

CENTER CITY DISTRICT



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MAY 2007

2008 – 2012

Plan and Budget for the Center City District

The goal of the Center City District (CCD) is a clean, safe, well-managed Center City so that Philadelphia can successfully compete as an attractive location for business, education and health care services, for tourism, entertainment, dining and shopping and as a preferred place to live. The CCD was established in March 1990, under the Commonwealth of Pennsylvania's Municipality Authorities Act, as a private-sector-directed municipal authority. With the approval of property owners and the City of Philadelphia, the CCD was authorized in 1990 to provide security, cleaning and promotional services that supplement, but do not replace, both basic services provided by the City of Philadelphia and the responsibilities of property owners.

In 1994, 1995 and 2004, property owners and the City of Philadelphia approved subsequent revised plans and budgets for expanded services and in 2004 authorized the CCD's existence and debt-service payments through 2025. Currently, the CCD is delivering services in accordance with an operating plan and budget approved through December 2009.

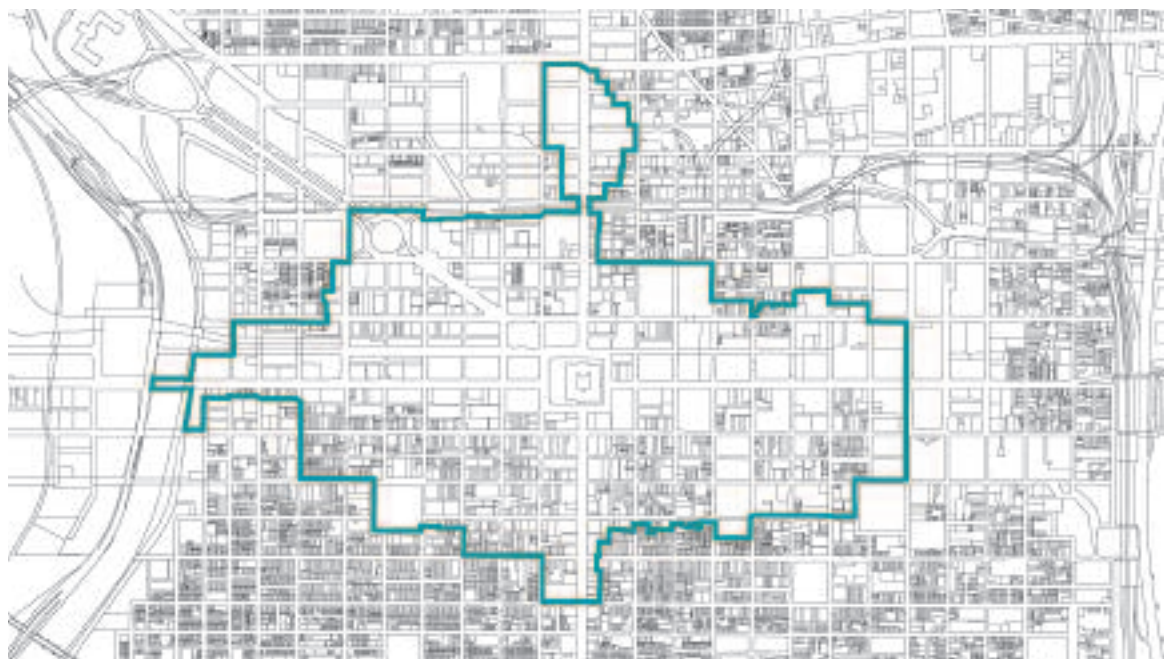
Given the significant increase in new office, hotel and residential properties within the District's boundaries, the

CCD has the opportunity to provide through a new plan and budget higher and expanded levels of service to all District property owners, while continuing to keep annual cost increases in line with the rate of inflation.

This plan and budget for the period 2008–2012 continues the CCD's primary focus on the basics, devoting over 75 percent of revenues to programs for a *clean, safe, attractive and well-managed* public environment. The balance of revenues funds research, planning and communications strategies that enhance the attractiveness and competitiveness of Center City.

The CCD provides fee-for-service programs and management services that enhance the broader environment and the revenues available for services within the District, including a new program funded by SEPTA and the City's Department of Public Property that will extend CCD's cleaning services and graphic information system to the underground transit concourse.

Every five years beginning 2013, 2018 and 2023, the CCD shall present to District property owners a new plan and budget that shall not be less than two times the annual debt-service obligation.



— CCD Boundaries



Cleaning and Maintenance

The CCD deploys over 70 uniformed workers and mechanical equipment on two overlapping shifts, seven days per week, providing up to 12 hours of services per day. CCD crews supplement the sanitation services of the City of Philadelphia and ensure that Center City’s sidewalks and related public areas are clean and its streetscape graffiti-free. The City’s Streets Department cleans the streets from curb to curb, empties public trash receptacles and enforces sanitation laws. Through a competitively selected contractor, the CCD assists property owners in fulfilling their legal obligation to keep their sidewalks free of litter and debris. This supplementary program is comprised of five components:

- **Mechanical sweeping:** Sidewalks and related public areas are mechanically swept early each morning to ensure that downtown routinely “opens clean.”
- **Daily, recurring manual and mechanical sweeping:** Daily manual and mechanical sweeping of all sidewalks and related public areas at least three times throughout the working day by uniformed cleaners ensures that the central business district remains attractive and clean.
- **Evening cleaning:** In recognition of the increased evening pedestrian activity, the CCD provides an early evening shift in prime entertainment and dining areas in warm weather months.
- **Monthly power washing:** The CCD provides high-pressure washing twice a month, except in winter, to remove accumulated stains, gum and grime from all sidewalks.
- **Graffiti removal:** To improve the appearance of downtown, maintenance crews remove posters and stickers and remove or paint over graffiti on streetscape furniture and the ground floor of building facades. The CCD also provides employment opportunities for disadvantaged workers, such as formerly homeless individuals and those making the transition from welfare to work, performing graffiti removal and other maintenance within the CCD and staffing fee-for-service contracts in areas adjacent to the District.

Safety and Crime Prevention

To enhance public safety and order and to provide information and directions to pedestrians, the CCD deploys supplementary, uniformed on-street patrols. The CCD also engages crime prevention professionals to work in partnership with public law enforcement,

private security and with property owners, managers, employers and local institutions to lessen their vulnerability to crime. The CCD’s supplementary services are comprised of four components:

- **Enhanced police coverage:** The Philadelphia Police Department’s 6th and 9th Districts cover the area from Poplar to Lombard streets, river to river, including both residential neighborhoods and the central business district. In 1991, the Philadelphia Police Department collaborated with the CCD to develop a unique cooperative effort to improve police coverage for the increasing Center City population of office workers, residents, hotel guests, convention delegates, theater and retail patrons. Foot patrol officers from the 6th and 9th Police Districts were re-deployed into a new Center City District police substation. The CCD also provides computerized links to the 6th and 9th Police Districts and assists with crime tracking and computerized mapping to identify crime patterns and develop strategies to reduce crime. The result of these efforts has been a steady and significant reduction in reported crime in Center City since 1991. The Philadelphia Police Department will continue to support the costs of staffing the substation seven days a week. A police captain as well as other uniformed supervisors and patrol officers, including those deployed on bicycles, will staff the substation. These officers will continue to be deployed in conjunction with the CCD community service representatives. The CCD will continue to support computerized crime tracking, analysis and mapping as well as the operating costs for the police substation.
- **Community service representatives:** The goal of the community service representative (CSR) program is to provide public safety, hospitality and outreach services within the boundaries of the Center City District by deploying CSRs on foot beats, seven days a week. CSRs provide a uniformed, but unarmed, deterrent to crime by serving as the “eyes and ears” of the Philadelphia Police Department through two-way radio communication. CSRs act as goodwill ambassadors by providing information and directions to visitors, workers and residents. CSRs are first aid/CPR certified, and provide services to those in need.

CSRs use hand-held computers to track and report visible code violations to the responsible public agency. Specially trained CSR teams provide outreach services to the homeless population in Center City, and work in partnership with social service agencies and the Philadelphia Police Department to help those on the street connect with needed services. The staff of 42 CSRs and four supervisors is deployed in two shifts to cover morning, daytime and evening activities. CSRs stand a joint roll call with the Philadelphia



police officers that staff the CCD's police substation and share information and coordinate deployment assignments.

- **Crime prevention services:** Professional staff provide computerized crime mapping and analysis to identify crime trends and patterns and work in partnership with law enforcement to develop strategies to reduce crime. Staff also offer on-site visits to help office tenants and retailers reduce their vulnerability to crime and conduct crime prevention seminars for office and retail employees; organize events in office buildings to provide safety, shopping and dining information to employees; coordinate informational meetings with public and private security professionals, and with local, state and federal law enforcement agencies; and provide office tenants, retailers, parking operators, hotels, banks, cultural institutions, private security and law enforcement representatives with timely information and crime prevention tips.

- **Community Court:** In partnership with the agencies of the Philadelphia criminal justice system and with social service agencies, the CCD provides administrative staff to support a community court that the CCD helped organize, but which is now primarily funded with public-sector resources. The court works: to reduce the number of petty, quality-of-life crimes in Center City and adjacent neighborhoods; to require offenders to pay back the community through community service for the offenses committed; and to influence the nature and degree of recidivism among those who commit minor crimes by addressing their underlying behavioral problems through social and health care services.

Streetscape Maintenance and Enhancement

It is the responsibility of all property owners to keep their abutting sidewalks clean and well maintained, including repair in a timely manner of settled, raised or broken sidewalks. To supplement required maintenance by property owners of their walkways and to enhance Center City as an attractive place to walk, the CCD maintains planters, trees, directional signs and other pedestrian amenities that were installed by the CCD, and undertakes other initiatives to improve, and to encourage owners to improve, public spaces. Since 1996, the CCD has financed or secured outside funding to install over 2,220 pedestrian-scale light fixtures downtown, nearly all of which are now owned and maintained by the City of Philadelphia. The CCD has improved parks and façade lighting and will continue to seek grants, budget for and implement additional public space enhancements including new lighting, landscaping and public space improvements. The CCD also installs banners on light poles and posters in transit shelters to add color and life to the streetscape, while providing a low-cost means for cultural institutions, arts groups and non-profit organizations to communicate their messages.

Marketing and Communications

To position Center City as the primary regional destination for dining, culture, entertainment and shopping and to enhance the downtown as a competitive business location and as a premier place to live, the CCD supports three types of efforts:

- **Communication strategies:** The CCD makes use of transit, print, radio and other advertising vehicles. To reach target audiences directly, the CCD produces newsletters, a Web site (www.CenterCityPhila.org), brochures, collateral material and elec-



tronic mail and deploys information kiosks at which staff distribute brochures and pamphlets and answer inquiries.

- **Event strategies:** The CCD produces and sponsors festivals, special promotions such as Center City Restaurant Week and informational events.

- **Retention and recruitment strategies:** The CCD produces and distributes retail and office business attraction brochures, works in partnership with commercial brokers and the City of Philadelphia to retain existing businesses, and financially supports regional business marketing efforts to attract new firms to Center City. CCD personnel welcome new office tenants, orient their staffs and make them aware of Center City's many assets.

Administration and Funding

A 23-member board of directors, representing Center City's major property owners and a wide cross section of prominent leaders of business, real estate, neighborhood, civic and health care organizations, governs the Center City District. The Center City District is administered by a professional staff and devotes the overwhelming share of its resources to highly visible and effective on-street programs. It will remain the policy of the Center City District to provide to all persons equality of opportunity in employment and contracting. The CCD will continue to ensure that minorities and women have an opportunity to participate in the bidding process without impediments of discrimination and to ensure that the CCD does not contract with businesses that discriminate against minorities and women in the solicitation and utilization of subcontractors and suppliers.

The CCD funds both its programs and debt-service payments primarily by mandatory assessments on taxable properties within the District. The CCD annually bills directly and collects the assessments from property owners. Since 2005, it has been and will continue to be the policy of the CCD to base its assessment of all types of property, including residential, on the assessed value for real estate tax purposes without reduction for any tax abatement on account of improvements granted by the City of Philadelphia on or after January 1, 2005, or for exemptions for Keystone Opportunity Improvement Zones and the like, granted by the City of Philadelphia on or after June 1, 2004.

The annual assessment on an individual property is calculated by establishing the ratio of the assessed value of the individual prop-

erty to the total taxable assessed value of the District, then multiplying this ratio by the total annual amount of assessments billed. CCD's assessment revenues are used exclusively to fund supplemental services and physical improvements within the District.

Tax-exempt properties, such as schools, hospitals and religious institutions, are not assessed, but the CCD receives voluntary contributions from owners of tax-exempt properties within CCD boundaries that receive the benefit of District services. The CCD receives sponsorship income and revenues for diversified fee-for-service activities, including sidewalk and concourse cleaning,

landscape maintenance and graffiti removal services in adjacent residential and commercial areas. Revenues in excess of expenses from these agreements are used to augment services within the CCD. The CCD also receives fees for management of other organizations, such as the Central Philadelphia Development Corporation. These management agreements enable District property owners to derive the benefit of research, strategic and physical planning, and public forums that seek to strengthen the vitality and competitiveness of Center City as the vibrant 24-hour hub of the Greater Philadelphia region.

Budget: 2008–2012

(This budget displays assessment and non-assessment revenues and activities to provide owners with a full view of CCD operations. However, property owners only have an obligation under this budget for assessment-supported activities.)

	2008	2009	2010	2011	2012
Income					
Billing Amount¹	\$13,359,600	\$14,535,000	\$15,210,500	\$15,730,100	\$16,265,500
Income from Assessed Charges ²	\$12,760,220	\$13,795,930	\$14,446,030	\$15,035,900	\$15,549,880
Interest & Other Income ³	\$620,000	\$620,000	\$645,000	\$680,000	\$685,000
Reimbursements from Affiliates ⁴	\$299,420	\$309,900	\$320,750	\$331,980	\$343,600
Non-Assessment Income ⁵	\$3,986,700	\$4,095,900	\$4,218,700	\$4,275,000	\$4,414,400
Total Revenue & Support	\$17,666,340	\$18,821,730	\$19,630,480	\$20,322,880	\$20,992,880
Expenses					
Cleaning & Maintenance ⁶	\$4,409,710	\$4,705,280	\$5,021,650	\$5,359,820	\$5,721,800
Fee-for-Service Activities ⁷	\$3,644,900	\$3,765,250	\$3,879,270	\$3,946,810	\$4,087,140
Safety & Crime Prevention ⁸	\$3,036,660	\$3,172,120	\$3,315,380	\$3,466,210	\$3,626,400
Marketing, Communications & Interactive Activities ⁹	\$2,046,420	\$2,046,720	\$2,115,190	\$2,186,390	\$2,260,720
Streetscape Maintenance & Public Spaces ¹⁰	\$768,890	\$783,920	\$810,940	\$838,890	\$868,460
Administration ¹¹	\$1,414,860	\$1,463,890	\$1,526,590	\$1,592,450	\$1,662,480
Strategic Planning & Research ¹²	\$1,079,900	\$1,122,550	\$1,198,460	\$1,172,310	\$1,209,210
Capital Program Activities ¹³	\$0	\$500,000	\$500,000	\$500,000	\$291,670
Debt Service ¹⁴	\$1,265,000	\$1,262,000	\$1,263,000	\$1,260,000	\$1,265,000
Total Expenses¹⁵	\$17,666,340	\$18,821,730	\$19,630,480	\$20,322,880	\$20,992,880

Notes to Five-Year Plan

- 1 Billing assumes standard cost-of-living increases to charges for existing properties and significant new revenues from office, hotel and residential development currently under construction.
- 2 Includes current and prior year collections and adjustments for reduced assessments.
- 3 Interest earned on operating accounts, on restricted bond and streetscape improvement accounts, grants, exempt property contributions and other income.
- 4 Reimbursement for staff salaries and benefits under management agreements with affiliated entities.
- 5 Income from CCD fee-for-service activities, sponsorship income in support of marketing activities and projected management fees for public spaces projects funded by grants.
- 6 Cleaning program within the boundaries of the CCD, including supplemental sidewalk services, graffiti removal services and warm weather pressure washing.
- 7 Expenses relating to fee-for-service activities, outside District boundaries and in subway concourses.
- 8 CSR program, safety and crime prevention services, support to Center City Community Court, and support for the CCD police substation.
- 9 Ongoing marketing activities and promotions, communications and Web site development and maintenance.
- 10 Maintenance of public improvements within CCD boundaries funded by bond issue and subsequent enhancements.
- 11 Staff and direct expenses relating to management of CCD, including reporting, internal audit, human resources and operations administration.
- 12 Staff and direct expenses relating to planning functions in support of CCD's mission. Also includes staff salaries and benefits which are reimbursed through affiliates.
- 13 Allocation of funds from CCD assessment sources for continued capital improvements and upgrades to the public environment within the CCD, such as lighting, landscape and streetscape enhancements.
- 14 Debt service from the 1995 bond issue at reduced level due to refinancing in 2004. Level debt service obligation continues through 2025.
- 15 Expenses do not include non-cash operating expenses such as depreciation, and certain amortized bond costs.

* Policy relating to reduced assessments — The CCD assessments are based on the assessed values assigned by the Board of Revision of Taxes (BRT). In any given year, property owners have the right and ability to appeal to the BRT and not the CCD, in order to reduce their City real estate assessment. The CCD's policy, as noted annually on its Statement of Charges Assessed, is to re-calculate the annual charge and allow an adjustment to the current year charge, or if the charge has already been paid, to allow a credit against the property's next annual CCD charge, if the certified assessed value of the property is reduced on appeal to the BRT. In order to be eligible for the reduction or credit, the CCD must receive written notification of an appeal from the property owner in the year in which the appeal is filed, in addition to a copy of the initial application and final decision of the BRT for a reduction of the property value for which the assessed charges apply.