs, notably the neighboring CCD that had already moved beyond the provision of basic services and had a proven record of success with similar physical improvement plans. 103 This strong precedent bolstered the resolve of advocates of the plan. The formation of the OCD and the new initiatives reflects broader shifts in changing notions of the appropriate role for the private and public sectors in providing public goods and services. While one could reasonably question the efficiency of the private sector in providing these goods, this shift was already underway.

Larger external factors could have altered the course of the developmental moment. Higher level rules define the powers of the district—legislative constraints effectively shape the functions and activities of the OCD. If the term of the authority had not been extended beyond five years, it would not have been feasible to initiate the Old City Vision and Action Plan. They needed the implicit institutional support of the larger government to establish the organizational arrangements to exercise the enhanced planning powers. The decline in municipal services is another external factor that created the opportunity and need for other authorities to assume more local planning responsibilities. If the City had allocated more resources for planning physical improvements in Old City, then there would not have been a need for the OCD to plan for, and oversee, the improvements itself.

Individuals closest to the developmental moment made decisions that were crucial in shaping the development of the OCD. The CEO and members of the board made the choice to expand the authority

102. Id.
103. Id.
from providing supplemental support services to initiating a program of physical improvements. This marked a critical juncture in the development of the OCD that set the course for the authority to undertake future planning projects. The addition of new staff reinforced a base of organizational resources to support the *Old City Vision and Action Plan*.

Decision-makers could have made alternative choices that would likely have resulted in different outcomes. These individuals might have decided to maintain the status quo and rejected the new initiatives. If the City had not authorized the longer time frame, they would have been more likely to continue with business as usual. They could have continued to lobby the city government to provide these improvements. However, in the absence of any reinvestment, the physical environment of Old City would continue to decline. Alternatively, they could have assumed additional responsibilities beyond the streetscape improvement plan proposed. Indeed, some board members advocated for larger, more ambitious projects.104

Could the outcome have been better with different decisions? The streetscape improvement plan in Old City is a major undertaking and raises a number of practical concerns. The project is still in its implementation phase, and it is too early to assess whether, and to what extent, it was an effective and efficient use of resources. The plan requires substantial funding from a combination of public and private sources that has yet to be secured. Without the additional funding, they will be limited in what they can accomplish, which will impact the future development of the OCD. Moreover, there is debate over whether small, private governments, such as BIDs, are even effective at providing capital-intensive public goods. Production-side efficiency theory suggests that small, private governments provide labor-intensive public services, which exhibit diseconomies of scale in services such as safety, sanitation, and neighborhood revitalization. In contrast, larger production units, enabled by inherent economies of scale, are better able to provide capital-intensive public goods without incurring, at least proportionately speaking, a large financial burden.105 Thus, the size of the OCD might prove to be too small to successfully implement the *Old City Vision and Action Plan*.

104. *Id.*
VII. CONCLUSION

The Old City Special Services District emerged in the face of urban decline in Philadelphia as a mechanism to provide urban services and promote investment in Old City. The history of the OCD’s activities chronicles an increasing planning role. Its initial mission of making the district clean and safe evolved into one of greater planning responsibilities, including initiating improvements to the physical environment. Clean and safe services remain core to its mission, but as the district has established a foothold, it has expanded its planning capacity to improve the physical environment and further support local economic development. The adoption of the Old City Vision and Action Plan marked an important developmental moment in the history of the OCD, indicating a transition from service provider to capital projects manager. This shift placed new demands on the organizational and operational structure of the OCD and required more funding and an extended time period to support costly projects with long time horizons. If successful, it will set the stage for future development.

These changes came about in response to the perceived lack of support from the City. Privatization of public services requires an external environment that will support the efforts, including appropriate regulatory and institutional arrangements. At the same time, these changes needed the strong support of individuals within the OCD, as they are big undertakings for a small organization and require creative, committed, and effective leadership.