

## THE CHESTNUT HILL BUSINESS IMPROVEMENT DISTRICT: LEARNING FROM OTHER BIDS

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### I. INTRODUCTION

Located in Northwest Philadelphia, Chestnut Hill is bounded on its south and west by Wissahickon Park, on its north by Montgomery County, and by Mount Airy to the east. The area's population is a quaint 9500.<sup>1</sup> Chestnut Hill's streets are lined with stone houses, parks, and a shopping district that has stores ranging from Robertson's Flowers to Talbots to Ten Thousand Villages.<sup>2</sup> Such attractions mark Chestnut Hill as the most desirable Philadelphia neighborhood outside of Center City—indeed, Forbes even lists Chestnut Hill as one of its top urban enclaves, along with Beverly Hills and Park Slope in Brooklyn.<sup>3</sup>

Statistics from the 2000 census help flesh out the community. Chestnut Hill is whiter, wealthier, and more well-read than Philadelphia *in toto*. Chestnut Hill's proportion of white residents is double that of Philadelphia as a whole,<sup>4</sup> while its black community amounts to about one-third of the city's numbers.<sup>5</sup> Hispanics<sup>6</sup> and

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1. All estimated demographical data contained within this section can be found at the University of Pennsylvania Cartographic Modeling Lab website. See *NBase Neighborhood Reports*, U. PA. CARTOGRAPHIC MODELING LAB., <http://cml.upenn.edu/nbase/nbProfileRequest.asp> (choose "Chestnut Hill" from the "Basic" dropdown menu; then click "Create PDF Report"; then click appropriate link to view the report) (last visited Nov. 8, 2010) [hereinafter *Neighborhood Reports*].

2. *Shopping*, DESTINATION CHESTNUT HILL, <http://www.chestnuthillpa.com/shopping/> (last visited Nov. 8, 2010).

3. Matt Woosely, *Top Urban Enclaves*, FORBES (Aug. 6, 2010), [http://www.forbes.com/2007/08/02/homes-suburbs-urban-forbeslife-cx\\_mw\\_0806realestate.html](http://www.forbes.com/2007/08/02/homes-suburbs-urban-forbeslife-cx_mw_0806realestate.html).

4. 79.17% compared to 45.02% in the city. See *Neighborhood Reports*, *supra* note 1.

5. 15.52% compared to 43.22% in the city. See *id.*

6. 2.28% compared to 8.5% in the city. See *id.*

Asians<sup>7</sup> round out the community's population in miniscule numbers.<sup>8</sup> In only two of Chestnut Hill's ten census tracts<sup>9</sup> does the median household income fall below \$60,000.<sup>10</sup> And in five of ten, the median household income nears or exceeds \$100,000 with one even reaching over \$200,000.<sup>11</sup> And a look at educational attainment levels presents an even starker contrast between Chestnut Hill and the rest of Philadelphia: while less than 11% of Philadelphia has a bachelor's degree or higher, only two tracts have less than 50% of their residents holding college degrees or higher, the lowest being 30.2%.<sup>12</sup> What is no surprise is that the highest-earning area of Chestnut Hill is also the most educated,<sup>13</sup> and the regional rail trains are full of professionals—lawyers, doctors, businessmen and businesswomen—who ride them to work in Center City.<sup>14</sup>

Naturally, the housing market reflects the residents' education and income. Though the average home in Chestnut Hill costs just under \$200,000—which is more than three times that of all Philadelphia—that number doesn't do the area justice.<sup>15</sup> Not only is the median home sale price nearly \$400,000,<sup>16</sup> but houses regularly cost several million dollars.<sup>17</sup> Well-known architects have designed several houses in the small neighborhood. The post-modern Vanna Venturi House, designed by Robert Venturi for his mother, is found

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7. 2.36% compared to 4.46% in the city. *See id.*

8. "Other races" amount to .93%, compared to 4.77% in the city. *See id.*

9. Ten census tracks compose Chestnut Hill: tracts 223-31 and tract 257.

10. *Compare 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 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 223-31 and 257; then click "Add"; then click "Next"; then select "DP-2. Profile of Selected Social Characteristics: 2000" and "DP-3. Profile of Select Economic Characteristics: 2000" under "Show All Tables"; then click "Add"; then click "Show Result").

11. *Id.*

12. *Id.*

13. The highest-earning area has a median household income of over \$200,000, and 91.9% of the eligible population have bachelor degrees or higher, with 58.6% of that population holding an advanced degree. *See id.*

14. Interview with Seth Shapiro, President, CHBID, in Phila., Pa. (Aug. 18, 2010).

15. Chestnut Hill's median home value is \$199,072, compared to Philadelphia's median home value of \$61,000. *Neighborhood Reports*, *supra* note 1.

16. *Id.*

17. For example, a 17,900-square-foot house—sitting on almost five acres and featuring a tennis court, a pool, and a three-bedroom guest cottage—is currently listed for \$4,450,000. *MLS Listing #5613264*, KURFISS SOTHEBY'S INT'L REALTY, <http://www.kurfiss.com/listing/PA/PHILADELPHIA/5613264/590342> (last visited Oct. 25, 2010).

here,<sup>18</sup> as is Louis Kahn's Esherick House.<sup>19</sup> And the suburban feel of the area is marked by the fact that over 80% of the neighborhood's properties are residential<sup>20</sup> – only 10% of which are residential row homes<sup>21</sup> and 4% of which are condominiums.<sup>22</sup>

## II. HISTORY

The idea for the Chestnut Hill Business Improvement District (CHBID) was conceived in 2002 at a retreat sponsored by the Chestnut Hill Business Association (CHBA).<sup>23</sup> Philadelphia officials and members of the CHBA, the Chestnut Hill Parking Foundation (CHPF), the Chestnut Hill Historical Society, and the Chestnut Hill Community Association (CHCA) attended. From the retreat sprang a task force to evaluate the best way to ensure the future prosperity of the Chestnut Hill business district. The task force ultimately determined that the best way to improve the Chestnut Hill business district would be through a BID.<sup>24</sup> Largely inspired by the success of the Center City District (CCD)—a BID formed in 1990 attributed with reviving downtown Philadelphia<sup>25</sup>—the executive board of the CHBA voted to proceed with plans to create a BID. The board hired Larry Houstoun, an urban development consultant with The Atlantic Group who has helped create more than 150 BIDs, most in New Jersey and Pennsylvania.<sup>26</sup> The CHBA board also created a steering committee, consisting of property owners and CHCA President Maxine Dornemann, to help Houstoun create a business plan to alleviate the district's most pressing needs.

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18. *Vanna Venturi House*, GREAT BUILDINGS ONLINE, [http://www.greatbuildings.com/buildings/Vanna\\_Venturi\\_House.html](http://www.greatbuildings.com/buildings/Vanna_Venturi_House.html) (last visited Nov. 8, 2010).

19. *Esherick House*, GREAT BUILDINGS ONLINE, [http://www.greatbuildings.com/buildings/Esherick\\_House.html](http://www.greatbuildings.com/buildings/Esherick_House.html) (last visited Nov. 8, 2010).

20. The exact figure is 81.39%. *Neighborhood Reports*, *supra* note 1.

21. The exact figure is 10.13%. *Id.*

22. The exact figure is 4.02%. *Id.*

23. Katie Worrall, *Business Improvement District Plan Sent to Property Owners*, CHESTNUT HILL LOC., Nov. 6, 2003, at 9 [hereinafter Worrall, *Business Improvement District*].

24. BIDs, which typically consist of commercial property owners who voluntarily tax themselves to raise money for neighborhood improvement, "undertake a diverse array of programs and services, including sanitation, policing, social services, infrastructure improvements and business recruitment and retention." Richard Briffault, *A Government for Our Time? Business Improvement Districts and Urban Governance*, 99 COLUM. L. REV. 365, 366, 368–69 (1999).

25. See *About Us: CCD*, CTR. CITY PHILA., <http://centercityphila.org/about/CCD.php> (last visited Nov. 8, 2010).

26. LAWRENCE HOUSTOUN, *BUSINESS IMPROVEMENT DISTRICTS* iii (Urban Land Inst. 2d ed. 2003).

Houstoun and Suzanne Biemiller, the CHBA's executive director, unveiled their nine-page plan in November 2003.<sup>27</sup> The goals given to the CHBID: paving the CHPF lots, cleaning sidewalks and parking lots regularly, extending lights down Bethlehem Pike from Germantown Avenue, and creating a professional marketing campaign.<sup>28</sup> The plan blamed the decreased use of the CHPF's lots on problems such as the lack of anchor stores to draw customers, persistent vacancies within the shopping district, and increased competition from other shopping areas.<sup>29</sup> The CHBID plan was distributed to the owners of 207 commercially zoned properties in November 2003.<sup>30</sup> Before a Philadelphia city councilmember could introduce legislation proposing the CHBID's creation, 51% of commercial property owners needed to approve it.<sup>31</sup> Commercial property owners were not given an opportunity to vote on the plan, but were instead given a forty-five-day window between the first and second reading of the legislation to object to the bill.<sup>32</sup> Property owners, however, did get to participate in offering nominees for the CHBID's board.<sup>33</sup>

In January 2003, Councilwoman Donna Reed Miller introduced Philadelphia City Council Bill 040008, which established the CHBID and approved a plan for the district.<sup>34</sup> The boundary roughly extends ten blocks along Germantown Avenue (from Cresheim Valley Drive to Bethlehem Pike) and about three-tenths of a mile from Germantown Avenue up Bethlehem Pike.<sup>35</sup> It also branches off into the side streets for a block.<sup>36</sup> All in all, the strip is about 1.3 miles long.<sup>37</sup> The ordinance also authorized CHBID to assess property owners a fee<sup>38</sup> of 10% of their annual real estate tax to finance the CHBID's agenda.<sup>39</sup>

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27. Worall, *Business Improvement District*, *supra* note 23.

28. *See id.*

29. *See id.*

30. *See id.*

31. *See id.*

32. *Id.*

33. *Id.*

34. *See* Katie Worrall, *City Council Approves Formation of BID for Chestnut Hill*, CHESTNUT HILL LOC., June 10, 2004, at 1 [hereinafter Worrall, *City Council*].

35. *See* Phila., Pa., Ordinance No. 040008 ex. A-1 (June 21, 2004).

36. *Id.* (not including West Evergreen Avenue, where the boundary extends for a block and a half).

37. *See id.*

38. *Id.* at 1.

39. Worrall, *City Council*, *supra* note 34.

The CHBID was nominally established as a membership organization, with all owners of real property within the future BID's boundaries designated as members of the Chestnut Hill Business Improvement District, Inc., a non-profit corporation vested with the authority to manage the district.<sup>40</sup> The projected budget for year one was \$239,500.<sup>41</sup> The proposed first-year budget allocated \$50,000 to aesthetic improvements in the commercial corridor, including the hiring of a street cleaner and installation of holiday lights, \$46,000 to business recruitment and retention, and \$68,500 for security and parking lot maintenance.<sup>42</sup> The bylaws provided for a nine-member board, with the initial bylaws stipulating that all members would have the power to vote and serve on the board.<sup>43</sup> The nine voting members would comprise two business association members, one of whom was not a property owner; one assessed-property owner selected by the CHPF; two owners of commercial property worth less than one million dollars; and two owners of commercial property worth more than one million.<sup>44</sup> Two board members must own property below Southampton Avenue and two above it.<sup>45</sup> Five non-voting members would also sit on the board, including "a member of the municipal governing body," the business association executive director, the CHCA president, the Garden District Fund president, and "a representative from the institutions located within the BID boundaries."<sup>46</sup> Each director could "serve a maximum of three (3) consecutive two (2)-year terms."<sup>47</sup> John Levitties, the owner of an antique furniture store in the district, served as the president of the initial board of directors, and Sanjiv Jain of Legacy Real Estate in Chestnut Hill served as the board's first vice president.<sup>48</sup> The CHBID fell short of its financial goal for the first year, raising only \$131,000, but still finished the 2004–2005 fiscal year with a cash surplus of approximately \$4600.<sup>49</sup> While its revenue pool is shrinking, the CHBID has weathered the economic downturn relatively well.

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40. See Phila., Pa., Ordinance No. 040008, at 1 (June 21, 2004).

41. *Id.* at ex. A-1.

42. *Id.* at ex. A-3.

43. *Id.* at ex. A-4 §§ 2.04–3.01.

44. *Id.* at ex. A-4 § 3.01.

45. See Worrall, *Business Improvement District*, *supra* note 23.

46. Phila., Pa., Ordinance No. 040008 ex. A-4 § 3.01 (June 21, 2004).

47. *Id.* § 3.02.

48. Worrall, *Business Improvement District*, *supra* note 23.

49. See Michael J. Mishak, *Hill District Under Budget, On Track*, CHESTNUT HILL LOC., July 21, 2005, at 1.

The CHBID anticipates it will generate \$180,000 in revenue this year.<sup>50</sup>

The Philadelphia City Council authorized another five-year term for the CHBID in November 2009.<sup>51</sup>

### III. GOALS OF THE CHESTNUT HILL BID

It must be kept in mind that BIDs are usually used to resuscitate areas. Not so with Chestnut Hill. As Suzanne Beimiller, then executive director of the CHBA pointed out, “[f]or years, Chestnut Hill has been the envy of other Main Street retail districts. But that doesn’t mean that we can afford to rest on our laurels.”<sup>52</sup> Nevertheless, the CHBID undertook many of the same tasks that others did.<sup>53</sup> The BID’s main goal—indeed, its only goal—is to get more people to shop in Chestnut Hill. This can be seen in a variety of ways. Three populations drive the BID—landowners, business owners, and residents—and each has something to gain from a more vibrant Germantown Avenue corridor. Each can benefit, respectively, from raising property value, increasing business, and making the area more enjoyable for residents. The enabling legislation identifies the same overarching aims by highlighting marketing; security, parking, and circulation; as well as appearance and administration.<sup>54</sup>

Two other organizations—the CHBA and the CHPF—also share these goals. Not only do their goals overlap, but their methods do too.<sup>55</sup> The CHBA, which runs on membership dues, promotes the interests of its members. And its members have one chief interest: increasing business. So, with the residents already shopping in the area, the CHBA tries bringing new people to the area. To that end, it hosts two main festivals a year, the Fall for the Arts Festival in October and the Home and Garden Festival in May, as well as smaller

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50. See Joel Hoffmann, *City Hall Renews Hill BID*, CHESTNUT HILL LOC. Nov. 6, 2009, at 1.

51. See *id.* The vote was in accordance with a sunset provision included in the CHBID-enacting legislation requiring that the CHBID be renewed every five years. Phila., Pa., Ordinance No. 040008 § 4(c) (June 21, 2004). This provision conforms to the requirement of the Pennsylvania Legislature’s Community and Economic Act that each piece of legislation authorizing the creation of a BID contain such a provision. 53 PA. CONS. STAT. ANN. § 18104(9) (West Supp. 2010).

52. Press Release, CHBA, Consumers and Businesses to Benefit from Chestnut Hill Business Improvement District (June 14, 2004) (on file with authors).

53. Briffault, *supra* note 24, at 395.

54. See Phila., Pa., Ordinance No. 040008, at 4–5 (June 21, 2004).

55. For example, the CHBID has put \$35,000 toward parking, among other activities. Hoffmann, *supra* note 50.

events like the Holiday House Tour.<sup>56</sup> The hope, of course, is to draw people back to the area. A typical example would run that a young family from the Main Line<sup>57</sup> comes to the Fall for the Arts Festival,<sup>58</sup> the parents see the restaurants and even sample some of their food, and this, in turn, entices them to come back for a night out, drawing them away from the Main Line and the ever-popular Center City. For the children, the festival offers rides and do-it-yourself art projects.<sup>59</sup> This highlights that Chestnut Hill—and its business community—is well suited to young children.

A large part of Chestnut Hill's draw—and one that is played up—is that it's amenable to young families, the stroller crowd,<sup>60</sup> like no other neighborhood in Philadelphia.<sup>61</sup> The major shopping location on the Main Line, Suburban Square in Ardmore, has many shops<sup>62</sup>—including stores like Gap Kids<sup>63</sup>—but it's not designed for children. Levels of stairs and stores separated by busy streets make Suburban Square inhospitable to the stroller crowd looking to spend an afternoon shopping and walking outside.<sup>64</sup> Germantown Avenue is different. First, it is one continuous ten-block corridor.<sup>65</sup> Second, though the corridor is split down the middle by a semi-busy street, the side streets that feed it are calm, making walks along it hassle-free. And third, several well-known stores are directed solely at

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56. *Events*, DESTINATION CHESTNUT HILL, <http://www.chestnuthillpa.com/events> (last visited Nov. 8, 2010).

57. The Main Line is a bedroom community of Philadelphia that rests on the main line of the old Pennsylvania Railroad.

58. *Fall for the Arts Festival*, DESTINATION CHESTNUT HILL, <http://www.chestnuthillpa.com/events/fall-for-the-arts-festival/> (last visited Nov. 8, 2010).

59. *Id.*

60. Though this term, naturally, includes families who have stroller-age children, it is also meant to encompass families that have young children who are regularly with their parents.

61. Interview with Seth Shapiro, *supra* note 14.

62. Suburban Square's stores range from American Eagle Outfitters and Cold Stone Creamery to Coach and Barbour. See *Mall Directory*, SUBURBAN SQUARE, [http://www.suburban-square.com/mall\\_directory.asp](http://www.suburban-square.com/mall_directory.asp) (last visited Nov. 8, 2010).

63. *Id.*

64. Likewise, Center City's main shopping area, the area east of Rittenhouse Square extending to Broad Street, is not family-friendly. It too is criss-crossed by crowded streets and even more crammed sidewalks, leaving little room for children and even less for strollers.

65. Compared to Suburban Square and Center City, where the shops are organized in a grid and require weaving in and out of blocks, the corridor is more conducive to a leisurely walk.

young children. The Little Treehouse,<sup>66</sup> for example, draws families from Philadelphia and the surrounding counties.<sup>67</sup> The one group that isn't targeted is the young, and single, professionals who live elsewhere.<sup>68</sup> Manayunk's and Center City's draw for young professionals is so great and their scenes so established, it makes little sense to attempt to rival them.<sup>69</sup>

The CHPF's goal is also to bring more people to the area, but it uses a smaller toolbox. The CHPF's tool of choice—indeed, its only tool—is nine free parking lots along the ten-block corridor,<sup>70</sup> which doesn't aim to attract outsiders so much as make it easily accessible to visitors. It's so common that it's practically a truism that crowded or costly parking keeps customers away. The CHPF wants to make sure that doesn't happen.

After his keynote at the symposium that is the basis of this issue, John Fry, President of Drexel University,<sup>71</sup> remarked that the University City District's (UCD)<sup>72</sup> operating budget was \$400,000.<sup>73</sup> He followed up by asking, “[w]hat can you do with only \$400,000?”<sup>74</sup> Consequently, more money was brought in by various organizations,<sup>75</sup> and that money funded programs that were able to change the neighborhood, such as subsidies and grants for faculty and ad-

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66. See THE LITTLE TREEHOUSE, <http://www.treehouseplaycafe.com> (last visited Nov. 8, 2010). Another shop, O'Doodle's, caters to the same crowd and describes itself as a “family toy store where you can find the perfect gift for children up to twelve years . . . .” See About, O'DOODLES, [http://odoodles.com/?page\\_id=9](http://odoodles.com/?page_id=9) (last visited Nov. 8, 2010).

67. Interview with Seth Shapiro, *supra* note 14.

68. *Id.*

69. *Id.*

70. Chestnut Hill Business Association, *Parking*, THE SHOPS AND RESTAURANTS OF CHESTNUT HILL, <http://www.chestnuthillpa.com/directions/parking/> (last visited Nov. 8, 2010).

71. At the time of this symposium, Fry was the President of Franklin & Marshall College. See Fry Named President of Drexel University; Sue Washburn '73 To Chair Search Committee, DIPLOMAT (Mar. 11, 2010), <http://thediplomat.fandm.edu/article/506>.

72. When the UCD was created, Fry was Executive Vice President of the University of Pennsylvania and was integral in starting and running the University City BID. Thomas J. Vicino, *New Boundaries of Urban Governance: An Analysis of Philadelphia's University City Improvement District*, 3 DREXEL L. REV. 339, 345–46 (2010).

73. John A. Fry, President, Franklin & Marshall Coll., Keynote Address at the Drexel Law Review Symposium: Business Improvement Districts and the Evolution of Urban Governance (Jan. 22, 2010) [hereinafter Fry Keynote Address].

74. *Id.*

75. For example, the University of Pennsylvania gave \$2.4 million to the UCD in 2009. See UCD, UNIVERSITY CITY REPORT CARD 2009, at 58 (2009), [http://www.universitycity.org/publications/report\\_card](http://www.universitycity.org/publications/report_card) (to download, click “Download the 2009 University City Report Card”).

ministration to live in West Philadelphia.<sup>76</sup> All these things, in turn, led to a cleaner neighborhood, a more stable community, and a very prosperous environment for the universities.<sup>77</sup>

Though the CHBID doesn't confront the same problems that University City did—crime and decay aren't present—several of the same obstacles exist, and a similar question is asked: What can you do with \$180,000? The answer: very little. This problem is not confined to the CHBID, it's common among BIDs.<sup>78</sup> When the CHBID's figure is broken down, \$45,000 is spent on salaries for a part-time manager and a portion of an administrative assistant's salary.<sup>79</sup> Of the remaining funds, \$70,000 is set aside for holiday lighting, cleaning, flower-box maintenance, and greening projects, like tree planting.<sup>80</sup> Thirty-thousand dollars went to signage and information improvement, and \$35,000 to security.<sup>81</sup> While these are valid uses and improve the residents' lives, they won't draw visitors to Chestnut Hill. But with only \$180,000, not much more can be done. Even when the CHBA, the CHPF, and the CHBID teamed up and got a small grant from the government, it cost over \$70,000 to bump out a curb<sup>82</sup> to slow traffic and shorten the crosswalk.<sup>83</sup> Though pedestrian safety is, of course, a weighty concern,<sup>84</sup> bump-outs don't draw visitors from nearby neighborhoods.

#### IV. EVALUATION

What next for the CHBID? "For Rent" signs now dot the avenue. The two-story Borders Books left in January 2010. Thirteen percent of the stores are vacant, while offices and religious bodies account

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76. See, e.g., *Closing Cost Reduction Program*, PENN HOME OWNERSHIP SERVICES, <http://www.business-services.upenn.edu/homeownership/ccrp.html> (last visited Nov. 8, 2010).

77. Fry unabashedly mentioned that the BID specifically, and the clean-up efforts in general, were started because Penn was losing students to other schools that were in safer areas, like Columbia University in New York City. Fry Keynote Address, *supra* note 73.

78. Interview with Seth Shapiro, *supra* note 14.

79. *Id.*

80. See Hoffmann, *supra* note 50.

81. *Id.*

82. See Meeting Minutes from the Dev. Rev. Comm., The Chestnut Hill Cmty. Ass'n 2 (May 19, 2009), available at <http://www.chestnuthill.org/files/DRCMinutes/2009/DRC-5-19-09.pdf>.

83. See Walter Sullivan, Op-Ed., *Strong Community Association Requires Participation by Everyone, Opinion*, CHESTNUT HILL LOC., June 25, 2009, at 1.

84. See, e.g., Kristin Pazulski, *Pedestrian Accidents Point to Safety Problems*, CHESTNUT HILL LOC., Mar. 29, 2007, at 1.

for another 22% of the stores and service businesses for 7%.<sup>85</sup> On this count, several of the UCD's experiences are instructive.<sup>86</sup> Chief among those are the need for a vibrant commercial district. As the UCD noted in its 2009 report card, "the vitality of our commercial corridors [depends on] encouraging businesses to locate in our neighborhood shopping districts."<sup>87</sup> Indeed, "[a] dedicated corridor manager oversees activities related to business recruitment and retention," among other things at the UCD.<sup>88</sup> To this end, the CHBID, the CHCA, the CHBA, and the CHPF working together raised \$75,000 to hire a retail-consulting firm, Downtown Works, to evaluate the area and formulate a strategy to improve it.<sup>89</sup> As Kelly Kost, a senior retail strategist for Downtown Works, pointed out, "Chestnut Hill alone could support maybe one block of stores, and you have well over [ten] blocks . . . . So we've got to appeal to the greater area . . . ."<sup>90</sup>

Downtown Works' report on the area highlighted what can be done, and what is being done, to appeal to that greater area.<sup>91</sup> The wide sidewalks are a great benefit, as are the buildings and their façades.<sup>92</sup> But the window displays, the Christmas decorations still up in mid-January, and the "cash only" and "no strollers" signs have to be changed.<sup>93</sup> And on an avenue-wide scale, the mix of stores—too many banks, too few restaurants—doesn't lure non-residents.<sup>94</sup> In other words, the right kind and the right mix of stores needed to bring shoppers in from other neighborhoods has to be something different than what is found at the local mall.<sup>95</sup> In order to implement some of the report's suggestions, such as bringing in more restaurants, in May 2010, the CHBID hired a resident with extensive

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85. Mike Armstrong, *Chestnut Hill's Germantown Avenue Needs a Makeover*, PHILA. INQUIRER, June 24, 2010, at D1.

86. The UCD's primary mission of making sure the neighborhood is "clean and safe," doesn't apply to Chestnut Hill, an already clean and safe neighborhood. See Natalie Kostelni, *University City Touts Its Assets*, PHILA. BUS. J., June 25, 2004, at A3, available at <http://philadelphia.bizjournals.com/philadelphia/stories/2004/06/28/story6.html>; Interview with Seth Shapiro, *supra* note 14.

87. UCD, *supra* note 75, at 50.

88. *Id.*

89. Armstrong, *supra* note 85.

90. Aaron Moselle, *Retail Consultant Says Avenue Makeover Will Take Time*, CHESTNUT HILL LOC., July 1, 2010, at 1.

91. Armstrong, *supra* note 85.

92. *Id.*

93. *Id.*

94. *Id.*

95. Moselle, *supra* note 90.

marketing and sales experience, Eileen Reilly, as a part-time retail recruiter.<sup>96</sup>

One way to attract new businesses is through reduced rent. Shopping centers, such as malls, charge their anchor stores low rent not only to attract them but also to bring in other stores as well. If Neiman Marcus is in your mall, other stores will pay to be close to it and its customers. But unlike a mall, whose lone owner or partnership may be willing and able to charge certain lessees less, a Germantown Avenue property owner will not lower his rent only to have his competitors reap the benefits. Nor, as it stands now, does the CHBID or any other organization have the money to hand out subsidies or grants for reduced rent, either to encourage businesses to relocate to Chestnut Hill or for new ones to start up there.<sup>97</sup>

BIDs always need more money to do more things. The CHBID has a few options on this score. It could expand its boundaries to expand its budget. In 2009, the CHBID was continued for another five-year term,<sup>98</sup> but its boundaries were kept the same, limiting it to a small retail sector. The UCD again provides a sterling example of what should be done when the CHBID is reauthorized in 2014. When the UCD was founded, it included diverse groups, spanning from universities to stores, from hospitals to housing organizations.<sup>99</sup> Such a varied composition encourages the growth of a neighborhood in a way that a small sliver of it cannot. In a diverse district, symbiotic relationships should sprout up. For example, local students drink at the local bars and shop at the local stores, thereby guaranteeing a customer base for the establishments and a local, and thereby safer, area for students to relax. Just outside the CHBID's current lines lie the Chestnut Hill Hospital and Chestnut Hill College.<sup>100</sup> In 2014, the CHBID's boundaries should be redrawn to include them. The immediate impact from this would be a signifi-

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96. Pete Mazzaccaro, *New Retail Recruiter Eager To Get To Work*, CHESTNUT HILL LOC., June 10, 2010, at 1.

97. Interview with Seth Shapiro, *supra* note 14.

98. Res. No. 090102, Phila. City Council (Phila., Pa. Feb. 12, 2009) (renewing term for the CHBID).

99. Vicino, *supra* note 72, at 345 ("The UCD's Board is comprised of members from various sectors.").

100. Two-thirds of Chestnut Hill College's 2085 enrolled students live on campus. See *Resident Life*, CHESTNUT HILL C., [http://www.chc.edu/Residence\\_Life/](http://www.chc.edu/Residence_Life/) (last visited Nov. 8, 2010); *Chestnut Hill College*, STATEUNIVERSITY.COM, [http://www.stateuniversity.com/universities/PA/Chestnut\\_Hill\\_College.html](http://www.stateuniversity.com/universities/PA/Chestnut_Hill_College.html) (last visited Nov. 8, 2010).

cant funding increase.<sup>101</sup> More importantly, however, long-term partnerships may develop between the hospital and college and the general community—nothing can be lost by directly committing prominent neighborhood institutions to the neighborhood’s welfare. Indeed, much can be gained. But more specifically and as it is now, students at the college usually shop at the King of Prussia Mall or other non-Chestnut Hill shops.<sup>102</sup> Just because the CHBID targets the out-of-the-neighborhood stroller crowd doesn’t mean it can’t also serve the in-the-neighborhood student population.

Outside funding can also add to a BID’s coffers. The CCD, which has completed a number of capital improvement projects, including streetscaping and lighting, gets funds from the federal, state, and city governments, as well as other donors.<sup>103</sup> The City has been the largest contributor, giving \$13.9 million between 1997 and 2008—an additional 60% to the CCD’s own funding of \$23.4 million.<sup>104</sup> The state and national governments have contributed \$3.8 and \$1.75 million, respectively, over the same time frame.<sup>105</sup> Foundations have given \$6.6 million for projects such as transit and postal signs, and over \$3 million has come in from other donors.<sup>106</sup> All this goes to show that other funding sources—not just the CHBID’s own assessments—are available. As Göktuğ Morçöl points out in his piece on the CCD, “[w]ith such vast outside funding, it becomes clearer that the success in Center City does not belong to the CCD alone. However, it is also important to emphasize that the leadership of the CCD has been instrumental in bringing together these resources.”<sup>107</sup>

In some ways, when a BID uses resources not its own—channeling and organizing funding for large projects as the CCD and UCD did—it morphs into an organizer of various community groups. Indeed, a BID is a “part of a broader ecology of urban governance structures.”<sup>108</sup> The UCD itself arose because the University

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101. The Chestnut Hill Hospital may be assessed near \$100,000. But because Chestnut Hill College is a nonprofit, it would not be assessed. Yet, like the University of Pennsylvania, it may likely feel enough a part of the local community to now donate funds to it. *See* Interview with Seth Shapiro, *supra* note 14.

102. *Id.*

103. *CTR. CITY DIST., STATE OF CENTER CITY 2009*, at 44 (2009).

104. *Id.*

105. *Id.*

106. *Id.*

107. Göktuğ Morçöl, *Center City District: A Case of Comprehensive Downtown BIDs*, 3 DREXEL L. REV. 271, 285 (2010).

108. Richard Briffault, *The Business Improvement District Comes of Age*, 3 DREXEL L. REV., 19 20 (2010).

of Pennsylvania needed an effective way to work with community organizations, ranging from Amtrak to housing groups.<sup>109</sup> In this way, the UCD has set uniform goals for the disparate organizations and has spoken in a uniform voice for them when trying to get government grants and other funding. It's common sense that when multiple (community-based) organizations work in the same area, pushing and shoving will ensue over who gets what. To avoid this, sometimes the organization that created the BID runs the BID. Indeed, just south of Chestnut Hill and on the other side of Wissahickon Park, the Manayunk Development Corporation started and runs the Manayunk Special Services District.<sup>110</sup> Such a hierarchy ensures that when various groups are working in the same area for the same general goals, they conserve resources and more easily speak to others; a uniform front makes getting grants and new retailers more likely. Chestnut Hill, however, has no lead organization.

In Chestnut Hill, all three groups share the same goals, and all have worked together previously. It would make sense, then, for all three to merge into one organization. Without a doubt, having one board run affairs would be far more efficient than having three organizations try to coordinate. This unification would also avoid the inevitable consequences (and bickering) of trying to give one group—and hence, one board and one group of people—the decision-making power. In some respects, the problem these organizations present is similar to the one the University of Pennsylvania faced when it tried to revitalize West Philadelphia. As President Fry noted, it's far easier to get a single organization moving in a favorable direction than it is to get several organizations moving together toward one goal, especially when their immediate goals may be different.<sup>111</sup> Though merging various organizations and the entailing consolidation of municipal responsibilities has caused some to worry about the privatization and balkanization of local government, such fears have so far proven unwarranted because BIDs, no matter their size, have remained constrained in what they do<sup>112</sup>—little beyond the basics of cleaning, marketing, and providing security.<sup>113</sup> Any one organization that would emerge in Chestnut Hill wouldn't

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109. See Fry Keynote Address, *supra* note 73.

110. Richard M. Flanagan, *Manayunk Development Corporation: The Search for Sustainable Gentrification and a Parking Spot*, 3 DREXEL L. REV. 139, 139–40 (2010).

111. See Fry Keynote Address, *supra* note 73.

112. See Brieffault, *supra* note 108, at 20 (observing that fears of BIDs as a “harbinger of a broader privatization . . . were significantly overblown”).

113. See *id.*

take on new responsibilities; it would merely streamline the current ones. What is more, this evolution—be it by absorbing new duties that other organizations drop or combining with those other organizations—is an organic expansion that has occurred elsewhere. The CCD expanded as it matured. It first handled only cleaning and security. Then it began marketing and promoting, among other things.<sup>114</sup> It is altogether natural that the CHBID would follow suit.

#### V. CONCLUSION

Most of, if not all, the other case studies focus on a BID's developmental moment from a time passed. What we've been trying to get at is that Chestnut Hill's time is now and that this developmental moment isn't one that will determine whether the neighborhood will be livable again—like the UCD's challenge—but it's one that will decide whether Chestnut Hill will become a vibrant retail center again.

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114. Morçöl, *supra* note 107, at 271.