

CENTER CITY DIGEST

Competitiveness, Transit & Opportunity

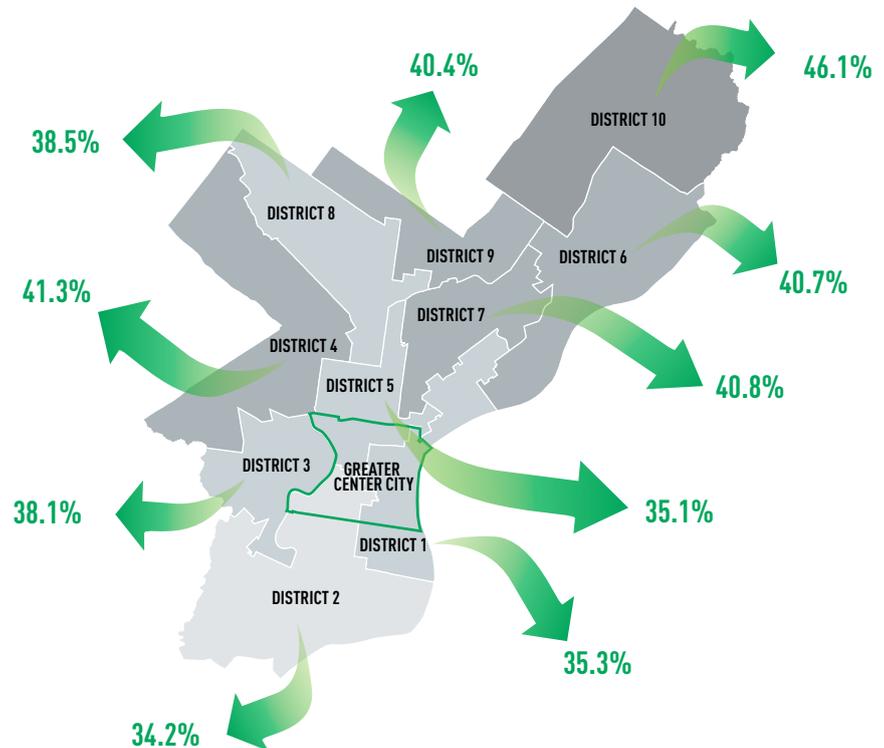
Philadelphia has taken a giant step towards competitiveness. On June 27, the Pennsylvania House of Representatives approved HB 1871 with a decisive, bi-partisan vote of 170-25. On July 1, the Senate followed with a margin of 49-2 to amend the Pennsylvania constitution to enable Philadelphia to assess properties used for business purposes at a 15% higher rate than residential, so long as incremental revenues are dedicated 100% to wage and business tax reduction (centercityphila.org/HB1871). The bill must pass again in the 2017 legislative session and then be placed on the ballot for voter consideration. Amending the state constitution is not meant to be easy.

The plan, supported by Mayor Kenney, and advanced by the Philadelphia Growth Coalition (philadelphiagrowthcoalition.com), a broad alliance of business and labor, aims to grow jobs by implementing the prime recommendation of the 2003 and 2009 tax commissions, while ensuring no gap opens in the City's budget. Both commissions concluded that Philadelphia could best reverse job decline by shifting support for municipal government from an over-reliance on wage and business taxes to broad-based taxes on what doesn't easily move: land and improvements.

HOW WE GOT HERE:

Like most cities, Philadelphia relied on the property tax until the 1930s Depression undermined land-values throughout the city. In 1939, City Council introduced a "temporary" 1.5% wage tax when Philadelphia was still the dominant place of employment in the region and jobs were concentrated in manufacturing establishments with fixed capital investments, tied to railroads and the port.

PERCENT COMMUTING TO JOBS OUTSIDE CITY OF PHILADELPHIA, BY CITY COUNCIL DISTRICT



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2014

But the industrial sector declined precipitously after World War II, from a third of city jobs in 1950 to 3.3% today. Highways and trucks enabled jobs and residents to disperse to the suburbs, undermining the economic base of many neighborhoods. From 1970 to 2014, the city's regional employment share fell from 45% to 24%.

To compensate, in the 1960s and 1970s, elected officials repeatedly raised the wage tax to a peak of 4.96% in 1990, only further accelerating job flight. In the 1980s, a "business privilege tax" was levied on both gross and net business revenues. But local government avoided raising the property tax, especially on residents, until it was compelled to carry out a comprehensive re-evaluation only in the last five years.

Since 1996, Philadelphia has made progress reversing these trends, but not enough to alter regional competitiveness. Municipal government still derives 63% of local tax revenue from wage and business taxes, but only 20% from real estate taxes, well below national averages. The wage tax is still four times higher than the suburban average; business taxes make it 20%-30% more expensive for small and large

businesses to locate in the city; but the real estate tax is just two-thirds of the regional median.¹

GETTING TO WORK:

In the last 40 years, Center City and University City have emerged as vibrant, dense, live-work, post-industrial employment centers, holding 53% of all city jobs. Their success has halted Philadelphia's decline in regional job share. But particularly in Center City, the expansion of highly mobile, cost-sensitive firms is neither strong enough, nor matched by sufficient growth in other employment nodes in the city, to enable Philadelphia to *regain* regional market share. The farther one lives from the gravitational pull of our two major, 21st century employment centers, the more likely one is to reverse commute to a suburban job.

While 51% of residents of Greater Center City work either downtown or in University City, only 28% of the working residents from other city neighborhoods do so. Ten percent are working in the area in which they live, but 39% reverse commute to suburbs. In Council Districts that border suburbs, the rate climbs to the low-40% range. There is a close correlation in these

¹ For the depressive effect on office rents, see the multi-city comparison in the Office chapter of the 2016 State of Center City report www.centercityphila.org/docs/SOCC2016_office.pdf. Correspondingly, reducing business and wage taxes will have a positive effect on commercial real estate demand, rents and assessed values.



Peter Tobia

neighborhoods between reverse commuting and subsequent migration out of Philadelphia.

There is nothing unusual about commuting between counties within a region. But Philadelphia's reverse-commuting rate is more than twice that of New York City's, posing significant challenges for lower-income residents, documented in a new report released by CCD and CPDC, *Getting to Work: Transit, Density & Opportunity*.

In Greater Center City, doing without a car is a lifestyle choice made possible by multiple transportation options, connected conveniently to nearby employment. Walking, biking, transit or summoning someone else's car via mobile app are central to the new urban experience; 61% of downtown residents get to work without a car.

Yet for many, being car-less is not a choice but a burden and barrier to accessing regionally dispersed employment. While 93% of suburban households have cars and 61% have more than one, 33% of Philadelphia households have none. For city households below the median income (\$37,460), 50% lack cars. For them, connecting to auto-dependent job centers can be a considerable challenge.

For example, 2,000 residents from North Philadelphia and Olney work in King of Prussia, where retail jobs are concentrated. For those without cars, an hour-long commute can entail a subway or bus ride to 13th and Market to connect with the 124 or 125 bus to King of Prussia. Even those with cars face a considerable financial burden. AAA

estimates the annual cost of owning and operating a vehicle at \$8,500, a stretch on a \$37,460 median annual income.

The educational levels needed for downtown jobs are not significantly different from the requirements for suburban jobs: about a third require no more than a high school diploma; another 30% require an associate degree. The suburbs simply have more jobs and in the last 25 years, surrounding counties have steadily added opportunity, while Philadelphia, despite success in Center City and University City, has 9.4% (72,803) fewer jobs than in 1990.

The challenge comes into sharper focus when Philadelphia is viewed in a longer time frame and placed alongside East Coast peers. Boston, New York and Washington, D.C. have all surpassed the job levels they had in 1970. But Philadelphia is still 28% below employment levels from 1970. It follows – we have a higher poverty rate than our peers.

REINVESTING IN TRANSIT:

Philadelphia's legacy transit system is a gift from the past to the present, not readily replicated at reasonable cost. SEPTA has more than \$7.3 billion in capital projects in the pipeline over the next 12 years. By reinvesting in existing infrastructure and concentrating development around transit-oriented employment nodes, Philadelphia can decrease congestion and air pollution, reinforce its competitiveness and create new opportunities for disadvantaged workers.

Sixty-one percent of Philadelphians can take transit to a downtown job in less than 30 minutes. The areas of Philadelphia with the highest rates of poverty also have some of the best transit access to downtown with the quickest commutes for those living closest to the Market-Frankford and Broad Street Lines. Overall, 43% of Philadelphia's residents living in poverty are within a half mile of a subway stop. More downtown jobs and neighborhood jobs would dramatically reduce the time and financial burden of reverse commuting.

Some suburban centers, particularly Jenkintown, Radnor, and Conshohocken are built on rail lines. So, too, are University City and Temple University's campuses. But the highest social returns can come from development in Center City. For those low-income, inner-city residents who are piecing together multiple transit rides to reverse commute to the suburbs, a job in Center City could reduce their commute by at least half, closer to average city residents' commute time of 33 minutes.

Competitiveness, transit investment and poverty reduction go hand-in-hand.

Paul R. Levy

President

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Center City Philadelphia, located at the center of the region's transit network, holds the largest concentration of employment anywhere in the metro area, with 275,000 jobs. More than 1 million residents of surrounding suburban counties live within one mile of a rail station, connecting them directly to downtown's employers, retail shops, restaurants, educational, medical, arts and cultural institutions. Fifty percent (50%) of city residents can commute by transit to Center City in 30 minutes or less; 61% of those who live in Greater Center City can get to City Hall (the geographic center of downtown) in 15 minutes or less. Center City's transit connectivity is particularly important to the substantial number of lower-income Philadelphia residents who do not own cars.

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Center City employers benefit not just from a multi-modal transit system, but also from the rapidly growing, low-work-neighborhoods that are expanding around the downtown core. While just 10% of downtown jobs are held by Greater Center City residents, the percentage of downtown residents with a BA degree or higher is 36%, nearly twice the regional rate of 20%. This critical mass of talent is profoundly impacting business location decisions. Another 41% of downtown jobs are held by residents of city neighborhoods north of Grand Avenue, south of Tasker Street and west of the Schuylkill River; 39% are held by residents of the suburban counties surrounding Philadelphia.

JOB DENSITY AND TRANSIT

Transit is not just a convenience; it is essential to the density that enables Center City to provide 42% of all jobs in Philadelphia.¹ If downtown workers relied on cars to the same degree as commuters across the region, then 295,000 workers would arrive each day in 227,100 cars.² At 300 square feet per parking space, we would

¹ Greater Center City, from Grand Avenue to Tasker Street, over to river, holds 284,627 retained jobs, another 8,500 individuals are compensated either as partners or work volunteers.
² Transit accessible University City holds another 17% of the city's jobs.
³ 41% of the region's commuters pass on their car to get to work, 10% of the region. Accounting for the 10% of those who carpool, there are approximately 0.77 vehicles needed in commuting for each worker in the region.

To download the report, please go to www.centercityphila.org/docs/CCR16_transportation.pdf.

READY TO WELCOME THE DEMOCRATIC NATIONAL CONVENTION!

Between 2008 and 2010, CCD installed LED lighting that can create an array of patterns and colors on the facades of a dozen historic buildings along the Avenue of the Arts. This spring, 60 light fixtures were replaced to make the display tiptop for the Democratic National Convention.

Preparing for the Democratic National Convention

The Center City District is doing its part to make the downtown look its very best for the Democratic National Convention, which takes place July 25–28 at the Wells Fargo Center and the Pennsylvania Convention Center. With just under 5,000 delegates and as many as 50,000 people expected to visit the city, including thousands of members of the media, CCD is coordinating with the City of Philadelphia and many other businesses and organizations across the city to ensure that the city looks its best.

Among the improvements, the CCD has:

Replaced 19 bike racks on Market Street East;

Upgraded landscaping in 51 street planters;

Added new transit signage in the Dilworth Park Concourse to enhance connections to the prime DNC venue at the sports complex;

Replaced more than 160 *Walk!Philadelphia* pedestrian signs and 60 diskmap signs;

Replaced 65 vehicular directional signs;

Repaired 90 bollard caps;

Powder coated 60 newspaper “corrals” on Market Street East and Avenue of the Arts;

Replaced 35 trees;

Replaced 60 LED light fixtures that illuminate facades on the Avenue of the Arts.

In addition, the Democratic National Convention Host Committee has provided funding for the CCD to light up the south side of City Hall in red, white and blue to coordinate with South Broad Lighting, and add later-evening sidewalk cleaning.

CCD's and CPDC's Anniversaries Celebrated with Fundraiser for the Center City District Foundation

On May 5, the Center City District (CCD) and the Central Philadelphia Development Corporation (CPDC) hosted a fundraiser at Dilworth Park to celebrate their 25th and 60th anniversaries, respectively, and to launch the Center City District Foundation (CCDF). Approximately 650 people attended and almost \$200,000 was raised for the foundation, according to Nancy A. Goldenberg, CCDF's Executive Director.

The fundraiser featured cocktails and dinner, a variety of entertainment, online and silent auctions, and was emceed by CBS3 News Anchor Ukee Washington.



Photo Captions (Clockwise): Dancers from the Philadelphia High School for the Creative and Performing Arts (CAPA) perform a water dance in the Dilworth Park fountain; an aerial photo of Dilworth Park, taken during the fundraiser; Gerard H. Sweeney (third from left) is Chairman of the Center City District Foundation; second from left is Steven S. Bradley, Chairman of the African American Chamber of Commerce; Paul R. Levy, Founding President and CEO of the Center City District and Executive Director of the Central Philadelphia Development Corporation, greeted guests.

Dilworth Park Honored with ULI Award

Dilworth Park was awarded a Willard G. "Bill" Rouse III Award for Excellence at ULI Philadelphia's 3rd Annual Awards, held at the Ballroom at The Ben on June 15.

Fifteen jury members from across the U.S. selected the winning projects using best practices criteria for quality

planning and design; elements that build healthy places; environmental sustainability and energy reduction; and economic success and market acceptance.

The judges cited Dilworth Park's creativity, emphasis on physical activities, sustainability, high visitor volume, great

social equity, and a feeling of excitement, noting, "by engaging the community through 60 public meetings, this project creates a 'cosmopolitan canopy' where people from different backgrounds can join together."



CENTER CITY DISTRICT
FOUNDATION

Summer in the City: Expanding Recreation & Learning Opportunities in CCD's Parks

Summer is synonymous with fun, and nowhere will you find more opportunities for seasonal celebration than on the sidewalks and in the parks of Center City. From Center City District Sips to splashing in Dilworth Park's fountain, exploring the Discovery Garden at Sister Cities Park, or simply pausing for a break in the green oases of Collins or Cret Parks, downtown is thriving with people of all ages, residents, workers, and visitors alike, enjoying the unique experiences that summer in our city offers.

It wasn't always like this.

But thanks to CCD property owners and the many donors who have contributed to the Center City District over the past

25 years, downtown Philadelphia has become a vibrant destination. It's this spirit of giving that made it possible for the CCD to renovate and manage four Center City parks and will support the construction of the extraordinary Viaduct Rail Park. It's this civic generosity, along with support from foundations, federal, state and local government, that enabled us to light building facades, sculptures and underpasses, install historic gates on City Hall's four portals, and plant more street trees. It's a spirit that inspired us to recently expand the impact of the Center City District Foundation (CCDF), the CCD's charitable conduit, creating a new board of directors and widening our circle of partners.

The recent Anniversary Celebration of CCD and Central Philadelphia Development Corporation raised close to \$200,000 to benefit the CCDF for projects that range in size and scope – from completing the visionary *PULSE* art experience at Dilworth Park, to adding to Sister Cities Park a signature children's playscape and other creative learning enhancements.

Log on to SupportCCDF.org to explore these and other opportunities to support the continued transformation of Center City. So much has been accomplished... but there's so much more to do!

Become a part of Philadelphia's success.

We need your help and hope you'll consider making a gift today using the enclosed envelope or give online at SupportCCDF.org.



PICTURES IN THE PARK PRESENTS
POLITICAL MOVIEFEST
AT DILWORTH PARK
JULY 20-23 8:30PM
FOUR NIGHTS OF FREE MOVIES
ABOUT PRESIDENTS AND POLITICS



In the spirit of this year's political primaries, the Center City District offered the public a slate of 12 movies with political themes, so voters on-line could choose their favorite four films for the upcoming POLITICAL MOVIEFEST at Dilworth Park, Wednesday, July 20, through Saturday, July 23, just before the Democratic National Convention arrives in Philadelphia.

The total number of online votes cast was 487, and the ballots were tallied. No political PACs spent any money to influence the results.

The winning candidates were: *All the President's Men*, 50.7%; *Selma*, 47.4%; *The American President*, 39.6%; and *The Manchurian Candidate*, 37.0%.

POLITICAL MOVIEFEST will debut at dusk (approximately 8:30 p.m.) on Wednesday, July 20.

Wednesday, July 20:

Selma
PG13, 2015, 127 minutes

Thursday, July 21:

The Manchurian Candidate
PG13, 1962, 126 minutes

Friday, July 22:

The American President
PG13, 1995, 114 minutes

Saturday, July 23:

All the President's Men
PG, 1976, 138 minutes.

If the public is enthusiastic about the first four movies, POLITICAL MOVIEFEST at Dilworth Park will continue with an election-year encore featuring the remaining eight films that garnered slightly fewer votes:

Mr. Smith Goes to Washington, NR, 1939, 129 minutes, 35.1%; *Dave*, PG13, 1993, 105 minutes, 31.0%; *Charlie Wilson's War*, R, 2007, 101 minutes, 26.7%; *Election*, R, 1999, 104 minutes, 26.1%; *Primary Colors*, R, 1998, 143 minutes, 22.8%; *The Candidate*, PG, 1972, 109 minutes, 22.8%; *Legally Blonde 2: Red, White & Blonde*, PG13, 2003, 95 minutes, 20.1%; and *A Face in the Crowd*, NR, 1957, 125 minutes, 12.9%.

At Dilworth Park, you'll find the new Dilworth Park Café and Air Grille, both from Brûlée Catering, offering an array of summer favorites. Also Capogiro Gelato Artisans is back with its custom-made cart serving sorbetto and gelato in a variety of seasonal flavors. And perfect for the movies anytime is popcorn from Philly Pop Kettle Corn, located at the south end of Dilworth Park.



BRING YOUR FRIENDS AND FAMILY AND ENJOY THE OUTDOORS AND FOUR GREAT FREE MOVIES AT DILWORTH PARK!



CSRs Help with Photos in Front of LOVE Sculpture at Dilworth Park

Since the LOVE sculpture was temporarily relocated to Dilworth Park in February, the crowds of people who want their photos snapped in front of the iconic art have followed. Despite the preference for group “selfies,” one person often gets left out of the photo. CCD Community Service Representatives (CSRs) on duty in the park are happy to rectify that situation. On a recent sunny day, Leroy Hooks, who has been a CSR since August 2006 and has photographed visitors from Australia, England, Sweden and across the U.S., was snapping photos. “Sometimes I ask them and sometimes they ask me,” Hooks said.

In June, Lenore Johnson and her daughter, Laniyah, who live in West Oak Lane, happened through the park. Lenore



CSR Leroy Hooks snaps a mother-daughter photo of Lenore and Laniyah Johnson in front of the LOVE sculpture at Dilworth Park.

Johnson had some business in Center City to take care of, and she wanted to bring her daughter with her “so she gets to see beautiful Philadelphia,” she said.

While Lenore Johnson was using her phone to take photos of her daughter in front of the LOVE sculpture, Hooks

asked her if she’d like to be in the photo, too. Now mother and daughter have a souvenir from Dilworth Park in 2016, celebrating Laniyah’s recent completion of the fourth grade of elementary school.



RINK OPENS

NOVEMBER 11, 2016

AT CITY HALL

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ccdparcs.org/park-rentals

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SIPS

AT DILWORTH PARK

WEDNESDAYS
THROUGH SEPT 28
5 PM - 7 PM

\$5 COCKTAILS, \$4 WINE, \$3 BEER

Shake up your Wednesday. The Dilworth Park Café provides a Center City oasis with outdoor seating along with a DJ each week to get you in the mood to groove.

For weekly entertainment information, visit Dilworthpark.org

 @CCDPARKS



 /DILWORTHPARK



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