

Positioned for Growth: *State of Center City* Report Released

At a time of surging fuel costs and resistance to development at region's edge, downtown offers the distinct advantage of compact, *walkable urbanity*, rich with restaurants, retail and cultural institutions. Positioned on high-speed rail midway between New York City and Washington D.C., just 15 minutes from the international airport with non-stop flights by 29 carriers to 87 North American cities and 37 international destinations, Center City offers 39 million square feet of commercial office space atop transit lines that provide easy access to a 360-degree, high-skilled, regional labor market.

Twenty-one education and healthcare institutions attract 28,386 students while another 68,620 students attend institutions adjacent to downtown, providing a steady supply of new knowledge workers for downtown firms. Eighty-eight thousand residents live in new condos and apartments in the core of downtown and in the expanding ring of renovated rowhouses and new townhouses reaching north to Girard Avenue and south of Washington Avenue; 60% of these residents enjoy the convenience of walking to work.

The publication of our annual *State of Center City* report highlights just how many of these positive assets improved in 2007. Nearly every sector analyzed — office, healthcare and education, hospitality and tourism, arts and culture, retail and residential, transportation and recreation — showed marked growth.

Even with the national economy now challenged by uncertainty, Center City is well positioned to weather most storms. With a highly diversified employment base, anchored by recession resistant educational and healthcare institutions, Philadelphia usually avoids the extremes of boom or bust.

The most vivid symbol of Center City's vibrancy is a skyline with new office buildings framed by new condo towers. Even as the Comcast Center topped out at 975 feet, overall office occupancy climbed to 89% as the expansion of existing firms and several new arrivals downtown pushed Class A rents up 14%. For the first time in 15 years, Center City increased its share of regional office space. As the largest source of downtown employment, holding 50% of Center City's jobs, office sector growth is essen-

tial for city and suburban neighborhoods, since downtown provides \$14.8 billion in annual salaries for regional residents.

Center City healthcare and educational institutions continued to draw students, patients and research dollars to downtown. This second-largest sector of employment accounted for 21% of Center City jobs, attracting 56,000 patients and more than \$200 million in research dollars to the downtown economy in 2007.

The city's 15-year commitment to building the hospitality industry took a huge step forward in 2007 with the start of the largest capital project in the Commonwealth's history, the expansion of the Pennsylvania Convention Center. Conventions and trade shows drew 390,560 in 2007; another 602,000 attended gate shows like the Flower Show.

The expansion of the Convention Center has prompted at least 15 proposed hotel projects, totaling over 3,500 additional hotel rooms, which are in the planning or financing phase for sites north and west of City Hall. Even with a tightening credit market, there is certain to be growth in this sector, adding to the 10,194 downtown hotel rooms that already generate 38% of all room revenue in the region.

Philadelphia's vibrant arts and cultural sector, most of it based in Center City, provided 40,000 jobs in the city in 2007. The blockbuster King Tut exhibit at the Franklin Institute drew 1.3 million visitors, ranking highest in attendance of any temporary exhibition in the Commonwealth. The Pennsylvania Ballet also set a record, achieving its highest ever box office earnings with its new production of Tchaikovsky's *The Nutcracker*. On Independence Mall, the National Museum of American Jewish History started construction, while the Barnes Foundation retained designers for a new home on the Benjamin Franklin Parkway.



Everything you need to know about Center City Philadelphia can be found in the annual *State of Center City* Report.

Despite national anxieties, Center City's residential market remained robust. Housing prices remained strong, rents steadily climbed and rental vacancy rates dropped to 4.6%, as new residents continued to flock to Center City. While the average condo sold for \$428,596, 115 units sold in 2007 for more than \$1 million, double the number in 2006. More than 1,300 new and converted condo units were brought to the market in

demographic wave in 2007 with strong demand from the growing number of families who want to remain downtown now that they have children. Improved recreational amenities thus become an essential next step in the city's residential growth strategy.

Retail in Center City continued to diversify and improve with a net increase of 50 new premises in 2007 and an 88% overall occupancy rate. Restaurants completed

years of transit uncertainty behind us, Center City employers can capitalize on downtown's walkable, amenity-rich environment, by attracting skilled workers who would welcome relief from traffic congestion and rising fuel costs.

Despite challenges elsewhere in the city, crime in Center City continued its 15-year pattern of decline, while perceptions of safety, cleanliness and vitality remained high.

Finally, the citizens of Philadelphia elected in 2007 a new, reform-minded mayor, Michael A. Nutter, who has committed to regulatory simplification, business competitiveness and inclusive growth. With national demographic, cultural and development trends tilting our way, and as barriers to entry keep coming down, Center City is poised in 2008 for sustainable growth.

Paul R. Levy
President

plevy@centercityphila.org

Despite national anxieties, Center City's residential market remained robust.

2007, along with 436 new, single-family houses and 88 new apartment units. This brings the total to 10,138 new housing units occupied downtown since 1997, when the city first approved the 10-year tax abatement.

While downtown's market is driven by young professionals and empty nesters, more than 11,000 children were born to Center City parents in the first half of the decade. Downtown elementary schools experienced the impact of this new

their 15th year of steady growth, up 240% since 1992. Outdoor cafes also continued to multiply, up 10% in the year to 205 venues, adding to the downtown's on-street vitality. Mirroring strong residential trends, furniture stores, gyms and spas posted significant growth.

In 2007 Governor Rendell and the state legislature provided long-term funding for transit, highways and bridges, enabling SEPTA, with a new general manager, to increase service frequencies and improve customer amenities. With

2008 State of Center City Report

The 2008 *State of Center City* is now available.

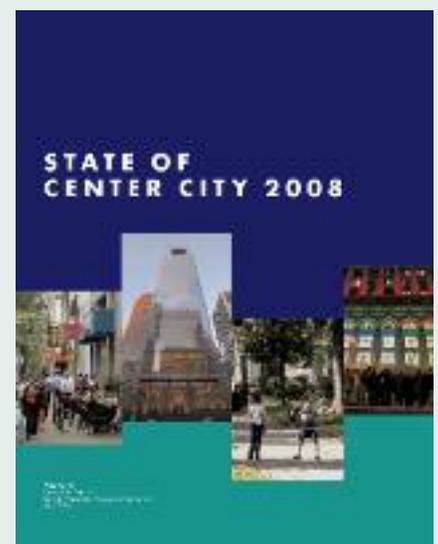
Once again, the annual report is a compendium of the most up-to-date information on all major components of the downtown marketplace: the office sector, healthcare and education, hospitality and tourism, arts and culture, the residential and retail markets, parks and recreation, transportation and more.

The report also contains employment data and comparative statistics that benchmark the downtown against the region and other northeastern cities. It also showcases some of the new projects that are contributing to \$12.7 billion in real estate development in Center City Philadelphia.

State of Center City is based on information derived from many industry sources, as well as from original research, surveys and analyses by the Center City District and Central Philadelphia Development Corporation.

To order copies of *State of Center City*, call 215-440-5500 or visit www.CenterCityPhila.org. Single copies are free; additional copies are \$15 each or CCD will supply one free CD containing the report, upon request.

Alternatively, you can download the report in its entirety or by chapter from our Web site.



The 2008 CCD Budget

Each year, the Center City District directly bills and collects assessments from properties within its boundaries. The number of properties billed in 2008 by CCD shows the clear impact of downtown's condominium boom. In February, CCD billed a total 4,516 properties, compared to 3,596 in 2007 and 2,518 in 2006. Nevertheless, the office sector accounts for 68% of all CCD assessment revenues.

The revenues collected by assessments are used exclusively to fund CCD's services and physical improvements within the district. Seventy-one percent of CCD's revenue goes to fulfilling our most basic mission to keep downtown streets clean, safe and attractive. The CCD also receives revenue from other sources, such as fee-for-service contracts, foundation grants and management agreements.

Owner-occupants of condominiums who closed on their property on or before September 13, 2005 may still file an annual affidavit to voluntarily waive their assessment charge. Those who acquired their units after September 13, 2005 are required to pay the charge.

Charges are calculated by a formula. CCD determines the ratio of the assessed value of each individual property to the total taxable assessed value of all properties in the district. (For 2008, the total assessed value of all properties within the district is \$1,931,936,815.) That ratio is multiplied by the total annual amount of assessments billed. (For 2008, CCD's total assessments billed is \$13,359,600.)

So, for example, if your property is assessed at \$100,000, our calculation for 2008 would be as follows: $\$100,000 \div \$1,931,936,815 \times \$13,359,600 = \691.51 (Total CCD assessed charge for 2008 would be \$691.51.)

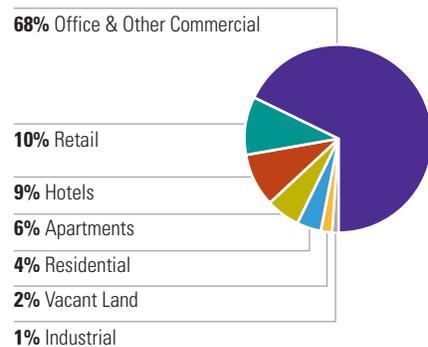
If you are a resident and have questions about the policy or your bill, contact the CCD's special residents' line, 215-440-5926 or email residential@centercityphila.org.

For more information about the many services the CCD provides to Center City property owners, visit www.CenterCityPhila.org.

Property statistics for 2008

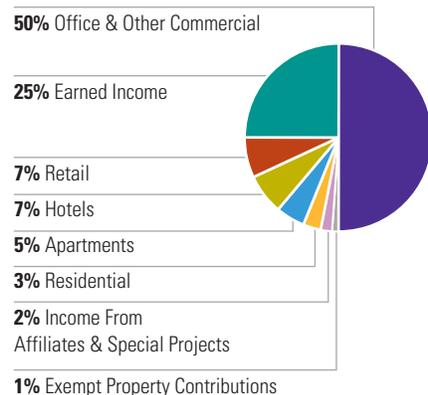
- The top 15 properties pay 28% of total program cost, with an average charge of \$245,825.
- The top 200 properties pay 84% of total program cost, with an average charge of \$56,204.
- The lowest annual charge is \$1.11.
- The highest annual charge is \$401,631.
- The typical Market Street West office building pays \$187,646.
- The average hotel pays \$55,589.
- The average Chestnut Street property pays \$2,027.
- The average Walnut Street property pays \$2,407.
- The average retail property pays \$1,619.
- The average residential property charge is \$188.
- In 2008 the CCD billed 4,516 properties, compared to 3,596 in 2007, an increase of 920 properties, or 26%.

2008 ASSESSMENTS BY PROPERTY CATEGORY



Total Assessment Billing: \$13,359,600

2008 REVENUE FROM ALL SOURCES



Total Revenue: \$17,673,891

WHERE THE MONEY GOES



2008 Operating Budget: \$17,673,891

Keeping Center City Green and Lush: CCD Spring Planting

With spring weather comes a flurry of activity by the Center City District (CCD) to enhance the downtown with lush greenery and colorful seasonal plantings.

Over the last decade, the CCD planted and now maintains a substantial landscape inventory downtown: 850 trees, 130 container planters, 33 planter beds maintained as parking screens at nine surface parking locations and 156 hanging baskets.

CCD contracts through the Pennsylvania Horticultural Society to maintain trees and other landscape elements year-round to make Center City an attractive place to live, work and visit. Trees and greenery also provide shade in Philadelphia's hot summers and help control stormwater run-off and pollution.

Among upcoming initiatives, CCD will embark on a demonstration project to determine the best ways to maintain city trees. Under a \$100,000 TreeVitalize Special Project grant from the Pennsylvania Department of Conservation and Natural Resources Community Conservation Partnership Program, CCD and PHS will repair a limited number of tree pits along Chestnut Street.

CCD will test methods of rebuilding the damaged tree pits as a model for developers and residents to demonstrate how proper tree pit design, construction and maintenance encourages root growth and rainwater penetration.

In another project, CCD will install new landscaping on 16th Street between Chestnut and Ranstead streets. The developer of the Residences at Two Liberty Place contracted with CCD to beautify what is now a partially residential street. Working for CCD, PHS is planting four new street trees on the east side of the street and installing 12 36"-round planters bearing the CCD logo on both sides of the street.

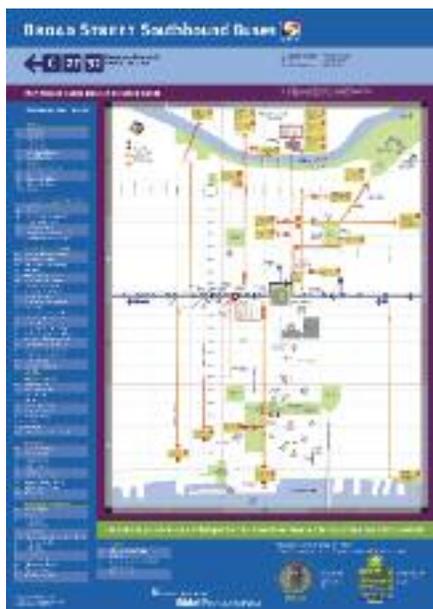
As part of its ongoing, routine maintenance, CCD will also shortly begin replanting 60 sidewalk planters with an array of colorful spring flowers and greenery including shrub verbena lantana, sweet potato vine, purple fountain grass, canna lily, spider flower, coleus, Swedish ivy and elephant ear. The plant materials are chosen because they are beautiful, hardy and do well in urban environments.

In addition, CCD contractors are currently at work to replace 23 trees that were damaged or killed over the winter. Later in the spring, CCD will replant the 156 hanging baskets that it maintains on Market Street East.



CCD plants and maintains an extensive landscape inventory throughout the downtown.

Ride! Philadelphia



Twenty more bus shelters on Arch and Broad streets were added this spring to the Ride!Philadelphia sign system, making it easier still to navigate Center City by public transit. The bus shelter signs include a detailed route map, information about fares and nearby attractions and a historic image of a nearby street scene.

Bus shelters on Chestnut, Walnut and Market streets and JFK Boulevard also feature the easy-to-read signs, designed by Joel Katz Design Associates. The project was funded by a grant from the US Federal Highway Administration through PennDOT and the Delaware Valley Regional Planning Commission to CCD's transportation arm, the Central Philadelphia Transportation Management Association (CPTMA).

Next for Ride!Philadelphia will be a new sign system to be installed at portals to the underground concourse and transit system in Center City, with funding from the William Penn Foundation and SEPTA.

Ride!Philadelphia is a partnership of the Center City District, SEPTA and PATCO.

Spring Cleaning, Center City Style

The Center City District is an enthusiastic supporter of Mayor Michael Nutter's new "Love Where You Live" anti-litter campaign. Since 1991, keeping downtown clean has been a core mission for the CCD. Our crews manually sweep every sidewalk at least three times a day, augmented by mechanical cleaning equipment and our zero-tolerance towards graffiti. In 2007 alone, we collected 3 million bags of litter.

CCD efforts supplement the responsibilities of private property owners and the City of Philadelphia. Here are some important tips, courtesy of the Philadelphia Streets Department, Keep America Beautiful and Washington, D.C.'s "clean&greenDC" initiative that Center City businesses and residents can follow.



The CCD keeps downtown sidewalks clean all year round.

- Make sure your trashcans have lids that can be securely fastened or use bungee cords to hold them in place. In Philadelphia, trash cans or sealed plastic bags should not exceed 40 pounds. Each household is allowed a maximum of six 32-gallon receptacles or twelve 30"x37" bags of trash each week.
- Center City has "single-stream" recycling. Place newspapers, cardboard, glass and #1 and #2 plastic bottles and jars, aluminum beverage cans and metal food cans, magazines, junk mail and telephone books out for pick up with the trash. You may use any sturdy plastic or metal container that holds 20 gallons or less. Newspapers and magazines can also be tied with string in bundles or placed in paper bags. Never use plastic bags or cardboard boxes for recyclables.
- City litter baskets are strictly for pedestrian use only, not for household trash.
- Securely tie wood scraps, cardboard boxes and other loose items into bundles no more than four-feet long and two-feet thick. Cardboard boxes are not acceptable trash receptacles in Philadelphia.
- Create less trash by using reusable food and drink containers when possible.
- Business owners should provide ample ash trays and trash receptacles for employees and customers near entrances, exits and loading docks. Establish a regular schedule for emptying trash containers, rather than on an as-needed basis.
- Businesses should also establish the expectation that employees will pick up trash in and around the place of business.
- Pet owners should be vigilant about picking up after their dogs.
- Smokers should use proper receptacles. Research shows that many individuals who would never otherwise litter may drop cigarette butts, matches, etc.
- Motorists should keep some type of litterbag in their vehicle and be sure to remove flyers from under window wipers before they are blown into the neighborhood.
- Dumpsters should be kept clean, in good repair, and free of offensive odors. They should be cleaned a minimum of two times a year. In Philadelphia, all dumpsters are required to be emptied at least once a week. If they contain "non-grindable" food waste, they should be emptied every three days. (Additional collections may be required by the city.) The area surrounding each dumpster should be maintained free of litter, lids should be kept tightly secured when not in use and dumpsters should not be overflowing with debris. Dumpsters located on private property should be screened from public view by shrubbery, an opaque fence, a shed or other such device.

For detailed information on Philadelphia Streets Department policies regarding city and private trash collection, dumpster laws and legal dumping stations, visit www.phila.gov/streets. To learn your trash collection day, call 215-686-5560 or visit www.citymaps.phila.gov. For information on recycling, visit www.recyclingpays.gov or call 215-685-7329.

Coming this Summer: Café Cret



Visitors and residents will soon have a new spot on the Benjamin Franklin Parkway to relax year-round over coffee and light fare. The Center City District will complete construction this summer on Café Cret, a new, seven-days-a-week café and information pavilion in the triangular park in front of 3 Parkway, bounded by North 16 Street, Cherry Street and the Parkway. Designed by Cope Linder Architects of Philadelphia, the new café will seat 26 and there will be additional outdoor seating as well. Design was funded by the Pennsylvania Department of Conservation and Natural Resources. The construction is funded in part by the Pennsylvania Department of Transportation.

The café is named for Paul Philippe Cret (1876–1945), one of Philadelphia’s most influential architects. He was an early visionary of the Benjamin Franklin Parkway, was the architect for the Rodin Museum and his design of Rittenhouse Square is well loved to this day.

The improvements to the park are part of the CCD’s ongoing initiative to transform the Parkway into an animated, pedestrian-friendly cultural campus. Design is underway for two additional public open spaces on the Parkway at Logan Square. Last year, the CCD made major renovations to Aviator Park, across from the Franklin Institute, turning that underutilized park area into a green and family-friendly oasis.

Focusing on Downtown Congestion

A byproduct of Center City’s revitalization, traffic congestion is now approaching a tipping point that could threaten the downtown’s economic competitiveness and quality of life.

To assist the new administration, which has already made major strides by restoring the Office of Transportation and appointing Rina Cutler as deputy mayor for transportation and utilities, the Center City District (CCD) and Central Philadelphia Transportation Management Association (CPTMA) have released *Managing Success in Center City: Reducing Congestion, Enhancing Public Spaces* to document the challenges and causes of an increasingly congested down-

town and to propose a series of short-, mid- and long-term solutions.

Short-term and low-cost solutions that can be undertaken within a year and have an immediate impact include measures as simple as re-stripping traffic lanes and crosswalks. Other suggestions include establishing alternative locations for delivery trucks that routinely clog Chestnut and Walnut streets, restoring traffic police at key intersections and encouraging bicycle use with dedicated bike lanes and parking.

The report, a summary and a video outlining its findings and suggestions, are available at www.CenterCityPhila.org.

Sips & Summer Concerts



Forget the summer solstice. Summer in Center City gets going June 4 with the wildly popular Center City District **Sips Happy Hour** and **Summer Soundbites Concerts**. Mark your calendar now for weekly happy hours from 5 to 7 p.m. every Wednesday, June 4 through August 27, featuring \$4 cocktails, \$3 wine, \$2 beer and half-priced appetizers at almost 70 participating locations throughout Center City. The free lunchtime concerts rock various downtown locations, Wednesdays at noon all summer long. Thanks to our sponsors, Leblon for Sips and TD Banknorth for Summer Soundbites. Visit www.CenterCityPhila.org for more details.



Clean & Safe



CSR Eric Berrios

For Eric Berrios, one of the Center City District's youngest community service representatives, working at CCD is a perfect fit.

"This is a really good job to start with for people my age," says Eric, who just turned 20. "It's a nice environment, great benefits and I meet a lot of interesting people. It's fun." As a part-time student at Community College of Philadelphia, where he plans to major in physics, Eric says that CCD's tuition reimbursement program enables him to complete his education while working full-time.

Eric found the job through an ad on Craig's List, one of the recruitment tools used by CCD to attract a wide range of applicants for CSR positions. An Olney native, Eric says he knew little about Center City till he donned the teal CSR uniform. Now, he adds, he encourages his friends to discover all there is to do in Center City and to apply for community service representative positions at CCD.



Kenneth Adams

After being laid off several times from the assembly line work that has largely vanished from the Philadelphia area, Kenneth Adams joined the CCD 14 years ago. Since that time, he says, he has enjoyed the stability. "This job has been a great thing for me," he says. "I have benefits. I have my house from it. I have my car from it."

A Philadelphia native and married father of two teenage daughters, Kenneth is usually found wielding a pan and broom west of Broad around Race and Cherry streets. Of the CCD's work, he notes simply, "We have made a big difference."



CENTER CITY DIGEST

SPRING 2008

INSIDE

- 1 2008 *State of Center City* Report
- 3 The 2008 CCD Budget
- 4 CCD Spring Planting
Ride! Philadelphia
- 5 Spring Cleaning, Center City Style
- 6 Café Cret
Sips & Summer Concerts
Focusing on Downtown
Congestion
- 7 Clean & Safe

Center City District and
Central Philadelphia
Development Corporation
660 Chestnut Street
Philadelphia, PA 19106
www.centercityphila.org

Pre-sorted
First Class Mail
U.S. Postage
PAID
Philadelphia, PA
Permit No. 2545



printed on recycled paper

See Philly in a Phlash

Phlash, Center City's popular purple trolley loop, is back, connecting 21 major tourist stops and providing an inexpensive transit option for visitors and locals. Phlash service runs daily from 10 a.m. to 6 p.m. through October 31. Fares are \$2 for a single ride; all-day passes are \$5 and family passes are \$10.

New for 2008, each Phlash car features an on-board video describing the attractions served by the trolley route.

Phlash is managed by the Central Philadelphia Transportation Management Association (CPTMA), operated by Philadelphia Trolley Works and marketed in partnership with the Greater Philadelphia Tourism Marketing Corporation (GPTMC).

Phlash's fifth season was made possible by a \$500,000 grant from the Commonwealth of Pennsylvania and Governor Rendell. To learn more about the Phlash route and its nearby attractions, fares, park-and-ride options and more, visit www.PhillyPhlash.com.



Jason Smith for GPTMC

PHLASH DOWNTOWN LOOP

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 50 years of private-sector commitment to the revitalization of downtown Philadelphia. Editor: Elise Vider Designer: Amy Yenchik