

# THE SPORTS COMPLEX SPECIAL SERVICES DISTRICT: THIRTY MILLION DOLLARS FOR YOUR TROUBLE

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## I. INTRODUCTION

The Sports Complex Special Services District (SCSSD) in South Philadelphia serves the neighborhoods that surround the Sports Complex.<sup>1</sup> The Sports Complex itself includes four sports and entertainment venues: the Wachovia Spectrum (recently closed), the Wells Fargo Center (home to the National Hockey League's Philadelphia Flyers and the National Basketball Association's Philadelphia 76ers), Lincoln Financial Field (home to the National Football League's Philadelphia Eagles), and Citizens Bank Park (home to Major League Baseball's Philadelphia Phillies). Like other business improvement districts (BIDs) in Philadelphia and around the country, the SCSSD meets the definition of a BID in that it is a "privately directed and publicly sanctioned organization[] that supplement[s] public services within geographically defined boundaries" and is funded by local businesses.<sup>2</sup> At the same time, the SCSSD differs from traditional BIDs in two key ways—only three businesses are involved in funding the special services district, and the impetus for the creation of the district came not from the businesses themselves, but from their residential neighbors and the City of Philadelphia.<sup>3</sup> In fact, the executive director, Shawn Jalosinski, suggests that the SCSSD is more accurately described as a "neighborhood improvement district" (NID).<sup>4</sup>

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1. The SCSSD's actual boundaries are Oregon Avenue to the north, I-95 to the south, 7th Street to the east, and 20th Street to the west. See *About SCSSD*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/about.htm> (last visited Nov. 8, 2010) [hereinafter *About SCSSD*].

2. Lorlene Hoyt & Devika Gopal-Agge, *The Business Improvement District Model: A Balanced Review of Contemporary Debates*, 2 GEOGRAPHY COMPASS 946, 946 (2007).

3. Telephone Interview with Barbara Capozzi, Dir., SCSSD Cmty. Dist. II (Jan. 20, 2010).

4. Telephone Interview with Shawn Jalosinski, Exec. Dir., SCSSD (Dec. 17, 2009). A BID is generally an area that is predominantly commercial/industrial. Funds are generated from local businesses, and spending is focused on improving the area in which these businesses operate. In contrast, an NID is generally a residential area, and the residents fund services to improve their neighborhoods.

Established in 2002, the SCSSD was an outgrowth of the city's 2001 deal with the Eagles and Phillies to replace Veterans Stadium with two new stadiums in the same South Philadelphia neighborhood home to two other existing sports and entertainment venues.<sup>5</sup> The three venue operators (the Eagles, the Phillies, and Comcast-Spectacor) agreed to contribute a combined \$1 million annually to fund the operation of the SCSSD for thirty years.<sup>6</sup> With the funding in place, the key developmental moment for the SCSSC came in the early struggle over institutional design: how would the SCSSD be structured and operated?

## II. SCSSD: MISSION AND OPERATION

The SCSSD includes approximately 9000 residents and 4200 households.<sup>7</sup> In contrast with the city as a whole, the district's population is predominantly white and disproportionately composed of homeowners, with over 80% of housing units owner-occupied.<sup>8</sup> Median home values also far exceed those in the city as a whole, and median income is 20% higher. Similarly, the poverty rate within the service district, at approximately 8%, is substantially lower than the city-wide poverty rate of over 22%. The crime rate for the area is similar to the crime rate for the city as a whole, with most of the reported serious incidents involving burglary and theft.<sup>9</sup> The impetus, then, for the district came not from a desire to respond to general problems facing area residents or businesses, but from the need to

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5. *About SCSSD*, *supra* note 1.

6. *Id.*

7. *Id.*

8. All estimated demographical data contained in this paragraph can be found at the U.S. Census Bureau website. See *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 47-49; then click "Add"; then click "Next"; then select "DP-1 Profile of General Demographic Characteristics: 2000" under the "show all tables" tab; then click "Add"; then click "Show Result"). In contrast, approximately 60% of housing units in Philadelphia as a whole are owner-occupied. *Id.* (under "Fast Access to Information," type "Philadelphia" in "City/Town, County, or Zip"; then select "Pennsylvania" under "State" and click on the "Go" hyperlink; then follow the "Philadelphia city, Pennsylvania" hyperlink; then click on the "2000" tab).

9. *CrimeBase Neighborhood Reports*, U. PA. CARTOGRAPHIC MODELING LAB., <http://cml.upenn.edu/crimebase/cbsProfileRequest.asp> (under "Choose a Geography," select "Zipcodes" and click "Next"; select "19145" under "Choose one of the Zipcodes"; then click "Select All" under "Choose indicators for the report"; then click "Create Web Report") (last visited Nov. 8, 2010).

respond to specific challenges generated by proximity to large sports and entertainment venues.

Reflecting this impetus, the self-described mission of the SCSSD is to: (1) protect community interests, (2) improve neighborhood quality of life, and (3) promote efficient operation of the adjacent sports venues.<sup>10</sup> Consequently, most of the challenges faced by the SCSSD relate directly to the operation of the four major sports and entertainment venues within the district. According to the SCSSD's calendar, the venues host 380 events, attract 8 million visitors, and spark 5.5 million vehicle trips each year.<sup>11</sup> Executive Director Shawn Jalosinski identified traffic congestion, litter, and parking as the biggest problems in the area.<sup>12</sup> In particular, managing parking and traffic on game days seems to have been the major priority of the SCSSD,<sup>13</sup> at least during its early years when the construction of the new arenas posed new challenges. The centrality of traffic and parking issues to the mission of the SCSSD is also evident in the fact that its executive director holds a degree in civil engineering and has a background as a traffic engineer.

In contrast to some other BIDs, the SCSSD has relatively few budget concerns. It is fully funded by the three venue operators bound by a thirty-year commitment to contribute a total of \$1 million annually.<sup>14</sup> The terms of the leases for each of the venues reflect this commitment.<sup>15</sup> Consequently, unlike other BIDs whose budgets vary as property values rise and fall, the SCSSD's remains constant. In addition, the \$1 million annual commitment is set to increase each year with increases in the consumer price index (CPI).<sup>16</sup> Although consistent funding is not a concern, one possible challenge is that the SCSSD has only two full-time employees: the executive director and the assistant director. Any additional workers needed for particular projects are provided through independent contractors.<sup>17</sup>

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10. *SCSSD Frequently Asked Questions*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/faqs.htm> (last visited Nov. 8, 2010).

11. *Sports Complex Event Calendars*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/eventcalendars2.htm> (last visited Nov. 8, 2010).

12. Shawn Jalosinski, Exec. Dir., SCSSD, *Response to Philadelphia BID Director Survey*, Ctr. for Pub. Policy, Drexel Univ. (Dec. 17, 2009) [hereinafter Jalosinski, *Survey Response*].

13. *Id.*

14. *Id.*; *About SCSSD*, *supra* note 1.

15. Telephone Interview with Shawn Jalosinski, *supra* note 4.

16. *About SCSSD*, *supra* note 1. The annual CPI has averaged approximately 2% to 3% since the formation of the SCSSD in 2002. See *Archived Consumer Price Index Tables*, BUREAU OF LABOR STATISTICS, [http://www.bls.gov/cpi/cpi\\_dr.htm#2009](http://www.bls.gov/cpi/cpi_dr.htm#2009) (last visited Nov. 8, 2010).

17. Jalosinski, *Survey Response*, *supra* note 12.

The executive director has only moderate contact with other BIDs in the city, primarily for information-sharing purposes.<sup>18</sup> However, the SCSSD has regular contact with several civic organizations. The SCSSD covers four community districts, each of which are represented by several pre-existing civic organizations: Stadium Community Council, Inc.; Veterans Stadium Neighbors; Packer Park Civic Association; South Philadelphia Communities Civic Association; and Broad Street West Civic Association.<sup>19</sup> When asked to rate the importance of various service orientations, Executive Director Jalosinski identified “working with civic or community groups” as one of the two most important functions of the SCSSD.<sup>20</sup>

When working with the City, the Philadelphia Managing Director’s Office is the primary liaison to the SCSSD.<sup>21</sup> Because of the SCSSD’s role in helping to ensure that major events held at the Sports Complex venues go smoothly, the SCSSD director meets once a month with a representative from the Philadelphia Managing Director’s Office, as well as with other relevant city personnel like police and traffic engineers, to discuss event scheduling, area security, and traffic and parking issues.<sup>22</sup> In addition, the SCSSD interacts with other city departments on behalf of local residents as particular concerns arise. The SCSSD has also had contact with federal agencies in several instances. For example, the district met with the Department of Homeland Security over concerns about threats to the Sunoco refinery in South Philadelphia, a potential terrorism target.<sup>23</sup> Currently, the SCSSD is working with the Federal Aviation Administration over neighborhood concerns about safety and noise from planes towing banners over the stadiums during events.<sup>24</sup>

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18. *Id.*

19. *SCSSD Community Districts*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/communitydistricts.htm> (last visited Nov. 8, 2010).

20. Jalosinski, *Survey Response*, *supra* note 12.

21. *Id.*

22. *Id.*

23. Alex C. Pasquariello, *Target-Rich Environment: South Philly Residents Face Off with Homeland Security, Sunoco About Potential Terrorist Threats*, PHILA. CITY PAPER, Dec. 13, 2006, available at <http://hwww.citypaper.net/articles/2006/12/14/targetrich-environment>.

24. Jalosinski, *Survey Response*, *supra* note 12; see also Ariel Ben-Amos, *Special Service District Lessons*, PLAN PHILLY (Sept. 17, 2007), <http://planphilly.com/node/1938> (last visited Nov. 8, 2010).

## III. CREATING THE SCSSD: A DEVELOPMENTAL MOMENT

Before construction of the two new stadiums and the creation of the SCSSD, both the Phillies and Eagles played in the multi-purpose Veterans Stadium, part of the existing South Philadelphia Sports Complex. In 1999, work on a stadium deal between the City and the teams was abandoned by the City, in part because of neighborhood opposition to the idea of locating both new stadiums in the South Philadelphia Sports Complex area.<sup>25</sup> The Eagles planned to build their new stadium in South Philadelphia from the beginning, but the Phillies explored other sites, including downtown and near Chinatown.<sup>26</sup> When the Phillies finally proposed a site near Veterans Stadium, South Philadelphia civic groups protested the idea of two new stadiums in their community.<sup>27</sup> Judy Cerrone, then president of her residents association and later a member of the SCSSD board, complained to a reporter for the *Philadelphia City Paper* about problems associated with living adjacent to the sports stadiums: “The Eagles fans are disgraceful. They have no respect for anybody – they park illegally, go to the bathroom on your lawn . . . [t]hey leave the games half-bombed and then recklessly drive out onto Packer Avenue.”<sup>28</sup> A Republican Ward leader told the newspaper that the “Eagles don’t contribute anything positive to the 39th Ward, . . . Let ‘em go somewhere else.”<sup>29</sup> Given neighborhood opposition, City Council President Anna Verna, who represents a South Philadelphia district, decided not to move forward on the stadium deal that year.<sup>30</sup>

In 2000, the newly elected Mayor John Street publicly committed to moving forward with a stadium deal by the end of the year. Spurring Mayor Street and city council to action was the City’s agreement to buy back the Eagles’ new practice facility for \$23 million and invest up to \$80 million renovating the aging Veterans Stadium if they failed to reach a deal with the teams by the end of November 2000.<sup>31</sup> As the November deadline approached, the mayor’s promise to create the SCSSD, along with the commitment of the Phillies and

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25. Clea Benson, *City Council Warns the Eagles To Stop Shopping Around*, PHILA. INQUIRER, Nov. 19, 1999, at B2.

26. *Id.*

27. *Id.*

28. Gwen Shaffer, *Southern Style*, PHILA. CITY PAPER, Apr. 8-15, 1999, available at <http://citypaper.net/articles/040899/cb.wards.shtml>.

29. *Id.*

30. Benson, *City Council Warns the Eagles to Stop Shopping Around*, *supra* note 25.

31. Clea Benson, *Mayor Sacks Deadline for a Stadium Plan*, PHILA. INQUIRER, Oct. 4, 2000, at B1.

the Eagles to contribute funding for the district, was seen as key to reducing neighborhood opposition and securing the support of the two city councilmembers whose districts included South Philadelphia, Frank DiCicco and Council President Anna Verna.<sup>32</sup>

After the teams agreed to the creation of the SCSSD as part of the stadium deal at the end of 2000, the hard work of actually reaching an agreement about the organization and operation of the special district began.<sup>33</sup> Negotiations primarily involved the mayor and representatives of the four community districts and their associated civic organizations.<sup>34</sup> The meetings about setting up the special district often lasted late into the night.<sup>35</sup> For example, "Charles McPherson of Council President Anna Verna's office was intimately involved with the district's creation. He remembers it as a 'very painstaking process, the mayor was the lead person on it, meeting with representatives from four immediate groups . . . for many days till three in the morning.'"<sup>36</sup> Following a year of discussion, the civic leaders and the City finally reached agreement over the bylaws for the SCSSD.<sup>37</sup> The bylaws established a board of directors composed of four elected neighborhood representatives—one from each residential district—as well as one representative from each of the three venue operators.<sup>38</sup> Ex-officio members without voting powers include two city councilmembers, two state representatives, and one state senator, all of whose districts include portions of the SCSSD, as well as the city's managing director.<sup>39</sup> The bylaws also specified that each of the four districts would receive an "equitable share" of services and spending from the special district, but that at the same time, District 1, the smallest of the four and the closest to the stadiums, would receive "special attention."<sup>40</sup>

After reaching agreement on the bylaws, a mail-in election for district representatives was held in February 2002.<sup>41</sup> All residents, both

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32. Gwen Shaffer, *Deal Clinchers*, PHILA. CITY PAPER, Dec. 7-14, 2000, available at <http://citypaper.net/articles/120700/cb.hallmon3.shtml>; R. Jonathan Tuleya, *District on the Defense*, S. PHILLY REV., Nov. 28, 2002 [hereinafter Tuleya, *District on the Defense*].

33. Telephone Interview with Barbara Capozzi, *supra* note 3.

34. Ben-Amos, *supra* note 24; see also Telephone Interview with Barbara Capozzi, *supra* note 3.

35. Ben-Amos, *supra* note 24.

36. *Id.*; see also Telephone Interview with Barbara Capozzi, *supra* note 3.

37. *Id.*

38. SCSSD, Amended and Restated Bylaws § 5 (2001).

39. *Id.* § 5.4.

40. Telephone Interview with Shawn Jalosinski, *supra* note 4.

41. Tuleya, *District on the Defense*, *supra* note 32.

renters and owners, were eligible to vote for their district representative, with one vote per dwelling unit.<sup>42</sup> The representatives elected from the four districts were primarily individuals who were already leaders in their respective civic organizations and who had been active in the negotiations over formation of the SCSSD: Judy Cerrone, President of the Stadium Community Council, Inc. and a fourth-generation resident of South Philadelphia; Barbara Capozzi, President of the Packer Park Civic Association and an area realtor; Ted Scairato, Vice President of Broad Street West Civic Association and a life-long resident of South Philadelphia; and John Sfrisi, board member of the South Philadelphia Community Civic Association and thirty-five year resident of the area.<sup>43</sup> The four newly elected board members and the three representatives from the venue operators met for the first time in March 2002. However, while the SCSSD now had bylaws and a board of directors, the four district representatives were still in disagreement over how to proceed – though the SCSSD had money, it had no strategic plan for how to spend it.<sup>44</sup> The four district representatives were all concerned about ensuring an equitable distribution of the SCSSD’s programming and funding.<sup>45</sup>

The year following the selection of the board was spent in search of an executive director – a process which initially underscored the continuing divisions between the four district representatives. After narrowing down the applicant pool to three candidates, the board was scheduled to meet and vote on whom to hire in November 2002.<sup>46</sup> This meeting had to be cancelled at the last minute when two community board members – Ted Scairato from District 4 and John Sfrisi from District 3 – sent notice that they would not be attending.<sup>47</sup> The SCSSD bylaws require that three of the four community board members be present in order to hold a board meeting.<sup>48</sup> Some saw Scairato’s and Sfrisi’s last-minute withdrawals from the meeting as an effort to stop the board from selecting a candidate they did not favor for the executive director position.<sup>49</sup>

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42. See SCSSD, *supra* note 38, § 5.3(b)(iii).

43. *Who’s Who . . . SCSSD Directors, Staff, & Consultants*, NEIGHBORHOOD NOTES, Spring 2005 at 8–9, [http://www.scssd.org/newsletter/NL\\_1\\_spring\\_05.pdf](http://www.scssd.org/newsletter/NL_1_spring_05.pdf).

44. Telephone Interview with Shawn Jalosinski, *supra* note 4; Telephone Interview with Barbara Capozzi, *supra* note 3.

45. Telephone Interview with Shawn Jalosinski, *supra* note 4; Telephone Interview with Barbara Capozzi, *supra* note 3.

46. Tuleya, *District on the Defense*, *supra* note 32.

47. *Id.*

48. *Id.*

not favor for the executive director position.<sup>49</sup> Critics accused State Senator Vincent Fumo of being behind the hold-up.<sup>50</sup> The *Philadelphia Inquirer* noted that one of the three candidates for the position was the nephew of a long-time Fumo aide (as well as Board Member Sfrisi's second cousin).<sup>51</sup> Scairato denied any influence from Fumo and told the *South Philly Review*: "We have never been involved in the 31 years since [Veterans Stadium] was built . . . . Now that we are being recognized, we are not going to be pushed around by people. We are looking out for our area."<sup>52</sup>

In January 2003, all seven board members did meet to vote on hiring an executive director.<sup>53</sup> Scairato abstained from the vote, arguing that the board had not yet clearly defined the responsibilities of an executive director and that it should therefore wait to make a hiring decision.<sup>54</sup> Capozzi, Cerrone, and the three venue representatives voted in favor of hiring Shawn Jalosinski. Sfrisi cast the lone vote against Jalosinski, arguing that the executive director should be someone from South Philadelphia.<sup>55</sup> Despite the split among the four community representatives, unified support from the Phillies, the Eagles, and Comcast-Spectacor meant that Jalosinski became the new executive director. Jalosinski, who has a degree in civil engineering from Pennsylvania State University, had worked for a year and a half in the private sector as a traffic engineer for a consulting firm before spending six and a half years with the City of Philadelphia's Traffic Engineering and Planning Department.<sup>56</sup> He had been looking for a new challenge that built on his expertise in transportation engineering and his private and public sector experiences when he heard about the SCSSD position.<sup>57</sup>

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49. See Miriam Hill, *In South Philadelphia, Indecision Has a Price*, PHILA. INQUIRER, Jan. 14, 2003, at A8.

50. *Id.*

51. *Id.*

52. Tuleya, *District on the Defense*, *supra* note 32.

53. R. Jonathan Tuleya, *Back to Business*, S. PHILLY REV., Jan. 23, 2003, [http://www.southphillyreview.com/news/back\\_to\\_business-72178137.html](http://www.southphillyreview.com/news/back_to_business-72178137.html); Jalosinski, *Survey Response*, *supra* note 12.

54. *Id.*

55. *Id.*

56. Telephone Interview with Shawn Jalosinski, *supra* note 4.

57. *Id.*

## IV. CONTINUING CHALLENGES AND EXPANDING MISSION

After hiring Jalosinski as executive director, the SCCSD faced two immediate challenges: first, how to manage the parking shortages and traffic congestion generated by events at the sports venues, particularly as the two new venues were completed; and, second, how to make sure that the neighborhood was not negatively impacted by the demolition of Veterans Stadium.<sup>58</sup> For the traffic issue, Jalosinski began meeting regularly with representatives from city departments, including the police, as well as with the operators of the various venues and nearby parking lots.<sup>59</sup> They developed traffic plans for events, each designed to minimize the impact of traffic on the surrounding neighborhoods.<sup>60</sup> These meetings, initially held on a weekly basis, continue now on a monthly schedule.<sup>61</sup> In addition to developing traffic plans, the SCCSD funded a comprehensive study of measures to improve the traffic situation in the district and contributed \$50,000 to the City to help fund new overhead signs that direct visitors from the highway to the Sports Complex venue parking while bypassing the neighborhoods.<sup>62</sup> The SCCSD also began distributing a monthly calendar to residents alerting them to coming events, coding them according to their expected impact on the surrounding neighborhoods.<sup>63</sup>

The demolition of Veterans Stadium was a major concern for nearby residents who worried about damage to their homes, and the SCCSD played an active role in helping address neighborhood concerns. The engineering firm hired by the Phillies recommended imploding the stadium rather than conventional demolition<sup>64</sup>; this concerned residents, some of whom lived as close as 300 feet away.<sup>65</sup> While neighborhood groups met with representatives of the Phillies, the demolition company, and city officials to discuss ongoing con-

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58. *Id.*

59. *Id.*

60. *Id.*

61. R. Jonathan Tuleya, *Loud and Near*, S. PHILLY REV., Aug. 14, 2003, [http://www.southphillyreview.com/news/loud\\_and\\_near-72231332.html](http://www.southphillyreview.com/news/loud_and_near-72231332.html); Jalosinski *Survey Response*, *supra* note 12.

62. *Sports Complex Sign Improvement Project Donation*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/signimprovement.htm> (last visited Nov. 8, 2010).

63. Each day of the month is assigned a "high," "medium," or "minimal" impact alert level. *Sports Complex Event Calendars*, *supra* note 11.

64. R. Jonathan Tuleya, *Contractors Step to the Plate*, S. PHILLY REV., Jan. 8, 2004, [http://www.southphillyreview.com/news/contractors\\_step\\_to\\_the\\_plate-71853462.html](http://www.southphillyreview.com/news/contractors_step_to_the_plate-71853462.html).

65. *Id.*

cerns, the SCSSD board voted to hire their own engineering firm to offer a second opinion on the likely impact of the stadium implosion on surrounding structures.<sup>66</sup> The stadium was finally imploded in March 2004, and although no major damage was reported in the aftermath, some residents claimed minor home damage and were not pleased with the slow response that they received from the demolition company.<sup>67</sup> The SCSSD continued to serve as an intermediary between the Phillies and those residents expressing dissatisfaction with the situation.<sup>68</sup> The SCSSD remained involved when residents later complained about the slow process of turning the demolition site into a parking lot.<sup>69</sup> In a *Philadelphia Inquirer* article about the SCSSD, Jalosinski's multi-faceted role in the demolition process was clear: "He hired lawyers to go over the insurance provisions of the implosion plans and soil experts to double-check what the teams were saying about its likely impact. He held the hands of nervous neighbors and pushed the Phillies to make carefully drawn safety plans even safer."<sup>70</sup>

With the demolition of Veterans Stadium complete, the SCSSD could focus on longer-term initiatives, including the development of a five-year plan.<sup>71</sup> During 2004 and 2005, the SCSSD surveyed residents about their concerns and priorities for the district and found, as expected, that traffic control, sidewalk cleaning, and lighting improvements were the key concerns.<sup>72</sup> The SCSSD has consequently constructed traffic-calming islands along two of the main neighborhood thoroughfares.

The activities of the SCSSD also now include initiatives that focus less specifically on mitigating the impact of events at the stadium facilities and more on general neighborhood improvements. The most visible and expensive program that the SCSSD operates is a residential cleaning program.<sup>73</sup> A "cleaning team" visits each of the four districts on a weekly basis to clean streets and sidewalks and, dur-

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66. *Id.*

67. David Gambacorta, *Neighbors Cry Foul*, S. PHILLY REV., July 22, 2004, [http://www.southphillyreview.com/news/neighbors\\_cry\\_foul-72273707.html](http://www.southphillyreview.com/news/neighbors_cry_foul-72273707.html).

68. *Id.*

69. David Gambacorta, *Citizens Can't Park*, S. PHILLY REV., Aug. 12, 2004, [http://www.southphillyreview.com/news/citizens\\_cant\\_park-72276972.html](http://www.southphillyreview.com/news/citizens_cant_park-72276972.html).

70. Murray Dubin, *Sports Venues Pay for District*, PHILA. INQUIRER, July 12, 2004, at B1.

71. Telephone Interview with Shawn Jalosinski, *supra* note 4.

72. Jalosinski, *Survey Response*, *supra* note 12; see also *SCSSD Community Survey*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/communitysurvey.htm> (last visited Nov. 8, 2010).

73. Telephone Interview with Shawn Jalosinski, *supra* note 4.

ing the fall, to sweep leaves.<sup>74</sup> The SCSSD has also planted over 280 trees in the district.<sup>75</sup> Any resident can request that a tree be planted in front of his home.<sup>76</sup> The SCSSD works generally on landscaping and partners regularly with the Pennsylvania Horticultural Society to develop and maintain landscaping projects.<sup>77</sup> The SCSSD also actively funds youth activities in the district and has donated more than \$40,000 to athletic teams to help pay for equipment, fees, and facility improvements.<sup>78</sup> In addition, the SCSSD donates \$2500 every year to each of the seven schools in the district to pay for a specific project of the school's choosing, such as new classroom windows, a new classroom public announcement system, and a butterfly garden.<sup>79</sup> The SCSSD also regularly sponsors local charitable events and hosts a number of community events such as a "beat the heat" fan giveaway to seniors, an annual children's Halloween party, and an annual shredding event designed to combat identity theft and promote recycling.<sup>80</sup> Recently, the SCSSD distributed free emergency preparedness kits to residents.<sup>81</sup> As the SCSSD moves forward from its rocky beginning, members of the board and residents alike have expressed public support for the work of the special district.<sup>82</sup>

## V. EVALUATION AND DISCUSSION

As the preceding description of its formation and activities suggests, the SCSSD may have less to tell us about BIDs than about neighborhoods and stadium deals. This case study highlights several key features of the SCSSD that explain its creation and operation. First, the creation of the SCSSD is indicative of the extent to which the neighboring communities were already organized. Existing civic organizations represented each of the four communities

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74. *Residential Cleaning Program*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/cleaningprogram.htm> (last visited Nov. 8, 2010).

75. Telephone Interview with Shawn Jalosinski, *supra* note 4.

76. *New Street Trees*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/streettrees.htm> (last visited Nov. 8, 2010).

77. Telephone Interview with Shawn Jalosinski, *supra* note 4.

78. *Youth Athletics*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/youthathletics.htm> (last visited Nov. 8, 2010).

79. *School Donations Program*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/schooldonations.htm> (last visited Nov. 8, 2010).

80. Telephone Interview with Shawn Jalosinski, *supra* note 4.

81. *Emergency Kit Distribution*, SPORTS COMPLEX SPECIAL SERVS. DIST., <http://www.scssd.org/emergencykit.htm> (last visited Nov. 8, 2010).

82. Vernon Clark, *With Stadiums So Close, the Neighbors Got Game*, PHILA. INQUIRER, Mar. 16, 2005, at G6; Dubin, *supra* note 70.

now included in the special services district.<sup>83</sup> In part, this initial level of organization was itself a response to the existing stadiums in the community. When the City began negotiating with the teams for new stadiums, these neighborhood organizations were able to pressure the City for concessions in return for the neighborhood's acceptance of additional sports venues in its backyard. A member of the current SCSSD board and president of one of the civic organizations told the *Philadelphia Inquirer* that when the discussions about building new stadiums began, "[i]t was clear then that the neighbors had to fight to make a community services district part of any city deal for stadiums . . . [and we] weren't going to support one more stadium unless we got some protection."<sup>84</sup>

Second, once the teams agreed to fund the SCSSD as part of the terms of their leases, the stakeholders began the hard work of hammering out the details of the district's operation. This process was lengthy and full of conflict.<sup>85</sup> The fact that the venue operators contributed the funding eliminated disputes over financing. Instead, conflicts arose over where the district boundaries would be drawn, how the funds would be spent, and whether there would be an equitable division of money and projects across the different neighborhoods.<sup>86</sup> Although the neighborhoods were individually organized through their civic associations, they were not accustomed to working together cooperatively, and early conflicts over issues, such as the hiring of an executive director, demonstrated a high level of distrust. Once the new director was in place and projects began moving forward in a way that demonstrated attention to each neighborhood's distinctive needs, this trust gradually grew. According to Jalosinski, a recent analysis of SCSSD spending confirmed that each district has received the same level of funding within plus or minus 5%.<sup>87</sup>

Third, the structure of the board also encourages the four neighborhood representatives to work together. During the early stages of establishing the SCSSD, the city promoted the board's structure, with four of the seven seats reserved for neighborhood representatives, as a means of ensuring that residents would control the board

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83. See *supra* text accompanying notes 18–20.

84. Dubin, *supra* note 70, at B1 (internal quotation marks omitted).

85. See *supra* text accompanying notes 33–37.

86. Telephone Interview with Barbara Capozzi, *supra* note 3; Telephone Interview with Shawn Jalosinski, *supra* note 4; Tony West, *How to Shake Down a Casino! Sports SSD Shows Way*, PUB. REC., July 12, 2007.

87. Telephone Interview with Shawn Jalosinski, *supra* note 4.

if they were able to cooperate with each other. Because the district must spend all of its money on neighborhood improvement and may not spend funds on the sports venues themselves, the three representatives for the venue operators are generally happy to go along with spending proposals as long as the four neighborhood representatives are in agreement.<sup>88</sup> The early disagreement over whom to hire as executive director illustrated the initial inability of the neighborhood representatives to work together, but eventually the three venue operators joined two of the four neighborhood representatives to select the director.<sup>89</sup> However, the hiring of Jalosinski as director appears ultimately to have worked in favor of building trust across the four neighborhoods and establishing faith in the SCSSD process. Early in Jalosinski's tenure, the board engaged in successful strategic planning sessions that highlighted common goals across the four neighborhoods and identified priorities specific to each area.<sup>90</sup> This process helped generate an action plan for the district moving forward. By 2004, all seven representatives on the board seemed uniformly happy with the operation of the SCSSD.<sup>91</sup> The two neighborhood representatives who had opposed Jalosinski's hiring told the *Philadelphia Inquirer* that Jalosinski had "learned a lot," "[stood] for all of us" in interactions with the City, and was "doing very well in a thankless job."<sup>92</sup>

Fourth, the relative lack of conflict on the board between the venue operators and the neighborhood representatives is also indicative of another key feature of the SCSSD—the singular interest in getting event attendees in and out of the district efficiently. As Jalosinski explains, "What's good for the fan base is good for the neighborhoods."<sup>93</sup> In this way, money contributed by the three venue operators to the SCSSD is not simply a way of reducing neighborhood opposition to the new stadiums. In order to ensure that fans continue to buy tickets and attend games, the venue operators must ensure visitors can arrive, park, and depart with minimal difficulty. In order to ensure that their neighborhoods are not completely overrun on game days, the residents also want to ensure that efficient mechanisms for getting visitors into and out of the district

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88. *Id.*

89. See *supra* text accompanying notes 46–56.

90. Telephone Interview with Shawn Jalosinski, *supra* note 4; Telephone Interview with Barbara Capozzi, *supra* note 3.

91. Telephone Interview with Barbara Capozzi, *supra* note 3; Dubin, *supra* note 70.

92. Dubin, *supra* note 70, at B4.

93. Telephone Interview with Shawn Jalosinski, *supra* note 4.

are in place. To the extent that the SCSSD then spends some funds improving traffic flow during sports and entertainment events, the goals of both residents and venue operators are served by the activities of the SCSSD.

Fifth, if the formation of the SCSSD reflects a certain level of existing organization in the neighborhoods, the operation of the SCSSD has increased the extent of the neighborhoods' organization to protect their own interests. Now the SCSSD not only provides services to the neighborhoods, but it can also serve as a voice for the community as a whole when the community directors are in agreement. Jalosinski describes the SCSSD as an "umbrella organization" that supplements the individual civic organizations and puts funds behind their shared objectives.<sup>94</sup> The SCSSD's role as the community voice has been demonstrated in its response to proposals for additional entertainment venues in the Sports Complex. For example, in 2004, amidst discussion about casinos, the SCSSD funded a study on the impact of locating a casino in the neighborhood and offered detailed testimony to the City on behalf of neighbors who opposed it.<sup>95</sup> In the wake of opposition to this site and to other possible sites in the city, this casino project has not moved forward. Similarly, the SCSSD is currently representing the concerns of residents in discussions about building Philly Live!, a new entertainment venue, in the area.<sup>96</sup> On the one hand, the Philly Live! proposal suggests a situation in which the interests of venue representatives and neighborhood representatives on the SCSSD board could diverge. While venue operators may view additional entertainment opportunities in the district as revenue-generating projects, residents may view them primarily as sources of unwanted additional congestion.<sup>97</sup> On the other hand, the feeling of increased representation associated with the formation of the SCSSD seems to have alleviated some residents' concerns by keeping them informed about the status of future plans and promising them a voice in how those plans develop.<sup>98</sup>

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94. *Id.*

95. *Id.*

96. *Id.*; see also Caitlin Meals, *Make Way for Change*, S. PHILLY REV., Jan. 24, 2008, [http://www.southphillyreview.com/news/features/make\\_way\\_for\\_change-79695517.html](http://www.southphillyreview.com/news/features/make_way_for_change-79695517.html)

97. Meals, *supra* note 96.

98. Telephone Interview with Barbara Capozzi, *supra* note 3; Telephone Interview with Shawn Jalosinski, *supra* note 4. The SCSSD's role as community representative has also expanded beyond concerns about additional entertainment venues. In response to concerns about the impact of a terrorist attack or accident involving the nearby Sunoco Refinery, the

## VI. LESSONS FOR OTHER NEIGHBORHOODS

Professor Richard Briffault argues that BIDs need “to be limited to those districts that serve a broader city interest, lest the BID device degenerate into a mechanism for increasing intracity inequality.”<sup>99</sup> The formation of the SCSSD reflects this logic at work. The City of Philadelphia believed that new stadiums for the Phillies and the Eagles would benefit the city as a whole. In return for bearing the brunt of the quality-of-life costs associated with living adjacent to the new stadiums, it compensated residents of these neighborhoods through the creation of a special services district. By linking funding of the district to lease terms for the venue, the city ensures a degree of community involvement from the teams. While some residents and outside observers may question the extent to which subsidizing stadium projects serves the broader city interest, the private financing of the SCSSD helps ameliorate some of the negative impact on neighborhood residents. This is particularly true for the Sports Complex area, where residents had already lived with a stadium as a neighbor for more than thirty years.

The process of setting up the SCSSD was relatively painful, as neighborhood representatives fought over how much influence they would exert over the special district and worried about how to ensure equitable treatment of the neighborhoods in terms of projects and spending. However, once the SCSSD was up and running, it seems to have succeeded in uniting the neighborhood representatives and maintaining good relationships with the venue operators. This success, in part, reflects the structure of the SCSSD board, which encourages cooperation among the neighborhood representatives. In addition, the shared interest in ensuring efficient traffic management during sports and entertainment events encourages cooperation between neighborhood representatives and the venue operators. Furthermore, the executive director, whose hiring was initially the subject of controversy, seems to have been able to manage the SCSSD in ways that have pleased a range of stakeholders.

Interestingly, the creation of the SCSSD not only brought additional services to the Sports Complex neighborhoods, it also brought an additional level of community organization that ensures residents a voice in critical city-wide policy discussions. Jalosinski cites

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SCSSD now serves on the Sunoco Community Advisory Panel. Telephone Interview with Shawn Jalosinski, *supra* note 4.

99. Richard Briffault, *A Government for Our Time? Business Improvement Districts and Urban Governance*, 99 COLUM. L. REV. 365, 377 (1999).

the impact of outside development on the district's quality of life as one of the SCSSD's current challenges.<sup>100</sup> While the SCSSD cannot directly affect these developments, it can speak as an organized and recognized voice on behalf of its residents. The SCSSD is now seen as a model for neighborhoods in Philadelphia impacted by the creation of two new casinos.<sup>101</sup> Discussions now focus on the ability of neighborhoods to demand money for additional services in exchange for the problems associated with close proximity to large-scale entertainment venues.<sup>102</sup> The SCSSD experience also suggests, however, that these affected neighborhoods may achieve a higher degree of community organization, and therefore representation, with the creation of a special services district.

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100. Telephone Interview with Shawn Jalosinski, *supra* note 4.

101. Ben-Amos, *supra* note 24; see also A.J. Thomson, *Cut Locals in on Slots Action*, PHILA. INQUIRER, Dec. 11, 2006, at B2; West, *supra* note 86.

102. See, e.g., Thomson, *supra* note 101; West, *supra* note 86.