

**Board of Directors Meeting**  
**Tuesday 8:30 am**  
**February 1, 2022**

- (1) \*Approval of Minutes of December 7, 2021 Directors Meeting (page 2)
- (2) **Finance and Administration** (Tony Pipitone, VP Finance & Administration)
  - (a) \*Board of Directors Nominations (Paul R. Levy) (page 5)
  - (b) Operating Statements, 12.31.2021 Tony Pipitone, VP Finance & Administration) (page 6)
  - (c) \*Final 2022 Operating Budget (Tony Pipitone) (page 16)
  - (d) \*Equipment & Vehicle Acquisition Resolution (Tony Pipitone) (page 32)
- (3) **On-Street Operations**
  - (a) On-going deployment of bike patrol (Emrah Ulcay)
  - (b) Community Service Representatives and Winter Outreach (Brian Korn) (page 33)
  - (c) Public Safety Update (Inspector Raymond Evers, Central Police Division)
- (4) **Streetscape Improvements and Park Operations**
  - (a) Penn Center and West Market/JFK Bike Lanes (Paul R. Levy) (page 34)
  - (b) Park visitation statistics (Prema Gupta) (page 37)
  - (c) Cafe revenue updates (Rob Nicol) (page 38)
- (5) **Recovery Efforts** (Paul R. Levy)
  - (a) January 2022 Recovery Report (page 46)
  - (b) Return to Office Survey results
- (6) **Office attraction efforts**  
Phillyworks.com Update (Amy Genda) (Page 58)
- (7) **Reauthorization Timetable (2023-2027)** (Page 59)

**\*Board Approval requested**

**Center City District  
Board of Directors Meeting Minutes  
December 7, 2021**

*In Attendance*

**Board Members:** John Connors, William Boone, Greg DeShields, Jeff DeVuono, Romy Diaz, Paige Jaffe, Ernie Jones, Bob Lane, Nicholas Maiale, Clayton Mitchell, Greg Muller, Drew Murray, Jim Pearlstein, Steve Resinski, Randall Scott, Heather Smith, Jack Soloff, Chris Terlizzi, Keli Wallace, Carol Watson, Tina Byles Williams, Joseph Zuritsky.

**Staff and guest attendees:** Paul Levy, Neil Brecher, Curts Charles, Amy Genda, Prema Gupta, Insp. Raymond Evers, Brian Korn, JoAnn Loviglio, Rob Nicol, Tony Pipitone, Michelle Shannon, Emrah Ulcay, Steve Walsh, Philis Williams.

The meeting was called to order by John Connors, Chairman, at 8:30 a.m. *There were no comments nor corrections to be made to the minutes, Mr. Christophe Terlizzi made a motion to approve the September 14, 2021 board meeting minutes, which was seconded by Mr. Randall Scott. The September 14, 2021 board meeting minutes were approved unanimously.*

Mr. Paul Levy reported that the CCD has several board members whose terms expired at the end of 2020, or that will expire at the end of 2021 and therefore we need to do some renewals. For a new term that will expire at the end of December 2025, the board members are:

**John Connors, Jeff DeVuono, Clayton Mitchell, Drew Murray**

For new terms that will expire at the end of December 2026, the board members are:

**Romy Diaz, Greg DeShields, Robert Lane, Hether Smith, Joe Zuritsky**

These individuals have all indicated a willingness to continue to serve on the Board though a few may recommend a replacement in the next year or two.

Subject to the Board's approval, Mr. Levy will submit these names to Mayor Kenney after the first of the New Year for the formal approval process required under our authorizing legislation. Mr. Levy reported that the CCD also has several vacant positions to fill and he is in conversation with several individuals and will also welcome recommendations from the board.

Mr. Tony Pipitone provided an update on the Operating Statements through September 30, 2021, reporting that CCD has already achieved 96% collection rate, in excess of what we projected at the beginning of the year, but that the goal remains both to fund additional needed services and to keep reserves on hand for what may be a drop in assessed value in 2023. He also noted that due to recruitment issues, we have less CSRs but are compensating with increased, contracted bike patrols.

Mr. Levy suggested that the City did not property reassessments in 2021 for 2022, there will minimal appeals, except for significant financial hardship cases, but once new assessments are announced, the appears will be substantial. He then invited CCD board members to offer their thoughts on how marketplace conditions as we recover from the pandemic might impact CCD's budgeting for 2022 and 2023. Jack Soloff concurred that 2023, more than 2022, is likely to be the challenging year based on what could be falling assessments for commercial property. Mr. Randall Scott noted that he believes

that 2022 will be the “year of the return,” as there is a considerable amount of “zoom-fatigue,” as well as a considerable need for mentoring and acculturation that has been delayed for the last two years. He predicts that hybrid work will remain, at least in the short-term, with a rhythm of 3-4 days in the office and 1-2 days per week remote. John Connors reported an increase in subletting. Ms. Hether Smith noted that many of her clients are considering downsizing, or subletting space.

Mr. Anthony Pipitone provided an overview of the draft of the 2022 Preliminary Operating Budget:

- CCD is currently projecting a gross billing amount quite similar to the budget projected in our 2018-2022 plan.
- Once the CCD can analyze the 2022 assessment data just received from the Board of Revision of Taxes, a final budget can be prepared for the February 2022 CCD Board meeting.
- Mr. Pipitone is projecting a collection ratio for 2022 in the 96% range, while historically the collection rate was in the 98%.
- Business Services Revenue is being estimated very conservatively.
- Mr. Pipitone is tentatively proposing to drawn down \$3.2 million from reserves for additional services in 2022 with \$5 million being held for use in 2023.
- Mr. Levy requested a preliminary approval for the 2022 budget.

*A motion was made by Christophe Terlizzi for the approval of the 2022 Preliminary Operating Budget, which was seconded by board member Robert D. Lane, Jr. The 2022 Preliminary Operating Budget was unanimously approved.*

Mr. Pipitone then reported on the proposed allocation of reserves:

- At year-end, CCD will have about \$23.4 million in cash reserves of which \$2.5 million will be used for PNC debt service obligations; \$3.3 million will cover the projected budget deficit for the 2022 budget; other resources are being set up aside for tenant fit-out of new space, when CCD’s current lease expires in 2024; reserve funds that are not needed for operations will either go to capital projects or to reduce principal on the outstanding debt.

As to expenditures for reserves for capital projects, Mr. Levy reported:

- Staff is assessing whether an additional bathroom should be construction in Dilworth Park in lieu of continuing to pay the City for maintenance and security for the City Hall bathrooms.
- Staff is determining whether to file for another round of RAISE funding for Penn Center or just go ahead to spend a 2020 DCED \$350,000 grant for more modest improvements at the Penn Center transit entrance and to try to secure matching funds from SEPTA.
- For Jewelers Row, CCD applied for \$3.5 million from the State and received just \$500,000 and is evaluating whether it might leverage some additional contributions from adjacent owners.
- CCD will be moving forward with the installation of the planters contemplated for the West Market/JFK Boulevard improvement plan.

Amy Genda, Senior Creative Director and Prema Gupta, VP of Parks and Public Realm gave an update on the West Walnut Street planter project:

- To support recovery on West Walnut Street, CCD will be adding to our existing 20 planters, 60 more decorated with lights and garland for the holidays from 18<sup>th</sup> Street to Broad Street. Ms. Gupta added that after the holiday season, the planters will continue to be maintained with

3 seasonal change-outs. The capital costs were funded by contributions to the CCD Foundation and operating costs have been funded by contributions from owners, with a huge thanks to Paige Jaffe, who helped secure several donations.

Mr. Emrah Ulcay, Vice President of On-Street Operations, provided an operations update for cleaning, graffiti removal and the recently added public safety bike patrol. Mr. Brian Korn gave an update on the Community Service Representatives (CSR) program and the homeless outreach teams. He highlighted farewell reception for Moses Pierce's on November 30, 2021 after 30 years of service as a CSR. At the conclusion of Mr. Korn's report, Mr. Levy invited Inspector Ray Evers, commander officer of the Central Police Division to say a few words about the added deployment in Center City.

Mr. Rob Nicol provided an overview of income generation from CCD's four parks and other business enterprises.

Prema Gupta gave an update on the CCD's Office Retention Efforts and visits to tenants whose leases are due to expire within the next year. Mr. Levy followed with an update on our office attraction efforts.

Ms. Michelle Shannon, VP of Marketing and Communications, gave an update on the CCD's retail promotion efforts and then announced that the Center City District's Restaurant Week promotion begins on Sunday, January 9 through Friday, January 21, 2022. There are over 50 participants.

*There being no additional comments, questions, or new business, Mr. Robert D. Lane, Jr. made a motion that the meeting be adjourned, which was seconded by Mr. Randall Scott. The motion was unanimously approved, and the Board meeting was adjourned at 9:40 a.m.*



## Rija Beares

*Greater Philadelphia Market Leader*

Licensed: PA

+1 610 2515153

✉ valerija.beares@cbre.com

**CBRE**

Philadelphia Suburban  
555 E. Lancaster Avenue  
Suite #120  
Radnor, PA 19087

---

## Professional Experience

---

Rija Beares is the CBRE Market Leader for the Greater Philadelphia Region, which includes oversight for downtown and suburban Philadelphia, Delaware, Southern New Jersey, the Lehigh Valley and Central Pennsylvania.

In this role, Ms. Beares oversees more than 435 full-time employees and is responsible for driving the company's growth strategy in Greater Philadelphia and delivering integrated client solutions across the company's Advisory Services business, including leasing, sales, valuations, debt & structured finance and property management.

Ms. Beares joined CBRE in 2002 advising institutional and entrepreneurial owners in structuring lease transactions and developing lease-up strategies. In 2010, she began focusing exclusively on representing corporate occupiers of real estate and since then has been involved in some of the most significant and notable office transactions in the Philadelphia region as well as globally. Additionally, she serves as the leader for CBRE's Technology & Media Practice in greater Philadelphia.

---

## Professional Affiliations/Accreditations

---

- Licensed Real Estate Salesperson, Pennsylvania
- Regional Leader - CBRE Women's Network
- Philadelphia Leader - CBRE Technology and Media Practice
- Volunteer, Fundraising and Program Development - Tech Girlz

---

## Education

---

- Frehn School of Management, Total Quality Management Certificate
- Shippensburg University, Bachelor of Science; Information Management & Analysis and Supply Chain Management

Financial Statement Presentation

*CENTER CITY DISTRICT  
STATEMENT OF NET POSITION  
Friday, December 31, 2021  
ASSETS*

**CURRENT ASSETS**

Cash and cash equivalents	\$19,398,308
Restricted cash, tenant	11
Restricted cash	190,094
Accounts receivable	1,322,918
Due from related parties	59,813
Prepaid expenses	542,338
Total current assets	<u>21,513,481</u>

**LONG-TERM ASSETS**

**OTHER ASSETS**

Capital assets, net of depreciation	8,400,873
License Deposit	514,067
Total other assets	<u>8,914,939</u>
<b>Total Assets</b>	<u><b>\$30,428,420</b></u>

*LIABILITIES AND NET POSITION*

**CURRENT LIABILITES**

Bonds payable	\$4,455,879
Current portion of capital lease obligations	78,528
Accounts payable and accrued expenses	1,939,765
Accrued payroll	528,078
Internal balances	7,121
Unearned revenue	537,407
Total current liabilities	<u>7,546,778</u>

**NONCURRENT LIABILITIES**

Security Deposits	4,500
PNC/Dilworth Loan	9,384,155
Interest Rate SWAP Market Adj	263,857
Loan payable	6
Deferred Amount on Refinancing	26,389
Capital lease obligations	38,998
Total long-term liabilities	<u>9,717,905</u>
<b>Total liabilities</b>	<u><b>17,264,683</b></u>

**NET POSITION**

Unrestricted	4,845,391
Net investment in capital assets	8,283,347
Restricted	35,000
Total net position	<u>13,163,737</u>
<b>Total Liabilities and Net Position</b>	<u><b>\$30,428,420</b></u>

For internal management purposes only

Financial Statement Presentation

**CENTER CITY DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Twelve Months Ending December 31, 2021**

**REVENUES**

Operating revenues:	
Assessed charges	\$25,674,472
Contract services	596,741
Exempt property contributions	60,000
Management fee from related party	115,000
Grants and contributions	744,170
Rental income	278,208
Other revenue	2,028,956
<b>Total operating revenue</b>	<u><b>\$29,497,547</b></u>

**EXPENSES**

Operating expenses:	
Maintenance	\$7,271,787
Safety and crime prevention	3,981,083
Public spaces	7,741,944
Strategic planning and research	492,020
Marketing and events	2,060,682
General and administrative	3,928,452
<b>Total operating expenses</b>	<u><b>\$25,475,968</b></u>
<b>Operating income (loss)</b>	<u><b>\$4,021,579</b></u>

Nonoperating revenues (expenses):	
Interest income	23,175
Gain (Loss) on revaluation of SWAP contract	450,365
Bond interest	(180,237)
Depreciation on City infrastructure improvements	(27,528)
<b>Net nonoperating revenue (expenses)</b>	<u><b>265,775</b></u>
Increase (decrease) in net position	4,287,354
<b>Net position at beginning of year</b>	<u><b>8,876,383</b></u>
<b>Net position at end of year</b>	<u><b>\$13,163,737</b></u>

For internal management purposes only

## Financial Statement Presentation

### CENTER CITY DISTRICT STATEMENT OF CASH FLOWS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

#### CASH FLOWS FROM OPERATING ACTIVITIES

Collection of assessed charges	\$26,841,918
Collection of contract services	434,331
Collection of exempt property contributions	60,000
Collection of management fee from related party	115,000
Collection of grants and contributions	728,351
Collection of rental income	278,208
Collection of other revenue	2,028,956
Payments for interest expense	(219,793)
Payments to suppliers	(8,033,194)
Payments to employees	(16,760,602)

#### NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

\$5,473,175

#### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(1,457,047)
Principal payments on loan payable	(1,142,781)
Payments on capital lease obligations	(86,160)
Payments of security and license deposits	(63,151)
Interest paid on bonds	(180,237)

#### NET CASH FLOWS UTILIZED IN CAPITAL AND RELATED FINANCING ACTIVITIES

(2,929,376)

#### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	25,410
Increase in restricted cash, tenant	-
Increase in restricted cash, construction	(11,245)

#### NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

14,165

#### INCREASE IN CASH AND CASH EQUIVALENTS

\$2,557,964

#### CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

\$16,840,344

#### CASH AND CASH EQUIVALENTS AT END OF YEAR

\$19,398,308

#### Reconciliation of operating loss to net cash flows used by operating activities:

Operating income	4,021,579
Adjustments to reconcile operating income to net cash flows used by operating activities:	
Depreciation	1,452,472
Amortization of bond premium	(9,040)
Change in operating assets and liabilities	
Accounts receivable	1,229,019
Contributions and grants receivable	-
Prepaid expenses and deferred costs	(120,583)
Accounts payable and accrued expenses	(1,225,393)
Accrued payroll	-
Due from related parties	349,104
Deferred revenue	(223,983)

#### Net cash provided by operating activities

\$5,473,175

For internal management purposes only



Financial Statement Presentation

Center City District  
**ACTUAL COMPARED TO BUDGET - UNRESTRICTED FUNDS**  
 For the Twelve Months Ending Friday, December 31, 2021

	Year to Date			Annual BUDGET
	ACTUAL	BUDGET	fav (unfav) VARIANCE	
<b>REVENUE AND SUPPORT</b>				
Assessments, net, exempt property contrib., late fees	\$25,734,472	\$22,396,038	\$3,338,434	\$22,396,038
Fees for contracted services	596,741	569,235	27,506	569,235
Interest	23,175	50,000	(26,825)	50,000
Management fee from related party	115,000	115,000		115,000
License Fees, Other Income	3,051,334	1,799,000	1,252,334	1,799,000
<b>TOTAL REVENUE AND SUPPORT</b>	<b>\$29,520,722</b>	<b>\$24,929,273</b>	<b>\$4,591,449</b>	<b>\$24,929,273</b>
<b>EXPENSE</b>				
Maintenance				
Salaries, taxes, benefits, including contracted labor	\$6,837,566	\$8,023,582	\$1,186,016	\$8,023,582
Program expense	326,181	454,181	128,000	454,181
Total	\$7,163,747	\$8,477,763	\$1,314,016	\$8,477,763
Safety and crime prevention, including CSRs				
Salaries, payroll taxes, and benefits	3,802,690	4,819,112	1,016,422	4,819,112
Program expense	158,857	215,178	56,321	215,178
Total	\$3,961,547	\$5,034,290	\$1,072,743	\$5,034,290
Public spaces				
Salaries, taxes, benefits, including contracted labor	2,258,863	2,332,401	73,538	2,332,401
Program expense	4,010,322	4,387,801	377,479	4,387,801
Total	\$6,269,185	\$6,720,202	\$451,017	\$6,720,202
Development planning and research				
Salaries, payroll taxes, and benefits	374,514	581,003	206,489	581,003
Program expense	117,506	95,750	(21,756)	95,750
Total	\$492,020	\$676,753	\$184,733	\$676,753
Marketing and events				
Salaries, payroll taxes, and benefits	1,190,505	1,488,196	297,691	1,488,196
Program expense	870,177	1,080,625	210,448	1,080,625
Total	\$2,060,682	\$2,568,821	\$508,139	\$2,568,821
Total, program services	\$19,947,181	\$23,477,829	\$3,530,648	\$23,477,829
Management and general				
Salaries, payroll taxes, and benefits	2,153,220	2,593,091	439,871	2,593,091
Direct expense	(367,433)	130,826	498,259	130,826
Indirect expense and depreciation, to be allocated	2,696,937	3,607,251	910,314	3,607,251
Total	\$4,482,724	\$6,331,168	\$1,848,444	\$6,331,168
<b>TOTAL EXPENSE</b>	<b>\$24,429,905</b>	<b>\$29,808,997</b>	<b>\$5,379,092</b>	<b>\$29,808,997</b>
<b>Change in net assets before non-operating items</b>	<b>\$5,090,817</b>	<b>(\$4,879,724)</b>	<b>\$9,970,541</b>	<b>(\$4,879,724)</b>

For internal management purposes only

**Center City District  
Statement of Activities  
For the Twelve Months Ending December 31, 2021  
Notes to Operating Variances**

**General Overview and Change to Financial Statement Presentation:**

*All operating expense schedules are prepared in audit statement format pursuant to GASB standards and the statements provided herein are formatted under GASB standards to be consistent with the basis of presentation under the audit.*

*With respect to the Actual versus Budget Statement of Operations, all favorable variances are noted as positive numbers, while all negative variances are noted as negative numbers. Indirect Expenses, while normally shown in allocations on the operating statement are discussed fully on a consolidated basis at the end of this report, to ensure better understanding of the operational impact of the expenses.*

Operations for the Twelve-month period ending December 31, 2021 resulted in Total Revenue and Support above conservative budget expectations we established in December 2020, because of the expected impacts of the COVID-19 pandemic. As such, overall Revenue and Support was 18.4% above budget projections, as Assessment Revenue (by dollar amount) and Other Income trended above budget. Operating expenses were below budget expectation (more fully described below), resulting in overall improved six-month performance vis-à-vis the budget. These calculations are before debt service and non-cash items and intercompany transfers – more fully described below.

**Revenue & Support:**

**Assessments:** CCD's primary source of income, Revenue from Assessed Charges, including prior year assessed charges collected in 2021 and adjustments for reduced assessments resulted in collections which were approximately 14.9% above budget expectation through December 31, 2021. Total 2021 billings of \$26,868,520 were mailed to 1,686 property owners with all charges due no later than March 31, 2021 at which time late charges started to accrue.

**Fees for contracted services:** Revenue related to Fee for Service activity picked up in the last quarter of the year to end slightly above budget. This strong end of year performance was due to new landscaping initiatives supported by property owners within the District, as well as new Fee for Service cleaning programs, namely the Northeast Corner of Logan Square.

**License Fees and Other Income:** This line item represents income from license fees at the cafes in three of our parks, income from events at the parks (primarily Dilworth), grants and sponsorships for parks activities, and other activities including such programs digital screen revenue and other retail activities at the parks. This line item also includes the application of insurance proceeds relating to the Civil unrest in Center City in early 2020 and subsequent damage to Dilworth Park. CCD received final insurance proceeds support in April 2021, of approximately \$1.93 million, final payment to cover damages that totaled

## Financial Statement Presentation

\$3.4 million (which were expensed during 2020 and 2021). Insurance proceeds paid for all repairs, less a \$2,500 deductible.

Overall, business services activities continued to lag budget expectations due to the lingering effects of the pandemic, especially during the first half of the year; however, end of year foot traffic and holiday activities were stronger than the same periods prior to the pandemic; a promising indicator for 2022 activities and revenue. Please see the business services report for details relating to these activities and sales data for CCD Cafes.

At December 31, 2021, the balance sheet reflected approximately \$19.4 million in the cash operating account as a result of 2021 Assessed Charge collections activities, comparing favorably to approximately \$16.8 million in 2020. This will be helpful for 2022 and beyond operations.

### Expenses:

Through December 31, 2021, operating expenses were below budget expectations by approximately 18.0%, continuing earlier trends. Please note that although all final audited operating results for departments will contain an allocation for indirect expenses, explanations of favorable/(unfavorable) variances are discussed on a consolidated basis following the detailed department notes. It should be noted expenses are below budget expectations in most categories largely due to extra time it takes to fill staff vacancies in a challenging regional labor market. CCD has been working to enhance its hiring package to attract more interest by increasing base compensation levels and by offering enhanced tuition reimbursement benefits for our CSRs, whose salaries are set by the union agreement.

The following provides additional detail with respect to individual operating departments:

➤ **Maintenance Operations - \$1,314,016 (15.5%) under budget (Includes Dilworth Park cleaning crews and fee for Service Cleaning Expenses)**

The primary budget variance is a result of wages for CCD cleaning crews which were \$1,186,016 below budget, due primarily to staff vacancies as CCD's contractor works to hire additional staff in an extremely tight labor market. Program expenditures were below budget due to lower than anticipated equipment expenses, including repairs and delays in purchasing and/or leasing new equipment primarily because the equipment is not available. Cleaning services relating to CCD parks, primarily Dilworth Park, trended higher than anticipated (by approximately 4.2%) as activities during the last half of the year ramped up.

➤ **Safety & Crime Prevention Services (Including Community Service Representatives and third party security patrols) \$1,072,743 (21.3%) under budget**

## Financial Statement Presentation

The majority of the cost savings year to date relates to significant staffing shortages within the CSR program, and the third party security patrols. Within the CSR program, hiring qualified individuals has been getting progressively more difficult as CCD's outreach efforts have not yielded satisfactory results from a hiring standpoint. As such the CSR program has a significant number of vacancies that management is trying to fill. We are partially covering this gap through the hiring of bike patrol officers from Allied Universal on a temporary basis and also by paying existing CSRs overtime to enhance our on-street presence and coverage. Program costs through July accrued at a lower than expected rate as overall costs have trended lower, as many costs are related to the level of staffing.

### ➤ **Public Spaces and Capital Projects - \$451,017 (6.7%) under budget**

Overall, given the uncertainties of the pandemic, and its effect on CCD's revenue streams, staff has been cautious with expenses and while ensuring all CCD assets are maintained appropriately. Also, lack of activity downtown and in CCD parks during the first half of the year. Significant positive increases at CCD parks during the last half of the year, especially during the holiday season resulted in increased expenditures. However; through the end of the year costs were lower than planned. The following provides additional detail on major expense variances:

- General CCD Public Spaces & Streetscape Programs – Overall program costs were approximately \$275,000 under budget as repair costs to CCD maintained streetscape improvements were lower than anticipated. Landscaping programs for CCD maintained installations were under budget through September, as landscape costs and replacements have been lower than anticipated.
- Dilworth Park – Overall, expenses are approximately \$163,000 (4.6%) above budget expectation. The most significant cost overages relate to significant costs relating to evolving pandemic signage, additional costs relating to the roller rink (unplanned for 2021) and higher than expected landscaping expenditures. In addition, restroom services have been trending higher than anticipated as activities increased in the park. Finally, holiday expenditures were higher than anticipated in the budget as inflationary pressures resulted in higher unit costs.
- Sister Cities – Overall expenditures were below budget by 192,000 (30.68%). General operating expenses have been running below budget expectations as landscaping and repairs were lower than anticipated. In addition, marketing expenditures have been lower due to fewer CCD sponsored activities as a result of the pandemic.
- Crét Park – Approximately \$81,500 under budget as replacements for landscape programs has lagged budget expectation. In addition, facilities repairs have been lower than anticipated in the budget.

### ➤ **Development Planning and Research - \$184,733 (27.3%) under budget**

Salaries and wages, etc. were under budget as a result of continued staff vacancies, as well as portions of staff wages being reimbursed for special projects. Research

## Financial Statement Presentation

activities are expected ended the year above budget, as well as publication expenses as staff worked on activities and programs relating to promoting pandemic recovery in Center City.

➤ **Marketing and Events - \$441,452 (19.8%) under budget (includes Communications, Interactive Marketing and Public Relations expenditures)**

Wages and salaries, as well as associated expense are below budget due to staff vacancies as staff worked to fill positions. Program expenditures trended below budget expectation, with interdepartmental variances due primarily to changes as a result of the evolving pandemic. Costs related to communications and public relations (namely the State of Center City Report, and other publications) accrued at higher than expected rates resulting in a negative year end variance, as CCD works to provide insight on the effects of the pandemic on the Center City and Philadelphia economy. Banner and ArtInTransit costs were approximately \$59,000 below budget as a result lower demand. In addition, costs relating to the website and other interactive activities were lower than expected with fewer changes/updates to the website than expected while social media costs increased above budget expectations as more communications activities moved digital.

➤ **Management & General Expenses - \$1,848,444 (29.2%) under budget (including indirect costs)**

The favorable wages and salary expense is primarily a result of budgeted staff positions and wage increases which have not taken place. While normal direct expenses accrued at a lower than anticipated rate through the year, certain end of year accounting entries have resulted in a significantly higher positive expenditure variance vis-à-vis the budget. This is a result of a non-cash end of year adjustment relating to valuation of CCD SWAP agreements on its outstanding debt. This adjustment is made annually, and as a result of increasing rates in general, CCD's SWAP valuation has been increasing on paper; resulting in the negative expense of \$367,433 as noted. This in essence artificially decreases expense allocations resulting in the higher than normal favorable variance.

Reversing direction from prior quarters, Indirect Expenses were under budget by \$910,314 or 25.2%, with individual variances noted on the following page:

Financial Statement Presentation

**Center City District**  
**INDIRECT EXPENSE ACTUAL TO BUDGET**  
**For the Twelve Months Ending Friday, December 31, 2021**

	Year to Date ACTUAL	Year to Date BUDGET	fav (unfav) Year to Date VARIANCE	Annual BUDGET
Development & training, all staff	\$30,536	\$25,000	(\$5,536)	\$25,000
Bank, lock box, and credit card fees	2,428	5,500	3,072	5,500
Consultants	98,300	96,000	(2,300)	96,000
Dues, subscriptions & publications	5,237	8,500	3,263	8,500
Insurance	334,333	507,990	173,657	507,990
Legal notices	1,819	3,500	1,681	3,500
Maintenance & repair, 660 facility	22,152	25,000	2,848	25,000
Maintenance & repair, equip and vehicles	132	1,500	1,368	1,500
Office supplies & materials	9,137	50,000	40,863	50,000
Payroll service	18,993	25,000	6,007	25,000
Photocopy, maintenance and supplies	1,617	2,500	883	2,500
Postage & delivery	2,050	6,500	4,450	6,500
Printing, design and production	559		(559)	
Professional fees, accounting	57,900	110,000	52,100	110,000
Professional fees, audit	40,000	75,000	35,000	75,000
Professional fees, legal	(221,893)	150,000	371,893	150,000
Rent, 660 facilities including real estate taxes	644,229	697,053	52,824	697,053
Rent, equipment & vehicles	2,940	45,000	42,060	45,000
Telephone, fax, and internet	108,008	253,208	145,200	253,208
Utilities	58,461	40,000	(18,461)	40,000
Sub-total	1,216,938	2,127,251	910,313	2,127,251
Depreciation, direct and indirect	1,480,000	1,480,000		1,480,000
<b>TOTAL</b>	<b>2,696,938</b>	<b>3,607,251</b>	<b>910,313</b>	<b>3,607,251</b>

**Explanations for larger variances:**

- Insurance – General liability insurance has is lower than anticipated due to assumptions with additions and deletions, and direct allocations; however, this cost may increase as premium audits are completed.
- Office Supplies and Materials – As a result of significant remote work activities, overall costs have been down as staff are completing more tasks electronically and not in the office.
- Professional Fees Accounting – Relates to CCD’s outsourced Controller YPTC. Fees are lower due to somewhat lower activity and fewer actual days working on the CCD account than anticipated in the budget.
- Professional Fees, Legal – Relates to the continued Knox litigation, originally assumed to be completed early 2021. Expenses are expected to

**Financial Statement Presentation**

be wrapped up by the end of the year. The cost noted includes settlement costs paid to Bochetto & Lentz, PC, pursuant to settlement agreements. The negative end of year balance constitutes the reversal of accruals made at the end of the year 2020 for contingencies for this case (the accrual was for \$1,050,000), per auditor request. Actual legal costs in 2021 were significantly lower.

- Rent, 660 Building – The lower cost relates to lower than anticipated expense reimbursements.
- Telephone, Fax, Internet – Upgrades have been delayed due equipment availability issues.

CCD is actively managing all expense categories to ensure that operations remain within budget parameters through the end of the year.

**Capital Leases for Equipment and Vehicles:**

In any given year, CCD incurs recurring and new costs relating to leasing equipment and vehicles for normal operations. While these costs are planned within the budget, they do not show up on normal operating statements, as per accounting rules they are considered capital leases. These costs are significant and as such continue to include the table below to help Board members better understand how our annual lease expenditures are accruing in accordance with the budget. Overall, expenditures are lower than budget, as costs have accrued lower than anticipated as equipment and vehicles are paid off and equipment acquisitions have been delayed due to non-availability of equipment.

**Center City District  
Capital Leases Expenditures ACTUAL TO BUDGET  
For the Twelve Months Ending December 31, 2021**

	Year to Date <b>ACTUAL</b>	Year to Date <b>BUDGET</b>	fav (unfav) Year to Date <b>VARIANCE</b>	<b>Annual BUDGET</b>
C S R	25,083	18,500	(6,583)	18,500
Maintenance	15,226	100,000	84,774	100,000
Public Spaces	11,427	19,080	7,653	19,080
Administration (indirect)	36,773	45,000	8,227	45,000
<b>Total</b>	<b>88,509</b>	<b>182,580</b>	<b>94,071</b>	<b>182,580</b>

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

<b>Center City District - 2022 Budget</b>				
	<b>2022 Final</b>	<b>2022 Proposed</b>	<b>Var. - 2022 Final vs. 2022 Prop.</b>	<b>2022 Plan</b>
<b>Income - All Departments</b>				
<b>Gross Billing Amount</b>	<b>\$27,710,000</b>	<b>\$27,777,580</b>	<b>(\$67,580)</b>	<b>\$27,777,580</b>
<i>Assessments, Current Year</i>	26,324,500	26,110,925	213,575	27,222,028
<i>Reduced Assessments</i>	(1,500,000)	(1,500,000)	0	(2,750,000)
<i>Assessments</i>	0	0	0	0
<i>Assessments Prior Years &amp; Late Fees</i>	75,000	75,000	0	19,500
<i>Exempt Property Contributions</i>	60,000	60,000	0	75,000
<i>Fees for Service</i>	601,800	601,800	0	837,560
<i>Interest Earned</i>	30,000	30,000	0	32,000
<i>Management Fees</i>	115,000	115,000	0	120,000
<i>Sister Cities Park</i>	10,000	10,000	0	97,500
<i>Café Cret</i>	40,000	40,000	0	101,913
<i>Dilworth Park</i>	1,620,000	1,620,000	0	2,530,000
<i>Other Revenue</i>	170,000	170,000	0	124,757
<b>Total Income</b>	<b>\$27,546,300</b>	<b>\$27,332,725</b>	<b>\$213,575</b>	<b>\$28,410,258</b>
<b>Expenses - All Departments</b>				
<b>Public Safety</b>				
<i>Salaries, Taxes, Benefits</i>	3,420,750	3,442,540	(21,790)	3,842,220
<i>Office &amp; General</i>	24,050	24,050	0	14,955
<i>Program Expenses</i>	458,477	(268,523)	727,000	113,998
<i>Overnight Patrols - Exp. Program</i>	977,000	1,647,000	(670,000)	0
<i>Vehicles - Rent &amp; Maintenance</i>	48,500	48,500	0	32,460
<i>Crime Prevention and Police Expense</i>	48,750	48,750	0	22,084
<b>Total Expenses - Community Service Rep. Program</b>	<b>\$4,977,527</b>	<b>\$4,942,317</b>	<b>\$35,210</b>	<b>\$4,025,716</b>
<b>Cleaning - Including Fee For Service Contract Operations</b>				
<b>Expenses - CCD Main Program</b>				
<i>Salaries, Taxes, Benefits - CCD</i>	235,610	246,410	(10,800)	210,470
<i>Contract Cleaning - Wages &amp; Supervision</i>	6,523,587	6,523,587	0	5,407,648
<i>Office and General</i>	15,500	15,500	0	15,476
<i>Parks Maintenance (Incl. Cleaning Personnel)</i>	1,300,000	1,300,000	0	1,086,998
<i>Program Expenses</i>	172,769	172,769	0	154,802
<i>Vehicles &amp; Machinery</i>	375,000	375,000	0	356,013
<b>Subtotal - CCD Main Program</b>	<b>\$8,622,466</b>	<b>\$8,633,266</b>	<b>(\$10,800)</b>	<b>\$7,231,408</b>
<b>Expenses - Fee For Service Programs</b>				
<i>Contract Cleaning - Wages &amp; Supervision</i>	0	0	0	0
<i>Program Expenses</i>	0	0	0	0
<i>Vehicles &amp; Machinery</i>	0	0	0	0
<b>Subtotal - Fee for Service Programs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses - Maintenance</b>	<b>\$8,622,466</b>	<b>\$8,633,266</b>	<b>(\$10,800)</b>	<b>\$7,231,408</b>
<b>Marketing, Communications &amp; Interactive Marketing</b>				
<b>Expenses</b>				
<i>Salaries, Taxes, Benefits</i>	1,465,030	1,468,560	(3,530)	1,291,910
<i>Office &amp; General</i>	27,500	27,500	0	20,577
<i>Program Expenses</i>	972,800	972,800	0	679,914
<i>Communications</i>	17,000	17,000	0	69,556
<i>Banners &amp; AIT</i>	197,370	197,370	0	341,986
<i>Design</i>	0	0	0	0
<i>Interactive Marketing &amp; Website</i>	120,000	120,000	0	202,592
<b>Total Expenses - Marketing</b>	<b>\$2,799,700</b>	<b>\$2,803,230</b>	<b>(\$3,530)</b>	<b>\$2,606,535</b>
<b>Development, Planning &amp; Research</b>				
<b>Expenses</b>				
<i>Salaries, Taxes, Benefits</i>	583,890	583,610	280	706,530
<i>Office &amp; General</i>	5,500	5,500	0	37,097
<i>Consultants, Program</i>	25,000	25,000	0	57,964
<i>Program Expenses</i>	90,550	90,550	0	114,362
<b>Total Expenses - Strategic Planning</b>	<b>\$704,940</b>	<b>\$704,660</b>	<b>\$280</b>	<b>\$915,953</b>



**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

<b>Center City District - 2022 Budget</b>				
	2022 Final	2022 Proposed	Var. - 2022 Final vs. 2022 Prop.	2022 Plan
<b>Expenses - All Departments</b>				
<b>Parks &amp; Public Spaces</b>				
<i>Expenses</i>				
<i>Salaries, Taxes, Benefits</i>	1,430,650	1,415,640	15,010	1,158,170
<i>Office &amp; General</i>	233,280	233,280	0	19,708
<i>Streetscape Programs</i>	730,671	730,671	0	782,326
<i>Sister Cities</i>	379,052	379,052	0	562,471
<i>Expanded Overnight Security</i>	210,000	210,000	0	0
<i>Dilworth Park</i>	3,250,158	3,250,158	0	3,104,508
<i>Expanded Overnight Security</i>	825,000	825,000	0	0
<i>Signs</i>	80,000	80,000	0	86,946
<i>Café Cret on the Parkway</i>	138,625	138,625	0	93,786
<b>Total Expenses - Public Spaces</b>	<b>\$7,277,436</b>	<b>\$7,262,426</b>	<b>\$15,010</b>	<b>\$5,807,913</b>
<b>Administration</b>				
<i>Expenses</i>				
<i>Salaries, Taxes, Benefits</i>	2,576,000	2,584,950	(8,950)	2,616,120
<i>Office &amp; General</i>	131,840	131,840	0	153,810
<b>Total Expenses - Administration</b>	<b>\$2,707,840</b>	<b>\$2,716,790</b>	<b>(\$8,950)</b>	<b>\$2,769,930</b>
<b>Indirect Expense - To be Allocated</b>				
<i>Bank, lockbox, cr cd fees</i>	5,500	5,500	0	6,376
<i>Consultants</i>	96,000	96,000	0	51,500
<i>Dues and publications</i>	8,500	8,500	0	11,593
<i>Insurance</i>	583,310	583,310	0	455,815
<i>Legal notices</i>	3,500	3,500	0	7,535
<i>Office supplies</i>	50,000	50,000	0	11,013
<i>M/R, 660</i>	25,000	25,000	0	17,389
<i>M/R, equipment &amp; vehicles</i>	1,500	1,500	0	18,548
<i>Payroll service</i>	25,000	25,000	0	22,026
<i>Development &amp; trng, all staff</i>	25,000	25,000	0	23,185
<i>Photocopy</i>	2,500	2,500	0	2,898
<i>Postage and delivery</i>	6,500	6,500	0	9,854
<i>Prof fees, accounting</i>	110,000	110,000	0	130,152
<i>Prof fees, auditing</i>	75,000	75,000	0	86,946
<i>Prof fees, legal</i>	150,000	150,000	0	130,000
<i>Rent, incl RE taxes</i>	717,964	717,964	0	405,746
<i>Rent, equip &amp; vehicles</i>	45,000	45,000	0	31,880
<i>Telephone, fax, internet</i>	268,260	268,260	0	40,575
<i>Utilities</i>	40,000	40,000	0	52,167
<i>Debt Service (P &amp; I)</i>	1,260,000	1,260,000	0	1,550,000
<i>Capital Program Activities (Incl. Loan Interest)</i>	0	0	0	1,987,605
<b>Total Expenses - Indirect</b>	<b>\$3,498,534</b>	<b>\$3,498,534</b>	<b>\$0</b>	<b>\$5,052,803</b>
<b>Total Expenses</b>	<b>\$30,588,443</b>	<b>\$30,561,223</b>	<b>\$27,220</b>	<b>\$28,410,258</b>
<b>Cash Surplus/(Deficit) Application of Reserves</b>	<b>(\$3,042,143)</b>	<b>(\$3,228,498)</b>	<b>\$186,355</b>	<b>\$0</b>
<b>Non- Operating Adjustments</b>				
<i>Application of Operational/Cash Reserves</i>	3,042,143	3,228,498	(186,355)	750,000
<b>Total Adjustments</b>	<b>\$3,042,143</b>	<b>\$3,228,498</b>	<b>(\$186,355)</b>	<b>\$750,000</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$750,000)</b>

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

**General Assumptions (Items in Red indicate where changes were made within the final budget presentation vs. the preliminary budget approved at the December, 2021 Board Meeting):**

- ❖ The 2022 Proposed Budget reflects assumptions and projections as a result of the economic impact of the COVID-19 pandemic and the anticipated return to a more normal, or historical level of operations. Staff continues to work and update plans routinely as conditions evolve. We continue to balance two imperatives: (1) conserve funds to support the possibility of reduced revenue in 2022 and 2023 and (2) respond to unprecedented challenges throughout the City and specifically the reduction in city services in Center City.
- ❖ The 2022 budget preserves and expands certain CCD core activities, to ensure a safe and clean downtown. As such, operational savings planned and realized in 2021 are anticipated to be used to cover certain anticipated expenditures in 2022, with additional reserves held for potential 2023 operational support. Reserves that are not needed for operations will be directed to capital improvement projects and asset enhancements, such as debt service reductions, deferred maintenance items for CCD parks, new/planned capital projects, reserves for new CCD office space (2023/2024).
- ❖ Except as noted above and herein the proposed 2022 budget works within the framework and assumptions made in the 2018-2022 CCD Plan and Budget, formally approved in 2017 by the Board, property owners and local government, with updates based on organization activities and changes since the plan and budget was finalized and organized to address the effects of the pandemic and important mission related new challenges in downtown Philadelphia.
- ❖ Based on certified market values provided by the BRT, the 2022 Budget assumes total Assessed Charges of \$27,710,000, which is \$67,580 below the authorized maximum billing amount of \$27,777,580. The 2022 Billing Amount is 3.13% above the 2021 billing level of \$26,868,520.
- ❖ As a result of the pandemic and uncertainty regarding its effect on property values, the budget continues to include higher than historical levels contingency for reduced assessments, more fully described herein.
- ❖ The Proposed Budget figures are projected based on actual operations for 2021, known increases for 2022 and estimates and assumptions relating to programs anticipated for 2022, as well as considerations of the effects of the COVID-19 Pandemic and additional services provided to address issues of concerns in Center City.

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

- ❖ Overall wages and salaries, including benefits reflect an increase of have been adjusted based on annual performance review results and anticipated hiring timelines for 2022, resulting in overall minor adjustments to the 2022 budget presented in December, 2021 for preliminary approval. Wage rate increases took effect on January 1, 2022.
- ❖ Medical and Dental Benefits are based on estimated renewal rates as a result of staff coverage and co-pay parameters for 2022. Health care costs are projected based on a year to year rate increase of approximately 5.00%-8.00%. Actual costs will be based on specific staff elections during the open enrollment period.
- ❖ Benefits and Taxes for all categories include Social Security, Workman's Compensation and PA unemployment, investment program match for eligible employees, tuition reimbursement, and miscellaneous benefits provided by the CCD. Workers Compensation rates projected to increase well ahead of inflation; therefore, the budget assumes a 15% rise over 2021 rates. CCD's brokers have indicated that all forms of insurance are experiencing significant increase pressures due to the effects of the pandemic and civil unrest in 2020. Rates reflect a 5% discount as a result of safety programs conducted by CCD's safety team.
- ❖ Similar to the above, 2021/2022 Insurance rates for general liability and umbrella liability are projected increase 15% in the budget assumptions. This is primarily a result of current market conditions and CCD's increased risk profile as a result of civil unrest. The budget assumes continuing coverage for all programs with Crum & Forster, placed by Hugh Wood, Inc., CCD's insurance agent.
- ❖ The 2021/2022 Directors & Officers liability policy cost is actual at \$28,900 and is anticipated to increase by 5% for the 2022/2023 policy year, with no significant changes in coverage.
- ❖ Debt Service is based on the completed plan of finance, which funded on December 1, 2015, which includes CCD's original and refinanced Bond issue and \$10 million long term portion relating to Dilworth Park. The total outstanding balance on the 2 loans as of January 1, 2022 was \$13,840,034 (\$4,445,879 and \$9,384,155, respectively).
- ❖ For the 2022 Budget, all cost centers are expected to contain an indirect expense allocation (i.e. overhead). This allocation is based on the number of personnel within each department and represents costs associated with operating the CCD in general, including office space and equipment rentals, postage, audit and corporate legal fees, other professional fees for temporary

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

help and interns, utilities for the CCD headquarters space and other expenses associated with operating the corporate offices and providing support services to individual cost centers. For presentation purposes, full indirect expense budget detail is presented in the proposed budget summary, as well as at the end of these notes.

- ❖ The budget assumes straight-lined rent for our office space at the Public Ledger Building, per accounting rules. The CCD renewed its lease at the Public Ledger Building during 2014 for a 10-year term and the rental rate reflects the new rental rates, which are lower per square foot than the prior rate and include expansion space leased by the District. The budget includes costs related to the third floor expansion space for CCD operations.

### **OPERATING INCOME (By Line Item):**

#### **Assessment Revenue**

- **Revenue from Assessed Charges:**

The budgeted billing amount for 2022 is \$27,710,000, \$67,580 below the maximum billing amount in the 2018-2023 Plan and Budget. This represents a 3.13% increase over the 2021 Billing Amount.

The budget assumes that assessed charges for residential rental properties at 100% of assessed value, while residential, owner-occupied properties are based on 50% discount on residential assessments pursuant to authorization within the state law that CCD elects to implement, as well as a cap of 5% on the residential assessed value.

The budget assumes a 95% collection rate, slightly higher than the preliminary budget approved in December, 2021 and based on collection trends at the end of the year. Bills were mailed as of February 1, 2022, with payments due March 31, 2022.

- **Reduced Assessment Credits:**

New and pending appeals are still being adjudicated within the system, the outcome of which is unknown at this time. In addition, the effects of the pandemic on commercial property values is still unknown. Commercial office vacancy has gone up, but existing tenants are paying rent. Residential rental buildings continue to show high occupancy rates, but hotels have been significantly impacted with occupancy in the 40% range. As such, the budget continues to include a high contingency for reduced assessments (compared to historical contingencies), but at a level somewhat lower than the 2018-2023 Plan and budget.

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

▪ **Prior Year Charges Receivable:**

Estimates for 2022 are based on the liens that CCD files when properties become one-year delinquent, which insure the collection of outstanding balances when properties refinance or change hands.

**Income from Other Sources**

• **Exempt Property Contributions Payments:**

The budget assumes continued financial difficulties for arts, cultural and non-profit organizations. As such, while the 2022 budget assumes continued contribution from the PA Convention Center Authority, it assumes no additional contributions from other past supporters in 2022.

• **Fees for Service Income:**

This line item represents labor cost reimbursements for service provided to adjacent residential areas, based on requests from and contracts with the following organizations:

**Contract**

- Center City Residents Association
- Society Hill Civic Association
- Rittenhouse Square
- 20<sup>th</sup> & Delancey
- 2100 Block of Race
- Washington Square West Civic Association
- Holocaust Memorial Foundation
- Northeast Corner of Logan Square

In addition to Fees for Services for maintenance programs, this line item includes estimated income relating to the CCD Banner and Art-in-Transit Programs. These programs were severely impacted by the COVID-19 Pandemic, though demand rebounded in the last quarter of 2021. To be conservative revenue is expected to be flat at best for 2022. The 2022 budget projections are noted as follows:

	<b>2021</b>	<b>2022</b>
Banners	\$301,100	\$301,100
AiT	<u>\$53,135</u>	<u>\$55,700</u>
<b>Total</b>	<b>\$354,235</b>	<b>\$356,800</b>

• **Interest Earned:**

Interest income is conservatively estimated based on projected balances, and anticipated close to 0% rates of interest earnings.

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

- **Management Fees:**

This line item represents the contractual management fee, per the management agreement with the Central Philadelphia Development Corporation at a level of \$115,000. This figure is subject to approval by the CPDC Board.

- **Sister Cities Park:**

This line item represents estimated revenue from park activities to support the ongoing maintenance of the park. Income includes sponsorship revenues and contributions for anticipated activities at the park during 2022. Based on recent sales, license fees are not expected to accrue from café operations, as sales levels are not expected to reach levels whereby CCD financial participation kicks in.

- **Café Crét on the Parkway:**

This income reflects anticipated license fees from the café operator, Capriccio café, during 2022. Fees are used to support the maintenance of the park.

- **Dilworth Park:**

This line item contains estimates relating to income producing activities (as well as maintenance expenses, more fully described below.) Income projections assume revenue from the café and various activities planned for the park and are based on staff estimates for sponsorships (both in hand and planned), venues such as the skating and roller rinks, the café, digital advertising and sponsored events on the park. Projections are conservative as a result of uncertainty relating to the continuing COVID 19 Pandemic.

- **Other Revenue:**

The budget represents income from publications and sponsorship estimates in support of CCD's general marketing activities.

## **OPERATING EXPENSES BY DEPARTMENT**

### **Public Safety**

The Community Service Representative Program, homeless outreach programs and the new bike patrol continue to be reported under one budget line – Public Safety. The following notes provide assumptions for the public safety program.

- **Salaries, Taxes and Benefits:**

The 2022 budget assumes 52 full time CSR's, 6 CSR supervisors, the Vice President of Public Safety and Cleaning Operations, CSR Director, and GIS mapping specialist. The budget includes overtime differential, as well new hiring and attrition assumptions based on prior year's history for CSRs. Actual

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

hiring will be based needs to maintain full staffing levels during 2022, as well as considerations for the effects of economic conditions on overall income. Wage and benefits estimates are based on the CSR collective bargaining agreement.

- **Homeless Outreach**  
CSRs devoted to the Ambassadors of Hope are carried in salaries, taxes and benefits above. Additional expenses include a contract with Project Home for their outreach staff, payment for police overtime for two officers, one each assigned to each team. and the new cost for a mental health worker from Hall Mercer/Penn Medicine.
- **Program and Vehicle Expenses and Contracted Bike Patrol**  
These items include expenses related to the uniforms, supplies, the CSR kiosk, radios and repairs, vehicles and repairs, collective bargaining agreement legal costs, etc. based on actual 2021 experience and anticipated 2022 spending levels and the number of authorized CSRs for 2022. Expenses include estimates for supplies based on prior year experience and anticipated radio system costs, assuming no change in equipment. In addition, the budget assumes an allocation of \$1,590,000 (vs. \$801,100 in the 2021 budget) for ongoing and expanded street bike and vehicle security services patrols which commenced November 1, 2020 and managed by a third party. The budget assumes lease activities for 1 new vehicle in 2022 (a replacement). All leases are assumed to be municipal leases with a \$1.00 buy-out option at the end of the lease period as well as options to return vehicles as a result of non-availability of funds. The program also includes allocation for technology applications relating to mapping and GIS tracking activities.
- **Crime Prevention Services and Police:**  
The budget includes estimated costs for annual programs, as well as expenses relating to support of the Police substation. Crime prevention expense projections have increased due to increased costs for support of the Alert Philadelphia early notification system, which has changed platforms and merged with another company.

### Maintenance - Including Fee for Service Cleaning Operations

- **Expenses – CCD Main Program:**
  - **Salaries, Taxes, Benefits – CCD:**  
The budget includes a mobile, project crew, carried as 4 CCD staff (3 currently in place, 1 TBD) for 2022 (including overtime), who respond to immediate problems and needs within the District without having to pull other staff from assigned beats. This staff also maintains CCD leased properties and is available to fill in for absences on assigned beats. The budget includes estimates for statutory benefits and taxes, health and

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

medical benefits, retirement plan matches, workers compensation insurance, term life, transportation subsidies and other benefits. The budget is based on anticipated rates for 2022 and the number of employees.

o **Contract Cleaning – Wages & Supervision:**

The budget assumes expense and union wage/benefits parameters as a result of the cleaning services agreement with ABM, Inc. Contract totals take into account anticipated program activities for 2022.

The 2022 budget expense is based the BOLR collective bargaining agreement negotiated in October 2019 for cleaning staff (this is a citywide agreement negotiated by building managers to which the CCD is subject). The budget assumes continued funding for enhancement to basic services including focused cleaning staff during higher traffic evening hours, continued use of mechanical equipment, increased graffiti removal. Continuing in 2022 as well is the graffiti removal program focused on removing stickers and graffiti on publicly owned street furnishings and signage. This program is provided by Graffiti Removal Experts, an organization that provides work for formerly homeless and individuals in recovery. This supplements CCD's long standing program of graffiti removal from the ground floor of privately owned buildings, included in the services provided by ABM.

o **Office and General**

The budget includes anticipated costs for rental and office operations for CCD cleaning program facilities at 660 Chestnut Street, and CCD's property at 426-440 North 8<sup>th</sup> Street.

o **Parks Maintenance:**

This line item includes full year cleaning personnel and other CCD imbedded costs relating to Dilworth Park, including dedicated cleaning staff devoted to Dilworth Park by ABM's minority subcontractor, TUCs.

o **Program and Vehicle Expenses:**

The budget includes expenses paid directly by CCD, without contractor overhead, related to the uniforms, supplies, radios and repairs, vehicles and repairs, etc. based on 2021 spending levels and the number of authorized cleaning personnel for 2022. The budget assumes full year rental expenses for current vehicle fleets as well as assumptions to lease up to 4 pieces of cleaning equipment and a replacement of 2 vehicles during 2022. This is a placeholder as management is currently evaluating options as it relates to cleaning equipment and vehicle availability. Maintenance and repair costs relating to CCD's existing fleet continue to trend higher, as equipment, parts and labor costs have



**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

increased significantly in recent years, as a result of supplier issues. All leases are assumed to be municipal leases with a \$1.00 buy-out option at the end of the lease period as well as options to return vehicles as a result of non-availability of funds.

- **Expenses – CCD Fee for Services Program:**

- **Contract Cleaning – Wages & Supervision:**

- The budget assumes expense and union wage/benefits parameters as a result of the cleaning services agreement with ABM, Inc. Contract totals take into account anticipated program activities for 2022. The budget assumes cleaning staff wages and benefits relating to the following fee for service cleaning programs:

**Contract**

Center City Residents Association  
Society Hill Civic Association  
Rittenhouse Square  
20<sup>th</sup> & Delancy  
2100 Race Street  
Washington Square West Civic Association  
Rosenbach Museum & Library  
Holocaust Memorial Foundation  
Northwest Corner of Logan Square

- **Program and Vehicle Expenses:**

- The budget includes expenses related to the uniforms, supplies, radios and repairs, vehicles and repairs, etc. based on 2021 spending levels and the number of authorized cleaning personnel for 2022.

**Marketing, Communications, Design & Digital Marketing**

In support of CCD's mission, the 2022 budget continues to focus on the promotion of the Center City businesses and attractions through activities at its parks, continued focus on events designed to assist in the recovery of the Center City economy, as well as support for a communications campaign to attract out-of-town office tenants to Center City office buildings.

- **Salaries, Taxes and Benefits:**

- The 2022 budget includes Salaries, Benefits and Taxes for 12 FTEs, plus part time/intern assistance, including the Vice President of Marketing and Communications, Director of Interactive Marketing, Marketing Director, Graphics Design Director, Communications Director, 2 Graphic Designers, Urban Designer, Sr. Manager of Marketing and Events, Manager of Marketing and Events, Digital Marketing Coordinator, and Marketing Coordinator plus allocations for interns throughout the year. The budget also assumes statutory

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

benefits and taxes, health and medical benefits, retirement plan matches, workers compensation insurance, term life, transportation subsidies and other benefits. The budget is based on anticipated rates for 2022 and the number of employees.

### **Program Expenses:**

The 2022 budget reflects continued focus on CCD core activities and parks events (as in prior years, these expenses are budgeted under the respective park). The 2022 budget includes the following budget items:

- Agency Fees.
  - Advertising and Promotional Activities to support Center City Businesses.
  - Fall and Winter Restaurant Week Activities.
  - Summer Concerts and Other Programs.
  - Holiday Activities.
  - Photography for marketing and promotional activities.
  - Funding for the retail attraction campaign including presentations at the International Council of Shopping Centers meetings.
  - Allocation for marketing activities to attract out of town tenants to Center City office buildings, as part of a recovery efforts for Center City (\$250,000)
- **Communications:**  
This allocation includes \$10,000 for Communications Activities including print and on-line newsletters, social media, press clippings and photography.
  - **Banners & AIT:**  
Represents expenses associated with the Banner and Art in Transit programs, estimated for 2022 based on the analysis described above in the income section of the same subject.

### **Interactive Marketing and Web Development:**

This allocation includes \$120,000 relating to website hosting and development and maintenance activities. It assumes continued work to maintain all of CCD's websites and interactive activities.

### **Development Planning and Research:**

This department continues its focus on high quality research and data collection activities, with a goal of producing reports on housing, employment, demographic, retail and transportation trends, including both monthly recovery reports and the annual State of Center City report, to promote competitive business and tax policies and to help companies make informed business decisions.

- **Salaries, Taxes and Benefits:**  
The budget includes regular allocations for Research & Development staff (6 FTEs), plus allocations for intern and part-time assistance during busy periods.

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

The budget assumes statutory benefits and taxes, health and medical benefits, retirement plan matches, workers compensation insurance, term life, transportation subsidies and other benefits. The budget is based on anticipated rates for 2022 and the number of employees. A portion of certain staff costs (60% of 2 FTEs) are allocated to Central Philadelphia Development Corporation.

- **Office and General:**

The budget is based on actual experience for 2021 and projected activity for 2022.

- **Consultants, Programs:**

The budget includes allocations for planning and other studies throughout 2022, conceptual programs for 2022 and budgetary constraints for 2022.

- **Program Expenses:**

The 2022 budget assumes costs relating to continuation of a program of pedestrian counting cameras throughout Center City, and increases for various publications throughout the year and the State of Center City Report.

### Parks and Public Spaces

This department is key to the continued success and maintenance of CCD streetscape enhancements and the operations of CCD managed parks.

- **Salaries, Taxes, Benefits:**

This line item includes allocation for existing and to be filled vacant staff positions, as well as intern and part time event staff for the parks. Positions include 10 FTEs; the Vice President of the Public Realm, the Senior Director of Capital Projects, Director of Park Operations, Landscape and Public Spaces Manager, Manager of Public Spaces and Streetscapes, Manager of Event Logistics, Events Engineer and Logistics Engineer and two maintenance staff. Existing Staff allocations in the 2022 budget includes Salaries, Benefits and Taxes for all full time, part time and project management staff. The budget is based on anticipated rates for 2022 and the number of employees.

- **Office and General:**

Costs include deferred maintenance expenditures for repairs and/or replacements to CCD Signage systems, especially vehicular signs, technology costs relating to upgrades and retrofits required for fountains, security system enhancements and related maintenance programs. In addition, an allocation of \$35,000 is included in this expense grouping for maintenance of Collins Park, owned by CCDF, as a placeholder should expected fundraising and income producing activities fall short.

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

- **Streetscape Programs:**

The budget includes allocations for Landscaping, Street Furnishings and Street Lighting. Budget estimates for 2022 are based on an evaluative process of the ongoing maintenance needs of the landscaping and streetscape assets, as well as actual costs incurred for 2021 and include increased costs relating to maintenance of existing infrastructure (i.e. costs are increasing as infrastructure gets older). The 2022 budget also includes allocations to replace certain light, banner and other poles for attic stock. The following table includes more specific budget breakdowns for CCD streetscape programs:

<b>Streetscapes Detail</b>	<b>2022 Budget</b>	<b>2021 Budget</b>
Signs (Supported by Others)	\$80,000	\$80,000
Signs (CCD supported)	\$108,000	\$108,000
Lighting	\$172,500	\$169,500
Landscape Programs	<u>\$429,000</u>	<u>\$400,500</u>
<b>Total</b>	<b><u>\$789,500</u></b>	<b><u>\$758,000</u></b>

- **Sister Cities Park, Café and Children’s Discovery Garden:**

Represents expenses anticipated for Sister Cities Park based on prior year experience, including continued allocations for replacements and upgrades. It is assumed that the Park will generate income from rental of the Café, private events, fundraising and paid activities at the park. During 2022 projected revenue is budgeted conservatively at \$10,000, vs. total budgeted expenses of \$589,052, resulting in CCD operating support to the park of \$579,052. The budget includes costs for continued enhanced security programs at the park (approximately \$210,000). Staff continue to work on ideas to enhance café operations and generate new catering revenues and to reduce this support through increased sponsorship and fundraising.

- **Dilworth Park:**

The budget assumes expenditures as a result of 2021 and prior years’ experience relating operations at the park. Maintenance and operational expenses continue commensurate with the number of activities and maintaining the park in a first class manner. These expenditures assume marketing activities and costs relating to the maintenance of all park areas, including outsourced engineering services and security for 24-hour coverage. As a result of continued effects of the COVID-19 pandemic, it is assumed that the Park will continue generate income at lower than historic levels and include revenue from rental of the Café, rentals for product activation, private events, digital screens, sponsorship fundraising and paid activities at the park. During 2022 projected revenue is budgeted very conservatively at \$1,620,000 (vs. \$1,562,500 in the 2021 Budget), vs. total budgeted expenses of \$4,075,158, resulting in CCD operating support of \$2,455,158 (39.8% coverage ratio). The

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

budget includes added costs for continued expanded security programs at the park (total of \$825,000 in cost.). (By way of comparison, during 2019 business services revenue at Dilworth Park was approximately \$2.5 million, which resulted in a 55% coverage ratio.)

- **Signs:**  
Represents activities to maintain the extensive signage system installed by CCD and supported by subscription maintenance payments by many of the organizations who are listed on the signs. Expenses are kept in line with subscription fees for the program.
  
- **Café Crét on the Parkway:**  
Reflects anticipated operating expenses relating to CCD's responsibility to maintain Crét Park and CCD responsibilities relating to the café structure, as well as reimbursement of CCD's contribution to the construction costs of the café structure. It is assumed that the Park will generate income from rental of the Café and potentially sponsorship fundraising and paid activities at the park. Revenue from café operations is expected to continue into 2022 at depressed levels resulting in \$40,000 of anticipated fees, vs. total budgeted expenses of \$138,625, resulting in CCD operating support of \$98,625.

### **General & Administrative:**

- **Salaries, Taxes and Taxes:**  
The budget includes salaries, benefits and wages for the following:
  - President & CEO;
  - Vice President for Finance & Administration;
  - Vice President of Business Services;
  - Sr. Director of Information Technology;
  - Senior Director of Human Resources;
  - Director of Billings and Collections;
  - Senior Manager of Finance and Accounting;
  - Venue Sales Specialist;
  - Corporate Partnerships Manager;
  - Accounting and Finance Manager;
  - Manager of Banners & ArtInTransit;
  - HR Manager;
  - Computer & Information Systems Manager;
  - Administrative Assistant to the Executive Director;
  - Part time staff to full time assist with sponsorship fulfillment; and
  - Receptionist.

Anticipated salary increases for staff and allocations of health care costs as a result of changes in coverage elections. The budget also assumes statutory benefits and taxes, health and medical benefits, retirement plan matches,

**Center City District  
2022 Operating Budget  
Detailed Notes and Assumptions**

workers compensation insurance, term life, transportation subsidies and other benefits. The budget is based on anticipated rates for 2022 and the number of employees.

- **Office and General:**

Office and General expenditures are expected to increase as a result of higher technology costs, costs related to the third floor expansion and increased operating costs in general for the organization.

**Indirect Expense – to be Allocated**

The table on the following below represents the line items included in the Indirect Expense Allocations:

<b>g/l a/c</b>	<b>800 Indirect - Overhead</b>	<b>2022</b>	<b>2021 Budget</b>	<b>2022 Plan</b>
7010	Bank, lockbox, cr cd fees	5,500	5,500	6,376
7015	Consultants	96,000	96,000	51,500
7020	Dues and publications	8,500	8,500	11,593
7030	Insurance	583,310	507,990	455,815
7040	Legal notices	3,500	3,500	7,535
7050	Office supplies	50,000	50,000	11,013
7110	M/R, 660	25,000	25,000	17,389
7120	M/R, equipment & vehicles	1,500	1,500	18,548
7210	Payroll service	25,000	25,000	22,026
7250	Development & trng, all staff	25,000	25,000	23,185
7310	Photocopy	2,500	2,500	2,898
7320	Postage and delivery	6,500	6,500	9,854
7410	Prof fees, accounting	110,000	110,000	130,152
7420	Prof fees, auditing	75,000	75,000	86,946
7430	Prof fees, legal	150,000	150,000	130,000
751?	Rent, incl. RE taxes	717,964	697,053	405,746
7520	Rent, equip & vehicles	45,000	45,000	31,880
7610	Telephone, fax, internet	268,260	253,208	40,575
7710	Utilities	<u>40,000</u>	<u>40,000</u>	<u>52,167</u>
	<b>TOTAL</b>	<b>\$2,238,534</b>	<b>\$2,127,250</b>	<b>\$1,515,198</b>

## Center City District 2022 Operating Budget Detailed Notes and Assumptions

Explanations of Significant Variances from Above are as follows:

- **Consultants:**  
Represents fees anticipated during 2022 for tax reform and other lobbying in furtherance of CCD's mission.
- **Insurance:**  
The estimate for 2022 reflects larger than anticipated increase in liability and property rates as a result of general trends in the market as companies increase rates to cover losses as a result of damage due to civil unrest in 2021. In addition, insurance company have placed CCD as an organizational type in a higher risk profile for 2022 (and likely beyond), as a result of recent civil unrest, and anticipated continue protests, which could have an effect on CCD assets.
- **Professional Fees, Accounting & Audit:**  
Projected based on anticipated 2022 activities.
- **Professional Fees, Legal:**  
The 2022 budget is based on historic trends for legal fees, as well as anticipated fees relating to CCD's reauthorization process in 2022.
- **Rent, Incl. Real Estate Taxes:**  
Represents estimated lease costs during 2022 for base rent, operating expenses and operating expense escalations.
- **Telephone, Fax & Internet:**  
This line item includes anticipated increase in various IT fees and services as a result of the office expansion, as well as required system upgrades.
- **Bond Debt Service:**  
This line item includes the 2022 bond debt service on the permanent financing, as restructured.

### **Non-Operating Adjustment**

- **Application of Operational/Cash Reserves:**  
As a result of the impact of the COVID-19 pandemic, management has been working throughout the year to conserve cash, in anticipation of the potential for lower than typical revenue projections in 2022 and potentially into 2023. This line item represents the projected application of reserves to ensure the continuity of operations and the continued delivery of essential services until recovery is complete.

DATE: February 1, 2022

**RESOLUTION**  
**Equipment & Vehicle Acquisition**

WHEREAS, the Center City District (the “CCD”) is a private-sector managed municipal authority established by business and civic leaders in 1990 to ensure that Center City Philadelphia is a clean, safe and attractive place to live, work, and visit; and

WHEREAS, the Board of Directors (the “Board”) has, as of this date provided its final approval of the 2022 Operating Budget for the CCD; and

WHEREAS, included within the 2022 operating budget are assumptions relating to the routine replacement of cleaning equipment; specifically, replacements of up to 4 units of mechanical sidewalk cleaning equipment; and,

WHEREAS, included within the 2022 operating budget are assumptions relating to the replacement of up to 1 vehicle (minivan and/or auto lease renewal); specifically relating to the public safety program and 2 vehicles for the cleaning program operation (truck with trade in); and,

WHEREAS, CCD anticipates that the acquisitions/replacements of said equipment will be structured through a municipal lease transaction(s) with one or more finance companies experienced in such matters; and,

WHEREAS, historically estimated monthly lease costs per unit for cleaning equipment is \$600.00-\$850.00 (dependent upon options and availability); and \$600.00-\$750.00 per vehicle for automobiles/vans/trucks; Municipal Lease terms typically from 36 to 48 months; and,

WHEREAS, CCD will endeavor to structure leases within these parameters for a not-to-exceed total monthly cost of \$850 and \$750, respectively; and,

WHEREAS, finance companies typically require specific evidence of budget approval and/or a Resolution of the Board.

NOW THEREFORE, pursuant to the approval of the 2022 CCD Operating Budget at the February 1, 2022 Board Meeting:

The President & CEO and Vice President of Finance and Administration are hereby authorized and empowered to execute all necessary documents and agreements required to finance the acquisition of equipment and/or vehicles as specified in the 2022 approved operating budget while remaining within budget cost parameters.

ADOPTED by the Center City District Board of Directors on this 1<sup>st</sup> day of February, 2022.

---

John J. Connors  
Chairman



## Memorandum

To: CCD Board of Directors  
From: Brian Korn  
Date: February 1, 2022  
Subject: Community Service Representative and Winter Outreach Programs

The recruiting, hiring and training of new CSRs remains a priority for the program this year. The ongoing hiring challenges resulted in only 5 new CSRs being hired in 2021. The goal for 2022 is to hire at least 12 new CSRs. Recruiting efforts commenced right after the holidays and the interview process started last week. A class is tentatively scheduled to start at the end of February, the number of trainees is yet to be determined.

The CSR program continues to support efforts to welcome office workers and visitors back to Center City. We are coordinating with the Convention Center and Visitors Bureau to have our CSRs deployed to provide hospitality services during the 60 or so events booked at the Convention Center for 2022. The events are expected to draw about 750,000 attendees, bringing 150,000 more visitors to the city this year than in 2021.

The 2021 Ambassadors of Hope (AoH) Combined Outreach program concluded on December 10, 2021 with 112 individuals provided with placement and transportation to shelter, housing and/or services. The program is currently scheduled to resume on April 25, 2022. In four years, well over 500 unsheltered individuals have received transportation to shelter or services by our outreach teams.

In order to continue providing consistent, daily services to the unsheltered population in the downtown area during the winter months, the Center City District (CCD) and Project Home (PH) have again joined together to provide winter outreach services. The Winter Outreach program, funded and managed by the CCD, operates essentially the same as the Ambassadors of Hope except a trained police officer is not assigned to each team, however police assistance is readily available to the teams on an as-needed basis. The Winter Outreach program began on December 27, 2021 and will continue until April 1, 2022. In 4 weeks, 16 unsheltered individuals have received placement and transportation to appropriate shelter and services. The teams average engaging with 34 unsheltered individuals daily and contacted EMS for emergency service and transportation to an area E.D. for an individual they encountered who was in need of immediate medical treatment. An encampment clean-up was also initiated and completed at 201 S. Camac St. based on actions of our outreach teams, 3 additional cleanups are on the schedule

Please forward information regarding ongoing locations or individuals that our outreach teams should engage by emailing [outreach@centercityphila.org](mailto:outreach@centercityphila.org)

This coming spring CCD is planning to move forward with the installation of both roadway and sidewalk planters with seasonally-changing plants and flowers to better define the bike lanes that have been installed from 15<sup>th</sup> to 20<sup>th</sup> Streets on West Market Street and JFK Boulevard, to improve pedestrian safety and to enhance the streetscape of our primary office district.

During the last two years, CCD has kept all our on-street cleaning and public safety teams fully deployed. We've stepped up graffiti removal, enhanced our homeless outreach teams, added a new 7-day per week public safety bike patrol and actively programmed our parks and coordinated many recovery efforts with SEPTA and the Philadelphia Police and Streets Departments. We very much appreciate the support that Center City District property owners have provided that enabled us to sustain our programs and services through a very challenging time.

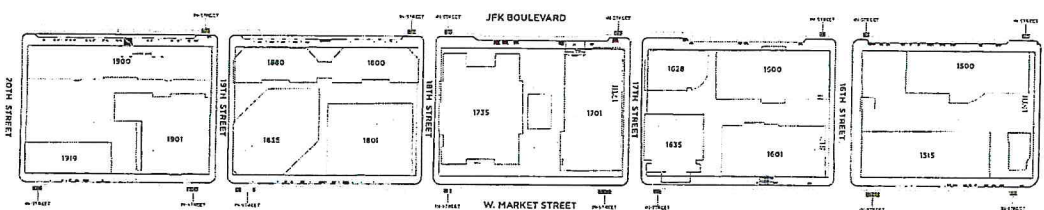
We have long planned to carry out this initiative, but delayed it in 2020 due to the pandemic and the stay-at-home directives. Now, we consider this initiative part of a broader effort to encourage the maximum physical return of workers to offices, to restore pedestrian volumes in the office district and to provide more foot-traffic for the restaurants and retail on the ground floor of many of your buildings. Obviously, improved landscaping can't cause this to happen, but it can create a welcoming and attractive environment as vaccination rates continue to rise, new cases decline and employers begin to bring workers into the office more days each week.



1900 BLOCK MARKET STREET  
PROPOSED IN-STREET PLANTERS



CCD will install and maintain clusters of planters at 15 locations in the roadway, one at the beginning of every block and one at the end of those blocks where left-turns are not permitted because of one-way traffic on the numbered streets. (For example an in-street planter will be positioned on the southeast corner of 16<sup>th</sup> & JFK, but not the northwest corner of 16<sup>th</sup> & Market – see rendering and site plan). The height of these is set by PennDOT regulations. These in-street will be paid for from resources CCD set aside for this project.



W. MARKET ST. & JFK BLVD.  
PLANTER LAYOUT PLAN

-  IN-STREET PLANTERS
-  SIDEWALK PLANTERS



1900 BLOCK MARKET STREET  
VIEW B: EXISTING CONDITIONS



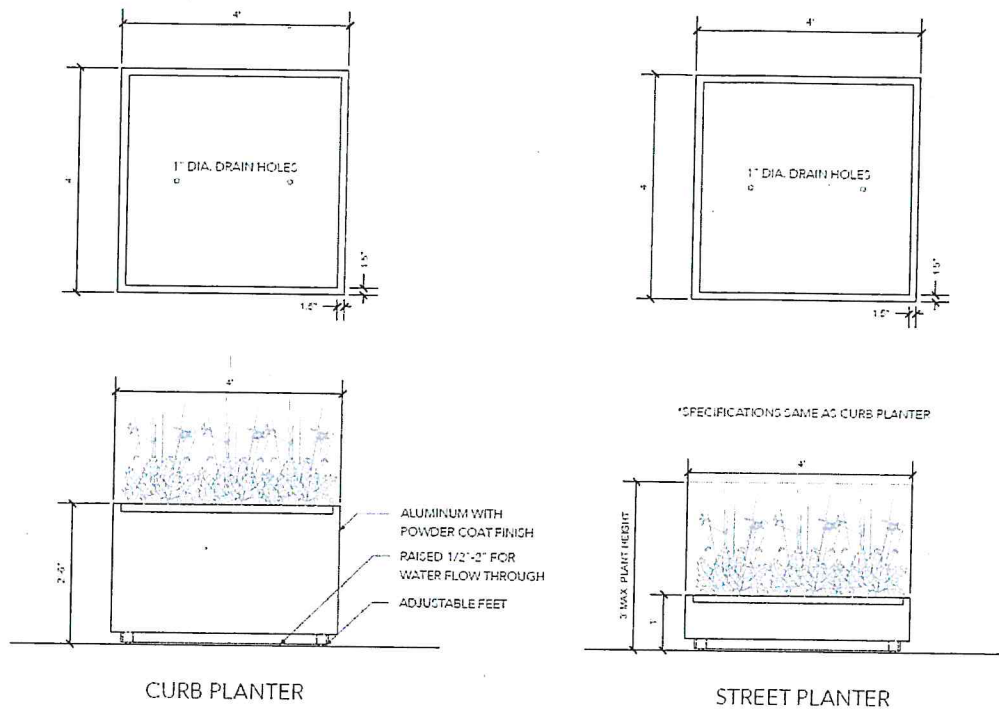
1900 BLOCK MARKET STREET  
VIEW B: PERSPECTIVE RENDERING

maximum flexibility if roadway work is required, the large planter effect in the street is achieved by clustering together smaller planters with no space in between.

CCD is also prepared to install planters *on the sidewalks* immediately adjacent to the bike lane on the north side of Market Street and the south side of JFK Boulevard (see the rendering to the left.) The landscape material in these planters will be coordinated with those in the roadway to create a unifying, seasonally-changing visual effect.

We have developed a preliminary site plan, based on surveys of existing conditions, and we have reviewed this with both the City Streets Department and the City Fire Department. In the attachment you will find a block by block site plan showing the proposed positioning of sidewalk planters in green, as well as their capital and operating costs.

The planter dimensions are shown in the graphic on the following page. To preserve



**PLANTER DETAILS**

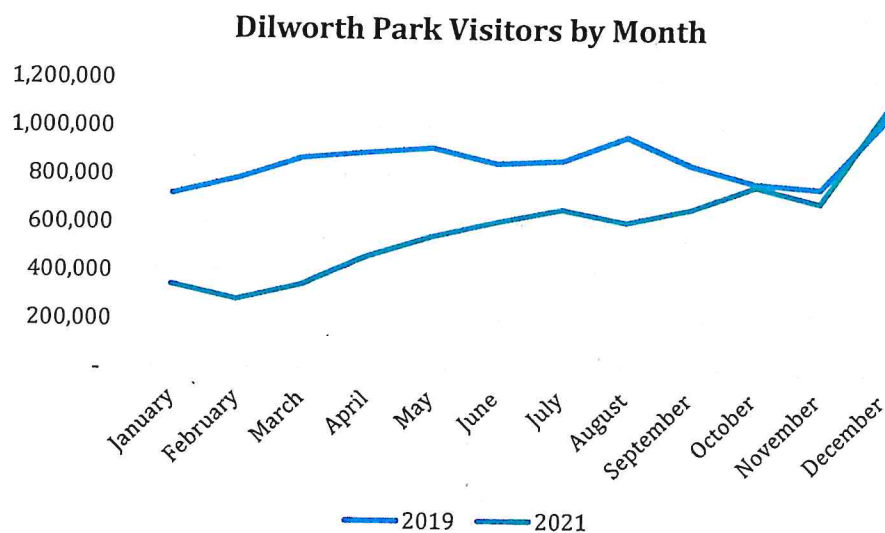
**CCD is asking you to consider covering the *capital* cost for as many sidewalk planters as you select. CCD will cover the *operating* costs for maintaining these sidewalk planters as well as those in the roadway at CCD's expense for the next five years, supported by our annual assessment. Operating costs will include seasonal plant changes, watering, litter and graffiti removal.**

To discuss this plan and respond to your questions, we would prefer to hold a group in-person meeting but depending on conditions later this month, we are also prepared to schedule a remote or hybrid meeting.

TO: Paul R. Levy  
FROM: Prema Katari Gupta  
DATE: January 28, 2022  
SUBJECT: Dilworth Park visitation statistics

### Total Visitors

Dilworth Park welcomed **7,058,126 visitors in 2021**; 18% more than 2020, but still 31% fewer than the pre-pandemic count of 10,269,944 visitors in 2019.



However, a comparison of 2021 with 2019 shows that park visitation in the last quarter of 2021 rebounded to pre-pandemic levels of activity. In fact, Dilworth Park welcomed more visitors in December 2021 than December 2019. **December 2021 was the busiest recorded month of activity for Dilworth Park**, with 1,079,458 visitors. Even as fears of the Omicron variant became pervasive, demand for a thoughtfully-managed and well-programmed park was greater than ever.

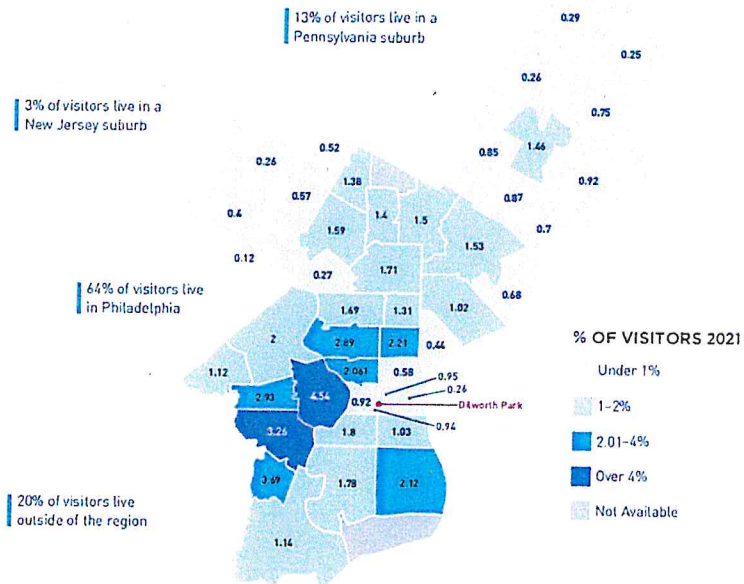
The data source for these counts is CCD's pedestrian tracking sensors.

## A Citywide Park at the Heart of the City

Dilworth Park, at the heart of the City and incomparably served by transit, attracts visitors from all over the City and throughout the region. Using Placer.AI, Center City District is able to determine the aggregated and anonymized home zip codes of visitors. As demonstrated in the map below, Dilworth Park is used by residents throughout the City, with a great many users from West Philadelphia and neighborhoods directly north and south of Greater Center City.

PERCENT OF VISITORS TO DILWORTH PARK BY HOME ZIP CODE

Dilworth Park attracted residents from neighborhoods throughout the city and across the region in the first 11 months of 2021.



# Memorandum

**Date:** January 26, 2022

**To:** Paul Levy

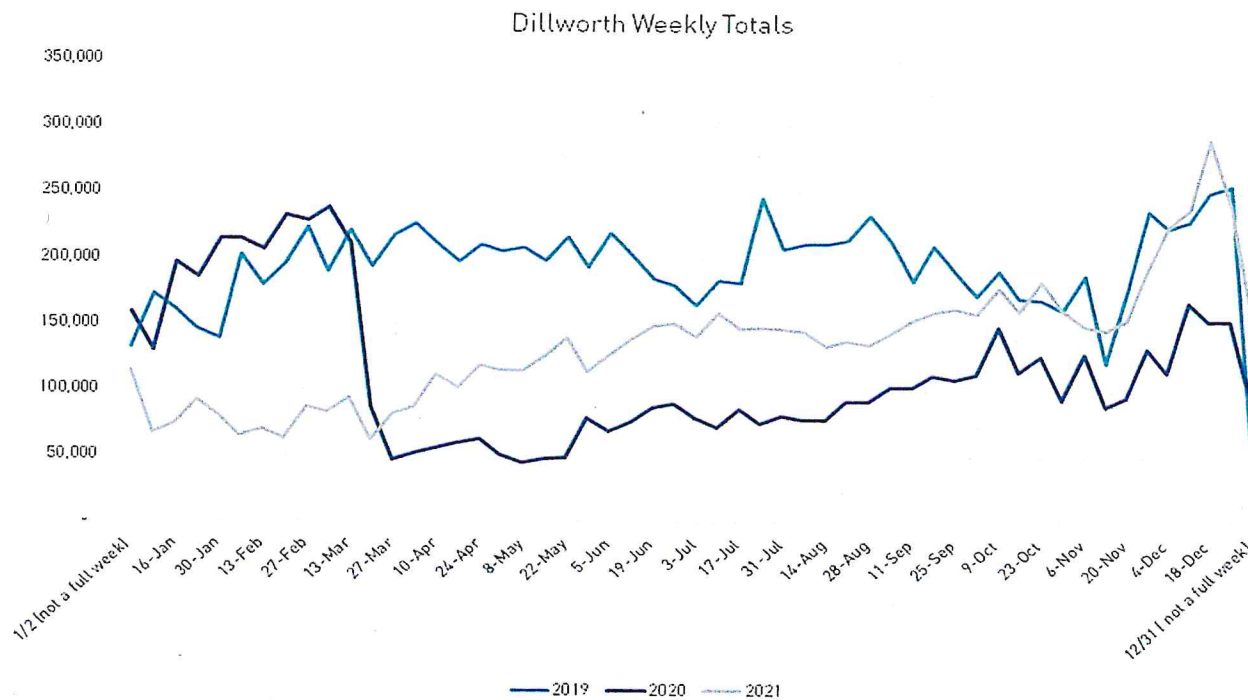
**From:** Rob Nicol

**Subject:** 2020 Cafe Update

---

The following provides detailed information related to our Cafés and other operating efforts in CCD Parks.

## Dilworth Pedestrian Traffic

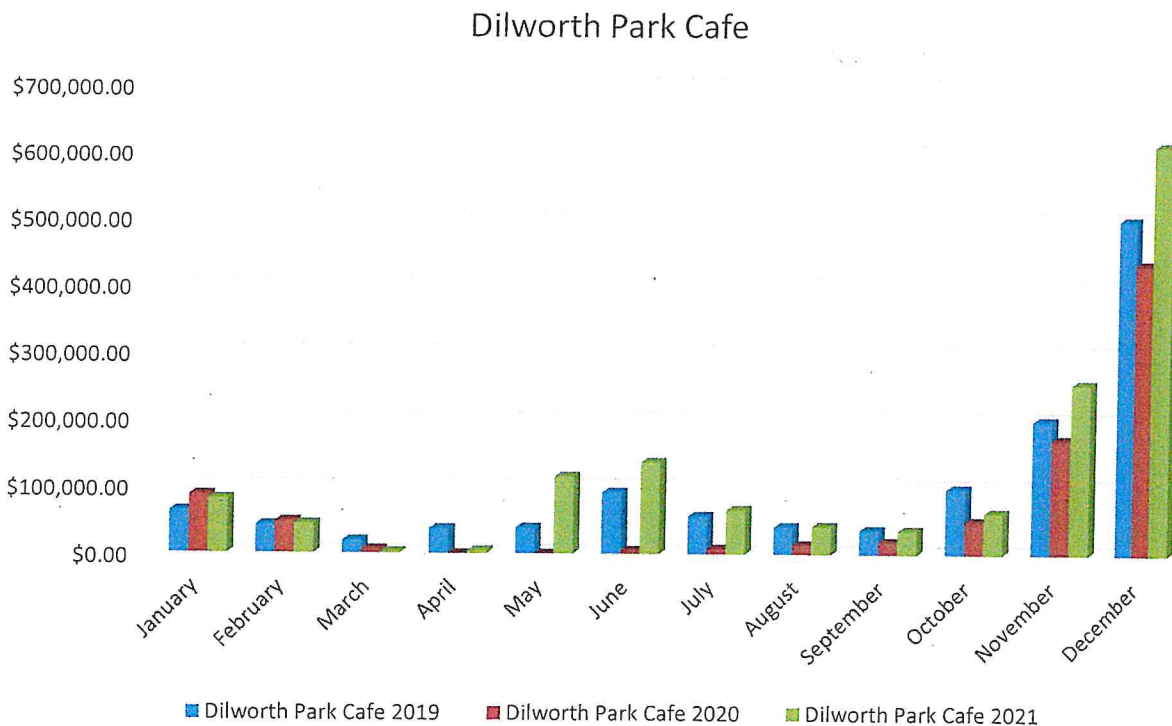


**Café Operations:**

**Dilworth Park:** The Dilworth Park Café and Air Grille operated for the full year in 2021. We completed a strong Winter season at the start of 2021 in January and February with the Cabin running strong revenue numbers. In the Spring we opened the inaugural season of the Rothman Roller Rink on April 30 and ran through July 11 which created a unique park experience and generated \$380,000 in food and beverage revenue which was up 55% for the same time in 2019.

In the fall we continued to offer family-friendly activities in the Park including Harvest Weekend in October. The event featured our food beverage partner, Brulee, with grilled food options and seasonal beverages along with lively entertainment, market tents, and a kid-friendly hay maze on the Greenfield lawn. Harvest Weekend generated \$50,000 in café sales which allowed us to achieve 10% more than the previous year’s event revenue.

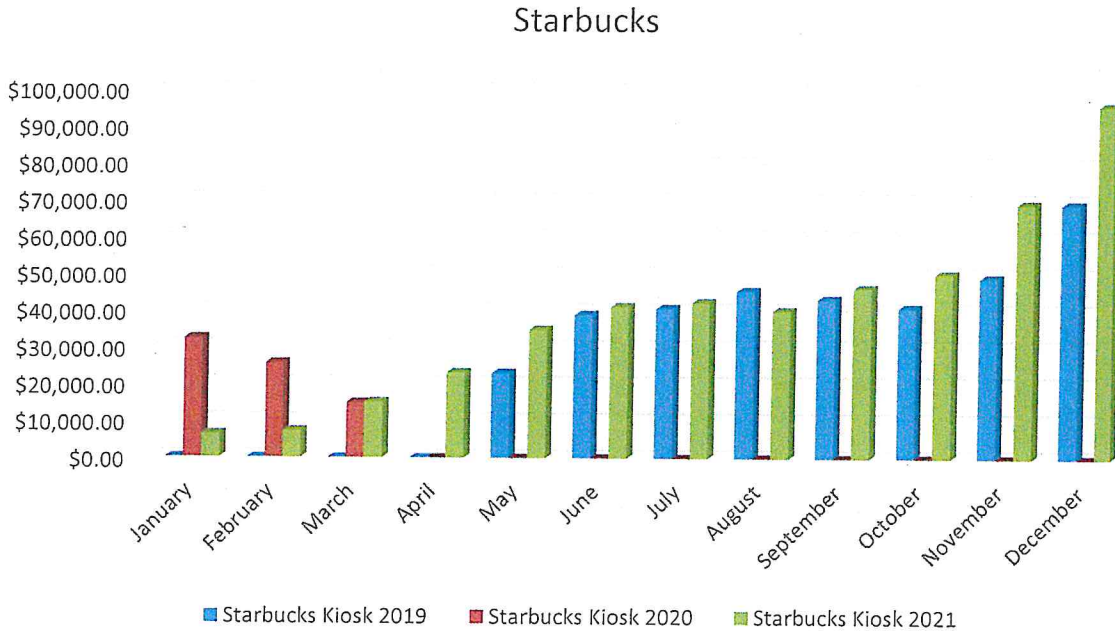
We kicked-off our 2021 Winter programming at Dilworth on November 5 with the opening of the Rothman Rink and the Cabin which went back to its original enclosed design while utilizing the Air Grille as the mobile kitchen. We reduced the seating capacity at our discretion to be sensitive to the comfort of our cabin patrons. For the first time in our 8 seasons of winter programs, Brulee eclipsed \$1 million in parks sales from the opening of the cabin through December 31.





**Starbucks:**

The Starbucks kiosk re-open in January 15, 2021 and finished the year generating \$473,000 in gross sales compared to \$351,000 in 2019. The kiosk had its strongest month in December 2021, generating \$97,000 in revenue.



**Winter @ Dilworth Park**

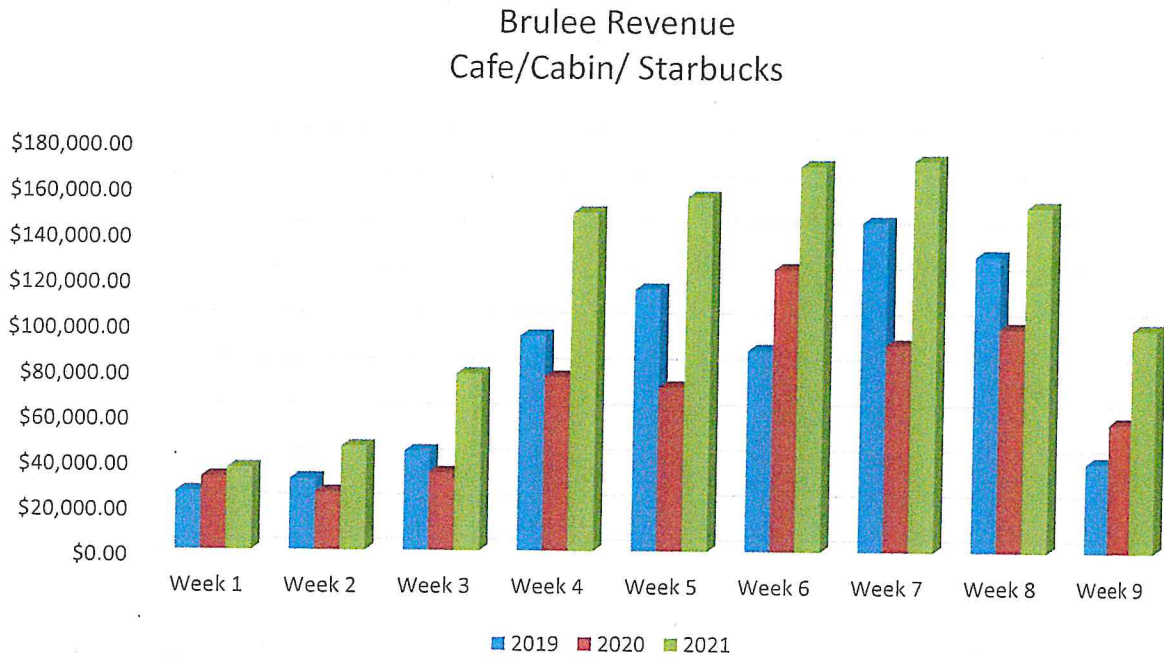
This season we reestablished our traditional operating plans in Dilworth Park for the winter with some operating protocols that we utilized in 2020 including setting a CCD agreed upon capacity on the ice rink, continued online ticketing at the rink and required staff to be masked while working. The cabin allowed for remote online ordering, reduced seating capacity and required all service staff to be masked at all times as well as requiring customers to wear masks while transacting all sales. We also added food and beverage locations at the southern end of the park to support the volume of traffic for our winter program and to allow visitors the opportunity to utilize the entire park. We again worked with Chaddsford Winery, a local winery, to provide mulled wine in the Winter Garden and at a remote location from a retro-fit horse trailer. We also partnered with our market operator for an open-air pizza kitchen and the sale of local beers.

Our food and beverage partners worked proactively to create services that supported our overall goal to generate revenue opportunities while providing a safe guest experiences.

With the winter activities such as the Rothman Rink, holiday markets, and the lightshow, the Café, Cabin and Starbucks combined to finished the 2021 Winter season (November and December) at \$1,005,71 in revenue which was up 26% compared to the same time in 2019.

Through the first 9 weeks of the winter season, Brulee's operation of the café, cabin and Starbucks generated \$1,005,701 in gross sales.

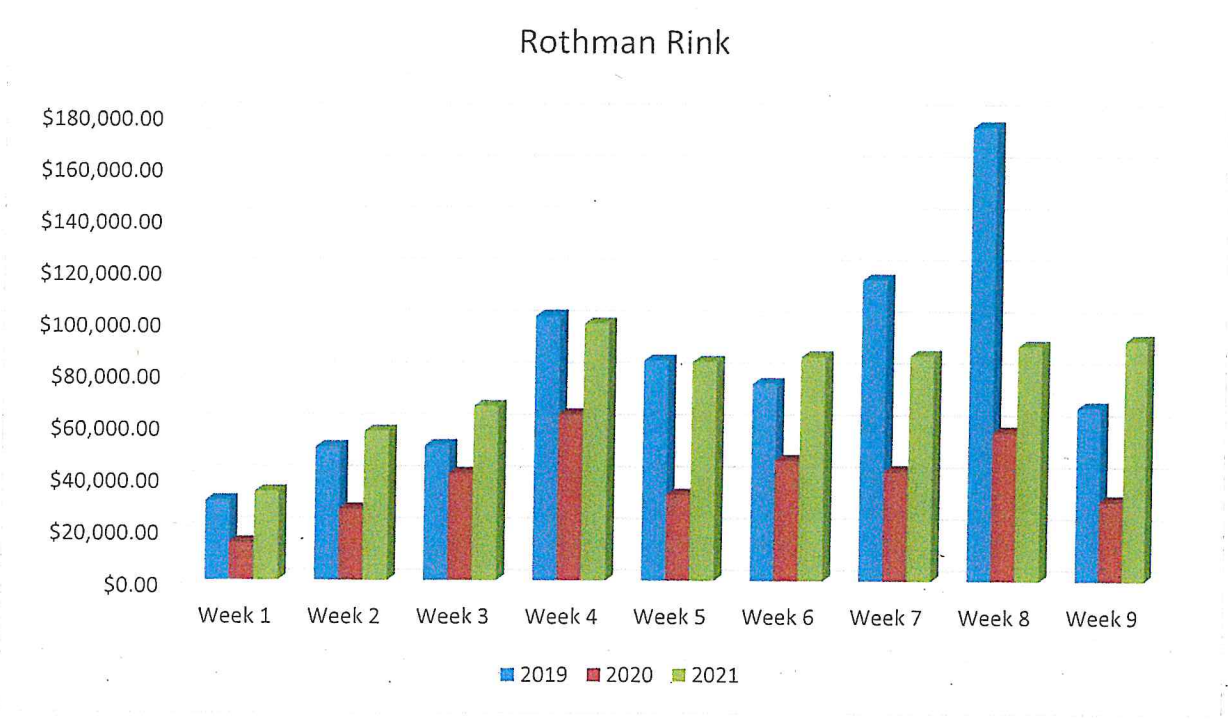
### Café and Cabin



**Rothman Rink:**

We opened the rink on November 5 for the start of our 8<sup>th</sup> rink season. In 2021 we continue on-line ticketing and 90-minute skate sessions, contactless transactions, required all rink staff to be masked at all times while transacting sales or on the ice and decided to proactively instituted a reduced rink capacity.

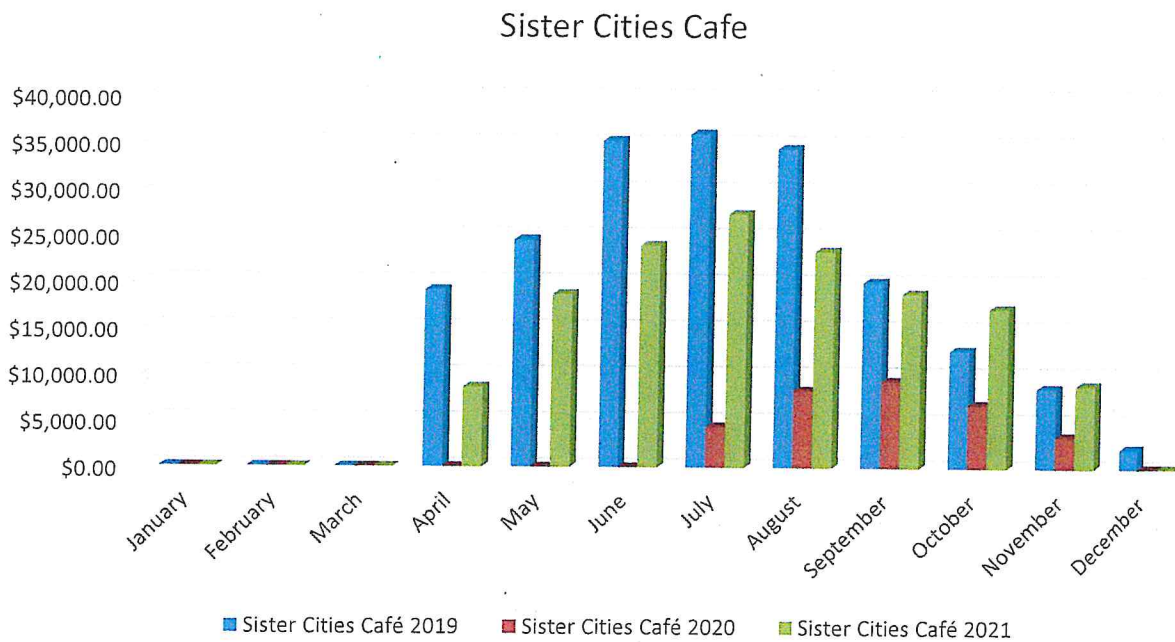
Through 9 weeks of 2021, the Rothman Rink has generated \$700,568 in revenue compared to \$757,000 in 2019. The reduced revenue is due to our decision to set an internal rink capacity to be sensitive to guest concerns and not to overcrowd the rink.



**Other Parks**

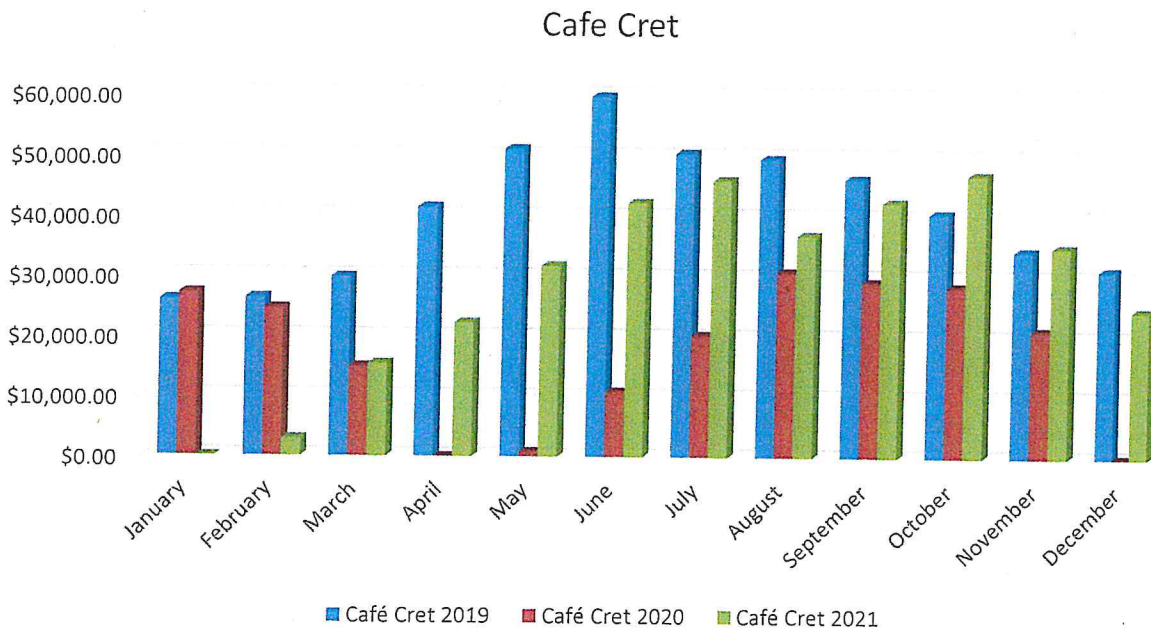
**Sister Cities Café:** The Sister Cities Café is slowly recovering financially and as expected the café generated reduced revenue compared to the 2019 year. Having the café open created signs of normalcy in the park, offered some food & beverage options for visitors as well as provided restroom facilities for families and children.

Sister Cities Café finished 2021 generating \$147,246 in revenue compared to 2019 with revenues of \$193,000.



**Café Cret:**

Café Cret is slowly increasing their revenue generation but as the café relies heavily on office workers in close proximity to the café, most of whom have not returned. CCD assisted the café operator with a Jazz Brunch series through the summer and fall which had a positive effect on revenue but also helped the vibrancy of the patio in front of the café. In previous years we have given our operator permission to be closed for December and January but this year he has remained open for business which is a positive sign. The café generated \$346,779 in revenue for 2021 compared to \$487,155 for 2019.





CENTER CITY REPORTS | JANUARY 2022

# Monitoring Philadelphia's Economic Recovery

Philadelphia ended 2021 with another month of slow but steady job gains as seasonally adjusted payroll employment increased by 3,900 in December to 692,700. Led by the addition of jobs in professional and business services, retail trade and much smaller gains in transportation, warehousing, and utilities, and in leisure and hospitality, unemployment continued to decline to 6.5%. But the number of employed residents reached only 93% of pre-pandemic levels, which means 50,000 fewer Philadelphians held jobs at the end of 2022 than at the start of 2020.

While reported cases of the omicron variant began to drop significantly in mid-January, the spike that began in mid-December 2021 and continued during the holidays noticeably slowed the economic recovery in December as transit use, parking volumes and the number of non-resident workers who were physically present in the downtown dipped modestly at year end. At the same time, the continued presence of downtown residents, returning shoppers from across the city and region and the rebounding of

tourism meant that the number of existing and new storefront businesses that were open steadily increased. The number of pedestrians in Center City between Vine and Lombard Streets, river to river, steadily rose throughout 2021, averaging 267,829 per day, reaching 62.5% of daily pre-pandemic volumes from 2019 with the largest missing segment, office workers who remained remote.

While actual occupancy of office buildings was limited, tenants continue to pay rent and rent levels remained constant. But throughout 2020 and much of 2021, the vacancy rate rose from 11% to 17.5%, offset only in the last quarter of 2021 with burgeoning new demand from life sciences and several new to market tenants.

Housing remained the major positive story throughout 2021 with continued home price appreciation, high rental occupancy levels and a surge of new projects throughout Greater Center City as developers, investors, and homebuyers continue to demonstrate confidence in downtown as a residential location.

## EMPLOYMENT

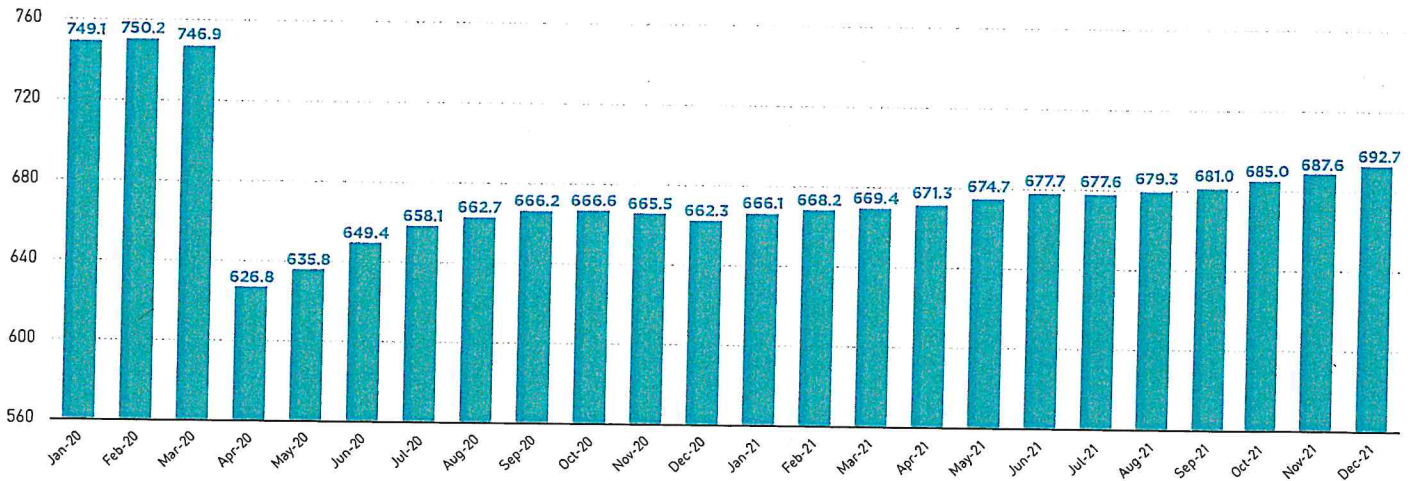
Seasonally adjusted payroll employment in Philadelphia climbed to 692,700 in December, an increase of 3,900 over the prior month, the third consecutive month in which seasonally adjusted employment increased by more than 3,000 jobs in the city. From a low point of just 626,800 in April 2020, Philadelphia has restored 65,900 jobs. Still, the recovery is incomplete: December's job total is 57,500 below that of February 2020.

Philadelphia's rebound remains slow compared to the region, other large urban counties, and the nation as whole. Through December, the city had recovered 53% of jobs lost between February and April 2020. The 11-county region has recovered 78% of its jobs, while the nation has restored 84%

A different way of measuring recovery is to calculate current employment as a percentage of the pre-pandemic level. As of December, the city's seasonally adjusted employment had reached 92.3% of February 2020 levels, while regional and national employment was at 96.2% and 97.7% and respectively.

Philadelphia's job recovery can be compared to other major urban counties using data from the Quarterly Census of Employment and Wages, though data is available only through June 2021. At that point, Philadelphia's private employment had returned to 89.8% of December 2019 levels. This was trailing not only high growth cities like Austin, Charlotte and Phoenix, but also more comparable cities in the Northeast and Midwest such as Baltimore, Detroit, Boston and Chicago. Still, Philadelphia's employment as a percent of the pre-Covid level exceeded San Francisco, New York and Washington.<sup>1</sup>

### PHILADELPHIA NON-FARM PAYROLL EMPLOYMENT, SEASONALLY ADJUSTED (IN THOUSANDS)



Source: Bureau of Labor Statistics, Current Employment Statistics

On a non-seasonally adjusted basis, Philadelphia's December 2021 job gains were led by professional and business services (+1,300), retail trade (+1,200), transportation, warehousing, and utilities (+700), and leisure and hospitality (+600). As of December, jobs in information, professional, scientific and technical services, retail trade and the federal government slightly exceeded the pre-pandemic level. Other sectors lagged significantly: employment in leisure, hospitality and restaurants in December stood at just 73% of the February 2020 level, impacted by missing conventions, trade shows and office workers.

As of November, the number of Philadelphia residents who are employed is back to 93% of the February 2020 level compared to 96% of residents in the 11-county region. This difference reflects not only the higher rates of job recovery in the suburbs, but also the fact that 41% of employed Philadelphians reverse commute to adjacent suburbs. With greater job density in the city, this disparity could be narrowed, creating more opportunity, particularly for city residents who do not own cars. Even pre-pandemic, the labor force participation rate among the city's population age 16 and older was 62%, compared to 65.6% in the 11-county region.<sup>2</sup>

1: Quarterly Census of Employment and Wages reports employment within counties. Accordingly, the data reported here reflect trends for the largest county that overlaps the city jurisdiction. For instance, Chicago is represented by Cook County, Illinois, and Boston by Suffolk County, Massachusetts so this may slightly distort the comparison with Philadelphia.

2: US Census Bureau, American Community Survey, 2019 one-year estimate.

## CITY OF PHILADELPHIA EMPLOYMENT BY INDUSTRY (IN THOUSANDS)

	FEB. 2020	APR. 2020	% CHANGE FEB. 2020- APR. 2020	NOV. 2021	DEC. 2021 (PRELIMINARY)	% CHANGE NOV. 2021- DEC. 2021	% CHANGE FEB. 2020- DEC. 2021	DEC. 2021 AS A % OF FEB. 2020
<b>All Industries</b>	<b>750.2</b>	<b>626.8</b>	<b>-16.4%</b>	<b>688.8</b>	<b>692.7</b>	<b>0.6%</b>	<b>-7.7%</b>	<b>92.3%</b>
Mining, Logging and Construction	11.4	6.8	-40.4%	10.9	10.6	-2.8%	-7.0%	93.0%
Manufacturing	18.9	14.4	-23.8%	17.6	17.6	0.0%	-6.9%	93.1%
Wholesale Trade	14.5	12.4	-14.5%	13.7	13.8	0.7%	-4.8%	95.2%
Retail Trade	48.4	36.2	-25.2%	47.4	48.6	2.5%	0.4%	100.4%
Transportation, Warehousing and Utilities	30.4	25.5	-16.1%	28.1	28.8	2.5%	-5.3%	94.7%
Information	16.2	15.0	-7.4%	16.5	16.5	0.0%	1.9%	101.9%
Financial Activities	43.0	41.2	-4.2%	40.3	40.5	0.5%	-5.8%	94.2%
Professional and Business Services	106.4	94.2	-11.5%	100.4	101.7	1.3%	-4.4%	95.6%
Professional, Scientific and Technical Services	61.7	58.6	-5.0%	61.3	62.6	2.1%	1.5%	101.5%
Educational Services	78.1	72.5	-7.2%	72.6	70.3	-3.2%	-10.0%	90.0%
Health Care and Social Assistance	172.5	159.1	-7.8%	165.4	164.8	-0.4%	-4.5%	95.5%
Hospitals	58.7	57.4	-2.2%	57.0	57.1	0.2%	-2.7%	97.3%
Leisure and Hospitality	74.5	29.2	-60.8%	53.7	54.3	1.1%	-27.1%	72.9%
Accommodation and Food Services	61.9	21.1	-65.9%	44.4	44.2	-0.5%	-28.6%	71.4%
Other Services	29.0	19.2	-33.8%	24.7	24.8	0.4%	-14.5%	85.5%
Government	107.1	105.6	-1.4%	107.3	107.3	0.0%	0.2%	100.2%
Federal Government	31.0	31.1	0.3%	31.7	31.7	0.0%	2.3%	102.3%
State Government	10.9	10.6	-2.8%	10.5	10.5	0.0%	-3.7%	96.3%
Local Government	65.2	63.9	-2.0%	65.1	65.1	0.0%	-0.2%	99.8%

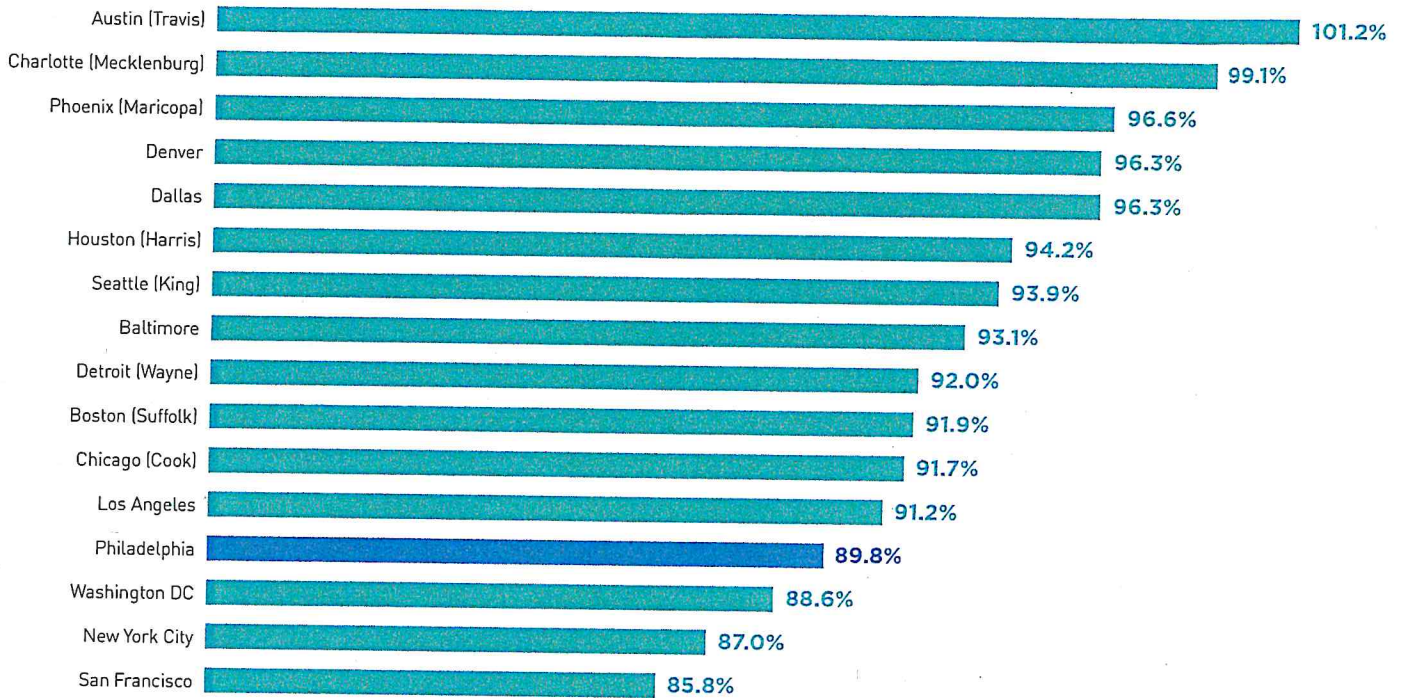
Note: Total employment is seasonally adjusted, industry employment is not seasonally adjusted.

Source: Bureau of Labor Statistics, Current Employment Statistics

Job recovery varies significantly by sector, with the greatest percentage of lost jobs still in leisure, hospitality and food services.



PRIVATE EMPLOYMENT IN JUNE 2021 AS A PERCENT OF DECEMBER 2019, MAJOR URBAN COUNTIES



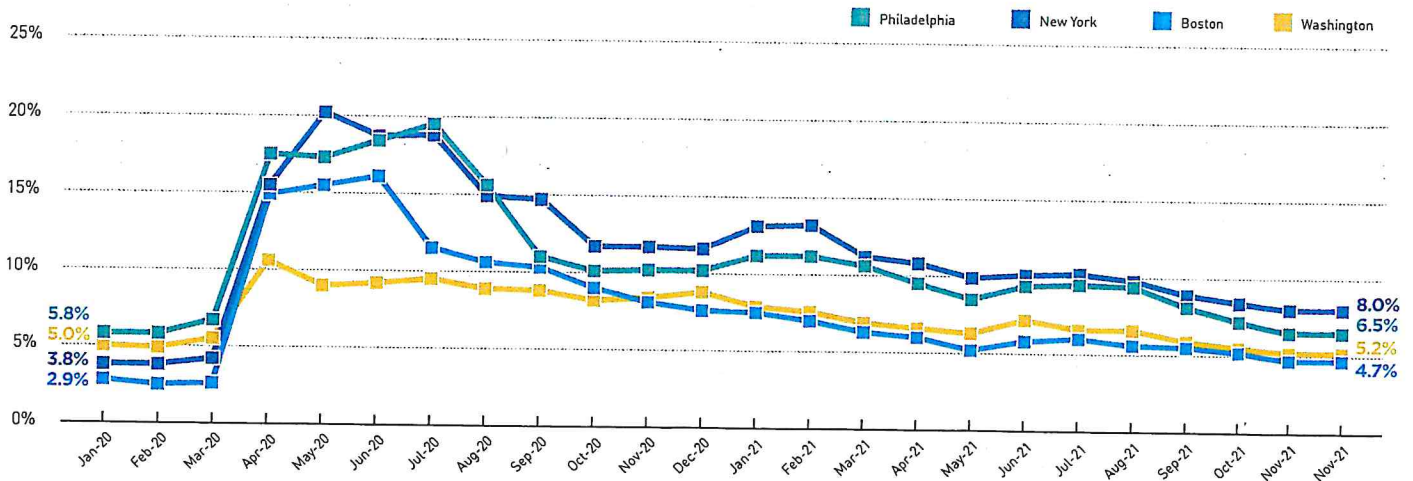
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

UNEMPLOYMENT RATE

The unemployment rate in Philadelphia declined to 6.5% in November, as the number of employed residents increased by 400, and unemployed residents declined by 5,600. The total labor force declined by 5,200 during November, and has declined by 48,100 since the start of the pandemic, indicating that many who lost jobs in spring 2020 are neither employed nor actively seeking work.

Philadelphia's 6.5% unemployment rate in November was below New York's 8% rate, but higher than in Boston (4.7%) and Washington (5.2%).

UNEMPLOYMENT RATE, NORTHEAST CITIES

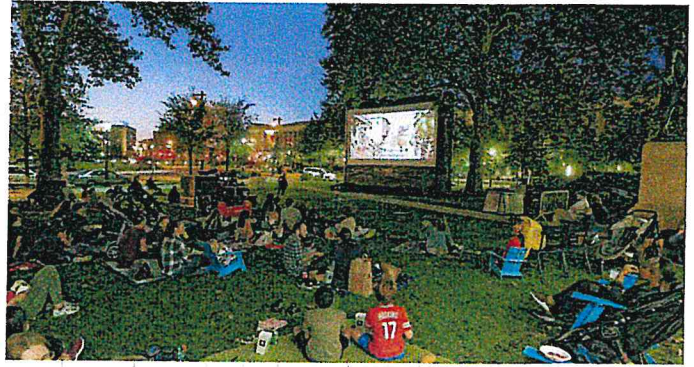


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, not seasonally adjusted

## OFFICES

The overall vacancy rate in the Center City office market, which had risen from 13% in 2018 to 18.5% in the third quarter of 2021, declined slightly in the fourth quarter to 18.3%.<sup>3</sup> This was the result of the 92,700 square feet of newly-occupied space within the market in Q4, due to leases with several new tenants, bringing total net absorption for 2021 to negative 887,400 square feet. Another factor was the recent announcement by Lubert Adler of conversion of office space at The Bellevue from office to residential. The quarter also saw some major renewals of existing leases.

The average asking rent in the fourth quarter declined slightly to \$34.15. Rents have held steady since the start of the pandemic, despite the increase in vacancy rates and the expansion of available sublease space. Landlords have been reluctant to lower rents but have compensated with concessions such as higher tenant improvement allowances.<sup>4</sup> Rents have also been supported by a "flight to quality" as tenants relocating within the downtown market have sought space within Trophy or Class A properties.<sup>5</sup>



### PHILLY WORKS FOR HOME & OFFICE

With our better commute times, your trip home won't get in the way of the life you live.



Given its affordability, amenities and ease of access, Philadelphia can attract workers and firms from other cities. To support this, CCD has launched a multimedia advertising campaign, linked to the website [www.Phillyworks.com](http://www.Phillyworks.com).



### CENTER CITY OFFICE MARKET TRENDS, 2021

SUBMARKET	TOTAL INVENTORY (SF)	Q1 ASKING RENT (PRICE/SF)	Q2 ASKING RENT (PRICE/SF)	Q3 ASKING RENT (PRICE/SF)	Q4 ASKING RENT (PRICE/SF)	Q1 VACANCY RATE	Q2 VACANCY RATE	Q3 VACANCY RATE	Q4 VACANCY RATE	Q4 ABSORPTION (SF)	YEAR-TO-DATE ABSORPTION (SF)
East Market	6,331,084	\$32.89	\$32.66	\$32.20	\$32.15	15.7%	15.7%	18.9%	18.9%	-22,773	1,683
Independence Square	5,380,384	\$31.96	\$31.72	\$31.59	\$31.30	16.8%	18.8%	20.1%	17.9%	117,992	-46,672
Walnut/South Broad	3,977,064	\$30.99	\$30.49	\$30.53	\$30.70	21.6%	22.1%	21.1%	20.8%	13,145	-58,752
West Market	24,796,953	\$35.93	\$36.03	\$35.97	\$35.83	15.3%	17.3%	17.7%	17.8%	-15,648	-783,653
<b>Center City</b>	<b>40,485,485</b>	<b>\$34.44</b>	<b>\$34.39</b>	<b>\$34.26</b>	<b>\$34.15</b>	<b>16.2%</b>	<b>17.7%</b>	<b>18.5%</b>	<b>18.3%</b>	<b>92,716</b>	<b>-887,394</b>

Source: Newmark Philadelphia Office Market reports

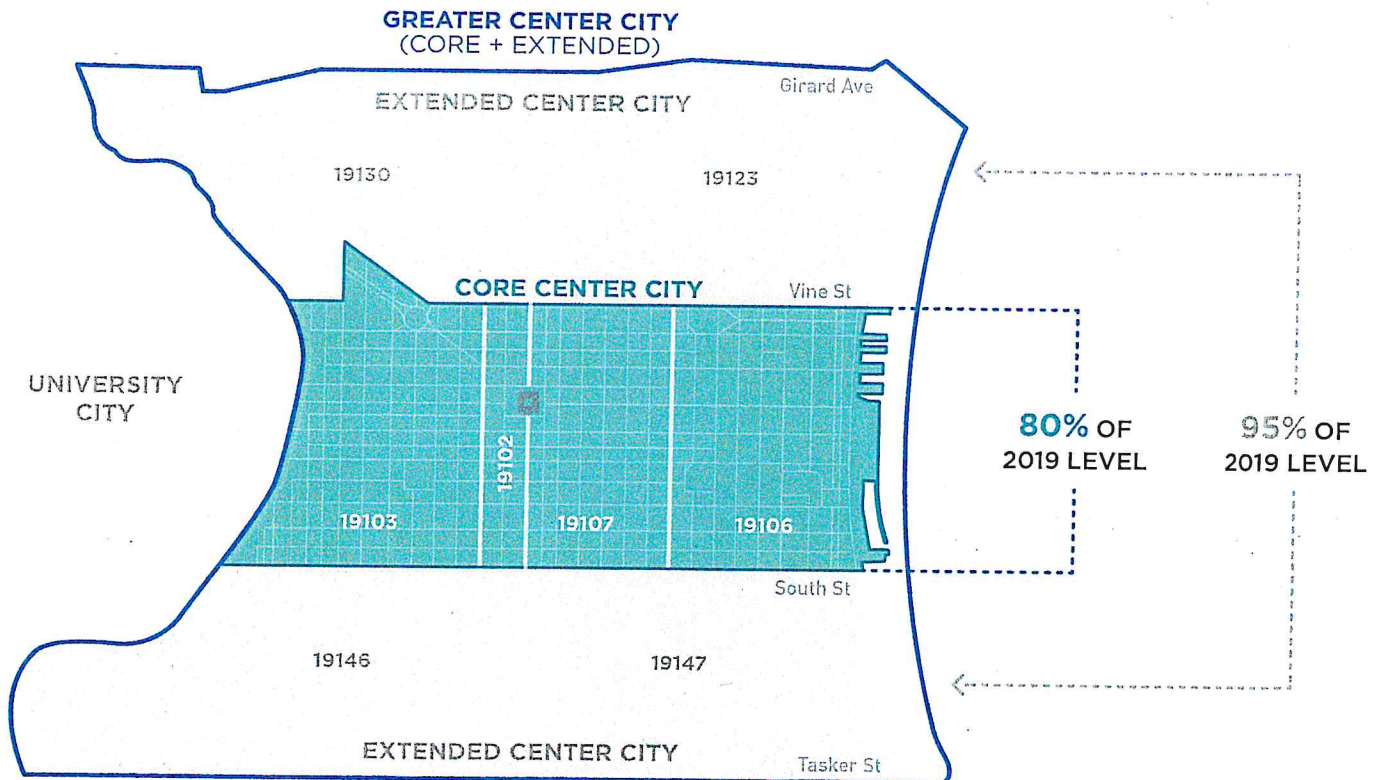
3: CCD estimate based on data from Newmark.  
 4: Newmark, Philadelphia Office Market, Q3 2021.  
 5: JLL, Philadelphia CBD Office Insight, Q3 2021.

## RETAIL AND RESTAURANTS

Since the start of the pandemic, CCD has repeatedly surveyed the nearly 2,000 storefronts within the District to assess the extent to which businesses were open and the overall level of vacancy. In June 2020, three months after the start of the pandemic, 34% of all storefront businesses were temporarily closed, but this number declined rapidly thereafter, reaching 12% by January 2021 and just 2.8% in December 2021. The proportion of businesses that were fully or partially open – including restaurants providing only takeout or delivery services, and retailers only open for curbside pickup – jumped from 54% in mid-2020 to 70% in October 2020 and has steadily climbed to nearly 80% as of December. But at the same time vacant storefronts increased from 11% prior to the pandemic to 18% by January 2021, and since that time has declined slightly to 17.5%.

Between June 2020 and December 2021, 195 ground-floor businesses within the CCD closed, including 95 restaurants and other food service providers, 68 retailers and 37 service businesses. One third of these closures were national chains and most occurred in 2020. Offsetting these closures were 125 new street level businesses that opened within the District, including 65 restaurants, 38 retailers, and 22 service providers. National chains represented 40% of these new downtown businesses and 82 of the 125 openings occurred in 2021. As the economy recovers, additional openings in Center City are expected, with 29 new businesses having announced an opening in 2022.

### SALES TAX COLLECTIONS: BARS, RESTAURANTS & FOOD SERVICE ESTABLISHMENTS, Q3 2021



Source: Pennsylvania Department of Revenue

One positive legacy of the pandemic for Center City is the increased availability of outdoor dining options. There were 4,564 outdoor seats at Center City District restaurants in December, located on the sidewalk or in streeteries. This number, while down from September 2021, is increased substantially from the level prior to 2020.

Sales tax collections, which are available at the ZIP code level for some sectors, provide insight into the pace of economic recovery in the retail and food services sector in Center City. Collections by Greater Center City retailers in the third quarter totaled \$1.5

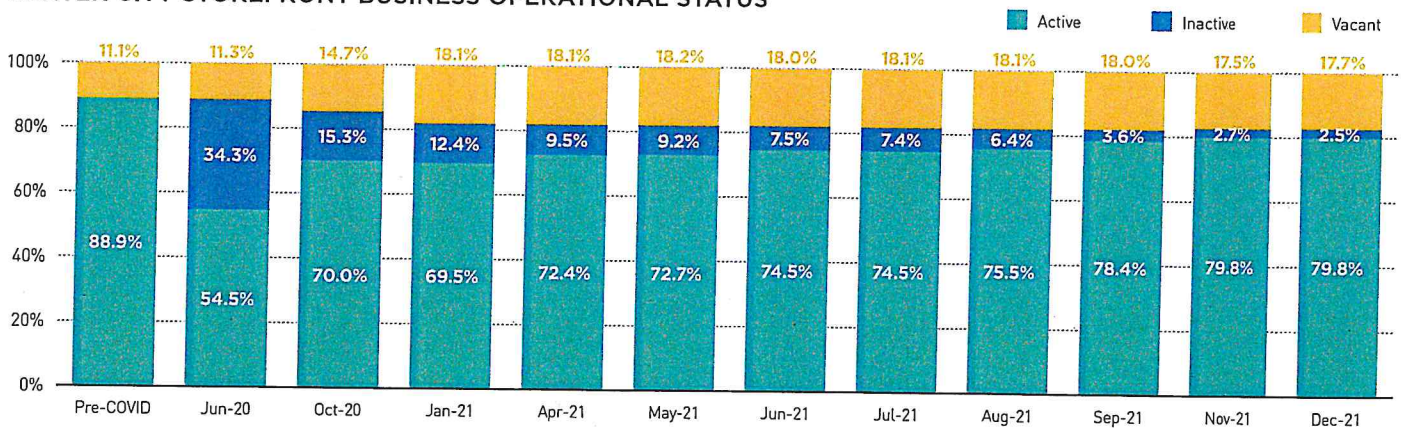
million, 18% higher than in 2020 and 8% higher than 2019.<sup>6</sup> Sales tax collections at bars, restaurants, and other food service establishments, however, have been slower to recover, with third quarter collections of \$2.6 million, 64% higher than in 2020, but still 15% below the third quarter of 2019. Bars and restaurant collections within core Center City in the third quarter were down 20%, while collections in the surrounding four ZIP codes of extended Center City were down only 5%.

### OUTDOOR SEATING AT CENTER CITY DISTRICT RESTAURANTS

OUTDOOR SEATING TYPE	JUN-20*	SEP-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUL-21	SEP-21	DEC-21
Sidewalk Cafe	N/A	2,628	2,355	1,549	1,541	1,876	2,284	2,823	3,370	3,566	2,017
Sidewalk Cafe and Streeteries	N/A	2,414	2,148	1,961	1,938	2,191	2,531	2,869	2,547	2,499	1,974
Streeteries Only	N/A	110	196	206	174	339	498	570	634	632	573
<b>TOTAL</b>	<b>2,997</b>	<b>5,152</b>	<b>4,699</b>	<b>3,716</b>	<b>3,653</b>	<b>4,406</b>	<b>5,313</b>	<b>6,262</b>	<b>6,551</b>	<b>6,697</b>	<b>4,564</b>

\* CCD did not record seating type during first survey.

### CENTER CITY STOREFRONT BUSINESS OPERATIONAL STATUS



\*Inactive represents temporarily closed businesses.

<sup>6</sup>: Revenues from some retail sectors were not included due to incomplete data. The amounts cited include revenues from the following sectors: furniture stores, electronics and appliance stores, building material and supplies dealers, grocery stores, specialty food stores, health and personal care stores, clothing stores, jewelry, luggage, and leather goods stores, sporting goods, hobby, and musical instrument stores, general merchandise stores other than department stores, florists, office supplies, stationery, and gift stores, and other miscellaneous store retailers.

## HOTELS

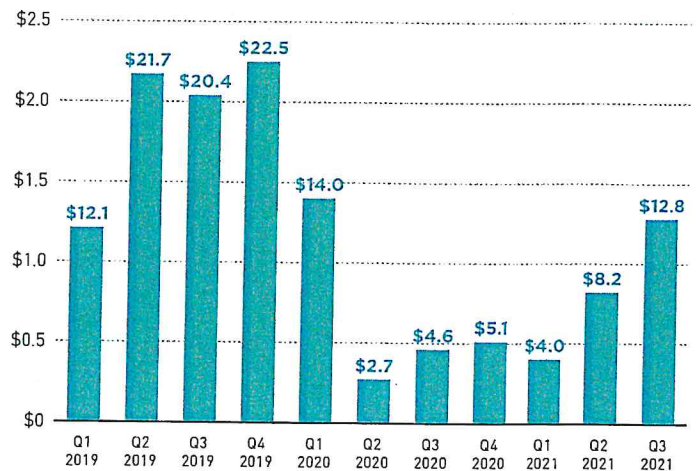
Hotel tax revenue is a useful indicator of the health of the overall hotel industry. Quarterly collections in the third quarter of 2021 were \$12.8 million, a substantial increase from the \$2.7 million in the second quarter of 2020. Combined collections in October and November 2021 were \$10.2 million, as tourism rebounded and conventions and trade shows began to return to the Pennsylvania Convention Center.

## HOUSING

The Philadelphia housing market continues to show remarkable strength, with strong sales volumes and increasing prices compared to last year, although both prices and sales volumes have moderated in recent months. According to MLS, there were 21,306 residential units sold in Philadelphia in 2021, an increase of 16% from 2020. At the same time there were more transactions, the median price of residential housing increased in every month compared to the same month in the previous year. In December, the median sale price was \$260,000, an increase of 6% compared to December 2020.

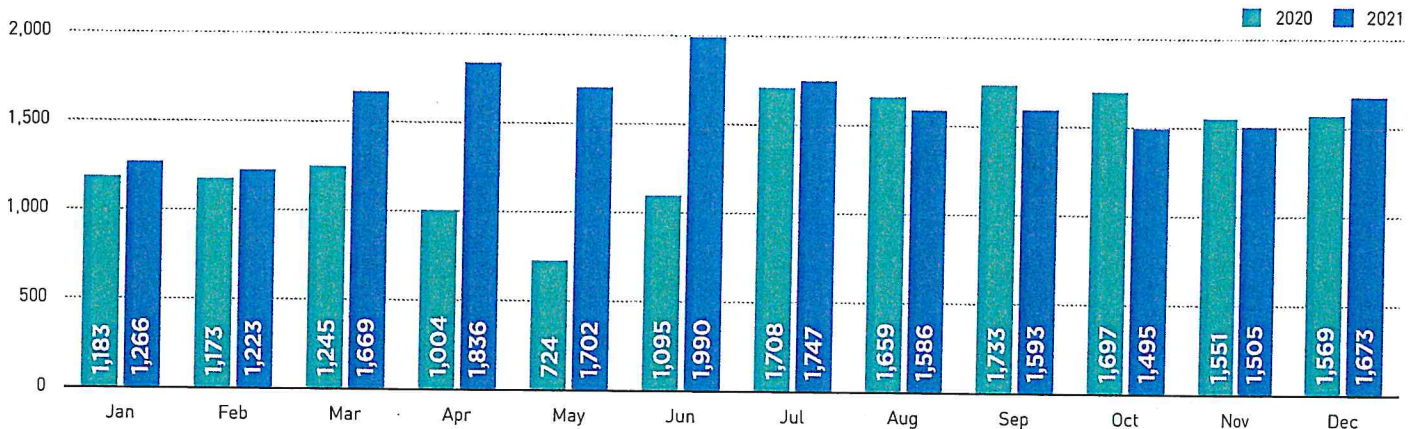
CCD/CPDC's comprehensive housing report for 2022 will be released in February.

HOTEL TAX REVENUE (\$ IN MILLIONS)



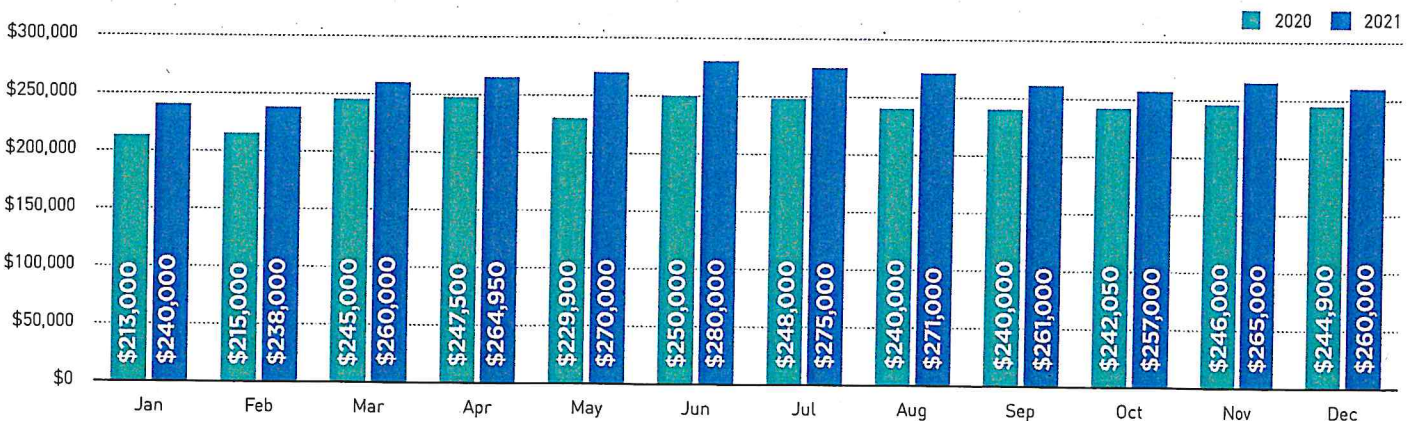
Source: City of Philadelphia Department of Revenue

## PHILADELPHIA RESIDENTIAL SALES



Source: MLS

## PHILADELPHIA MEDIAN RESIDENTIAL SALE PRICE



Source: MLS

## PUBLIC TRANSIT

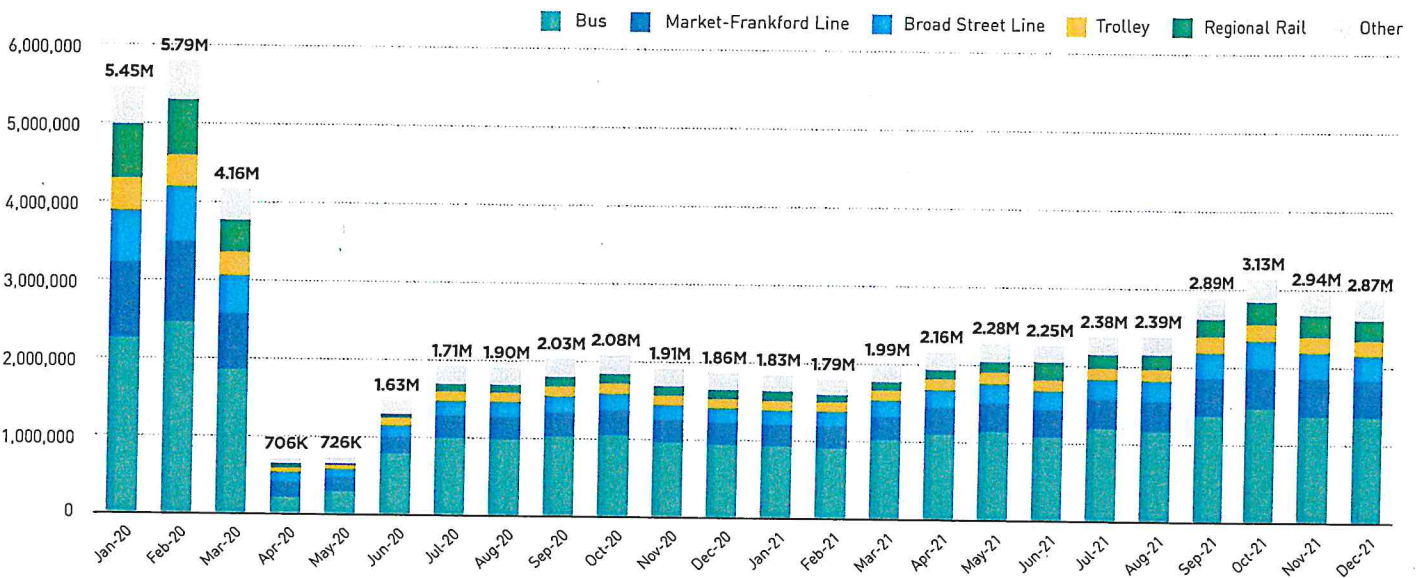
After increasing consistently through the spring, summer and early fall of last year, SEPTA ridership declined in November and December, with average weekly ridership in December at 2.87 million, an 8% decline from the October level, reflecting both the impact of the Omicron variant and the return of holiday vacations.

The largest decline in ridership between October and December was on trolleys (10%), followed by Regional Rail, Broad Street Line, and Market-Frankford Line (9%), and City Transit division buses (7%).

SEPTA weekly ridership overall in December was at 50% of the February 2020 pre-pandemic level. Bus ridership was at 55% of the pre-pandemic level, trolleys at 48%, the Market-Frankford Line and Broad Street Line at 46%, and Regional Rail at 38%.

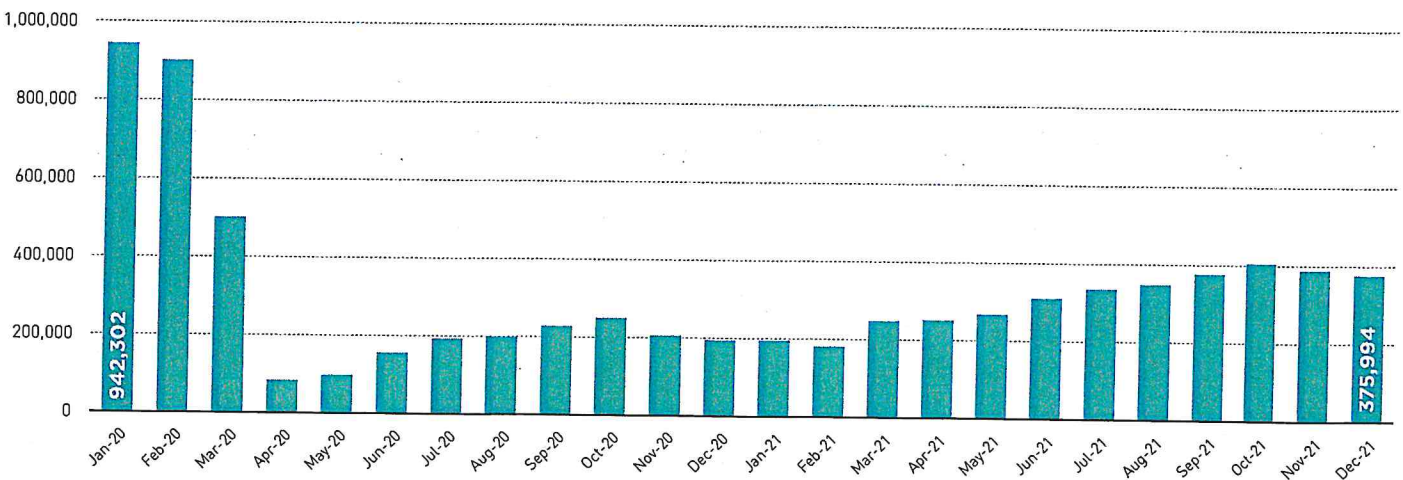
PATCO ridership also declined at year end. December ridership totaled 376,000, a decline of 7% from October. Total ridership in December was 42% of the February 2020 pre-pandemic level.

SEPTA AVERAGE WEEKLY RIDERSHIP, 2020-2021



Source: SEPTA

MONTHLY PATCO RIDERSHIP

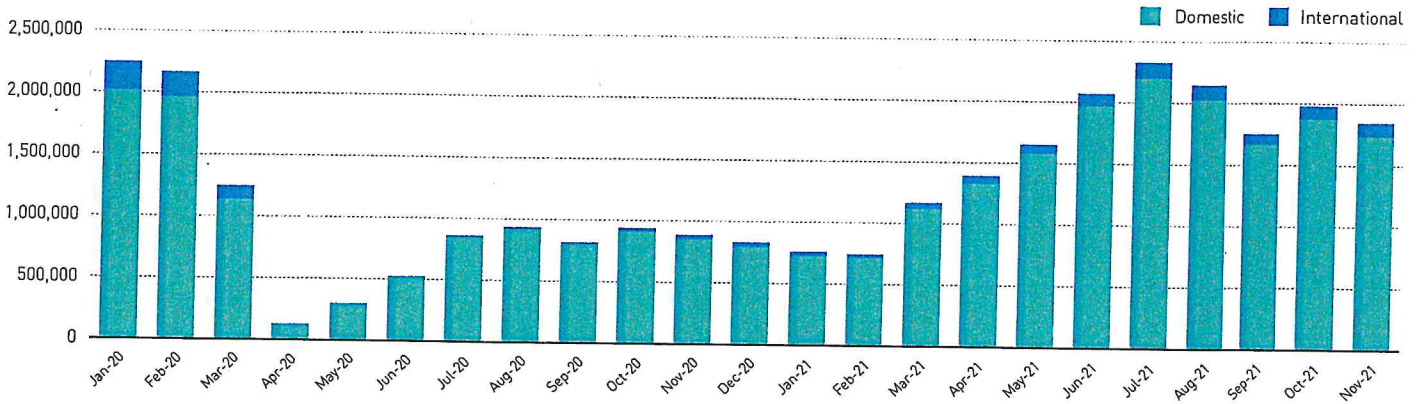


Source: PATCO

## AIR TRAVEL

Passengers at Philadelphia International Airport declined 7% between October and November. In November, domestic traffic was at 89%, and international traffic at 54%, of the February 2020 level.

### PHILADELPHIA INTERNATIONAL AIRPORT PASSENGERS



Source: Philadelphia International Airport, Aviation Activity Report

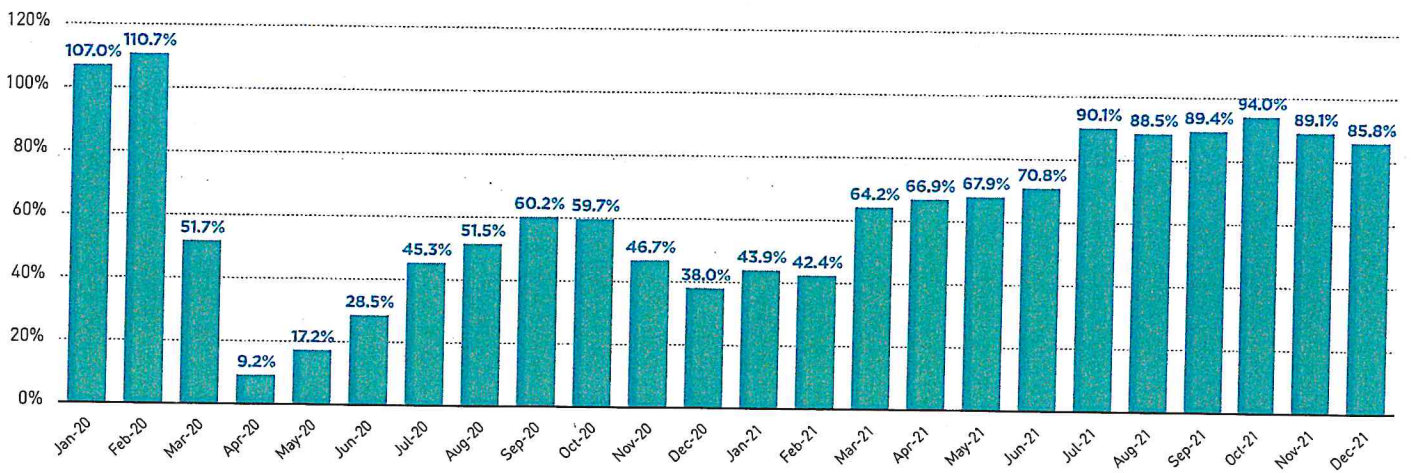
## OFF-STREET PARKING

Parkway Corporation reports that across their multiple off-street garages, parking volumes have increased gradually throughout 2021. December volume reached 86% of the 2019 level.

The strong recovery in parking volumes have reflected a return of sports and convention events. There is also evidence of increased

demand from former transit riders who have shifted to driving to work during the pandemic. Demand has also increased due to a loss of on-street parking spaces due to outdoor dining at "streeteries" and reduced off-street parking supply, as some garages have been demolished to make way for new downtown development.

### DAILY PARKING CUSTOMERS AS PERCENTAGE OF 2019 LEVEL



Source: Parkway Corporation

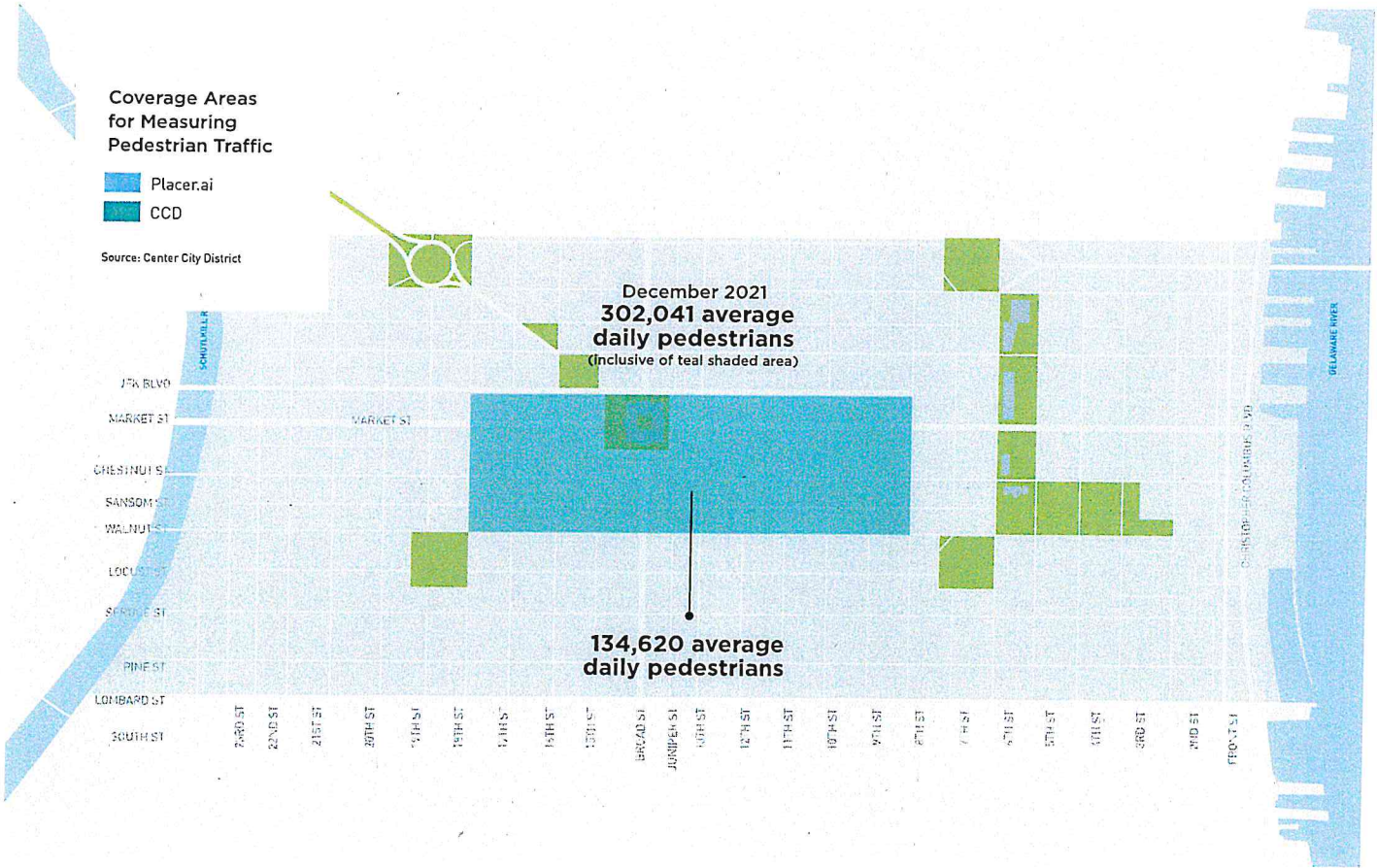
# CENTER CITY PEDESTRIANS

CCD monitors pedestrian volumes at 20 locations throughout the dense core of Center City, an area that represents just 12.4% of the geography from Vine Street to Lombard Street, river to river, but which accounts for about 40% of all pedestrian traffic. In December, average daily pedestrians at these locations was 142,600 on weekdays (an 8% increase from the prior month) and 135,600 on weekends (a 5% decline). Both weekday and weekend volumes have generally increased throughout 2021, an indication of the gradual return of workers, shoppers, and visitors to downtown.

From anonymized mobile phone data, Placer.ai sorts the daily population of Center City into three categories: residents, non-resident workers, and visitors (a category that includes tourists, convention attendees and regional shoppers and visitors). In the initial months of the pandemic, the number of non-resident workers and visitors fell dramatically, but there has since been a gradual

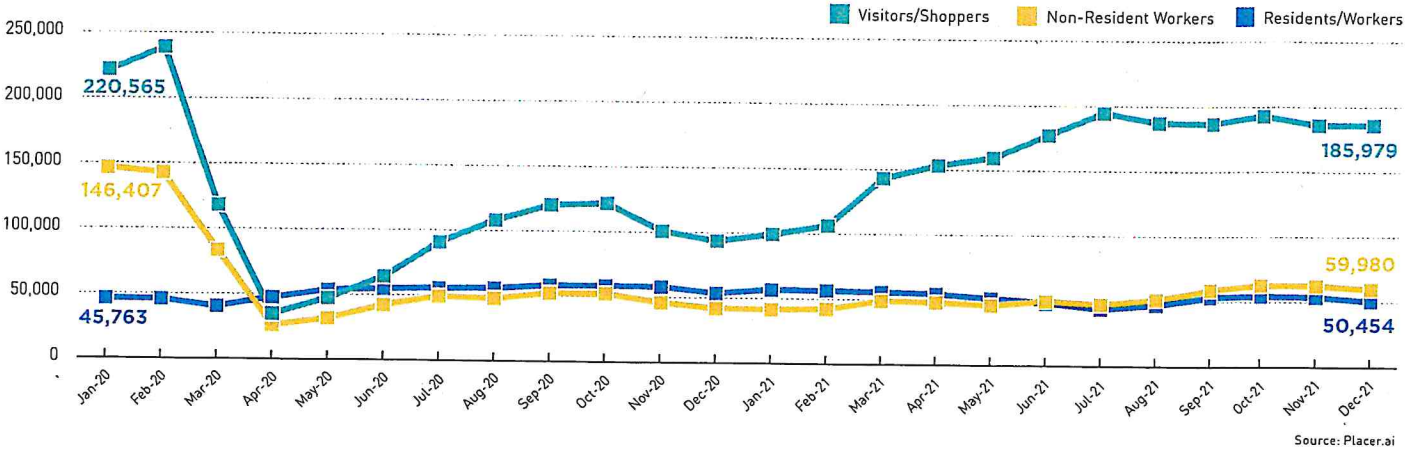
recovery in both categories. The non-resident worker category increased 51% between January and November 2021, an indicator of a steady, though partial return to in-office work by suburbanites and Philadelphia residents who reside outside Center City. This number declined 4% in December, reflecting the impact of the holidays and the omicron variant. The number of non-resident visitors (other than workers) to Center City increased 88% from January to December 2021, a combination of increased tourism, shoppers and visitors to arts and cultural events. Throughout the pandemic, the number of residents physically located within Center City remained fairly consistent within the 40,000 to 60,000 range. But the basic measure of recovery remains a comparison between 2019 and 2021: the average daily number of pedestrians in Center City in 2019 between Vine and Lombard streets, river to river, was 428,634. In 2021 it was 267,829, 62.5% of pre-pandemic volumes.

Pedestrian volumes are steadily rebounding and are now at 62.5% of January 2020 levels.

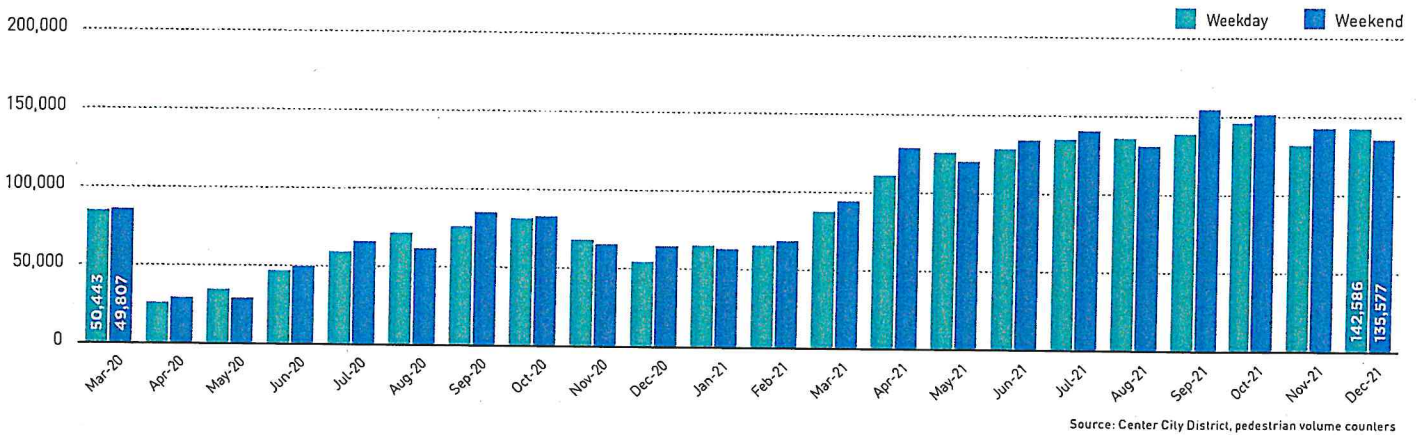




### CENTER CITY PEDESTRIANS: RESIDENTS, NON-RESIDENT WORKERS, AND VISTORS (AVERAGE DAILY)



### AVERAGE DAILY PEDESTRIANS AT LOCATIONS MONITORED BY CCD

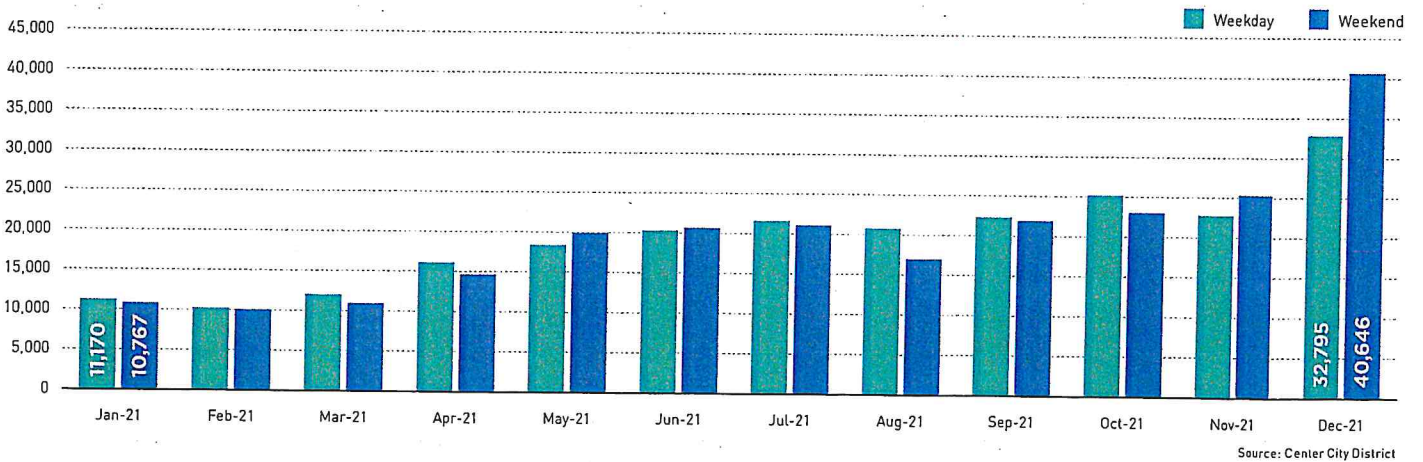


### DILWORTH PARK

Center City District has continued to program Dilworth Park with performing arts groups, exercise classes, craft markets and events for families with children. In December, the average daily number of visitors to Dilworth increased significantly to 32,800 on weekdays and 40,600 on weekends. This increase is attributed to various holiday activities, including Deck the Hall light show, ice rink, winter garden, and holiday markets. Average daily visitor counts in

December (including both weekdays and weekends) was 34,300, higher even than the pre-pandemic total of 33,600 from December 2019. Overall, Dilworth Park attracted 10,269,944 visitors from across the city and region in 2019, 5,999,843 in 2020 and 7,058,126 in 2021, 68.7% of pre-pandemic levels. More people visited Dilworth Park in December 2021 than in any month during the last three years.

### AVERAGE DAILY PEDESTRIANS IN DILWORTH PARK



TO: Paul R. Levy  
FROM: Amy Genda  
DATE: January 27, 2022  
SUBJECT: Business Attraction Campaign

**Business Attraction:** Using resources committed from reserves by Central Philadelphia Development Corporation in January 2021, CCD competitively selected the Center City advertising agency Aloysius Butler & Clark (AB&C), to develop a business and employee attraction effort, *Philly Works*, aimed at the New York City metropolitan area, focused on informing companies and individuals about everything downtown Philadelphia has to offer both as a place of business and a place to live.

The *Philly Works* campaign is aimed at directing prospective office tenants to a website with the latest demographic data and a wealth of connections for out-of-town businesses with office brokers, property owners and developers, as well as a list of resources for financing and incentives available to companies looking to move, expand or grow jobs in Philadelphia. Visit [phillyworks.com](http://phillyworks.com).

In 2022, we are expanding the Philly Works campaign with an additional \$250,000 in advertising dollars committed in the CCD budget. Plans include updated photography, expanded print ads, digital transit ads and paid advertising on multiple social media platforms.

We have also been able to expand the campaign with contributions from Brandywine Realty Trust and Nightingale Properties, who have sponsored the expansion of the campaign on Acela trains going from Washington D.C. to New York from January through March.



**PHILLY WORKS  
FOR  
HUSTLE & FLOW**

With the fastest-growing share of millennials among the 10 largest cities, we've got the talent to grow your team and the spaces to keep them satisfied.



Learn how Philly Works helped us grow our business at [PHILLYWORKS.COM](http://PHILLYWORKS.COM)

**PHILLY WORKS  
FOR  
HOME & OFFICE**

With our better commute times, your trip home won't get in the way of the life you live.



Learn how Philly Works helped us grow our business at [PHILLYWORKS.COM](http://PHILLYWORKS.COM)



**Center City District  
2023-2027 Reauthorization Timeline**

<b>Date</b>	<b>Activity</b>	<b>Responsibility</b>
<b>February 1–28, 2022</b>	Review marketplace trends; new construction Data Analysis, Budget Template Construction	Tony, Curts, Departments as Requested
<b>March 15, 2022</b>	OPA Assessment Data Received	Tony/Curts
<b>March 1 – 31, 2022</b>	Plan and Budget Development, Including Budget Meetings Expense Gathering, Draft Plan and Budget Documents	Tony, JoAnn, Paul, Amy, Departments as Requested
<b>April 1–15, 2022</b>	Draft Plan to Paul – Sensitivity Analyses	Paul, Tony – Departmental Meetings
<b>April 1 – 30, 2022</b>	<ul style="list-style-type: none"> <li>• Development of Estimated Billing Notifications</li> <li>• Development of Plan &amp; Budget Document</li> </ul>	<ul style="list-style-type: none"> <li>• Paul, Tony, Curts</li> <li>• Paul, JoAnn, Amy, Tony</li> </ul>
<b>April 22, 2022</b>	Recommended P&B Finalized	Tony, Paul, Departments
<b>April 26, 2022</b>	Board Package Mailing	Tony, Paul, Philis
<b>April 15 – 30, 2022</b>	Develop Business Mailing List	Paul, Tony, Brenda Lauren
<b>May 3, 2022</b>	BOD Meeting – Presentation of Recommended P&B	Tony, Paul, VPs as Necessary
<b>May 3 – 15, 2022</b>	Finalize Lay Out and Publish P&B	Paul, JoAnn, Amy, Tony
<b>May 3 –15, 2022</b>	Finalize Estimated Billing Letters to Owners	Tony, Curts
<b>May 17, 2022</b>	Place Ad for Public Hearing (60 day Notice)	Tony, Amy, JoAnn, Curts
<b>May 17, 2022</b>	Plan & Budget Mailing, Estimated Charge Mailing – Property Owners and Businesses	Paul, Tony, Counsel
<b>May 2 – 31, 2022</b>	Draft Ordinance Development	Urban and Kleinbard
<b>May 2- 31, 2022</b>	Meets & Bounds Changes	Tony
<b>July 18, 2022</b>	Public Hearing – All Day	Tony, Paul, Laurel, Curts, other Staff as Needed
<b>July 19–August 1, 2022</b>	45 Day Public Comment Period	Tony, JoAnn, City, Auditors
<b>August 1 – 15, 2022</b>	Audit Report Prepared	Tony, City, Auditors
<b>August 15, 2022</b>	Comment Period Audit Report and Transcripts to City	Paul, Tony
<b>September to November 27, 2022</b>	City Council Hearings/Approval	Paul, Tony, Board Members, Attorneys
<b>November 27, 2022</b>	Board Package Mailing	Tony, Paul, Philis
<b>December 6, 2022</b>	BOD Meeting – P&B Update & 2023 Budget	Tony, Paul, Departments
<b>January 1, 2023</b>	2023-2027 P&B Into Effect	