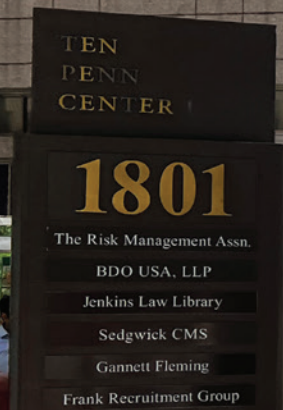




CENTER CITY
DISTRICT



CENTER CITY Digest

Rising to the Occasion

Philadelphia can draw both solace and affirmation from Aesop's fable of the hare and the tortoise. Some cities, whose growth accelerated in the last two decades, adding tower upon tower, now struggle with empty canyons in their office districts.

Meanwhile, slow and steady Philadelphia used our path-breaking, 10-year tax abatement during the last 20 years to convert close to 10 million square feet of former office and industrial space downtown to apartments, condos and hotels. "Do you ever get anywhere?" the hare asked the tortoise with a mocking laugh. To which the tortoise replies, "Yes, we have probably fashioned the most diversified downtown in the United States."

There are more than 70,000 residents living between Vine and Pine streets and another 130,000 in immediately adjacent neighborhoods. With major health care institutions, 13,000 hotel rooms, a rebounding hospitality industry and a diverse range of arts, culture, shopping, dining and entertainment venues, pedestrian volumes on Center City sidewalks are approaching pre-pandemic levels, even if only 52% of office workers were back during the summer, usually three days per week.

However, anyone proffering a vision of downtown as just a bedroom community and entertainment zone completely misunderstands the complexity and interconnectedness of the downtown and regional economy. More than 310,000 jobs — 42% of Philadelphia's employment — were located in Center City in 2019. Those who have studied the restructuring of work during the pandemic nationwide estimate that at least 55% of jobs can only be performed in person. These are positions in the service, maintenance, distribution, hospitality, restaurant and retail sectors, requiring less formal education, but often highly reliant on the presence of more educated workers. In Center City, two-thirds of all jobs in 2019 required less than a college degree, providing opportunity for neighborhood residents who relied on SEPTA to connect with family-sustaining jobs. If many workers remain remote, other jobs vanish.

Estimates suggest that just 15% of jobs can be fully remote, leaving about 30% in that not-yet-fully-defined zone of *hybrid* work. Several studies suggest that *productivity* has not declined in many businesses that have gone remote and may actually increase as

employees save time on commuting. But productivity measures the performance of known routines and tasks aligned with current realities. *Creativity* and *innovation* are how organizations stay ahead of the curve, respond to new opportunities and stay competitive. Optimally, this is done collaboratively and often in person. Economic history is littered with the wreckage of firms who kept doing the same old thing as the world around them changed. In this moment of profound transformation, it's best not look to ghost offices or ghost towns for inspiration.

The pandemic and mandated shutdowns extended a new perquisite to employees: the ability to work from home. Benefits, once extended, are exceedingly hard to withdraw. Worker satisfaction is extraordinarily important but it is not the same as innovation, competitiveness, mentoring and growth. This creates the central challenge for businesses: determining the appropriate functions and frequency of office use, redefining the purpose of the organization and inspiring workers to be part of that mission.

IN THIS ISSUE

- 4 Park Events
- 5 Project HOME Sock Drive
- 6-7 Center City District Foundation
- 8-9 Shopping, Dining & Entertainment
- 10 CCD/CPDC Reports
- 11 CPDC Hardhat Tour








A Highly Diversified Downtown

Greater Center City: Spring Garden – South Street River to River

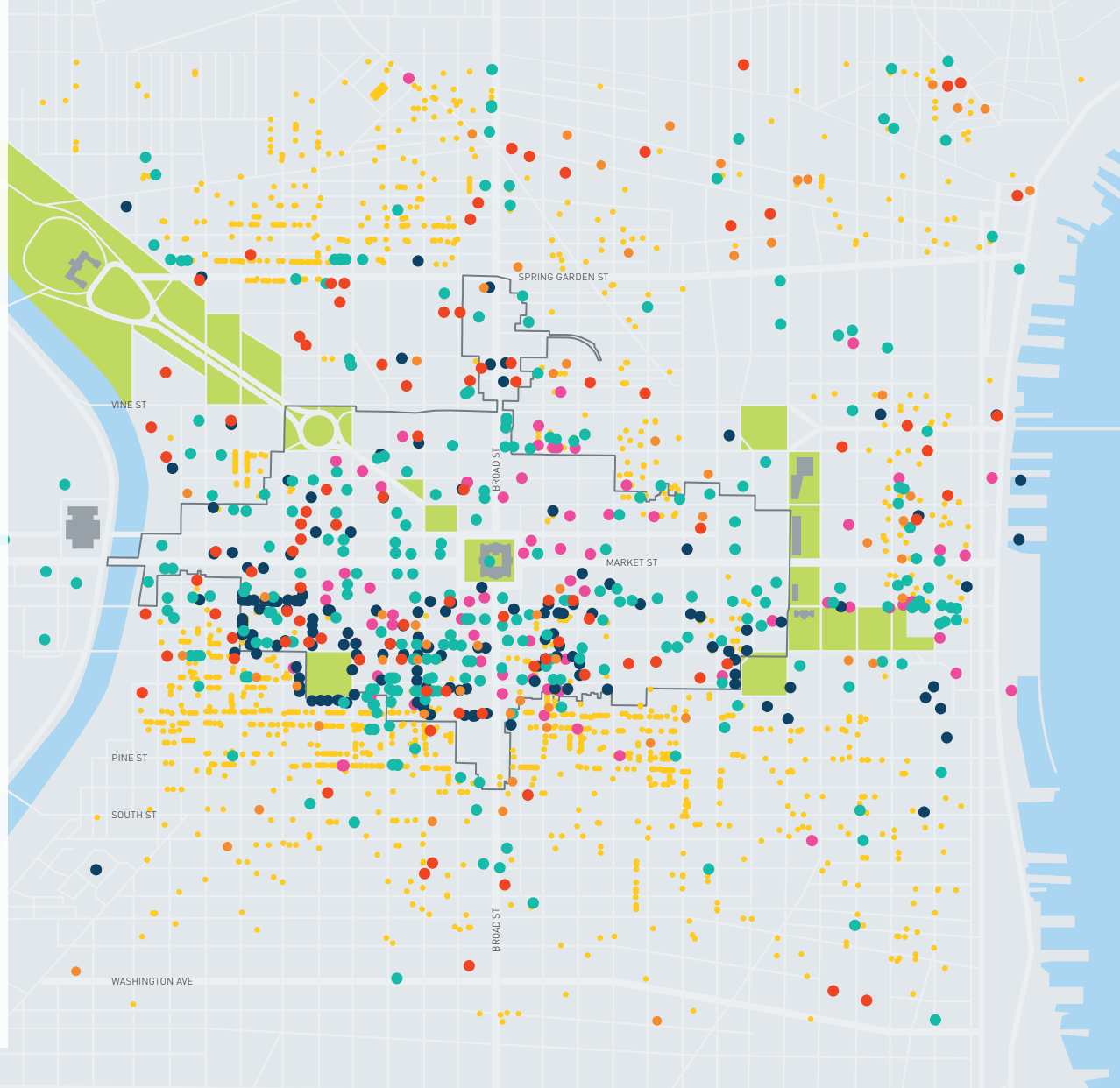
- 237 Office Buildings
- 157 Condominiums
- 76 Hotels
- 75 Apartment Buildings (100+)
- 51 Apartment Buildings (51–100)
- 991 Apartment Buildings (5–50)

Center City District:

- 142 Office Buildings
- 128 Condominiums
- 46 Hotels
- 42 Apartment Buildings (100+)
- 14 Apartment Buildings (51–100)
- 151 Apartment Buildings (5–50)

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

Source: Office of Property Assessment, 2022



Establishing a Supportive Context

CCD has long focused on the space and experience between buildings. Restoring confidence in downtown as the setting for work, for living and for entertainment is at the center of our mission. We have steadily ramped up safety, outreach and crime prevention efforts, forging new partnerships with public and private security and with social service organizations, to create a welcoming environment for everyone downtown. In addition to 110 sidewalk cleaners who sweep and pressure wash sidewalks and remove graffiti seven days a week, our three public safety programs have expanded to more than 90 staff.

Community Service Representatives: CCD's unarmed, uniformed safety ambassadors known as Community Service Representatives (CSRs) have provided a friendly, helpful and highly recognizable presence on downtown sidewalks for more than three decades. After raising salaries for CSRs this spring, CCD is increasing the number on-street from 40 to

more than 50 by mid-fall. CSR foot patrols are equipped with two-way radios and serve as "eyes and ears" on the street. They provide information and directions, administer first aid, request police and EMT services and provide outreach to unsheltered individuals. Specially trained CSRs also survey every block in the Center City District monthly, reporting overflowing municipal trash cans, non-functioning street lights, damaged traffic signs, or clogged storm drains. CCD communicates problems to the responsible agency and follows up to ensure appropriate attention. With creativity, funding and strong management, programs like this could be replicated citywide.

Bike Patrol: The bicycle safety patrol launched in fall 2020 and expanded in spring 2022 to provide enhanced, mobile, public safety services within the District to accelerate the recovery process. Contracted through Allied Universal, the bike patrols are coordinated with both the CSR program and the Philadelphia Police Department. This month,

CCD is increasing these uniformed patrols, which operate seven days per week in two shifts, to more than 45 positions. This will enable deployment to increase from 20 to 25 bike patrol staff on the street each day – 15 on the day shift (11 a.m. to 7 p.m.) and 10 on the afternoon/night shift (3 p.m. to 11 p.m.).

Homeless Outreach: The Ambassadors of Hope (AoH) program initiated and funded by CCD since 2018 is expanding from two to three outreach teams. Each team currently consists of a Project HOME social service worker, a crisis intervention trained Philadelphia police officer from the Central Service Detail and a Community Service Representative Homeless Outreach Team member from CCD, along with a CSR manager with a vehicle available to transport those in need to services and shelter. The teams patrol on foot, covering the entire District, Monday through Friday, 8:30 a.m. to 3:30 p.m., with daily emphasis on engaging with chronically homeless individuals at recurrent locations.

In October 2021, CCD added a mental health outreach worker from Penn Medicine to the AoH teams, bringing specialized expertise and connections to additional networks offering addiction treatment, shelter and housing for individuals with mental health and cognitive issues and the ability to assess and prepare mental health committal petitions for individuals in crisis. This month, a third team is being added, working Tuesday's through Saturday's. Through consistent interaction with the AoH teams, more than 500 unsheltered clients have accepted help and were transported to service or treatment providers geared toward their individual needs, shelter or housing, with CCD providing the transportation in about 80% of the cases. In 2021 alone, 140 individuals accepted services and came off the street. More than one-third of those accepting help were chronically homeless individuals who had resisted placement in the past. This model of co-delivery of services is an essential part of the redefinition of public safety occurring across the country.

The CCD is now also routinely hosting meetings of federal, state, city and transit law enforcement professionals and private security firms working for major downtown employers and institutions to ensure continuous communication and coordination, creating an effective network of on-street deployment, compensating for scarce resources. SEPTA has also implemented this co-delivery model with enhanced safety services deployed in partnership with drug and alcohol teams across their entire system. In 1990, Center City faced equally daunting challenges with perceptions and realities. We recovered once; we can do it again.

Accentuating the Positives

An extraordinary array of amenities remains a defining strength of Center City. As outlined on page 8, CCD is expanding efforts to promote restaurants, retail and theaters on the Avenue of Arts with discounted tickets throughout the fall in a new Dinner and A Show initiative. Sister Cities Park, Café Cret and Dilworth Park are being actively programmed with arts, cultural and other attractions that appeal to a broad range of workers, visitors and regional residents. New landscaping in the office district is part of a larger effort to reposition the blocks with the densest concentration of jobs in Philadelphia.

Innovation and creativity happen not only in purpose-built office spaces, but in the cafes, restaurants and public spaces of a thriving,



live-work downtown. West Market and JFK from 15th to 22nd Street may be the setting for 24 major office buildings, but there are also seven residential buildings, two hotels and one soon-to-be-vacated office building. A better mixture of uses could actually make existing office and retail space more attractive to diverse new users and animate sidewalks on a more sustained basis.

Rethinking the Future

But ultimately, Philadelphia's success depends on our ability to nurture, expand and attract business to provide more jobs. If some existing firms downsize in a healthy economic ecosystem, emerging new ones move into vacated space. As noted in our recently released report, *Firing on All Cylinders: Growing Jobs and Small Business* (see page 10), Philadelphia has excelled in hospitality, health care and education, but seriously lagged in other 21st century industries that drive the economies of competitive cities and create demand for burgeoning small and Black- and brown-owned enterprises.

At the heart of our challenge lies a tax structure that has deterred growth throughout the city and constrained opportunities for too many residents. With remote workers exempt from the wage tax and, if businesses downsize, local government will find it increasingly difficult to fund needed services. The related commentary based on the report that appears in *The Philadelphia Citizen*, titled *Without More Jobs, Our Future is Limited*, notes that the success of this mayor and the next will be judged not only by their ability to respond to the urgent public safety crisis,

but also by the compelling need to change the trajectory of a place with fewer jobs and businesses per resident than comparable cities and our own suburbs. The crisis of 1990 prompted a restructuring of Philadelphia's fiscal management, established a path to tax competitiveness and laid the foundation for a remarkable revival. This crisis requires nothing less.

We have achieved great success: a thriving, walkable, mixed-use downtown, a burgeoning University City and Navy Yard, vibrant commercial corridors, world-class educational and cultural institutions and surging investments in life sciences.

But Philadelphia remains challenged by post-pandemic realities and by insufficient jobs elsewhere in the city. Economists refer to moments such as this as a time of "creative destruction" when those who stand still, fall behind. However, racing off impetuously with no sense of direction is equally problematic.

With a clear-eyed diagnosis and well-thought strategy, slow and steady is not a bad way to proceed. Philadelphia's business, civic and political leaders need to rise to the occasion.

Paul R. Levy

President

plevy@centercityphila.org

Fall Fun for Everyone in CCD Parks

Dilworth Park

CENTER CITY FIT

presented by Rothman Orthopaedics
Through October 11
Mondays & Tuesdays, 6 – 7 p.m.

LIVE @ LUNCH

presented by PNC
Through October 13
Wednesdays & Thursdays, noon – 1 p.m.

PHILADELPHIA MARKETPLACE

Through October 1
Fridays & Saturdays, noon – 6 p.m.

HAY MAZE ON THE GREENFIELD LAWN

September 30 - October 9
Daily

HARVEST WEEKEND & MADE IN PHILADELPHIA FALL MARKET

October 7 – 9
Friday & Saturday, noon – 8 p.m.
Sunday, noon – 6 p.m.

Sister Cities Park

PARKWAY PALS STORYTIME

Through October 11
Tuesdays, 10:30 – 11:30 a.m.

PICTURES IN THE PARK

Through September 30
Fridays, 7 p.m.

PARKWAY PALS FAMILY SATURDAYS

Through October 15
Saturdays, 11 a.m.

Crét Park

JAZZ ON THE PARKWAY

Through September 25
Sundays, 4 – 6 p.m.



Host your next event at a CCD park!

For info about CCD park rentals, email rentals@centercityphila.org

BeauMonde



CHECK US OUT AT
CCDPARKS.ORG



CCD Sock Drive for Project HOME



CCD kicked off a Christmas in July sock drive for Project HOME on July 15 to coincide with National Give Something Away Day. In less than a month, our staff donated a total of 2,081 pairs of socks, which are among the most needed items at homeless shelters and often the least donated.

Read more in the cover story about the Ambassadors of Hope, CCD's innovative and successful partnership with Project HOME and the Philadelphia Police Department. You can also find details at centercityphila.org/outreach.

Find more details at centercityphila.org/outreach



Center City District Foundation

Generous contributions to the Center City District Foundation (CCDF) in 2022 have enabled us to expand public safety and homeless outreach programs, as well as arts and cultural programming and events for families with children in Dilworth Park and Sister Cities Park. Donors supported retail recovery by helping us to add new planters on West Walnut Street and while enhancing the office district with new landscaping on West Market and JFK Boulevard.

Your contribution to the Center City District Foundation will allow CCD to continue our commitments to enhancing public safety and maintaining a clean public environment, seven days a week; providing homeless outreach and services with our Ambassadors of Hope partners; offering a full calendar of educational and recreational opportunities in our parks; and maintaining planters, trees and landscaping throughout the District.

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

A gift to the Center City District Foundation is a gift to all Philadelphians. Please use the enclosed envelope to make an impact today or give online at supportccdf.org





Looking Forward to a Green Fall

As summer wanes and the first hints of autumn are in the air, Center City District's landscaping and streetscape team is hard at work preparing CCD-managed parks, sidewalks and planters throughout the District for the fall season.

At Dilworth Park, the Albert M. Greenfield Lawn transforms to a fun-for-all-ages Hay Maze from September 30 through October 9. The park's play fountain is on through October 5, and the Air Grille Garden is open through October 9.

At Sister Cities Park, the Boat Pond will close for the season on October 15 before transitioning to the Imagination Playground on October 21, while the Children's Discovery Garden continues to operate daily through the winter from 9 a.m. to 5 p.m. The Earth Fountain remains open through early November.

Green spaces are being refreshed with fall-hardy plants in Dilworth Park, Sister Cities Park, Cret Park, and John F. Collins Park.

On sidewalks from East Market Street and Jewelers' Row to West Walnut Street, West Market and JFK Boulevard, dozens of planters are also getting fall facelifts with cool-weather plantings to welcome pedestrians with pops of seasonal color, and hundreds of street trees undergo fall trims and maintenance.



Clean Goes Green(er)

Center City District's distinctive Green Machines, used every day to clean sidewalks, just got greener as CCD has purchased the first all-electric model.

Gas-operated sweepers have long been a part of CCD's cleaning operations, along with our pan-and-broom sweepers and power-washing machines. If the battery life improves on these new models, CCD will aim to go all-electric in the future.

CCD cleaning crews supplement the City of Philadelphia's sanitation services and the obligations of property owners. More than 125 uniformed workers manually and mechanically clean sidewalks and CCD parks on two overlapping shifts, seven days a week, so that Center City opens clean and remains clean throughout the day.



Back in Business

As foot traffic in Center City’s shopping areas approaches pre-pandemic levels, pedestrians can find an array of new businesses that have opened, along with existing retailers who have moved to new locations.

Since 2020, 174 new storefront businesses have opened within CCD’s boundaries and at least 42 more are on the way. To-date, more than 80% of the retail and restaurant storefronts within the CCD are open for business, up from 54.5% in spring 2020. Pre-pandemic, the occupancy rate was 88%.

Established Center City businesses including J.Crew, Federal Donuts, Goldie, The Franklin,

Go Popcorn and The Children’s Boutique have reopened downtown in new locations. Quick-service food businesses including Van Leeuwen Ice Cream, &pizza, and Bluestone Lane have opened second locations.

National apparel chains on West Walnut Street that closed due to restructuring or national bankruptcy have quickly been replaced by fast-growing brands including Allbirds, Brooklinen, Gorjana and Taft, with Aritzia, Outdoor Voices, Glossier and Joybird coming soon. Additionally, retailers Free People, Madewell and State & Liberty have plans to expand their footprints this year along the West Walnut corridor.

Other businesses slated to open soon in the District include mini-golf venue Puttshack; a retail “lab” from Insomnia Cookies; a second Philadelphia location for bar/arcade hybrid Barcade; and Bankroll, an entertainment venue from Stephen Starr.

For a list of new and coming Center City retailers, read our latest Center City Retail Update at centercityphila.org/retail.

*Interested in opening a business in Center City?
Visit phillyworks.com for more information.*

Center City Is the Place for Shopping, Dining & Entertainment

Retailers, restaurants and arts and cultural institutions in Center City are featuring an exciting variety of exclusive promotions and special events throughout the fall.

CENTER CITY DISTRICT RESTAURANT WEEK which began on September 12, continues through September 24. This foodie-favorite tradition features more than 75 participating restaurants offering \$40 prix-fixe dinners, and some also offering \$25 prix-fixe lunches.

Visit ccdrestaurantweek.com for a list of participating restaurants.

SHOP CENTER CITY SATURDAYS are happening on September 17, September 24 and October 1. Fashion shows, giveaways and other special happenings will vary from week to week, allowing shoppers to explore Center City's diverse retail corridors.

Pop-up outdoor fashion shows curated by CCD and Philly Fashion Week are happening on September 17 at Market East's Fashion District, September 24 at the Rittenhouse Row Fashion Fest and October 1 at the Midtown Village Festival.

Visit centercityphila.org/shopsaturdays for more details. Shop Center City Saturdays are supported by Beam Suntory.

DINNER AND A SHOW is a brand-new initiative offering discounted theater tickets to select venues along the Avenue of the Arts through the end of the year. Pair this promotion with a CCD Restaurant Week reservation for the perfect night out in Center City.

Find out more about Dinner and a Show at the Philadelphia Fall Arts Fest at the Kimmel Cultural Campus on September 17, or visit centercityphila.org/dinner-show.



Matt Stanley

Have you checked out our new blog?

In May, CCD launched a new blog to highlight the people, places and things that make Center City special and to share news about our research reports and seasonal events.

Visit centercityphila.org/blog for posts on Center City fitness tips and street style,

business Q&As and information about Center City's economic recovery, public safety and the return to office.

Check back frequently, as we'll be adding new posts often.

The Latest Reports from CCD/CPDC


CENTER CITY DISTRICT

JULY 2022

Firing on All Cylinders: Growing Jobs and Small Business by Expanding the Traded Sector

Where the Jobs Are in the Region



**A larger version of this map can be found on page 12.*

REPORT HIGHLIGHTS

- The next major needs to broaden Philadelphia's approach to economic development to retain and attract major employers who sell services on a national and global level and who pay family-sustaining wages. These are the businesses that flourish in many of our peer cities and in surrounding counties, but not in Philadelphia. As a result of decades of job loss, Philadelphia has fewer firms of this kind and fewer jobs per resident than comparable cities and our own suburbs. This is a major cause of the city's high unemployment and poverty rates.
- In the first decades of the 20th century, Philadelphia contained many manufacturing industries that produced and exported goods nationally - locomotives, ships, radios, hats, carpets, men's and women's clothing and refined sugar. Termed "traded industries," these firms not only hired many workers to create products for export, they created demand for more local businesses to support their production processes, giving the city the moniker "the workshop of the world." By the end of the 20th century, nearly all those jobs were gone.
- The post-industrial economy is comprised of numerous "traded" firms that conduct business nationally and globally. There are six major employment sectors that tend to cluster in cities, but Philadelphia lags in four of them, particularly among the traded office sector firms that offer more family-sustaining jobs in information, financial, professional, technical and business services. As the map above suggests, many such businesses have a strong presence in Philadelphia's suburbs but not in the city. We are like a six-cylinder engine car firing on only two of its cylinders.

CENTER CITY DISTRICT & CENTRAL PHILADELPHIA DEVELOPMENT CORPORATION
 CENTERCITYPHILA.ORG

Firing on All Cylinders: Growing Jobs and Small Business by Expanding the Traded Sector compares Philadelphia to five other U.S. metros: Baltimore, Boston, Denver, New York and San Francisco. It documents how Philadelphia lags in many "traded employment" sectors, but suggests that if we replicate the success achieved by others, we will grow both more family-sustaining jobs and a prosperous network of small, local businesses.

Economists define "traded sector" businesses as those that sell nationally and globally. For example, every Philadelphia resident and business using Apple, Dropbox, Facebook, Google, Intel, Salesforce, Oracle or Uber is transferring money to support traded firms and employment in the Bay Area.

Hospitality and "eds and meds" are Philadelphia's two traded-sector strengths; we lag in the other four broad categories of employers who flock to cities. As a result, there are not enough businesses located here selling services on a national or global scale, paying family-sustaining wages and driving demand for emerging Black- and brown-owned businesses.

Among the 10 largest employers in the city, there is only one taxable, private sector firm. These major employers flourish in peer cities and surrounding counties, but not in Philadelphia. Their absence weakens our property tax base, eroding our ability to fund services to solve problems. More competitive tax policies are key both to recovery and to sustained growth.



JUNE 2022
Center City Retail Update

KEY TAKEAWAYS

- Thanks to the delivery of over 40 Philadelphia's highest-rated downtown, retail pedestrian foot traffic is at its highest since 2019. Pedestrian foot traffic is up 40% since 2019.
- 80% of the retail storefronts within the CCZ are open for business, up from 54.8% in the spring of 2020 with 42 storefronts with announced openings for 2022.
- With indoor dining fully restored, demand for outdoor seating is on the rise. The number of outdoor seating spaces has increased by 100% since 2020.
- An emerging housing market is expected to drive the development of new office space in the CCZ.
- Several established Center City retailers have been successful at re-opening in new, often larger or more prominent spaces.
- Thanks to the delivery of over 40 Philadelphia's highest-rated downtown, retail pedestrian foot traffic is at its highest since 2019.

CENTER CITY DISTRICT & CENTRAL PHILADELPHIA DEVELOPMENT CORPORATION
 CENTERCITYPHILA.ORG

Center City Retail Update documents the process of recovery in Center City as new businesses are opening and existing retailers are moving to new, often larger locations. In the first quarter of 2022, taxable retail sales in the core of Center City reached 94% of 2019 levels and restaurant sales reached 74% of 2019 levels.



CENTER CITY REPORTS | MAY 2022
Philadelphia's Steady, Uneven Recovery

Philadelphia continues to show steady though uneven recovery at the start of the summer season. By April, overall employment climbed to 16.5% of February 2020 levels, compared to 16.1% in the 11 county region and 16.2% in the nation. The pace of job recovery remains slow, with 17% of the region's workforce still unemployed. The report of results is mixed, with some positive news, but also concerns about the recovery of the restaurant and retail sectors. The report also highlights the need for continued support and investment in the city's economic recovery.

CENTER CITY DISTRICT & CENTRAL PHILADELPHIA DEVELOPMENT CORPORATION
 CENTERCITYPHILA.ORG

Monitoring Philadelphia's Economic Recovery is a quarterly report that provides a snapshot of current conditions based on key economic indicators, commercial office and housing market trends, local tax revenues, transit ridership, parking volumes and pedestrian activity in Center City.

TO READ OR DOWNLOAD THESE AND OTHER RECENT CCD/CPDC REPORTS, VISIT centercityphila.org/research-reports



CPDC Members Visit Morgan Lewis Tower Under Construction



After a pause due to the pandemic, Central Philadelphia Development Corporation (CPDC) this year resumed the popular Behind the Scenes tours, giving members opportunities to network while visiting Center City construction projects in progress.

In March, Southern Land Company led a CPDC hard hat tour of the residential tower The Laurel. In June (pictured), Parkway Corporation hosted CPDC at the under-construction headquarters for Morgan Lewis. At over 300,000 square feet, the project at 2222 Market is the first build-to-suit office

building in Center City since the Comcast Technology Center in 2018. The former parking lot is being transformed into a 19-story building with quick access to public transportation.

With support from our members, CPDC works to sustain and enhance the competitiveness and attractiveness of Philadelphia and positioning the entire city and region for growth.

Learn more at joincpdc.org.

CENTER CITY Digest



FALL 2022

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

Center City District
660 Chestnut Street
Philadelphia, PA 19106
CenterCityPhila.org



Harvest WEEKEND



OCTOBER 7 - 9
AT DILWORTH PARK

FOR MORE INFORMATION, VISIT
DILWORTHPARK.ORG

