2019

STATE OF CENTER CITY

PHILADELPHIA

CENTER CITY DISTRICT | CENTRAL PHILADELPHIA DEVELOPMENT CORPORATION

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CONTENTS

INTRODUCTION & OVERVIEW	**1**
OFFICE	**10**
HEALTH CARE & HIGHER EDUCATION	**17**
CONVENTIONS, TOURISM & HOTELS	**22**
ARTS, CULTURE & CIVIC SPACES	**28**
RETAIL	**32**
EMPLOYMENT	**38**
TRANSPORTATION & ACCESS	**48**
DOWNTOWN LIVING	**53**
DEVELOPMENTS	**60**
CENTER CITY DISTRICT	**62**
ACKNOWLEDGEMENTS	**71**

Philadelphia Skyline | Philly By Drone

INTRODUCTION & OVERVIEW

Philadelphia is enjoying the longest period of economic expansion since the end of the Second World War, adding jobs every year since 2009 – 71,100 in total. The 15,400 jobs that Philadelphia added in 2018 represents the city's biggest one-year gain since the Bureau of Labor Statistics began tabulating statistics in 1969.

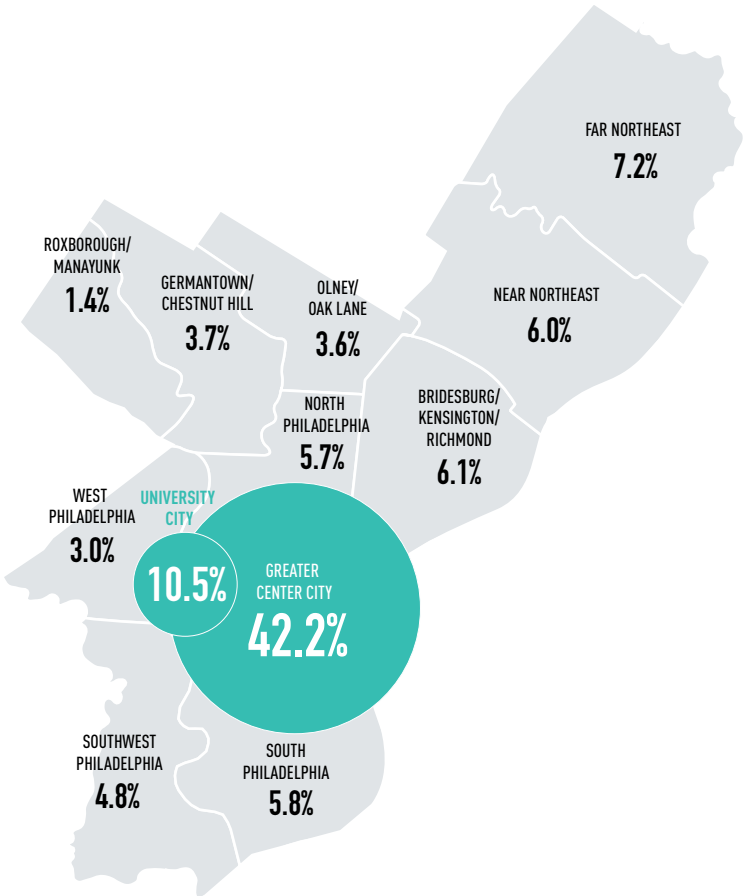
A DIVERSIFIED CENTER FOR EMPLOYMENT: Center City is a prime driver of Philadelphia's economy, holding 42% of city jobs. Positioned at the center of a multimodal regional system, consisting of 13 rail lines, three rapid transit lines, five trolley lines and 29 bus routes, transit brings nearly 300,000 passengers downtown every weekday. Public transit makes downtown density possible and enables more than 1 million residents of the city and surrounding counties to live within one mile of a rail station, connecting them to Center City's employers, restaurants, retailers, healthcare services, and arts and cultural institutions. Center City is also served well by a regional highway network, connecting seamlessly to the major routes on the Interstate system. Our international airport is just 15 minutes away.

Diversification is the defining strength of downtown's economy. Professional, business and financial services, real estate and information – prime office-using industries – provide 40%, 121,300 of downtown's jobs. The completion of the 1.8 million-square-foot Comcast Technology Center and Aramark's 600,000-square-foot expansion at 2400 Market Street pushed Center City's office inventory up to an historic high of 43.5 million square feet.

Education and health services, the largest sector citywide, is the second largest sector downtown, accounting for 20% of downtown's jobs – 61,000 in total. Thomas Jefferson University remains Center City's largest employer with 14,040 employees. Penn Medicine, Drexel University and Children's Hospital of

PHILADELPHIA HAS ADDED **71,100 JOBS** SINCE THE END OF THE RECESSION; THE FASTEST AND MOST SUSTAINED GROWTH SINCE THE END OF THE SECOND WORLD WAR

PHILADELPHIA EMPLOYMENT BY AREA



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

CENTER CITY IS A PRIME DRIVER OF PHILADELPHIA'S ECONOMY, HOLDING

42% OF CITY JOBS

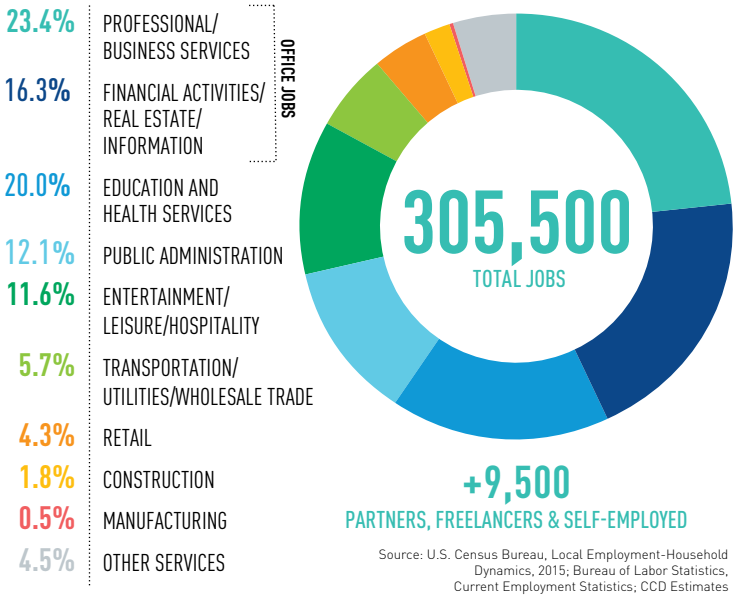
Philadelphia (CHOP), anchors of the University City economy, have been steadily migrating toward the Schuylkill River, increasing their presence downtown, leasing both office and medical space, and in the case of CHOP, adding a major new building in Center City adjacent to the South Street Bridge. In fall 2017, Center City's 14 colleges and universities reported total enrollment of 33,913 students. Adjacent to Center City, an additional 78,341 students are enrolled at Drexel, Penn, Temple, and University of the Sciences. Well-connected by multiple modes of transportation, thousands of these students live, shop and socialize downtown.

Major public and private hospitality investments of the last three decades (the Pennsylvania Convention Center, dozens of new hotels, visitor and cultural destinations) have established Philadelphia as a highly competitive meeting and tourist destination. Promoted by sustained advertising and marketing campaigns, conventions, tradeshows, leisure, group and business travel combined to generate 3.5 million hotel room nights. This lifted Center City's 2018 hotel occupancy rate to a modern-day record of 79.6%, even as the room supply increased by 18%. As a result, Philadelphia added 17,400 hospitality jobs, an increase of 31% since 2009.

Center City attracted more than 18 million visitors from across the region and around the world to an extraordinary variety of arts and cultural activities in 2018. Center City features 354 museums, theaters, dance companies and other cultural organizations, placing third behind New York City and Washington, D.C. in the number of arts and cultural institutions downtown, surpassing Boston, Chicago, San Francisco and Seattle.

While Center City is feeling the pressures affecting retailers nationwide, occupancy on the prime retail corridors of Walnut and Chestnut streets from Broad to 20th streets is a healthy 94.6%.

GREATER CENTER CITY WAGE & SALARY EMPLOYMENT



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015; Bureau of Labor Statistics, Current Employment Statistics; CCD Estimates

It has been sustained by Center City's workers, visitors, students and by a fast-growing, downtown residential population. Strong demand is supporting more than 1.4 million square feet of retail under construction, as development surges east of Broad Street. While new restaurants and dining districts continue to emerge in surrounding neighborhoods, Center City remains the epicenter with 468 full-service restaurants between Vine and South streets, river to river. Entertainment, leisure, hospitality, restaurants and retail now provide 16% of Center City's jobs.

Diverse employment sectors reinforce each other. Together with public sector employment, they provide 305,500 wage and salaried positions downtown; 9,500 more individuals are compensated as partners, self-employed, or work freelance. Commuters from outside the city hold 47.5% of downtown's jobs; Philadelphians hold 52.5%. The city residents' share has steadily expanded as downtown's population has grown. Just to the west, equally accessible by transit, University City holds another 11% of city jobs, with 80% in education and health services.

DIVERSIFICATION IS THE DEFINING STRENGTH OF DOWNTOWN'S ECONOMY

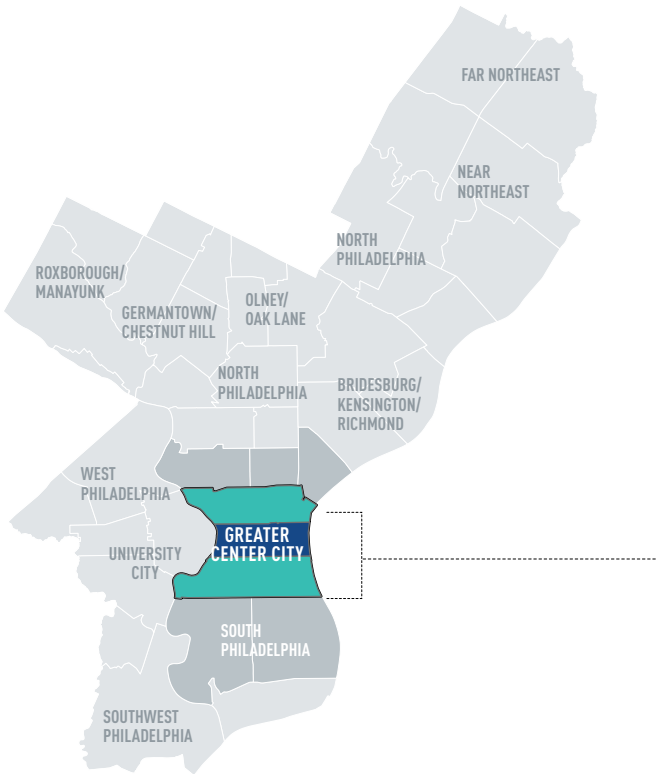
CENTER CITY KEY FACTS

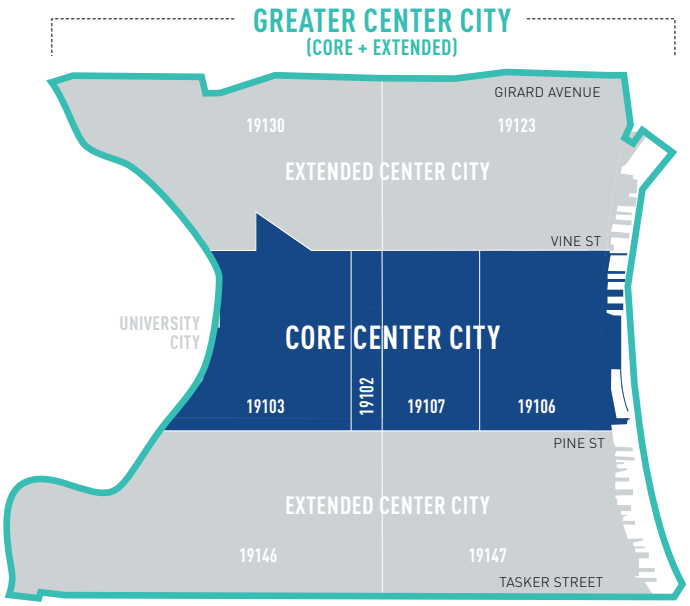
Total Wage & Salary Jobs	305,500
Partners & Self-Employed Workers	9,500
Office Square Feet	43.5 million
Office Occupancy	86.9%
Co-working Square Feet	510,000
Hotel Rooms	12,283
Hotel Room Occupancy	79.6%
Average Daily Room Rate	$191
Retailers	986
Full-Service Restaurants	468
Cafes/Bakeries/Quick-Service Restaurants	450
Hospitals	5

Arts & Cultural Institutions	354
Colleges & Universities	14
Total Enrollment in Higher Education	33,913
Annual Philadelphia International Airport Passengers	31.7 million
Annual Amtrak 30th Street Station Passengers	4.4 million
Average Weekday Center City Transit Ridership (All Modes)	300,000
Housing Units Completed in 2017	2,810
Average Home Sale Price	$484,920
Apartment Median Asking Rent	$1,904
Greater Center City Population	193,187
Percent of Residents with Bachelor's or More	61%

DEFINING THE RESIDENTIAL DOWNTOWN

2,810 NEW UNITS OF HOUSING WERE COMPLETED IN GREATER CENTER CITY IN 2018





The four ZIP codes between Vine and Pine streets are referred to in this report as "Core Center City" and the surrounding neighborhoods in the four adjacent ZIP codes are termed "Extended Center City." Together they form "Greater Center City."

FASTEST GROWING RESIDENTIAL AREA: Greater Center City has capitalized on the growing national preference for diverse, walkable, live-work neighborhoods. It has become the fastest growing section of Philadelphia with an estimated 193,000 residents in 2018 – up 22% since 2000. Strong employment growth and positive demographic trends spurred the construction of 26,195 new housing units since 2000, including a record 2,810 in 2018.

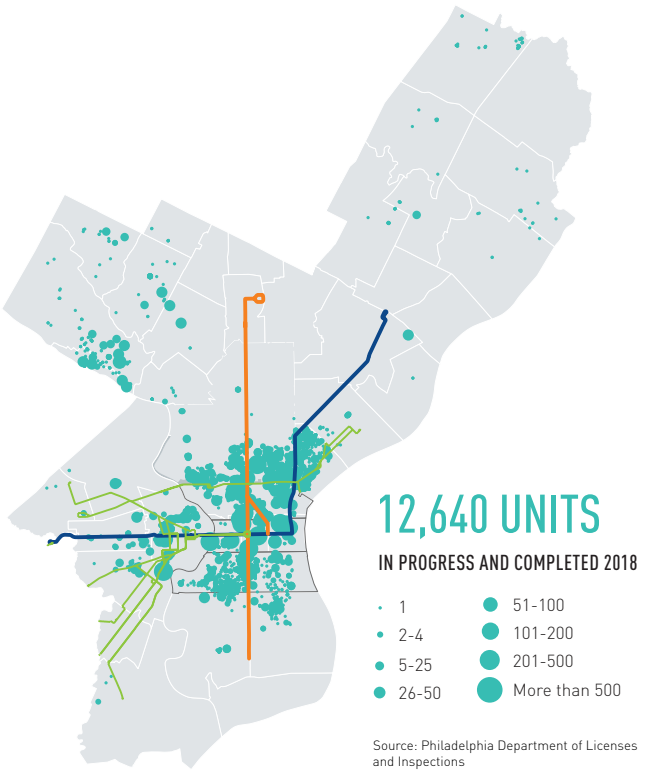
In the core, between Vine and Pine streets, population growth has been even more pronounced, up 34% in the last 18 years, as older office buildings and warehouses were converted to residential use and new apartment and condominium towers have risen on former parking lots. Single-family development steadily outpaced condominium construction in 2018, accounting for 13% of new supply; 96% of those units were developed in the extended neighborhoods, where available vacant land, parking lots, industrial and warehouse sites are being converted into housing. However, even in these extended neighborhoods, apartments account for 57% of all new supply.

Since 2010, Philadelphia has added an average of 7,900 new jobs each year, highly concentrated in Center City and University City. The appeal of living within walking distance of the city's two largest employment nodes has enabled Philadelphia to expand from a 3% share of regional housing permits in the 1990s to a 25% share in the last decade, with 81% of new units built in or adjacent to Greater Center City.

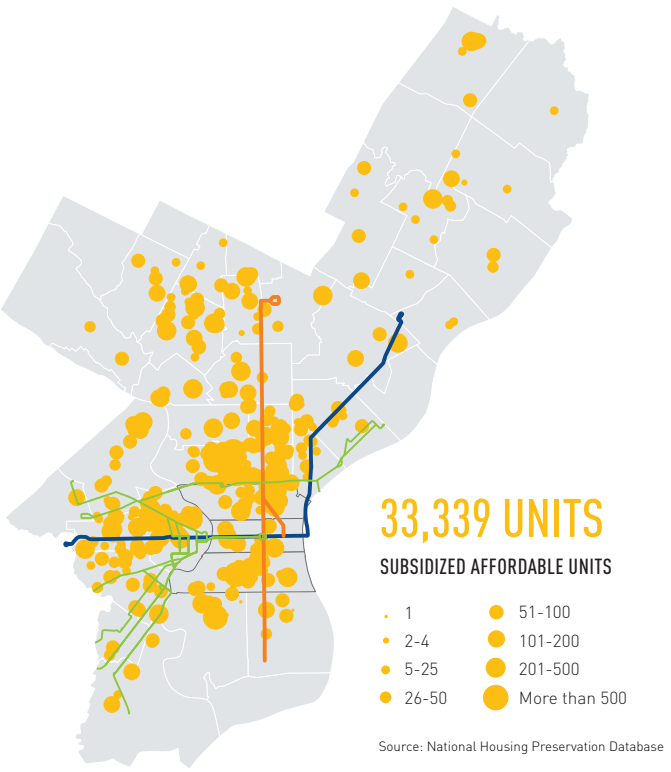
As demand for live-work, amenity-rich settings has increased, rents and sales prices in Greater Center City have risen. Retired empty nesters, as well as those who continue to work downtown, are moving back from the suburbs. Families with children "graduate" from apartments into rowhouses in surrounding areas. These trends have accelerated the reinvestment process that began in the 1960s, as rising prices in the core create a market for moderately priced housing at the edges.

This has steadily expanded the boundaries of the residential downtown into neighborhoods that experienced significant depopulation from the loss of more than 200,000 manufacturing

HOUSING UNITS IN PROGRESS AND COMPLETED 2018



HOUSING WITH ACTIVE SUBSIDIES CITYWIDE



jobs in the 1970s and 1980s. The map above shows both units completed in 2018 and those currently in progress. It graphically depicts how residential development continues to radiate out from Center City, facilitated by the Market-Frankford and Broad Street lines that connect these communities to the job centers of Center City and the campuses of University City and Temple University. This zone of reinvestment comprises just 17% of the city's geography.

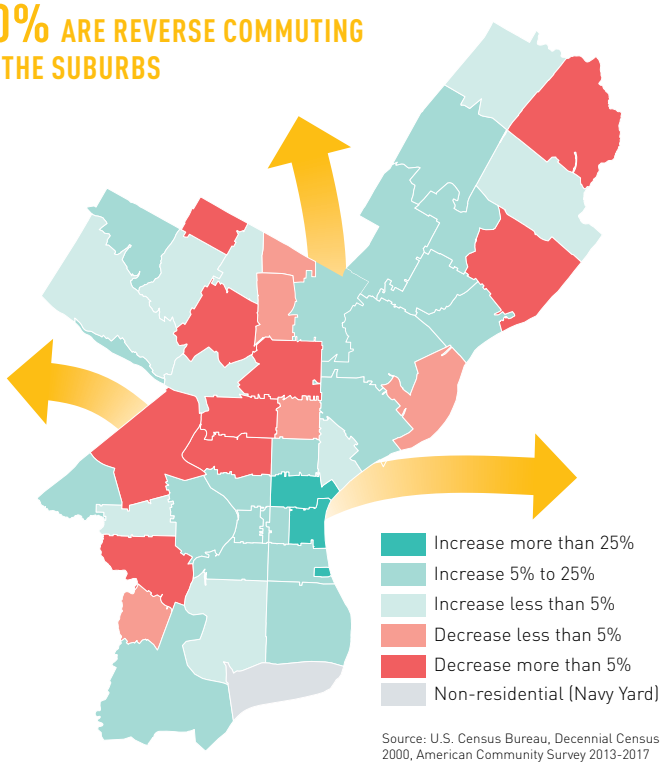
EXPANDING AFFORDABLE HOUSING: In neighborhoods where new investment is occurring, there are 119 properties with 10,959 units of affordable housing in close proximity to employment in Center City and University City. Citywide, there are 33,339 units of publicly assisted, affordable housing. Neighborhoods across the city contain a large inventory of privately owned, affordable, intact or moderately deteriorated properties. However, too many of these units require substantial repairs and too few residents in these communities have incomes sufficient to support the costs of renovating them as owners or renters. As a result, there are more than 223,000 cost-burdened households, who are paying well in excess of 30% of their income on housing.

IN THE AREA WHERE NEW INVESTMENT IS OCCURRING, THERE ARE ALSO 119 PROPERTIES WITH 10,959 UNITS OF AFFORDABLE HOUSING IN CLOSE PROXIMITY TO JOBS IN CENTER CITY AND UNIVERSITY CITY

Another 100,000 households making less than $50,000 per year are not severely cost-burdened, living in "naturally occurring" affordable housing that they own or rent on the private market. For the near future, there is a compelling need for the city to find creative ways to finance affordable housing without stifling the growth of market rate housing. Long term, the most effective solution remains raising neighborhood incomes through more dynamic citywide job growth, through improved education and the training that prepares residents for 21st-century jobs.

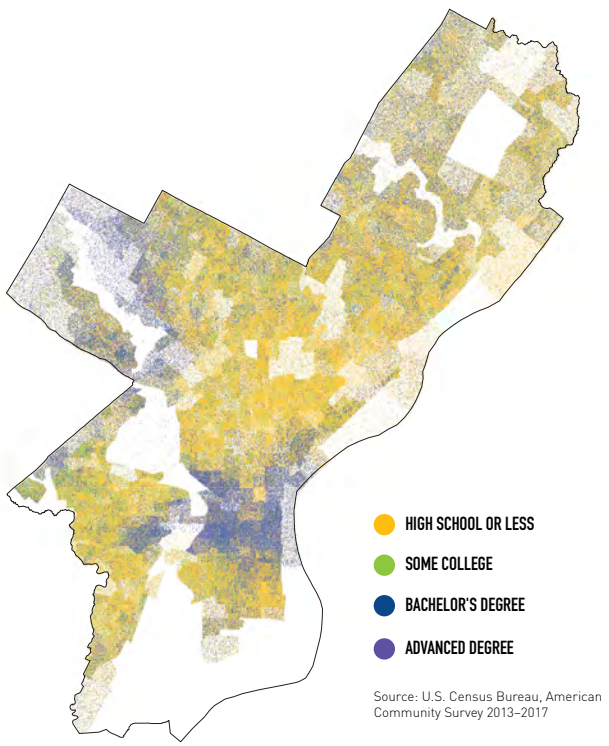
POPULATION CHANGE, 2000-2017
REVERSE COMMUTING TO THE SUBURBS

40% ARE REVERSE COMMUTING TO THE SUBURBS



Source: U.S. Census Bureau, Decennial Census 2000, American Community Survey 2013-2017

EDUCATIONAL ATTAINMENT, POPULATION 25 AND OVER, 2017



Source: U.S. Census Bureau, American Community Survey 2013–2017

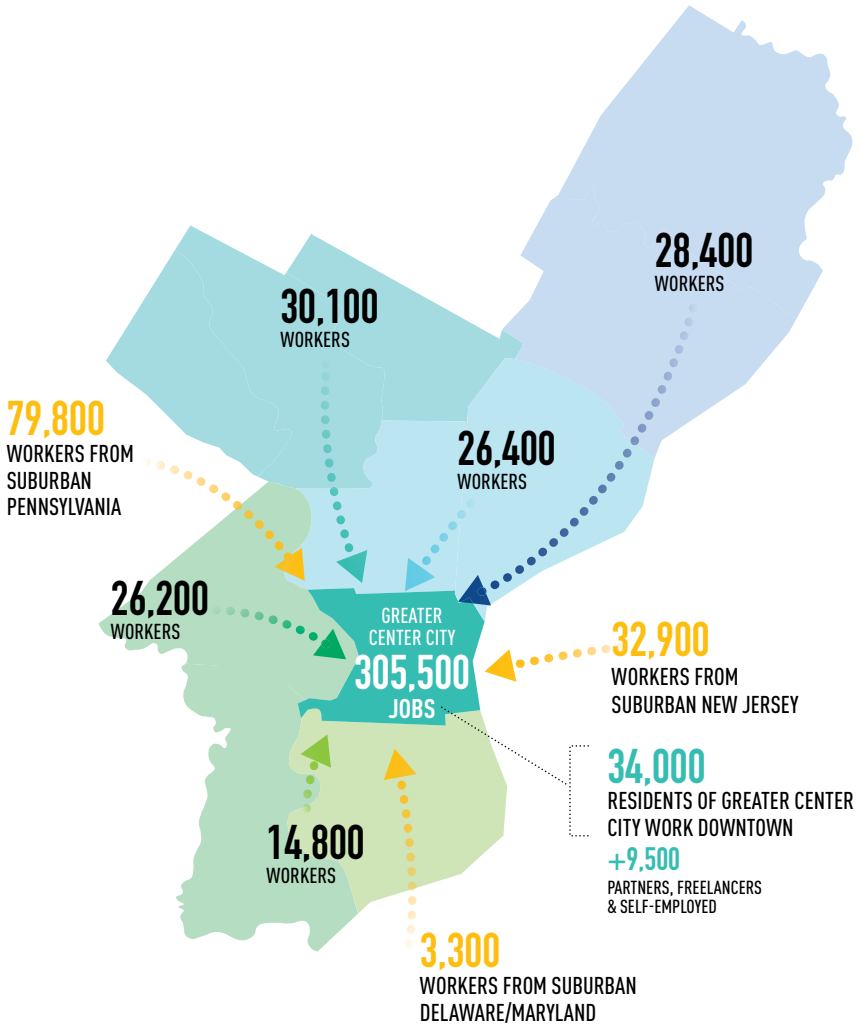
ACCELERATING INCLUSIVE JOB GROWTH: In Greater Center City, 40% of residents work downtown; another 11% commute to University City; 62% get to work without a car; 38% in the core walk to work. In neighborhoods beyond Center City, 25% of workers travel to jobs downtown; another 5% work in University City. In every neighborhood outside Center City, more people work downtown than in the area in which they live. While 37% of Center City jobs require at least a bachelor's degree, the broad range of other opportunities provided downtown, when combined with strong transit connectivity, makes 30% of Center City's jobs available to those with associate degrees, while another 33% require no more than a high school diploma.

At the same time, sustained job loss beyond Center City, University City and the Navy Yard means that every day, another 40% of working residents of neighborhoods outside of the downtown (221,000 Philadelphians) reverse commute to work in the suburbs. Regardless of where a city resident works, their employer is obligated to withhold the full Philadelphia wage tax. Thus, the commute to the suburbs carries with it a tax incentive to move to the suburbs. As a result, population has continued to decline in many of the city's outer neighborhoods.

The past 10 years represent the first time most Philadelphians have experienced growth so strong and sustained. As Philadelphia added jobs, the poverty rate declined. However, nearly all large cities have outperformed the national economy since the depths of the recession, averaging 2.3% per year in private sector job growth since 2009. Philadelphia has grown at 1.5%. Even in sectors in which Philadelphia has grown fastest – *education and health services, professional and business services, and entertainment, leisure and hospitality* – local growth lags behind the large cities average.

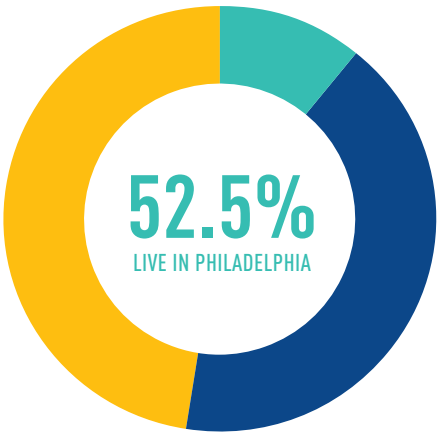
FASTER JOB GROWTH IN THE CITY CREATES MORE OPPORTUNITY FOR ALL,
REDUCING THE NEED FOR 40% OF WORKERS TO REVERSE COMMUTE TO JOBS IN THE SUBURBS

NUMBER OF NEIGHBORHOOD AND REGIONAL RESIDENTS WHO WORK DOWNTOWN



Source: U.S. Census Bureau, Local Employment-Household Dynamics 2015; Bureau of Labor Statistics, Current Employment Statistics 2018; CCD Estimates

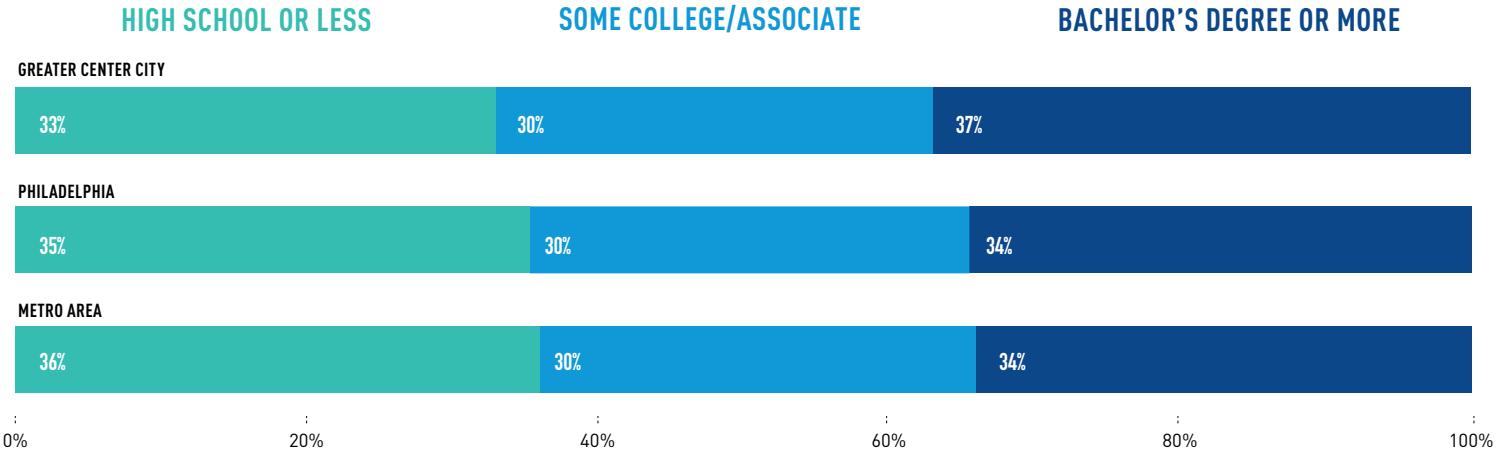
WHERE DOWNTOWN WORKERS LIVE



11.1%	GREATER CENTER CITY
41.4%	ELSEWHERE IN PHILADELPHIA
47.5%	OUTSIDE PHILADELPHIA

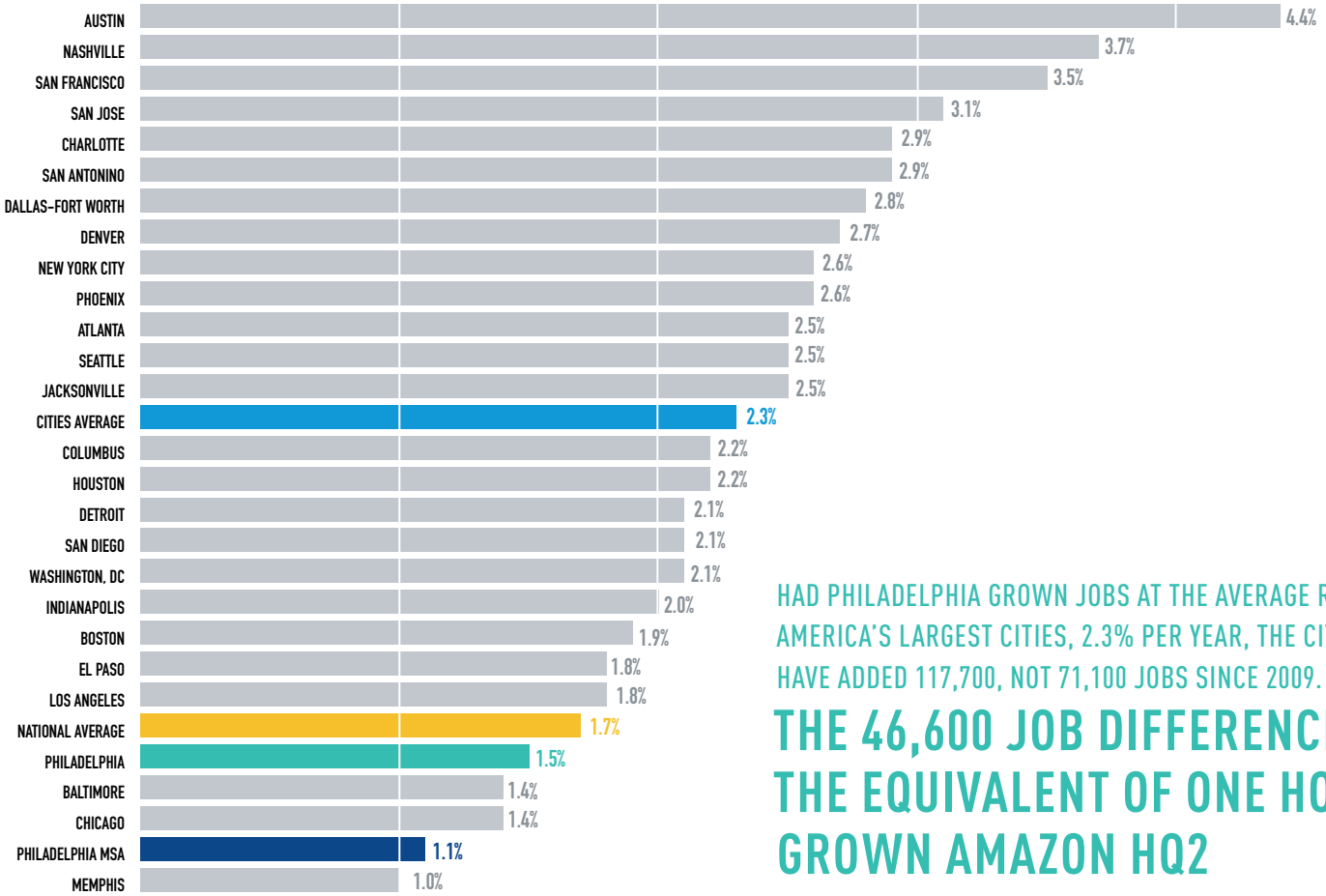
Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015

PERCENT OF JOBS BY LEVEL OF EDUCATION, WORKERS 30 AND OLDER



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

AVERAGE ANNUAL PERCENT CHANGE IN PRIVATE SECTOR JOBS, 2009–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

HAD PHILADELPHIA GROWN JOBS AT THE AVERAGE RATE OF AMERICA'S LARGEST CITIES, 2.3% PER YEAR, THE CITY WOULD HAVE ADDED 117,700, NOT 71,100 JOBS SINCE 2009.

THE 46,600 JOB DIFFERENCE IS THE EQUIVALENT OF ONE HOME-GROWN AMAZON HQ2

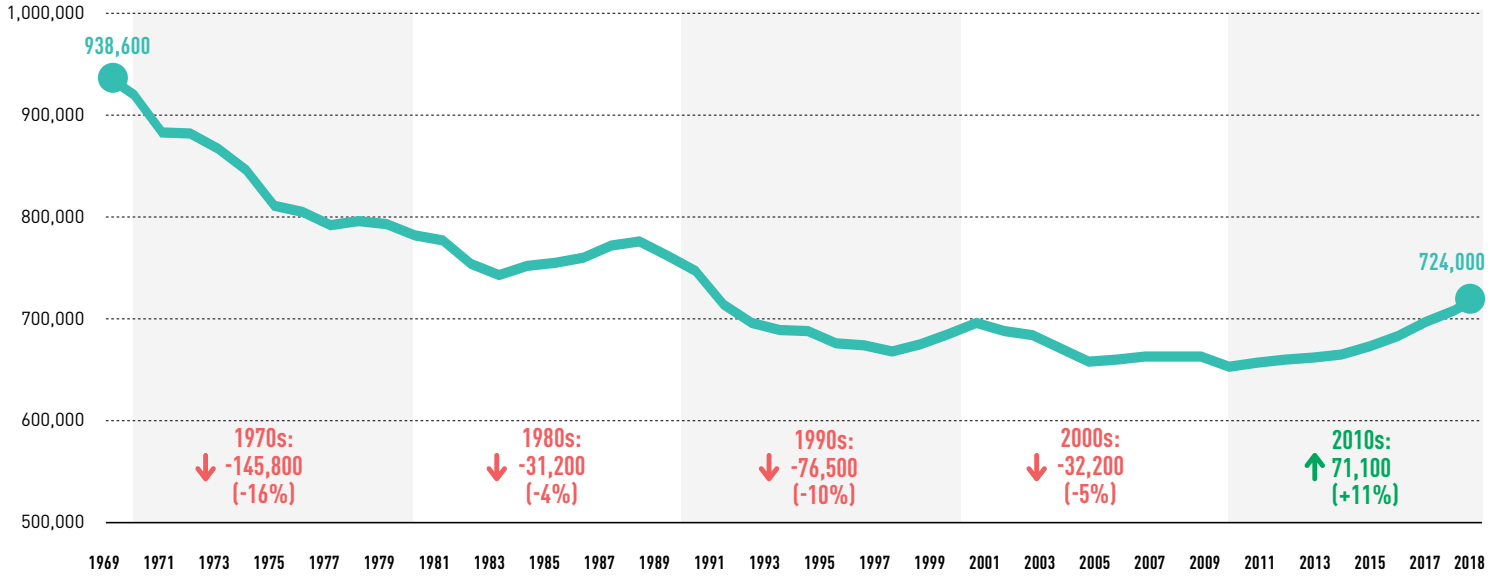
The last four years have been much stronger, driven by job growth in the health and social assistance sector. This sector added an average of 2,000 jobs per year from 2009 to 2014, but then added 5,000 jobs per year from 2014 to 2018. The 2018 job growth rate of 2.3% put the city on par with San Diego, Houston, and Atlanta. Still, Philadelphia's positive positioning in 2018, exceeding both the cities average and national average, is partially a result of cooling in other markets. Late in the business cycle, many other cities are slowing, while Philadelphia's health care and education employment are still going strong.

Despite this rebound, Philadelphia has 21% fewer jobs than in 1970 and is still 22,900 short of its 1990 employment mark. Boston and New York City, like Philadelphia, both lost 85% to 90% of their 1970 manufacturing jobs. However, both have added many more post-industrial positions and are now 26% and 14%, respectively, above their 1970 job levels. Slow growth is what largely accounts for Philadelphia's much higher poverty rate – at 25.7%, it is second only to Detroit among the top 25 largest cities in the United States.

Recent growth drove the unemployment rate down to 5.6% in the city in 2018, compared to 4.2% for the region and 3.9% for the nation. However, unemployment statistics do not count those who are not actively looking for work. Philadelphia's workforce participation rate for those in their prime working years (25 to 54) is well below regional and national averages.

The federal government is steadily reducing the social safety net, while resources at the state level are similarly constrained. Philadelphia legislators need to fight for the city's fair share. However, if Philadelphia is going to make a substantial dent in its 25.7% poverty rate, the highest of America's 10 largest cities,

PHILADELPHIA TOTAL JOBS 1969–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

it must grow jobs at a faster rate. Philadelphia needs to commit not only to public schools, but also to comprehensive tax reform to grow jobs citywide. Otherwise, despite growth downtown,residents of many neighborhoods will continue to leave for opportunities in the suburbs.

To reduce poverty and create opportunity, address homelessness and provide more funding for schools, Philadelphia needs to welcome growth that is equitable and inclusive. Equity is not about slicing the economic pie so some get more while others get less. It is about *growing the pie* so everyone benefits. Local government can set the stage by creating a clean and safe environment across the entire city; by addressing quality of life challenges in every neighborhood; by investing in transportation infrastructure, parks and recreational facilities; by producing an educated workforce; and by offering a transparent, easy-to-follow process for startups, minority businesses, outside investors and new development.

GET TAX POLICY RIGHT: To support services, local government levies taxes. However, good fiscal policy is more than tax collection. It is about choosing the *right mix of taxes* to support services without discouraging growth. It is not about creating loopholes, exceptions for some places and some industries. It is about creating a level playing field for all.

Two very diverse tax commissions, in 2003 and in 2009, reached the same conclusion: despite extraordinary assets, the mix of taxes Philadelphia inherits from decades of manufacturing decline, discourages more growth from happening here. In the 21st century, we compete in a global economy where workers and businesses are highly mobile. However, we tax most what moves easily: people's wages and business revenues. We tax least our biggest assets: immobile land, and buildings, well served by strong transportation infrastructure.

Philadelphia is unique among large cities, depending so much on a wage tax to provide 51% of locally generated tax revenue. The rate is four times higher than in most surrounding suburbs. Business taxes have no counterpart in surrounding areas and add a premium of 10% to 20% on downtown occupancy costs.

Both tax commissions made the same recommendation: shift the burden from taxing what moves – *wages and business revenues* – to taxing what cannot: *land and improvements*. Rely less on wage and business taxes and more on *accurate* real estate taxes, as do Boston, New York, Washington and a host of other cities that are growing faster. Rely less on loopholes and exemptions because the lack of uniformity adds complexity, contributing to the image of Philadelphia as an unfriendly place for business.

A half-century ago, when Philadelphia was in decline, we counted on higher levels of government to address compelling social challenges. Now when we are growing, our fate is far more in our own hands. Philadelphia needs to capitalize on favorable economic and demographic trends and make the hard choices that put us on the path to faster, more inclusive growth.

OFFICE

Comcast Technology Center | Comcast

The opening of the 1.8 million-square-foot Comcast Technology Center and Aramark's 600,000-square-foot expansion at 2400 Market Street pushed Center City's office inventory up to 43.5 million square feet. Their growth reinforces downtown's role as the region's largest employment center, well connected by transit and highways to every neighborhood in the city and to the entire region's highly educated workforce.

Since 1990, downtown's inventory had consistently hovered around 40 million square feet, as nearly all new additions to the market were offset by conversions of older buildings to residential or hotel use. This diversified land-use and has contributed to a dramatically more vibrant, 24-hour downtown. At the same time, health care and educational institutions began to lease other vacant commercial office space. As a consequence, traditional private-sector office using industries, which account for 40% of downtown jobs and offer the broadest range of opportunities, from high-skilled to moderate wage to entry level maintenance positions, have not experienced any growth.

While companies everywhere are taking advantage of digital and technological innovations to house more employees more efficiently, Center City actually has 12.7% fewer office jobs than existed in 1990, while other downtowns have experienced modest growth in this sector. The expansion of two major corporate headquarters thus represents an important opportunity for their growth and expanded purchasing of services to drive growth in many other firms.

A second significant trend has been the enhancement of amenities and the diversification of uses within office buildings as outside investors and existing owners upgrade their buildings to maintain competitiveness. Rents across Center City have risen above the $30 per square foot mark in three of four downtown submarkets – West Market ($33.84), East Market ($30.73), and Independence Square ($30.47), with the fourth, Walnut/South Broad ($28.83) not far behind. But of the 28 major lease transactions in 2018, just three were with firms new to market, while four involved the expansion of existing firms. The rest were renewals or relocations without absorbing significant new space.

Two expansions last year came from the growing inventory of coworking spaces that continue to locate throughout the business district. Today, they occupy 510,000 square feet

in Center City; adding in University City and surrounding neighborhoods, the number grows to 772,792 square feet. When coworking emerged a decade ago, it appeared first as incubator space for startups, a role that remains. But increasingly, regional and national firms, seeking a presence in Center City and access to a well-educated workforce, are placing teams in downtown coworking venues. Cumulatively, they represent just 1% of the total downtown office inventory. But they provide an effective way for landlords to put vacant space to income-producing use and have enabled developers of older buildings to master lease upper floors. They are also fertile ground for growth. As startups and regional outposts expand, they can "graduate" into traditional office space.

Center City offers very attractive rents, especially for those coming from elsewhere. Center City rates are about one-third those in San Francisco, 40% of Midtown Manhattan and about half the price of Boston or Washington D.C. Regionally, asking rents are on the higher end, but lower than in the KOIZs in University City and the Navy Yard, which benefit from key tax exemptions.

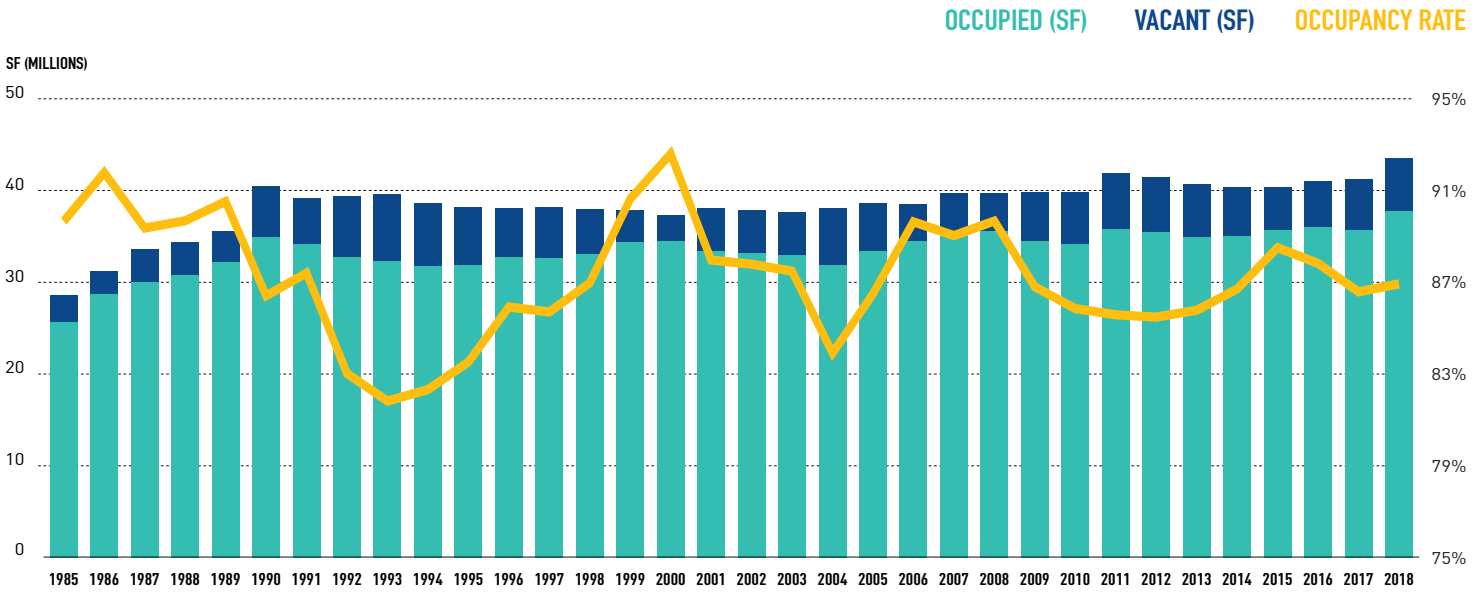
Center City is at an important inflection point. A thriving, live-work downtown, rich with amenities, is home to a highly skilled workforce, easily connected by transit to the entire region and just 15 minutes from an international airport. Despite these advantages, Philadelphia's reliance on a manufacturing age tax structure that taxes heavily what most easily moves – salaries and business revenues – has constrained growth. Nationally the CBD rent premium over suburban rates is 27%, rising to 130% in Boston and 75% in Washington, D.C. Center City rents are just 16% higher than the surrounding suburban submarkets. A 21st-century tax policy can facilitate 21st-century growth, expanding opportunity for all residents.

MAJOR CENTER CITY OFFICE SUBMARKETS

	TOTAL INVENTORY (SF)	VACANT (SF)	OCCUPANCY RATE	2017 ABSORPTION (SF)	AVERAGE ASKING RENT (PSF)
West Market	27,731,953	3,487,854	87.4%	-187,858	$33.84
East Market	6,531,084	816,579	87.5%	-199,046	$30.72
Independence Square	5,337,684	653,577	87.8%	226,716	$30.47
Walnut/South Broad	3,890,064	730,672	81.2%	225,239	$28.73
CENTER CITY TOTAL	**43,490,785**	**5,688,682**	**86.9%**	**65,051**	**$32.35**

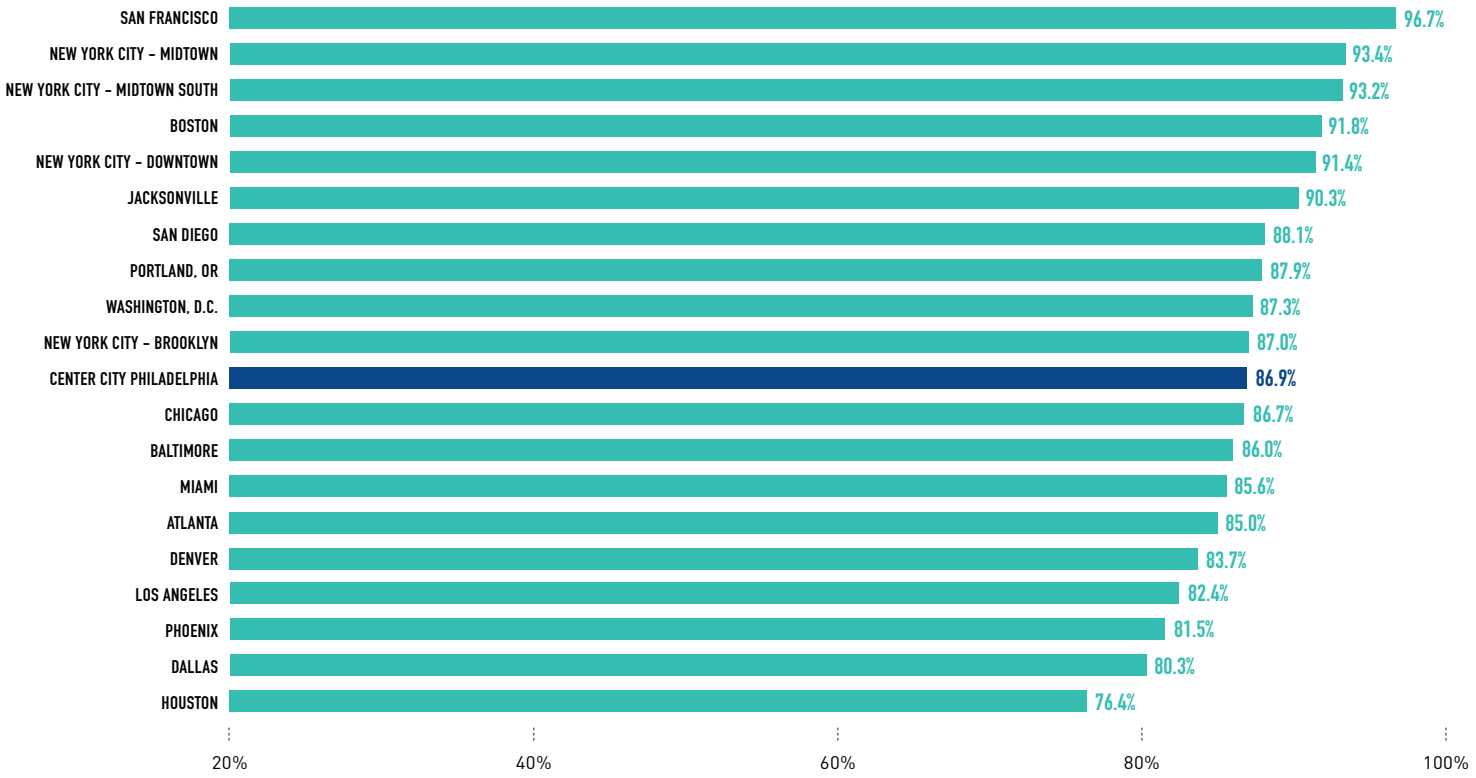
Source: Newmark Knight Frank

CENTER CITY PHILADELPHIA OFFICE MARKET, 1985–2018



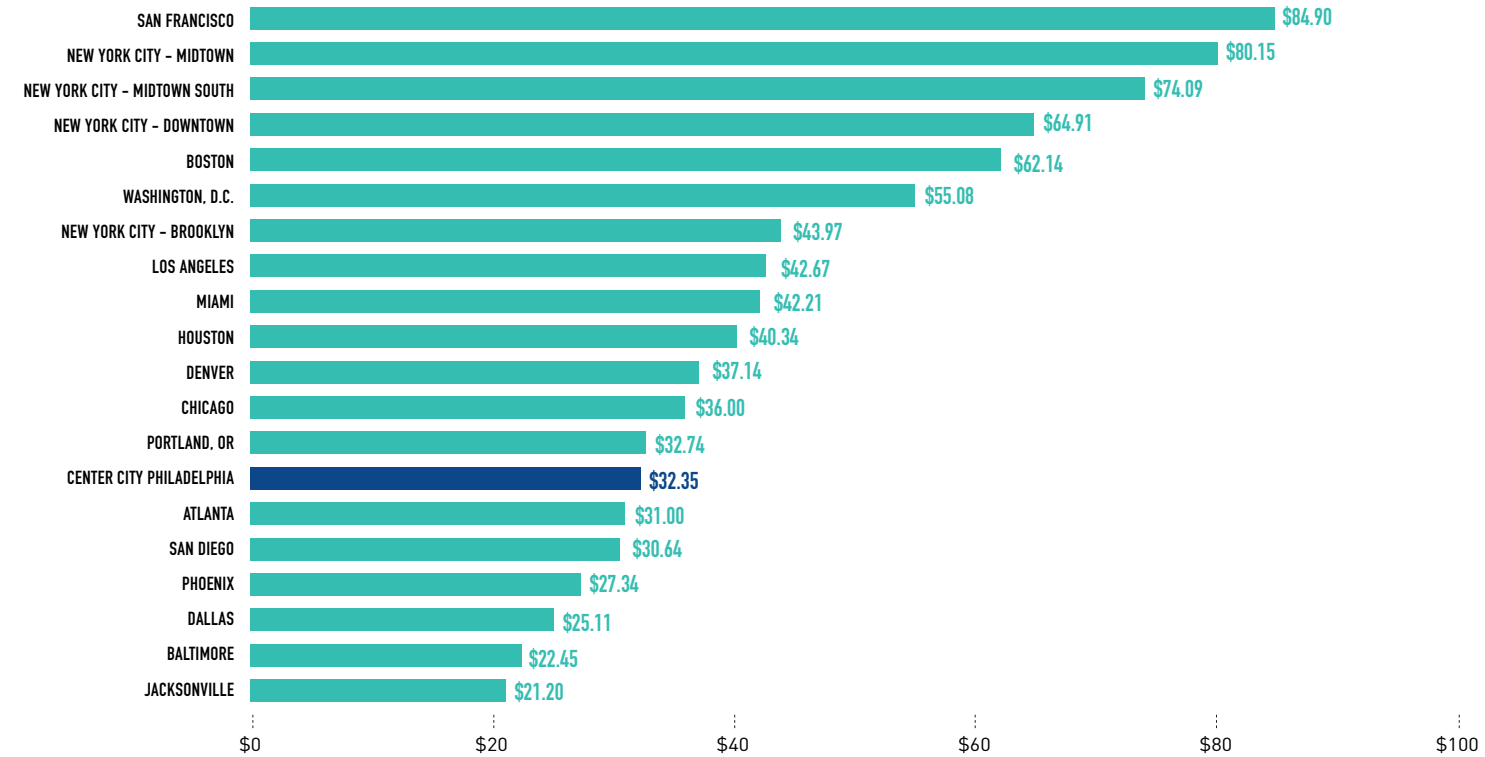
Source: Newmark Knight Frank

CENTRAL BUSINESS DISTRICT OCCUPANCY, 2018



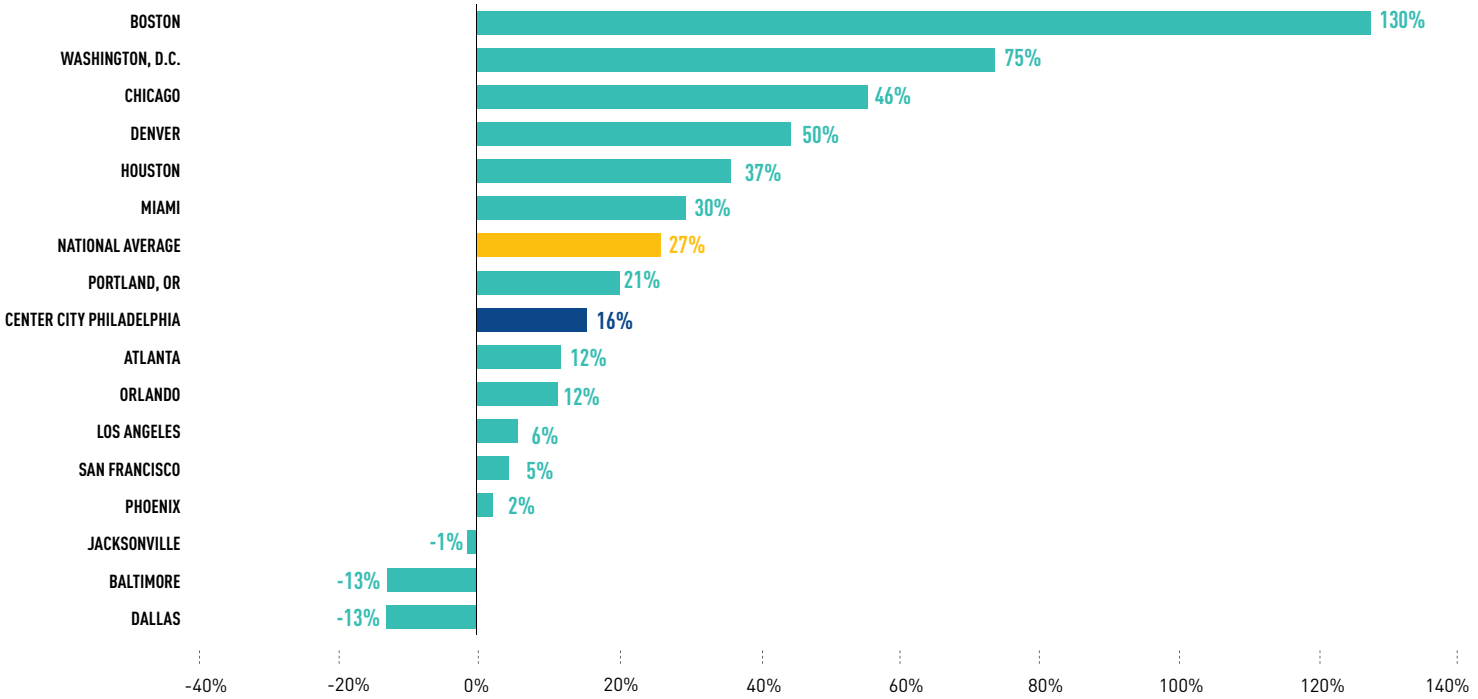
Source: Newmark Knight Frank

CENTRAL BUSINESS DISTRICT ASKING RENTS, 2018



Source: Newmark Knight Frank

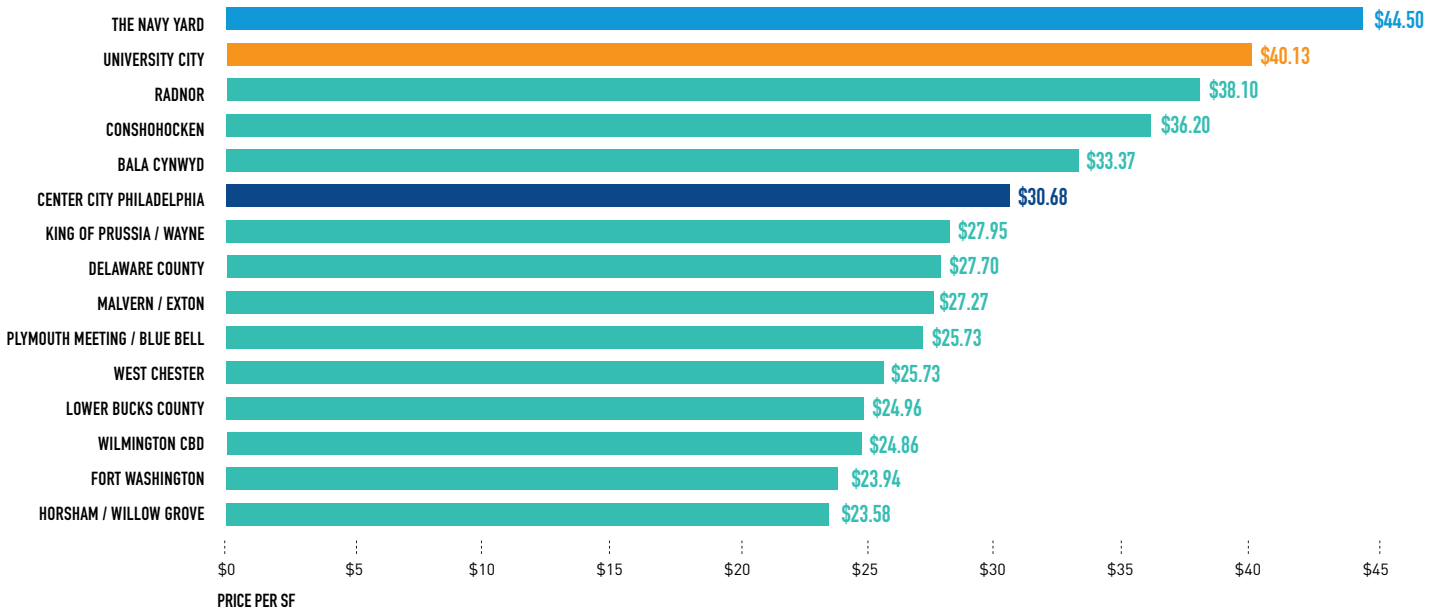
CLASS A RENTS, CENTRAL BUSINESS DISTRICT COMPARED TO SUBURBS



Source: Newmark Knight Frank

NATIONALLY, CENTRAL BUSINESS DISTRICTS COMMAND RENTS 27% HIGHER THAN THEIR SURROUNDING SUBURBS. IN CENTER CITY, THE PREMIUM IS 16%

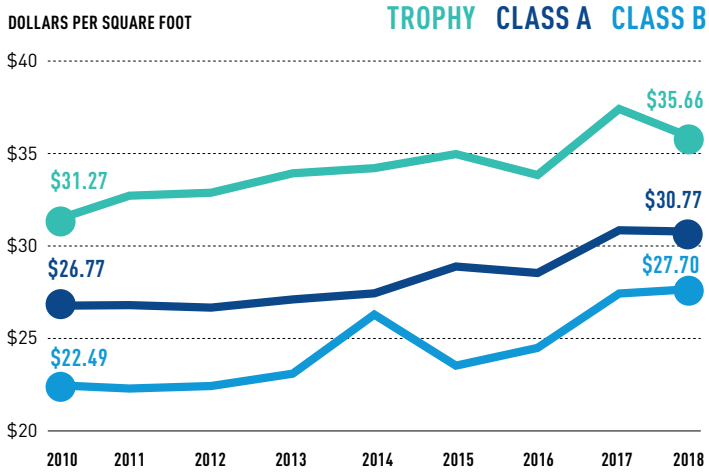
REGIONAL AVERAGE ASKING RENTS, 2018



**Center City rent figure above is from JLL Research and differs from the Newmark Knight Frank figure shown elsewhere owing to differences in inventory tracked and methodology employed*

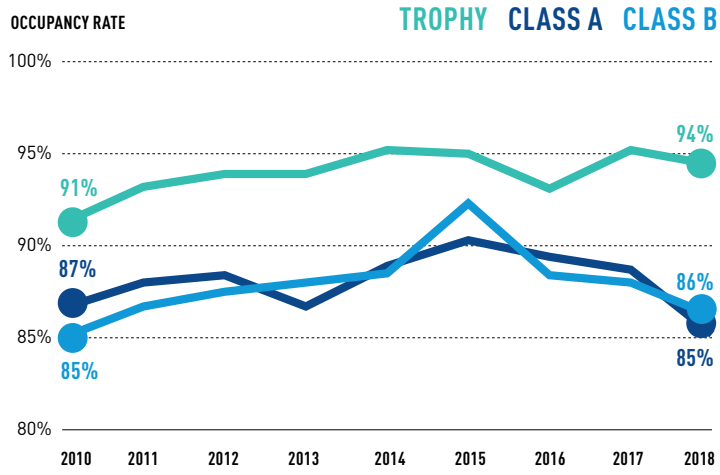
Source: JLL Research

CENTER CITY AVERAGE ASKING RENT



Source: JLL Research

CENTER CITY OCCUPANCY RATE BY CLASS



Source: JLL Research

IN CENTER CITY, COWORKING SPACE OCCUPIES

510,000 SQUARE FEET;

ADDING UNIVERSITY CITY AND ADJACENT AREAS, THE NUMBER GROWS TO

772,792 SQUARE FEET

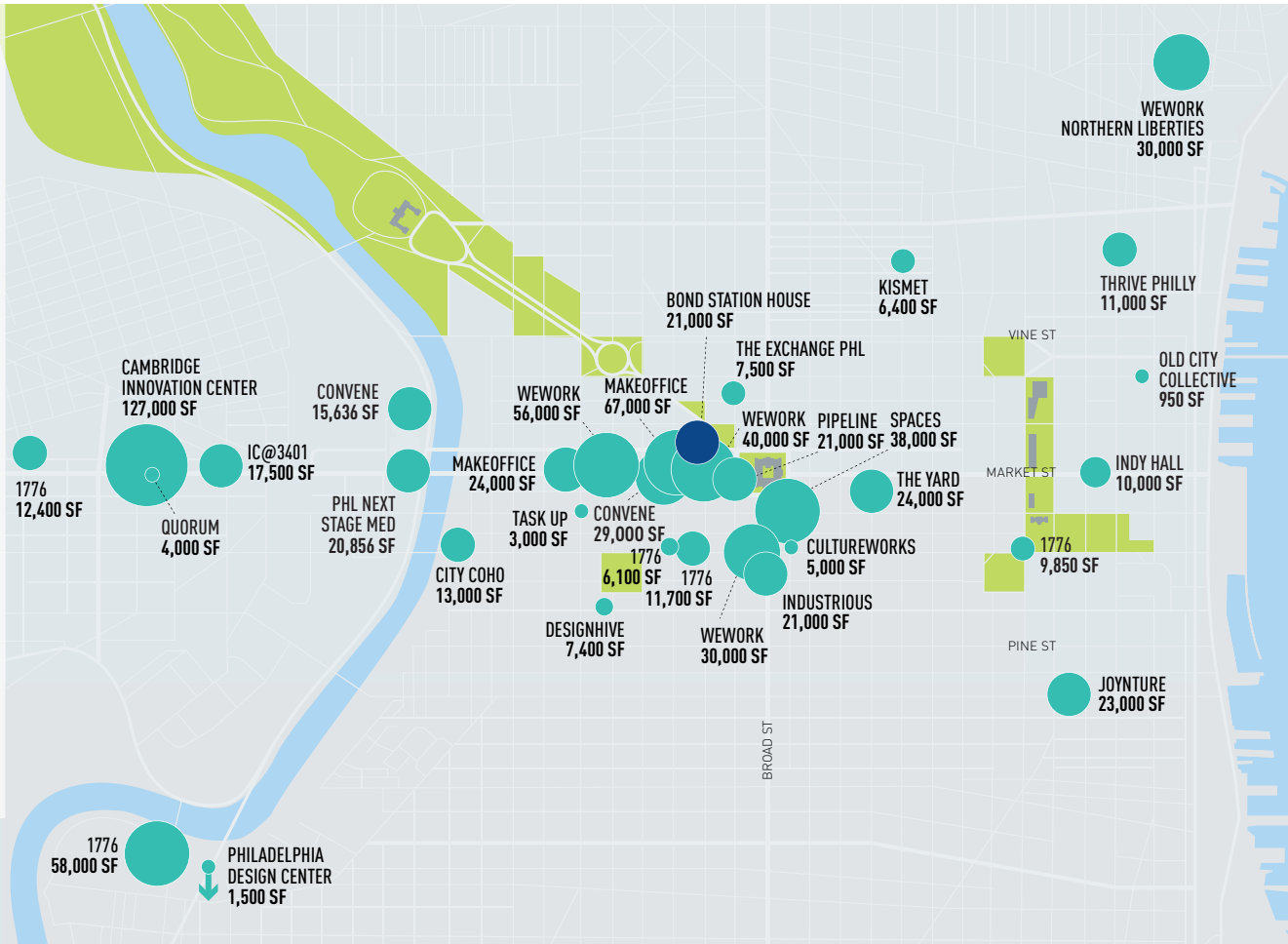
COWORKING OFFICE SPACE

SQUARE FEET:

- 5,000 or less
- 5,001–10,000
- 10,001–15,000
- 15,001–25,000
- 25,001–35,000
- 35,001 or more

- Coming Soon
- Open

Source: Center City District, JLL Research



SIGNIFICANT OFFICE LEASING TRANSACTIONS IN CENTER CITY, 2018

MARKET WEST				
Tenant	Building	Class	Size (SF)	Type
Reliance Standard	1700 Market	A	151,881	Relocation with expansion
Willis Towers Watson	1735 Market	Trophy	97,448	Relocation with contraction
Deloitte	1700 Market	A	90,000	Renewal with contraction
Wells Fargo	Two Logan Square	Trophy	84,588	Relocation with contraction
Entercom Communications	2400 Market	A	67,000	New to market
PHMCC	1601 Market	A	51,720	Relocation
Aberdeen Asset Management	1900 Market	A	50,482	Relocation
Spaces (coworking)	1626 Locust	B	48,069	Expansion in market
PREIT	One Commerce Square	Trophy	45,000	Relocation
Marcum	1601 Market	A	37,792	Relocation
Clark Hill	2001 Market	Trophy	34,000	Relocation
Zarwin Baum	2005 Market	Trophy	33,572	Relocation
Greenberg Traurig	2005 Market	Trophy	30,000	Relocation
Simon & Simon	1818 Market	A	30,000	Relocation
Bennett Bricklin & Saltzburg	Centre Square	A	29,000	Relocation
Heffler Radetich & Saitta	1515 Market	A	25,000	Renewal
Market Resources Partners	1818 Market	A	25,000	Relocation
Braskem America	1735 Market	Trophy	22,638	Expansion
Deasey Mahoney & Valentini	1601 Market	A	20,186	Renewal
Biblical Theological Seminary	2000 Hamilton	B	19,693	New to market
Swartz Campbell	One Liberty Place	Trophy	17,000	Relocation
MARKET EAST				
Tenant	Building	Class	Size (SF)	Type
Macquarie Group	100 Independence	A	144,221	Relocation
American Board of Internal Medicine	The Washington (510-530 Walnut)	A	102,978	Renewal
Ballinger	833 Chestnut	B	48,000	Renewal
MakeOffices	The Bourse	B	33,360	Expansion in market
Nelson Architects	100 Independence	A	29,416	Relocation
Neumann Finance	123 S Broad	B	21,695	New to market
IRM	Public Ledger Building	B	17,862	Relocation

Source: JLL Research

3 OF THE 28 MAJOR LEASE TRANSACTIONS IN 2018 INVOLVE TENANTS NEW TO THE MARKET; 4 INVOLVE EXPANSION BY EXISTING TENANTS

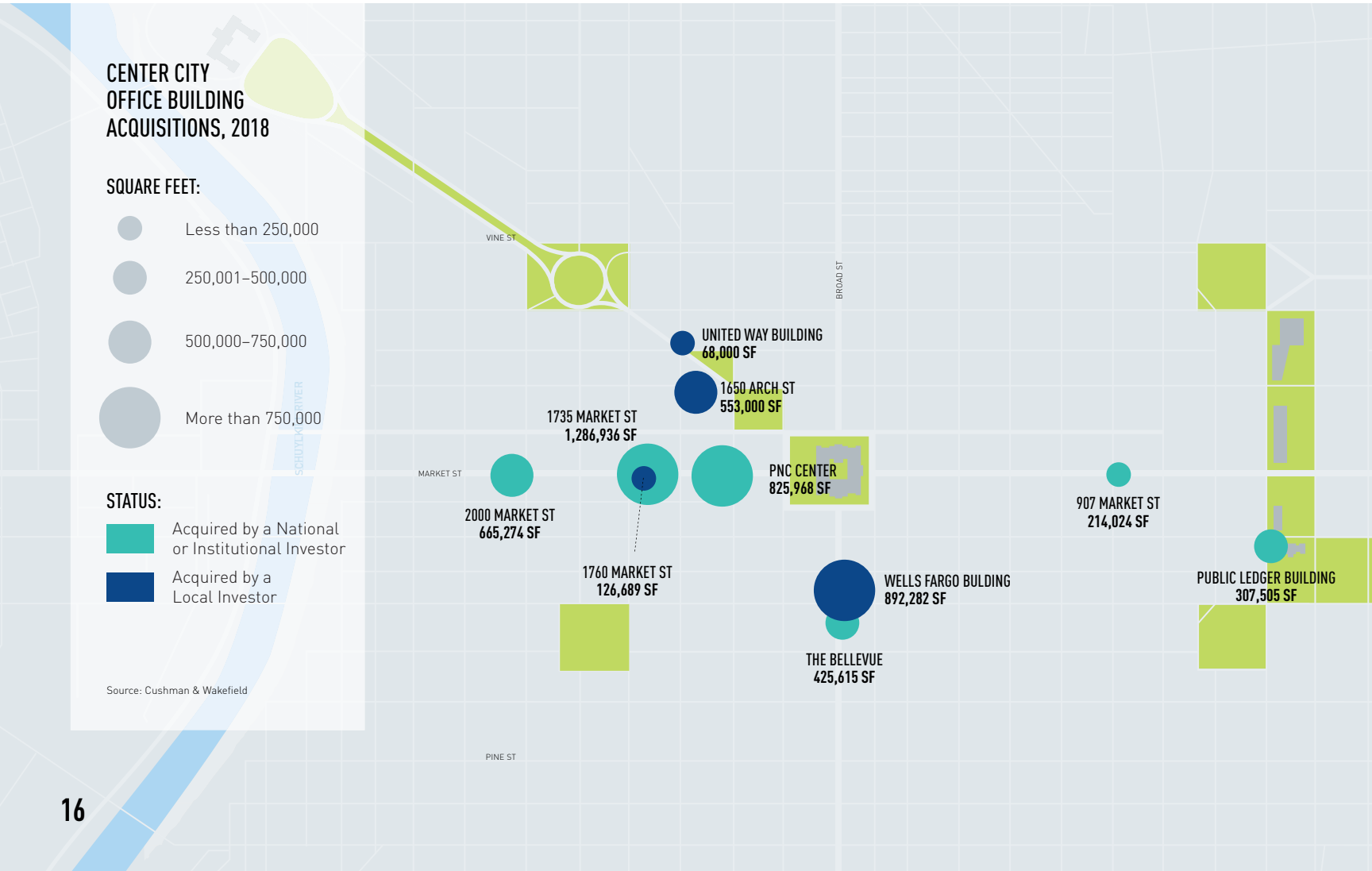
CENTRAL BUSINESS DISTTRICT OFFICE CONSTRUCTION, 2018

MARKET	COMPLETED SF	% OF NATIONAL COMPLETED SF	IN PROGRESS SF	% OF NATIONAL IN PROGRESS SF
New York City (All CBDs)	5,881,406	26%	16,941,487	31%
San Francisco	3,083,015	13%	2,071,500	4%
Washington, D.C.	2,825,179	12%	4,114,174	8%
Chicago	2,087,508	9%	5,205,738	9%
Denver	1,401,865	6%	1,108,246	2%
Center City Philadelphia	1,321,921*	6%	0	0%
Portland	1,119,944	5%	574,705	1%
Raleigh/Durham	932,543	4%	379,297	1%
Atlanta	843,149	4%	1,996,137	4%
Boston	790,000	3%	1,631,000	3%
All Other CBDs	2,583,953	11%	20,808,141	38%
NATIONAL CBD TOTAL	**22,870,483**	**100%**	**54,830,425**	**100%**

*Does not include the renovation of 2400 Market Street (615,000 sf)

Source: Cushman & Wakefield

OUTSIDE INVESTORS ARE FINDING VALUE IN CENTER CITY BUILDINGS AND INVESTING IN AMENITIES TO POSITION THEM FOR GROWTH



Penn Medicine , Thomas Jefferson University and Wills Eye Hospital | Philly By Drone

HEALTH CARE & HIGHER EDUCATION

Higher education and health care remain the prime engines of Philadelphia's economy, accounting for 33% of jobs citywide and 20% of Center City's employment – 61,000 jobs downtown. Since 2009, this sector has added jobs at all skill levels at the rate of 2% per year.

Thomas Jefferson University remains Center City's largest employer with 14,040 employees downtown. Penn Medicine, Drexel University and Children's Hospital of Philadelphia (CHOP), anchors of the University City economy, have been steadily migrating toward the Schuylkill River, increasing their presence downtown, leasing both office and medical space, and in the case of CHOP, adding a major new building in Center City adjacent to the South Street Bridge. Their combined number of jobs downtown has risen to 9,876.

Jefferson has been carrying out a major expansion over the last five years, merging with Philadelphia University and other institutions, growing their annual operating budget from $1.1 billion to over $5 billion. In 2018, Jefferson launched the world's first international medical degree in partnership with the Catholic University in Rome, enabling graduates to practice medicine in both the U.S. and the European Union.[1]

At Penn Medicine, innovations in cancer treatment have secured FDA approval. Dr. Carl June, the Richard Vague Professor in Immunotherapy, has pioneered a treatment for leukemia in which a patient's white blood cells are extracted, genetically reprogrammed to fight cancer, and reintroduced into the immune system. Clinical trials, many involving children, have succeeded in destroying cancer cells after traditional treatments had failed.

U.S. News and World Report once again ranked CHOP as the country's best Pediatrics Department and third best children's hospital overall, nationally.

In fall 2017, Center City's 14 colleges and universities reported total enrollment of 33,913 students. Adjacent to Center City, Drexel, Penn, Temple, and University of the Sciences enrolled an additional 78,341 students. Well-connected by public transit, thousands of these students live, shop and socialize downtown. Of the 29,059 students who graduated in 2017, 67% of their degrees were in health, business or STEM (science, technology, engineering, and math).

1: https://www.jefferson.edu/university/news/2018/11/12/thomas-jefferson-university-launches-worlds-first-international-medical-degree.html

Philadelphia's research institutions are driving innovation in diverse fields of health care. According to the National Science Foundation's Higher Education Research and Development Survey, combined research spending at Drexel, Temple, Jefferson, and Penn totaled $1.9 billion in 2017, up from $1.8 billion in 2016. Those four institutions, along with CHOP, launched a total of 29 startups in 2017 and applied for 391 patents. Penn's research and development expenditures ranked fourth in the nation in 2017. Overall, Philadelphia's $992 million in National Institutes of Health grants in 2017 put the city in third place nationally behind Boston and New York, representing more than half of Pennsylvania's $1.8 billion in NIH grants.

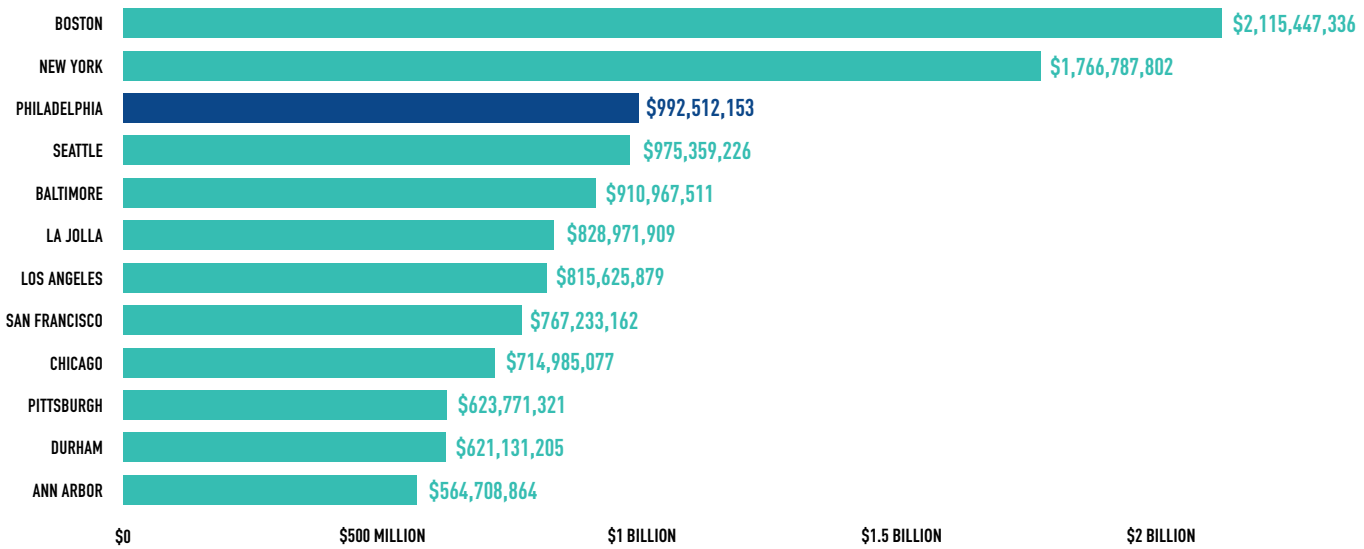
The University City Science Center, Pennovation Center and the Drexel Innovation District are all part of strategic initiatives to expand Philadelphia's ability to translate academic research into economic development. However, Philadelphia has some catching up to do. In the Boston area, the Massachusetts Institute of Technology *alone* launched 25 startups, applied for 470 patents and generated $49.4 million in active licenses. Boston's $2.1 billion in NIH grants total more than the amount awarded in the entire state of Pennsylvania. Nine of the country's top 30 pharmaceutical companies are geographically clustered around MIT's Cambridge campus.

Increased local venture capital investments in the Greater Philadelphia area can help lift the region up from its sixth-place position among the nation's biopharma clusters, behind Boston, San Francisco, New York, San Diego and Washington, D.C.[2]

The proliferation of coworking spaces has also facilitated growth in Philadelphia's educational and medical sectors, with Boston's Cambridge Innovation Center (CIC), now open in new University City Science Center space at 3675 Market Street. CIC's record of funding minority startups, building innovation hubs, and developing mentorship programs can yield significant dividends for Philadelphia.[3] Philadelphia's education and health care institutions have long been major generators of jobs and have produced graduates who serve as a powerful lure to employers seeking talent. As Philadelphia's research institutions strengthen connections with venture capital, commercialize new products and connect with more local suppliers, Philadelphia has a significant opportunity to boost business formation and job growth across the region.

PHILADELPHIA'S $992 MILLION IN NIH FUNDING PLACES THE CITY THIRD NATIONALLY, BEHIND BOSTON AND NEW YORK

NATIONAL INSTITUTES OF HEALTH FUNDING, 2018



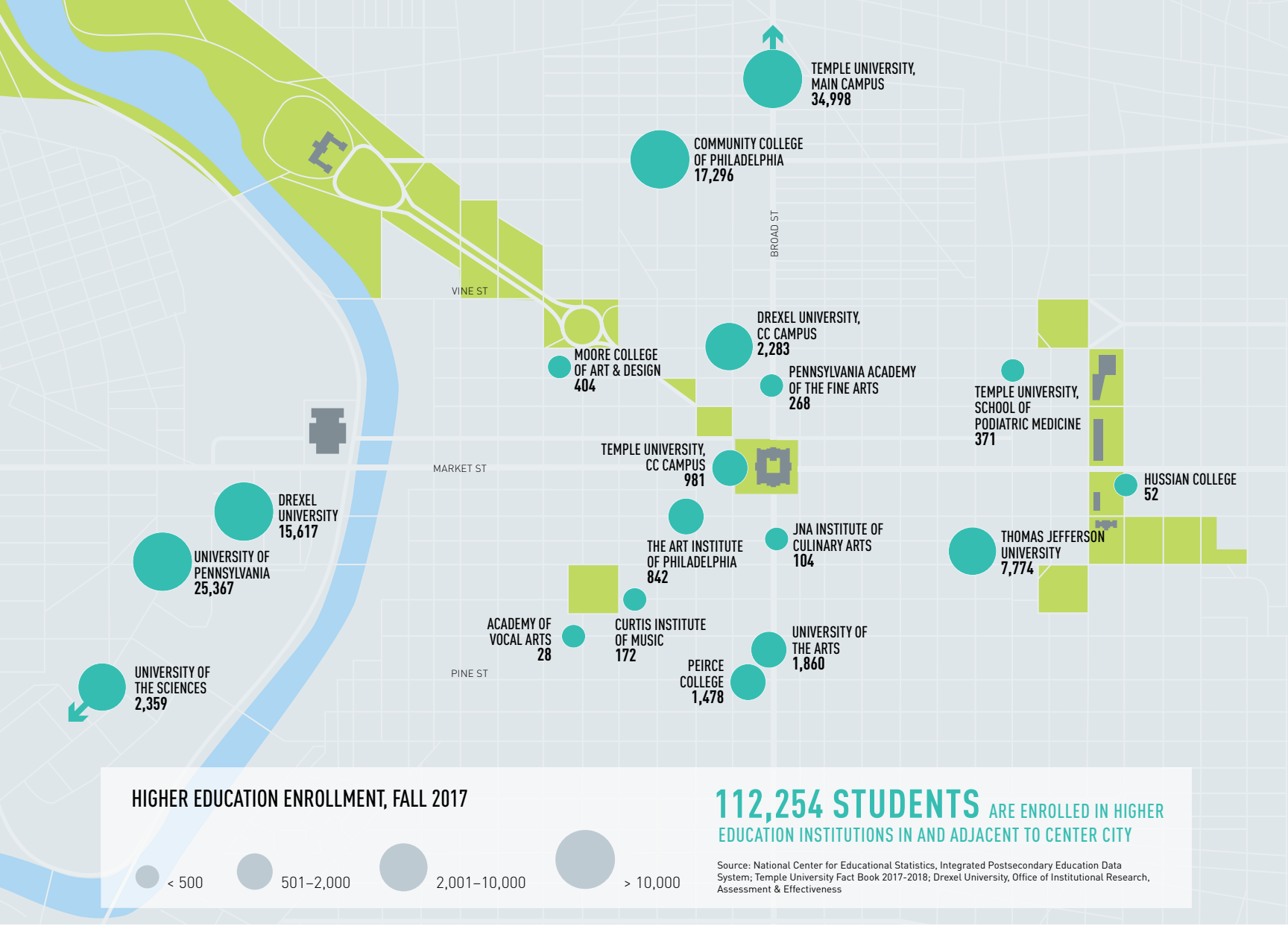
Source: U.S. Department of Health & Human Services, National Institutes of Health

2: https://www.genengnews.com/a-lists/top-10-u-s-biopharma-clusters-6/

3: https://cic.com/philadelphia/about

EDUCATION AND HEALTH CARE ACCOUNTS FOR 20% OF CENTER CITY'S EMPLOYMENT, 61,000 JOBS.

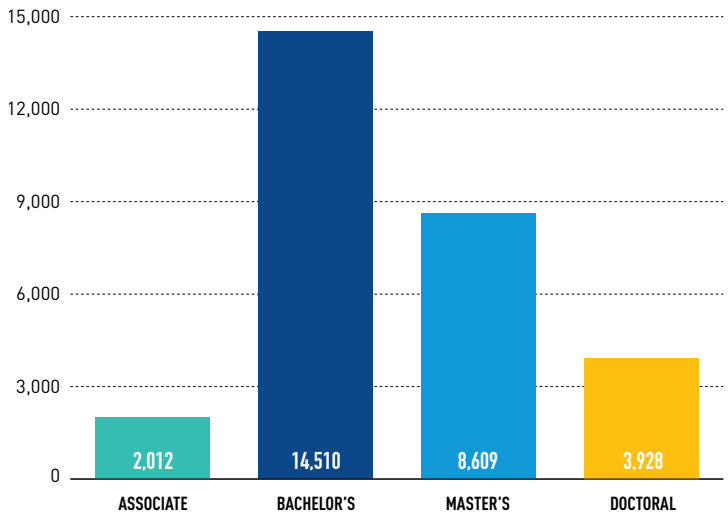
JEFFERSON, DOWNTOWN'S LARGEST PRIVATE EMPLOYER, ACCOUNTS FOR 23% OF THESE JOBS



112,254 STUDENTS ARE ENROLLED IN HIGHER EDUCATION INSTITUTIONS IN AND ADJACENT TO CENTER CITY

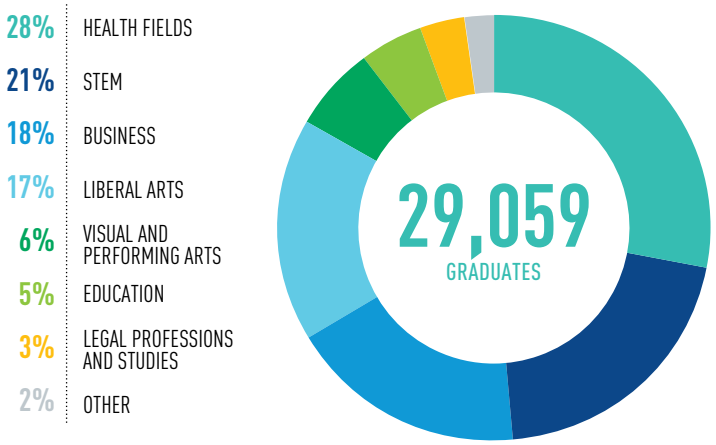
Source: National Center for Educational Statistics, Integrated Postsecondary Education Data System; Temple University Fact Book 2017-2018; Drexel University, Office of Institutional Research, Assessment & Effectiveness

DEGREES CONFERRED BY PHILADELPHIA COLLEGES AND UNIVERSITIES, 2017



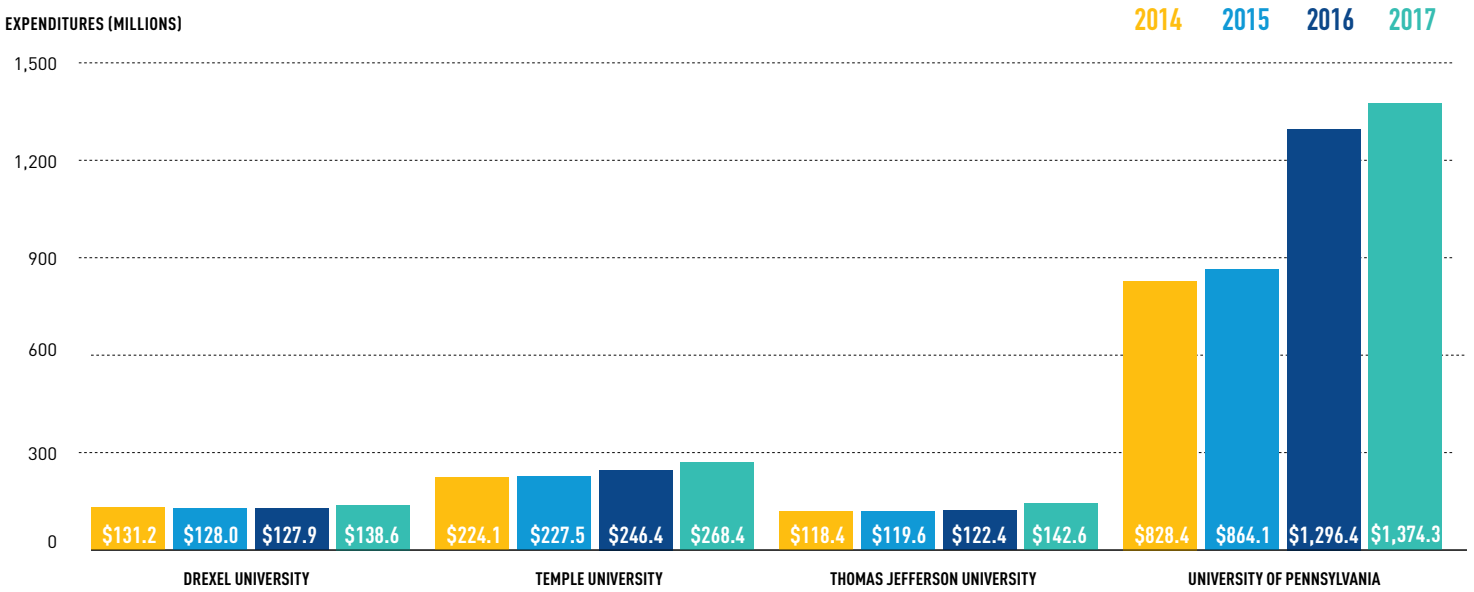
Source: U.S. Department of Education, National Center for Education Statistics

DEGREES CONFERRED BY TYPE, 2017



Source: U.S. Department of Education, National Center for Education Statistics

RESEARCH EXPENDITURES AT CENTER CITY AND ADJACENT UNIVERSITIES

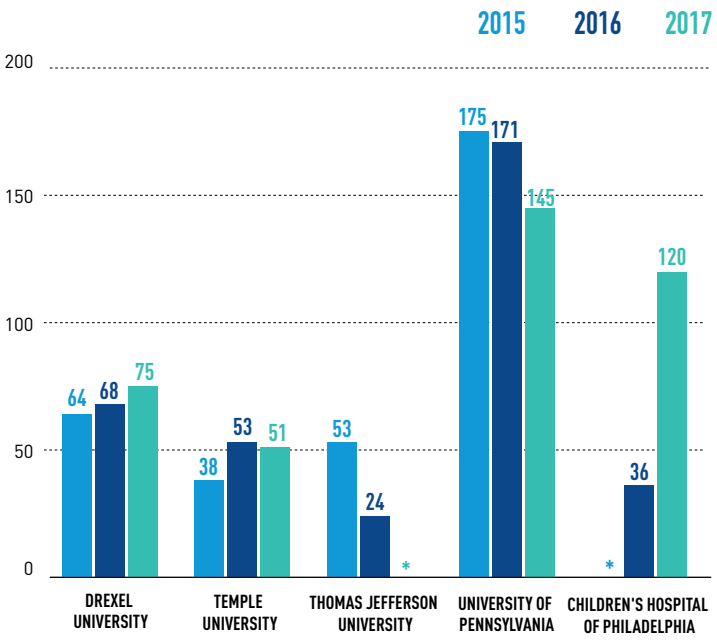


Source: National Science Foundation, National Center for Science & Engineering Statistics, Higher Education R&D Survey

4 MAJOR INSTITUTIONS ACCOUNTED FOR $1.9 BILLION

IN RESEARCH SPENDING IN 2017, WITH PENN STEADILY INCREASING ITS SHARE

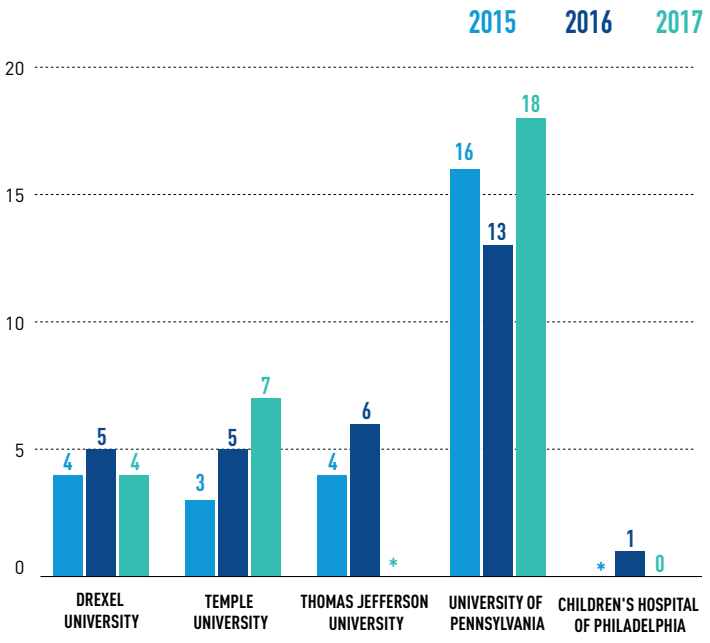
NEW PATENT APPLICATIONS



*Institution not in data

Source: Association of Technology Managers, Licensing Activity Survey 2017

STARTUPS



Source: Association of Technology Managers, Licensing Activity Survey 2017

CONVENTIONS, TOURISM & HOTELS

Philadelphia Flower Show | C. Smyth for VISIT PHILADELPHIA®

Major public and private investments in hospitality made during the last three decades, including the Pennsylvania Convention Center, new hotels, visitor and cultural destinations throughout the downtown, have positioned Philadelphia as a highly competitive meeting and tourist destination. Promoted by sustained advertising and marketing campaigns, the growth in convention, leisure, group and business travel has enabled Philadelphia to add 17,400 hospitality jobs since 2009, an increase of 31%.

The Pennsylvania Convention Center, marketed by the Philadelphia Convention and Visitors Bureau, hosted 22 conventions and trade shows in 2018 and 22 gate shows of 2,000 or more, elevating attendance to 1.2 million. Twenty-two conventions and trade shows of 4,000 or more are slated for 2019, with anticipated attendance of 1.1 million.

Leisure travel, driven by Visit Philadelphia's marketing in North America and the Philadelphia Convention and Visitors Bureau's focus on overseas group travel, accounted for 1.2 million room nights in 2018, up 71% from 2009 levels. Leisure travel now accounts for 34% of the downtown's occupied hotel room nights, surpassing the commercial share at 29% and on par with the demand generated by group and convention business (33%).

In 2017, 1.2 million international visitors came to the Philadelphia region, generating an economic impact of $1.4 billion. More than a half-million Canadians visit the region annually, while the number-one feeder market for overseas travelers remains the United Kingdom, followed by China. Philadelphia experienced an 18% increase in travelers from South Korea and a 3% increase from both Australia and the Netherlands in 2017. The primary reasons for overseas travel to Philadelphia are leisure, at 72%, with business travel at just 12%.

Leisure, group and business travel combined pushed Center City's 2018 hotel occupancy rate to a modern-day record high of 79.6% with 3.5 million occupied hotel room nights, even with an 18% increase in supply. The average daily room rate (ADR) for Center City increased 3% to $191, on par with 2016 levels when the city hosted the Democratic National Convention. Saturday night remains the busiest night of the week at Center City hotels, with the occupancy rate achieving a record 91%. Tuesday nights enjoyed the highest ADR at $203, driven by the higher rates paid by convention and trade show guests.

However, even as Center City's ADR has surpassed pre-recession highs, when adjusting for inflation, rates have declined. This is largely due to modest demand from business travelers, the highest rate payers, reflecting the limited number of major corporate headquarters in the city and limited office sector job growth.

Philadelphia International Airport handled 31.7 million passengers in 2018, a 7.1% increase from the year before and the highest since 2008. The increase in passengers is attributed to the new flights added by Philadelphia carriers: Frontier Airlines, Spirit Airlines, Southwest Airlines, and Delta collectively launched 27 new nonstop routes. In addition, American Airlines added nonstop services to Zurich and Budapest, while Aer Lingus is offering year-round nonstop service to Dublin, Ireland.

Increased demand in Center City is prompting nine hotel projects that will expand downtown supply to more than 14,000 rooms by 2021. At the start of 2019, the Four Seasons Philadelphia, Pod Philly, Element by Westin, W Hotel, Mainstay Suites/Ascend Hotel Collection, Comfort Inn Arch Street and Hyatt Centric Philadelphia were all under construction, with SLS Lux and 1801 Vine Hotel in the planning phases. These will join the recently opened Cambria Hotel & Suites, Fairfield Inn & Suites by Marriott, Lyric Suites Hamilton and Urban Perch.

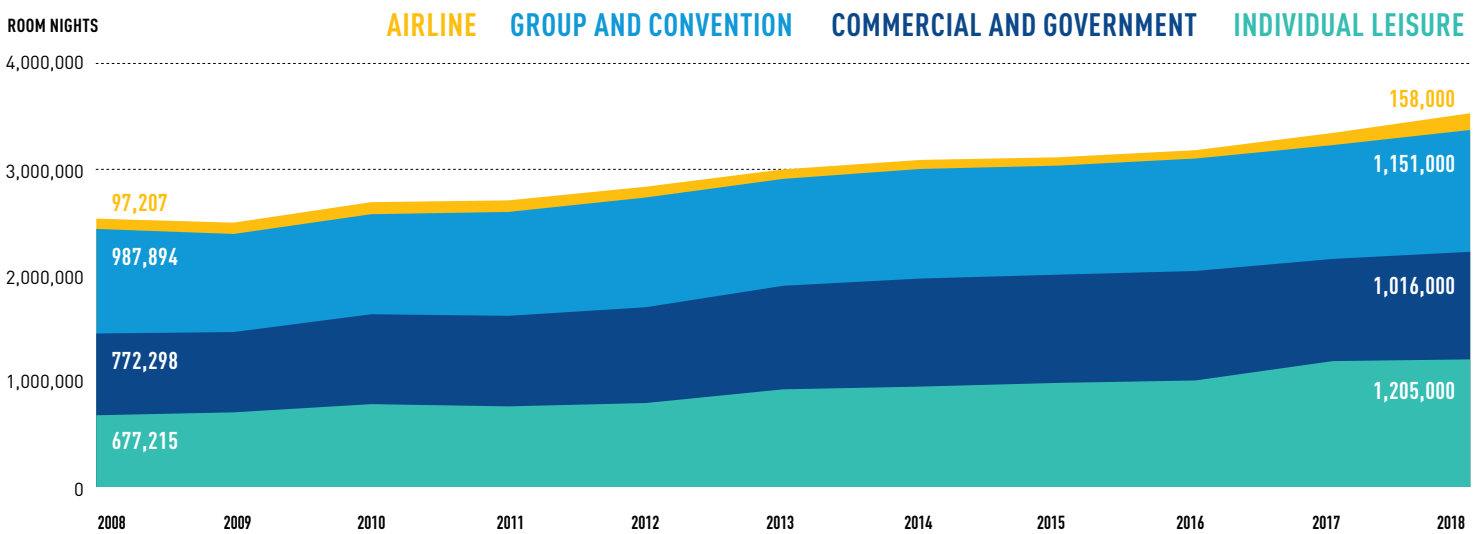
Older hotels are responding with rebranding and renovations. After the completion of a $23 million renovation, Marriott will be repositioning The Courtyard as The Notary, a boutique hotel in its Autograph Collection. The Sheraton Society Hill is slated to undergo a renovation and rebranding after its acquisition by The Buccini/Pollin Group. The Independence Visitor Center is investing $15 million to enlarge its gift shop and terrace overlooking Independence Mall, with the first phase completed in 2018.

From an economic development perspective, the hospitality industry plays two essential roles: it animates the city with outside visitors who make significant expenditures locally and it creates a substantial number of entry level, as well as new professional opportunities for Philadelphia residents.

3.5 MILLION

TOTAL OCCUPIED ROOM NIGHTS IN 2018

OCCUPIED CENTER CITY HOTEL ROOMS BY PURPOSE OF TRIP



Source: STR, Inc. and TravelClick - provided by Philadelphia Conventions & Visitors Bureau

LARGEST CONVENTIONS, TRADE AND GATE SHOWS; OTHER MAJOR PUBLIC EVENTS, 2018

CONVENTION & TRADE SHOWS	ATTENDANCE
Army Navy	69,600
2018 Under Armour Northeast Qualifier	35,000
AACR 2018 Philadelphia Marathon	30,000
2018 Rock & Roll Half Marathon	21,000
American Economic Association	14,000
United Soccer Coaches Convention	13,404
IEEE	10,000
Leading Age	10,000
Rockwell Automation	10,000
NAFSA Association of International Educators	9,500
Public Library Association	8,000
UBM, LLC	7,000
National Electrical Contractors Association	7,000
National Association of Student Personnel Administrators	6,000
Association for Iron & Steel Technology	6,000
American Industrial Hygiene Association	6,000
American Sociological Association	6,000
Society of Nuclear Medicine and Molecular Imaging	5,500
American Society of Landscape Architects	5,000
Reed Exhibitions Americas	5,000
National Title I Association	4,000
American College of Gastroenterology	4,000
Gate Show Attendance	780,400

Source: Philadelphia Convention & Visitors Bureau, Pennsylvania Convention Center

LARGEST CONVENTIONS AND TRADE SHOWS; OTHER MAJOR PUBLIC EVENTS, 2019 (ANTICIPATED)

CONVENTION & TRADE SHOWS	ATTENDANCE
National Collegiate Athletic Association	70,000
Army Navy	69,600
2019 Under Armour Northeast Qualifier	35,000
AACR 2019 Philadelphia Marathon	30,000
American Heart Association	25,000
LIGHTFAIR International	23,000
2019 Rock & Roll Half Marathon	21,000
International Society for Technology in Education	17,000
Biotechnology Innovation Organization	15,500
Pittsburgh Conference on Analytical Chemistry and Applied Spectroscopy	15,000
American Academy of Neurology	14,000
American Public Health Association	14,000
Academy of Nutrition and Dietetics	12,400
American College of Physicians	10,000
American Academy of Family Physicians	10,000
US Lacrosse Conference	8,000
National School Boards Association	7,000
American Society for Reproductive Medicine	6,500
Association for Professionals in Infection Control and Epidemiology, Inc.	4,500
Kappa Alpha Psi Fraternity, Inc.	3,000
Project Management Institute	3,000
Bayada Home Health Care	2,569

Source: Philadelphia Convention & Visitors Bureau

2018 TOTAL CONVENTION CENTER ATTENDANCE:

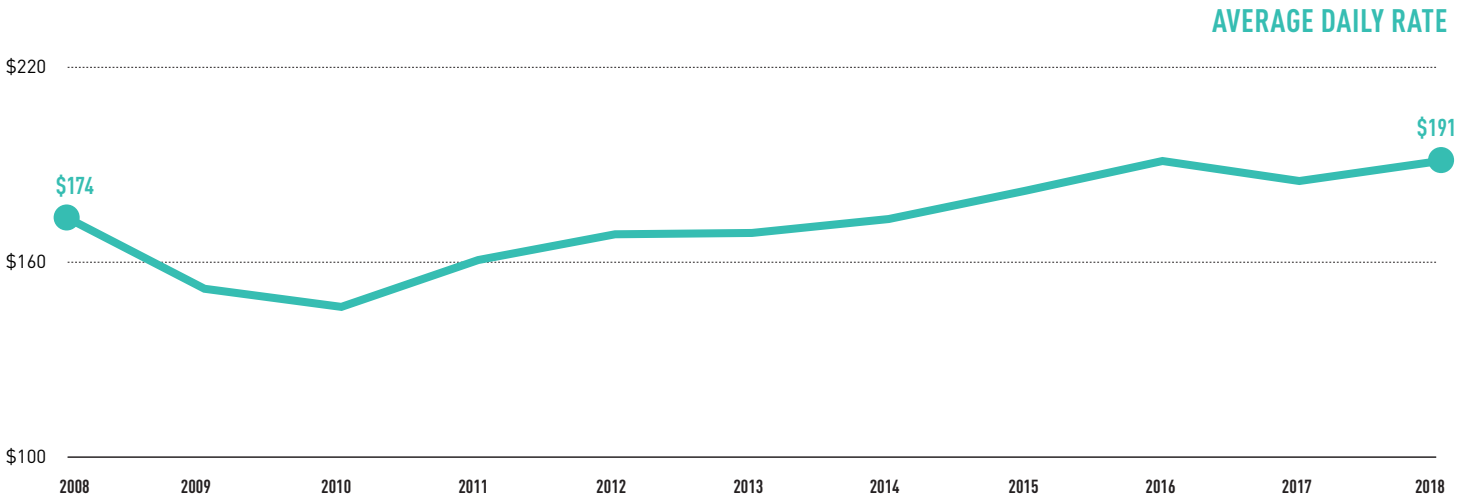
1,168,000

Source: Pennsylvania Convention Center

2019 ANTICIPATED CONVENTION CENTER ATTENDANCE:

1,142,000

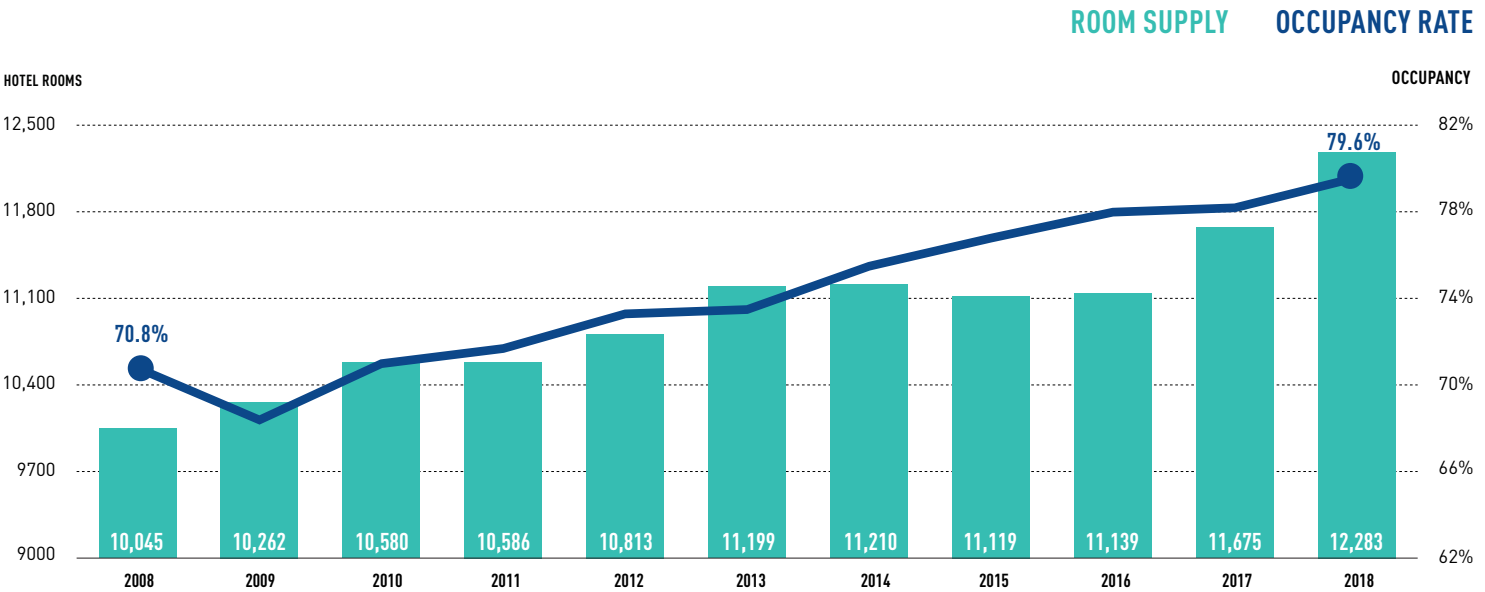
AVERAGE DAILY ROOM RATE FOR CENTER CITY HOTELS



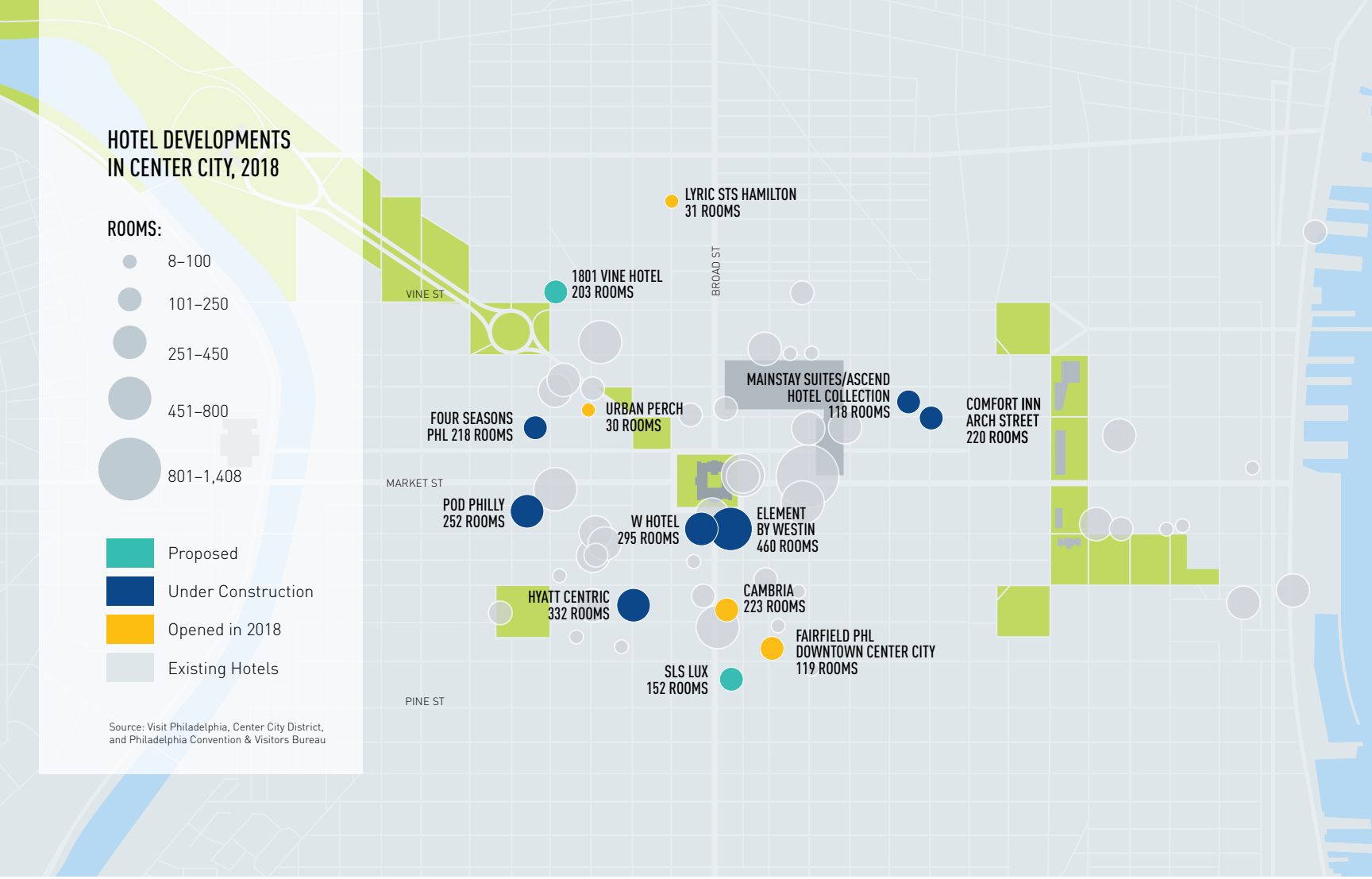
Source: Philadelphia Convention & Visitors Bureau

OCCUPANCY AT CENTER CITY HOTELS HIT 79.6% IN 2018, A MODERN-DAY RECORD

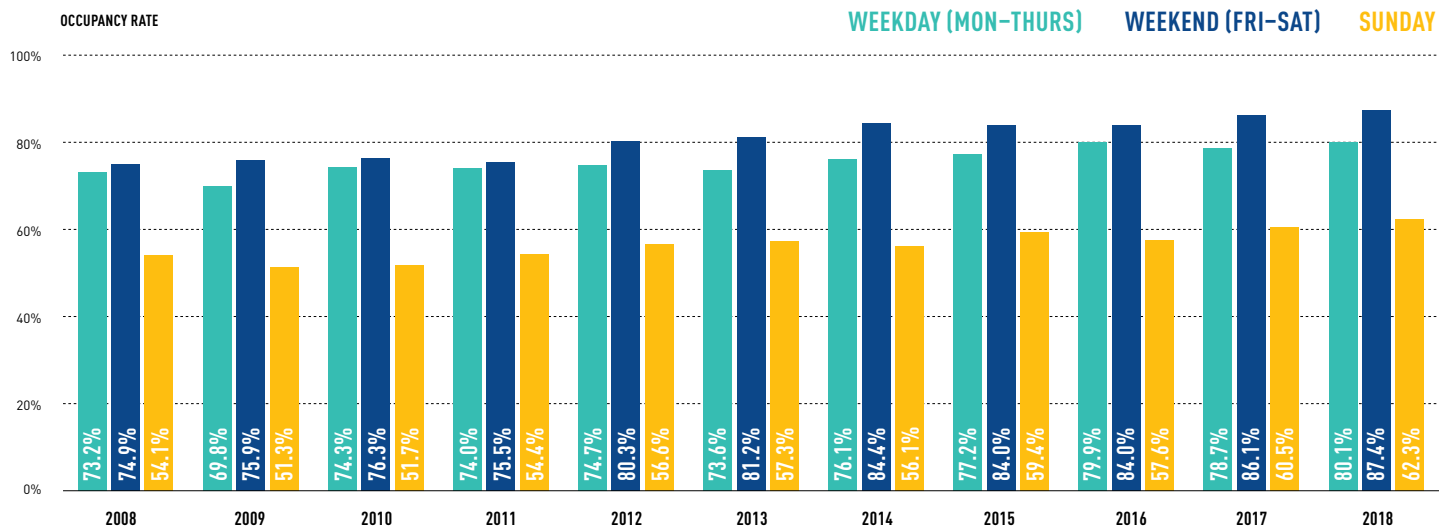
AVAILABILITY AND OCCUPANCY OF CENTER CITY HOTEL ROOMS



Source: STR, Inc. - Provided by Philadelphia Convention & Visitors Bureau

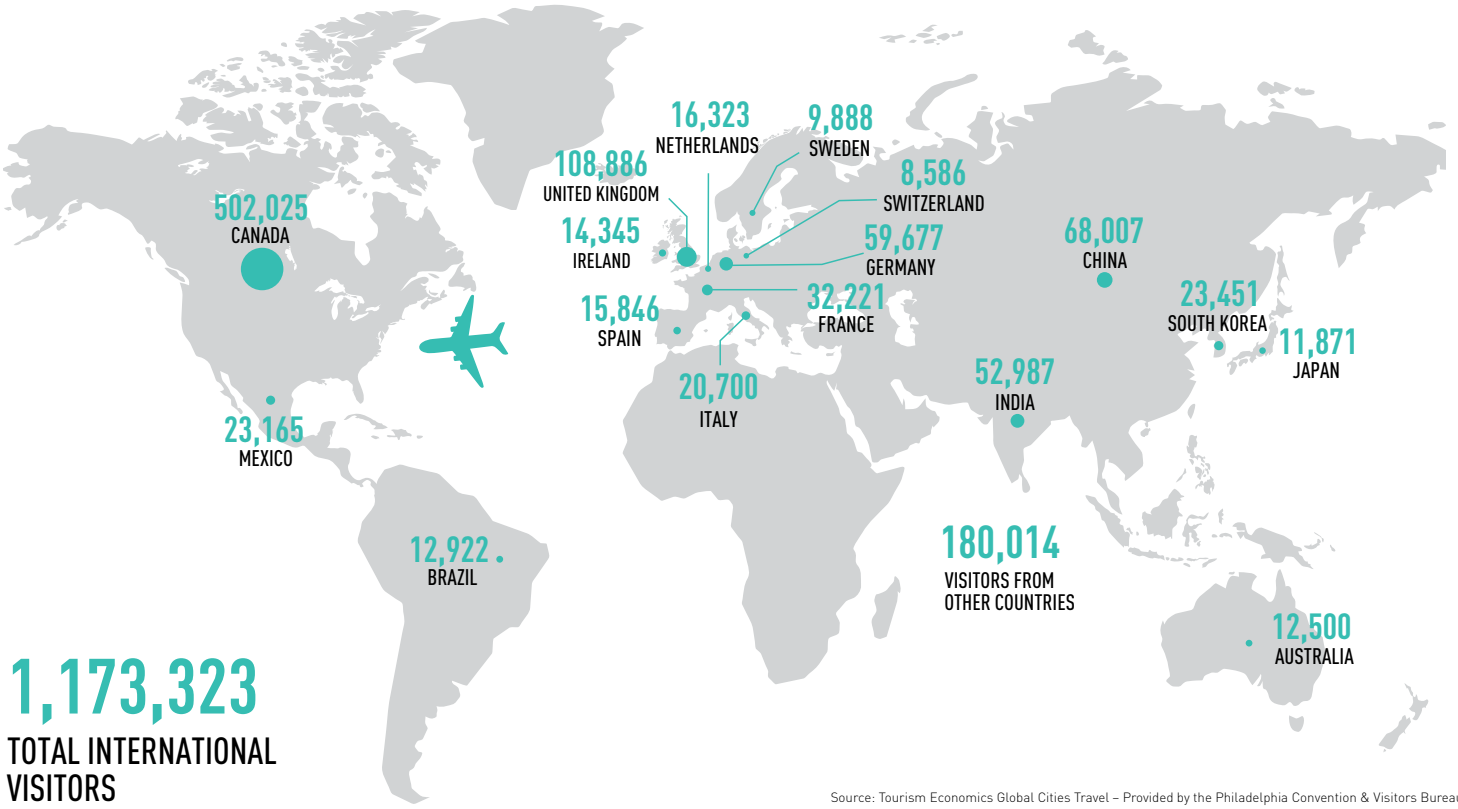


CENTER CITY HOTEL OCCUPANCY, WEEKDAY VS. WEEKEND, 2008–2018



Source: STR, Inc. - Provided by Philadelphia Convention & Visitors Bureau

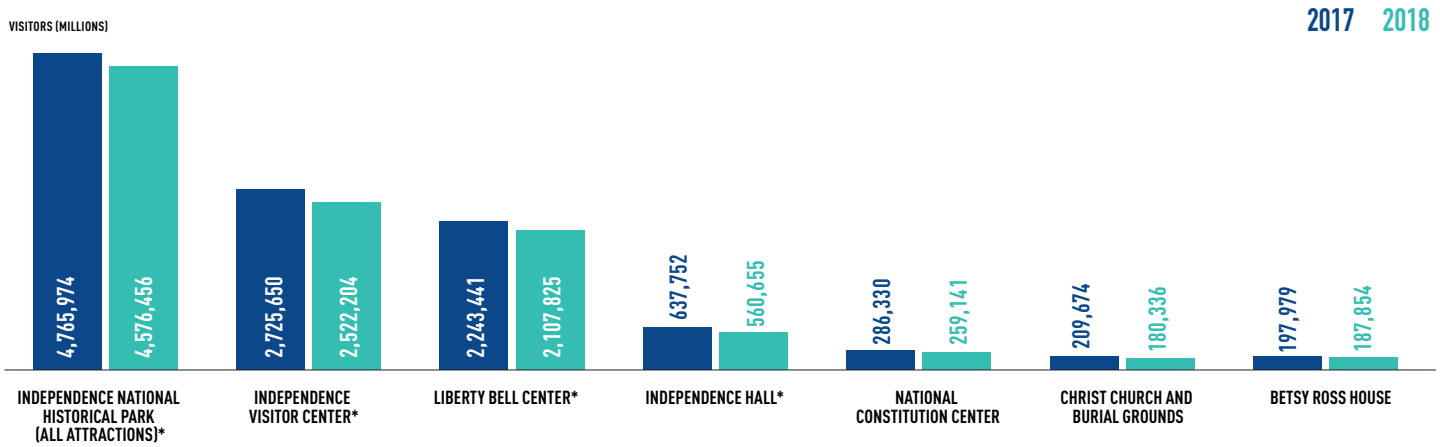
OVERSEAS VISITORS TO THE PHILADELPHIA FIVE-COUNTY REGION BY COUNTRY, 2017



Source: Tourism Economics Global Cities Travel – Provided by the Philadelphia Convention & Visitors Bureau

INTERNATIONAL VISITORS GENERATED AN ESTIMATED $1.4 BILLION
IN ECONOMIC IMPACT IN THE PHILADELPHIA REGION

ATTENDANCE AT ATTRACTIONS ON INDEPENDENCE MALL, 2017–2018



*Note: Attendance for Independence National Historical Park is an estimate of the number of unique visitors to the Park and does not represent the sum of all visits to individual Park attractions.

*Attendance lower in 2018 due in part to two government shutdowns; adjusted attendance for 2018 down 6%.

Source: Individual organizations

ARTS, CULTURE & CIVIC SPACES

Rodin Museum | R. Kennedy for VISIT PHILADELPHIA®

Center City attracted more than 18 million visitors from across the region and around the world to an extraordinary variety of arts and cultural destinations in 2018. Center City features 354 museums, theaters, dance companies and other cultural organizations and is third behind New York City and Washington, D.C. in the number of arts and cultural institutions downtown, surpassing Boston, Chicago, San Francisco and Seattle. The vitality of Center City's organizations helped drive a 19% increase in employment citywide in arts, entertainment and recreation in the last decade, with 12,927 jobs in 2017.

Although many cultural institutions are clustered along the Avenue of the Arts, the Benjamin Franklin Parkway, the Historic District and Old City, the map on page 30 shows how many blocks downtown are enriched with arts, cultural and civic attractions. The close association between visiting a cultural destination and going out for lunch or dinner has helped contribute to Center City's restaurant renaissance. Reading Terminal Market, one of America's oldest and largest public markets, welcomed more than 7.3 million visitors in 2018, offering an extraordinary selection of locally sourced products and a taste of Philadelphia's diverse gastronomic culture.

Several of Center City's cultural and performing arts destinations experienced notable growth in attendance in 2018: 1.2 million patrons enjoyed a wide array of performances at the Kimmel Center for the Performing Arts and the Pennsylvania Ballet experienced a 20% increase from 2017. The Wilma Theater, FringeArts, Barnes Foundation, Eastern State Penitentiary and the Mutter Museum all saw increases in attendance. In its first full year, the Museum of the American Revolution attracted more than 312,000 visitors. Indicative of the growing appeal of Center City as a family-friendly destination, about 66% of guests, cumulatively, at downtown institutions enjoyed free admission, with children under 18 comprising 38% of the visitors.

Center City is an outdoor gallery of public art with more than 460 works displayed downtown. Mural Arts Philadelphia, the nation's largest mural art program, estimates that their outdoor gallery alone drew 16,000 participants to its tours and events in 2018. The Center City District unveiled the first phase of *Pulse*, a unique and interactive public art experience by artist Janet Echelman that delights Dilworth Park visitors during the spring and summer months. The installation of *Winter Fountains* by artist Jennifer Steinkamp, at Aviator Park, Rodin Museum, Park

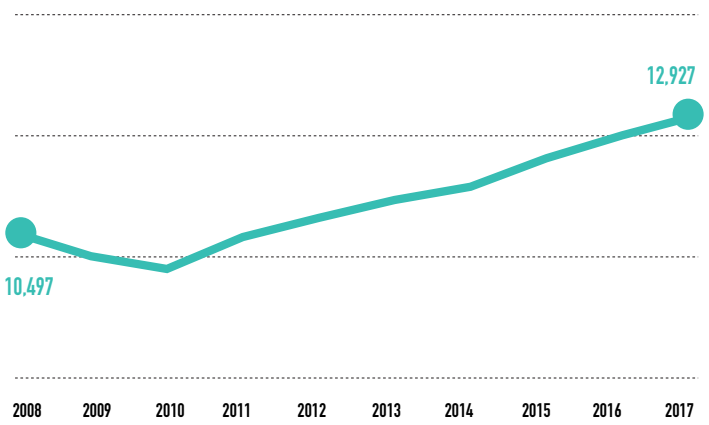
Town Place and Spring Garden Triangle, served as a centerpiece of Parkway 100, the centennial celebration of the Benjamin Franklin Parkway.

Improvements to outdoor parks in Center City continue to diversify civic and cultural spaces. Center City District has steadily increased the free programming at Dilworth Park, drawing 10.8 million visitors in 2018. In May, the City opened the renovated and reimagined Love Park; the design includes a new restaurant in the former visitors' center, more green areas, including a lawn and multiple gardens, increased seating, pathways and public restrooms. Across the street, the Horwitz-Wasserman Holocaust Memorial Plaza completed a $7 million renovation project managed by the CCD. It opened to the public in October; the new civic space includes a Remembrance Wall, Eternal Flame and several interpretive features that create unique opportunities to learn about the history of the Holocaust. The much-anticipated Rail Park in the Callowhill neighborhood opened to the public in June. The CCD completed the transformation of a dilapidated quarter-mile portion of the former Reading Railroad Viaduct into a vibrant green space, serving as a stimulus for a mixed-use, mixed-income, live-work neighborhood unlike any other in Philadelphia. A 55,000 square foot warehouse formerly known as Municipal Pier 9 was converted by the Delaware River Waterfront Corporation into Cherry Street Pier: a year-round indoor/outdoor space with local food and drink vendors, performances, a marketplace, and artist studios.

Parks on Tap, the joint effort of the Department of Parks and Recreation, Fairmount Park Conservancy and FCM Hospitality, hosted pop-up beer gardens in 23 different parks throughout the city attracting more than 100,000 people. 2018 was a banner year for Philadelphia sports; an estimated 700,000 fans celebrated the Eagles Super Bowl LII victory with a parade that wound its way from Lincoln Financial Field to the Philadelphia Museum of Art. The Villanova Wildcats won their third NCAA National Championship; fans attended a victory parade and rally at Dilworth Park.

IN 2018, MORE THAN 18 MILLION PEOPLE
VISITED ENTERTAINMENT, CULTURAL AND ARTS DESTINATIONS IN CENTER CITY, WITH 66% ENJOYING FREE ADMISSION

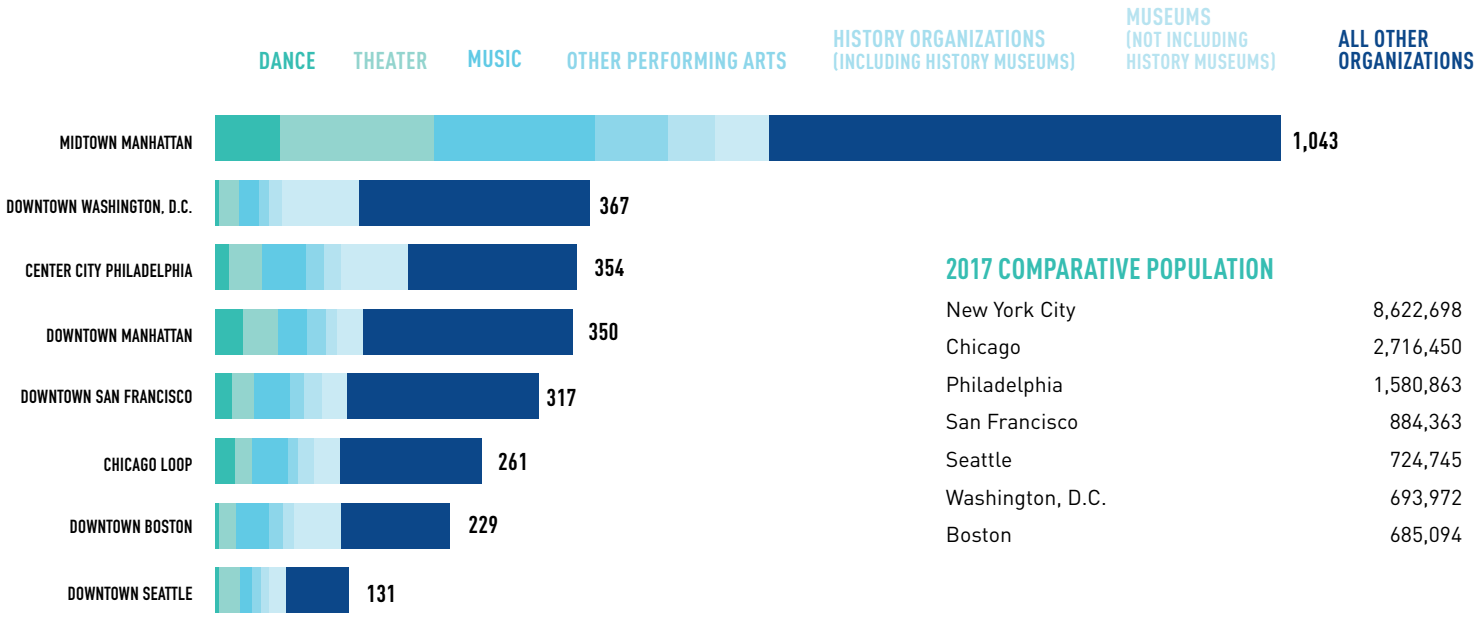
PHILADELPHIA ARTS, ENTERTAINMENT, AND RECREATION WAGE & SALARY EMPLOYMENT



Source: Bureau of Labor Statistics, Quarterly Census of Employment & Wages 2017

EMPLOYMENT IN ARTS, ENTERTAINMENT AND RECREATION HAS INCREASED BY 19% SINCE 2008

DOWNTOWN ARTS AND CULTURAL ORGANIZATIONS, 2018

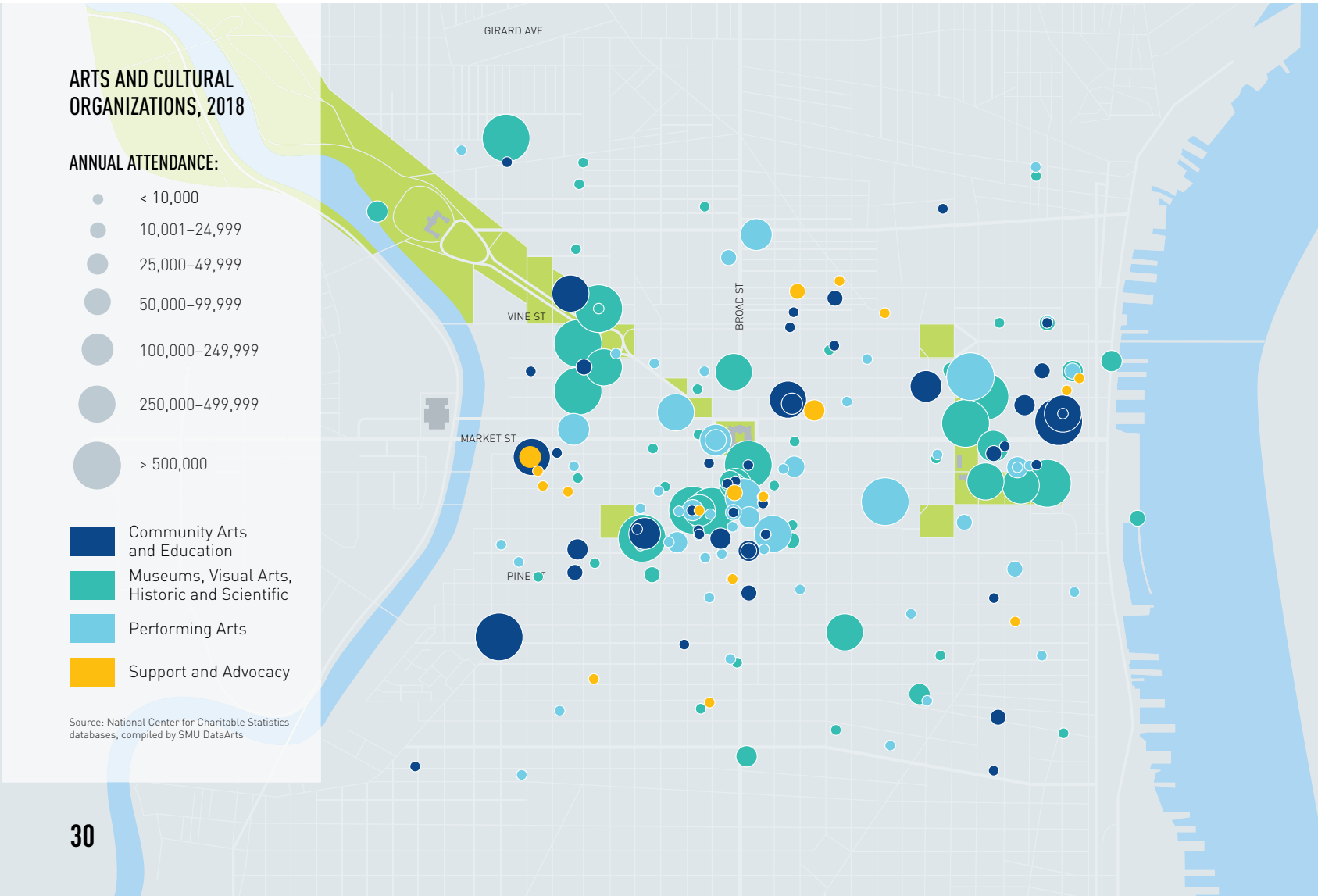


2017 COMPARATIVE POPULATION

New York City	8,622,698
Chicago	2,716,450
Philadelphia	1,580,863
San Francisco	884,363
Seattle	724,745
Washington, D.C.	693,972
Boston	685,094

Source: February 2018 IRS Business Master File, compiled by SMU DataArts, US Census Bureau, Annual Population Estimates

ARTS AND CULTURAL ORGANIZATIONS, 2018



Source: National Center for Charitable Statistics databases, compiled by SMU DataArts

PERFORMING ARTS ORGANIZATION ATTENDANCE

ORGANIZATION	2017	2018
Kimmel Center	1,137,000	1,200,000
Walnut Street Theatre	351,886	336,617
Arden Theatre Company	106,471	106,975
Pennsylvania Ballet	75,025	93,532
Lantern Theater Company**		33,500
Opera Philadelphia	34,847	32,184
The Wilma Theater	27,263	29,988
Philadelphia Chamber Music Society	29,436	26,133
FringeArts	22,670	25,044
Philadelphia Theatre Company**		10,030
InterAct Theatre Company *	8,359	5,514

*Canceled performance in 2018
** Not included in 2017

Source: Individual Institutions

SELECT MUSIC VENUES IN GREATER CENTER CITY

VENUE	ADDRESS	TYPE
Academy of Music	240 South Broad Street	Concert Venue
Boot & Saddle	1131 South Broad Street	Restaurant/Bar
Chris' Jazz Café	1421 Sansom Street	Restaurant/Bar
Connie's Ric Rac	1132 South 9th Street	Restaurant/Bar
Festival Pier at Penn's Landing	601 N Christopher Columbus Boulevard	Concert Venue
Franklin Music Hall	421 North 7th Street	Concert Venue
Johnny Brenda's	1201 Frankford Avenue	Restaurant/Bar
Kimmel Center	300 South Broad Street	Concert Venue
MilkBoy	1100 Chestnut Street	Restaurant/Bar
MilkBoy South Street	401 South Street	Restaurant/Bar
Ortlieb's	847 North 3rd Street	Restaurant/Bar
South Kitchen & Jazz Parlour	600 North Broad Street	Restaurant/Bar
The Fillmore Philadelphia	29 East Allen Street	Concert Venue
The Met	858 N Broad Street	Concert Venue
Theatre of Living Arts	334 South Street	Concert Venue
Time	1315 Sansom Street	Restaurant/Bar
Underground Arts	1200 Callowhill Street	Concert Venue
Union Transfer	1026 Spring Garden Street	Concert Venue
Voltage Lounge	421 North 7th Street	Restaurant/Bar
World Café Live	3025 Walnut Street	Restaurant/Bar

Source: Individual Institutions

MUSEUM AND ATTRACTION ATTENDANCE

ORGANIZATION	2017	2018
Reading Terminal Market	7,236,205	7,306,336
Liberty Bell Center	2,243,441	2,107,825
Franklin Institute	1,050,846	829,208
Philadelphia Museum of Art	768,045	731,087
Independence Hall	637,752	560,655
Eastern State Penitentiary	413,207	418,218
Museum of the American Revolution	264,759	312,231
National Constitution Center	286,330	259,141
Barnes Foundation	224,467	240,863
Pennsylvania Academy of the Fine Arts	250,708	222,374
University of Penn Museum of Archaeology and Anthropology	180,513	182,530
Mutter Museum	158,247	161,472
Academy of Natural Sciences of Drexel University	208,301	161,384
National Museum of American Jewish History	108,579	91,000
African American Museum in Philadelphia**		68,965

** Data not available in 2017

Source: Individual Institutions

PROGRAMMED PARKS ATTENDANCE

VENUE	2017	2018
Dilworth Park	10,036,200	10,800,000
Schuylkill Banks	1,747,890	1,700,000
Franklin Square	1,113,264	818,650

Source: Individual Institutions

RETAIL

Rikumo | Marisa Fischetti

Center City's flourishing retail scene builds on more than two decades of mixed-use development, with residential, convention and tourism growth broadening the historic base of retail customers provided by office tenants and educational and health care institutions downtown. Today, 305,000 workers, 193,000 residents, 112,000 college students and 3.5 million occupied hotel room nights combine to create more than $1 billion in retail demand annually.

Downtown Philadelphia's increased purchasing power has attracted more than 77 national retailers in the last five years. These stores add to the mix of local boutiques and independents, while creating both entry-level and higher-skilled jobs. They also solidify Center City's status as a regional shopping destination.

While Center City is feeling the pressures that are affecting retailers nationwide, occupancy on the prime retail corridors of Walnut and Chestnut streets from Broad to 20th streets is a healthy 94.6%, sustained by downtown's desirable demographic of millennials and affluent empty nesters and augmented by visitors and students. By comparison, Reis Inc. reports retail vacancy at 10.2% nationally, while Colliers International puts regional vacancy at 9.2%. Shopping malls in the Philadelphia region, which once drew retail away from the downtown, are now seeing higher vacancy – up to 12.4% at the end of 2018. But Center City's density, diversity and walkability has created significant opportunities for retailers who know how to capitalize on the demographic changes that are reshaping urban cores.

Globally, retailers are challenged by the need to find the ideal mix between online and brick-and-mortar locations. Those who achieve that balance, however, create unique environments that bring shoppers into stores and create memorable experiences. Although in-store retail sales are down in certain market segments nationally, Center City is benefiting from a range of categories and concepts experiencing the most growth. These include grocery, home and garden, wellness and beauty, food and beverage, value/outlet and online retailers opening brick-and-mortar locations. In particular, Center City has experienced strong growth in boutique fitness (+22), quick service restaurants (+22), and click-to-brick tenants (+10) during the past five years.

The latest retailers to announce a Rittenhouse Row address include Rumble Boxing, Red Wing, The Tie Bar, Brandy Melville, Marine Layer, Shakespeare & Co., Scotch & Soda, and MM.LaFleur. Limited space and strong demand from brands seeking to enter the Center City market have led retailers to locate in burgeoning Center City East, particularly those seeking lower

rents and larger floor plates. Tenants including Polo Ralph Lauren, Forever 21, Levi's, Guess, Asics, Ulta, T.J. Maxx, H&M, City Fitness, AMC Theaters, City Winery, Iron Hill Brewery, P.J. Clarke's, Shake Shack, Federal Donuts and Little Baby's Ice Cream have helped revive Philadelphia's historic department store corridor. There has also been an uptick in big-box retailers signing leases in neighborhoods surrounding the core of the downtown in larger developments recently completed or under construction, including PetSmart, Sprout's Farmers Market, Aldi, Giant Heirloom, and several Targets.

Demand is driving more than 1.4 million square feet of retail currently under construction with development surging east of Broad Street, with some of Philadelphia's most ambitious retail and mixed-use projects. New developments on Market East represent a $910 million investment that is creating a continuous shopping and dining experience from Independence Mall to the major Center City convention hotels, just east of City Hall.

Surging pedestrian volumes on major downtown streets are key indicators of change. While most of Center City's pedestrian traffic peaks during the week around lunchtime and late afternoon, the area between Rittenhouse Square and Broad Street remains animated through the weekend and during evening hours, underscoring its status as a destination for retail and entertainment. New retailers have transformed the area around 16th and Chestnut streets from a less desirable location into one where pedestrian counts have increased by 45% over 2013 volumes. West Chestnut Street's transformation, as well as the increased growth underway on East Market Street, are powerful indicators that destination retailers can locate anywhere in Center City's walkable downtown and shoppers will follow.

While new restaurants and dining districts continue to emerge in surrounding neighborhoods, Center City continues to be the epicenter for the top restaurants in the country. The 468 full-service restaurants between Vine and South streets, river to river, helped solidify Philadelphia's No. 1 spot on *Travel + Leisure* magazine's "East Coast Food Cities" list, ahead of both New York City and Boston. Restaurants are also becoming an important component of the merchandising mix of large-scale retail developments opening in Center City, reflecting how customers want to spend their time and money.

Center City retail growth has been strongly supported by the Philadelphia Retail Marketing Alliance, a collaboration of the CCD, City of Philadelphia, PIDC, the Philadelphia Convention & Visitors Bureau, Visit Philadelphia, and major downtown retail brokers. This business attraction initiative includes direct outreach to brokers and store representatives, detailed data and research on market trends, advertising, story placements in trade publications to elevate Philadelphia's retail profile and a highly promoted, online presence (www.philadelphiaretail.com) that positions Center City as an attractive retail location.

RETAIL DEMAND FOR SHOPPERS' GOODS, 2018

JOB MARKET	CORE CENTER CITY	GREATER CENTER CITY
Office Workers	146,400	158,300
Other Workers	114,000	147,200
Total Workers	260,400	305,500
RESIDENTIAL POPULATION MARKET		
Owner Occupied Housing	24,075	84,832
Renter Occupied Housing	39,122	102,102
Population in other living arragements	3,575	6,254
Population (2018)	66,773	193,187
VISITOR MARKET		
Hotel Rooms		12,283
Overnight Visitors		3,530,000
DOLLARS OF DEMAND FOR SHOPPERS' GOODS		
Office Workers	$155,769,600	$168,431,200
Other Workers	$60,306,000	$77,868,800
Residents	$128,204,160	$370,919,040
Overnight Visitors	$473,020,000	$473,020,000
TOTAL	**$817,299,760**	**$1,090,239,040**

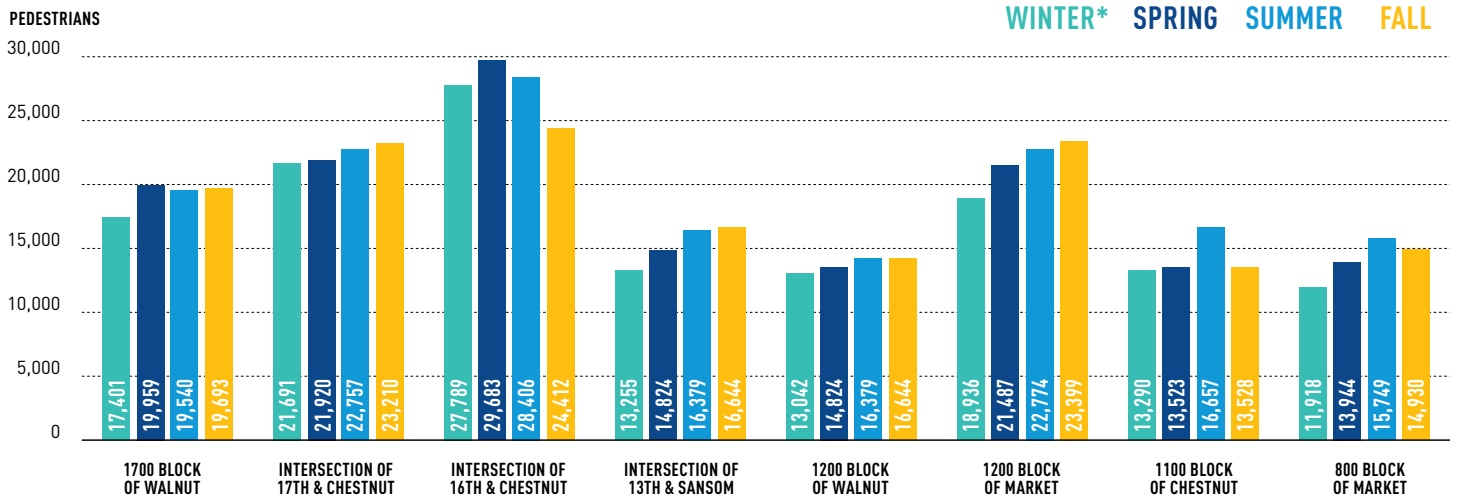
** Dollars of demand for each market segment are CCD calculations based on retail industry standards.*

U.S. Census Bureau, Local-Employment Household Dynamics;
Bureau of Labor Statistics, Current Employment Statistics;
U.S. Census Bureau, American Community Survey, 2013-2017, CCD Population Estimates;
Philadelphia Convention & Visitors Bureau

CENTER CITY RETAILER TYPE, 2018

Source: Retail Survey 2018, Center City District

AVERAGE DAILY PEDESTRIAN ACTIVITY BY SEASON, DECEMBER 2017 – NOVEMBER 2018

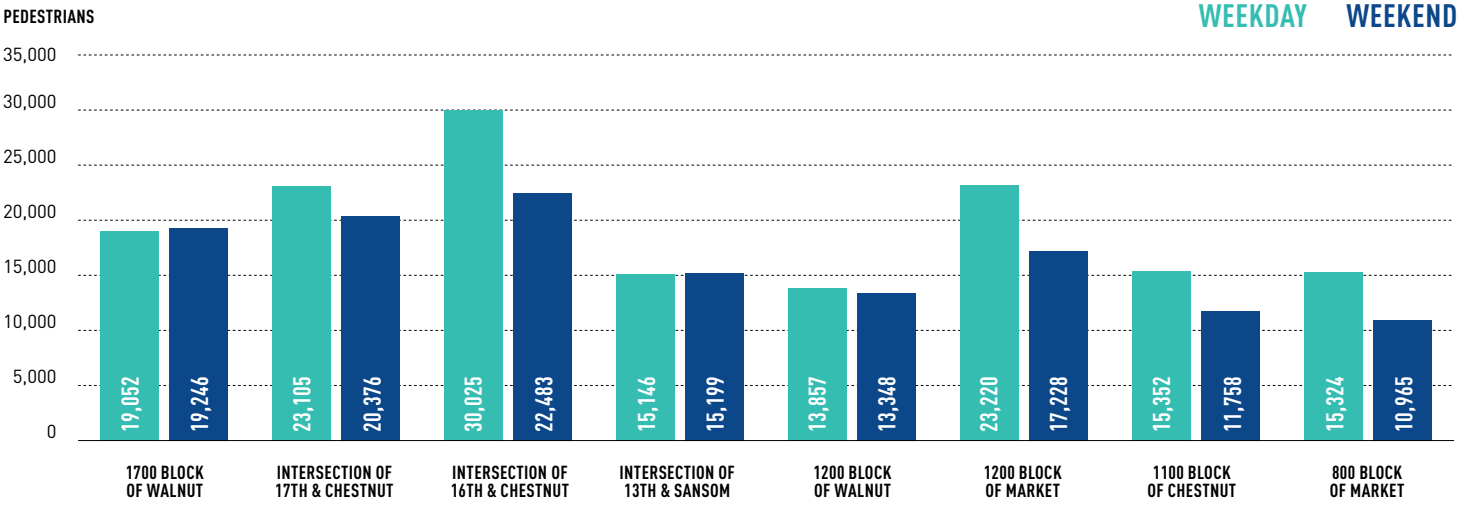


Source: Motionloft Pedestrian Counts; Center City District

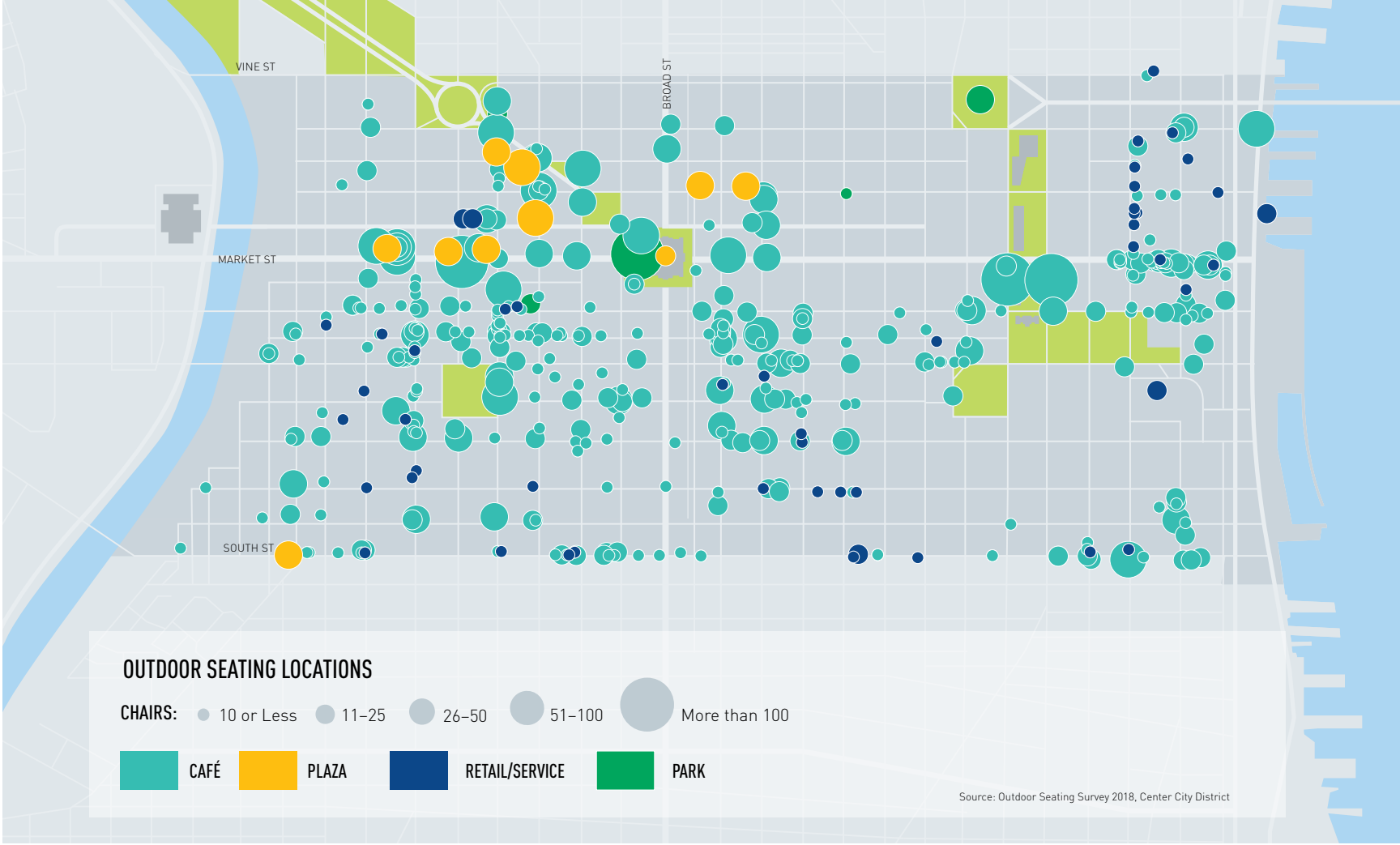
*Note: Winter includes December 2017, January 2018 and February 2018

PEDESTRIAN VOLUMES ON PRIME RETAIL STREETS HAVE INCREASED 30% TO 40% SINCE THE CITY'S ECONOMY HAS COME OUT OF RECESSION

AVERAGE DAILY PEDESTRIAN ACTIVITY BY WEEKDAY/WEEKEND, 2018

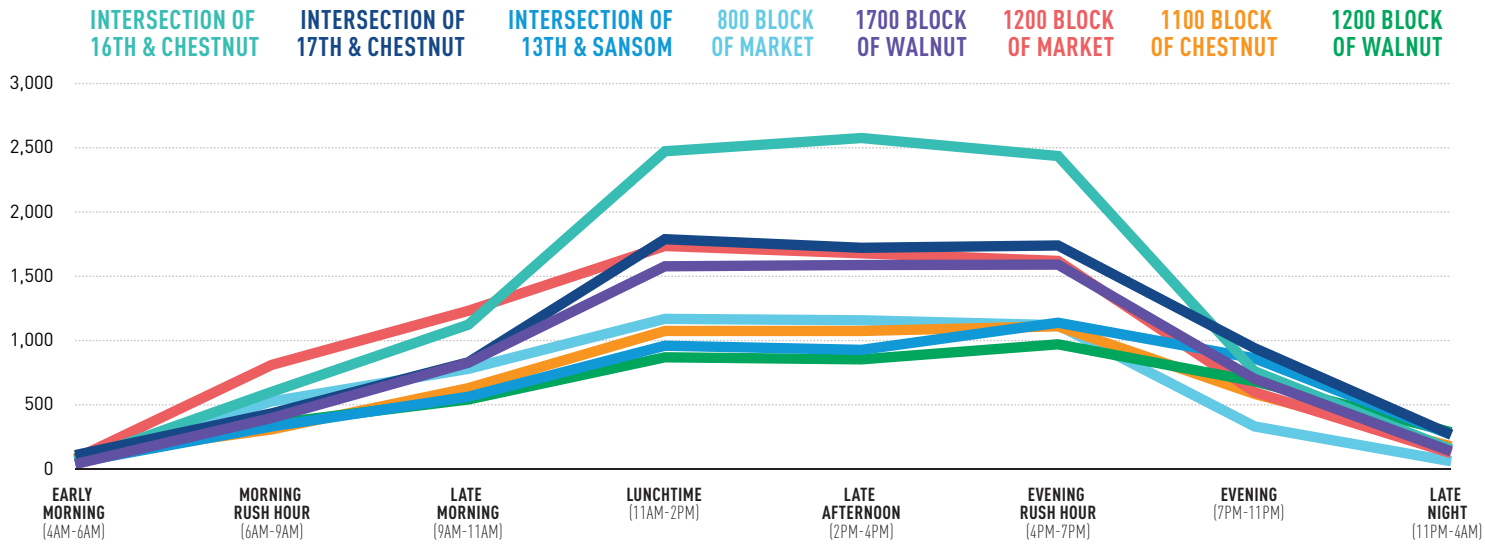


Source: Motionloft Pedestrian Counts, Center City District



433 OUTDOOR SEATING LOCATIONS

AVERAGE HOURLY PEDESTRIAN ACTIVITY BY TIME OF DAY, 2018



Source: Motionloft Pedestrian Counts, Center City District

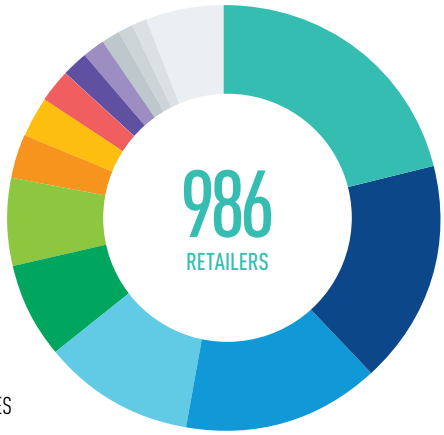
CENTER CITY STOREFRONTS, 2018

986	RETAILERS
1,005	FOOD ESTABLISHMENTS
1,204	SERVICE PROVIDERS

Source: Retail Survey, Center City District

CENTER CITY RETAILERS, 2018

209	APPAREL
167	JEWELRY/WATCHES
146	FOOD OR DRINK
111	HOME/GARDEN
72	BEAUTY/HEALTH/FITNESS
65	ART/COLLECTIBLES/ HOBBIES
35	ELECTRONICS
29	AUTOMOTIVE
26	OPTICAL
18	MUSIC/VIDEO/VIDEO GAMES
17	BOOK STORE
13	GENERAL MERCHANDISE STORE
12	OFFICE SUPPLIES & STATIONERY
11	PET
55	OTHER

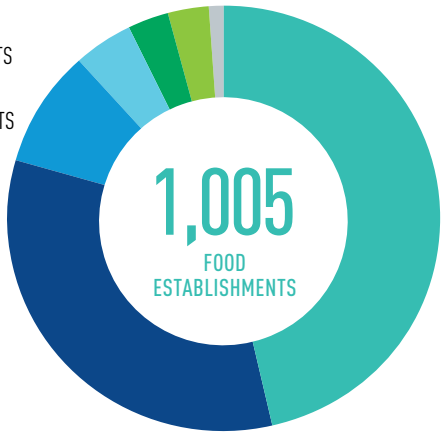


Source: Retail Survey, Center City District

WHILE NATIONAL BRANDS HAVE A VERY HIGH PROFILE, 75% OF CENTER CITY RETAILERS ARE BOUTIQUES, INDEPENDENT OR LOCAL ESTABLISHMENTS

CENTER CITY FOOD ESTABLISHMENTS, 2018

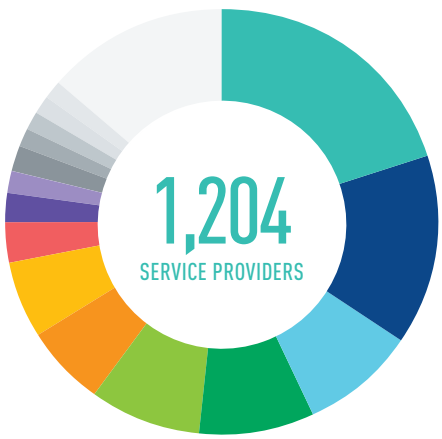
468	FULL-SERVICE RESTAURANTS
332	TAKEOUT/SANDWICH/ QUICKSERVICE RESTAURANTS
89	COFFEE SHOPS
45	BARS/NIGHTLIFE ESTABLISHMENTS
31	ICE CREAM/WATER ICE/ FROZEN YOGURT
29	BAKERIES
11	ALL OTHERS



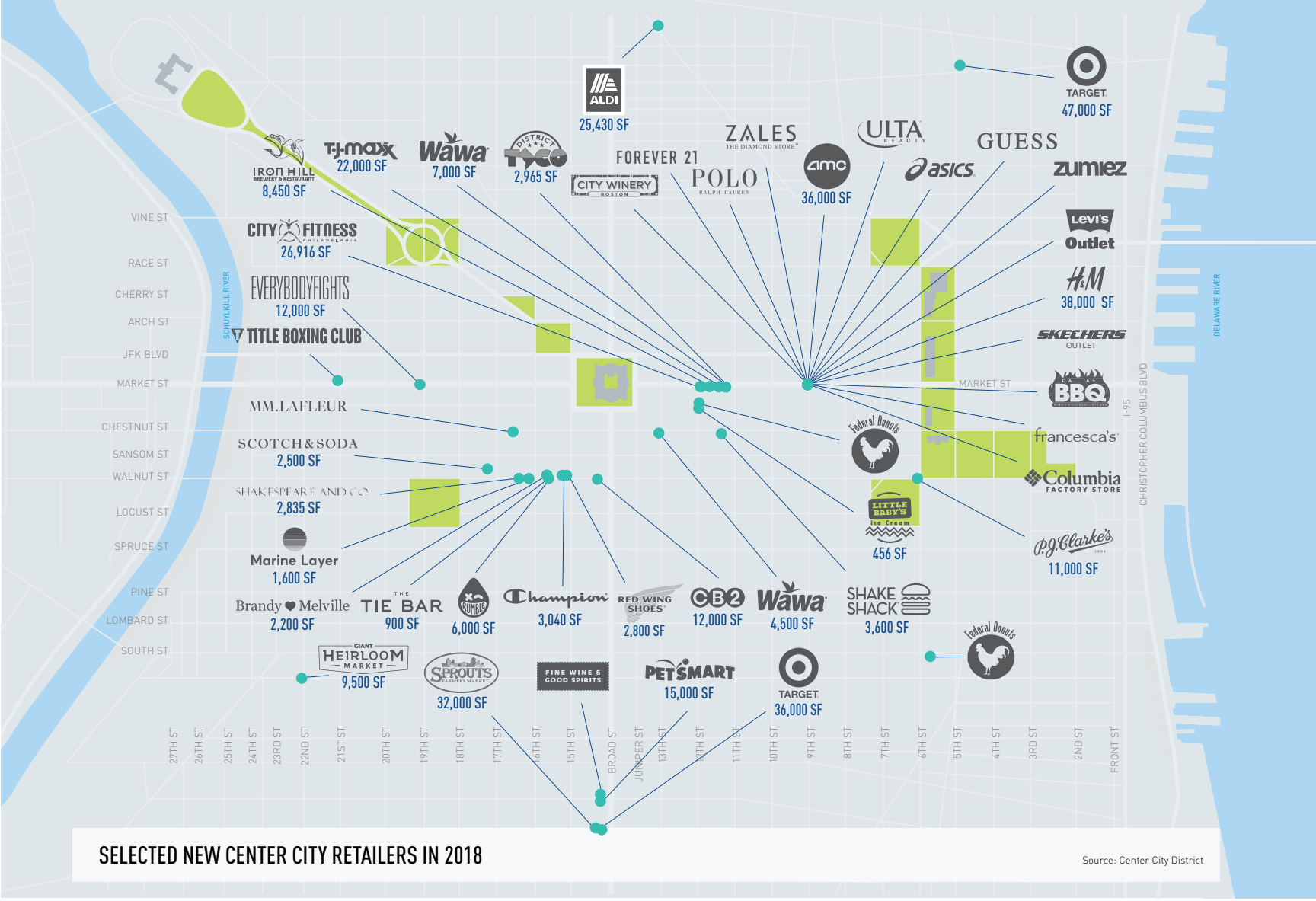
Source: Retail Survey, Center City District

CENTER CITY SERVICE PROVIDERS, 2018

244	BEAUTY
171	HEALTH
106	BANK/FINANCIAL
103	REAL ESTATE
100	LEGAL
74	LAUNDRY
69	FITNESS
36	HOME
29	INSURANCE
21	CHILD CARE
21	PROFESSIONAL
19	ACCOUNTING
17	PET
16	SOCIAL SERVICES
15	TRAVEL
163	OTHER



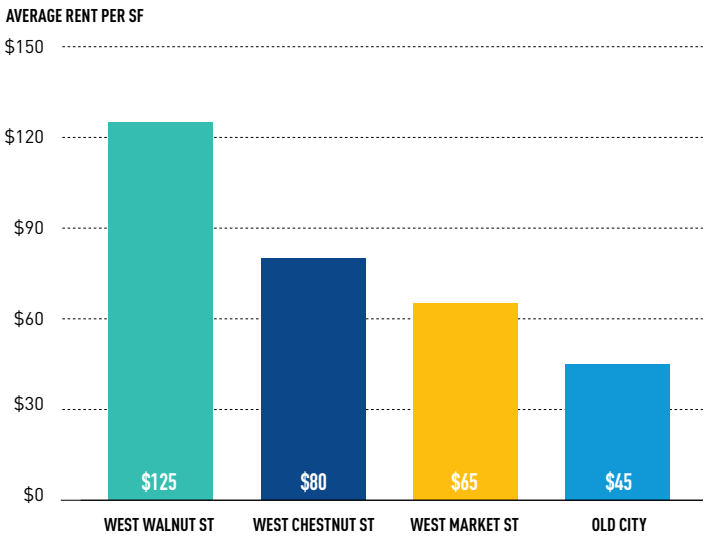
Source: Retail Survey, Center City District



SELECTED NEW CENTER CITY RETAILERS IN 2018

Source: Center City District

PRIME RETAIL RENTS, 2018



Source: Cushman & Wakefield

NATIONAL BRANDS CAPITALIZE ON THE GROWING VITALITY OF CENTER CITY, ATTRACT THEIR PEERS AND PROVIDE THE SECURITY TO HELP FINANCE MAJOR DEVELOPMENTS

EMPLOYMENT

Comcast Technology Center | Comcast

Philadelphia has added jobs every year since 2009 – 71,100 in total. The 15,400 positions added in 2018 represent the biggest one-year gain since the Bureau of Labor Statistics began tracking these trends in 1969. The previous high, in 2016, brought 13,600 more jobs.

Center City is a prime driver of Philadelphia's economy, holding 42% of city jobs. Diversification is downtown's defining strength. Professional, business and financial services, real estate and information – prime office-using industries – provide 121,300, (40%) of downtown jobs. Education and health services, the largest sector citywide, is second largest downtown, accounting for 20% of jobs. Entertainment, leisure, hospitality, restaurants and retail hold a 16% share, while federal, state and local government employment provides 12%. Together, these total 305,500 wage and salaried positions with approximately 9,500 more individuals compensated as partners, self-employed, or working freelance. Located at the center of the region's transit and highway network, 47.5% of downtown's jobs are held by commuters from outside the city; 52.5% by Philadelphians. The city residents' share has steadily expanded as downtown's population has grown. Just to the west, equally accessible by transit, University City holds another 11% of city jobs, with 80% in education and health services.

In Greater Center City, 40% of residents work downtown; another 11% commute to University City; 62% get to work without a car; 38% in the core walk to work. In neighborhoods outside Center City, 25% of workers travel to jobs downtown; another 5% work in University City. In every neighborhood outside Center City, more people work downtown than in the area in which they live. While 37% of Center City jobs require at least a bachelor's degree, the broad range of other opportunities provided by downtown employers combined with strong transit connectivity, makes 30% of jobs available to those with associate degrees, while another 33% require no more than a high school diploma.

At the same time, sustained job loss beyond Center City, University City and the Navy Yard means that every day, another 40% of working residents of neighborhoods outside the downtown (221,000 Philadelphians) reverse commute to jobs in the suburbs. Philadelphia's wage tax is structured so that regardless of where a city resident works, their employer is obligated to withhold the full tax. Thus, the commute to the suburbs carries with it an incentive to move to the suburbs

and population has continued to decline in many of the city's outer neighborhoods.

From 2009 to 2018, *health care and social assistance* accounted for almost half (30,100) of all new jobs added citywide. While this includes highly skilled doctors, researchers and technicians in lab coats, employment gains have come primarily in lower wage jobs. The *home health care services and individual and family services* subsectors – jobs with salaries that average around $30,000 per year – account for more than 80% of the gains.[1] *Professional and business services*, with average wages at $95,016, added 20,100 jobs since 2009. However, these were partially offset by losses in financial and information services. The third largest gains came in *leisure and hospitality*, adding 17,400 jobs since 2009 – with 80% in *food services and drinking places*. The biggest losses occurred in the public sector and manufacturing, shedding 6,700 and 5,800 jobs, respectively.

The past 10 years represent the first time most Philadelphians have experienced growth so strong and sustained. As the city added jobs, the poverty rate declined. However, nearly all large cities have outperformed the national economy since the depths of the recession, averaging 2.3% per year in private sector job growth since 2009. Philadelphia has grown at 1.5%. Even in sectors in which Philadelphia has grown fastest – *education and health services, professional and business services*, and *entertainment, leisure and hospitality* – local growth lags behind the large cities average.

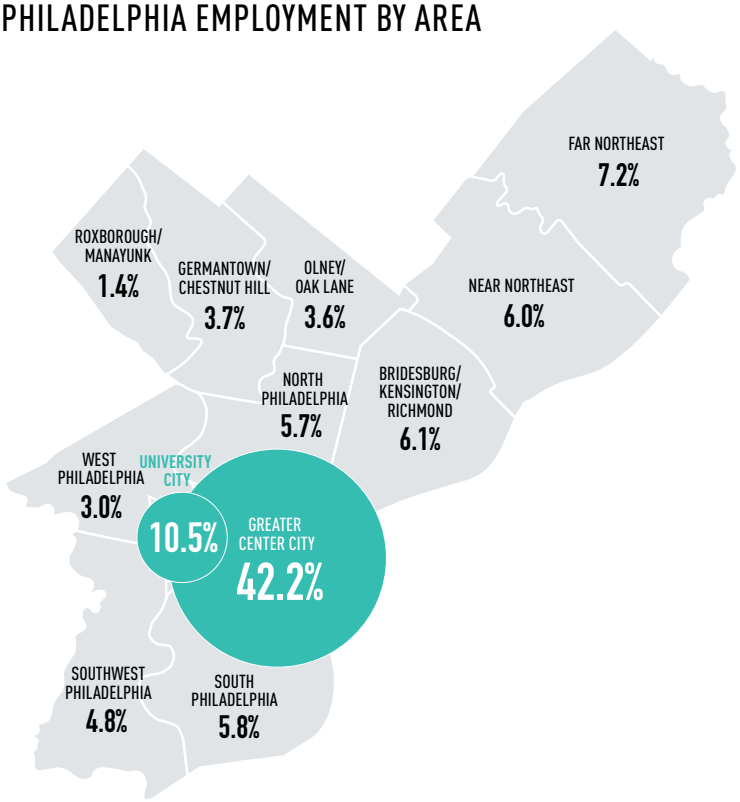
The last four years have been much stronger, with changes driven by the health and social assistance expansion. This sector added an average of 2,000 jobs per year from 2009 to 2014, but added 5,000 jobs per year from 2015 to 2018. The 2.3% growth rate in 2018 has put us on par with San Diego, Houston, and Atlanta. Still, Philadelphia's positive positioning in 2018, exceeding both the cities average and national average, is partially a result of cooling in other markets. Late in the business cycle, many other cities are slowing, while Philadelphia's health care and education employment are still going strong.

Despite the recent rebound, Philadelphia has 23% fewer jobs than in 1970 and is still 22,300 short of its 1990 employment mark. Boston and New York City, like Philadelphia, both lost 85% to 90% of their 1970 manufacturing jobs. However, both have added many more post-industrial positions and are now 26% and 14%, respectively, above their 1970 job levels. This is what largely accounts for Philadelphia's much higher poverty rate – at 25.7%, it is second only to Detroit among the top 25 largest cities in the United States. Deep poverty – the percent of the population living at less than half of the poverty level – is also second highest at 14%.

Growth has meant the unemployment rate has fallen to 5.6% in the city in 2018, compared to 4.2% for the region and 3.9% for the nation. However, unemployment statistics do not count those who are not actively looking for work. Philadelphia's workforce participation rate for those in their prime working years (25 to 54) is well below regional and national averages.

The federal government is steadily reducing the social safety net, while resources at the state level are similarly constrained. Philadelphia legislators need to fight for the city's fair share. But if Philadelphia is going to make a substantial dent in its low workforce participation rates in many neighborhoods and its 25.7% poverty rate, the highest of America's 10 largest cities, it has to grow jobs at a faster rate. Philadelphia needs to commit not only to its public schools, but also to comprehensive tax reform to grow jobs citywide. Otherwise, despite growth downtown, residents of many neighborhoods will continue to leave for opportunities in the suburbs.

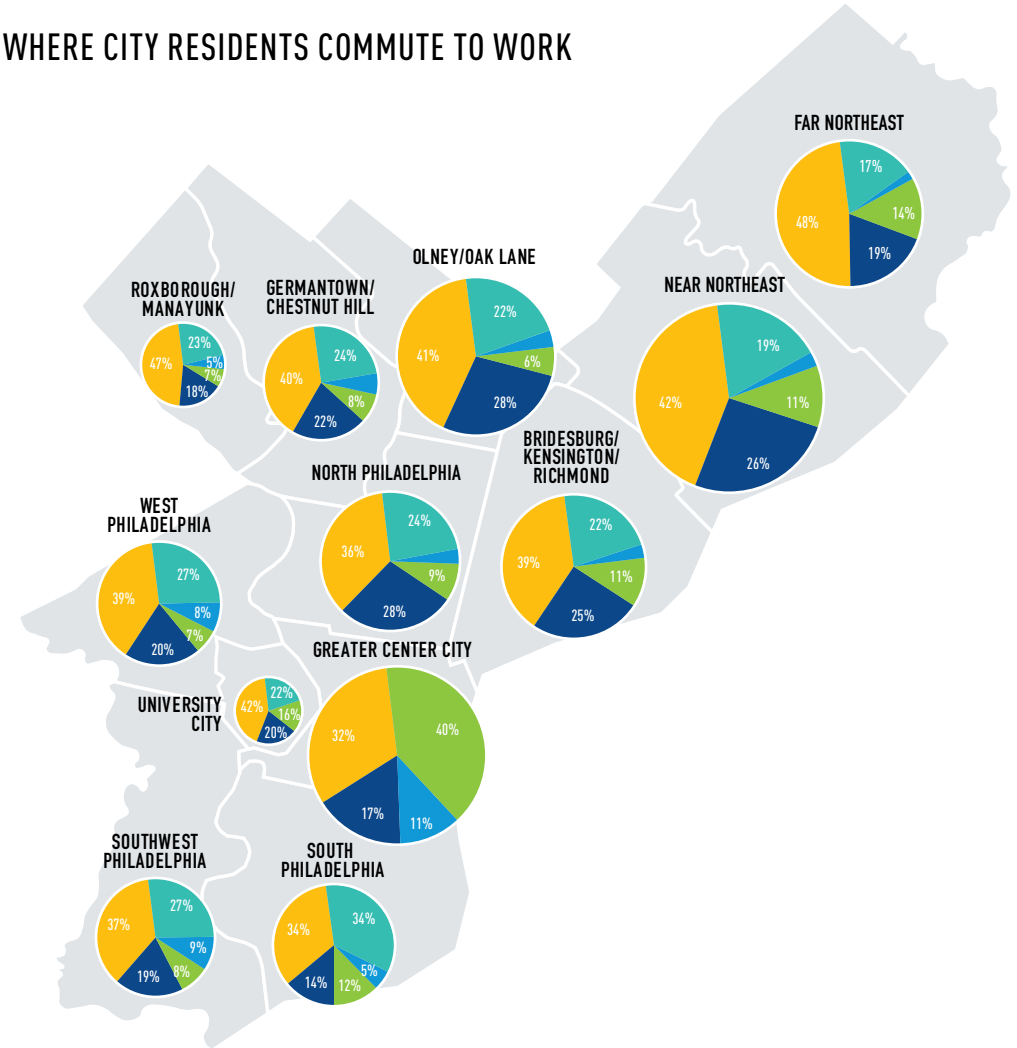
PHILADELPHIA EMPLOYMENT BY AREA



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

1: Salary data only available through 2017.

WHERE CITY RESIDENTS COMMUTE TO WORK



VOLUME OF WORKERS LIVING IN AREA

CIRCLE SIZE ON THE MAP IS RELATIVE TO THE NUMBER OF WORKERS LIVING IN THE AREA

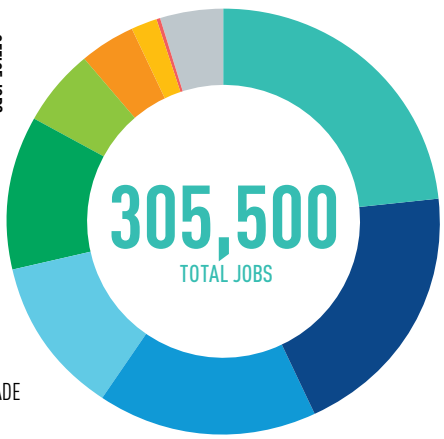
PERCENT OF WORKERS EMPLOYED IN

- Greater Center City
- University City
- Same Area
- Rest of Philadelphia
- Outside Philadelphia

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

GREATER CENTER CITY WAGE & SALARY EMPLOYMENT

23.4%	PROFESSIONAL/ BUSINESS SERVICES	OFFICE JOBS
16.3%	FINANCIAL ACTIVITIES/ REAL ESTATE/ INFORMATION	OFFICE JOBS
20.0%	EDUCATION AND HEALTH SERVICES	
12.1%	PUBLIC ADMINISTRATION	
11.6%	ENTERTAINMENT/ LEISURE/HOSPITALITY	
5.7%	TRANSPORTATION/ UTILITIES/WHOLESALE TRADE	
4.3%	RETAIL	
1.8%	CONSTRUCTION	
0.5%	MANUFACTURING	
4.5%	OTHER SERVICES	

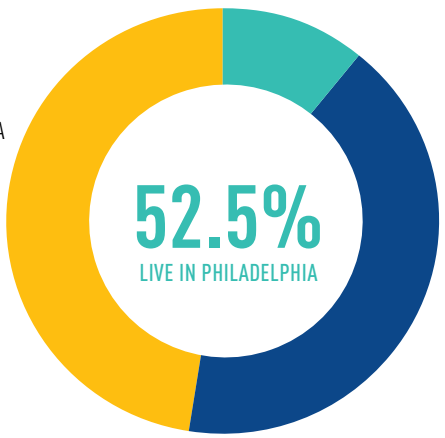


+9,500
PARTNERS, FREELANCERS & SELF-EMPLOYED

Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015; Bureau of Labor Statistics, Current Employment Statistics; CCD Estimates

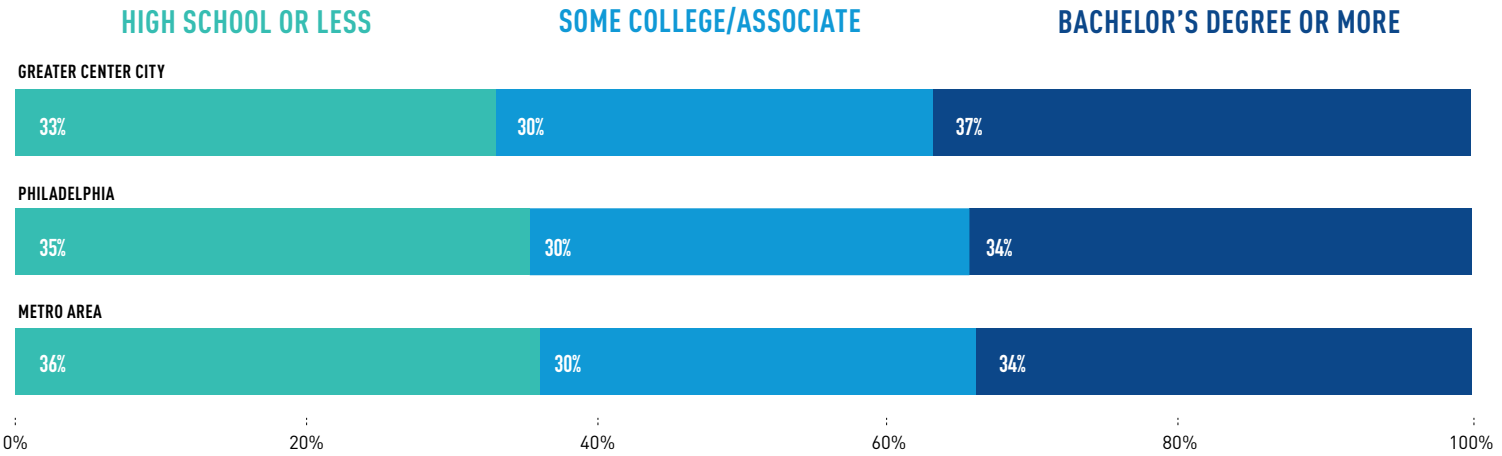
WHERE DOWNTOWN WORKERS LIVE

11.1%	GREATER CENTER CITY
41.4%	ELSEWHERE IN PHILADELPHIA
47.5%	OUTSIDE PHILADELPHIA



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

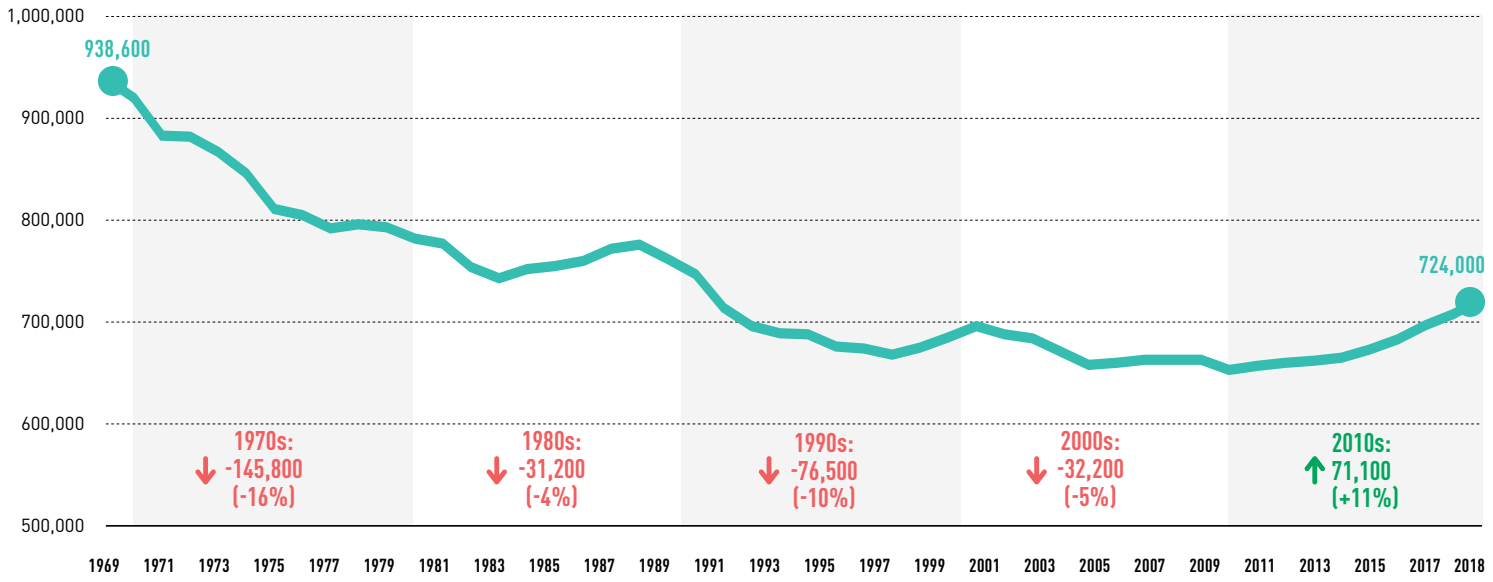
PERCENT OF JOBS BY LEVEL OF EDUCATION, WORKERS 30 AND OLDER



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

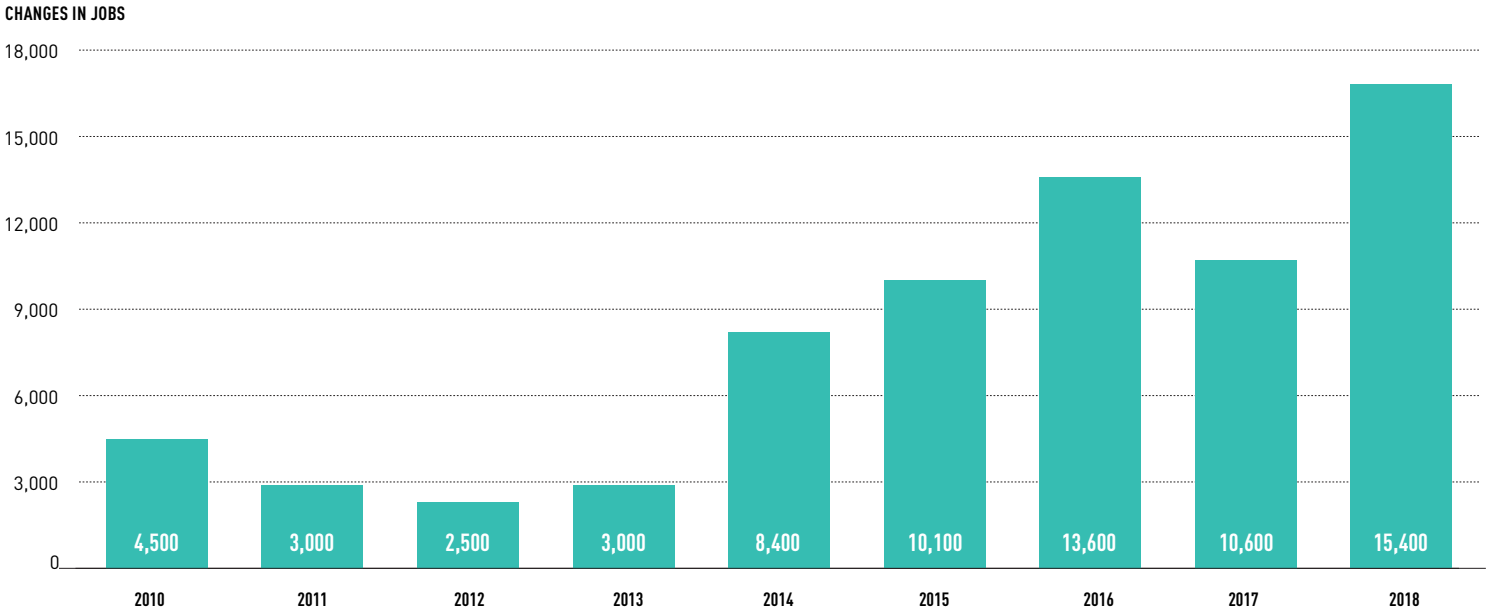
CENTER CITY IS HIGHLY INCLUSIVE, BASED ON THE SKILLS AND EDUCATION REQUIRED FOR THE JOBS IT OFFERS. DOWNTOWN AND THE REST OF THE CITY SIMPLY NEED TO GROW FASTER TO RECOVER FROM DECADES OF MANUFACTURING DECLINE

PHILADELPHIA TOTAL JOBS 1969–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

TOTAL JOB CHANGE FROM PREVIOUS YEAR 2010–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

2018 WAS THE CITY'S BEST YEAR OF JOB GROWTH IN THE LAST 50 YEARS

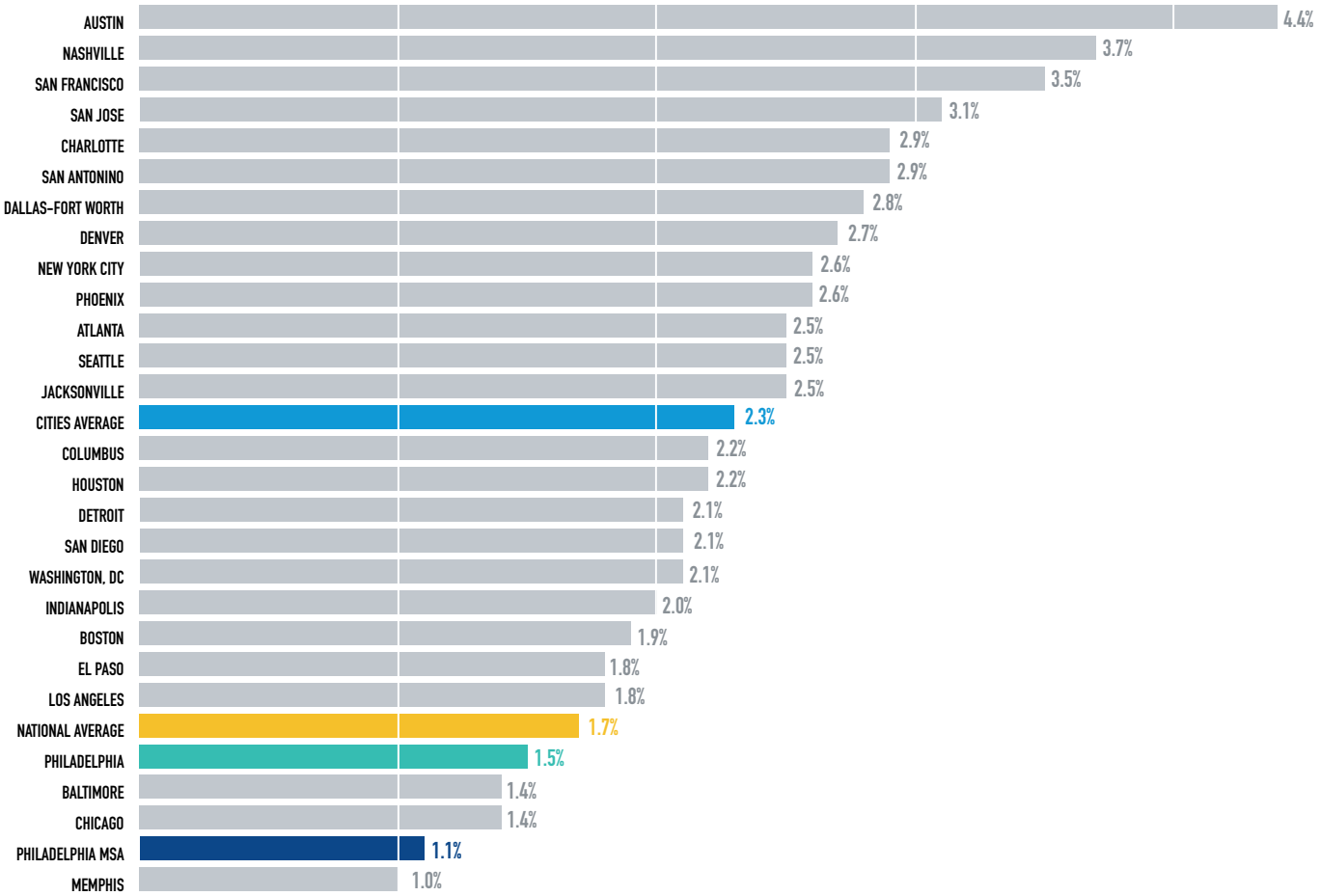
AVERAGE ANNUAL GROWTH BY INDUSTRY, 2009–2018

	PHILADELPHIA	PHILADELPHIA MSA	LARGE US CITIES AVERAGE*	US NATIONAL AVERAGE
Leisure and Hospitality	3.0%	2.4%	3.3%	2.5%
Mining, Logging and Construction	2.5%	1.1%	2.7%	2.0%
Professional and Business Services	2.4%	1.4%	3.2%	2.6%
Education and Health Services	2.0%	2.1%	2.8%	2.1%
Wholesale, Transportation, and Utilities	0.9%	-0.8%	2.0%	1.5%
Retail Trade	0.8%	0.8%	1.5%	1.0%
Other Services	0.7%	0.3%	1.4%	1.0%
Information	-0.4%	-1.2%	2.1%	0.1%
Financial Activities	-0.6%	0.5%	1.6%	1.0%
Manufacturing	-2.8%	1.4%	0.6%	0.8%

*This includes the 26 largest cities, with size determined by the number of jobs.

Source: Bureau of Labor Statistics, Current Employment Statistics

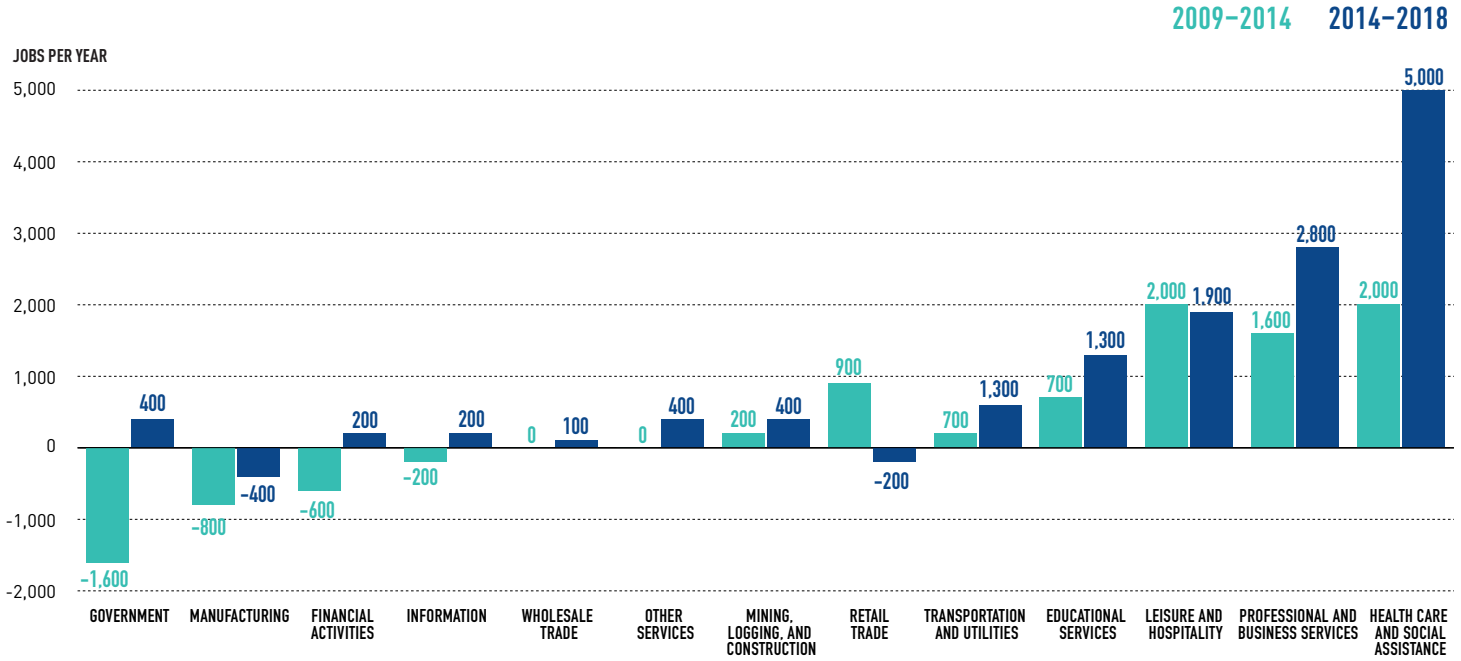
AVERAGE ANNUAL PERCENT CHANGE IN PRIVATE SECTOR JOBS, 2009–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

BY PHILADELPHIA STANDARDS RECENT JOB GROWTH IS STRONG;
BY NATIONAL STANDARDS WE SHOULD BE PERFORMING MUCH BETTER

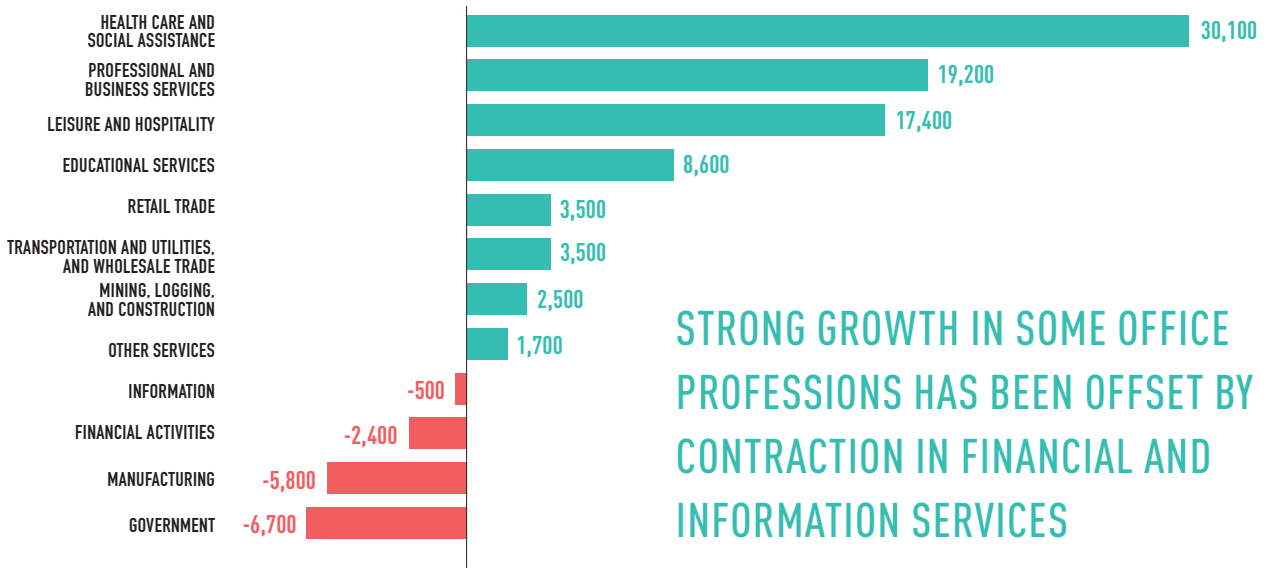
AVERAGE ANNUAL CHANGE IN JOBS BY SECTOR



Source: Bureau of Labor Statistics, Current Employment Statistics

RECENT JOB GROWTH HAS BEEN DRIVEN BY A SURGE IN HEALTH CARE AND SOCIAL ASSISTANCE EMPLOYMENT

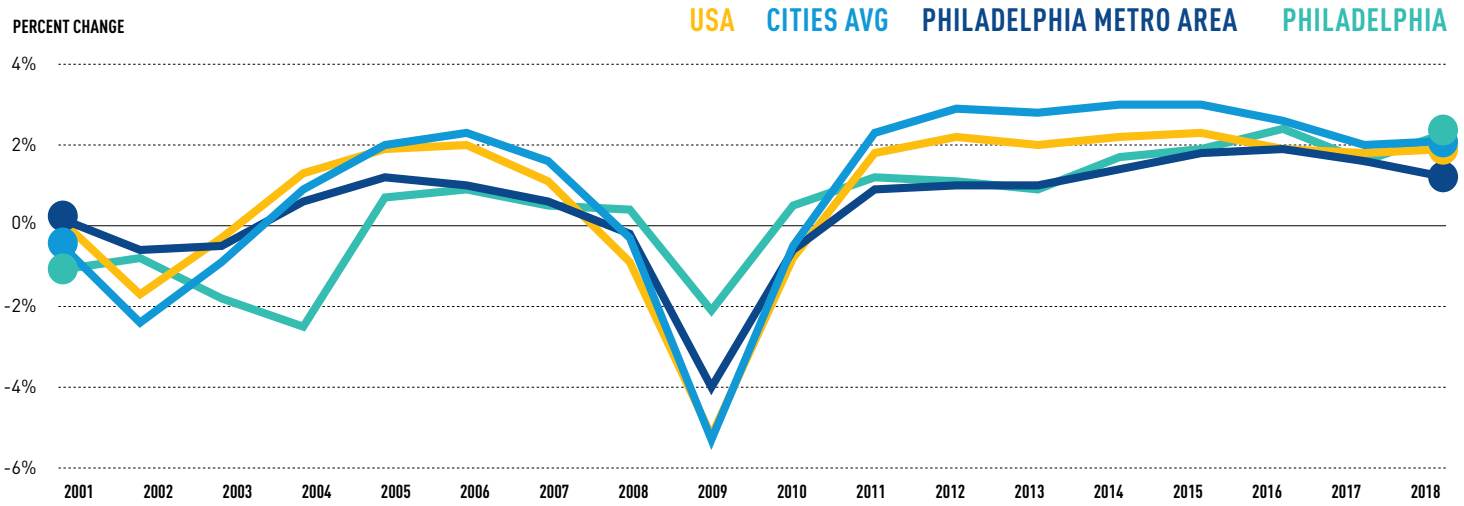
TOTAL CHANGE IN JOBS BY SECTOR, 2009–2018



STRONG GROWTH IN SOME OFFICE PROFESSIONS HAS BEEN OFFSET BY CONTRACTION IN FINANCIAL AND INFORMATION SERVICES

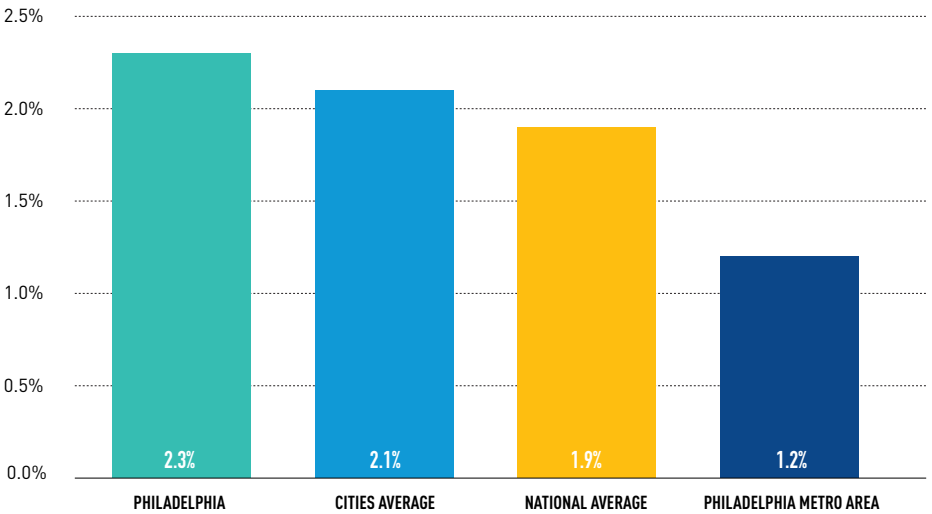
Source: Bureau of Labor Statistics, Current Employment Statistics

PRIVATE WAGE & SALARY PERCENT CHANGE FROM PREVIOUS YEAR, 2001–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

ANNUAL PERCENT CHANGE IN PRIVATE SECTOR JOBS, 2017–2018

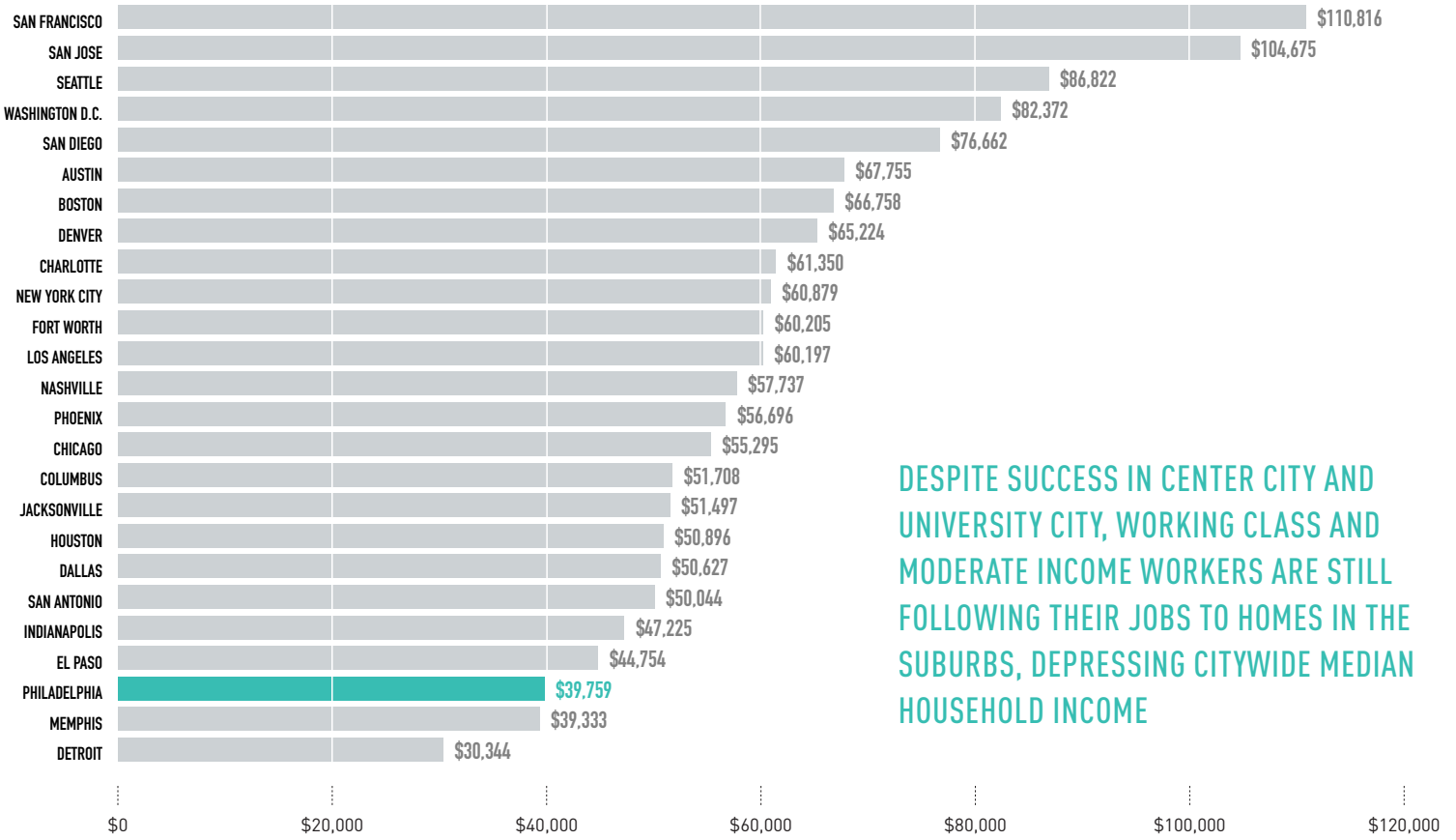


CITY	% CHANGE 2017-2018
Austin	3.9%
Phoenix	3.7%
San Francisco	3.3%
Nashville	3.2%
Seattle	2.9%
Jacksonville	2.9%
Charlotte	2.8%
Denver	2.6%
Dallas-Fort Worth	2.6%
San Diego	2.5%
Houston	2.3%
Philadelphia	2.3%
Atlanta	2.3%
New York City	2.1%
Cities Average	2.1%
Baltimore	2.0%
San Antonino	2.0%
San Jose	1.9%
National Average	1.9%
Washington, D.C.	1.8%
Los Angeles	1.7%
El Paso	1.7%
Boston	1.5%
Columbus	1.4%
Detroit	1.4%
Philadelphia Metro Area	1.2%
Indianapolis	1.1%
Memphis	1.0%
Chicago	1.0%

Source: Bureau of Labor Statistics, Current Employment Statistics

2018 WAS A YEAR OF **VERY STRONG GROWTH FOR PHILADELPHIA**

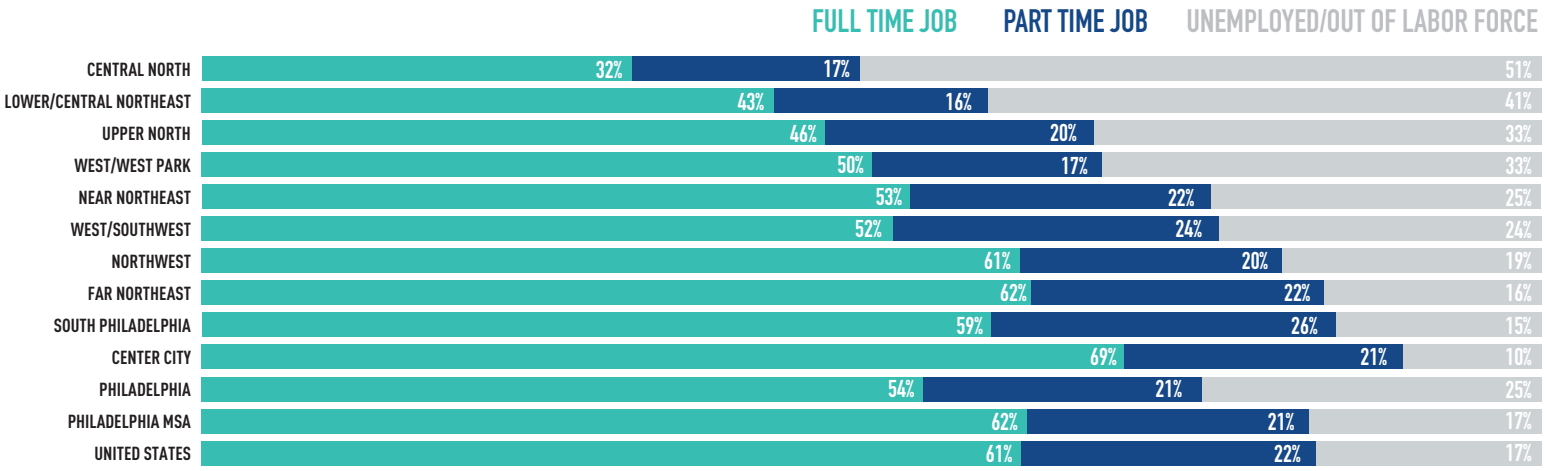
MEDIAN HOUSEHOLD INCOME AMONG THE TOP 25 LARGEST US CITIES



DESPITE SUCCESS IN CENTER CITY AND UNIVERSITY CITY, WORKING CLASS AND MODERATE INCOME WORKERS ARE STILL FOLLOWING THEIR JOBS TO HOMES IN THE SUBURBS, DEPRESSING CITYWIDE MEDIAN HOUSEHOLD INCOME

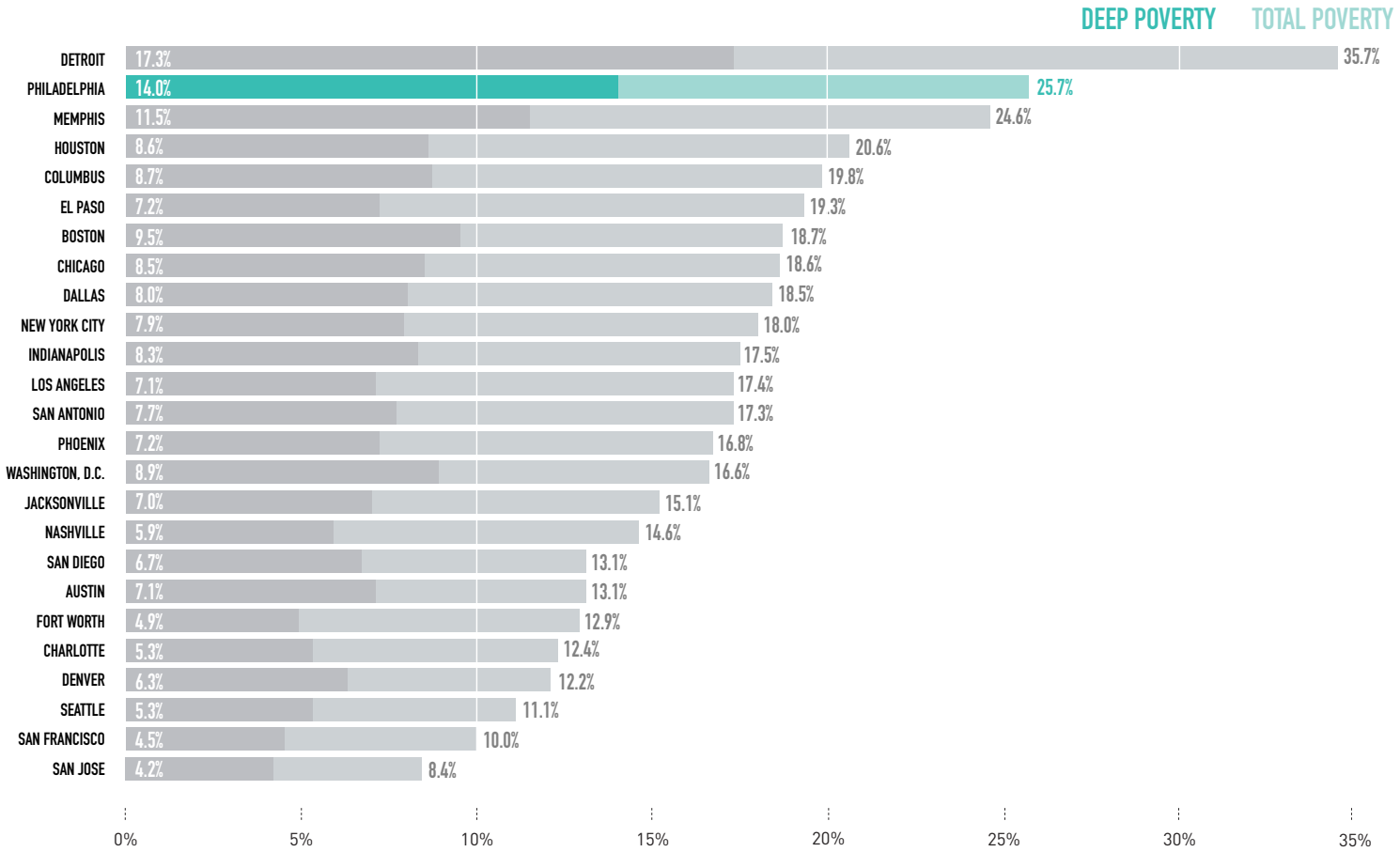
Source: US Census Bureau, American Community Survey 2017

LABOR FORCE PARTICIPATION - PRIME WORKING AGE EMPLOYMENT (25-54)



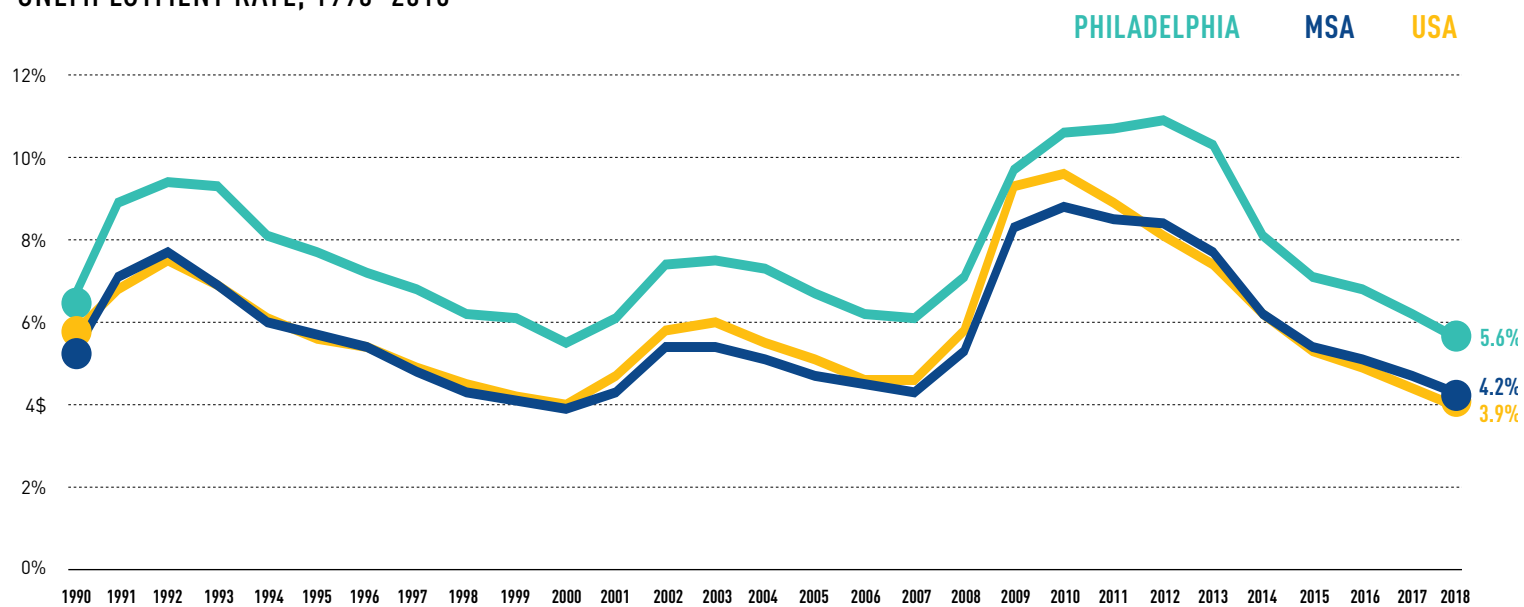
Source: US Census Bureau, American Community Survey 2017

POVERTY RATES AMONG THE TOP 25 LARGEST US CITIES



Source: US Census Bureau, American Community Survey, 2017

UNEMPLOYMENT RATE, 1990–2018



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

TRANSPORTATION & ACCESS

Dilworth Park Concourse | James B. Abbott

Greater Center City is positioned at the center of a multimodal regional transit system consisting of 13 rail lines, three rapid transit lines, five trolley lines and 29 bus routes that carry 300,000 riders every weekday into Greater Center City. Public transit enables more than 1 million residents of suburban Philadelphia counties to live within one mile of a rail station, connecting them to Center City's employers, restaurants, retailers, health care services, and arts and cultural institutions. Center City is also well-served by a regional highway network that connects easily to the major routes on the Interstate system.

Half 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 fifteen minutes or less. Since 2001, the number of passengers boarding from stations in the core of Center City is up 25% on SEPTA's Broad Street Line and 13% on the Market-Frankford Line.

The Market-Frankford and Broad Street lines currently carry 46% of all inbound Center City transit commuters each day. Both lines have their busiest stations under Dilworth Park, serving a combined 60,000 passengers each weekday. SEPTA's bus network carries another 27% of inbound transit users each day. Regional rail lines originating from suburban Pennsylvania, New Jersey, and Delaware transport an additional 37,000 (12%) downtown commuters. Trolley lines serving Delaware County and West and Southwest Philadelphia bring another 7% of commuters each weekday. New Jersey residents riding the high speed PATCO line or NJ Transit buses onto Market Street constitute 7% of Center City's weekday commuters.

With 41% getting to work without a car, Philadelphia ranks seventh in non-automotive commuting within large cities, just below Seattle and Chicago, 20% lower than San Francisco, and well behind the country's leader, New York City. Philadelphia's auto-commuting is elevated by the 40% of working residents employed in jobs outside the city. While 51% of Philadelphians who work in the city commute by car, 83% of those who reverse commute need to rely on a car. Growing jobs in Center City and University City would not only reduce commute times for many city residents, it would also significantly improve air quality.

A significant obstacle to these goals was the recent legal challenge to the dedicated funding for public transit from the Pennsylvania Turnpike Commission. But this is part of a larger problem of the need for a dedicated, long-term funding stream when the current authorization of transit funding runs out before the middle of the next decade. SEPTA was delaying projects like the renovation of

City Hall station, and platform extensions on Market East because of the uncertainty of capital funding. With the suit dismissed, the longer-term funding challenge still remains.

Immediately adjacent to downtown, Amtrak's 30th Street Station connects Philadelphia to the Northeast Corridor and serves as one of the busiest stations in the country, with 4.4 million riders in 2017 and an average of 13,409 passengers each weekday.

Philadelphia International Airport (PHL), easily accessible by both rail and car via I-95 and I-76, puts half of the country's population within two hours flying time, supporting businesses, conventions, and leisure travel. Philadelphia's extensive air accessibility was a major element of the city's pitch to Amazon during their RFP period and is a key part of the city's competitiveness. Nearly 32 million passengers landed at PHL in 2018 from 98 domestic and 36 international destinations. Additionally, new routes have been added by primary carrier American Airlines and international carriers like AerLingus and IcelandAir.

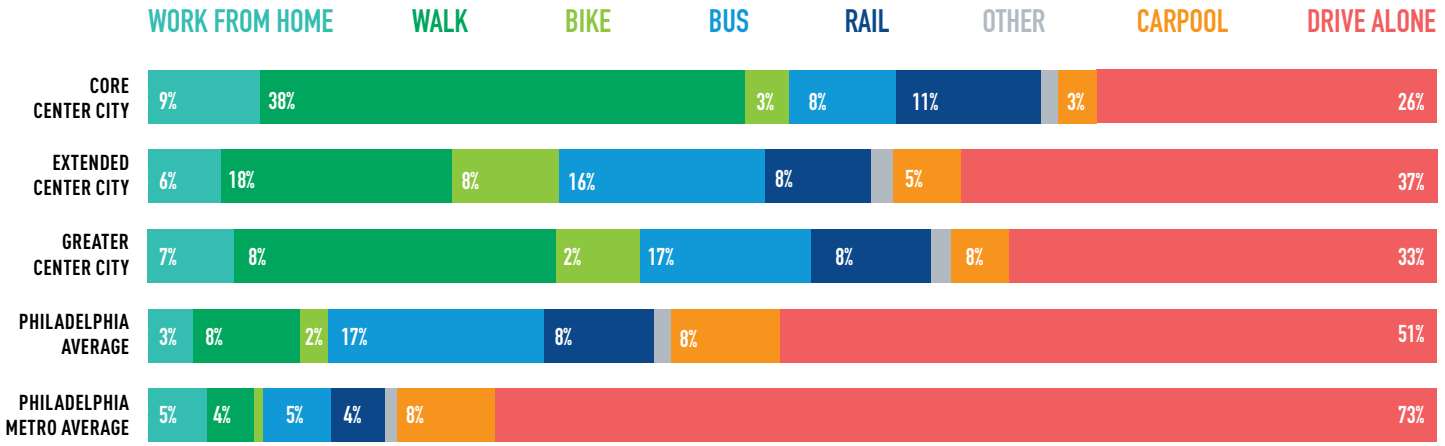
Greater Center City now has an estimated population of 193,000, living at densities of 51 persons per acre in the 7.7 square miles between Girard Avenue and Tasker Street, compared to regional densities of just 15 persons per acre. Center City has the highest concentration of residents who get to work without a car, especially in neighborhoods closest to the West Market office district, where 75% don't rely on a car for their commute. Nearly one-quarter of Greater Center City residents walk to work; 6% bike to work, triple the citywide average. Another 6% are working from home.

As the number of people who work, live, visit, shop and dine downtown has increased, so have curbside deliveries and the frequency of stops by expanding ride-hailing services, like Uber and Lyft. Combined with increased construction activity, and minimal public resources devoted to traffic enforcement, congestion has steadily increased on Center City's historic, narrow streets. More coordinated efforts are required to better manage traffic congestion and enhance mobility downtown.

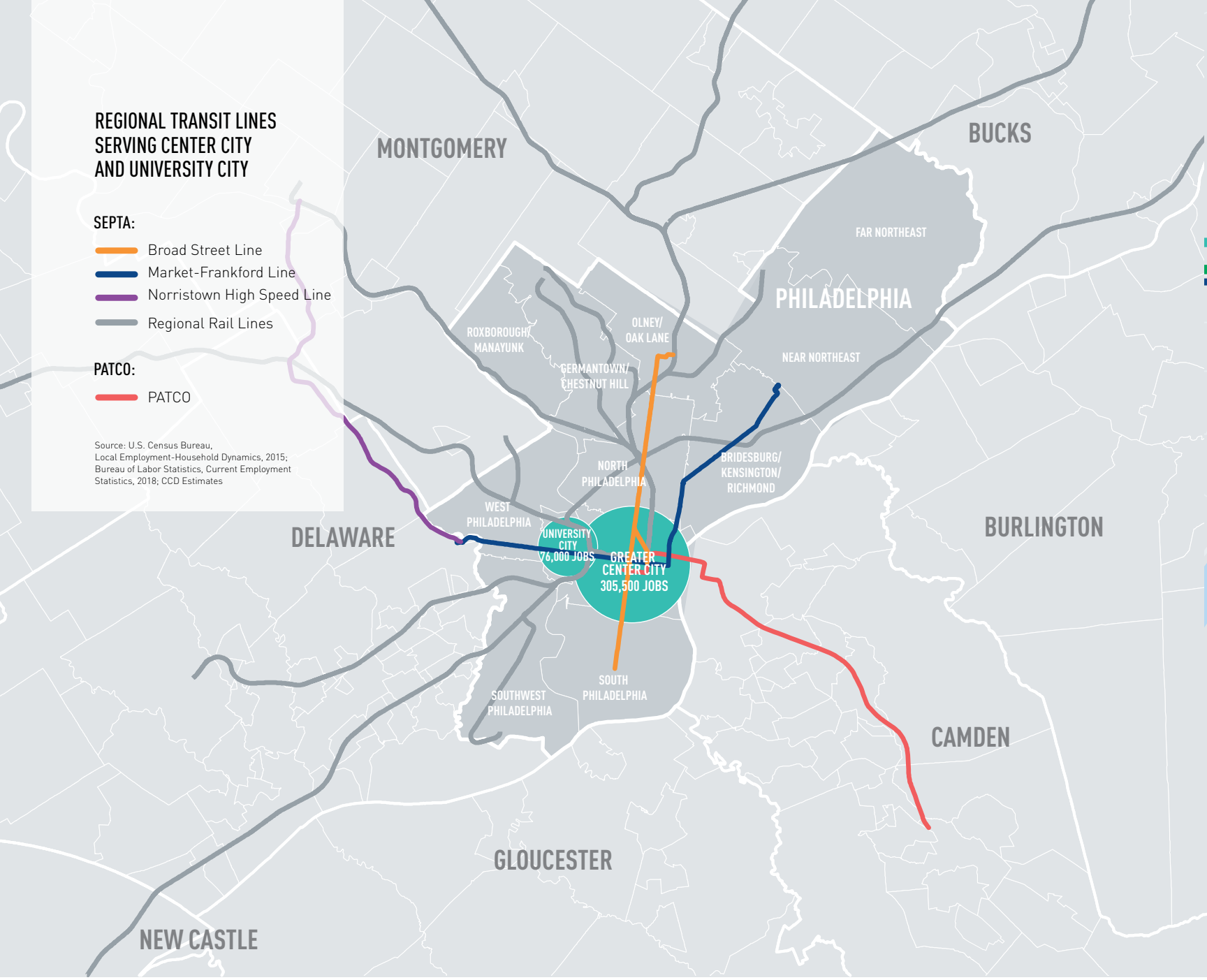
In May 2018, City Council approved a measure to give voters the opportunity to approve a new class of civilian officers dedicated to enforcing traffic violations, with the aim of reducing congestion in Center City. While several other measures are required to better manage downtown congestion, enforcement of violations by all modes is essential to keep Philadelphia moving and job growth strong.

WHILE REGIONAL RESIDENTS ARE HIGHLY DEPENDENT ON THEIR CARS TO GET TO WORK, THE CLOSER ONE LIVES TO THE REGION'S LARGEST EMPLOYMENT CENTER, THE LESS ONE HAS NEED OF A CAR

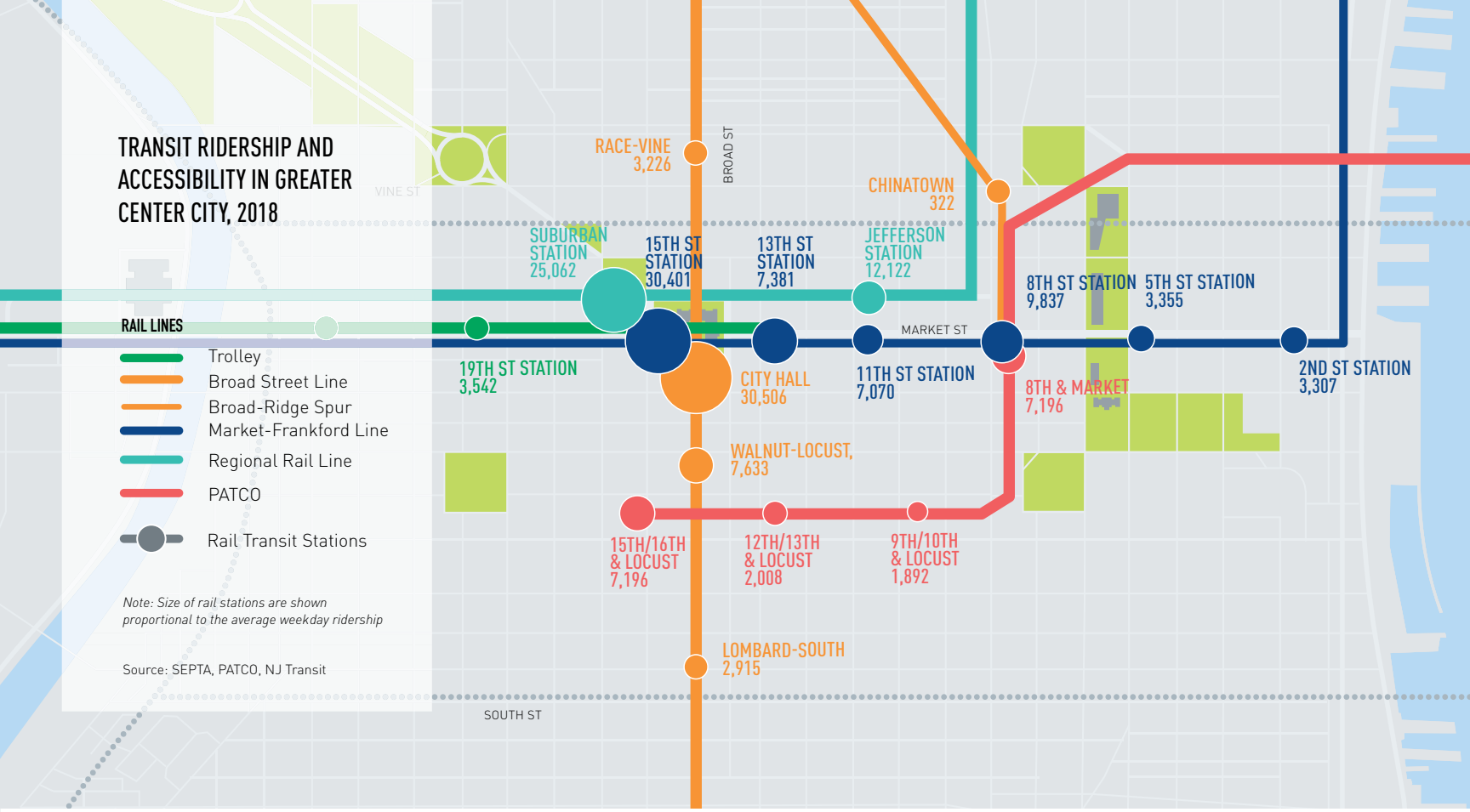
MODE OF TRANSPORTATION TO WORK



Source: US Census Bureau, American Community Survey 2013 - 2017



CENTER CITY, WHICH HOLDS 42% OF PHILADELPHIA'S JOBS, SITS AT THE CENTER OF A REGIONAL TRANSIT SYSTEM THAT BRINGS **300,000 RIDERS DOWNTOWN EACH DAY**



PHILADELPHIA'S PRIMARY SUBWAY LINES CARRY 46% OF ALL INBOUND TRANSIT RIDERS EACH DAY

AVERAGE WEEKDAY RIDERSHIP, 2018

MARKET-FRANKFORD LINE, 23%

STATION	RIDERSHIP
15th Street	30,401
8th Street	9,837
13th Street	7,381
11th Street	7,070
Girard	4,594
2nd Street	3,531
5th Street	3,355
Spring Garden	2,917

BROAD ST LINE, 22%

STATION	RIDERSHIP
City Hall	30,506
Walnut-Locust	7,633
Spring Garden	7,462
Tasker-Morris	4,505
Girard	4,009
Ellsworth-Federal	3,715
Race-Vine	3,226
Lombard-South	2,915
8th Street	2,754
Fairmount	2,033
Chinatown	322

BUS LINES, 28%

BUS LINE	RIDERSHIP
SEPTA Bus	81,543

NJ TRANSIT, 1%

BUS LINE	RIDERSHIP
NJ Transit Bus	3,358

REGIONAL RAIL, 12%

STATION	RIDERSHIP
Suburban Station	25,062
Jefferson Station	12,122

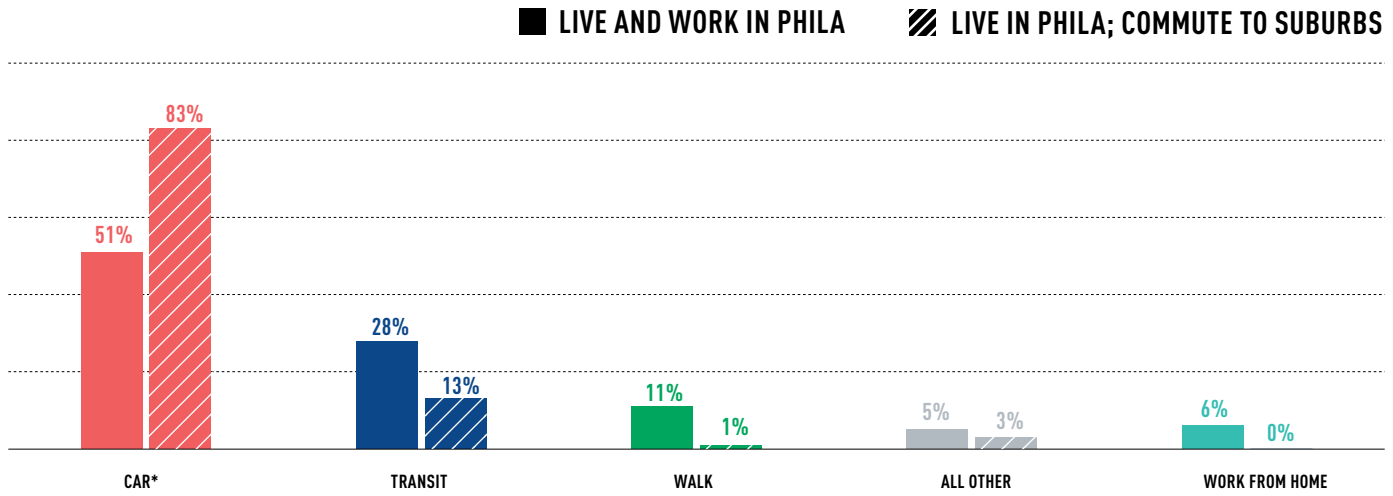
TROLLEY LINES, 8%

STATION	RIDERSHIP
15th Street	9,802
Juniper Street	6,511
19th Street	3,542
22nd Street	2,535

PATCO, 5%

STATION	RIDERSHIP
16th & Locust	7,196
8th & Market	5,625
13th & Locust	2,008
10th & Locust	1,892

PHILADELPHIA RESIDENTS' MODE OF TRANSIT TO WORK BY WORK LOCATION

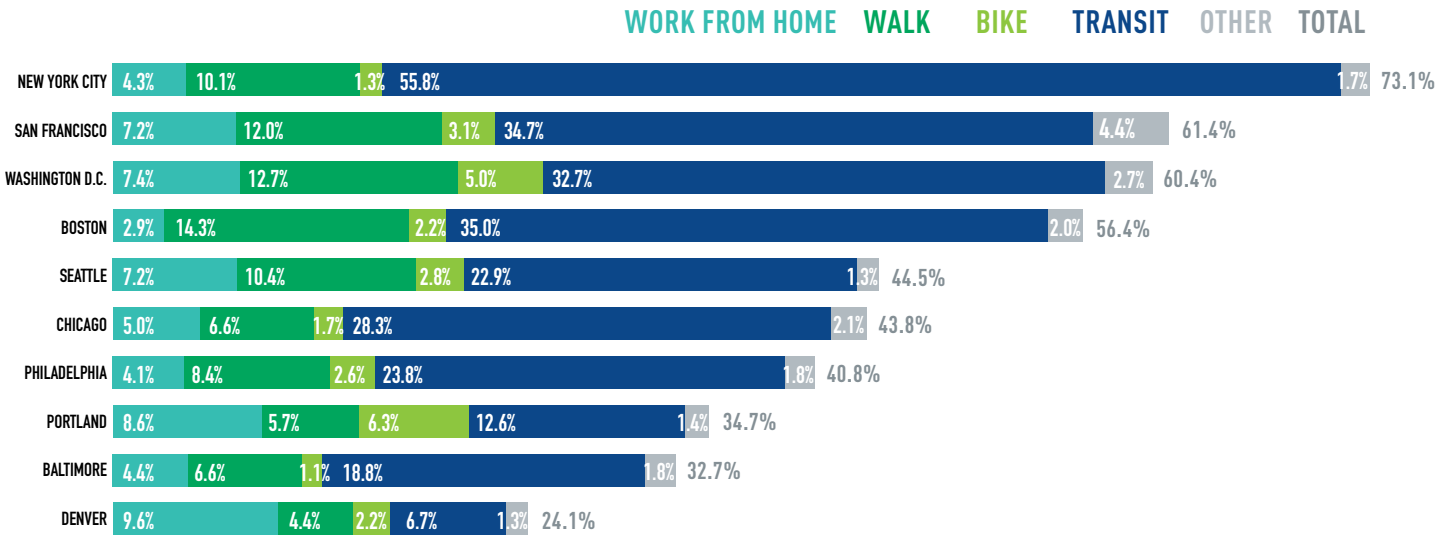


*Includes both drive alone and carpool

Source: U.S. Census Bureau, American Community Survey 2017

THE FASTER JOBS CAN GROW IN CENTER CITY AND UNIVERSITY CITY, THE LESS PHILADELPHIANS WILL NEED TO RELY ON A CAR TO GET TO WORK

HIGHEST NON-AUTO MODE SHARE (CITIES OF 500,000 OR MORE)



Source: US Census Bureau, American Community Survey 2017

Porta | Matt Stanley

DOWNTOWN LIVING

Greater Center City has capitalized on the growing national preference for diverse, walkable, live-work neighborhoods to become the fastest growing residential section of Philadelphia with an estimated 193,000 residents in 2018 – up 22% since 2000. In the core of Center City, population growth has been even more pronounced, increasing by 34% in the last 18 years, as many older office buildings and warehouses have been converted to residential use, and new apartment and condo towers have risen on former parking lots.

Population growth has been driven by younger adults, with 20 to 34 year olds comprising 45% in Center City's core and 37% in the extended neighborhoods, supporting demand for thousands of new apartments. But, residents over 60 make up another 21% of the core population, sustaining demand for the higher-end of the market in townhouses, condos and apartment buildings. Living downtown offers Philadelphians of all ages easy access to work, hundreds of restaurants, outdoor cafés, cultural institutions, sports clubs, spas and health care.

The concentration of educated workers in Center City also makes it an attractive location for businesses. In Greater Center City, 61% of residents have a bachelor's degree or higher. Combined with the 14 colleges and universities in and around Greater Center City, this critical mass of talent is exercising a powerful draw on employers and retailers.

Greater Center City has also become the location of choice for a growing number of families with children. Parents enjoy the convenience of walking their children to one of the 41 Greater Center City elementary schools, which together have a total enrollment approaching 16,000. Nineteen are neighborhood public schools, drawing from a defined catchment area; nine are charters; and 13 and private or parochial. Three-quarters of Greater Center City parents now choose to send their children to public school, comparable to the citywide average of 80%. Among the neighborhood elementary public schools, which 20 years ago could only be filled by reaching citywide, 66% of students are now drawn directly from their catchment area. In four elementary schools, the local demand has become so strong that enrollment exceeds the official building capacity. Bolstered by active "friends" groups who supplement School District resources, public schools can offer services and quality programs that make them quite appealing to families with many other choices.

Strong employment growth and positive demographic trends spurred the construction of 26,195 new housing units since 2000, including a record 2,810 in 2018. Apartments, 81% of all units delivered in 2018, have comprised the majority of units constructed since Philadelphia's housing market surged out of recession in 2013. Condominium construction, which altered the skyline in the decade before the recession, continues to rebound slowly, accounting for just 6% of the new units delivered in 2018. Single-family development steadily outpaced condo construction, accounting for 13% of new supply; 96% of those units were added in the extended neighborhoods, where available vacant land, parking lots, industrial and warehouse sites are being converted into housing. While lacking the same visibility provided by high-rise construction cranes, the steady pace of single-family housing construction has produced an average of 400 units per year since 2013, increasing housing density in the extended neighborhoods.

Throughout the region, households live at 15 persons per acre; in neighborhoods across the city, density rises to 39 per acre. But in the core of downtown, residents are living at 60 persons per acre and at 47 per acre in the extended neighborhoods. This heightened density creates demand for new retail and other residential services, often accommodated in larger mixed-use projects. The most prominent may be Lincoln Square at Broad Street and Washington Avenue, where a 322-unit apartment building was built in conjunction with 100,000 square feet of retail including the organic grocer Sprouts and a full-service pet store. But it is also driving large, free-standing investments like Lidl, the German discount grocer on Delaware Avenue, Giant's Heirloom Markets, open in Graduate Hospital and coming soon to Queen Village, and Amazon's new pickup center at 23rd and South. Supermarkets, once hard to find downtown, are now located throughout Center City. At a smaller scale, new residential investment supports the revival of corner stores and traditional retail corridors, like South 4th Street in Queen Village, South Street West in the Graduate Hospital area, and Passyunk Avenue in South Philadelphia.

The broad range of housing types downtown allows residents to remain within the 8.5 square miles of Greater Center City as their needs and family size change over time. Right now, Center City is benefiting from the large millennial surge nationally that will soon begin to taper down. To sustain recent population growth, Philadelphia needs to retain younger households over the coming decade with more dynamic job growth and more reliable funding for high quality elementary, secondary and high school options.

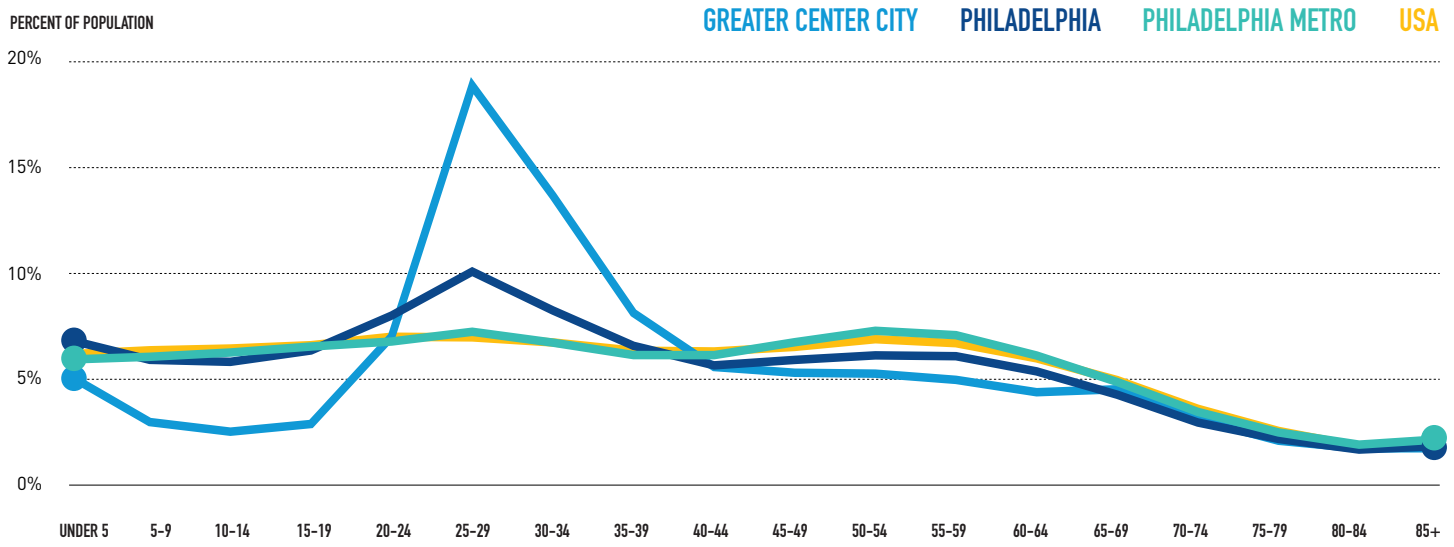
DEMOGRAPHIC COMPARISION CHART

	CORE CENTER CITY	EXTENDED CENTER CITY	GREATER CENTER CITY	PHILADELPHIA	PHILADELPHIA METRO
Population Density*	60	47	51	39	15
Average Household Size	1.7	2.2	2.0	2.6	2.6
Percent of Households Owner Occupied	35%	47%	42%	52%	67%
Percent of Households with Children	8%	19%	14%	27%	31%
Percent Ages 20-34	45%	37%	40%	26%	21%
Percent 60 and Older	21%	16%	18%	18%	21%
Percent Bachelor's or More	79%	52%	61%	27%	36%
Median Household Income	$80,208	$70,903	$74,414	$39,759	$68,572
Non-Auto Commuting Mode Share	71%	58%	62%	41%	19%
Percent No Vehicle Households	45%	32%	37%	31%	13%

**Population weighed people per acre*

Source: US Census Bureau, American Community Survey 2013-2017

COMPARATIVE AGE DISTRIBUTION



Source: US Census Bureau, American Community Survey 2013 - 2017

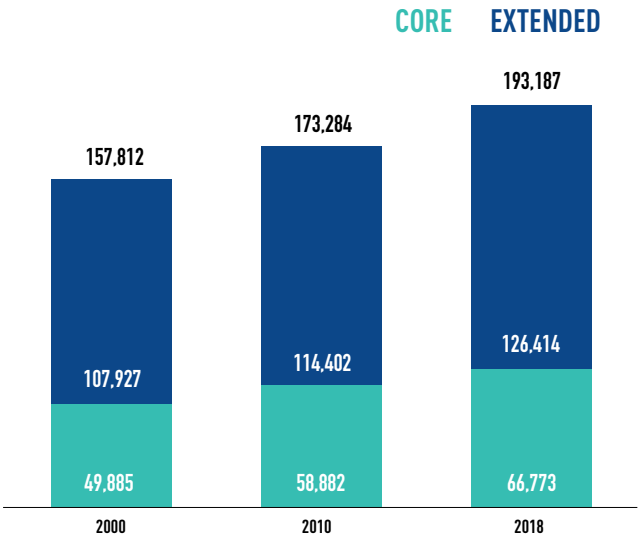
2,223

BABIES WERE BORN TO GREATER CENTER CITY PARENTS IN 2018

1,801 BABIES BORN IN EXTENDED CENTER CITY

422 BABIES BORN IN CORE CENTER CITY

GREATER CENTER CITY POPULATION



Source: US Census Bureau, Decennial Census, American Community Survey; CCD Estimates

GREATER CENTER CITY RACIAL DIVERSITY

58% WHITE*

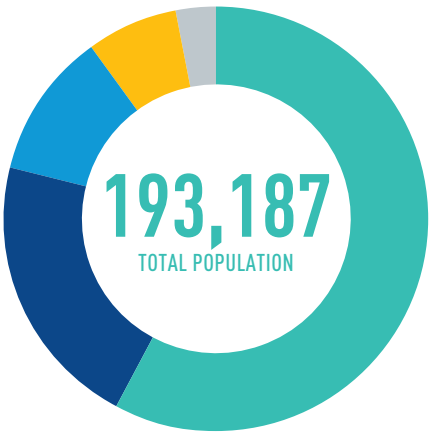
21% BLACK OR AFRICAN AMERICAN*

11% ASIAN*

7% HISPANIC/LATINO OF ANY RACE

3% TWO OR MORE/ OTHER*

**Non-Hispanic (Hispanics may be of any race)*



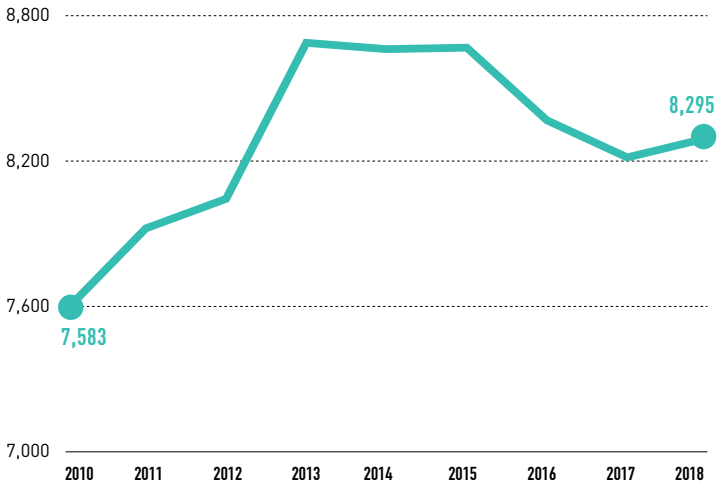
Source: US Census Bureau, American Community Survey 2013-2017; CCD Population Estimates

K–8 PUBLIC SCHOOL ENROLLMENT

SUMMARY OF ELEMENTARY SCHOOL ENROLLMENT	2009	2018	% CHANGE 2009 – 2018
Greater Center City Catchment Elementary Schools	7,583	8,295	10%
Total K–8 Public School Students in Philadelphia	129,359	138,595	7%
PHILADELPHIA	**136,942**	**146,890**	**17%**

Sources: Philadelphia School District Enrollment & Demographics (2018-19)
Pennsylvania Department of Education, Public School Enrollments (2017-2018)

K–8 STUDENTS IN GREATER CENTER CITY PUBLIC SCHOOLS

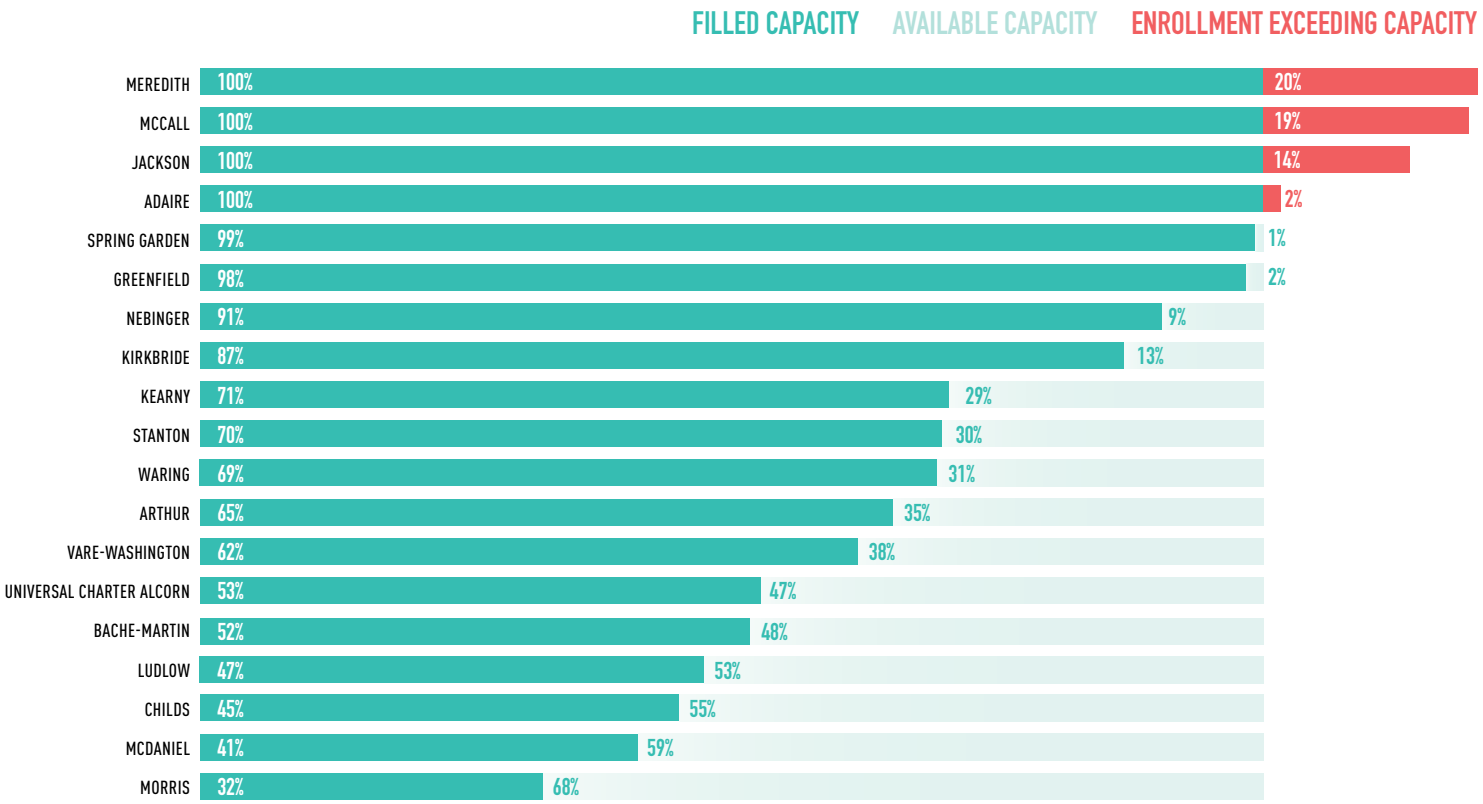


Sources: Philadelphia School District Enrollment & Demographics (2018-19)

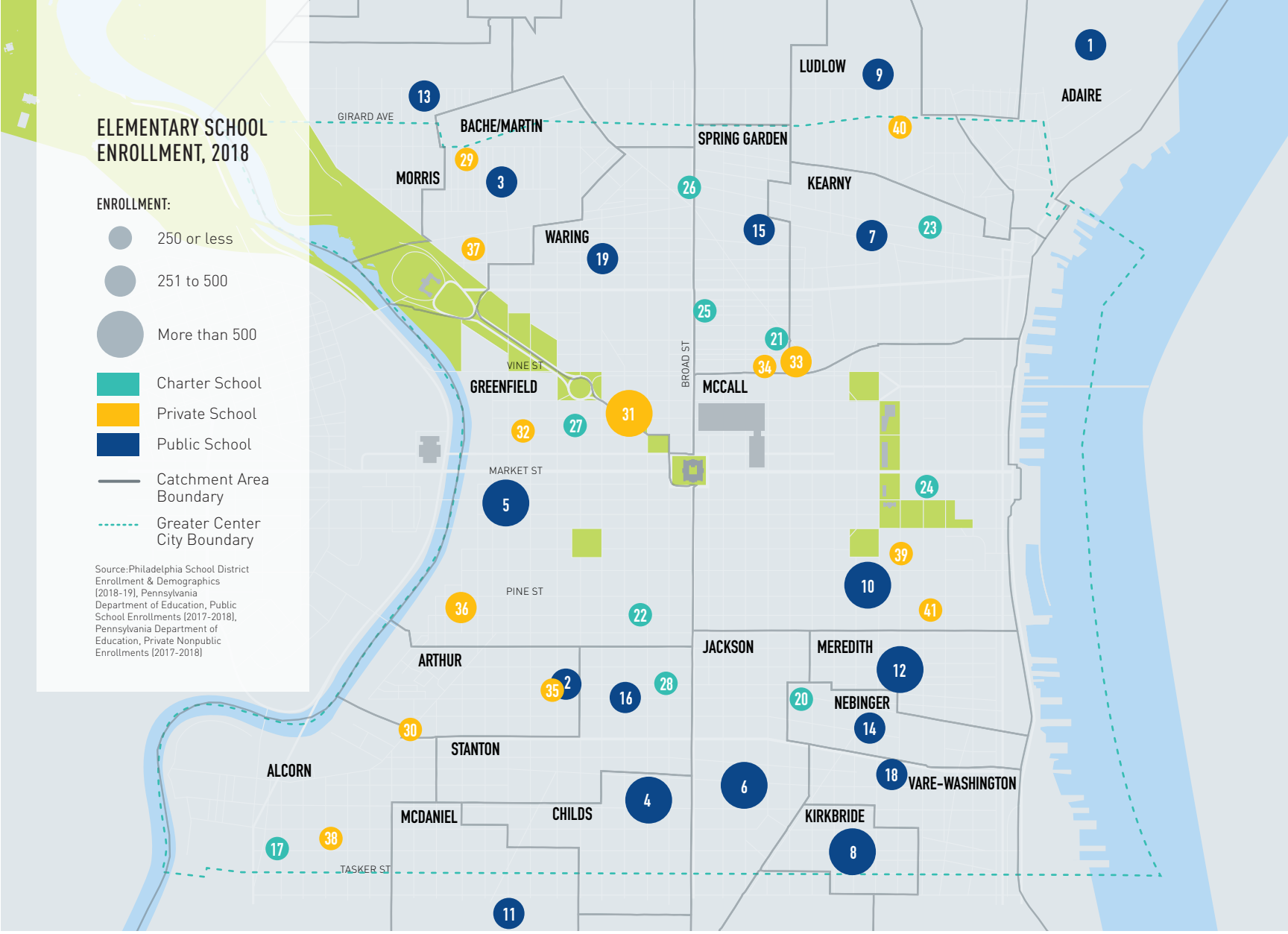
76%

OF GREATER CENTER CITY'S K-8 STUDENTS ATTEND PUBLIC SCHOOLS – COMPARABLE TO THE CITYWIDE AVERAGE OF 80%

NEIGHBORHOOD ELEMENTARY ENROLLMENT AS A PERCENT OF BUILDING CAPACITY



Source: School District of Philadelphia, Catchment Retention Details (2018-19)



DISTRICT SCHOOLS

	FROM CATCHMENT AREA
1. Adaire, Alexander School	75%
2. Arthur, Chester A. School	62%
3. Bache-Martin School	63%
4. Childs, George W. School	52%
5. Greenfield, Albert M. School	85%
6. Jackson, Andrew School	65%
7. Kearny, Gen. Philip School	53%
8. Kirkbride, Eliza B. School	63%
9. Ludlow, James R. School	43%
10. Mc Call, Gen. George A. School	73%
11. Mcdaniel, Delaplaine School	29%
12. Meredith, William M. School	84%
13. Morris, Robert School	37%
14. Nebinger, George W. School	58%
15. Spring Garden School	48%
16. Stanton, Edwin M. School	44%
17. Universal Alcorn Charter*	22%
18. Vare-Washington Elementary	38%
19. Waring, Laura W. School	52%

*Neighborhood school managed by a charter.

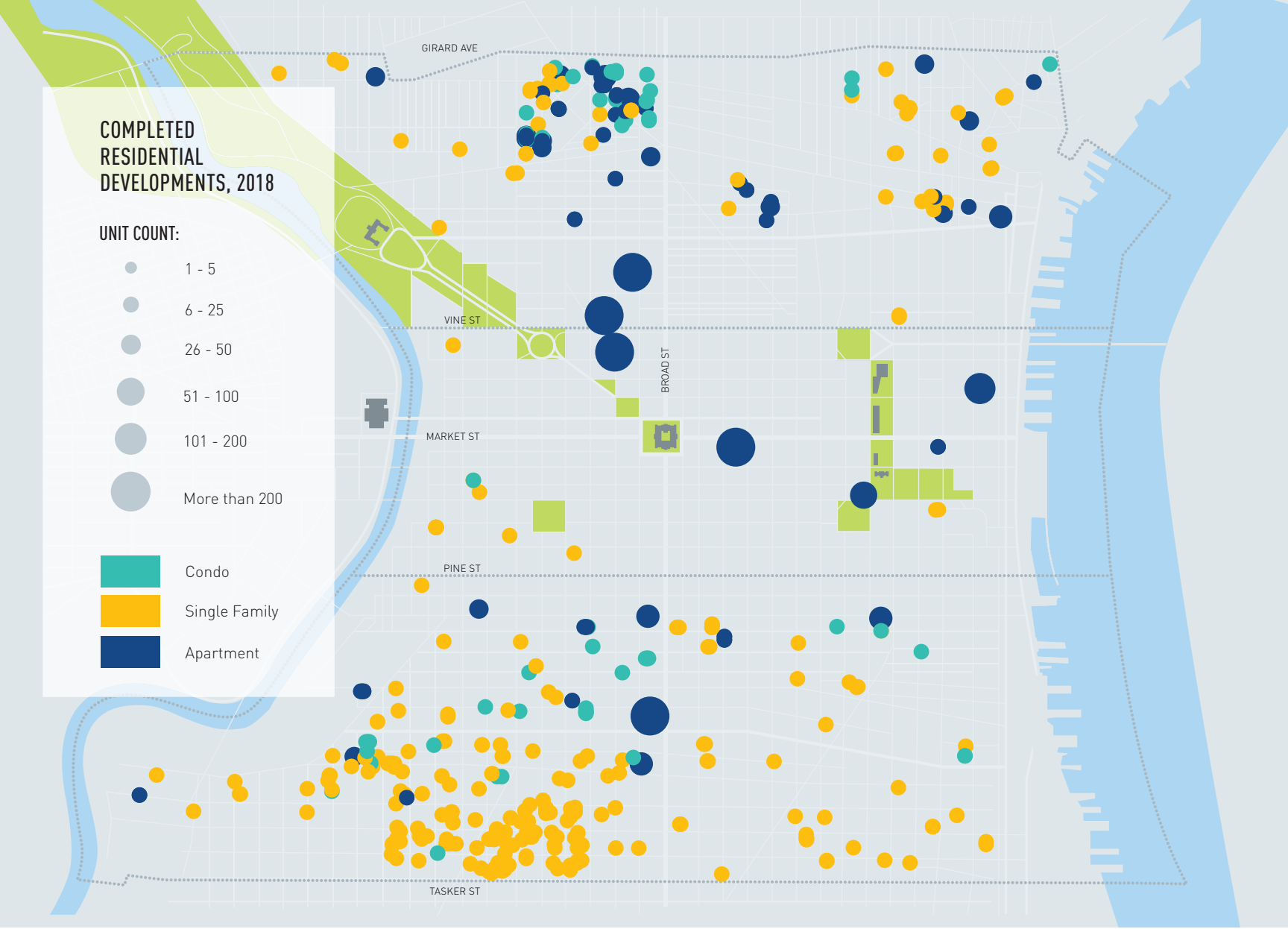
CHARTER SCHOOLS

20. Christopher Columbus Charter
21. Folk Arts Cultural Treasures
22. Independence Charter School
23. Lab Sch Of Communicat'n & Lang
24. Mastery Charter-Lenfest Campus
25. Math, Civics And Sciences
26. People For People
27. Russell Byers Charter School
28. Universal Institute

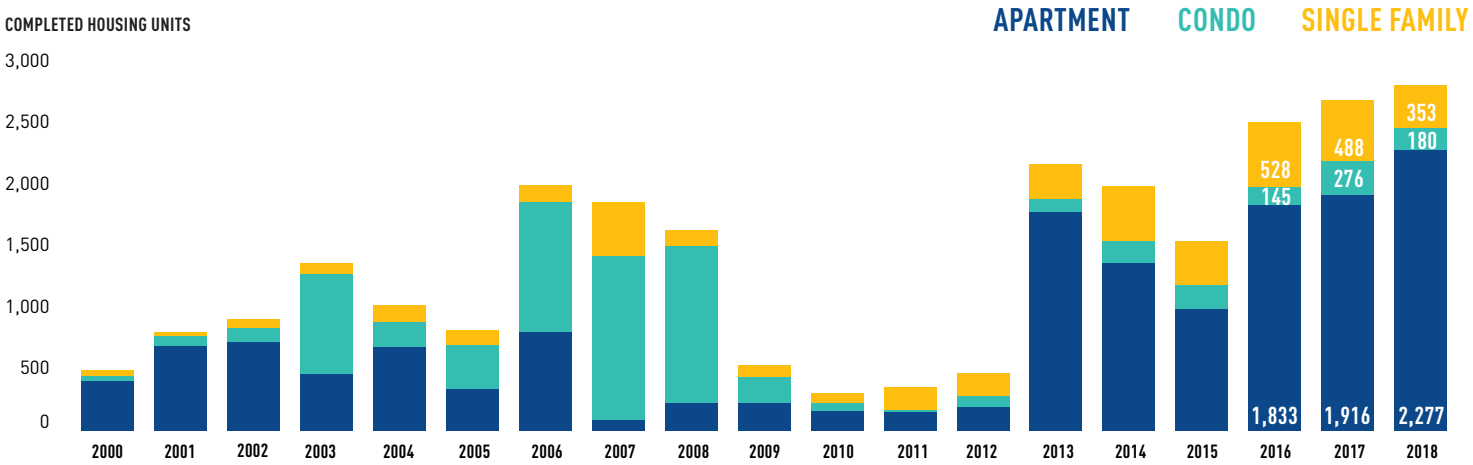
PRIVATE SCHOOLS

29. City School At Fairmount
30. Crooked Places Made Straight
31. Friends Select School
32. Greene Towne School
33. Holy Redeemer School
34. Philadelphia Classical School
35. Philadelphia Free School
36. Philadelphia School
37. St Francis Xavier School
38. St Gabriel School
39. St Marys Interparochial School
40. St Peter The Apostle School
41. St Peters School

66% OF STUDENTS ATTENDING GREATER CENTER CITY NEIGHBORHOOD ELEMENTARY SCHOOLS LIVE WITHIN THEIR SCHOOL'S CATCHMENT AREA

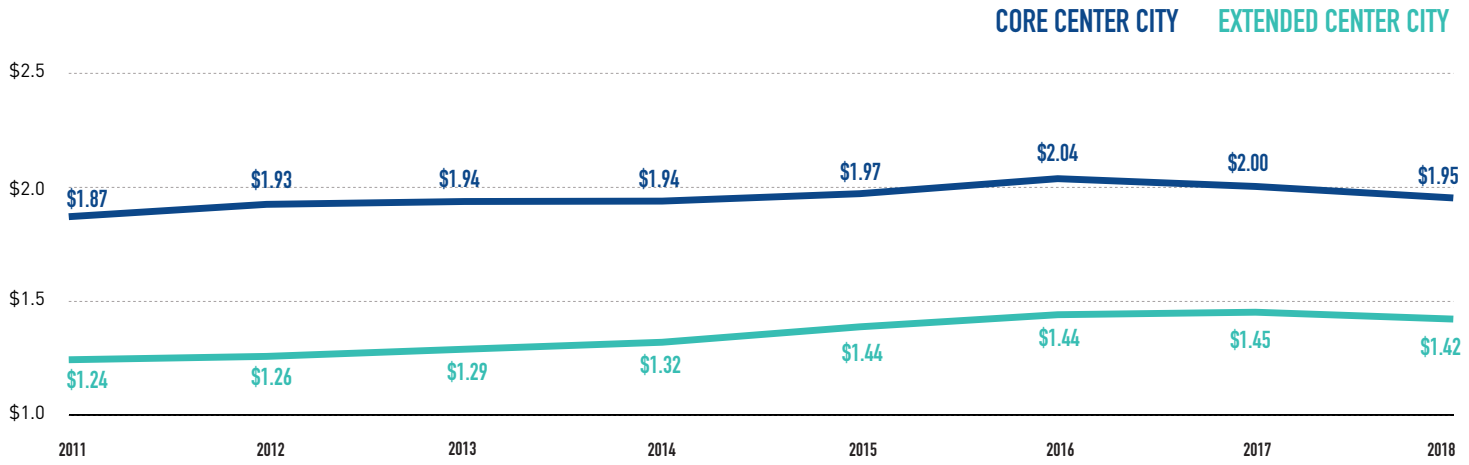


GREATER CENTER CITY HOUSING COMPLETIONS, 2000–2018



Source: Center City District

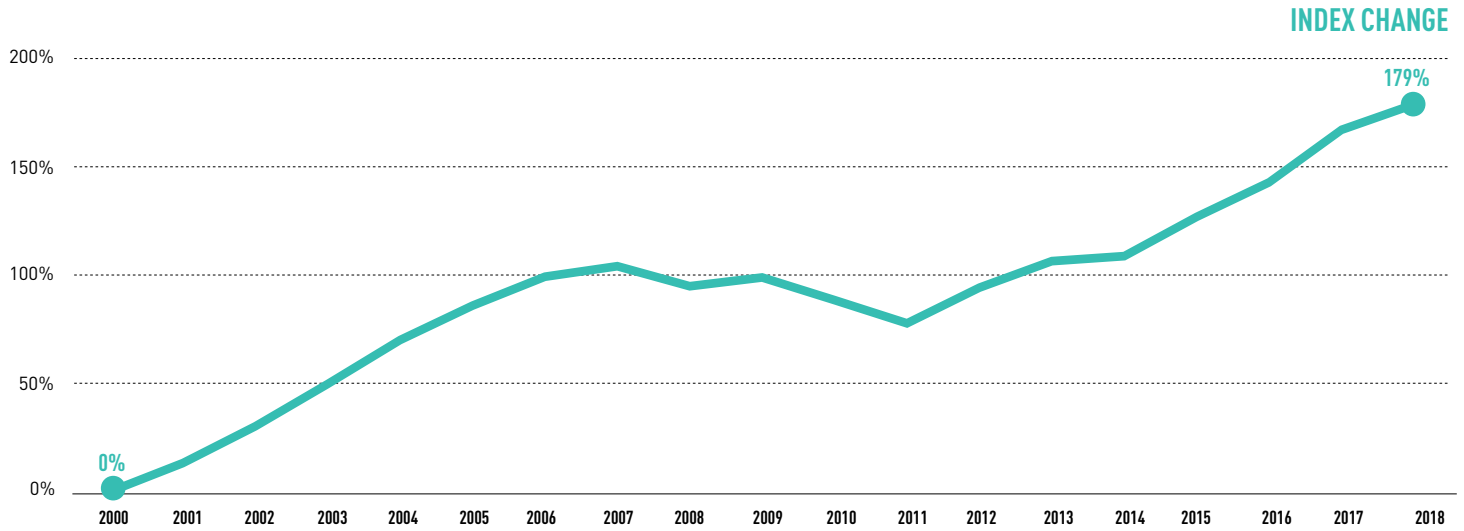
RENT PER SQUARE FOOT, 2011–2018



Source: Zillow, Zillow Rent Index (ZRI)

GREATER CENTER CITY HOME VALUES HAVE INCREASED 179% SINCE 2000

GREATER CENTER CITY PERCENT CHANGE IN HOUSE PRICES SINCE 2000



Source: Econsult Solutions Inc, Phialdelphia Housing Index

DEVELOPMENTS

W / Element Hotel | Philly By Drone

Across Center City, 61 major projects, representing 21.5 million square feet in new development, were completed or underway between Fairmount and Washington avenues at the end of 2018, approximately $7.1 billion in new investment downtown. More than half are mixed-use projects with a residential component; six are solely residential. Remaining projects include nine commercial/mixed-use developments, seven hospitality investments and six public space improvements with several other retail, education, and cultural developments.

Two high-profile commercial developments completed construction in 2018: the 1.8 million-square-foot Comcast Technology Center and Aramark's expansion into 2400 Market Street for their new headquarters. Comcast's 60-story tower, topped by a Four Season hotel on the upper floors, is now the tallest building in Philadelphia and marks the first major addition to the Center City skyline in over a decade. The next big addition is coming in 2019, in the form of the 51-story hotel opening in 2019 as a co-branded Element and Westin, which can have a significant impact revitalizing two blocks of West Chestnut Street, as well stimulating improvements to South 15th Street.

Since 2000, Center City's population has increased 22%, as millennials, empty nesters, and families with children have chosen to live close to work in the middle of an extraordinary range of dining, cultural and entertainment attractions. Developers have responded to this growing demand with townhouses, apartment towers, condominiums and major mixed-use projects that include an extensive selection of amenities. Notable examples are Lincoln Square, which brings 322 apartments and 100,000 square feet of retail to what had been a vacant lot for decades; East Market, which has added two towers with 502 apartments and 128,604 square feet of retail on East Market Street. This project will be joined by the 1.4 million-square-foot Fashion District Philadelphia, opening September 2019 with approximately 125 new establishments including dining, movie theaters, bowling and other entertainment options.

COMMERCIAL/MIXED-USE

1. 1301 Market
2. 23rd + Market
3. 2400 Market
4. 510 North Broad
5. Comcast Technology Center
6. Independence Collection
7. Studebaker Building
8. The Hale Building
9. The Washington

CULTURAL

10. Philadelphia Museum of Art Expansion

GOVERNMENT & NONPROFIT INSTITUTIONS

11. The Free Library of Philadelphia Parkway Central Renovation

HEALTH CARE & EDUCATION

12. Thomas R. Kline Institute of Trial Advocacy

HOSPITALITY

13. Cambria Hotel & Suites
14. Fairfield Inn and Suites by Marriott
15. 1801 Vine Hotel
16. Hyatt Centric
17. Independence Visitor Center
18. Stephen Girard Building
19. W Hotel and Element by Westin

PUBLIC SPACE

20. 22nd and Market Memorial
21. Cherry Street Pier
22. Holocaust Memorial Park
23. John F. Kennedy Plaza/ LOVE Park
24. Penn's Landing
25. Rail Park, Phase 1

RESIDENTIAL

26. 1 Dock Street
27. 2100 Hamilton
28. 401 Race
29. 709 Chestnut
30. Chocolate Factory
31. Dilworth House

RESIDENTIAL/MIXED-USE

32. 1300 Fairmount
33. 1401 Spruce
34. 142 North Broad
35. 1600 Callowhill
36. 2012 Chestnut
37. 218 Arch
38. 702 Sansom
39. 800-830 Vine Master Development
40. 900-934 Callowhill
41. 9th and Washington
42. Broad + Pine
43. East Market
44. Eastern Tower Community Center
45. Heid Building
46. Lincoln Square
47. Lits Tower
48. One Franklin Tower
49. Park Towne Place
50. Pier 34/35 South
51. River Walk
52. Royal Theater
53. SLS LUX Philadelphia Hotel & Residences
54. SoNo
55. The Alexander
56. The Curtis
57. The Hamilton
58. The Harper
59. The Laurel
60. The National

RETAIL

61. Fashion District Philadelphia

Center City District Street Cleaning | Matt Stanley

CENTER CITY DISTRICT

Center City District (CCD) started in 1991 with a mission to make downtown Philadelphia clean, safe and attractive. In the last 28 years, CCD has broadened its services to include physical, streetscape enhancements, park renovation and management and programming year-round to enhance the vitality of Center City.

CLEAN: CCD deploys 147 uniformed sidewalk cleaners and supervisors in two overlapping shifts seven days a week, sweeping litter manually and mechanically, no less than three times per day from each sidewalk in the district. Walkways with heavier pedestrian volumes are cleaned more frequently. The first CCD cleaners appear on the street at 6 a.m. and teams are deployed throughout the day, with crews working in prime retail and entertainment areas until 7:30 p.m. in warm weather months and until 5:30 p.m. in winter. Pressure washing crews remove stains and grime from sidewalks in warm weather months, Sunday through Thursday from 5 a.m. to 1:30 p.m.

Crews also maintain all CCD parks, remove graffiti from the ground-floor façades of buildings in the district and scrape thousands of stickers, posters and tags from light poles, directional signs, and other street furniture including City-owned Big Belly trashcans and Philadelphia Parking Authority fare kiosks. Nearly two-thirds of respondents to CCD's 2018 Customer Satisfaction Survey rated Center City as 'much cleaner' than other Philadelphia neighborhoods.

Besides litter, two-thirds of respondents note that overflowing municipal trash cans detract from the appearance of Center City sidewalks, while 56% express concern about commercial and residential trash placed out inappropriately.

SAFE: CCD also deploys 46 uniformed Community Service Representatives (CSRs) who work in partnership with the Philadelphia Police Department, serve as eyes on the street, offer information and directions to visitors, workers and residents, and provide outreach services to those experiencing homelessness. CSRs are deployed from 8 a.m. to 11 p.m. Tuesday through Saturday, and 10 a.m. to 6 p.m. on Sundays and Mondays.

Since 1993, the number of serious crimes has dropped by 36% in the district, including a 90% drop in thefts from autos. But in the last year, there has an uptick in the number of crimes reported within the CCD and a significant increase in the last several years in the number of individuals who are homeless and panhandling on Center City streets. Respondents to CCD's

Customer Satisfaction Survey noted that a reduction in the number of panhandlers and individuals sleeping on the street is their top priorities to enhance safety downtown.

To respond to the rise of homelessness and panhandling and better address those in need, the CCD in 2018 funded and launched a homeless outreach pilot program in partnership with Project Home, the Philadelphia Police Department and the city's Department of Behavioral Health. Combined teams from Project Home, the Philadelphia Police and CCD CSRs succeeded during 30 weeks in persuading 134 people to come off the street and enter social service, mental health and housing programs. CCD provided transportation for more than half, easing the connection to service for many who were previously reluctant to accept help. No citations nor arrests were made.

CCD is doubling the number of teams for 2019, enabling more trained outreach workers to help connect more people on the street each day to the services they need to achieve recovery.

CSRs routinely survey Center City sidewalks, reporting deteriorated conditions and quality-of-life concerns to the responsible public agencies and following up to ensure resolution. CSRs also engaged in 215,293 extended conversations with pedestrians in 2018 – mostly to provide point-of-interest information and directions, although nearly one-fourth involved public safety and security issues.

ATTRACTIVE: CCD continues to maintain and update the $148.5 million in capital improvements we have made in the district during the last two decades. This includes cleaning and updating 442 pedestrian directional signs, 240 transit portal signs, 85 bus shelter maps and 54 interpretative signs along the Benjamin Franklin Parkway. CCD maintains 243 of the 2,879 pedestrian light poles we installed in the district (the Philadelphia Streets Department services the remainder). Twenty-three sculptures, 12 Parkway building façades, and 12 Avenue of the Arts building façades are all lit through CCD capital investment.

CCD has planted 876 trees, including 165 in the four parks we manage. In 2018 alone, CCD planted 285 vines, shrubs and perennials, along with 4,250 bulbs. To further enhance the downtown streetscape, the Center City District Foundation (CCDF) has launched a new fundraising initiative, Plant Center City, to add 200 more trees in the central business district during the next two years. For more information on CCDF's initiatives, visit www.supportccdf.org.

The number of events held in CCD's four parks grew in 2018. John F. Collins Park experienced the largest jump in attendance from its summer-long Friday evening wine garden events. Dilworth Park hosted more than 100 events in 2018, ranging from programming for nonprofit organizations, free ice skating and group fitness sessions, free movies and musical performances, an arts fair, several craft markets featuring local artisans and brand activations. In December 2018, a record-breaking 1.3 million people visited Dilworth Park, the Rothman Orthopaedics Ice Rink, Wintergarden, Deck the Hall Light Show presented by Independence Blue Cross with 6abc, and Made in Philadelphia Holiday Market, pushing total annual attendance to 10.8 million.

The first phase of *Pulse*, a colorful and interactive public art installation by Janet Echelman, was activated within Dilworth Park's fountain in 2018. The work became an instant hit with adults and children, earning widespread media attention locally and internationally. Phase I – the green line – follows the SEPTA trolley route beneath the park. In 2019, CCDF is actively fundraising for the final phases of the work that correspond to the Market-Frankford Line (blue) and the Broad Street Line (orange).

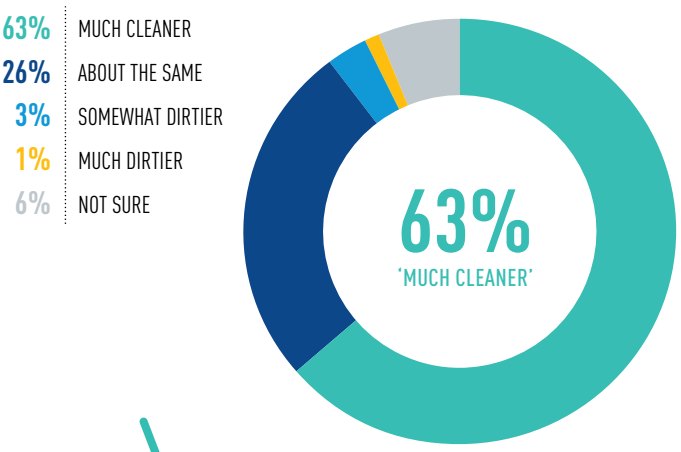
CCD also completed construction of the first phase of the Rail Park in 2018, transforming a blighted section of the former Reading Railroad Viaduct into an elevated park with walking paths, swinging benches, and expansive city views. CCD oversaw all planning, design and construction for this $10.8 million construction project, which is spurring growth in the Callowhill and Chinatown North neighborhoods, providing residents with an attractive new amenity.

Throughout the year, CCD promotes Center City as the region's premier shopping and dining destination. During typically slow weeks in midwinter and early fall, Center City District *Restaurant Week* attracts thousands of city and suburban residents with specially-priced menus at more than 100 restaurants. The summer-long Center City District *Sips* campaign is similarly designed to encourage Philadelphia's young professionals to patronize Center City restaurants and bars after work.

Shop Center City, a year-round campaign, promotes Center City's unique retail mix to local shoppers through a diverse group of influencers and a robust social media campaign highlighting the eclectic mix of merchants and the unique shopping experience only found in Center City.

Each year, the Center City District conducts a **Customer Satisfaction Survey**. In October and November 2018, more than 6,000 postcards with an online link were distributed: 2,000 to pedestrians in Center City, 1,000 mailed to downtown commercial property owners and 3,200 to residential owners in the District. An ad for the survey appeared in the fall Digest, mailed to 9,632 business owners, workers and residents. A social media and email campaign through several CCD social media accounts spanned the eight-week period; four "special edition" emails were sent to all 93,000 of our email subscribers throughout the region. In addition, we conducted five days of on-street interviews at nine locations (Dilworth Park, 18th & Walnut, 13th & Sansom, 19th & Market, Comcast Center, 10th & Chestnut, 12th & Market, Collins Park, Sister Cities Park). In all, the CCD received 5,816 responses.

CLEANLINESS OF CENTER CITY SIDEWALKS VS. OTHER PARTS OF PHILADELPHIA



Source: Center City District, 2018 Customer Satisfaction Survey

CENTER CITY HAS EXPERIENCED A SIGNIFICANT REDUCTION IN CRIME IN THE LAST 25 YEARS

(25-YEAR CHANGE, 1993-2018)

-90% THEFT FROM AUTO

-32% RETAIL THEFT

-36% SERIOUS CRIMES

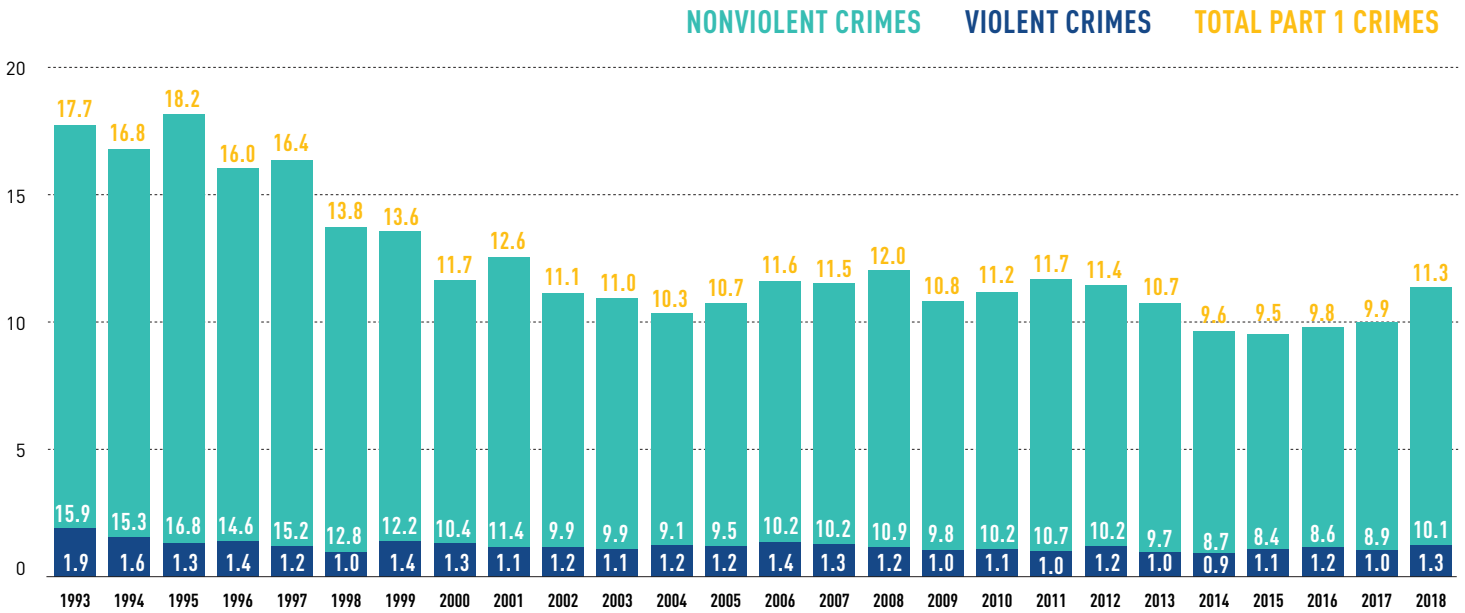
147

UNIFORMED CLEANING PERSONNEL AND SUPERVISORS

535

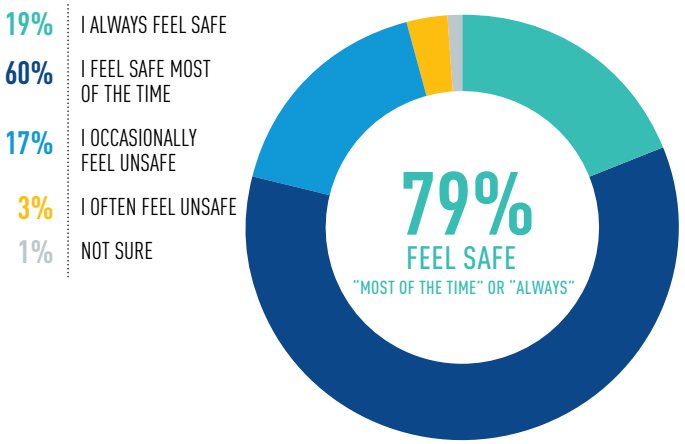
BUILDING FACADES CLEANED OF GRAFFITI TAGS

PART 1 CRIMES PER DAY IN THE CENTER CITY DISTRICT, 1993–2018



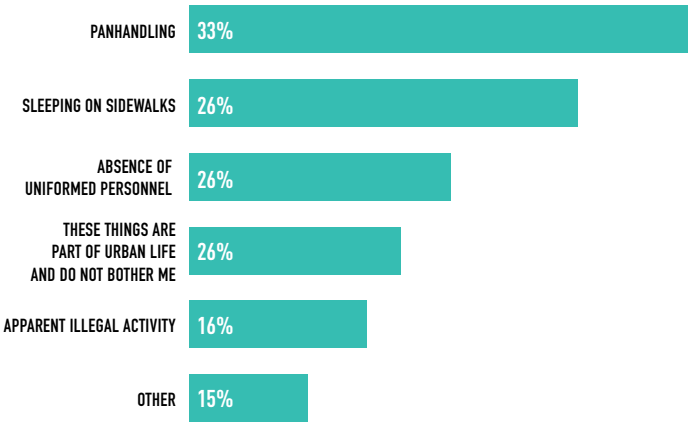
Source: Philadelphia Police Department

PERCEPTIONS OF SAFETY IN CCD



Source: Center City District, 2018 Customer Satisfaction Survey

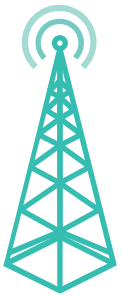
WHY RESPONDENTS FEEL UNSAFE IN CCD



Source: Center City District, 2018 Customer Satisfaction Survey

110+

POLICE OFFICERS AND COMMUNITY SERVICE REPRESENTATIVES STAND JOINT ROLL CALL AND COORDINATE DEPLOYMENT



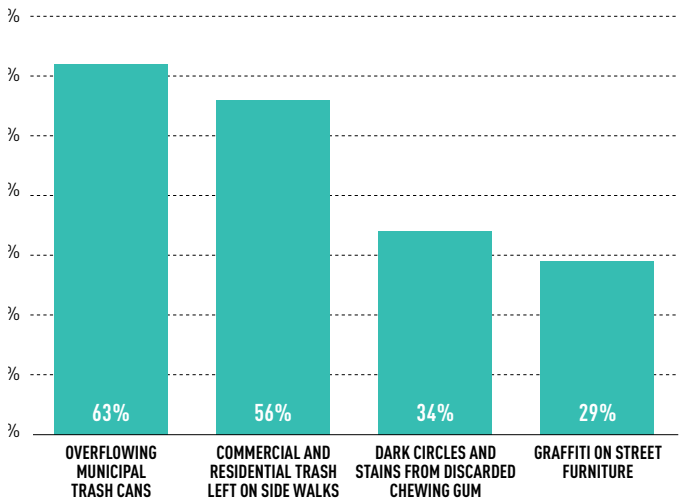
215

ALERTS SENT

3,885

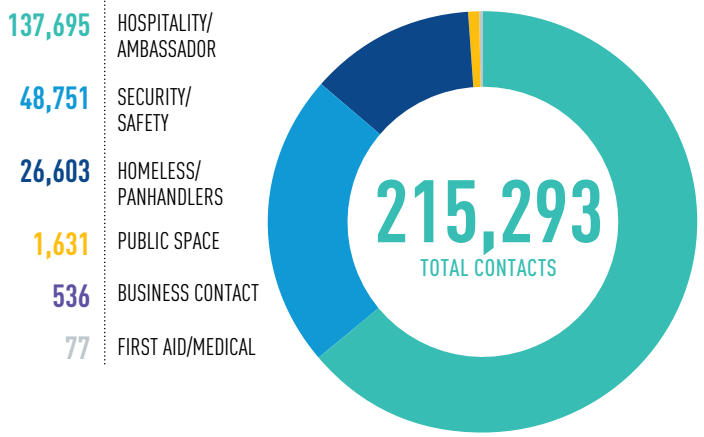
INDIVIDUALS, BUSINESSES OR ORGANIZATIONS RECEIVING ALERTS

BESIDES LITTER, PLEASE TELL US WHICH ARE THE TWO BIGGEST PROBLEMS THAT DETRACT FROM THE APPEARANCE OF SIDEWALKS IN CENTER CITY?



Source: 2018 Customer Satisfaction Survey, Center City District

COMMUNITY SERVICE REPRESENTATIVE CONTACTS



Source: 2018 Daily Activity Logs, Center City District

CENTER CITY PANHANDLING SURVEY, 2009–2018 (AVERAGE NUMBER OBSERVED PANHANDLING IN DAYTIME SURVEYS WITHIN CCD BOUNDARY)

MONTH	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	10 YEAR AVERAGE
January	22	18	12	20	23	17	22	14	29	45	22
February	19	9	12	18	20	22	21	25	31	64	26
March	20	19	14	16	20	21	25	30	26	56	25
April	23	17	21	31	26	26	25	34	35	55	29
May	23	16	20	18	25	31	35	35	31	69	30
June	22	15	21	18	21	38	28	33	34	82	31
July	20	20	20	23	27	32	30	36	42	74	32
August	25	21	23	21	28	30	32	44	48	87	36
September	28	21	21	27	31	32	28	49	77	71	39
October	21	22	22	21	32	36	27	48	60	80	37
November	21	19	19	24	22	36	33	39	54	57	32
December	16	13	20	28	22	33	24	39	54	60	31
Yearly Average	22	18	19	22	25	29	27	35	44	66	31

Source: Center City District

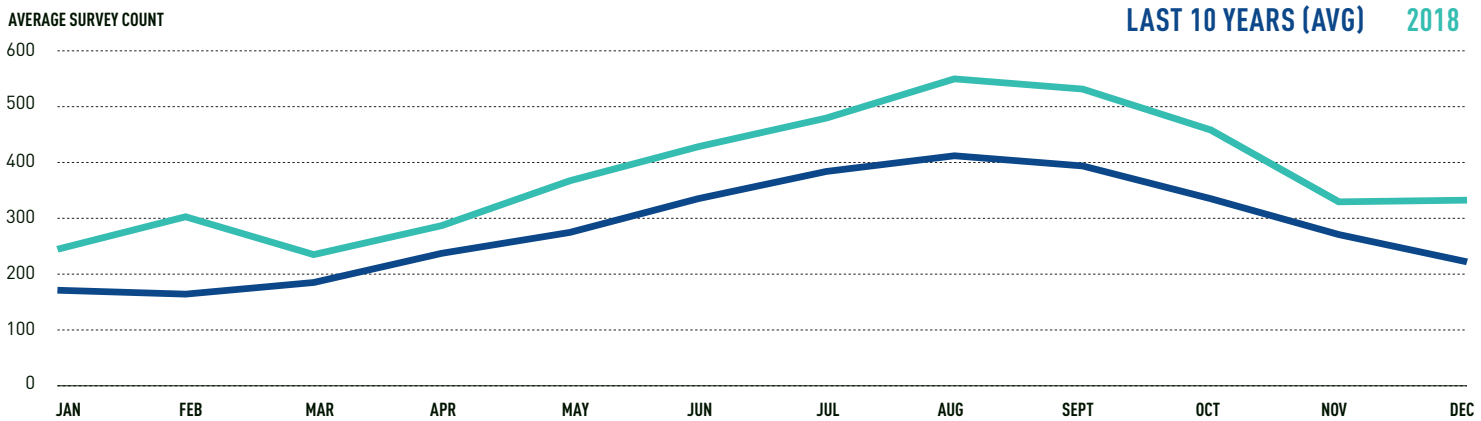
CENTER CITY HOMELESS SURVEY (DAYTIME), 2009–2018 (AVERAGE NUMBER OBSERVED IN DAYTIME SURVEYS WITHIN CCD BOUNDARY)

MONTH	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	10 YEAR AVERAGE
January	27	36	19	26	29	22	17	26	39	58	27
February	38	19	44	61	16	61	16	39	50	62	38
March	36	48	33	74	42	23	25	43	62	62	43
April	49	62	53	42	50	65	32	59	50	102	51
May	63	68	69	59	46	63	33	55	44	111	55
June	61	89	84	43	66	101	35	55	47	127	64
July	74	49	71	66	58	95	46	71	73	108	67
August	75	63	72	95	92	125	67	91	181	137	95
September	72	69	60	88	76	46	56	81	136	115	76
October	72	61	56	95	61	78	45	75	152	90	77
November	66		26	44	48	76	28	53	78	81	46
December	27	24	29	41	37	22	54	64	84	79	42
Yearly Average	54	53	50	63	51	67	38	60	86	94	62

** No survey data for November 2010.*

Source: Center City District

HOMELESS SURVEY DATA (OVERNIGHT) (AVERAGE NUMBER OBSERVED IN OVERNIGHT SURVEYS WITHIN 6TH & 9TH POLICE DISTRICTS)



Source: Philadelphia Police Department

CENTER CITY DISTRICT STREETSCAPE ASSETS, 2018

1,238 LANDSCAPING

- 711 STREET TREES
- 362 PLANTERS
- 165 TREES IN 4 PARKS

1,295 SIGNS

- 442 PEDESTRIAN DIRECTIONAL SIGNS
- 259 DISKMAP SIGNS
- 240 TRANSIT PORTAL SIGNS AT 84 PORTAL ENTRANCES
- 215 VEHICULAR DIRECTIONAL SIGNS
- 85 BUS SHELTER MAP SIGNS
- 54 PARKWAY INTERPRETIVE SIGNS

3,178 ART IN TRANSIT ADS

- 3,069 BANNERS
- 109 PRINT POSTERS & DIGITAL SCREENS

1,071 STREET FURNITURE

- 43 ADJUSTABLE HONOR BOX CORRALS
- 22 FIXED (IN-GROUND) HONOR BOX CORRALS
- 17 ON-STREET BIKE RACKS
- 32 PARK BIKE RACKS
- 31 PARK BENCHES
- 754 ON-STREET BOLLARDS
- 18 STREETSCAPE BENCHES
- 154 BANNER POLES

3,740 LIGHT FIXTURES

- 2,879 PEDESTRIAN LIGHT POLES*
- 85 CITY HALL LIGHTING - 10 LOCATIONS
- 64 LIGHT FIXTURES ILLUMINATING 23 SCULPTURES
- 12 LIGHTED PARKWAY BUILDING FAÇADES
- 446 LIGHT FIXTURES ON 12 AVENUE OF ARTS BUILDING FAÇADES
- 254 LIGHT FIXTURES ILLUMINATING 6 UNDERPASSES

*Reflects total number of pedestrain light poles installed since 1996. Of these, CCD owns and maintains 243 light poles. The rest are maintained by the Philadelphia Streets Department

CENTER CITY DISTRICT STREETSCAPE MAINTENANCE, 2018

STREET LANDSCAPING	
Trees Pruned	173
Trees Replaced	64
Shrubs, Perennials, & Vines Planted	285
Bulbs Planted	4,250
LIGHTING	
Pedestrian Light Poles Repaired	2
Pedestrian Light Poles Relamped	155
Parkway Sculpture Lights Relamped	14
Parkway Façade Lights Replaced	4
Avenue of the Arts Façade Light Fixtures Replaced	13
SIGNS	
Wayfinding Signs Cleaned	198
Wayfinding Signs Replaced	143
Wayfinding Signs Updated	27
Transit Portal Signs Cleaned	38
Parkway Signs Cleaned	16
Bus Shelter Signs Cleaned	14
CCD PARKS	
Shrubs, Perennials, & Grasses Planted	1,170
Trees Planted	9
Trees Pruned	40
Bulbs Planted	25,300
Benches Refurbished	54
OTHER	
Newspaper Corrals Serviced	67
Pedestrian Poles Cleaned	19
Bike Racks Cleaned	8
Bus Shelter Signs Installed	13
Streetscape Benches Cleaned	11
Planter Pots Cleaned (Graffiti)	5
Bollards Cleaned	31
Banner Poles Reinstalled/Replaced	3
Banner Poles Cleaned	61

Source: Center City District

EVENTS HOSTED IN CCD-MANAGED PARKS, 2018

DILWORTH PARK	**102**
Social (Tented)	13
Brand Activation	47
Community Access Program	6
Other	36
SISTER CITIES PARK	**6**
Athletic	2
Picnic Permit	2
Social	2
JOHN F. COLLINS PARK	**50**
Wine Garden	34
Wedding/Engagement	11
Social	5

Source: Center City District

IN 2018, DILWORTH PARK HOSTED 90 PUBLIC EVENTS AND 12 PRIVATE EVENTS THAT CLOSED A PORTION OF THE PARK ONLY 2.9% OF THE TIME BETWEEN 9 A.M. AND 7 P.M.

79% OF SURVEY RESPONDENTS

THINK CENTER CITY IS HEADING IN THE RIGHT DIRECTION

Dilworth Park | Matt Stanley

51,000 ICE SKATERS

AT DILWORTH PARK IN 2018

127,000 VISITORS

TO WINTERGARDEN AT
DILWORTH PARK IN 2018

49,516 PEDESTRIANS

PER WEEKEND DAY ENTERED
DILWORTH PARK IN DECEMBER 2018

ANNUAL VISITORS TO DILWORTH PARK

2016: 9,621,000
2017: 10,015,000
2018: 10,828,000

Dilworth Park, Winter 2018 | We Film Philly

CENTER CITY DISTRICT CAPITAL INVESTMENTS, 1997–2018

PROJECT	YEAR	CCD FUNDS	FEDERAL	CITY	STATE	FOUNDATIONS	OTHER DONORS	TOTAL
Center City Streetscape	1997-98	$21,000,000		$5,000,000				$26,000,000
Market East Streetscape	2000			$7,500,000				$7,500,000
Office District Lighting	2002	$2,300,000		$400,000			$300,000	$3,000,000
City Hall Façade Lighting	2004	$135,000		$140,000			$525,000	$800,000
Logan Circle Pedestrian Access	2004					$1,500,000		$1,500,000
Parkway Lighting	2004-05				$2,220,000	$3,000,000	$30,000	$5,250,000
3 Parkway Plaza, phase I	2005						$450,000	$450,000
City Hall Holiday Lighting	2005	$400,000						$400,000
Pedestrian Lighting	2005	$1,250,000		$400,000		$35,000	$215,000	$1,900,000
Bus Shelter Signs	2006-07				$109,200			$109,200
Aviator Park	2006-07		$1,750,000					$1,750,000
Dilworth Plaza, design	2006-10	$1,555,900				$1,701,900	$151,500	$3,409,300
City Hall Portal Lighting	2007			$125,000				$125,000
Honor Box Corrals	2007	$14,000					$86,000	$100,000
Parkway Signs	2007			$2,600		$450,000	$70,000	$522,600
Pedestrian Lighting	2007	$347,000		$390,000			$365,000	$1,102,000
Sculpture Lighting	2007					$10,000		$10,000
South Broad Lighting, phase I-IV	2007-12				$350,000	$1,219,000	$1,015,900	$2,584,900
3 Parkway Plaza, phase II	2008	$516,000			$1,320,000		$42,000	$1,878,000
Transit Portal Signs, phase I-IV	2008-13	$146,200			$433,300	$587,000	$514,100	$1,680,600
2nd Street Civic Improvements	2009			$955,000				$955,000
Chestnut Park, phase I	2009					$91,900		$91,900
Delaware River Trail	2009			$250,000		$323,000		$573,000
TreeVitalize	2009				$100,000			$100,000
Chestnut Park, phase II	2010					$210,500		$210,500
Sister Cities, phase I	2010	$66,100					$186,500	$252,600
LED Lighting 21st, 22nd, 23rd Street Underpasses	2010-11	$94,000					$40,000	$134,000
Chestnut/John F. Collins Park	2011	$14,700				$190,000	$1,400	$206,100
Sister Cities, phase II	2011	$53,700	$388,700		$1,985,900	$393,700		$2,822,000
Pedestrian Lighting	2011-12	$196,400		$1,788,700			$405,900	$2,391,000
Dilworth Park, design & construction	2011-14	$15,764,230	$15,000,000	$5,750,000	$16,350,000	$1,826,285	$6,066,226	$60,756,741
Reading Viaduct, phase I	2011-14	$75,631		$750,000		$32,649		$858,280
John F. Collins Park	2012	$8,733						$8,733
Sister Cities, phase III Completion	2012-13	$153,600	$1,117,100	$0	$503,900	$551,900	$10,000	$2,336,500
City Hall Lighting Improvement	2012-14			$142,332				$142,332
Bus Shelter Signs	2013				$46,238			$46,238
Pedestrian Lighting	2014			$30,820				$30,820
Dilworth Park Construction	2015	$2,088,811			$23,801	$28,055		$2,140,667
City Hall Gates	2015	$2,393		$1,425,435		$50,000		$1,477,828
City Hall Gates Lighting	2016			$228,500			$414,717	$643,217
Rail Park phase I	2015-18	$636,840		$2,800,000	$4,125,300	$2,447,500	$913,693	$10,923,333
City Hall Gates Lighting	2017			$286,777				$286,777
Dilworth Park - Pulse	2017-18	$729,646	$20,000			$325,000	$41,550	$1,116,196
TOTAL		**$47,548,884**	**$18,275,800**	**$28,365,164**	**$27,567,639**	**$14,973,389**	**$11,844,486**	**$148,575,362**

CCD HAS INVESTED $47.5 MILLION IN DISTRICT RESOURCES IN CAPITAL PROJECTS DOWNTOWN SINCE 1997, LEVERAGING ANOTHER $101 MILLION PUBLIC, PRIVATE AND FOUNDATION FUNDS

The State of Center City 2019 team includes Leah Ben, Digital Marketing Manager; Romina Gutierrez, Manager of Membership and Development Relations; Emily Ha, Retail Digital Marketing Coordinator; Garrett Hincken, Director of Research and Transportation Policy; JoAnn Loviglio, Director of Communications and Publications; Dan Pearson, Research Assistant; Bonnie Thompson, Director of Web Development and Interactive Marketing; and Dan Yaw, Manager of GIS Mapping Services and Technology. This document was designed by Amy Yenchik, CCD's Creative Director, with Graphic Designers Michael Choi and Tran La.

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INFORMATION SOURCES

African American Museum in Philadelphia
Amtrak
Arden Theatre
Association for Public Art
Association of Technology Managers, Licensing Activity Survey 2017
Barnes Foundation
Children's Hospital of Philadelphia
Christ Church
Cushman & Wakefield
Drexel University
Eastern State Penitentiary
Econsult Solutions Inc.
Franklin Institute
Franklin Square
FringeArts
Independence National Historical Park
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InterAct Theatre Company
Internal Revenue Service
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Kimmel Center Inc.
Lantern Theater Company
Moore College of Art & Design
Motionloft
Mural Arts Philadelphia
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National Center for Charitable Statistics
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Newmark Knight Frank
NJ Transit
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U.S. Department of Labor, Bureau of Labor Statistics
University of Penn Museum of Archeology & Anthropology
Visit Philadelphia
Walnut Street Theater
Zillow

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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.