



CENTER CITY Digest

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State of Center City 2021

With vaccination rates rising across the region and new cases declining dramatically, both the City and State lifted nearly all health safety restrictions in early June. Regional shoppers and visitors are returning downtown. SEPTA, the Philadelphia Convention and Visitors Bureau, Ready.Set.Philly!, Visit Philly and Center City District (CCD) have all launched communications campaigns to bring back the diverse market segments that converge to create a vibrant downtown.

Some things are easier than others. Even as more indoor dining has been permitted, the number of *outdoor* seats at restaurants within the District grew from 3,716 in January to 6,262 in May, a 68% increase. At the end of April, only 53 of 1,906 ground floor premises within the District (2.8%) remained boarded; 37 new retailers opened in Center City in 2020; seven more openings have been announced for 2021; and brokers report strong leasing activity. Cultural institutions are seeing a steady surge of visitors (with

the rainy Memorial Day weekend providing an unexpected gift of attendance at Parkway museums). With conventions still on the horizon, hotels are filling rooms with visitors from across the region and nearby cities. Passenger volumes are rebounding significantly at the Philadelphia International Airport.

Missing in Action:

What's missing are office workers. In April, the Commonwealth and City dropped their remote work mandates, aligning guidelines for office with those for retail, restaurants, cultural institutions and casinos. In May, occupancy restrictions were relaxed. Effective June 2, the remaining density, maximum capacity and distancing regulations were dropped. Still, a May survey by the Building Owners and Managers Association (BOMA) of tenant occupancy in 18 downtown office towers found only one at 75%, one in the 30% to 40% range, five between 20% to 30% occupied and 11 below 20%.

After 16 months of continuing anxiety, lingering hesitancy over COVID remains a constraint on transit ridership, elevator comfort and office occupancy. The absence of schools and child-care keeps many families at home. Nearly every national survey of employees reveals a preference to work remotely several days per week. Whether this creates productive and innovative companies is a different matter. With the prevailing sentiment allowing voluntary selection of in-office workdays, the BOMA survey found occupancy strongest Tuesday through Thursdays. This may signify an *expanding weekend syndrome*, understandable since vacations have largely been off-limits for more than a year.

Remain Skeptical of Surveys:

There is a serious discussion to be had about optimal conditions for collaboration and innovation, acculturation for new employees, career advancement for younger workers, as well as for customer service. There may be

variations by type and size of business. A year from now we should know if those CEOs and managing partners who take a leadership role, encouraging or commanding a full return to work, pull ahead of their competitors or have a harder time retaining employees.

There is a simple rule I've adopted in the last year when reading the torrent of surveys and forecasts: *Don't believe everything people say in the mood of this moment; remain skeptical about definitive predictions about the future.* Recognize we've lived through an all-consuming global trauma still raging in many places. Think of analogies to major accidents or serious surgery or to those who survived natural disasters or terrible wars. A tentativeness lingers, the fear of recurrence remains real. Whether your prescription is "get back on the horse that threw you" or "give people time and space to recover at their own speed," it's likely that responses to surveys in six to 12 months will yield different results. Note, too, that Philadelphia quickly rebounded from the Yellow Fever of 1793 that killed 10% of our residents and from the Spanish Flu of 1918 that killed 1%. Both recoveries were marked by innovation and productivity.

The Larger Implications:

Individual businesses and organizations will make their own decisions about how and when to return. However, we know the collective impact of staying home. Every 500,000 square feet of occupied office space holds 3,300 desk jobs and creates employment for five building engineers, 18 cleaning staff and 12 security positions. Multiply that times 40 million square feet of downtown office space, and that's a significant number of jobs at risk. From the standpoint of City finances, a substantial portion of the City's and School District's real estate tax base and the lion's share of BIRT revenues come from the commercial office district. At least 50% of city wage tax revenues are generated downtown. A delayed or incomplete return to work will mean more fiscal challenges for the city, with impacts on services and quality of life in all neighborhoods.

Pedestrian traffic has steadily rebounded in 2021, exceeding volumes on sidewalks during any week in 2020. Still, we are at just 65% of pre-pandemic levels with 100,000 office workers yet to return. That means loss of demand for transit workers, taxi and rideshare drivers, retail and restaurant employees – all



of the hourly and service workers from our neighborhoods whose positions don't afford opportunities for remote work. This translates into lost business travelers to fill hotel rooms and eat in restaurants. Weak demand yields vacancy.

If you would like the Center City you left behind in March 2020 to be here when you return, consider how truly interconnected our economy is, not simply by digital technology, but by face-to-face interaction and sidewalk vitality. Recovery comes from the decisions we make.

State of Center City 2021 opens with a review of CCD activities in the last year, when our on-street teams and park staff were designated essential workers. With remarkably sustained support from all property owners within the District and with generous contributions to our foundation, we were able to keep everyone working, sweeping and pressure washing sidewalks, removing graffiti from building facades and street furniture, creating temporary art installations on boarded premises.

Our Community Service Representatives continued patrols throughout Center City, joined now by 11 new, civilian bike patrol officers to enhance public safety. The Ambassadors of Hope, an outreach partnership of the CCD, Project HOME and the Philadelphia police, continues to help homeless individuals come off the street and

connect with shelter and services. We kept our four parks open to the public, programmed with safe activities for children and for all Philadelphians. Our staff worked with retail associations and the City to implement highly successful streeteries. We promoted open businesses, takeout and two modified Restaurant Weeks.

The *State of Center City* and our monthly Economic Recovery reports contain data published by others in industry specific reports, as well as original research and analysis conducted by our staff, designed by our in-house graphics team and supported by the generosity of members of Central Philadelphia Development Corporation. These reports provide a roadmap for recovery and a path beyond the pre-pandemic status-quo.

Philadelphia now has a unique opportunity to reposition itself. The temporary infusion of American Rescue Plan (ARP) funds enables the City to restore cuts, make long-overdue changes in tax policy and free up resources for permanent, equitable and transformational investments in economic development that can set the city on a path toward faster and more inclusive growth. It's time to come back. It's time to get to work.

Paul R. Levy
 President
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CCD 2021 Budget Details

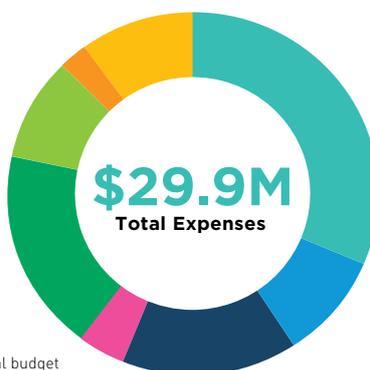
Where the Money Comes From



- 41.4% Office & Other Commercial
- 16.7% Capital Budget Reserves*
- 15.3% Apartments
- 8.7% Hotels
- 5.9% Retail
- 5.4% Parks Revenue
- 3.5% Residential
- 3.1% Earned Income
- 0.2% Exempt Property Contributions

*The CCD board approved deferring a number of capital budget projects and transferring \$4.9 million in capital budget reserves to pay for additional operational expenses for enhanced cleaning, graffiti removal and public safety services and to cover any collection shortfalls due to the pandemic.

Where the Money Goes



- 31.6% Cleaning & Maintenance - CCD
- 9.4% Public Spaces
- 15.2% Parks†
- 4.2% Debt Service
- 18.2% Safety & Crime Prevention
- 9.3% Marketing & Communications
- 2.4% Development, Planning & Research
- 9.8% Administration

†Approximately 36% of these expenses are expected to be covered by revenues raised within the parks.

Top 10 Properties by Billing

Rank	Property Name	2021 Billing Amount
1	Comcast Center	\$564,354.51
2	Mellon Bank Center	\$553,617.92
3	Centre Square	\$550,019.93
4	One Liberty Place	\$495,295.29
5	Comcast Innovation Center	\$438,259.46
6	One Commerce Square	\$418,746.58
7	Two Commerce Square	\$397,284.72
8	Philadelphia Marriott Hotel	\$393,454.84
9	401 North Broad Street	\$386,382.28
10	1717 Arch Street	\$371,663.31

The top 15 properties pay 22% of total program cost, with an average charge of **\$402,130**

The top 200 properties pay 80% of total program cost, with an average charge of **\$107,724**

The typical Market Street West office building pays **\$244,991**

The average hotel pays **\$94,521**

The average Chestnut Street commercial property pays **\$12,246**

The average Walnut Street commercial property pays **\$8,853**

The average commercial office property pays **\$37,264**

The average commercial property pays **\$16,349**

The average retail property pays **\$3,139**

The average residential property charge is **\$309**

The average for all property types is **\$4,789**



Reuse and Renewal

Each spring, the flowers and plants that spend the cold-weather months enchanting visitors of the Wintergarden at Dilworth Park are removed for the installation of the Greenfield Lawn. But their journey doesn't end there — most of these plantings are moved to new homes in Sister Cities Park, Cret Park and Dilworth Park.

This year alone, more than 1,800 plants were transferred to CCD parks, sidewalk planters and park planters. In the past five years, over 9,000 Wintergarden plants have been reused and recycled, creating sustainable, cost-efficient and continually evolving public spaces for everyone to enjoy.

Meet Our Essential Workers

Throughout 2020, CCD's dedicated on-street staff never stopped working to fulfill our mission of a clean, safe, welcoming and attractive Center City.

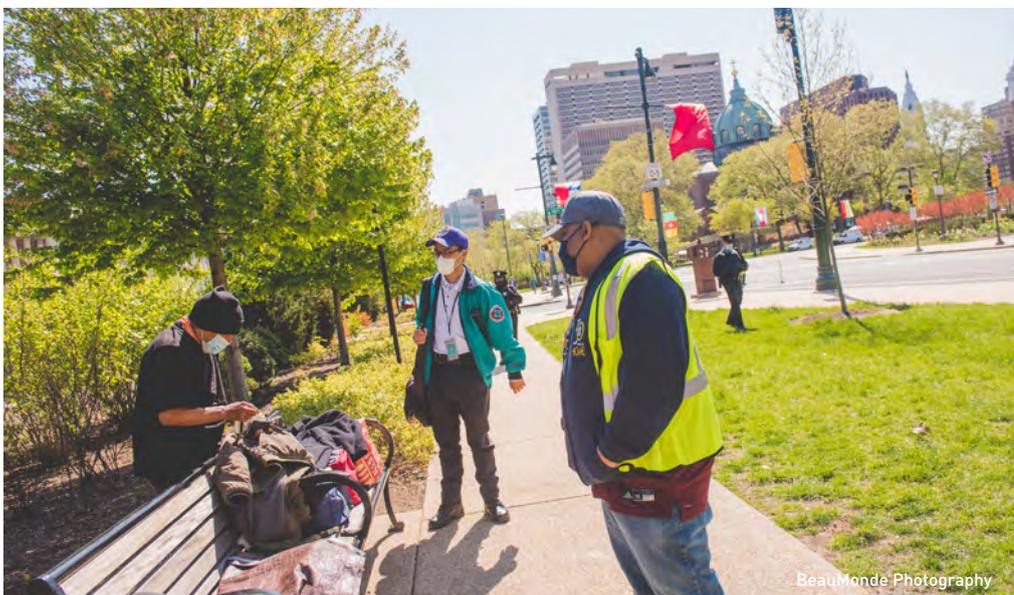


Community Service Representatives

In their role as safety ambassadors and walking concierges, more than 40 teal-uniformed CSRs assist and engage with people from all walks of life and all parts of the region and the world. While many of us remained at home, CSRs never stopped providing assistance, information and a reassuring presence throughout Center City, acting as eyes and ears on the street, continuing to work, seven days per week, on both day and evening shifts.

Interested in becoming a CSR?

Check out the short video showing CSRs in action. centercityphila.org/ccd-services/public-safety/csr



Ambassadors of Hope

The Ambassadors of Hope is a collaborative, on-street homeless outreach effort staffed by Project HOME, CCD, and the Philadelphia Police Department, with support from the City's Office of Homeless Services and Department of Behavioral Health. In three years, the program has provided more than 400 unsheltered individuals with transportation to shelter, housing, treatment and service providers. This year's team started April 26 and continues until December 10, with two teams working Monday through Friday, 8:30 a.m. to 3:30 p.m. One team covers east of Broad Street and the other team is west of Broad. The Philadelphia Homeless Outreach Hotline can be reached at 215-232-1984.

Cleaners

Our team of 100 teal-uniformed cleaners sweep all Center City sidewalks no less than three times each day. Before, during and after the shutdown, they continued to power-wash sidewalks and remove graffiti from building facades and street furniture. When shuttered storefronts had their windows covered with plywood, our teams painted over the boards and installed vibrant posters created by Philadelphia artists. We also continued to provide fee-for-service cleaning for five adjacent residential neighborhoods.



Matt Stanley



Peter Tobia

Safety Patrols

We've expanded our existing clean and safe programs with an eleven-person, unarmed bicycle patrol and one nighttime patrol vehicle operating seven days a week, including holidays, on Center City streets. The new teams, wearing bright yellow jackets marked Safety Patrol, augment and coordinate with services that the CCD has provided for the last 30 years. Bike patrols are deployed within the District from 3 p.m. to 11 p.m. Additional Safety Patrol personnel are also deployed in Dilworth Park and Sister Cities Park as needed.

Parks & Streetscape

Well-managed parks and civic spaces are defining public amenities of downtown. Our landscape teams spent the cooler months planting street trees, filling park flowerbeds with tens of thousands of bulbs and upgrading street lighting. People returning to Center City are being greeted with lush sidewalk planters, colorful blooming plants, and a reimagined Greenfield Lawn at Dilworth Park complete with swinging benches and spacious seating.



BeauMonde Photography

SISTER CITIES CAFÉ



Matt Stanley

BeauMonde Photography



Help us keep Philadelphia on the track to recovery

As more people in Philadelphia are getting vaccinated, regional visitors and tourists are returning and all restrictions have lifted on returning to offices, Philadelphia's economic outlook is improving. Jobs, transit riders, pedestrian volumes and the number of occupied outdoor seats at cafes and streeteries in Center City have all increased throughout the spring. But we still have some distance to travel before we fully recover.

In this issue of *Center City Digest*, you'll see many of the things our uniformed teams have continued doing since March 2020: cleaning sidewalks, removing graffiti, programming our parks, supporting restaurants and retailers, and providing safe activities for all ages. All these activities are supported by CCD assessments.

Our task now is to accelerate a safe return and that requires doing even more. With assistance from many generous donors, we have partnered with more than a dozen arts and cultural institutions and have provided them an opportunity to perform for the public this spring and summer outdoors in Dilworth Park and Sister Cities Park. We are expanding our Plant Center City program to include not only more trees, but more sidewalk planters to

create an even more welcoming environment as workers and visitors return. Additionally, the Ambassadors of Hope are once again fully deployed, engaging vulnerable individuals on the street and transporting them to shelter and services.

Nearly a year to the day after the mandated shutdown of offices and businesses, we quietly marked the 30th anniversary of CCD crews first appearing on the sidewalks downtown. The central lesson from the CCD's launch on March 20, 1991 suddenly has renewed resonance: the revival of economic activity and vitality depends upon confidence in a public environment that is clean, safe and attractive.

While we are proud of everything that our staff has accomplished in the last 30 years, there is much work that still lies ahead before we can celebrate. With your help, we can ensure that businesses reopen and all Philadelphians can return to work. With your help, we can highlight our performing arts organizations until they can safely return to their venues this fall. With your help, we can assist those who are vulnerable connect with shelter and services. Please use the enclosed envelope to make an impact today or give online at supportccdf.org.

To learn how you can contribute, visit

supportccdf.org

Or contact Katie Andrews, Director of Development, at kandrews@centercityphila.org

Summer Park Events

Center City District has a festive calendar of events for all ages. Enjoy free fitness classes, free music, a local makers' market and much more. Visit ccdparcs.org for details.

Dilworth Park

Rothman Orthopedics presents

CENTER CITY FIT

Through October 12

Mondays & Tuesdays, 6-7pm

(No program July 5)

THE ARTS ON CENTER STAGE

Through August 25

Wednesdays, 5:30pm-7:30pm

PNC presents

LIVE @ LUNCH

Through July 29

Wednesdays & Thursdays, noon-1pm

PHILADELPHIA MARKETPLACE

Through October 2

Fridays & Saturdays, noon-6pm

Sister Cities Park

LIVE AT SISTER CITIES PARK

Through August 26

Thursdays, 5-8pm

PARKWAY PALS

Through August 17

Mondays - Wednesdays, 10:30am - 12:30pm

(No program July 5)

Cret Park

JAZZ ON THE PARKWAY

Through July 25

Sundays, 4-6pm

John F. Collins Park

WINE GARDEN

Through August 26

Thursdays, 4-9pm



Interested in hosting an event at one of CCD's parks?

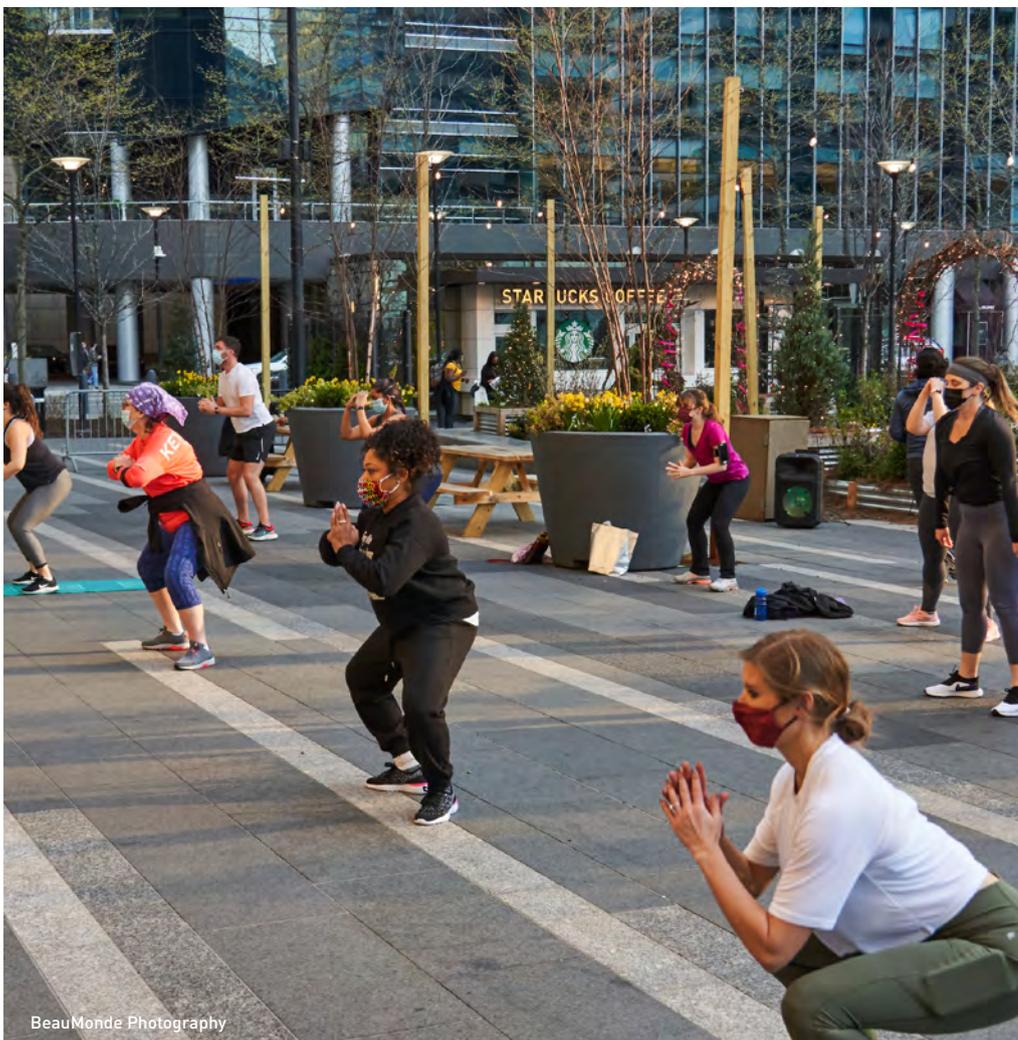
For info about CCD park rentals, email rentals@centercityphila.org



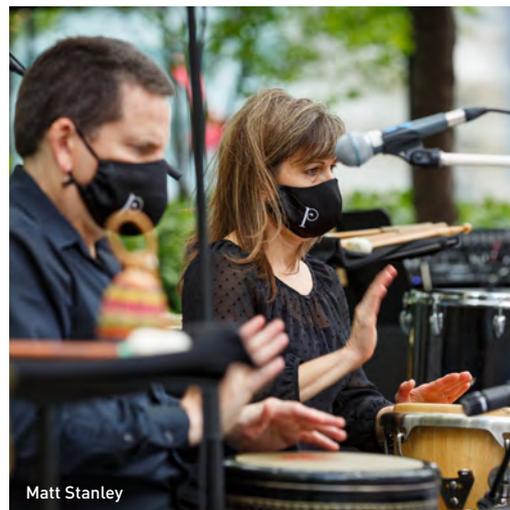
BeauMonde Photography



Matt Stanley



BeauMonde Photography



Matt Stanley



Time to #GetRecentered

To promote the return of workers to their offices and to aid the recovery of Center City retail stores, restaurants and cultural attractions, CCD this spring launched an ad campaign that will continue through the end of the year.

The tag line, "Get Recentered," serves as the campaign's unifying message and graphic, and appears on all of CCD's social media

channels, printed materials, digital outdoor screens and transit ads. The campaign features bright colors and images of masked and unmasked office workers, restaurant-goers, shoppers and commuters returning to Center City and enjoying the things they have been missing. The messages include positive "re-" prefix words (refresh, refuel, reconnect, etc.) meant to inspire, instill confidence and create a sense of excitement.

As vaccination levels and pedestrian volumes continue to rise, and as businesses recover and jobs are restored, the campaign will be deployed in quarterly phases to highlight events, business promotions and seasonal activities.

New Reports from CCD/CPDC



State of Center City 2021: Restoring, Returning, Reanimating is a comprehensive overview of marketplace conditions in Philadelphia at the end of 2020. It provides detailed profiles of the diverse employment sectors that comprise the downtown economy, highlights strengths and challenges as we entered 2021, includes information on housing and transportation trends and serves as a report on CCD operations and their impact in the last year. Read or download the 70-page report at centercityphila.org/socc

Monitoring Philadelphia's Economic Recovery is a snapshot of current conditions updated monthly and based on key economic indicators, commercial office and housing market trends, construction activity, local tax revenues, transit ridership, parking volumes and pedestrian activity in Center City. Read or download the 10-page report

at centercityphila.org/research-reports/monitoring-philadelphia-s-economic-recovery-may-2021

Both reports were presented at a virtual meeting of the Central Philadelphia Development Corporation (CPDC) on May 11, with a summary and presentation by CCD President Paul R. Levy and a discussion moderated by CCD Vice President of Parks

and Public Realm Prema Katari Gupta with three panelists: James Pearlstein, President, Pearl Properties; Jerry Sweeney, President & CEO, Brandywine Realty Trust; and Carol Watson, General Manager, Hotel Palomar. The meeting, titled "Getting Ready to Return," is on our YouTube channel at youtube.com/watch?v=8Wc28H6wFtk

TO READ AND DOWNLOAD THESE REPORTS, VISIT
centercityphila.org/research-reports

Follow us!

Center City District's social media presence has been revamped and streamlined! We've consolidated our 16 social accounts to five. These changes came after we surveyed our social media users and email newsletter recipients, and the goal is to make information on parks, events, research reports, shopping, dining and business support all in one convenient place.

If you haven't done so already, please give us a follow. Show us how you enjoy Center City by using #CenterCityDistrict and #GetRecentered in your posts!



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CENTER CITY
DISTRICT

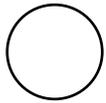
CENTRAL PHILADELPHIA
DEVELOPMENT
CORPORATION

JUNE 2021

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

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FSC



**GET
RE
CONNECTED**

Get back to a work-life balance that's actually balanced.

YOUR CENTER CITY WORKDAY IS WAITING.
GET RE-CENTERED.