

Many reporters are writing stories like this today

The CHRISTIAN SCIENCE  
MONITOR®

— COVER STORY —

# Post-pandemic city: What does 'downtown' mean in a world of hybrid work?



# Answer: It will look a lot like Center City Philadelphia

## Extraordinary strength: diversified downtown built in last 25-years

### A Highly Diversified Downtown

**Greater Center City:**  
Spring Garden - South Street  
River to River

239 Office Buildings  
163 Condominiums  
75 Hotels  
73 Apartment Buildings (100+)  
1,051 Apartment Buildings (5-50)

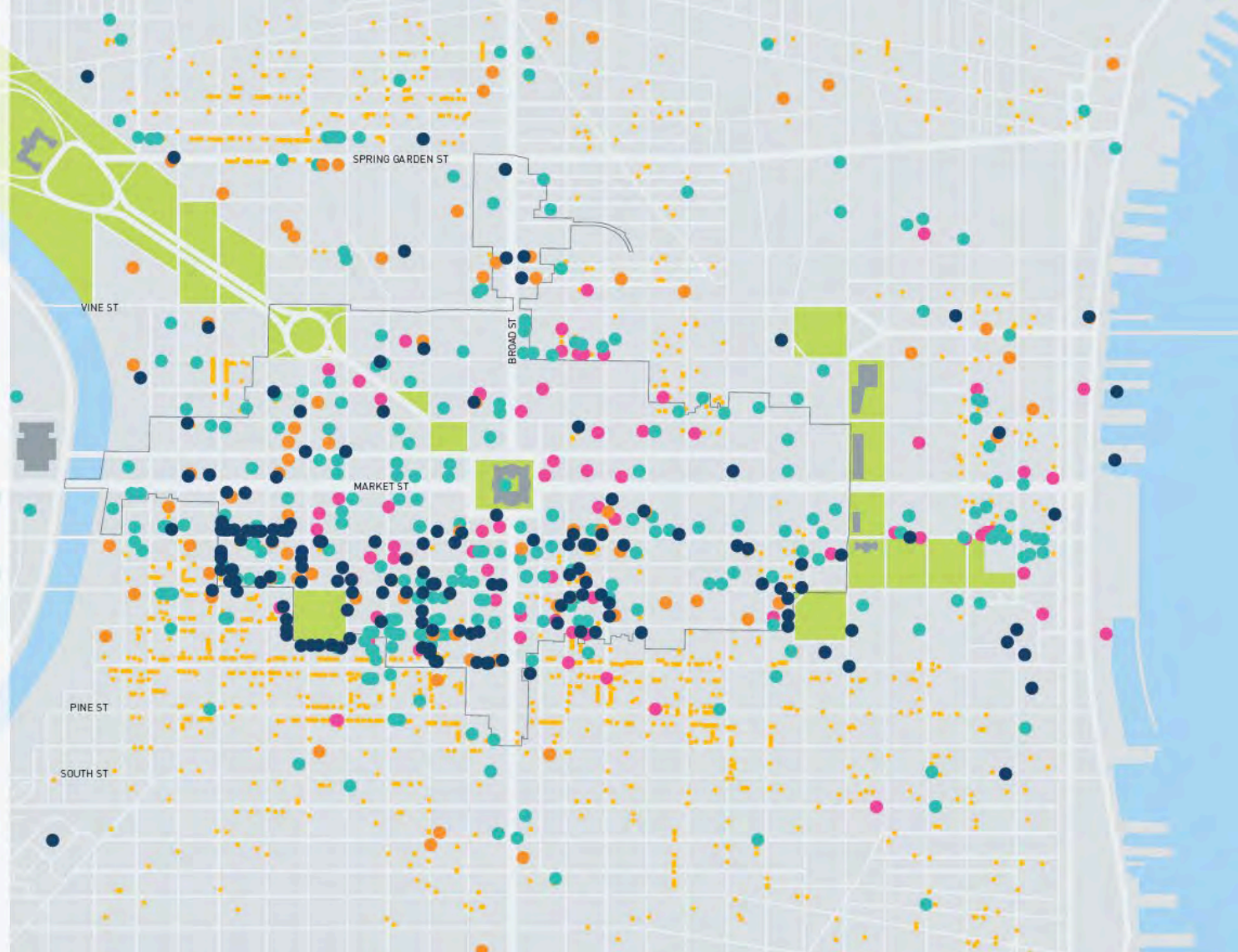
### Center City District:

143 Office Buildings  
128 Condominiums  
45 Hotels  
43 Apartment Buildings (100+)  
193 Apartment Buildings (5-50)

— CCD Boundaries

- Office Buildings
- Condominiums
- Hotels
- Apartment Buildings (100+ Units)
- Apartment Buildings (5-50 Units)

Office of Property Assessment, 2021





**40 million sf of office space:  
Most dense containers of the most diverse jobs.**



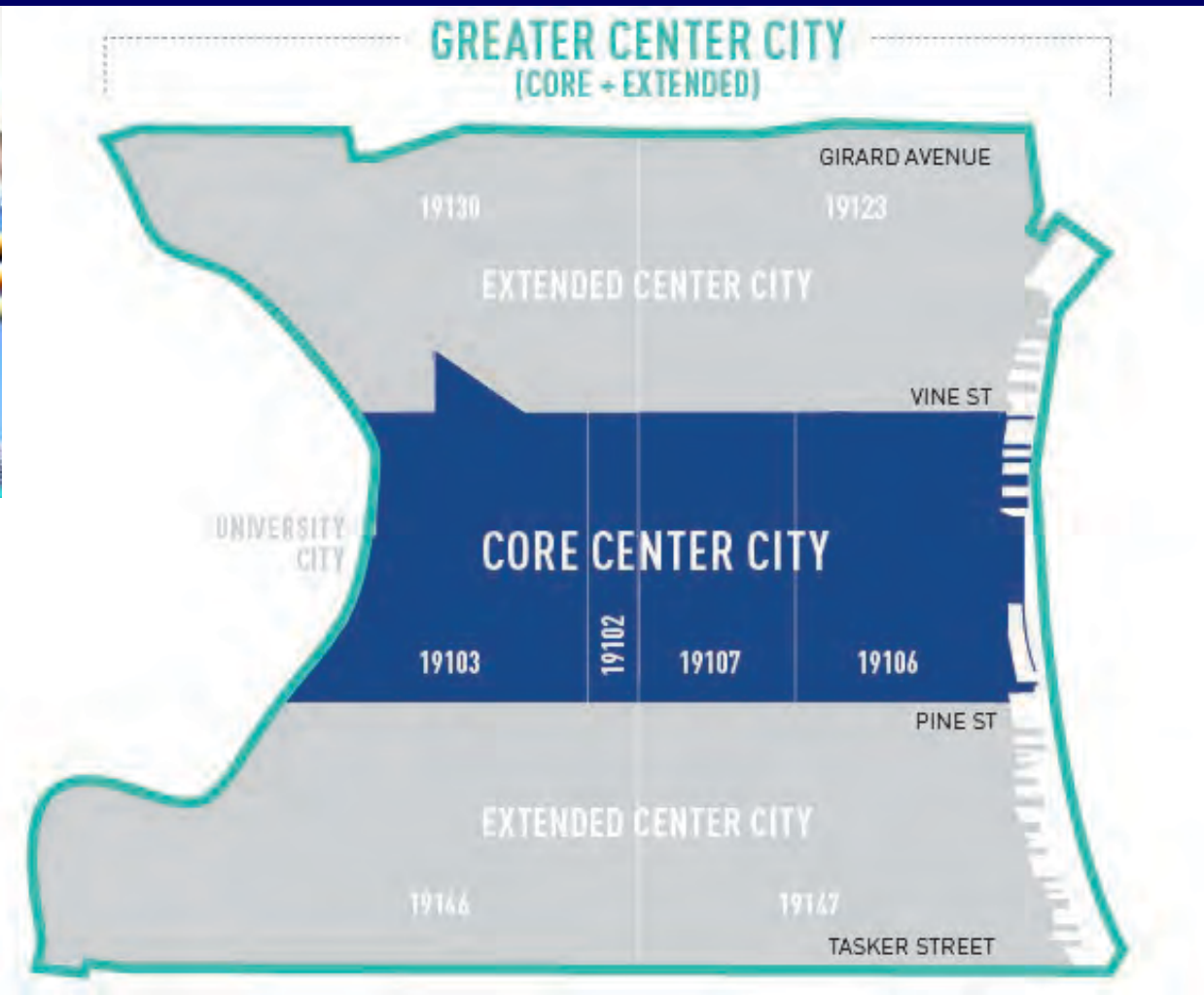


**We also have 25 years' experience since passage of 10-year  
Tax abatement in 1997 & have converted 180 buildings,  
9 million sf of office space, to residential use**



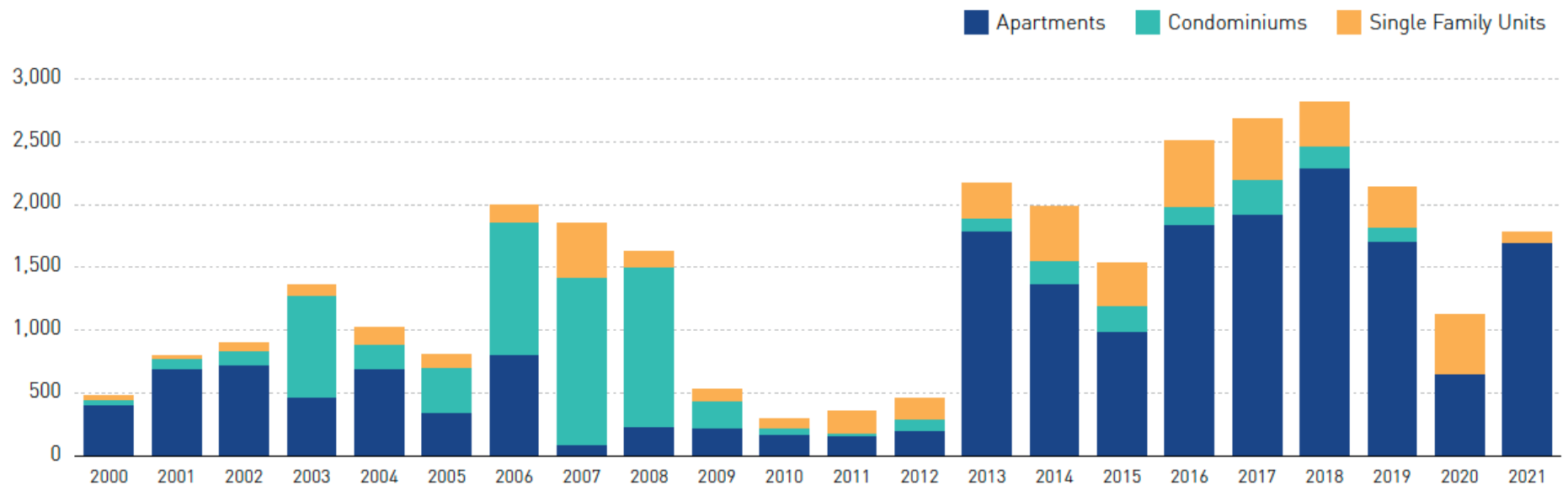


**CBD is no longer just an office district  
70,000 people live in the core; up 55% since 2000**



# Since 2000 added 36,000 housing units in Greater Center City Population up 38% to 202,000 Fastest growing residential section of Philadelphia

FIGURE 3 GREATER CENTER CITY HOUSING UNITS COMPLETED BY TYPE, 2000-2021



Source: City of Philadelphia, Department of Licenses and Inspections



# Expanding ring radiating out from downtown



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DEVELOPMENT CORPORATION



# Center City is also a center for health care & research





# Education



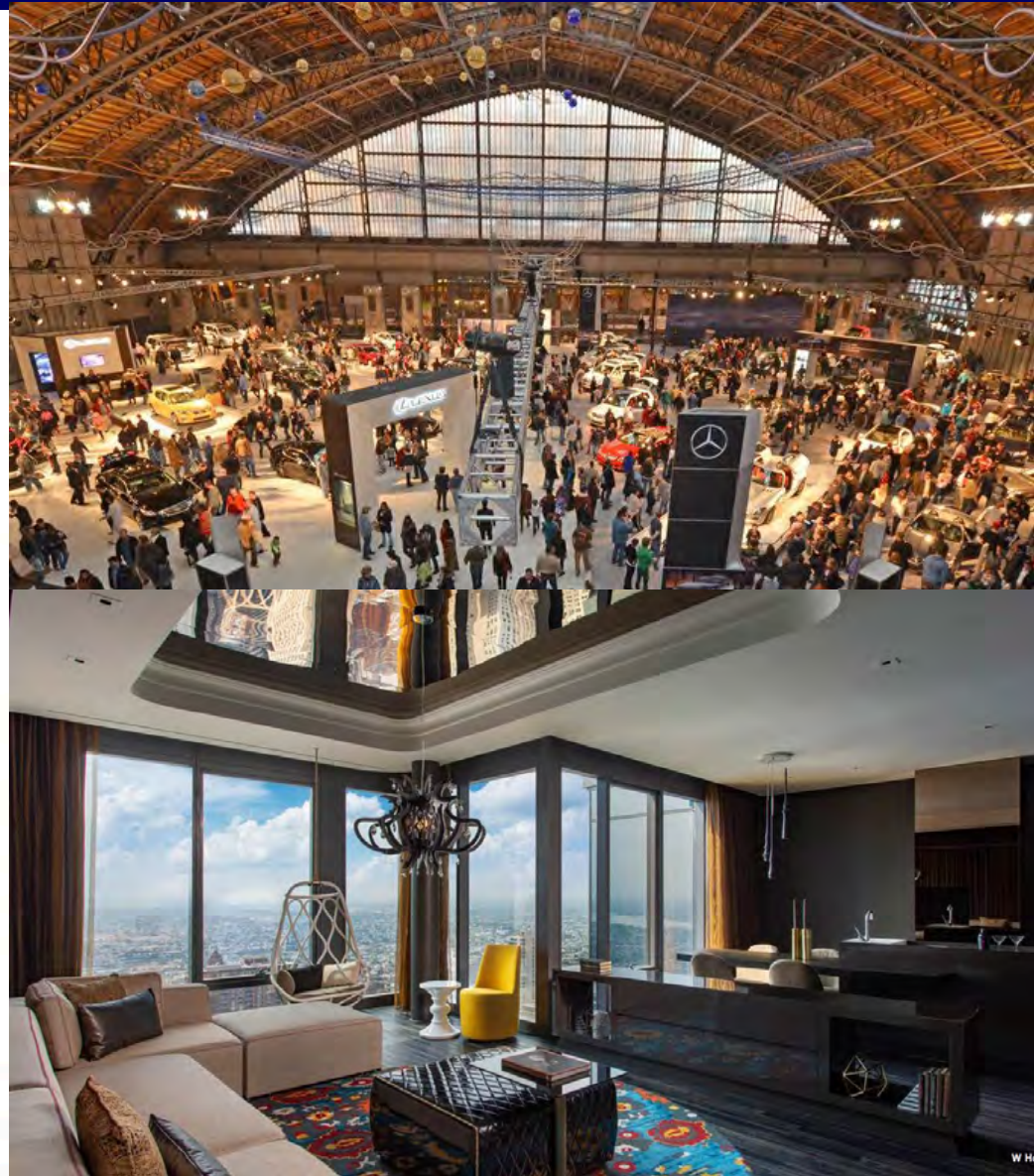


# Conventions & trade shows

## Major Conventions & Events, 2022

LARGE CONVENTIONS & TRADE SHOWS	PROJECTED ATTENDANCE
Philadelphia Auto Show	250,000
Broad Street Run	40,000
East Coast Volleyball NEQ	34,000
Jurassic Quest	30,000
Philly Home Show – Marketplace Events	30,000
Philadelphia Tattoo Arts Convention	25,000
Fan Expo Philadelphia (formerly Wizard World)	25,000
PAX Unplugged	23,000
Natural Products Expo East	20,000
Philadelphia Marathon	16,000
National Athletic Trainers Association	14,000
The Love Run	12,000
American Veterinary Medical Association	10,000
Magnet Conference (American Nurse Credentialing Center)	10,000
American College of Rheumatology	10,000
Pink Invitational/Unite for HER	10,000
Northeast Qualifier 17s & 18s	9,500
American Academy of Otolaryngology	9,000
Society of Cable Telecommunications Engineers	8,000
Philadelphia Museum of Art Craft Show	8,000
Zeta Phi Beta Sorority Grand Boule	5,000
Experimental Biology	6,000
<b>Total Projected Attendees</b>	<b>605,500</b>
<b>Total Projected Attendees For All Events</b>	<b>693,796</b>

Source: Philadelphia Convention and Visitors Bureau



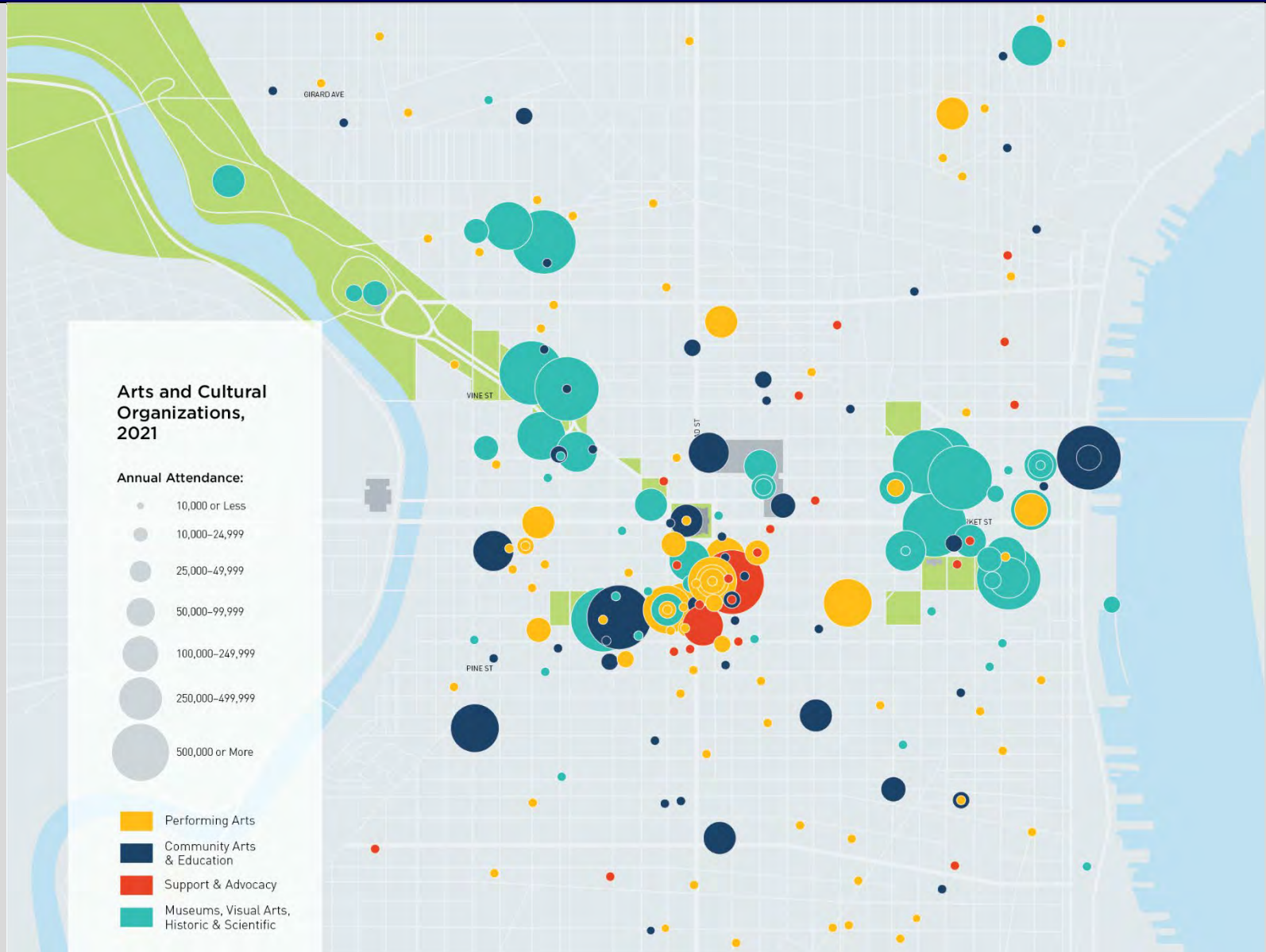


# Leisure tourism





# With 498 cultural institutions





# All of these uses help fill hotel rooms



# Recovering retail & restaurant scene

CENTER CITY REPORTS

## CENTER CITY PHILADELPHIA RETAIL



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DEVELOPMENT CORPORATION



**When you have a diverse downtown economy, success (challenges) in one sector, impact the others**





# Office sector drives demand for business travelers





# Jefferson's new Specialty Care Pavilion will draw more patients to Center City



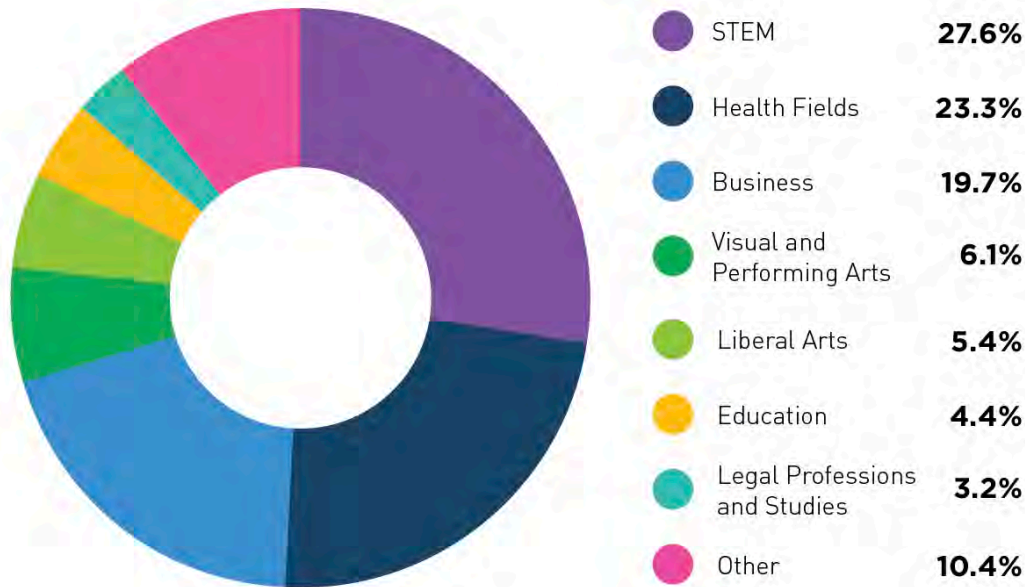
# 105,147 students in & adjacent to Center City Drive demand for apartments & retail





# Degree granting institutions

Degrees Conferred by Field, 2020



Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System



## 30,178

Degrees Conferred  
in 2020

# Provide a pool of skilled labor

## Primary appeal of a downtown office location

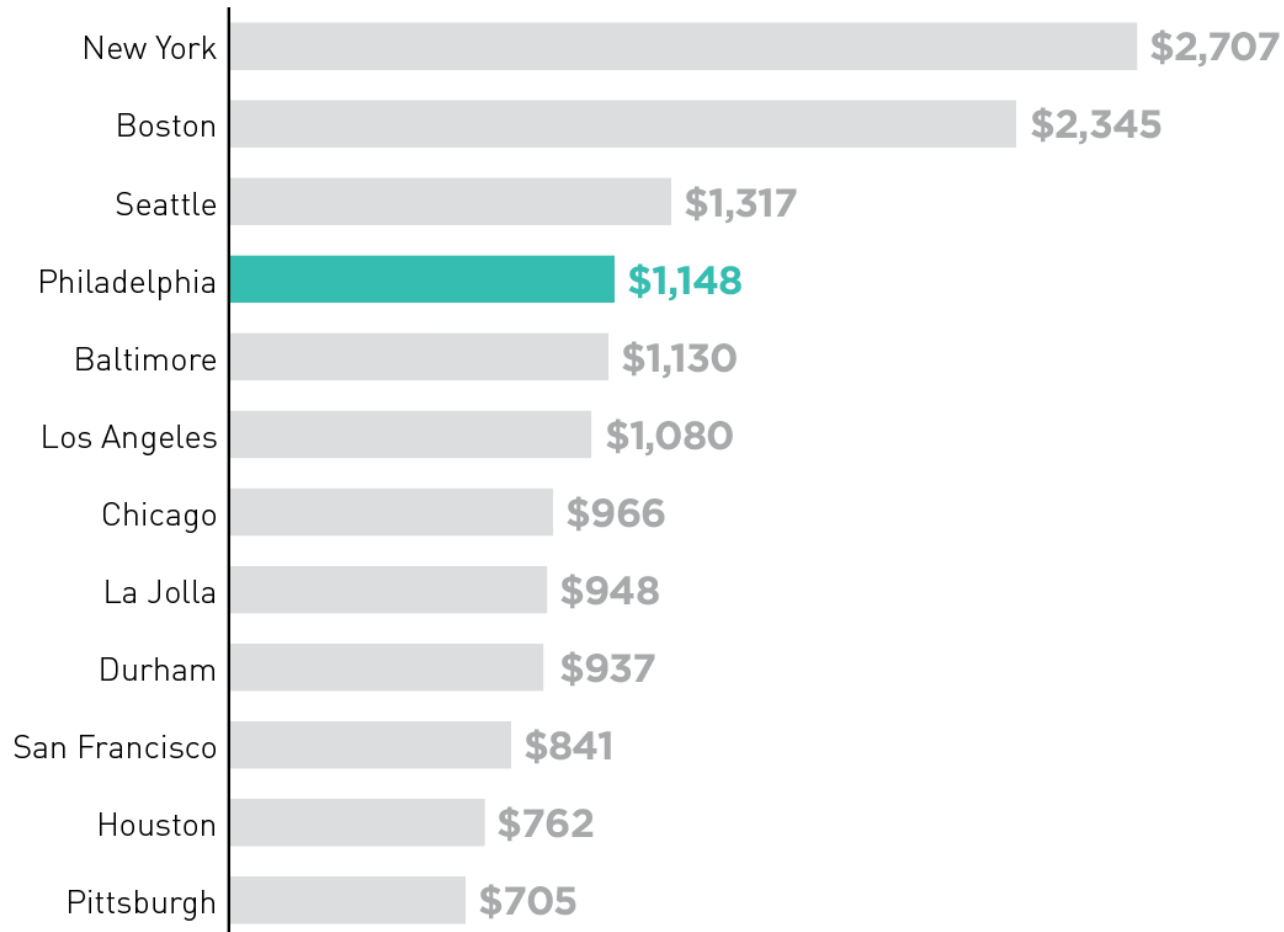


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DEVELOPMENT CORPORATION



# Research at our universities

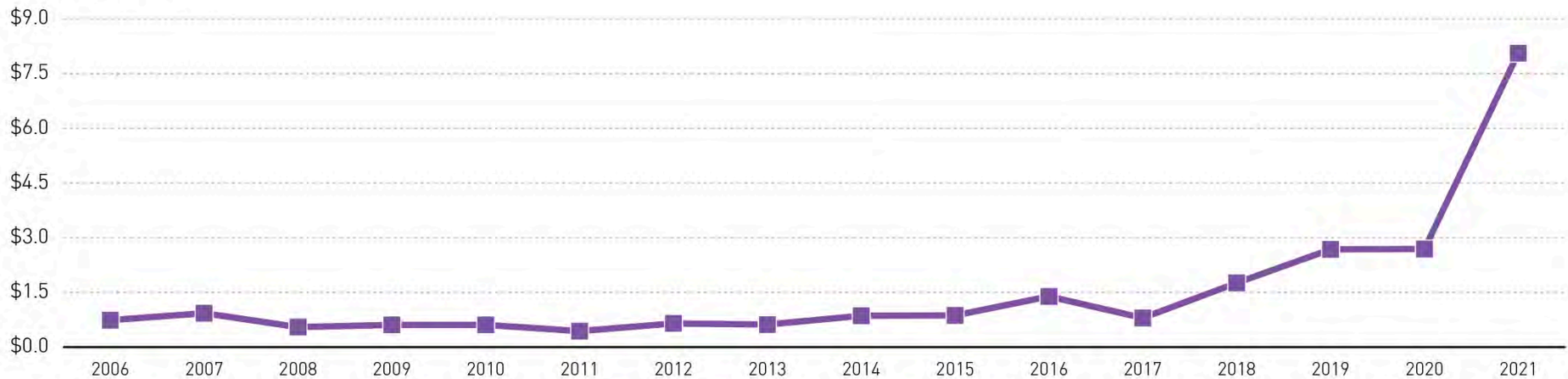
## National Institutes of Health Funding, 2021 (\$ in Millions)



# Creates new patent applications & start-ups

## Draws venture capital to Philadelphia

Value of Venture Capital Deals in Philadelphia Region  
(\$ in Billions)



Source: PitchBook



# Spawning our burgeoning life-science industry





# Diversified land-use in a walkable setting is our key competitive asset

## A Highly Diversified Downtown

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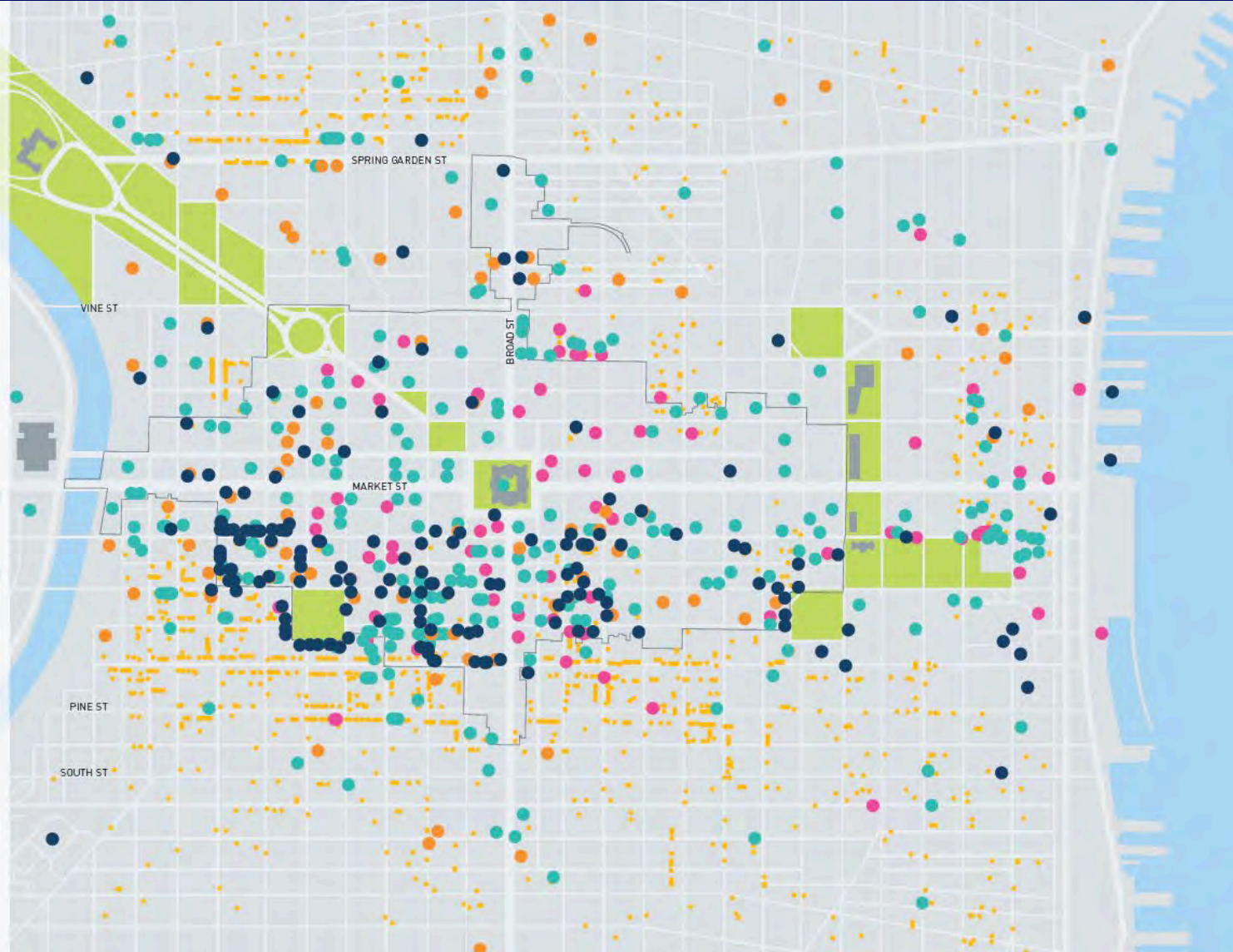
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Office of Property Assessment, 2021



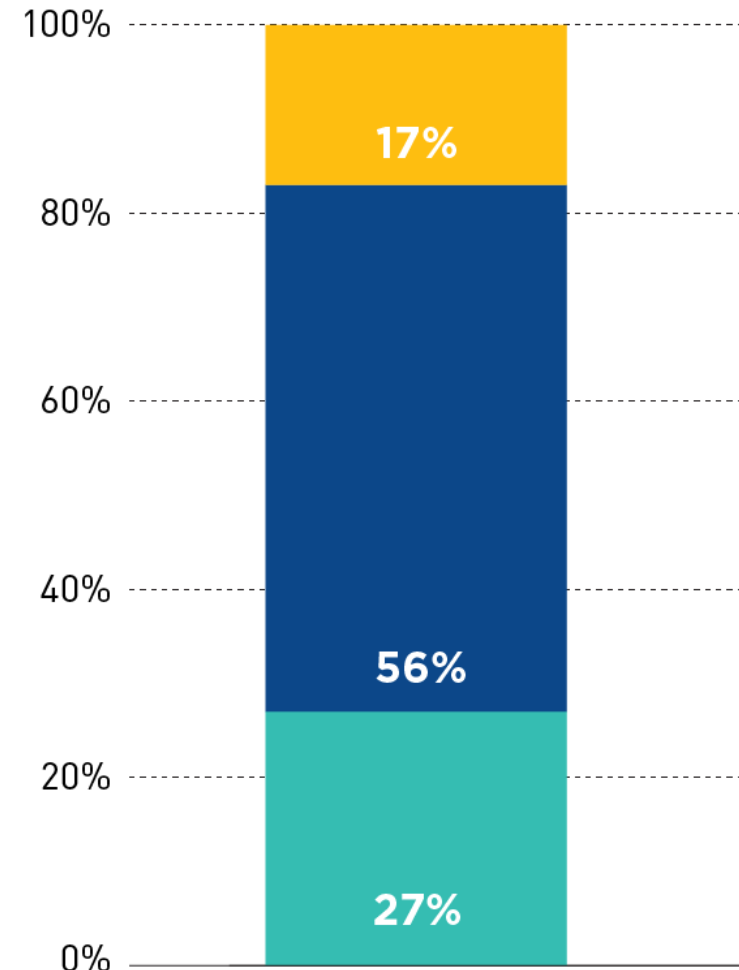
# Diversified land-use also means diversified jobs

27%: \$35,000 or below; 56%: \$35-\$100,000; 17% >\$100,000

## GREATER CENTER CITY WAGE & SALARY EMPLOYMENT, 2019



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, 2017;  
Center City District Estimates



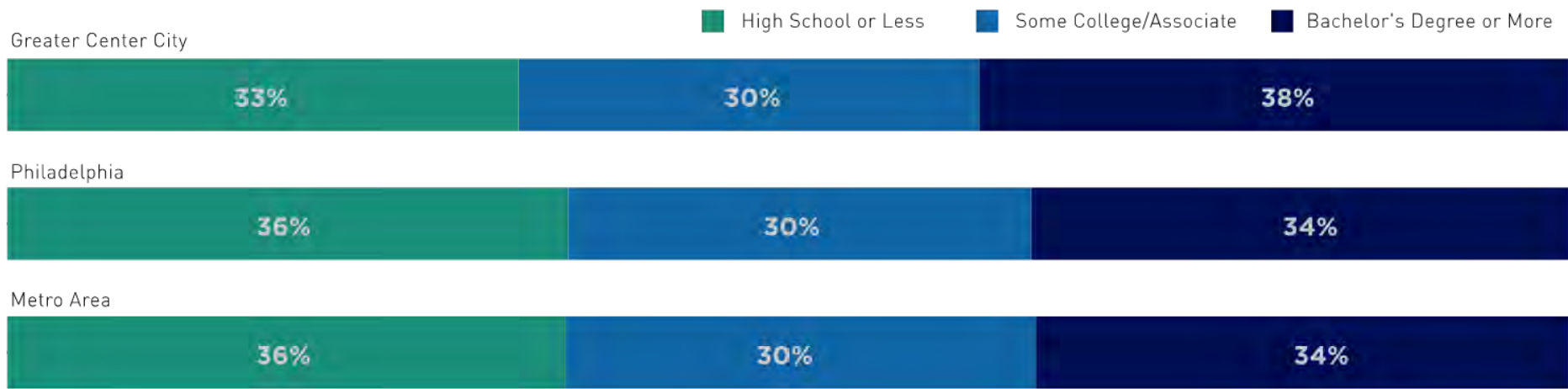
Current Center City Jobs



# 63% downtown jobs require less than college degree

## 33% required only a high school diploma

PERCENT OF JOBS BY LEVEL OF EDUCATION, WORKERS 29 AND OLDER

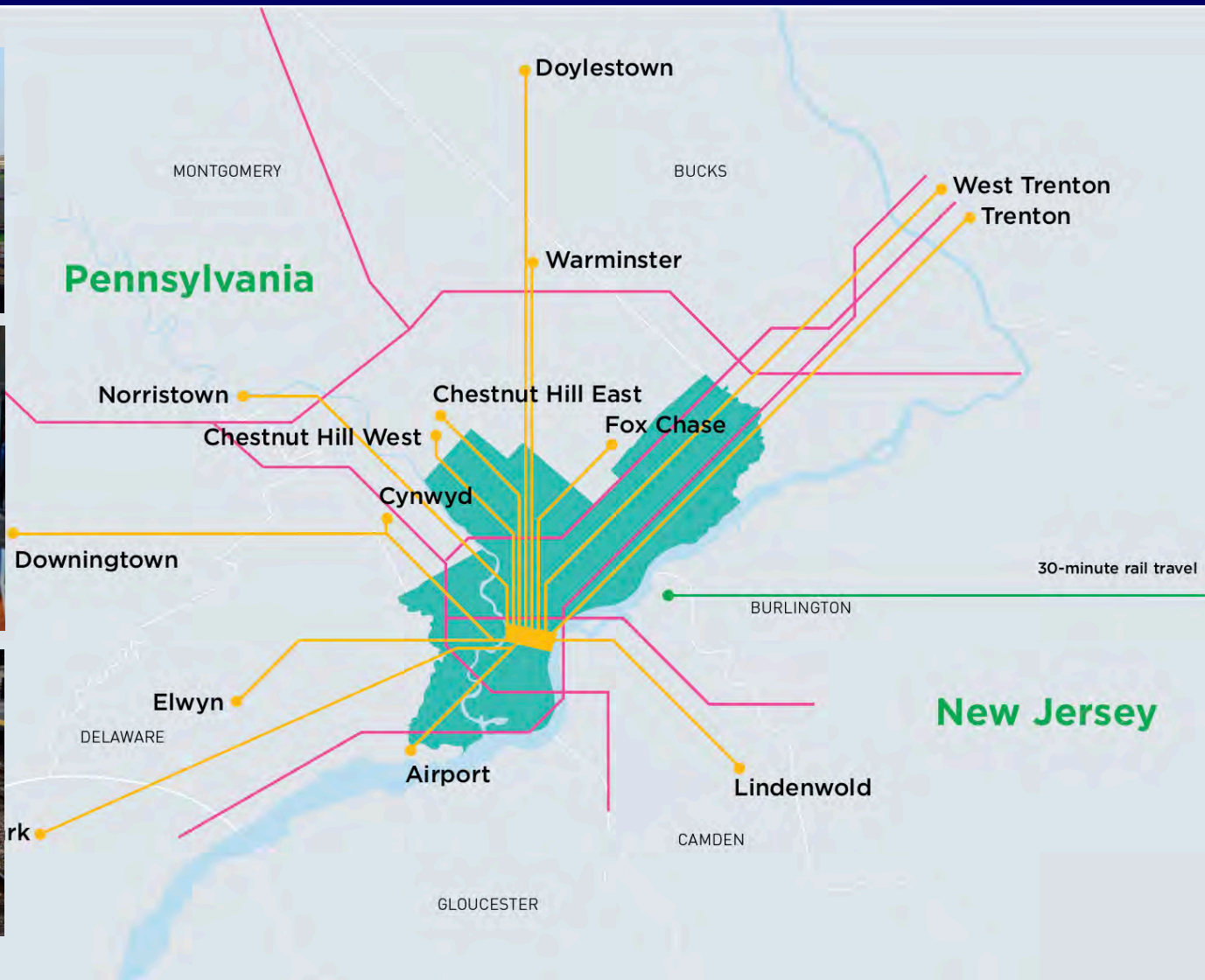


Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, 2017

# Transit makes these jobs accessible

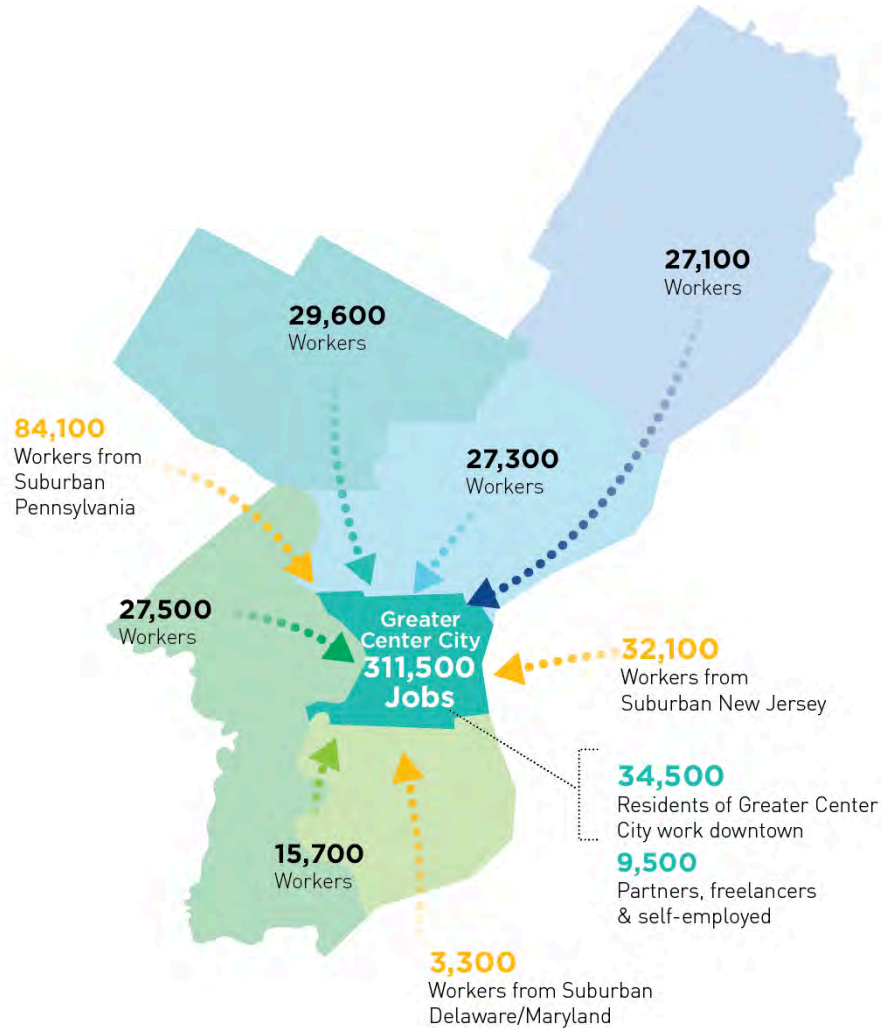


Highways



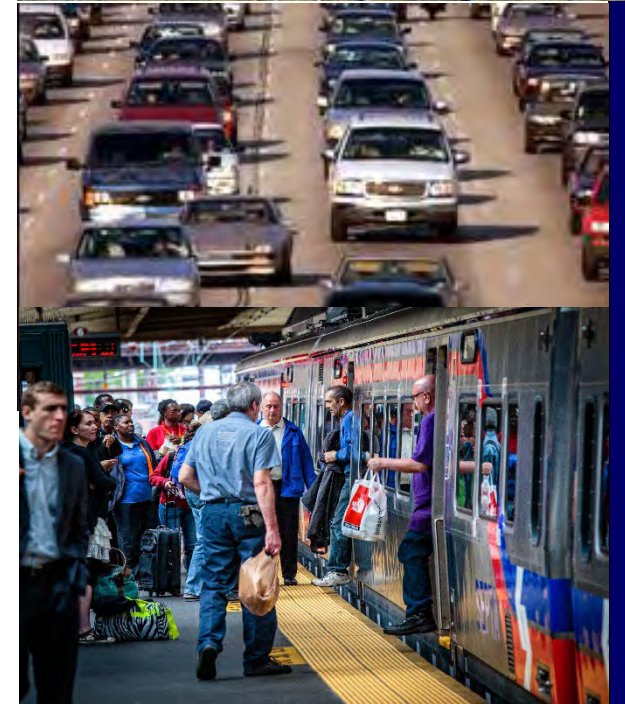
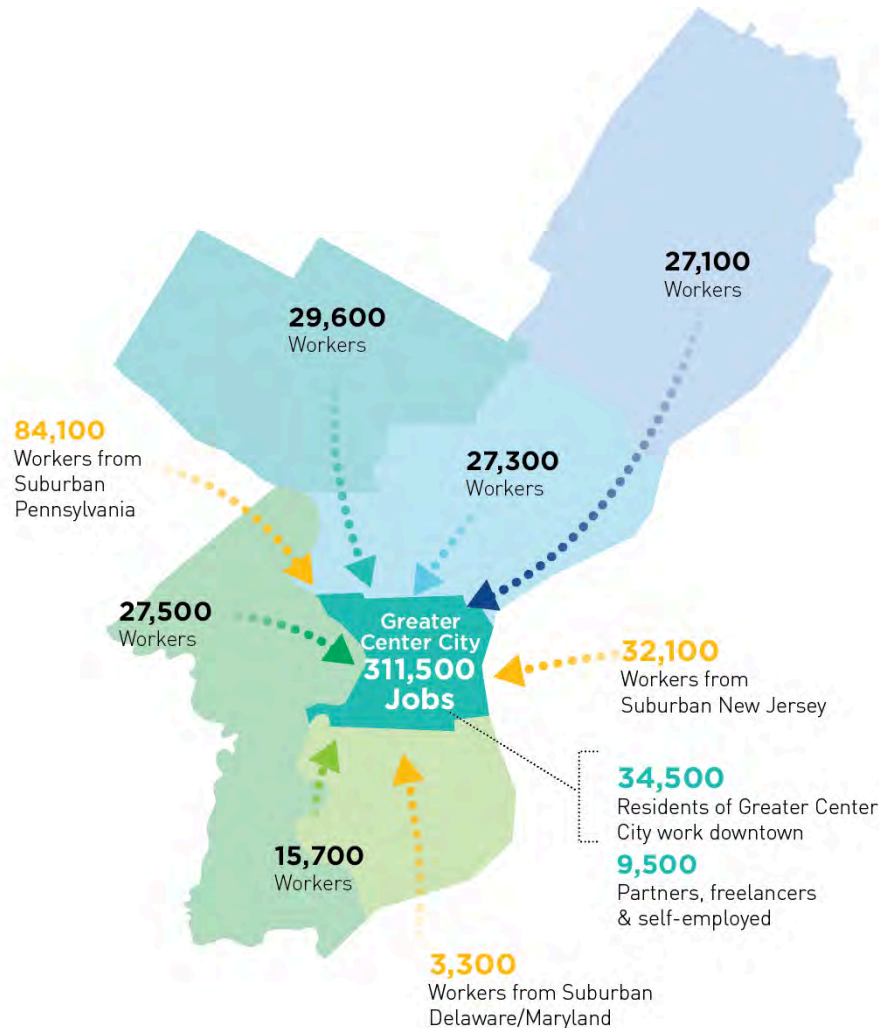


# 25% of residents from every city neighborhood employed downtown; 163,000 downtown jobs (52.4 %) held by Philadelphia residents



# Pre-pandemic 119,500 suburban residents worked downtown

## If just 20% remain remote = \$160 million in lost tax revenue

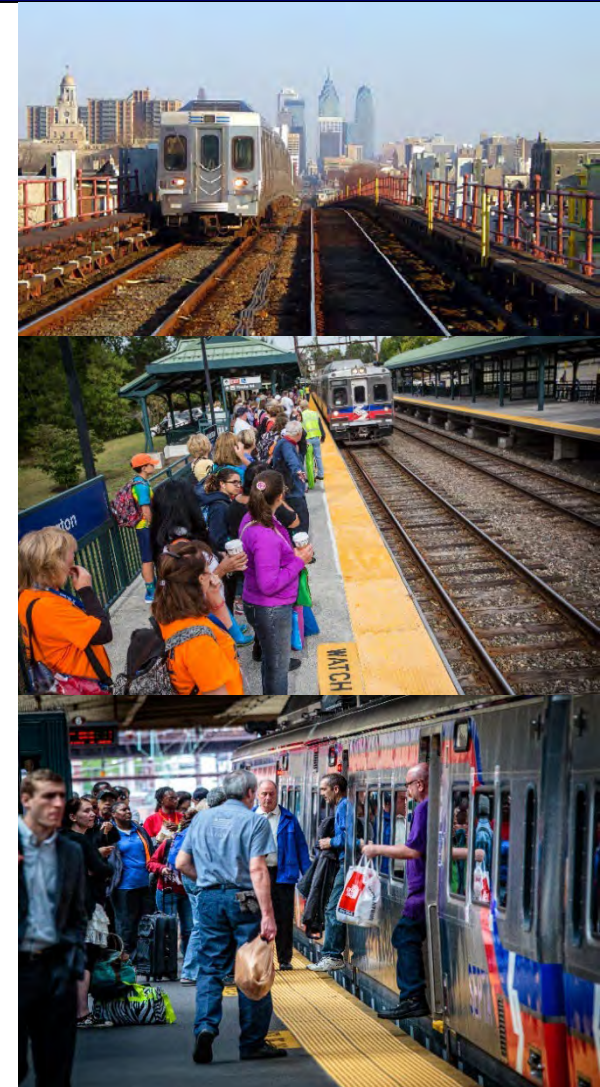
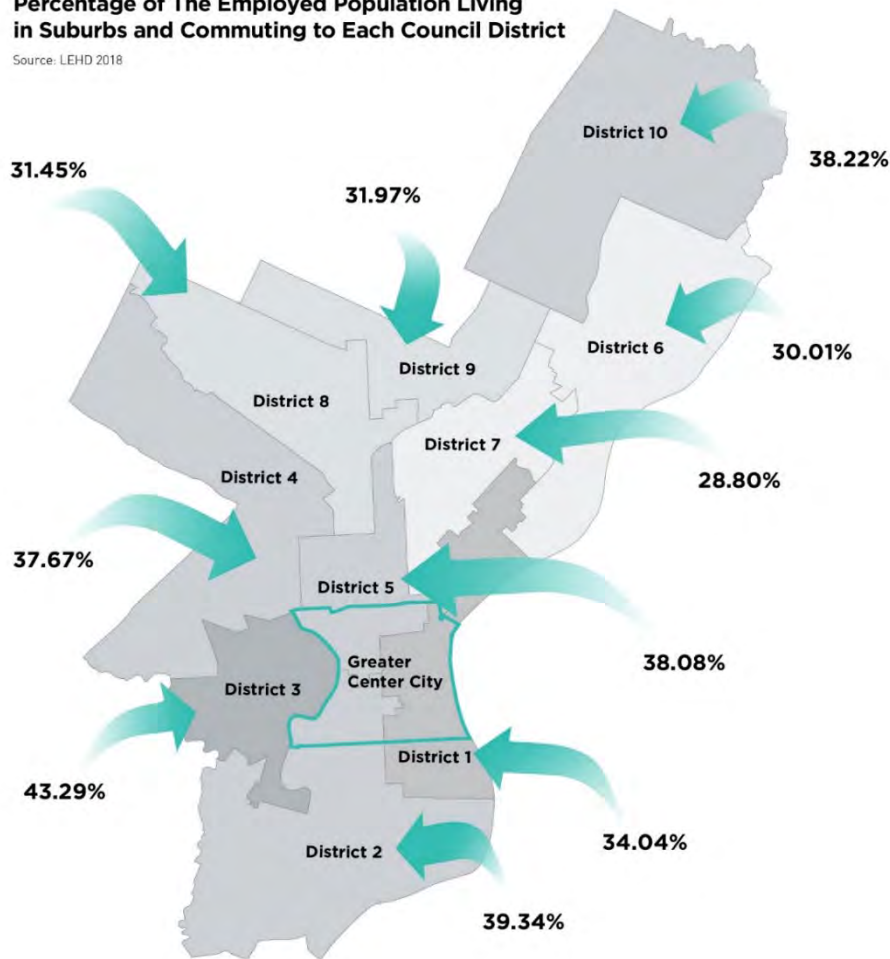




# 35% of jobs in each Council District held by suburban residents 284,500 suburban residents commuted into Philadelphia \$800 million in wage tax revenue: 15% of City's budget

Percentage of The Employed Population Living in Suburbs and Commuting to Each Council District

Source: LEHD 2018



# So if office workers don't return, it eliminates jobs For those who don't have the option to work remotely



Every 500,000 square feet of occupied office space:

- ▶ Provides 3,333 office jobs, 5 building engineering, 18 cleaning and 12 security positions.
- ▶ Supports 11,000 hotel rooms filled with business travelers
- ▶ Generates \$2.8 million in retail demand
- ▶ Hair & nail salons, shoemakers dry-cleaners, delis & restaurants



# If business travel doesn't resume It reduces hotel demand by one-third





# Missing workers & visitors impact restaurant jobs





**What do we need to do to prompt  
more robust recovery & faster growth?**

# January survey of 114 firms: peak of Omicron



CENTER CITY REPORTS | FEBRUARY 2022

## Remote or In-Office Work?

How Downtown Firms Are Thinking About the Future

In early January, the Center City District (CCD) distributed a survey to Center City and University City employers to gauge their current stance on in-office and remote work, their plans for the first quarter of 2022, and factors they were weighing in making workplace decisions. The survey was distributed electronically between January 4 and January 21 to members of Central Philadelphia Development Corporation, CCD board member firms and was forwarded by the Building Owners and Managers Association to other downtown office tenants. A total of 250 companies and organizations received the five-minute survey and 114 (45.6%) responded.

The respondents represent a broad cross-section of industries and workforce size in Philadelphia, collectively they employ approximately 24,700 workers.

Center City District & Central Philadelphia Development Corporation

CENTERCITYPHILA.ORG

## PROFILE OF RESPONDENTS

NUMBER OF EMPLOYEES	NUMBER OF FIRMS
10 or less	20
11-25	25
26-50	21
51-100	13
101-200	13
201-999	10
1000 or more	6
Did not provide	6
<b>Total</b>	<b>114</b>



# Major factors favoring remote

	RANK
Continuing health safety concerns due to COVID-variants	1
Ability to retain existing employees and attract new ones	2
Continuing uncertainty about schools and child-care for parents	3
Concerns about public safety and quality of life in Philadelphia	4
The ease at which staff adapted and made use of virtual technologies	5
Concerns the business climate/business friendliness in Philadelphia	6
Flexibility enjoyed by senior management with remote work	7
Time and cost saved through greater use of virtual meetings	8

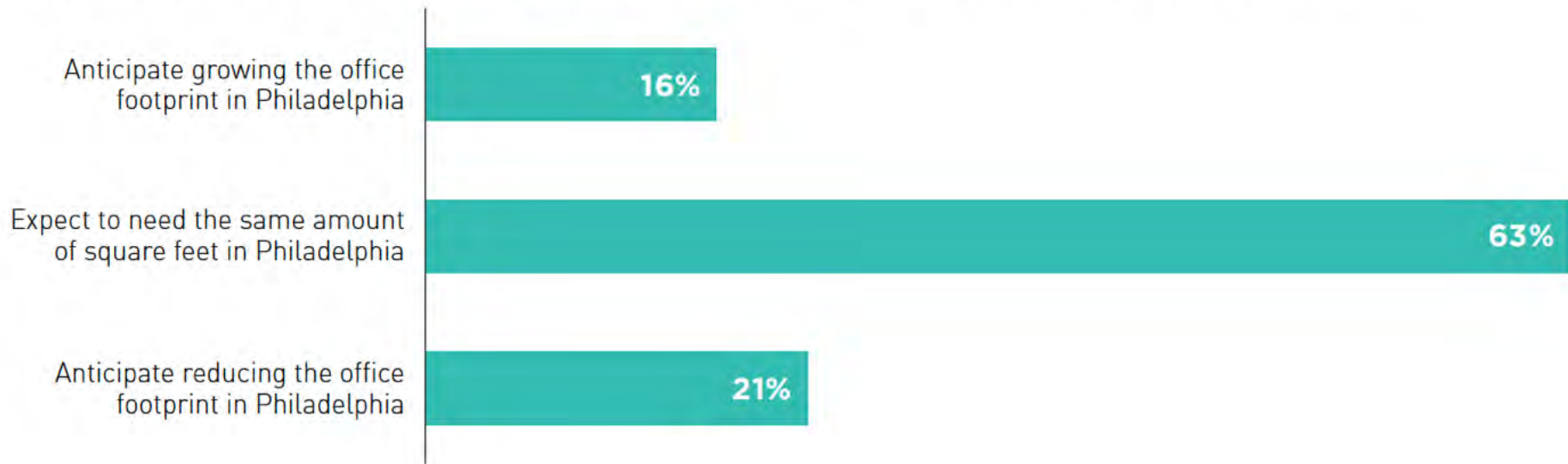
# Major advantages of in-office work

	RANK	WEIGHTED AVERAGE
Value of face-to-face meetings for collaboration with colleagues	1	3.6
Better ability to supervise and mentor staff & convey company culture	2	3.2
Professional development for all staff	3	3.1
Face-to-face meetings with clients	4	2.8
Ability to focus on work, fewer distractions than at home	5	2.3
Access to technology and IT staff for troubleshooting	6	2.0
Variety of restaurants available nearby for informal staff & client meetings	7	1.7



# In January 2022, 79% of firms expected to grow or retain current office space

**Based on your anticipated workplace location policies for 2022, what are your expected needs regarding real estate in Center City or University City Philadelphia?**



# But in the absence of new tenants moving in & expansion Occupancy rates have fallen since the shutdown

Center City Philadelphia Office Market, 2000-2021 (Sq. Ft. in Millions)





**By end of 2021: 887,394 sf had been vacated**  
**First quarter of 2022: slightly positive but vacancy = 17.4%**  
**Up from 11% at start of 2020**

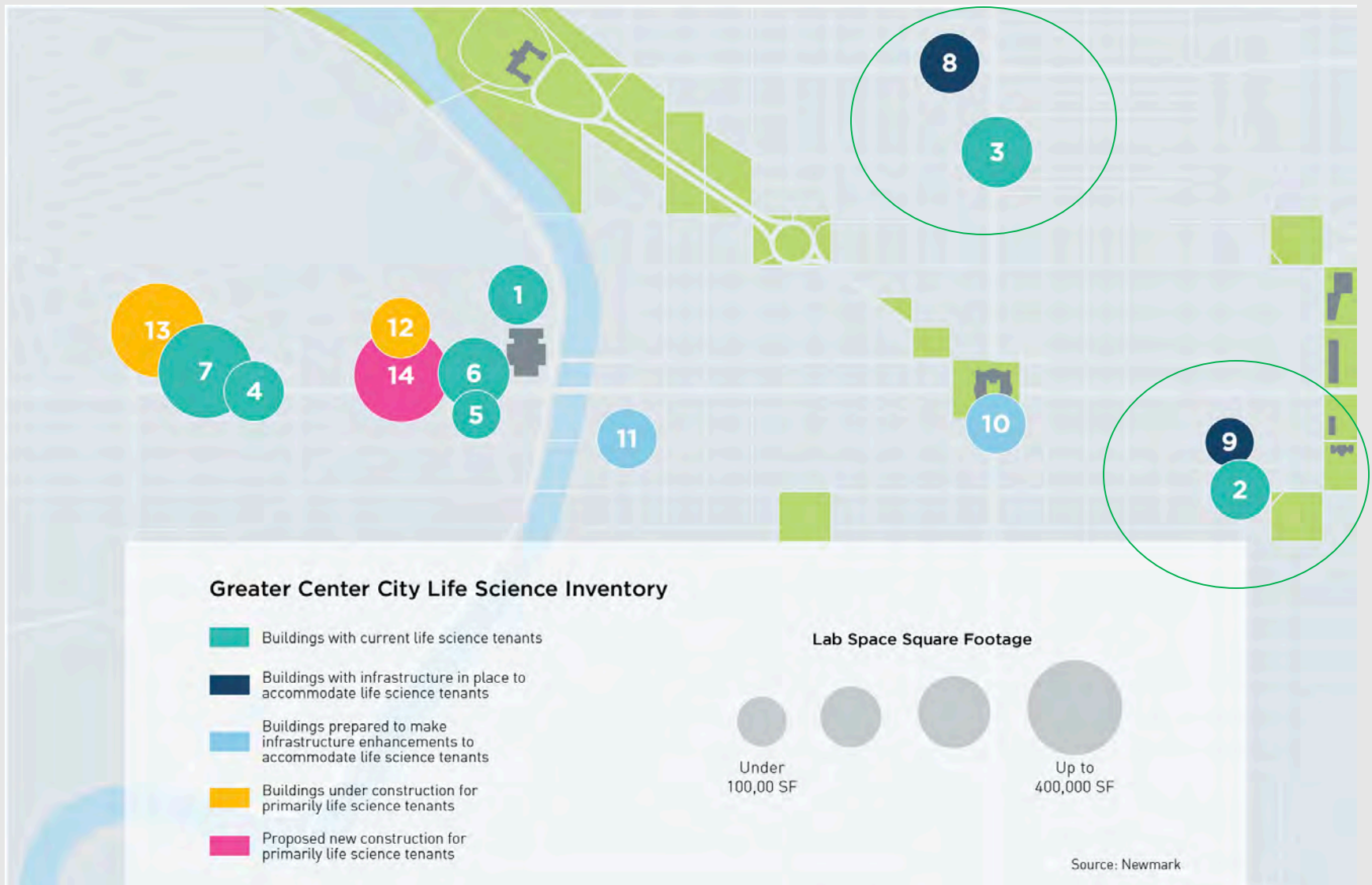
## CENTER CITY OFFICE MARKET TRENDS, 2021

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>

**NEWMARK**

5

# Life sciences: an important counter-trend





# What progress on lowering the barriers?

	RANK
Continuing health safety concerns due to COVID-variants	1
Ability to retain existing employees and attract new ones	2
Continuing uncertainty about schools and child-care for parents	3
Concerns about public safety and quality of life in Philadelphia	4
The ease at which staff adapted and made use of virtual technologies	5
Concerns the business climate/business friendliness in Philadelphia	6
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# #1: Fear of Covid: Philadelphia has achieved a high rate of vaccination



65 & older	= 93%
18 & over	= 79.9%
12-17	= 78.8%
5-11	= 74.5%

**Boosters widely distributed**

**Break-through cases have been like a typical annoying flu**

**Covid not eliminated, but it can be managed like a seasonal flu**



## #2: Concern about losing workers





# #3: Children are back in school





## #4: Safety: SEPTA increased frequency of cleaning

### Free parking; 3-day weekly pass





# Deployed a co-service delivery outreach model SEPTA police with Merakey drug & alcohol teams





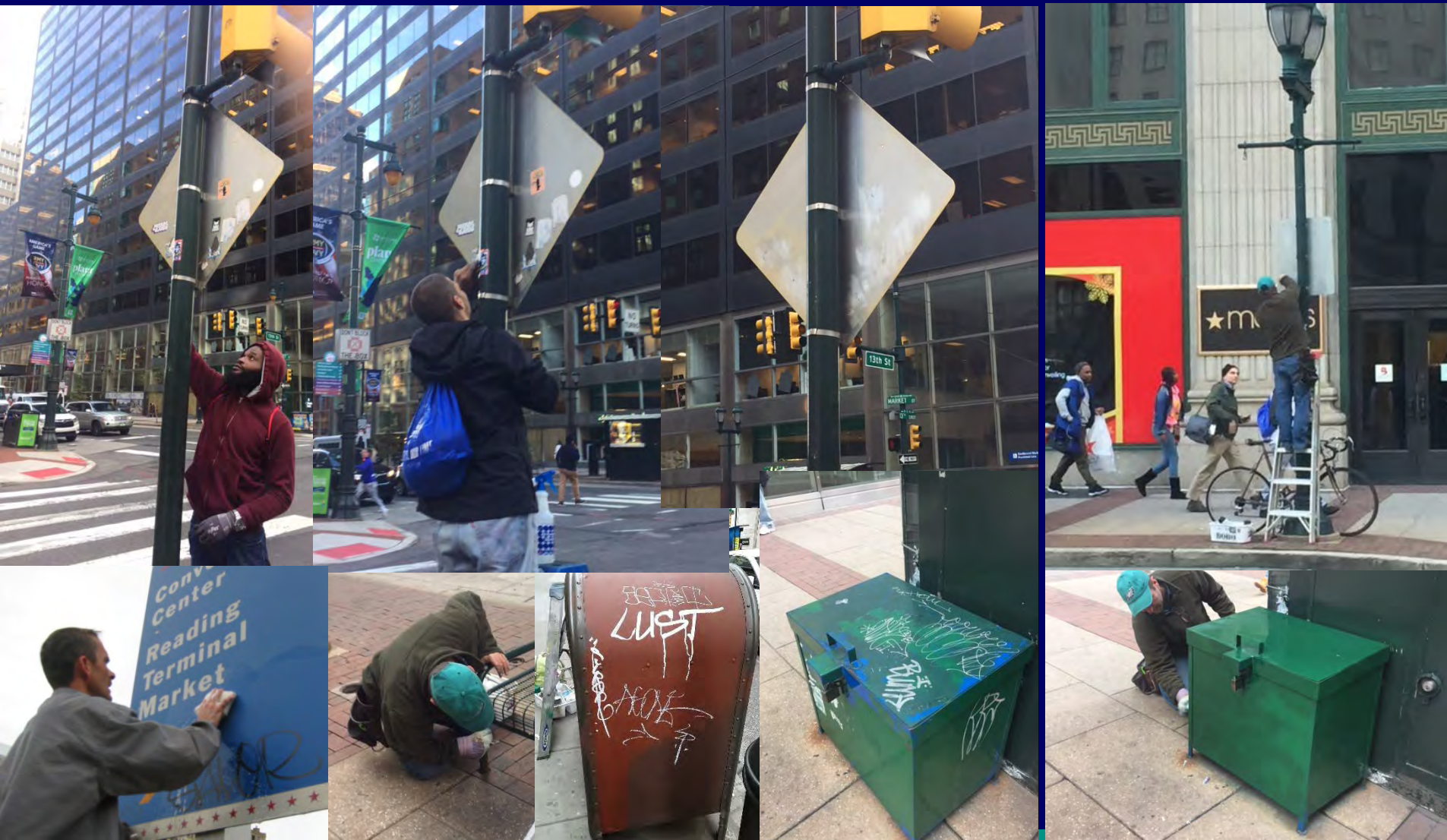
# CCD has kept all 110 sidewalk cleaners Employed working 7 days/week; Covering 12 hours





# Added cleaners to take on additional graffiti removal functions

## Returning citizens; recovering homeless





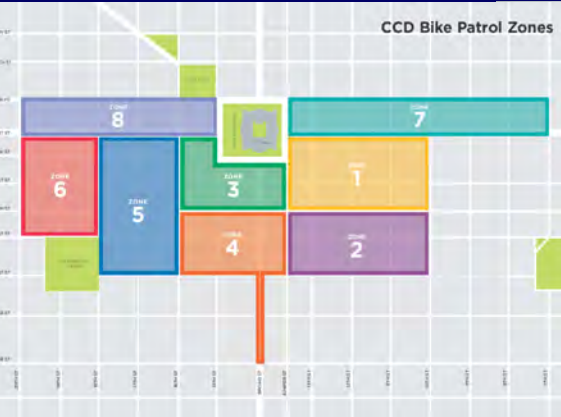
# 40 Community Service Representatives Deployed 7 days per week



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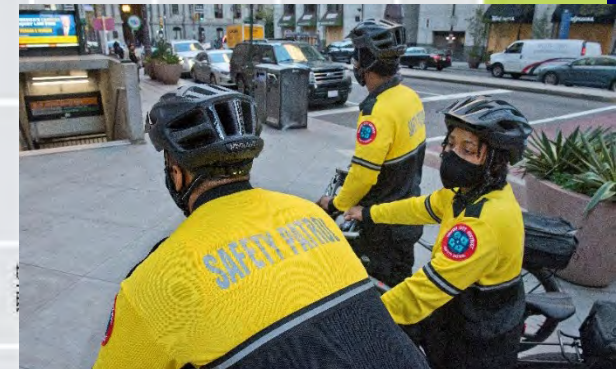
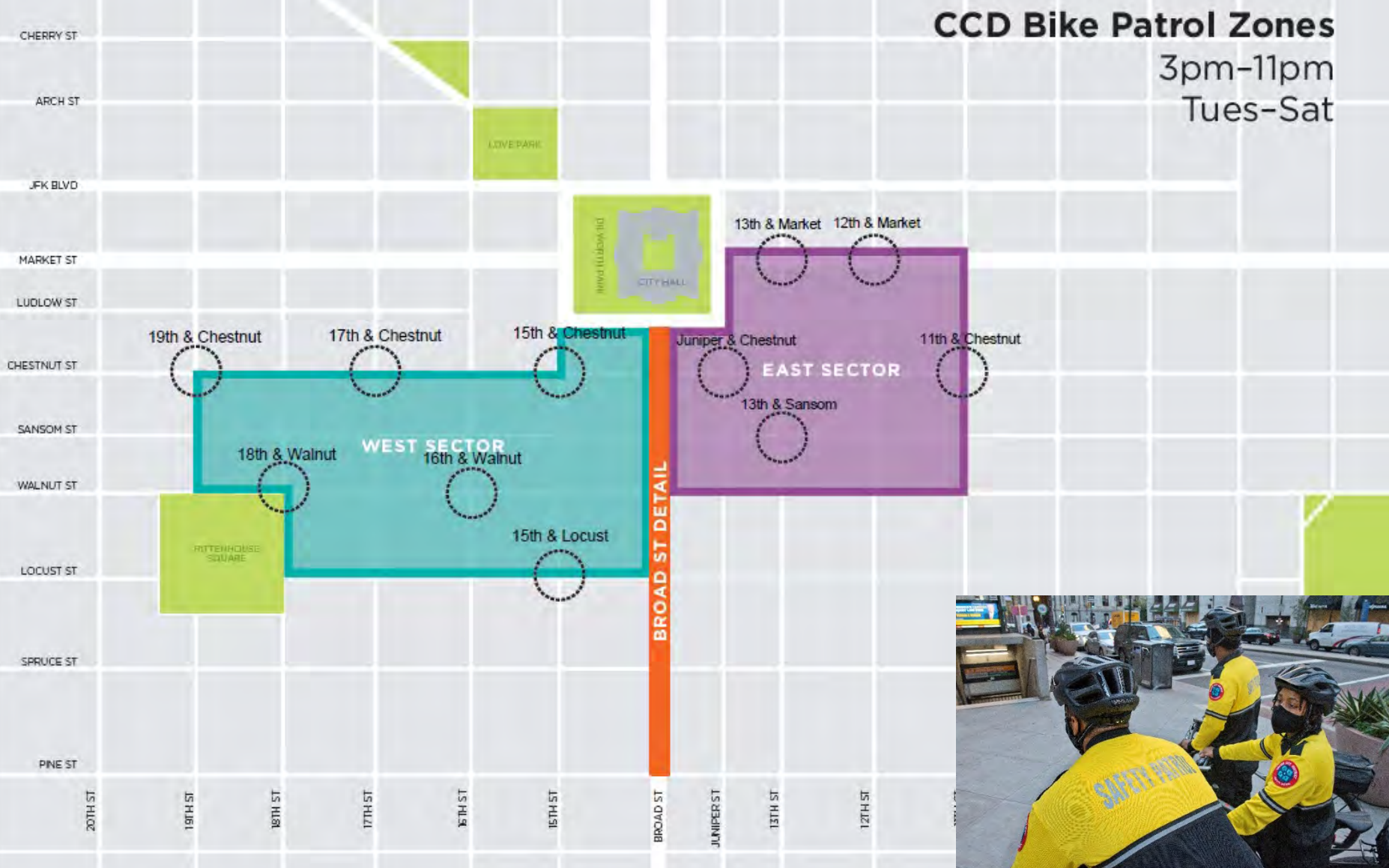


# Since November 2020 deployed 15 bike officers, 8 defined beats 7 days/week; 11 am to 7pm





# April 12, 2022: Added 3 pm to 11pm shift; Tuesday-Saturday 6 officers, 1 supervisor; fundraising to expand evening patrol





# Closely coordinated with additional police deployment: Bikes, new foot patrol, return to focused beats Return to community policing





# Return to community policing: gaining expanded citywide support





# Since 2018: Deployed Ambassadors of Hope

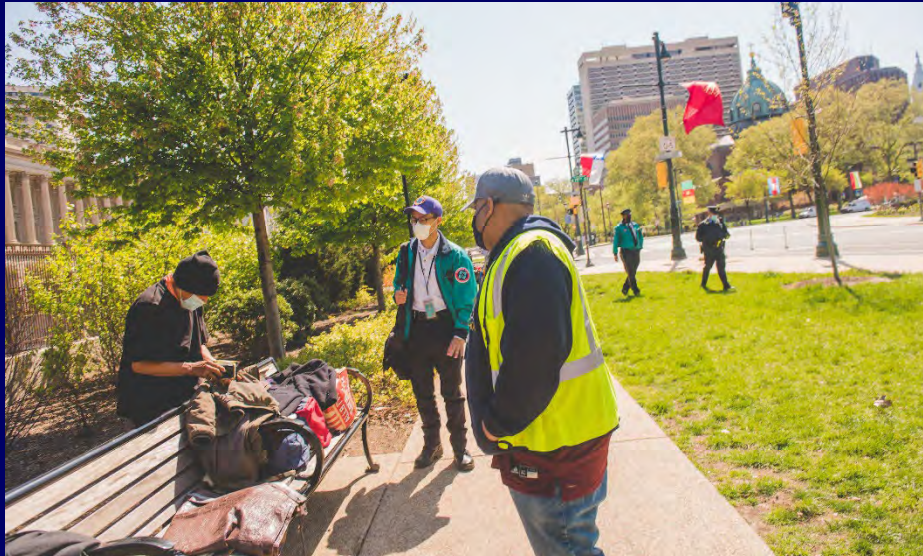
CCD funds: CSRs, Project Home & CIT trained police (9<sup>th</sup>)  
CCD provides dedicated van to transport to shelter





# Co-service delivery model

In 4 years: 525 individuals connected with shelter, services & housing





**CCD has continued to plant &.....**





& program our parks





# Continued to promote restaurants

*PHILLY* WANTS YOU  
TO SUPPORT OUR  
RESTAURANTS



*ORDER TAKEOUT & ENTER TO WIN DINNER FOR A YEAR*

Enter at [SupportPhillyRestaurants.com](https://SupportPhillyRestaurants.com) for your chance to win dinner once a month for a year at select Center City restaurants.

Two lucky entrants will be selected each month from January through March.



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DEVELOPMENT CORPORATION



# Five Restaurant Week promotions

CENTER CITY DISTRICT



**Restaurant Week**

DINE OUT  
OR  
TAKE HOME

**January 9-21, 2022**

DIVERSE FLAVORS TO SAVOR  
ONLY IN CENTER CITY.

THREE COURSES:  
\$25 LUNCH, \$40 DINNER\*

HAKU VODKA

KNOB COUNTRY RYE WHISKEY

 **CCD**  
CENTER CITY DISTRICT

**CCDRESTAURANTWEEK.COM**  
@CENTERCITYDISTRICT #CCDRW

\*Tax, alcohol and gratuity not included.



**GET RE-CENTERED**

**CENTER CITY DISTRICT  
RESTAURANT WEEK**

**REUNITE WITH  
Your Favorite Center City Restaurants!**

This winter, your favorite restaurants are offering \$25 lunches and \$40 dinners to enjoy at the restaurant or take home.

FOR A COMPLETE LIST OF PARTICIPATING RESTAURANTS AND THEIR MENUS, AND TO MAKE RESERVATIONS, VISIT [CCDRESTAURANTWEEK.COM](http://CCDRESTAURANTWEEK.COM).

**REDUCED RATES.  
Park in Center City:  
\$9 or Less.**

Reduced rates are available from 4:45 p.m. to 1 a.m. during Restaurant Week, but the discount method may vary by location.



**REWARDS AWAIT.  
You Could Win  
Dinner for a Year.**

Enter for a chance to win dinner once a month for a year at select Center City restaurants. Four lucky entrants will win.

FOR PARKING INFORMATION AND COMPLETE CONTEST RULES, VISIT [CCDRESTAURANTWEEK.COM](http://CCDRESTAURANTWEEK.COM).

PRODUCED BY CENTER CITY DISTRICT  
AND SPONSORED BY

 **OpenTable®**



# **Center City District SIPS returns June 1!**

## **Part of winning back employees: create a compelling setting both in the office & on the sidewalks of downtown**





# Business & civic leaders also need to lead to get the maximum number of office workers back





# Flexibility & hybrid will be part of the landscape





# Growing evidence: creativity & innovation happens best face to face



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# Creative firms & cities don't give up in the face of challenging trends

## They reshape trends & grow new market share



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DEVELOPMENT CORPORATION



# Capitalize on our strengths & attract businesses & workers seeking an affordable, remote alternative



PHILLY WORKS  
FOR

# WORK & LIFE

Come for the 9 to 5. Stay as long as you like. Philadelphia is a city that offers employee satisfaction in and out of the office. Get down to work in next-generation office spaces or converted industrial lofts. Then enjoy over 1,500 restaurants, shops, and arts and cultural centers right downtown. Or get in a run or a row along the river. Philly's downtown doesn't stop when the workday ends—and with so many top universities and institutions nearby, neither does the talent.

LEARN HOW PHILLY WORKS TO ATTRACT  
AND RETAIN TALENT AT  
[PHILLYWORKS.COM](http://PHILLYWORKS.COM)

 CENTER CITY  
DISTRICT

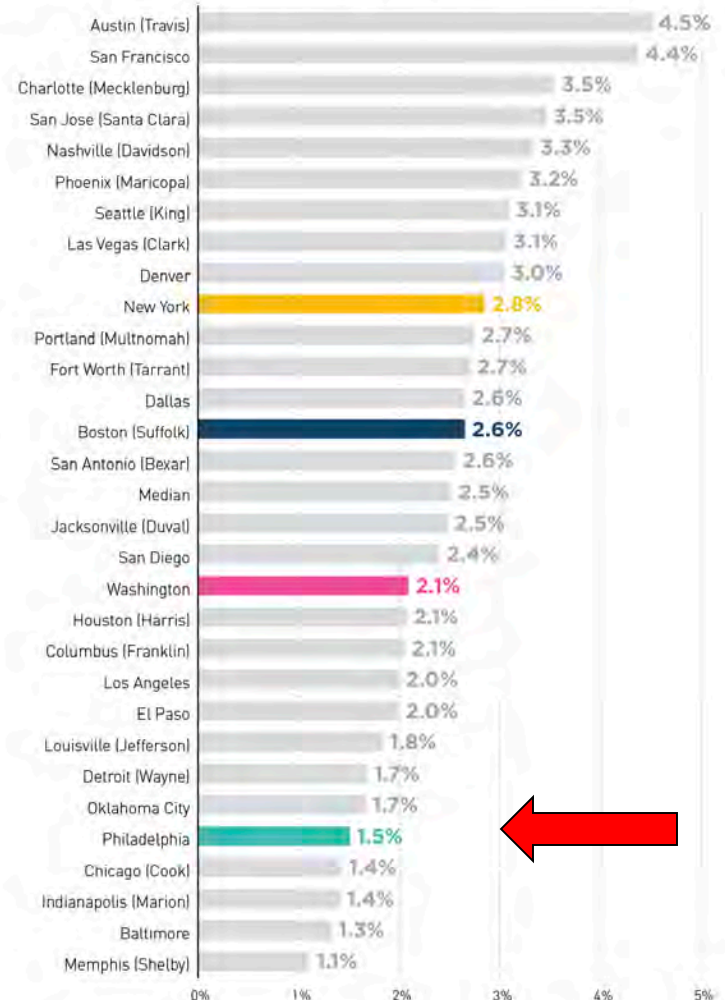




# Our biggest challenge beyond the pandemic: How do we cease to be a slow growth city?



Average Rate of Annual Private Sector Employment Growth in Urban Counties, 2010-2019

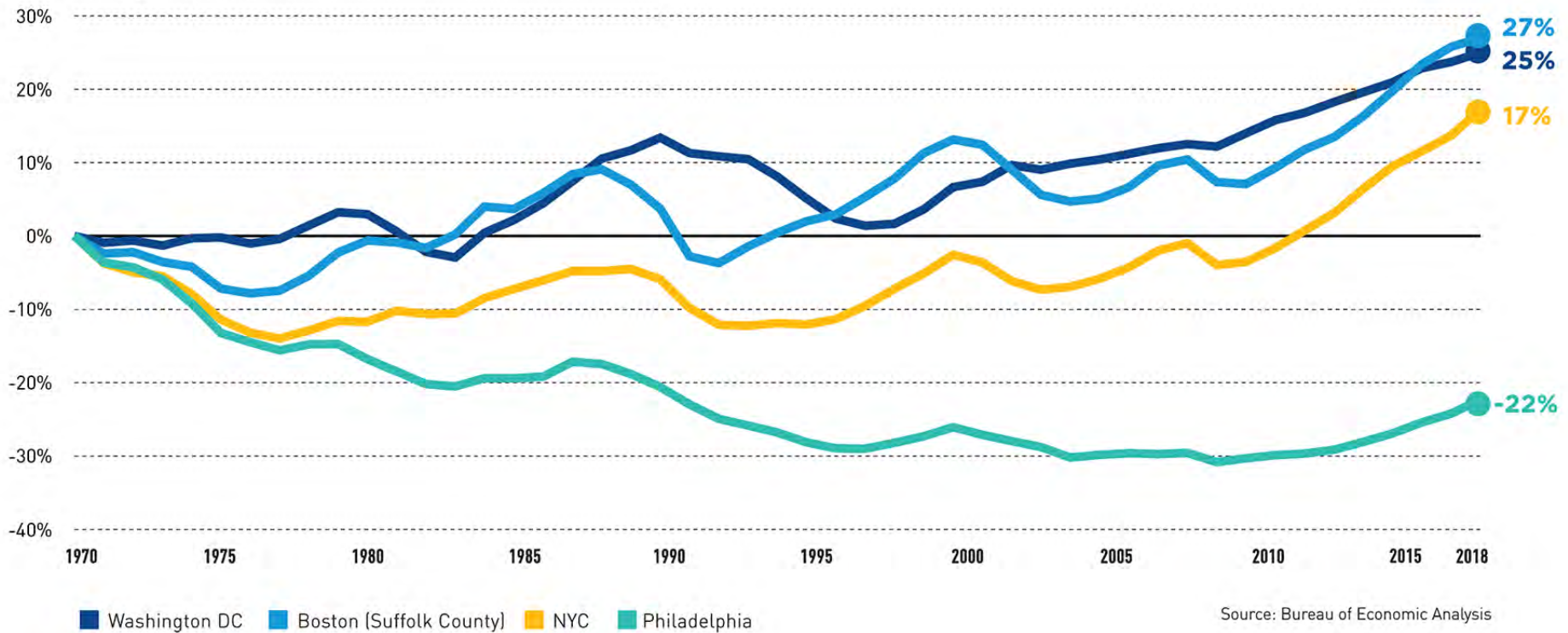




# How we cease to lag in job growth behind Boston, New York & Washington

## PERCENTAGE CHANGE IN JOBS FROM 1970

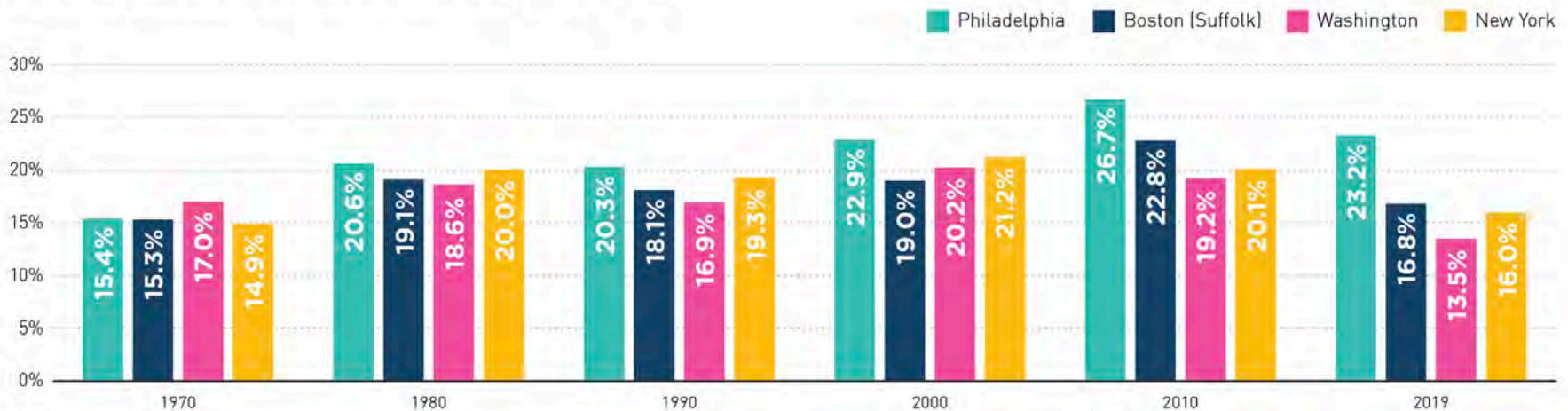
Percent Change from 1970 levels



Source: Bureau of Economic Analysis

# How we cease to have such a high poverty rate

Poverty Rates in Northeastern Cities, 1970-2019



Source: U.S. Census Bureau, Decennial Census, 1960-2000; American Community Survey, 2010 and 2019, one-year estimates



# How we cease to be a city in which only 1 of 10 top employers is private sector & taxable



## Philadelphia County

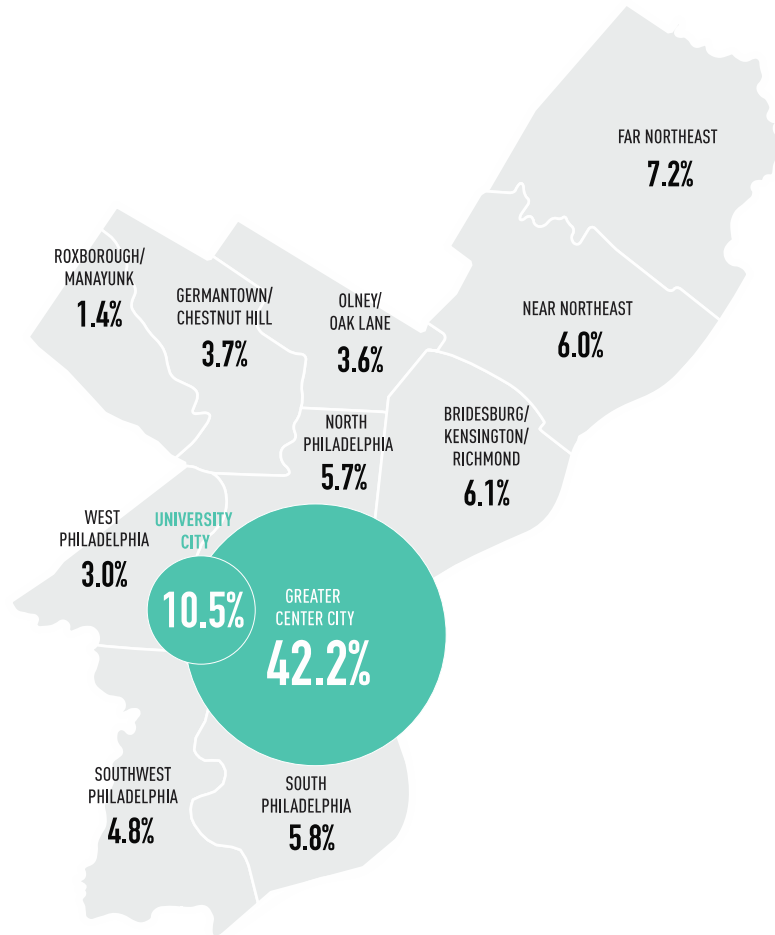
## 3rd Quarter, 2021

Combined Government Ownerships

Rank	Employer	Rank	Employer
1	Trustees of the University of PA	11	Drexel University
2	Federal Government	12	Thomas Jefferson University
3	City of Philadelphia	13	Universal Protection Service LLC
4	School District of Philadelphia	14	State Government
5	The Children's Hospital of Philadelphia	15	Albert Einstein Medical Center
6	Temple University	16	Independence Blue Cross LLC
7	Thomas Jefferson University Hospital	17	Presbyterian Medical Center
8	Southeastern PA Transportation Authority	18	Pennsylvania Hospital
9	Temple University Hospital Inc	19	Patriot Home Care, Inc
10	American Airlines Inc	20	Comcast Cablevision Corp (PA)

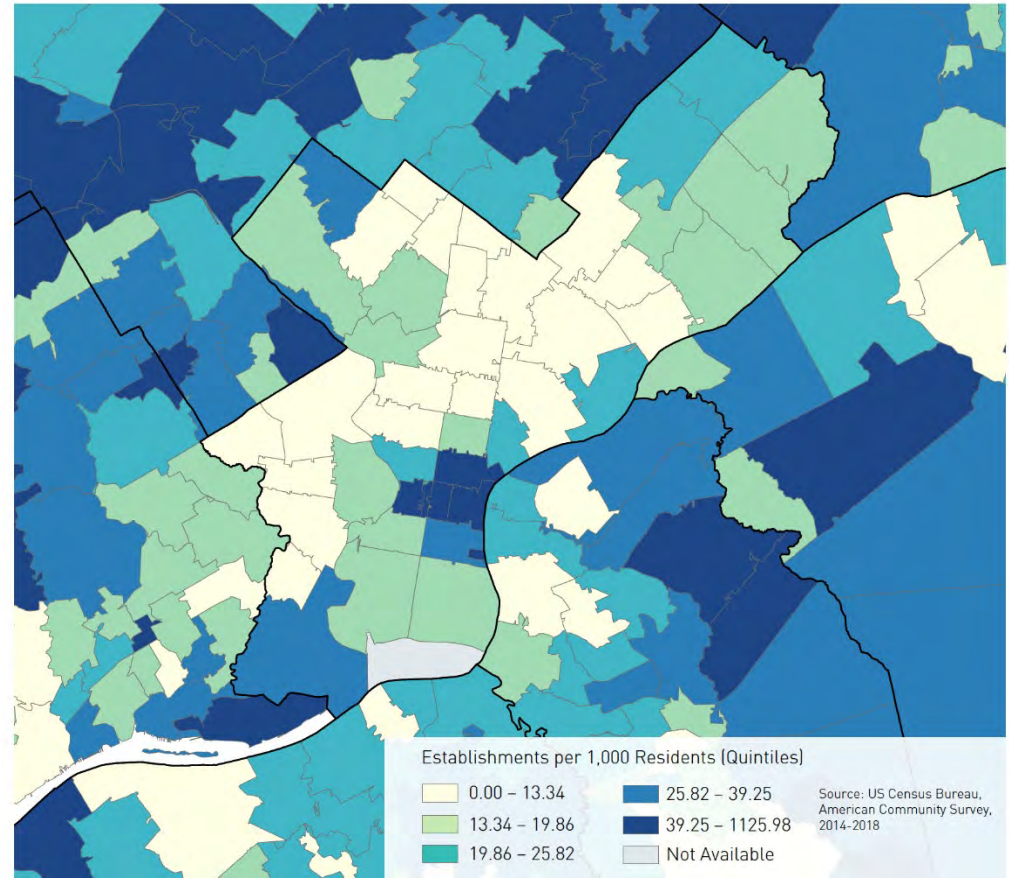
# How we increase the density of jobs everywhere in the city Not just in Center City & University City

## PHILADELPHIA EMPLOYMENT BY AREA



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

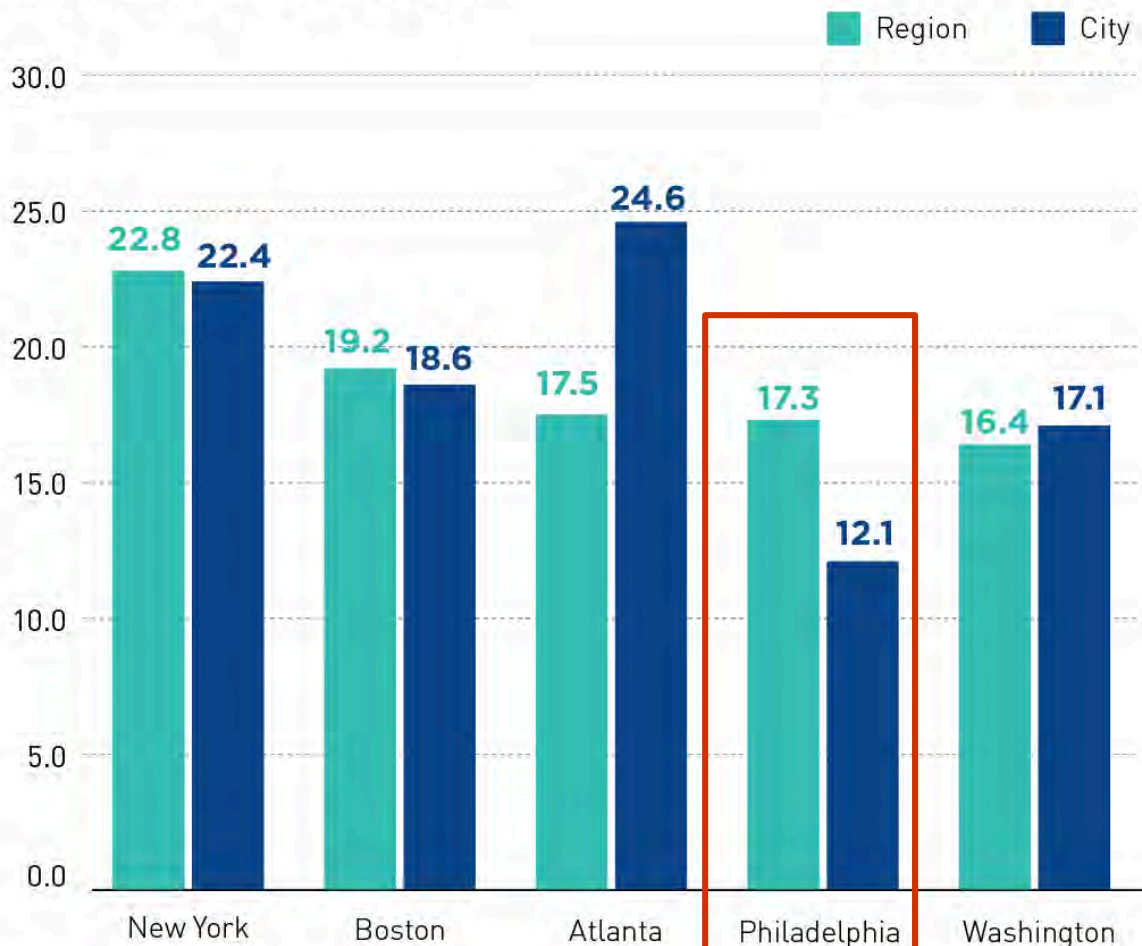
Figure 6: Where Businesses are Located Within the Region





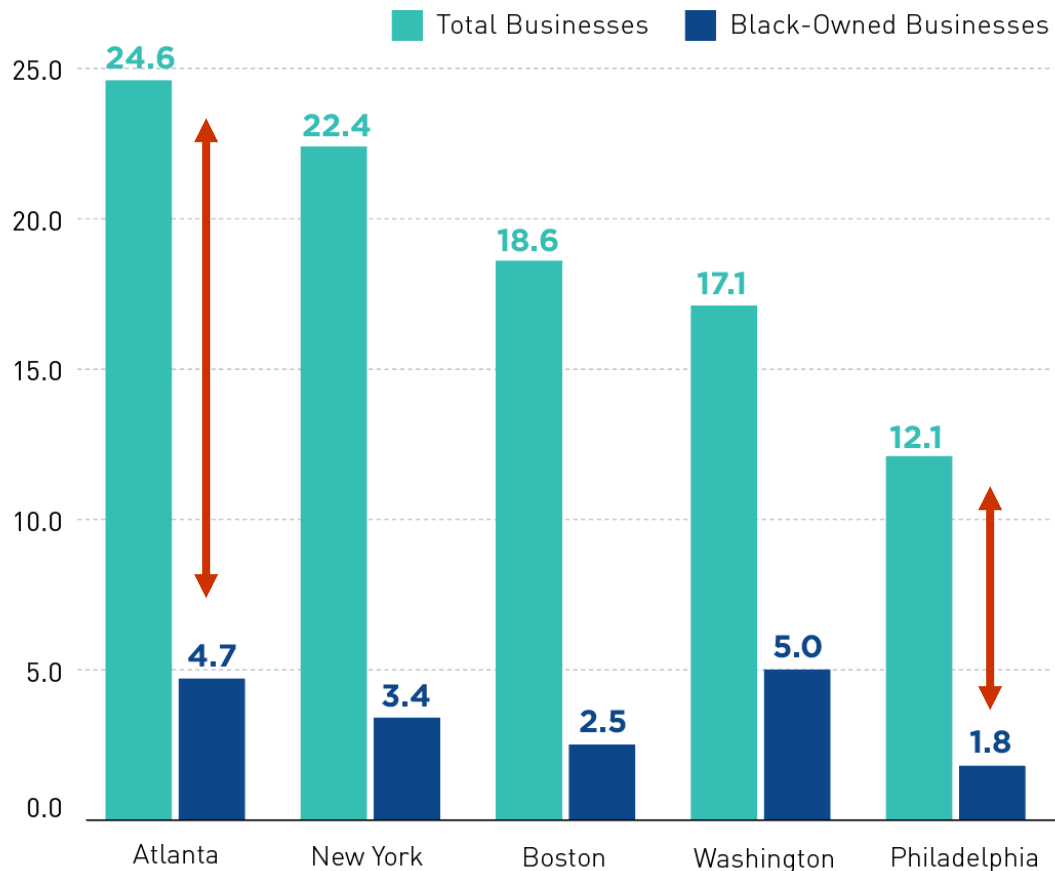
# And catch up with peer cities & our suburbs in business density & opportunity

FIGURE 6: BUSINESSES PER 1,000 RESIDENTS,  
CITY AND REGION, 2017



# How we accelerate the growth of Black & brown businesses city wide & catch up with our peers

FIGURE 2: TOTAL BUSINESSES AND BLACK-OWNED BUSINESSES PER 1,000 RESIDENTS, MAJOR CITIES, 2017



(1) Philadelphia has lowest number of all businesses per resident of all 5 cities: Atlanta's business density 2 x PHL; Boston = 1.5 x PHL

(2) Disparity between Black owned businesses & all businesses in all 5 cities

(3) Disparities are greater in Philadelphia; we have lowest number of Black businesses per Black resident

Black business density in Atlanta 2.5 x PHL

(3)



**It's growth that provides the resources  
For government to invest in education & public services  
Philadelphia needs more robust growth**



**CENTER CITY REPORTS**

# **Investing the Proceeds of Growth:**

**City of Philadelphia Budget Choices: 2020-2024**

FEBRUARY 2020

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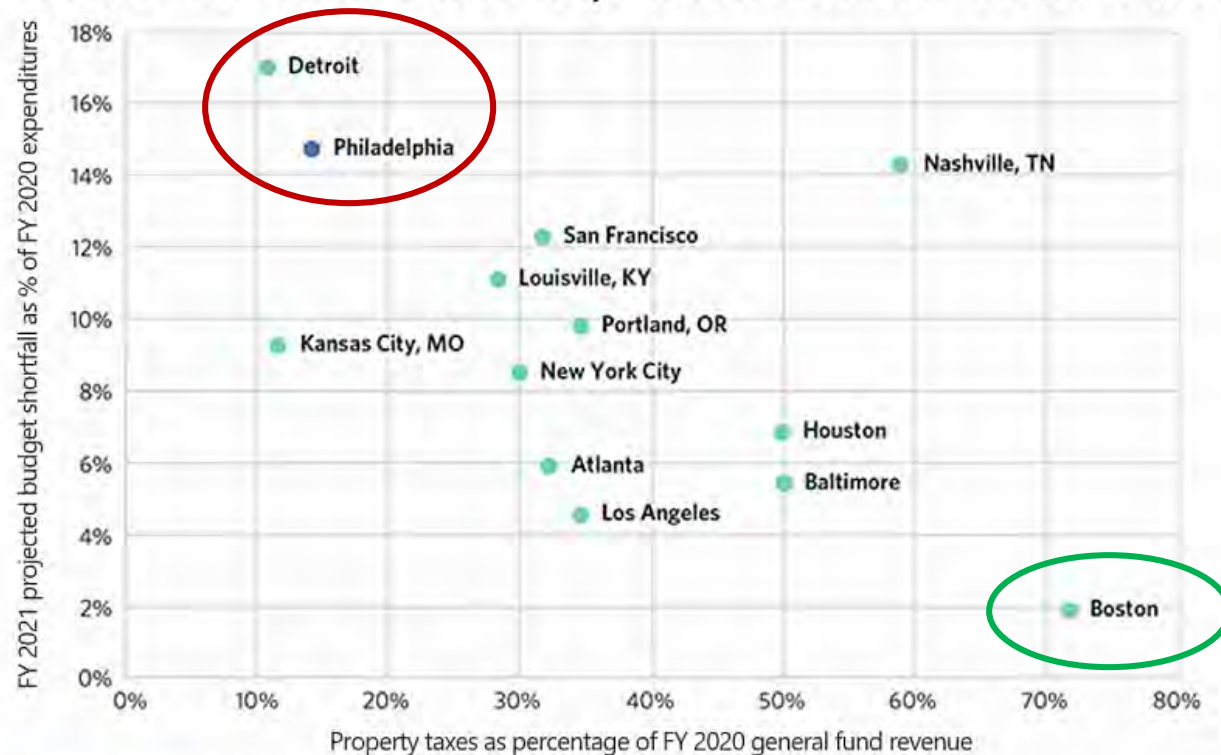


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DEVELOPMENT CORPORATION**

# Pew: pandemic was a wake up call: the cities most reliant on wage taxes had largest budget deficits

## Cities' Property Tax Reliance versus Budget Shortfall

Finances more stable for those more dependent on real estate taxes

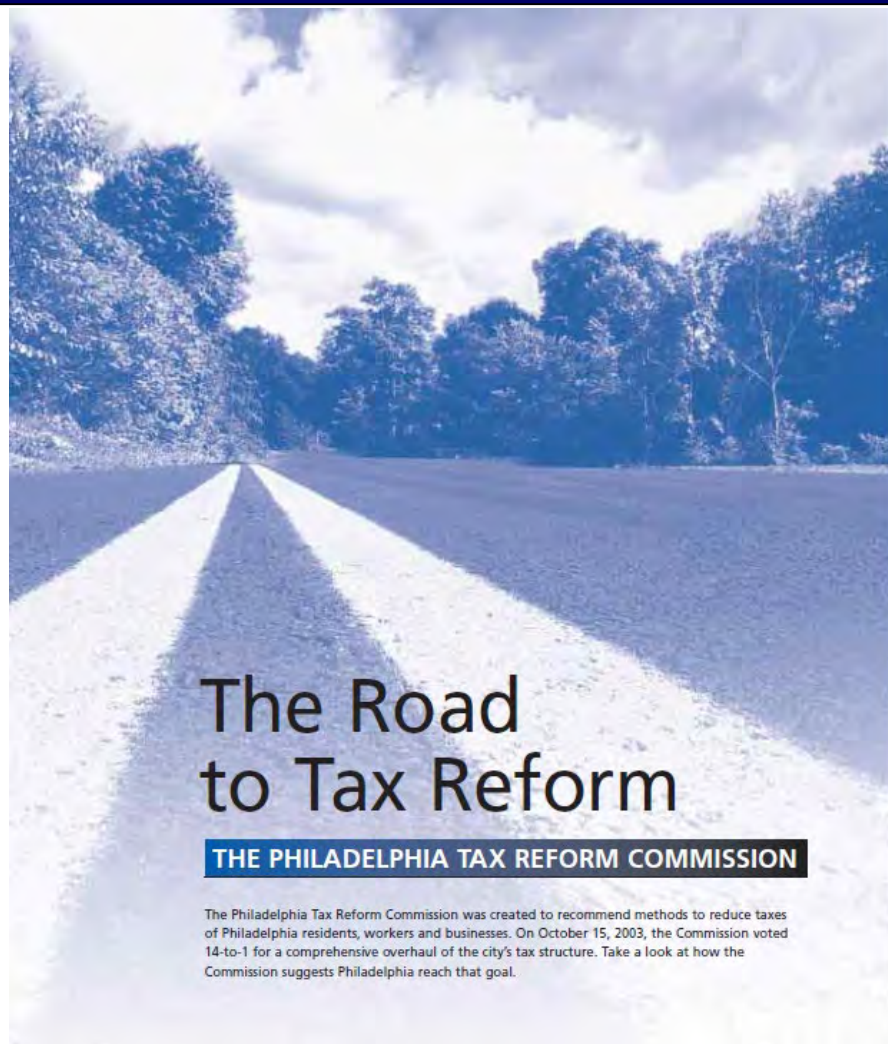




# Both 2003 & 2009 Tax Commissions reached same conclusion

## Reduce reliance on wage & BIRT; shift to Real Estate tax

### Mayor's budget proposal - controversial - but moving in right direction



**MAYOR'S TASK FORCE ON TAX POLICY &  
ECONOMIC COMPETITIVENESS IN  
PHILADELPHIA**

**THINKING BEYOND TODAY:  
A PATH TO PROSPERITY**

**PRESENTED TO  
MAYOR MICHAEL A. NUTTER  
AND  
CITY COUNCIL PRESIDENT ANNA C.  
VERNA**

**OCTOBER 2009**



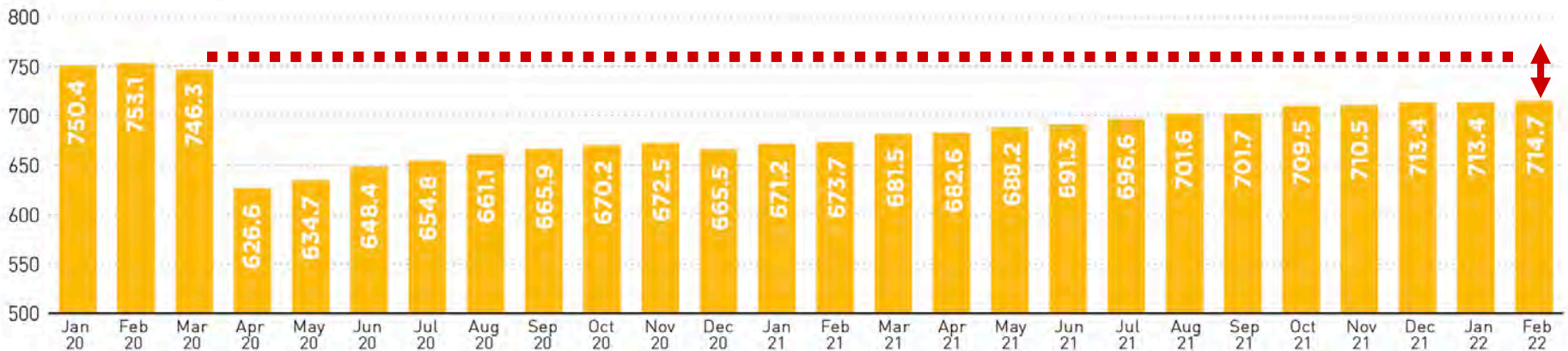
**CENTRAL PHILADELPHIA  
DEVELOPMENT CORPORATION**

# We are in a slow but steady recovery

## Still 38,400 jobs below February 2020

Regained 70% of jobs lost in first two months of the pandemic,  
11-county region regained 84%; nation has regained 87%.

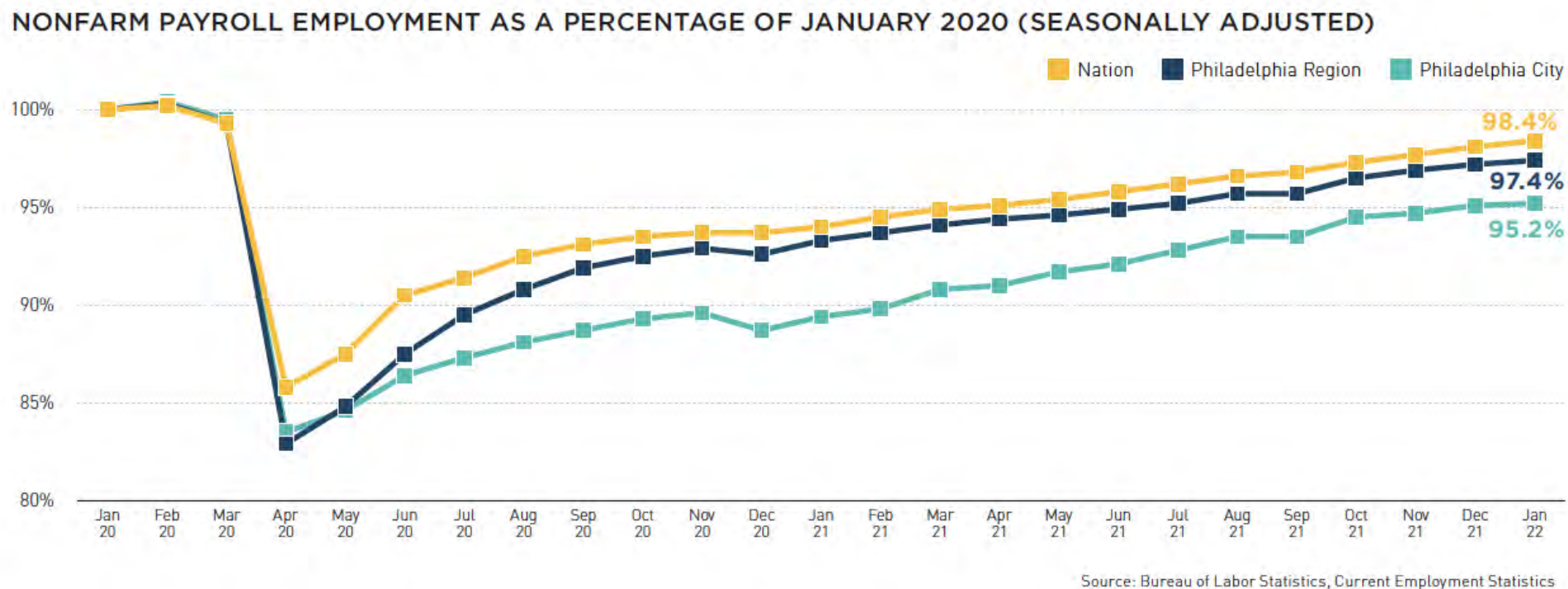
Philadelphia Non-Farm Payroll Employment, Seasonally Adjusted, 2020-2022  
(in Thousands)



Source: Bureau of Labor Statistics, Current Employment Statistics, seasonally adjusted.

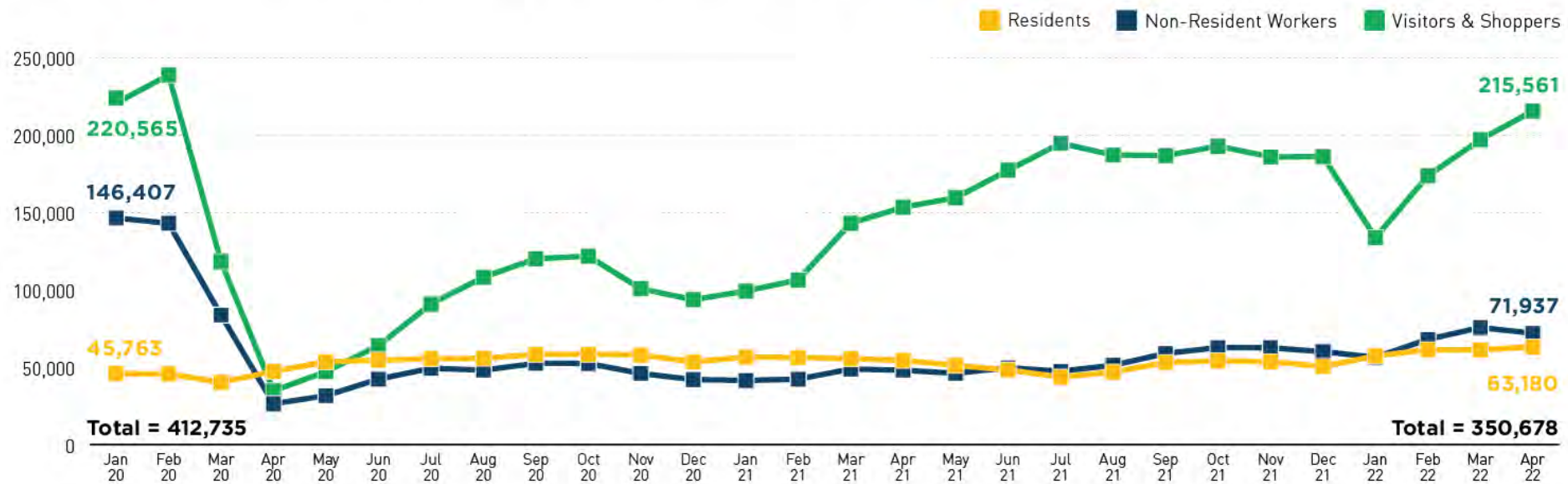


**If Philadelphia had restored jobs at same pace as region,  
16,500 more payroll positions in the city.  
23,800 additional jobs if recovery tracked nation**



# All the indicators in Center City are moving in the right direction

Center City Pedestrians: Residents, Non-Resident Workers, and Visitors (Average Daily)



Source: Placer.ai



# We simply need them to move faster, be more inclusive & to expand citywide



## STATE OF CENTER CITY PHILADELPHIA 2022

 CENTER CITY  
DISTRICT

CENTRAL PHILADELPHIA  
DEVELOPMENT  
CORPORATION



The Center City District (CCD), Central Philadelphia Development Corporation (CPDC) and Center City District Foundation (CCDF) work together to enhance the vitality and competitiveness of Philadelphia's downtown. In 1991 the business leadership organization CPDC created the CCD business improvement district to deliver daily services with the goal of making Center City clean and safe. This helped transform Center City into a vibrant 24-hour downtown, attractive to businesses, residents, students, shoppers and tourists.



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