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CENTER CITY Digest

Accelerating Growth

Philadelphia is enjoying its longest economic expansion of the last 50 years, adding 55,100 jobs since 2010, growing in all but one year since 2005. In 2016, a record 13,600 jobs were added; in 2017 we grew 10,700 more – all private-sector; the public-sector has contracted for the last 25-years. By local standards, private sector growth is very good news. By national, urban standards, things should be significantly better.

Center City, the largest workplace in the city and region, accounts for 42% of Philadelphia’s jobs with 298,612 wage and salaried positions and another 9,000 self-employed individuals, freelancers and those compensated as partners, for a total 307,000 employees.

Diversification is downtown’s defining strength. Professional, business and financial services, real estate and information account for 40% of downtown jobs, filling 41.2 million square feet of office space. Education and health services, the largest sector citywide, is the second largest downtown with jobs provided by 15 colleges and universities and five hospitals,

accounting for 20% of Center City employment. Entertainment, leisure, hospitality and retail provide 16% of downtown jobs in 243 arts and cultural institutions, 11,675 hotel rooms, 992 retail premises and 453 full-service restaurants. The federal, state and local governments add 12% of downtown jobs.

Located at the center of the region’s transit and highway network, 48% of downtown jobs are held by commuters from outside the city who pay the city wage tax and also patronize downtown restaurants, retailers and cultural institutions; 52% of jobs are held by Philadelphia residents, with the city’s share of jobs steadily increasing as the downtown population has grown.

Since 2010, 25% of those who moved into Philadelphia moved downtown, making it the fastest growing neighborhood with 190,000 residents. This vibrant live-work core is just 6% of the city’s land area, but generates 32% of property tax revenue for the City and School District, more than 50% of BIRT, and almost 50% of the wage tax.

Other growth areas include University City, with 11% of city jobs, and the Navy Yard and Temple’s campuses, each with 1%. But since 2005, the rest of Philadelphia has shed 1,350, 0.4% of its jobs, each year.

THE CHALLENGE:

Philadelphia’s 25.7% poverty rate puts us atop the 10 largest cities. The downtown story is about millennials and empty-nesters moving in, families having children. But in many other neighborhoods, working and middle class families are still leaving for the suburbs.



This article is adapted from the introduction to the *State of Center City 2018* report. For more, visit centercityphila.org/socc.

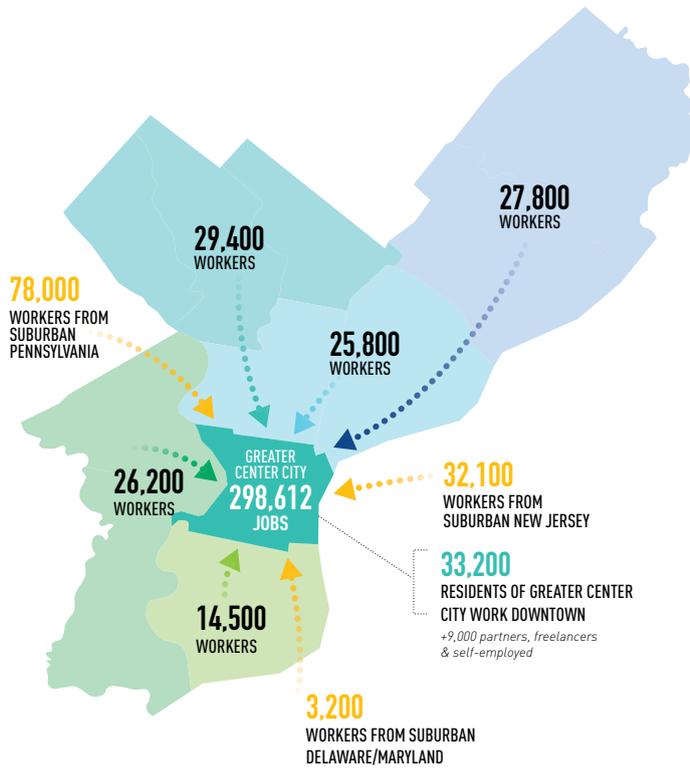
Downtown, 65% of residents have BA degrees; citywide, only 26%, and many young people don't ever finish high school.

Such disparities inspire facile references to Dickens' *A Tale of Two Cities*. But the Philadelphia story is *not* a tale of two cities; it's a tale of one city not growing fast enough to address problems we've inherited at a time when we can't rely on higher levels of government for much help.

After shedding 25% of jobs since 1970, recent growth is grounds for celebration. But compared to other cities we should be doing much better. While private sector growth was particularly strong in 2016 and 2017, with the city's rate surpassing that of the region and nearly catching up with the nation as a whole, Philadelphia has not kept pace with America's 26 largest cities. Since 2009, the largest cities *outperformed* the national economy, adding private sector jobs at an average of 2.3% per year, compared to 1.4% in Philadelphia. Recent trends lifted Philadelphia above Baltimore and Memphis, but still behind 23 other cities including: Boston, Detroit, New York City, Washington D.C., as well as the national rate of 1.7% per year.

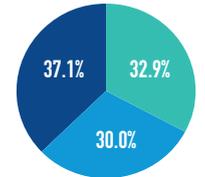
Those who have lived in Philadelphia for decades glance in the rear-view mirror, marveling how far we have come. Mobile millennials, with substantial college debt, fill sidewalks and apartments in Center City and take the vitality for granted. But on social media, they communicate with friends in cities that are passing us by. Philadelphia offers affordability; our peers, greater opportunity.

NUMBER OF NEIGHBORHOOD AND REGIONAL RESIDENTS WHO WORK DOWNTOWN

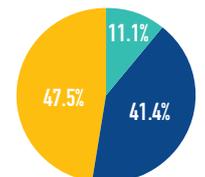


Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015, Bureau of Labor Statistics, Current Employment Statistics 2017, CCD Estimates

DOWNTOWN JOBS BY EDUCATION LEVEL



WHERE DOWNTOWN WORKERS LIVE



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015

More than millennials are discouraged by slow growth; 52% of downtown jobs are held by Philadelphia residents. Public transportation makes possible a level of density and accessibility unmatched in the region, concentrating jobs at 59 per acre in Center City and at 38 per acre in University City, compared to 4 per acre in the rest

of Philadelphia and less than 1 per acre in the suburbs. Transit accessibility also enables 25% of the workers living in city neighborhoods outside Greater Center City to commute to jobs downtown; another 6% work in University City. In all of these neighborhoods, more people work downtown than in the area where they live. While 37% of jobs require a bachelor's degree, downtown's diverse employers have openings at all levels: 30% require an associate's degree, another 33%, just a high school diploma.

AVERAGE ANNUAL GROWTH BY INDUSTRY, 2009-2017

	PHILADELPHIA	PHILADELPHIA MSA	LARGE US CITIES AVERAGE*	US NATIONAL AVERAGE
Total Private	1.4%	1.1%	2.3%	1.7%
Mining, Logging, and Construction	2.2%	1.5%	2.5%	1.6%
Manufacturing	-3.0%	-1.0%	0.5%	0.6%
Transportation, Utilities, and Wholesale Trade	1.0%	0.6%	2.0%	1.4%
Retail Trade	0.9%	0.4%	1.7%	1.1%
Financial Activities and Information	-1.0%	0.0%	1.5%	0.7%
Professional and Business Services	2.3%	1.7%	3.2%	2.7%
Education and Health Services	1.8%	2.1%	2.7%	2.1%
Leisure and Hospitality	3.2%	2.4%	3.4%	2.6%
Other Services	0.6%	0.2%	1.3%	0.9%

This includes the 26 largest cities, with size determined by the number of jobs.

Source: Bureau of Labor Statistics, Current Employment Statistics

SLOW AND UNEVEN GROWTH:

But renewal in Center City and University City is simply not big enough to offset citywide industrial decline. Our past dependency on industrial jobs can no longer suffice to explain slow growth. Other Northeast cities that hemorrhaged manufacturing rebounded with more robust, post-industrial growth. Using 1970 as baseline, New York's employment is up 11%; Boston and Washington, D.C. are both up 23%. Philadelphia has 26% fewer jobs than it did in 1970, similar to Detroit.

This is a prime reason for Philadelphia's high poverty and unemployment rates. Slow recovery is also why 40% of working residents from each Council District outside downtown

[211,000 workers] reverse commute to the suburbs. Education requirements there are not significantly different than for jobs in the city. The suburbs simply have more jobs and, until recently, continued to add them faster. Philadelphia has 5% fewer jobs than in 1990; suburbs are up 26%.

Because Philadelphia’s wage tax requires employers to withhold the full amount, regardless of where a city resident works, commuting to the suburbs carries an incentive to move there. While good schools matter, 81% of households that left Philadelphia between 2010 and 2016 *did not have children*. Philadelphia is also the only big city with a Business Income and Receipts Tax (BIRT) on both gross receipts and net income, adding a 20%-50% premium over suburban costs.

It’s not that we tax too much; we tax the wrong things. Philadelphia is unique among major cities because our municipal government is 60% dependent on taxing what easily moves — employee wages and business revenues. We’re out of sync with mobile, 21st century, post-industrial realities and are left with slow and uneven growth.

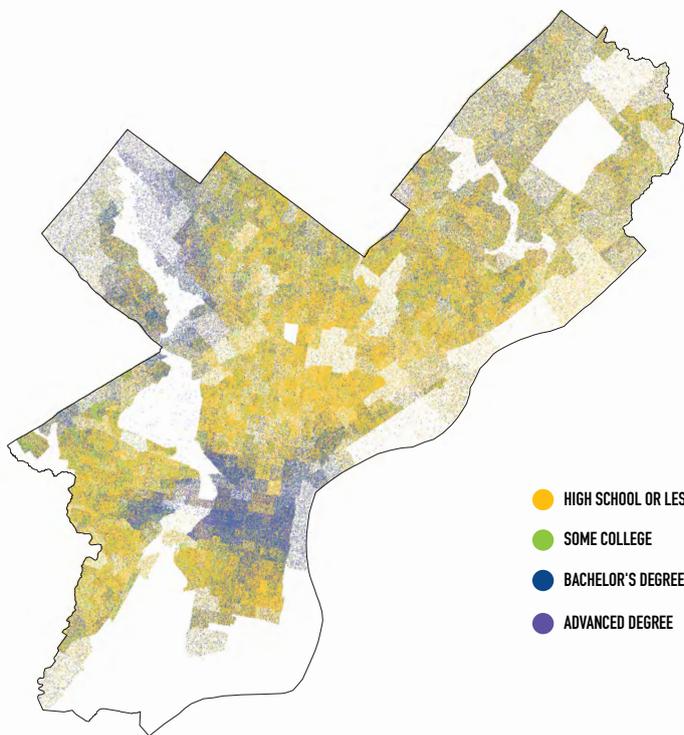
Since 1990, education and health care, (largely exempt from real estate, use and occupancy and business taxes) have expanded by 54.2%. Lower wage leisure and hospitality, entry level positions in which we invested heavily, are up 62%. But office jobs, the largest and most diverse source of opportunity, are down 15.7%.

ENHANCING POSITIVE TRENDS, LOCALLY:

The opening of the new Comcast Technology Center, the retention of Aramark’s corporate headquarters, the rapid growth of startups, investments in innovation made by major employers and local institutions and the eagerness of suburban firms to connect with Center City’s educated, skilled workforce are all positive trends upon which to capitalize. So too is the dynamic growth in University City and the collaborative work and positive messaging that emerged from the pursuit of Amazon.

Philadelphia’s decline in the early- to mid-20th century resulted from overreliance on contracting manufacturing employers, complacency and failure to capture the growth of post-industrial and emerging innovation industries. Our success in the 21st century must be built upon a relentless impatience with the status quo.

EDUCATIONAL ATTAINMENT, POPULATION 25 AND OVER, 2016



Source: U.S. Census Bureau, American Community Survey 2012–2016

AVOIDING THE POLITICS OF RESENTMENT:

The disparities between the thriving and declining sections of the city are enormous and the temptation is strong to fall into a politics of resentment with anti-growth rhetoric. Our national politics are already consumed by extremes — a tendency to pit one group against another. Philadelphia needs to steer clear of that trap, seeking far more pragmatic solutions that work locally. Instead of pitting the interests of market rate development against the needs of lower income residents, elected officials should focus on aligning both around a strategy of job growth for all.

The federal government is steadily reducing the social safety net. State resources are constrained as well. If Philadelphia is going to make any impact on its 25.7% poverty rate, the highest of America’s 10 largest cities, it simply has to create the type of competitive environment that grows private-sector jobs at a faster rate, as other cities have done.

Philadelphia needs to commit not only to its public schools, but also to comprehensive tax reform. We can grow jobs citywide if we reduce local government’s dependency on highly

mobile wages and business revenues and rely more on an expanding base of the local property tax to fund municipal services and improve public schools. But if we keep raising taxes, residents of many neighborhoods will continue to leave for greater opportunities in the suburbs.

If local growth since 2009 were robust enough to make us just *average*, attaining the 2.3% rate of growth of America’s largest cities, Philadelphia would have added an extra 45,400 jobs (equal to one home-grown Amazon) on top of existing growth of 55,100 for a total of 100,500 new jobs. The unemployment rate, which dropped from 10.9% in the depths of recession to 6.2% in 2017, could have dropped more, expanding the tax base and generating more revenues for the city and schools without raising rates. It’s time for Philadelphia to focus on a strategy for much more dynamic and inclusive growth.

Adapted from the introduction to [State of Center City 2018](#). See page 11 for more details.

Paul R. Levy
President
plevy@centercityphila.org

2018 Budget Details

The top 15 properties pay 23% of total program cost, with an average charge of

\$347,204

The top 200 properties pay 81% of total program cost, with an average charge of

\$98,499

The typical Market Street West office building pays

\$204,647

The average hotel pays

\$95,867

The average Chestnut Street property pays

\$11,252

The average Walnut Street property pays

\$7,958

The average commercial property pays

\$14,732

The average retail property pays

\$2,961

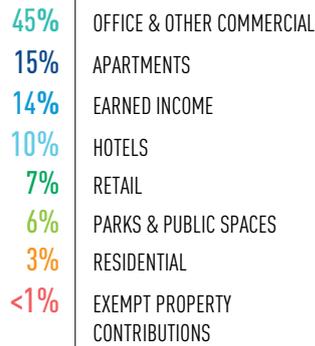
The average residential property charge is

\$256

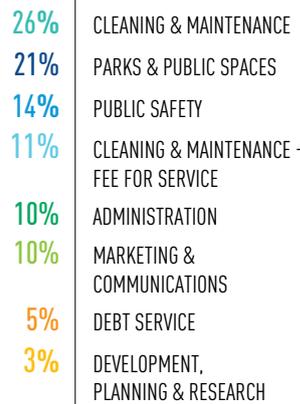
The average for all property types is

\$4,328

WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES



TOP 10 PROPERTIES BY BILLING AMOUNT IN 2018

RANK	PROPERTY NAME	2018 BILLING AMOUNT
1	401 North Broad Street	\$557,786.72
2	Comcast Center	\$512,225.71
3	Center Square	\$500,450.07
4	Mellon Bank Center	\$497,186.85
5	One Liberty Place	\$438,826.24
6	One Commerce Square	\$370,396.79
7	Philadelphia Marriott Hotel	\$368,906.23
8	Three Logan Square	\$359,676.52
9	Two Commerce Square	\$351,085.49
10	Comcast Innovation Center	\$326,577.02
TOTAL		\$4,283,117.63



CCD Honors Employees At Awards Breakfast

On March 20 at The Bellevue Hotel, the Center City District held its annual “thank you” breakfast for all of its Community Service Representatives (CSRs), sidewalk cleaners, office staff and Philadelphia police assigned to the CCD substation. As part of the event, a total of 45 CSRs, cleaners, Philadelphia Police and administrative staff were recognized for 5, 10, 15, 20 and 25 years of service (see list).

In his remarks, Paul R. Levy, CCD President and CEO, noted that while the organization has grown greatly – with maintenance and programming of Dilworth, Sister Cities, John F. Collins and Cret parks, and the upcoming Rail Park now part of its responsibilities – the core mission of “clean, safe and attractive” is as essential as ever, as the number of workers, visitors, shoppers and residents keeps growing.

He also noted that the unwavering support of thousands of property owners and businesses, who value the work of our on-street staff, has enabled the CCD to be reapproved seven times in the last 27 years.

Also speaking at the breakfast was long-time Philadelphia developer and founding chair of the CCD, Ronald Rubin, who recounted how the CCD began and has been essential to the success of Center City ever since.

“The work of the Center City District, the work that all of you do, is so important to the vitality of the downtown,” he said.

2018 YEARS OF SERVICE AWARDEES

25-YEAR AWARDEE

Maintenance
Tiep Van Tran

20-YEAR AWARDEES

Maintenance
Darius Daniels
Ronald Dorsett
Annette Ross

Police
Charles Harding
Joseph Murray
Linda Nieves
Luis Pagan

15-YEAR AWARDEES

Maintenance
Juan Rosario

Police
P/O Coleen Bresnan
P/O Caroline Camp
P/O Lourdes Deleon
P/O Anthony Donahue
P/O Thomas Fiorino
P/O George Gasper
P/O Tony Long
P/O Steven Omelchenko
P/O Michael Walker

CSR
Kim Bailey

Admin
Kelly Ann Farrelly

10-YEAR AWARDEES

Maintenance (Dilworth Concourse)
Carl Ferguson
Arnold Mack
Stephen Stringfield
Nadine Steele
Paige White

Maintenance
Thomas Jones
Anthony Mazzucca
Jeremiah Worsley

Police
P/O Daniel Leone
P/O Michael Moore

CSR
Mgr. Derek Chappelle
Mgr. Kevin Ethridge

5-YEAR AWARDEES

Maintenance (Dilworth Concourse)
Stephanie Gray
Chester Heath
Omar Riley
Alberto Rodriguez
Phillip Sullivan

Maintenance
Mark Sanders

Police
P/O Charles Marable
P/O Jason Orkin

CSR
Maricela Alvarado

Admin
Sarah Anello
James Burke
Casandra Dominguez
Laura Heinerichs





The Center City District Foundation: With your help we can do even more

The Center City District Foundation supports CCD programs and is the charity of choice for those who seek to sustain and enhance downtown Philadelphia's vitality, economy and attractiveness.

Two years ago, the CCD publicly launched a restructured Center City District Foundation (CCDF) to serve as the means for residents and businesses to help CCD support more capital improvements in downtown Philadelphia like Dilworth Park, Sister Cities Park and the Rail Park.

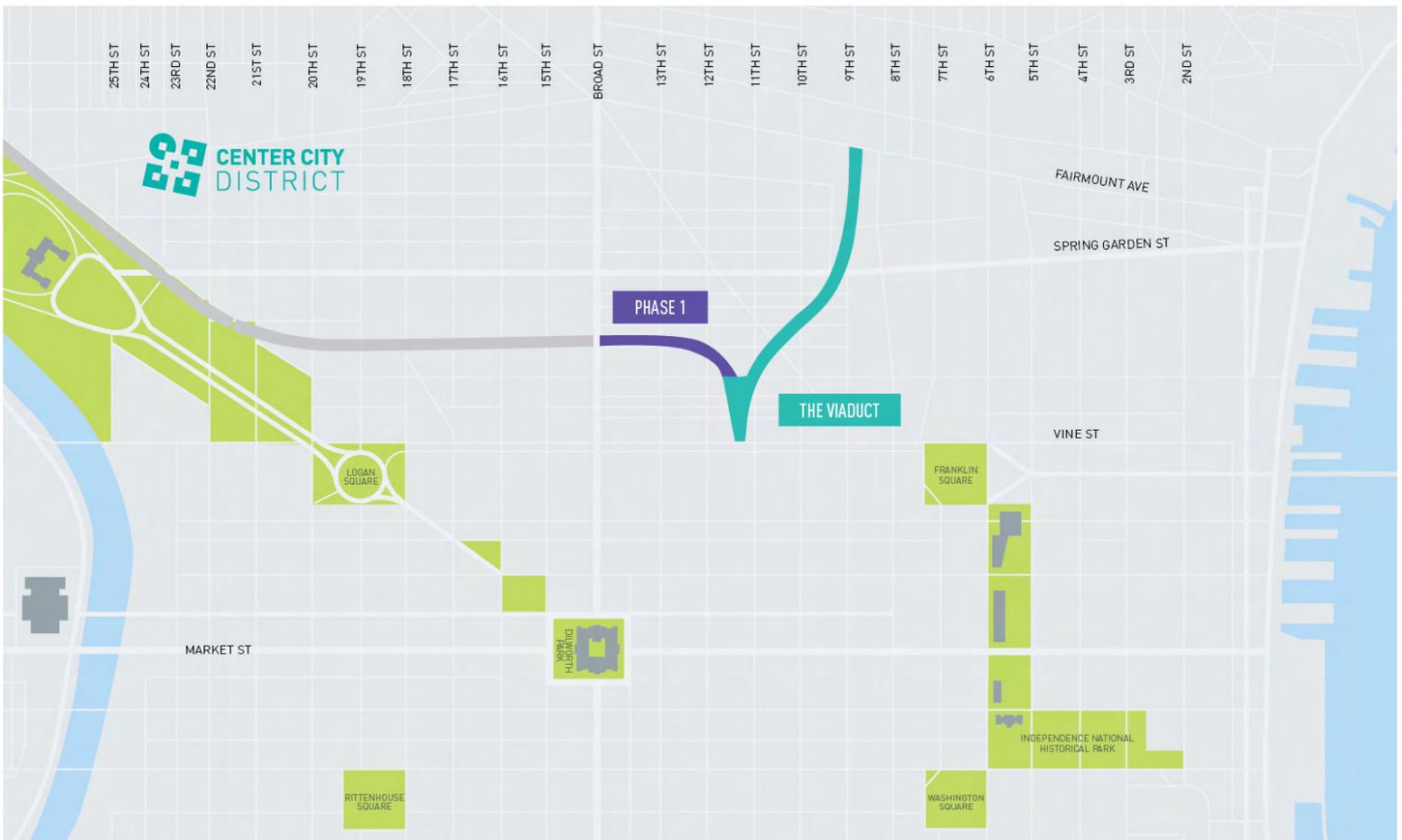
In the past, CCDF has raised funds to support technical assistance to other commercial areas in Philadelphia considering the creation of special districts, the CCD's *Campaign for Real Change* — encouraging donations to area organizations that provide services to homeless individuals — and *Plant!Philadelphia*, giving companies and individuals the opportunity to expand Center City's canopy of healthy street trees.

Among CCDF's current initiatives are two projects poised to transform the way we experience downtown Philadelphia:

PULSE IN DILWORTH PARK

The CCD is constantly enhancing and improving the parks it manages. Currently we are seeking to install *Pulse*, a dynamic work of public art by Janet Echelman. *Pulse* celebrates Center Square's rich history, with references to the site's original steam-powered water works and Philadelphia's first public fountain, and also embraces the future with cutting-edge technology, by serving as a real-time digital transit information system.

As SEPTA trains pass under Dilworth Park, four-foot-tall curtains of atomized dry mist



will rise from the park’s surface in the color associated with each line of transit — green for the Subway-Surface Trolley Lines, blue for the Market-Frankford Line and orange for the Broad Street Line. *Pulse* is both playful and immersive, beckoning park visitors to interact and become a part of the art.

Thanks to a generous grant from the William Penn Foundation, we will be able to debut the green Trolley line this summer. **Contribute today to enrich Dilworth Park by helping us add the other two transit lines to this stunning work of site-specific public art.**

THE RAIL PARK

Phase I of the Rail Park is a quarter-mile spur that runs through the Callowhill and Chinatown North neighborhoods. In partnership with Philadelphia Parks and Recreation and Friends of the Rail Park, CCDF is fundraising for the construction of Phase I, and we are 98% of the way there! Phase I of the Rail Park will feature lush greenery native to our region, informative panels that provide background on the rich history of the

neighborhood and plentiful seating to take in breathtaking views of Center City. **Opening in mid-June 2018, time is running short to be part of this exciting new park.**



PLEASE VISIT OUR WEBSITE
SUPPORTCCDF.ORG
 TO LEARN HOW YOU CAN CONTRIBUTE
 OR CONTACT KATIE ANDREWS,
 DIRECTOR OF DEVELOPMENT, AT
 KANDREWS@CENTERCITYPHILA.ORG

CCD Sips Returns For Its 15th Year

Now in its 15th year, Center City District Sips is returning on Wednesdays from 5 p.m. to 7 p.m. More than 90 participating bars and restaurants will be taking part each Wednesday evening from June 6 through August 29.

CCD started Sips to create a relaxing after-work experience for downtown office workers and a beneficial event for Center City restaurant and bar owners at a time that can otherwise be slow for business.

This year, programming and branding changes include a fresh new look for Sips marketing and promotional materials, enhanced partnerships with business owners and enforcement officials, and other additional steps to ensure that Sips is enjoyable, well-managed and successful for everyone involved.



Work in Center City?

We hope you'll join us this summer for Sips! For a list of participating venues throughout the downtown, visit

CCDSIPS.COM

Dilworth Park: Summer in the City

CCD's parks have returned to warm-weather mode, welcoming visitors to enjoy the great outdoors in the heart of Center City. Dilworth Park is kicking off a full schedule of events from live music to barbeque to fitness classes. For details and a calendar, visit dilworthpark.org

Interested in hosting an event at one of CCD's parks?

To find out about CCD park rentals, call 215.440.5507 or email rentals@centercityphila.org

JUNE

JUNE 1–JULY 13:

Friday Night Live, 5–8 p.m.

JUNE 4–AUGUST 28:

Center City Fit,
Mondays and Tuesdays, 6 p.m.

JUNE 6–JULY 26:

PNC Presents Live@Lunch,
Wednesdays and Thursdays, noon–1:30 p.m.
(except July 4)

JUNE 6–AUGUST 29:

Center City District Sips at Dilworth,
Wednesdays, 5–7 p.m.
(except July 4)

JUNE 16:

Fine Art and Craft Fair,
11 a.m.–6 p.m.

JUNE 20–JUNE 24:

All-American BBQ at Dilworth Park
powered by Live Nation

JUNE 28:

Summer Love Launch Party featuring
Neighborhood Arts Celebration,
3–8 p.m.

JULY

JULY 20–AUGUST 24:

Pictures in the Park,
presented by TD Bank
Fridays at 8:30 p.m.

JULY 20–AUGUST 24:

Pitchers in the Park,
presented by Bud Light
Fridays at 7:30 p.m.

FOR MORE INFORMATION
ON CCD PARKS, VISIT
CCDPARKS.ORG



Matt Stanley



Peter Tobia



Keeping Center City Attractive, Every Day

The CCD maintains and updates the \$146 million in capital improvements that it has made in Center City over the last two decades. This includes the cleaning and updating of 646 pedestrian and vehicular directional signs, 240 transit portal signs, 85 bus shelter maps, and 55 interpretive signs along the Benjamin Franklin Parkway.

Center City District also maintains 750 trees, including 154 in CCD's four parks, and maintains 323 planters on-street and within CCD parks. In 2017 CCD also planted 260

vines, shrubs and perennials and 4,600 bulbs in its parks including hundreds of beautiful new tulips in Dilworth Park (see photo).

The CCD also maintains 237 pedestrian light poles, while 23 sculptures, 12 Parkway building façades, and 12 Avenue of the Arts color-changing building façades are all illuminated and maintained through CCD investments.

Making a contribution to the Center City District Foundation allows CCD to add more trees and planters throughout Center City. For information on how you can help, visit centercityphila.org/foundation

DILWORTH PARK'S SIGNATURE CURVILINEAR BENCHES HAVE RETURNED IN AN ECO-FRIENDLY FORM.



From planting flowers to removing graffiti, CCD works to make Center City welcoming to residents, workers and visitors.

CENTER CITY Digest

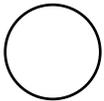
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DISTRICT** | **CENTRAL PHILADELPHIA
DEVELOPMENT
CORPORATION**

SPRING 2018

The Center City Digest is a publication of the Center City District (CCD), a private-sector-sponsored municipal authority committed to providing supplemental services that make Philadelphia's downtown clean, safe and attractive; and of Central Philadelphia Development Corporation (CPDC), with 60 years of private-sector commitment to the revitalization of downtown Philadelphia.

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CENTER CITY DISTRICT
SIPS

*EXCLUDING JULY 4

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— \$6 COCKTAILS • \$5 WINE • \$4 BEER • HALF-PRICED APPETIZERS —

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— 100% PURO AGAVE TEQUILA —



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& RESPONSIBLE
RIDE FOR CCD SIPS

ALL ATTENDEES MUST BE
21 YEARS OF AGE OR OLDER.
[drink smart®](http://drinksmart.org)