



EXCLUSIVE REPORTS

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Old City store debate brews over Starbucks

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Starbucks is eyeing a corner in Old City – and other chain stores may be on the way.

The proposal by Starbucks has stirred a longstanding debate over whether national retailers have a place in the historic Philadelphia neighborhood, which is dotted with galleries, small restaurants, refurbished luxury lofts – and, for retailers, an increasingly attractive demographic profile.

"Some people think having a Starbucks is a stamp of approval. But us old-timers in Old City think we arrived some time ago, well before the \$2,500 apartments. We don't need Starbucks to tell us we're hot," said Richard Thom, an Old City architect who heads the development committee of the Old City Civic Association.

A proposal to open a 1,400-square-foot Starbucks will be heard by Thom's committee on April 29. The store would be on the ground-level of a luxury-condominium building, Merchants Row, being renovated by Old City-based Yaron Properties Inc.

Civic association approval is considered a key hurdle in winning a variance from the city zoning board. Since 1990, the area of Old City north of Market Street has had a zoning overlay that prohibits take-out restaurants. Starbucks, which sells coffee, muffins and other pastry, would fall into that category.

In the meantime, across the street from the proposed Starbucks, the former Seaman's Church Institute is rumored to be future home of Crate & Barrel or Pottery Barn, according to Old City residents and business owners.

Those companies will not say whether Old City is in their plans. And, Yaron Properties, which bought the Seaman's Church Institute earlier this year, also declined to say.

Both the proposed Starbucks and the Seaman's Church Institute are in sneezing distance of the Betsy Ross House, whose 250,000 yearly visitors would be among the retailers' likely customer base.

Lori Dillard Rech, director of the Betsy Ross House, is taking a wait-and-see approach to the prospect of new retailers, whether they're chain stores or not.

"I'm for development of Old City. We all work with one another to make it a vibrant community. I don't want to come out for or against it. I'm supportive of retail and thriving businesses," said Rech, who plans to attend the hearing to see what Starbucks proposes.

Issues include whether the coffee shop would offer take-out food or try to limit its offerings to the café, operating hours and trash control. Civic leaders and residents plan to scrutinize Starbucks' proposal at the coming hearing.

Still, by no means does the community approach Starbucks with a universal voice. The neighborhood of 10,000 has at least three different organizations that speak for it – including the Old City Civic Association, the Old City District and Old City Arts Association, which represents some 35 galleries and several theaters. There are also more select interests, like the Elfreth's Alley Association.

Cynthia M. Philo, executive director of the Old City District, which is funded by business taxes, said her organization is eager to hear Starbucks' plans.

Ruth Isaac Treatman, owner of Old City Coffee said she's ready for the competition. Her 19-year-old store, with creaky wooden floors and a vast selection of baked goods and roasted coffees, attracts a morning crowd of regulars. Many of those customers have asked, with concern, how Treatman feels about the advent of a Starbucks.

"I'm not going to hire a lawyer or pass around petitions. I think that detracts from the neighborhood, tarnishes it," Treatman said. "I think with independents, you have to raise yourself to the next level."

She said that might include matching Starbucks' hours, but, head to head, she thinks her coffee is better.

Starbucks, the Seattle-based chain, has roughly 40 stores in the Philadelphia area, the closest of which is at 4th and South streets.

Yaron Properties, which is based at 11 N. 2nd St. in Old City, owns more than a dozen Old City properties, including apartment buildings and retail. It was slated to be the developer of the W Hotel, which was planned for Headhouse Square in Society Hill but was scuttled when the economy worsened. Actor Will Smith, a Philadelphia native, was to have been a project partner.

Yaron Properties owner Michael Yaron did not respond to a request for an interview.

But Thom and others said Yaron, who also has holdings in New York, seems dedicated to contributing to a vibrant neighborhood.

For instance, Yaron bought the Seaman's Church Institute because he feared it would be bought by a fast-food restaurant that would then mar his tenants' view. Yaron even owns the building that houses Café Olé, which, a block from the Starbucks, would be a direct competitor.

What's at stake in Old City, say those who oppose the introduction of chain stores, is its independent character. They cite South Street, Manayunk and Chestnut Hill as areas with distinctive flavor that were changed by the influx of national retailers.

"I think people naturally prefer a home-grown store to a big chain," said Randy Cotton, associate director of the Preservation Alliance of Philadelphia. "They're not against commerce and retail. I think residents would encourage a grocer or other services to come in. The neighborhood needs a grocery store, a deli, a movie-rental place, a hardware store, a bookstore. But I can go to the mall for a Pottery Barn."

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