

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 160704)

RESOLUTION

Initiating action to establish a neighborhood improvement district, to be known as the South 9th Street Area Business District, in an area that generally includes properties located on portions of South 8th Street, South 9th Street, South 10th Street, Christian Street, Montrose Street, Carpenter Street, Washington Avenue, Ellsworth Street, East Passyunk Avenue, and certain other streets within the area depicted on the preliminary plan, and including curb market stands, located along certain of those streets, and to designate South 9th Street Area Business District, Inc., a Pennsylvania nonprofit corporation, as the Neighborhood Improvement District Management Association for the District; approving a preliminary plan for and report concerning the District; and authorizing and directing the Committee on Rules and the Clerk of Council to take all actions that are required by the Community and Economic Improvement Act, prior to enactment of an ordinance that would formally establish the District.

WHEREAS, Council is authorized by the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174, *as amended*, (53 P.S. §18101 *et. seq.*) ("Act") to establish by ordinance neighborhood improvement districts and to designate certain entities to administer programs and services within such districts in order "to promote and enhance more attractive and safer commercial, industrial, residential and mixed-use neighborhoods; economic growth; increased employment opportunities; and improved commercial, industrial, business districts and business climates"; and

WHEREAS, Before an ordinance establishing a neighborhood improvement district is enacted, the Act requires that a preliminary plan for the district be mailed to property owners within the district, and that a public hearing be held on the preliminary plan; and

WHEREAS, The purpose of this resolution is to initiate action to create a neighborhood improvement district in the South 9th Street area, to be known as the "South 9th Street Area Business District", and to ensure that all actions required by the Act to establish such a district are taken prior to enactment of an ordinance formally establishing the district; now, therefore, be it

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RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council hereby initiates action to establish a neighborhood improvement district, to be known as the South 9th Street Area Business District, in an area that generally includes properties located on 9th Street from the south side of Fitzwater Street to the north side of Federal Street, Christian Street from 7th Street to 11th Street, Montrose Street from 8th Street to 10th Street, Carpenter Street from 8th Street to 10th Street, Washington Avenue from 7th Street to 11th Street, Ellsworth Street from East Passyunk Avenue to 10th Street, East Passyunk Avenue from Washington Avenue to Federal Street, 10th Street from Christian Street to Ellsworth Street, 8th Street from Christian Street to Ellsworth Street, and certain other streets within the area depicted on the preliminary plan, and including curb market stands, located along certain of those streets, and to designate South 9th Street Area Business District, Inc., a Pennsylvania nonprofit corporation, as the Neighborhood Improvement District Management Association for the District; approving a preliminary plan for and report concerning the District; and authorizing and directing the Committee on Rules and the Clerk of Council to take all actions that are required by the Community and Economic Improvement Act, prior to enactment of an ordinance that would formally establish the District.

RESOLVED FURTHER, That the Committee on Rules is hereby authorized and directed to take all actions required by the Community and Economic Improvement Act ("Act") prior to enactment of an ordinance formally establishing the South 9th Street Area Business District, including the holding of any and all public hearings required by the Act. The Clerk of Council shall arrange for all mailings and publication of all notices required by the Act, as directed by the Chair of the Committee on Rules.

EXHIBIT 1

PRELIMINARY PLAN FOR THE SOUTH 9TH STREET AREA BUSINESS DISTRICT, INC. (S9SABD)

INTRODUCTION – This Preliminary Plan represents the work of South 9th Street and Washington Avenue Shopping District commercial property owners and business owners within the Proposed Business Improvement District (BID); the incorporators of the proposed Neighborhood Improvement District Management Association (NIDMA – South 9th Street Area Business District, Inc.); members of the United Merchants of the South 9th Business Association; and participants from both the Bella Vista Neighbors Association and Passyunk Square Civic Association; all of whom have been extensively involved in the development of this Plan, and who now request that the South 9th Street Area Business District (S9SABD) as proposed by this Plan, be established by City Council.

As proposed, the S9SABD management association is to be established as a nonprofit corporation to manage the S9SABD. In accordance with the requirements of the Community and Economic Improvement Act, the petitioners hereby propose the Preliminary Plan for the S9SABD which includes: the proposed NIDMA of the S9SABD; a map of the S9SABD Service Area (Exhibit 1-A); a list of properties to be included in the Service Area and subject to the S9SABD assessment (Exhibit 1-B); the proposed improvements, projects and/or programs to be operated by the management association during the life of the S9SABD; a proposed budget for the first five fiscal years of S9SABD operations expected to commence January 1, 2017 (Exhibit 1-C); and a detailed description of revenue sources for financing all proposed improvements, programs, and services. In addition, attached to this Preliminary Plan are bylaws for the proposed S9SABD management association (Exhibit 1-D).

The plan has been created to conform to recent amendments to the Community and Economic Improvement Act.

SECTION ONE

NAME – The name of the neighborhood improvement district is the South 9th Street Area Business District, Inc. (S9SABD).

SECTION TWO

SERVICE AREA – The Service Area of the South 9th Street Area Business District, Inc., depicted in the map, attached as Exhibit 1-A, includes the area bounded by all taxable (for real estate purposes) commercial properties (defined as properties used for any for-profit activity involving trade or commerce in general, including vacant commercial and industrial zoned parcels and residential properties with two or more units that are rented to tenants for profit) on South 9th Street from the south side of Fitzwater Street to the north side of Federal Street; on Christian Street from west side of 7th Street to east side of 11th Street; on Montrose Street from 8th Street to 10th Street; on Carpenter Street from 8th Street to 10th Street; on Washington Avenue from west side of 7th Street to east side of 11th Street; on Ellsworth Street from East Passyunk Avenue to 10th Street; on East Passyunk Avenue from south side of Washington Avenue to north side of Federal Street; on 10th Street from the south side of Christian Street to north side of Ellsworth Street; and on 8th Street from the south side of Christian Street to north side of Ellsworth Street.

In addition to the streets and avenues mentioned above, the Service Area includes:

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- The east side of South 8th Street from the property located at 805 S. 8th Street to the property located on the north side of Christian Street;
- The west side of South 8th Street from the property located at 824 S. 8th Street to the property located on the north side of Christian Street;
- The City of Philadelphia parking lot located at 1012-26 East Passyunk Avenue; and
- The three corner properties located at 1101-09 S. 11th Street, 1100 S. 7th Street, and 1040 East Passyunk Avenue all of which are adjacent to Washington Avenue.

These addresses correspond with the Service Area map, attached as Exhibit 1-A. A list of properties proposed to be assessed was compiled with the assistance of the Philadelphia Office of Property Assessment and is attached as Exhibit 1-B. This list has been reviewed and accepted by the Incorporators of the S9SABD management association acting as an interim Board of the S9SABD. This list shall be definitive as to whether a property is within the Service Area of the S9SABD.

Single-unit residential properties used exclusively for residential purposes will not be assessed. Similarly, the portion of any multi-unit property that is owner-occupied and used as a residence will be exempted from assessment calculations under the formula used to calculate the BID assessment for that property.

SECTION THREE

S9SABD MANAGEMENT STRUCTURE – South 9th Street Area Business District, Inc., a Pennsylvania registered nonprofit corporation, is designated as the Neighborhood Improvement District Management Association in accordance with the ordinance incorporating this Plan and the Community and Economic Improvement Act. As such, South 9th Street Area Business District, Inc. is authorized to exercise all powers granted by the Community and Economic Improvement Act, the ordinance authorizing the establishment of the S9SABD, the bylaws of South 9th Street Area Business District, Inc. and those general powers, rights, and obligations granted to or placed upon Pennsylvania nonprofit corporations.

SECTION FOUR

SERVICES DESCRIPTION – South 9th Street Area Business District, Inc. will undertake the following two categories of activities as delineated below.

A. Programs and Services

1. Cleaning Services,
2. Parking Management Services,
3. Public Safety Services,
4. Promotional Services, and
5. Communication Services.

B. Personnel and Administration

1. Executive Director,
2. Outreach and Accounts Support, and
3. Administration.

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A. Programs and Services:

1. Cleaning Services - Programs and services shall include but are not limited to the following:

- An urban district cleaning services provider will be contracted to provide a work crew for cleaning services. This immediate and on-going cleanliness program will be established to enhance the visitor's shopping experience throughout the Service Area. Cleanliness services will include:
 - i. A supervised cleaning crew using dust pans and brooms to clean sidewalks, curb areas, and street gutters immediately under curb stands three-to-seven days weekly depending upon the season and/or weather conditions. All commercial property owners, businesses, curb stand licensees and operators will still be expected to do their part in cleaning the area around their property and/or place of business each day.
 - ii. The cleaning crew will remove graffiti and work under the guidance of the Executive Director to coordinate the cleanup of heavily vandalized (graffiti marked) areas throughout the Service Area.
 - iii. Maintain and empty existing and new public trash cans throughout the Service Area.
 - iv. Twice annual power washing of sidewalks and streets throughout the Service Area as needed.

All of the above mentioned cleaning activities will be ongoing throughout the life of the proposed S9SABD ordinance. As part of managing this on-going activity, the Board with relevant committees and staff, will develop metrics to measure the utility of these activities.

2. Parking Management Services - Programs and services shall include but are not limited to the following:

- Way-finding signage to direct vehicles to parking lots.
 - i. To help visitors find ample parking, a series of wayfinding signs will be installed throughout the Service Area. These signs will guide visitors to paid parking lots on Carpenter Street and Washington Avenue. As additional visitor parking areas are developed, extra way-finding signs may be installed to serve these areas.
- Parking spaces inventory.
 - i. During the first year of S9SABD operations, an inventory of visitor parking resources will be developed. The inventory may be developed by S9SABD staff under the guidance of the Board or through a contract with a professional consultant. The parking spaces inventory will demonstrate where all visitor parking spots are located and will also provide information concerning how parking resources are used throughout the Service Area. Upon completion, the S9SABD Board may wish to pursue a more involved parking study to determine how parking spaces are used at different times of the day and throughout the year.
- Parking validation pilot program.
 - i. A pilot parking validation pilot program will be established. Beginning as a pilot project (test program) and then expanding as resources allow, the parking validation program aims to make the area more attractive to shoppers buying items at Service Area stores. The parking validation pilot program will serve only the United Merchants of the South 9th Business Association parking lot on Carpenter Street before expansion to other lots is explored. Parking validation program guidelines will be set by the S9SABD Board.

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3. Public Safety Services – Programs and services shall include but are not limited to the following:
 - Install cameras and lighting at priority locations.
 - i. A program for the installation of sidewalk lighting and security cameras throughout the Service Area will be established. Through this program, property owners will have the ability to apply for a matching grant to install either sidewalk lighting and/or a security camera at their location. Lighting and camera grants will be provided under conditions set by the S9SABD Board. An additional focus of this program will be to target properties in specific priority areas (determined by the S9SABD Board) to receive lighting and camera installation grants. These areas targeted for additional lighting and cameras are intended to support the entire area’s sense of public safety and will not cause limitations on funding to properties outside these areas.
 - Work to increase police presence / Increase police patrolling and police log book use after dark.
 - i. The Executive Director will form a relationship with the local police precinct to explore increasing log book usage by foot patrol officers during evening and night time hours. Through this relationship, increased police presence and patrolling at other key times will also be explored.
 - ii. The S9SABD will initiate meetings and technical assistance sessions with the Police Department to strengthen police/business district relationships that identify additional actions that the S9SABD and/or property owners and business owners can take to reduce crime.

4. Promotional Services – Programs and services shall include but are not limited to the following:
 - Retail Events (promotions designed to drive customer traffic into shops and increase foot traffic in order to “ring cash registers that day.”)
 - i. A marketing committee will be established to make recommendations to the S9SABD Board regarding the use of Promotional Services funds. The marketing committee will produce recommendations on how to best structure, market, brand, and promote a series of retail events aimed at generating sales for businesses throughout the Service Area.
 - Develop district-wide visitor shopping and dining map.
 - i. The Executive Director will work with the marketing committee to develop a district shopping and dining map of the entire Service Area. The shopping and dining map will feature all businesses within the Service Area and be distributed by Service Area businesses and hospitality outlets throughout Philadelphia and possibly beyond. The map will also be placed on the S9SABD’s web site.

During S9SABD operation years two through five, the S9SABD will build on the above work by undertaking retail events, advertising, and the use of internet-based marketing to draw attention to the businesses within the Service Area.

5. Communication Services – Programs and services shall include but are not limited to the following:
 - Monthly business newsletter (supports communication by covering concerns over services, special events, and business alerts while allowing for easy feedback – may increase to twice monthly).

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- i. Each month, a business focused newsletter will be distributed to business and property owners via email and other methods deemed necessary for outreach purposes. The newsletter will contain important and recent information of interest to businesses within the Service Area. Specific issues of the newsletter may be translated in other languages as determined by such S9SABD standing committee tasked to plan communications to best reach all constituents.
- Annual S9SABD Services Report with progress measurement and feedback survey.
 - i. An Annual S9SABD Services Report will be drafted and distributed to business owners and property owners throughout the Service Area. This report will provide updates on S9SABD services and economic progress within the Service Area. The report will also include a benchmarking survey to test public attitude towards accomplishing S9SABD goals while also discovering emerging areas for improvement.
- Create educational opportunities for S9SABD Members, residents, and others regarding issues affecting the Service Area via discussion groups, forums, panels, newsletters, and other outreach.

B. Personnel and Administration:

1. Executive Director -

- An Executive Director will coordinate business district services, provide for daily management of S9SABD affairs, and expand S9SABD resources by building relationships with public agencies and partners.
 - i. Additional expectations and duties of the Executive Director include:
 - a. Improve capacity to communicate with S9SABD stakeholders so as to inform staff and the Board.
 - b. Operate the S9SABD in a transparent manner.
 - c. Create opportunities for stakeholders to participate in the governance and operations of the S9SABD.
 - d. Implement the enabling ordinance and exercise the powers granted to the S9SABD under state law.
 - e. Advocacy and coordinative actions with public agencies and elected officials.
 - f. Fund-raising for S9SABD operations and to bring additional resources to the Service Area.
 - g. Implement or facilitate the implementation of Programs and Services provided in this Plan.
 - h. Represent, coordinate, and advocate for the S9SABD with public, private and nonprofit sectors whose actions impact the economic well-being of S9SABD property owners and businesses.

In addition to the above expectations and duties concerning S9SABD operations, the Executive Director will be expected to serve the United Merchants of the South 9th Business Association in a part-time capacity to maintain the current services of that organization and provide good coordination between both organizations, their respective Boards, and area stakeholders.

2. Outreach and Accounts Support -

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- An Accounts Manager will maintain S9SABD property records, support outreach efforts, provide office assistance, provide for the distribution of BID assessment bills, and other duties as may be determined by the Executive Director and/or S9SABD Board.

3. Administration -

- Administration cost necessary for the operation of S9SABD activities are included in this Plan. S9SABD administration expenses include rent, board and general liability insurance, technology and equipment (computer hardware and software, telephones, printer/copier/scanner, router, camera), office supplies, bookkeeping and accounting/audit, telephone and internet service, security alarm, utilities, and legal expenses, professional development/travel, and billing expenses.

Because S9SABD is a new organization, it is understood that there will be additional first year administrative costs associated with acquiring equipment, computer software and office expenses related to the launch of the organization. It is anticipated that these costs will be reduced in years two through five.

SECTION FIVE

BUDGET – The S9SABD is expected to have a first-year budget of \$305,788 in Scheduled Expenses, as set forth in Exhibit 1-C and further explained in the “Line Item Descriptions” following the budget document, with budget amounts for subsequent fiscal years set forth in that document. Expenses are to be divided among two core budget categories identified in state law as set forth in the Community and Economic Improvement Act at 53 P.S. §18105(c)(2)(v) including Programs and Services and Personnel and Administration. Programs and Services will receive a first-year allocation of approximately \$147,829 with Personnel and Administration scheduled to receive a first-year allocation of approximately \$107,800. Additionally, \$5,000 will be allocated to cover the cost of first-year S9SABD startup expenses. Due to first-year expectations of yielding an eighty-five (85%) percent and sixty-five percent (65%) collection rate among affected real properties and curb stands within the S9SABD respectively, an allowance of \$45,158 for non-payment is included within the budget shown in Exhibit 1-C for year one, with this amount decreasing and leveling off in subsequent years.

A. BUDGET INCREASE

Beginning in the third full fiscal year of S9SABD operation, the Budget document reflects a 3% annual increase in expense amounts, and corresponding increases in necessary revenues, from assessments, to cover such increased costs. The S9SABD Board may choose to entertain no budget increase (based on increased assessments), or to adopt an increase of less than three percent over the adjusted total budget, if actual assessed property values in the District do not, on average, increase over time.

SECTION SIX

SOURCE OF FUNDS – It is anticipated that most of the activities identified in this Plan will be paid for via the assessment placed on affected properties within the Service Area of the S9SABD. In compliance with a memorandum of understanding between the S9SABD and the United Merchants of the South 9th Business Association over the shared services of an Executive Director, the United Merchants of the South 9th Business Association will contribute \$20,000 for the compensation of the Executive Director along with \$4,000 in funds to support administrative costs derived from sharing office expenses between the two organizations. The \$24,000 annual contribution from the United Merchants of the South 9th Business Association to support

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S9SABD Personnel and Administration cost as presented in Section Four of this plan will remain as an ongoing transfer of funds throughout the life of the S9SABD. Upon reauthorization of the S9SABD after the completion of this plan's five-year sunset provision, the memorandum of understanding between the S9SABD and the United Merchants of the South 9th Business Association may be reviewed to adjust the revenue sharing amount as necessary. Additionally, the S9SABD Board is expected to have a strong grant seeking posture to fund activities that enable the BID to achieve its goals more rapidly and comprehensively. The S9SABD Board is also authorized to consider contract and entrepreneurial relationships that are of benefit to the organization as a whole as part of its work in implementing the services outlined in Section Four.

SECTION SEVEN

FISCAL YEAR – As required by state law, each fiscal year for the S9SABD will begin on January 1, starting with January 1, 2017. Notwithstanding this, the S9SABD Board, shall be authorized to incur those expenses during the 2016 calendar year associated with incorporation of the S9SABD, Inc., organizing the annual meeting to hold elections for board membership as delineated in the bylaws (Exhibit 1-D), paying staff and related office costs, including the purchase of equipment and renting of office space, and other tasks associated with the establishment of organizational capacity. With the exception of costs associated with incorporation or related legal expenses, none of the above costs shall be incurred by the S9SABD prior to final approval of the ordinance authorizing the S9SABD. If loans are used to cover costs incurred during 2016 from a lender authorized by law to make such loans, this money shall be repaid in its entirety during the 2017 fiscal year.

SECTION EIGHT

COST-SHARING FORMULA –

A. PROPERTIES SUBJECT TO THE ASSESSMENT

All taxable (for real estate purposes) commercial properties within the Service Area as described in Section Two (defined as properties used for any for-profit activity involving trade or commerce in general, including vacant commercial and industrial zoned parcels and residential properties with two or more units that are rented to tenants for profit) shall be subject to an S9SABD assessment. Single unit residential properties used exclusively for residential purposes will not be assessed. Similarly, any owner-occupied unit(s) used as a residence within a multi-unit property will receive an adjustment in the assessment calculation under the formula used to calculate the BID assessment on that property based on the proportion of the property used as an owner-occupied residence. Recent amendments to the Community and Economic Improvement Act authorize Improvement Districts to impose assessments upon curbside stalls operating from a fixed location within district boundaries. All curbside stalls as recognized by the City of Philadelphia's Department of Licenses and Inspections located along South 9th Street within the District shall be subject to an S9SABD assessment, to the extent allowed under the Community and Economic Improvement Act.

Neither vacancy nor non-use of a property, whether real property or a licensed curbside stall qualifies a property for exemption from paying the S9SABD assessment under any circumstance.

Any property within the Service Area that is not subject to the S9SABD assessment, but which at a subsequent date converts to a usage that is subject to S9SABD assessment, shall become subject to that assessment in the next S9SABD fiscal year. Conversely, any property currently subject to the S9SABD assessment which is

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converted to an exempt purpose may petition the S9SABD Board to be designated exempt with such exemption to commence with the next S9SABD fiscal year.

B. METHOD OF ASSESSMENT

Properties will be assessed based on a three-tiered basis involving the following categories of properties: curb-stand stalls; non-owner-occupied commercial properties; and owner-occupied commercial properties.

Curb stands will be assessed at a fixed rate of two-hundred dollars (\$200) annually.

Real property will be assessed utilizing the property value assessment of such property, as a ratio to the total value of all property in the District subject to assessment (the property value “base” of all District assessable real property). This fraction will be multiplied by the total annual expenses of the District to be paid by owners of all of the properties subject to assessment based on the assessed property value of the property. Expenses to be paid by such owners, in total, is the amount that must be generated from such owners that, along with revenue received from curb stand stall licensees and annual donations from the United Merchants of the South 9th St. Association, will cover the budgeted expenses of the District.

For determining the assessment of owner-occupied properties, an adjustment will be made based on the portion of the property that is owner-occupied for residential purposes. After determining the basic assessment under the above formula, the assessment will be reduced based on the ratio of the number of owner-occupied units in the building to the total number of units in the building. For example, if an owner occupies, for residential purposes, one unit in a four-unit building, the assessment will be reduced by one-quarter and shall therefore be based on three-quarters of the full assessed property value of the property.

For determining the property value assessment of each property and the total value of all properties subject to assessment based on the assessed value of the property, the most recent certified values available from the City’s Office of Property Assessment as of November 1st of the year prior to the commencement of the fiscal year for billing beginning on January 1st will be used. However, for the first fiscal year which commences on January 1, 2017, the most recent certified assessed values available when the ordinance creating the S9SABD is introduced shall be used to calculate S9SABD assessments. All assessments on S9SABD affected real properties will be based on assessed value without regard to any tax abatements that may be associated with a particular property.

For real property, whether owner-occupied or not (but not curb stands), where the value derived through the formula would lead to an amount less than three-hundred-and-sixty-five dollars (\$365), the assessment for such property shall be three-hundred-and-sixty-five dollars (\$365). This methodology recognizes that regardless of a property’s value, the services offered by the S9SABD to all such properties can be reasonably valued at a daily rate of at least one dollar per day.

Accordingly, assessments on real properties shall be calculated as follows (using the first budget year as an example):

Total Scheduled Expenses =	\$ 305,787
United Merchants Contribution =	\$ 24,000

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Curb Stand Billing Amount = \$ 15,400

Property Billing Amount
($\$305,787$ minus $\$24,000$ minus $\$15,400$) = \$ 266,387

The assessment for each real property for year 1 of the Plan therefore shall be equal to a fraction – the ratio of the property value assessment for that property to the total property value base of all real property (including the full value of owner-occupied and non-owner occupied properties) subject to a District assessment – multiplied by $\$266,387$. Properties that are owner-occupied for residential purposes will have the amount produced by this formula reduced by a fractional amount as explained above.

In fiscal years after Year 1, the amount of overdue collections anticipated to be received in that fiscal year shall, along with billings to curbs stands and from the United Merchants contribution, be deducted from the billing amount anticipated to be needed from affected real properties to generate revenues sufficient to cover budgeted costs of the District.

To ensure compliance with state law as set forth in the Community and Economic Improvement Act at 53 P.S. $\S 18107(b)(3)$, in no case shall the aggregate amount of all assessments on affected properties levied by the S9SABD during any year exceed the combined cost of proposed programs and services and administration and personnel (the S9SABD Budget – Exhibit 1-C) for that year.

Funds raised via fund raising, sponsorships, contracts, grants, and other non-assessment sources of income to the S9SABD can increase the S9SABD's budget, but the financial effects of these contributions shall not affect the calculation of assessments. The S9SABD Board, at its discretion, may accept in-kind donations or BID assessment payments from willing tax-exempt properties within the Service Area.

C. COLLECTIONS/PROPERTY LIENS

Each assessment authorized pursuant to this ordinance is collectable. In order to encourage timely payment, beginning with the 2017 fiscal year, assesses making full payment of the S9SABD assessment by January 20, 2017 shall be entitled to a discount of one percent (1%) of the amount due for that fiscal year.

On the first of each month, beginning with April 1 of the year in which the assessment is due and continuing thereafter until the assessment is paid, the S9SABD has the authority to charge 1.5% interest per month on any unpaid assessment or unpaid portion of an assessment.

In addition to the assessment and any interest due, the S9SABD will charge $\$100$ per lien to be added to the principal and interest of any unpaid assessment to cover the costs incurred to the S9SABD associated with the filing of the lien along with the actual administrative cost of processing the lien with the City of Philadelphia if required. All lien satisfactions must be paid by check or with guaranteed funds.

SECTION NINE

FIVE YEAR SUNSET – All improvements, programs, and services identified within this Plan will commence during the first year of S9SABD activity and continue on an ongoing basis throughout the life of the ordinance, until December 31, 2021. In accordance with the S9SABD bylaws, the Board shall prepare and present for Member input an annual services plan at the Annual Meeting beginning in year two of S9SABD operations.

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SECTION TEN

OFFICES OF THE SOUTH 9TH STREET AREA BUSINESS DISTRICT, INC – The offices of the S9SABD are located at _____ Philadelphia, PA 19147. The offices may be relocated at the pleasure of the organization’s Board of Directors in accordance with the organization’s bylaws (Exhibit 1-D) and upon notification of the Clerk of the City of Philadelphia.

SECTION ELEVEN

SPECIFIC DUTIES AND RESPONSIBILITIES OF THE CITY OF PHILADELPHIA AND THE SOUTH 9TH STREET AREA BUSINESS DISTRICT, INC. WITH RESPECT TO THE SERVICE AREA – (I) The City will be responsible for maintaining the same level of municipal programs and services within the Service Area during its duration as a neighborhood improvement district as before its establishment as a neighborhood improvement district. The level of the municipal programs and services will be documented three (3) months in advance of the establishment of the S9SABD to provide a baseline of services. The City will also be responsible for applying liens on properties for non-payment of property assessment fees as set forth in the Community and Economic Improvement Act at 53 P.S. §18108(a) (10) (II). South 9th Street Area Business District, Inc. shall fulfill all the duties and responsibilities of a Neighborhood Improvement District Management Association (NIDMA) as set forth in the Community and Economic Improvement Act (53 P.S. §18101 et. seq.). In its capacity as the NIDMA, South 9th Street Area Business District, Inc. shall annually submit an audit of all income and expenditures to the Department of Community and Economic Development, the Clerk of City Council and the City Commerce Department within 120 days after the end of each fiscal year, and submit a report, including financial and programmatic information and a summary of audit findings, to the Clerk of City Council, the City Commerce Department, and to all affected property owners located in the Service Area (as required by 53 P.S. §18109). In addition, South 9th Street Area Business District, Inc. shall be responsible for collecting all assessment fees levied within the Service Area.

SECTION TWELVE

AGREEMENT WITH THE CITY OF PHILADELPHIA – A written agreement will be signed by the City of Philadelphia and South 9th Street Area Business District, Inc. containing the following provisions:

- A. The respective duties of the City and South 9th Street Area Business District, Inc. with respect to the Service Area as set forth in Section 11 above;
- B. The City’s agreement to maintain within the Service Area the same level of municipal programs and services that were provided within the S9SABD Service Area before its establishment;
- C. A “sunset provision” under which the agreement will expire in approximately five years on December 31, 2021 and not be renewed unless the S9SABD is continued beyond that date pursuant to reenactment of the ordinance establishing the S9SABD; and
- D. South 9th Street Area Business District Inc.’s agreement to be responsible for the collection of all property assessment fees levied within the Service Area and the City’s agreement to file any necessary liens for nonpayment of property assessment fees as set forth in the Community and Economic Improvement Act at 53 P.S. §18107 (a) (10).

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OBJECTION OF FINAL PLAN FOR THE S9SABD – To prohibit the establishment of the proposed S9SABD, the written objections must be filed with the Clerk of City Council within forty-five (45) days after the presentation of the final plan before the City Council’s Rules Committee. All written objections must comply with the conditions set forth by Pennsylvania’s Community and Economic Improvement Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18105 et. seq.). Recent amendments to the Community and Economic Improvement Act recognize curb stands operating from fixed locations in the proposed S9SABD as affected properties the licensees of which may choose to object to the adoption of the final plan for the S9SABD. To defeat the establishment of the proposed S9SABD:

- 1) affected property owners representing the ownership of at least one-third of the properties owned by affected property owners within the S9SABD Service Area proposed in the final plan must object; or
- 2) affected property owners within the S9SABD Service Area, the value of whose properties, as assessed for taxable purposes, amounts to at least one-third of the total property valuation of property owned by affected property owners within the S9SABD Service Area proposed in the final plan must object. For purposes of determining the measure of assessment “value” of curb stands for this purpose, the method of valuation set forth in subsection 5(b)(8) of the Community and Economic Improvement Act shall be used.

SECTION FOURTEEN

BY-LAWS OF THE SOUTH 9TH STREET AREA BUSINESS DISTRICT – Copies of the bylaws of the South 9th Street Area Business District Inc. are posted online at www.south9thwashington.com the official website of the South 9th Street and Washington Avenue BID Study or available upon request at the Italian Market Visitor Center located at 919 S. 9th Street Philadelphia, PA 19147.

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - A

Map of the South 9th Street Area Business District (S9SABD) Service Area



In the event of a discrepancy, the affected properties and curb stands

City of Philadelphia list attached as Exhibit 1-B holds precedence over this map.

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - B

Affected Properties (Real Properties & Curb Stands) within South 9th Street Area Business District (S9SABD)

List of Affected Real Properties - South 9th Street Area Business District (S9SABD)

734 S. 9th St.	1027 S. 9th St.	914 S. 8th St.	1100-18 E Passyunk Ave	911 Christian St
735 S. 9th St.	1028 S. 9th St.	915 S. 8th St.	1101 E Passyunk Ave	912 Christian St
736 S. 9th St.	1029 S. 9th St.	916 S. 8th St.	1103 E Passyunk Ave	913 Christian St
737 S. 9th St.	1030 S. 9th St.	919 S. 8th St.	1105 E Passyunk Ave	921 Christian St
738 S. 9th St.	1031 S. 9th St.	923 S. 8th St.	1107 E Passyunk Ave	928-30 Christian St
740 S. 9th St.	1032 S. 9th St.	925 S. 8th St.	1109 E Passyunk Ave	937 Christian St
744 S. 9th St.	1033 S. 9th St.	927 S. 8th St.	1111 E Passyunk Ave	1001 Christian St
748 S. 9th St.	1034 S. 9th St.	929 S. 8th St.	1113 E Passyunk Ave	1003 Christian St
752 S. 9th St.	1035 S. 9th St.	941 S. 8th St.	1115 E Passyunk Ave	1004 Christian St
753 S. 9th St.	1037 S. 9th St.	944-46 S. 8th St.	1117 E Passyunk Ave	1005 Christian St
756 S. 9th St.	1038 S. 9th St.	1000 S. 8th St.	1119 E Passyunk Ave	1006 Christian St
758 S. 9th St.	1039 S. 9th St.	1001 S. 8th St.	1121 E Passyunk Ave	1007 Christian St
759 S. 9th St.	1041 S. 9th St.	1002 S. 8th St.	1122 E Passyunk Ave	1009 Christian St
760 S. 9th St.	1101-7 S. 9th St.	1005 S. 8th St.	1123 E Passyunk Ave	1017 Christian St
761 S. 9th St.	1102 S. 9th St.	1008 S. 8th St.	1124 E Passyunk Ave	1019 Christian St
764 S. 9th St.	1104 S. 9th St.	1009 Unit 6 S. 8th St.	1125-27 E Passyunk Ave	1023 Christian St
765 S. 9th St.	1106 S. 9th St.	1010 S. 8th St.	1126 E Passyunk Ave	1025 Christian St
766-68 S. 9th St.	1108 S. 9th St.	1012 S. 8th St.	1128-30 E Passyunk Ave	824-30 Catherine St.
767 S. 9th St.	1109-33 S. 9th St.	1014 S. 8th St.	1129 E Passyunk Ave	805- Carpenter St
800 S. 9th St.	1112 S. 9th St.	1019 S. 8th St.	1132-40 E Passyunk Ave	816 Carpenter St
802 S. 9th St.	1118 S. 9th St.	1021 S. 8th St.	1133 E Passyunk Ave	818 Carpenter St
804 S. 9th St.	1120 S. 9th St.	1025 S. 8th St.	1135 E Passyunk Ave	820-22 Carpenter St
806 S. 9th St.	1122 S. 9th St.	1026 S. 8th St.	1137-43 E Passyunk Ave.	821-23 Carpenter St
808 S. 9th St.	1124 S. 9th St.	1027 S. 8th St.	1142-46 E Passyunk Ave	824 Carpenter St
810 S. 9th St.	1126 S. 9th St.	1029 S. 8th St.	1145 E Passyunk Ave	825 Carpenter St.
812 S. 9th St.	1128 S. 9th St.	1030 S. 8th St.	1153 E Passyunk Ave	826 Carpenter St
814 S. 9th St.	1130-32 S. 9th St.	1031 S. 8th St.	1154 E Passyunk Ave	827 Carpenter St.

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - B

Affected Properties (Real Properties & Curb Stands) within South 9th Street Area Business District (S9SABD)

816 S. 9th St.	1134 S. 9th St.	1033 S. 8th St.	1155 E Passyunk Ave	828 Carpenter St
817 S. 9th St.	1135 S. 9th St.	1035 S. 8th St.	1156 E Passyunk Ave	829-31 Carpenter St
818 S. 9th St.	1136 S. 9th St.	1037 S. 8th St.	1164 E Passyunk Ave	833-35 Carpenter St
819 S. 9th St.	1137 S. 9th St.	1039 S. 8th St.	1166 E Passyunk Ave	900-4 Carpenter St
820 S. 9th St.	1138 S. 9th St.	1108 S. 8th St.	1167 E Passyunk Ave	906-8 Carpenter St
821 S. 9th St.	1139 S. 9th St.	1110 S. 8th St.	1168 E Passyunk Ave	909-11 Carpenter St
823 S. 9th St.	1140 S. 9th St.	1116 S. 8th St.	1169-71 E Passyunk Ave	910-14 Carpenter St
827 S. 9th St.	1141 S. 9th St.	1119-23 S. 8th St.	700 Christian St	925-29 Carpenter St
902 S. 9th St.	1142 S. 9th St.	1120 S. 8th St.	701 Christian St	931-33 Carpenter St
903 S. 9th St.	1143 S. 9th St.	1122-24 S. 8th St.	702 Christian St	939-41 Carpenter St
904 S. 9th St.	1144 S. 9th St.	1125 S. 8th St.	703 Christian St	942-44 Carpenter St
905 S. 9th St.	1145 S. 9th St.	1100 S. 7th	706 Christian St	701 Washington Ave
907 S. 9th St.	1146 S. 9th St.	1101-9 S. 11th St.	708 Christian St.	704 Washington Ave
909 S. 9th St.	1147 S. 9th St.	900 S. 10th St.	710 Christian St	706 Washington Ave
909.5-11 S. 9th St.	1148 S. 9th St.	901 S. 10th St.	712 Christian St	708 Washington Ave
910 S. 9th St.	1149 S. 9th St.	910 S. 10th St.	714 Christian St	709 Washington Ave.
913 S. 9th St.	1150 S. 9th St.	914 S. 10th St.	716 Christian St	710 Washington Ave
915 S. 9th St.	1151 S. 9th St.	923 S. 10th St.	718 Christian St	712 Washington Ave
917 S. 9th St.	1152 S. 9th St.	924 S. 10th St.	722 Christian St	714 Washington Ave
919 S. 9th St.	1153 S. 9th St.	927 S. 10th St.	724 Christian St	721 Washington Ave
920 S. 9th St.	1154 S. 9th St.	929 S. 10th St.	728 Christian St	725 Washington Ave.
921-23 S. 9th St.	1155-57 S. 9th St.	930 S. 10th St.	737 Christian St	727 Washington Ave.
922 S. 9th St.	1156 S. 9th St.	931 S. 10th St.	738 Christian St	801-21 Washington Ave
924-26 S. 9th St.	1158 S. 9th St.	932 S. 10th St.	739 Christian St	812-14 Washington Ave
925-27 S. 9th St.	1159 S. 9th St.	933 S. 10th St.	740 Christian St	816-18 Washington Ave
928 S. 9th St.	1160 S. 9th St.	935 S. 10th St.	741 Christian St	820 Washington Ave
929 S. 9th St.	1161 S. 9th St.	940 S. 10th St.	742 Christian St	822 Washington Ave
930 S. 9th St.	1162 S. 9th St.	1001 S. 10th St.	744-46 Christian St	823 Washington Ave
931-33 S. 9th St.	1163 S. 9th St.	1007 S. 10th St.	801 Christian St.	824 Washington Ave

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - B

Affected Properties (Real Properties & Curb Stands) within South 9th Street Area Business District (S9SABD)

932 S. 9th St.	1164 S. 9th St.	1019 S. 10th St.	804 Christian St	825 Washington Ave
934-36 S. 9th St.	1165 S. 9th St.	1023 S. 10th St.	807-11 Christian St	826 Washington Ave
935-39 S. 9th St.	1166 S. 9th St.	1025 S. 10th St.	813 Christian St	827 Washington Ave
938 S. 9th St.	1167 S. 9th St.	1029 S. 10th St.	815 Christian St	828 Washington Ave.
940 S. 9th St.	1168 S. 9th St.	1126 S. 10th St.	817 Christian St	829 Washington Ave
941-43 S. 9th St.	1169 S. 9th St.	1132 S. 10th St.	820-22 Christian St	830 Washington Ave.
942 S. 9th St.	1170-72 S. 9th St.	1139 S. 10th St.	824 Christian St	831 Washington Ave
944 S. 9th St.	1171 S. 9th St.	1141 S. 10th St.	826 Christian St	833 Washington Ave
945 S. 9th St.	1173 S. 9th St.	1143 S. 10th St.	829 Christian St	835 Washington Ave
947 S. 9th St.	1122R S. 9th St.	831-33 Montrose St	830 Christian St	837-39 Washington Ave.
949 S. 9th St.	805 S. 8th St.	837-39 Montrose St	832 Christian St	900 Washington Ave
951 S. 9th St.	807 S. 8th St.	838-40 Montrose St	834 Christian St	902-6 Washington Ave
1001-5 S. 9th St.	809 S. 8th St.	907-11 Montrose St	836 Christian St	908-18 Washington Ave.
1004-8 S. 9th St.	811 S. 8th St.	829 Federal St	838 Christian St	913 Washington Ave
1007 S. 9th St.	813 S. 8th St.	837-39 Federal St	840 Christian St	917 Washington Ave
1009 S. 9th St.	815 S. 8th St.	817 Ellsworth St	842 Christian St	920 Washington Ave
1010 S. 9th St.	817 S. 8th St.	819 Ellsworth St	844 Christian St	932 Washington Ave.
1011 S. 9th St.	819 S. 8th St.	822-24 Ellsworth St	846 Christian St	933 Washington Ave
1012 S. 9th St.	824-26 S. 8th St.	830 Ellsworth St	848 Christian St	935 Washington Ave
1014 S. 9th St.	828 S. 8th St.	831-33 Ellsworth St	900 Christian St	937 Washington Ave
1015 S. 9th St.	900 S. 8th St.	904 Ellsworth St	901 Christian St	939-41 Washington Ave
1016 S. 9th St.	902 S. 8th St.	906 Ellsworth St	903 Christian St	943-49 Washington Ave
1017 S. 9th St.	904 S. 8th St.	909 Ellsworth St	904 Christian St.	1000 Washington Ave
1018-20 S. 9th St.	906 S. 8th St.	911 Ellsworth St	905 Christian St	1001-49 Washington Ave
1019 S. 9th St.	907 S. 8th St.	914-16 Ellsworth St	906 Christian St	1022-26 Washington Ave
1021-25 S. 9th St.	908 S. 8th St.	917 Ellsworth St	907 Christian St	1028 Washington Ave
1022 S. 9th St.	909 S. 8th St.	921-31 Ellsworth St.	908 Christian St	1030-32 Washington Ave
1024 S. 9th St.	910 S. 8th St.	935 Ellsworth St	909 Christian St	1051-99 Washington Ave
1026 S. 9th St.	913 S. 8th St.	1040 E Passyunk Ave.	910 Christian St	816-R Washington Ave.

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - B

Affected Properties (Real Properties & Curb Stands) within South 9th Street Area Business District (S9SABD)

List of Affected Curb Stands - South 9th Street Area Business District (S9SABD)

Stand Space	Curb Market License #	Stand Space	Curb Market License #
1	389681	40	565897
2	389696	41	565899
3	389695	42	607424
4	391953	43	338592
5	392028	44	338598
6	382029	45	351296
7	421215	46	407094
8	421220	47	333152
9	424409	48	333154
10	413349	49	283155
11	283137	50	493147
12	424413	51	283155
13	389683	52	493147
14	407368	53	407100
15	412667	54	407099
16	337688	55	368555
17	492618	56	368540
18	283127	57	368555
19	283127	58	368540
20	283127	59	603038
21	283127	60	416708
22	283168	61	413432
23	283169	62	513431
24	357875	63	323057
25	357880	64	416716

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - B

Affected Properties (Real Properties & Curb Stands) within South 9th Street Area Business District (S9SABD)

26	489395	65	416718
27	489394	66	283133
28	489395	67	283134
29	489394	68	418587
30	665903	69	418589
31	665904	70	675647
32	675647	71	675647
33	455350	72	675647
34	387386	73	675647
35	387402	74	675647
36	387396	75	675647
37	387400	76	283128
38	334447	77	283131
39	283174		

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - C

South 9th Street Area Business District (S9SABD) - Five Year Budget Plan

Notice: The Property Billing Amount demonstrated by line one of this budget plan represents the maximum total revenue the S9SABD may collect from affected properties in each of the five years of operation based on assessed property values from the City of Philadelphia's Office of Property Assessment.

	Year 1 (2017)	Year 2 (2018)	Year 3 (2019)	Year 4 (2020)	Year 5 (2021)
REVENUE SOURCES					
1 Property Billing Amount	\$266,387	\$266,387	\$274,379	\$282,610	\$291,088
2 Property Assessments Current Year	\$226,429	\$233,089	\$246,941	\$254,349	\$261,979
3 Property Assessments Prior Year(s)	\$0	\$19,979	\$26,639	\$27,038	\$27,650
4 Curb Stand Billing Amount	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400
5 Curb Stand Assessments Current Year	\$10,200	\$10,600	\$11,000	\$11,400	\$11,800
6 Curb Stand Assessments Prior Year(s)	\$0	\$260	\$487	\$683	\$849
7 United Merchants Contribution	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
8 Anticipated Revenue on Back Collections	\$0	\$20,239	\$27,126	\$27,721	\$28,498
9 Anticipated Operating Revenue	\$260,629	\$287,928	\$309,066	\$317,470	\$326,278
10 Total Scheduled Revenue	\$305,787	\$326,026	\$340,904	\$349,731	\$358,986
SCHEDULED EXPENSES					
Programs and Services					
11 Cleaning Services	\$92,000	\$100,000	\$108,000	\$110,000	\$110,000
12 Parking Management Services	\$14,829	\$19,882	\$22,736	\$25,621	\$26,510
13 Public Safety Services	\$8,000	\$14,000	\$16,000	\$16,000	\$16,000
14 Promotional Services	\$29,000	\$39,367	\$44,717	\$45,243	\$50,111
15 Communication Services	\$4,000	\$4,500	\$5,000	\$5,500	\$6,000
16 Programs and Services Total	\$147,829	\$177,749	\$196,453	\$202,364	\$208,621
Administration and Personnel					
17 Executive Director	\$60,000	\$61,200	\$62,424	\$63,672	\$64,946
18 Outreach and Accounts Support Position (P/T)	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484

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RESOLUTION NO. 160704 continued

Exhibit 1 - C

19	Office Operations	\$15,550	\$16,017	\$16,497	\$16,992	\$17,502
20	Legal & Professional Support	\$11,750	\$12,103	\$12,466	\$12,840	\$13,225
21	Billing Cost	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
22	<i>Administration and Personnel Total</i>	<i>\$107,800</i>	<i>\$110,179</i>	<i>\$112,614</i>	<i>\$115,106</i>	<i>\$117,656</i>
Administration and Personnel (First Year Only)						
23	First-Year Start Up Cost	\$5,000	\$0	\$0	\$0	\$0
24	<i>Planned Operating Expenses</i>	\$260,629	\$287,928	\$309,066	\$317,470	\$326,277
25	<i>Net Operating Income (Anticipated Revenue - Planned Expenses)</i>	\$0	\$0	\$0	\$0	\$0
26	Anticipated Non-Collection Allowance	\$45,158	\$38,098	\$31,838	\$32,261	\$32,709
27	<i>Total Scheduled Expenses</i>	\$305,787	\$326,026	\$340,904	\$349,731	\$358,986
28	<i>Net Scheduled Income (Scheduled Revenue - Scheduled Expenses)</i>	\$0	\$0	\$0	\$0	\$0

Line Item Descriptions

- 1 **Property Billing Amount:** Reflects the aggregate assessments imposed on properties subject to the S9SABD Assessment each year. Increases in years three through five reflect the maximum amounts that the S9SABD Board may choose to authorize in these years to account for increases in the costs of services.
- 2 **Property Assessments Current Year:** Assumes first year collections equal to 85% of the Property Billing Amount, thereafter a 2.5% increment increase is assumed leveling out at 90% in year three. Actual collections will be based on actual billings and collection ratios in any given year.
- 3 **Property Assessments Prior Year(s):** For year two, the Plan assumes a collection ratio equal to 50% of the outstanding property assessments due. Thereafter the collection ratio is assumed at a rate equal to 50% of any outstanding property assessments from prior year billings. Actual collections will be based on actual billings and collection ratios in any given plan year.
- 4 **Curb Stand Billing Amount:** Reflects the aggregate assessments imposed on curb stands subject to the S9SABD Assessment each year.
- 5 **Curb Stand Assessments Current Year:** Assumes first year collections equal to 65% of the Curb Stand Billing Amount, thereafter a \$400 increment increase is assumed for subsequent years. Actual collections will be based on actual billings and collection ratios in any given year.
- 6 **Curb Stand Assessments Prior Year(s):** For year two, the Plan assumes a collection ratio equal to 5% of the outstanding curb stand assessments due. Thereafter the collection ratio is assumed at a rate equal to 5% of any outstanding curb stand assessments from prior year billings. Actual collections will be based on actual billings and collection ratios in any given plan year.

Exhibit 1 - C

- 7 United Merchants Contribution:** The United Merchants of the S. 9th Business Association will contribute \$24,000 each year towards Administration and Personnel. Secured through a memorandum of understanding agreement, this allocation will be divided between \$20,000 to support an Executive Director (Personnel) and \$4,000 to cover office expenses (Administration).
- 8 Anticipated Revenue on Back Collections:** This is the amount of revenue the S9SABD expects to collect on outstanding assessments on both real properties and curb stands for fiscal years two through five.
- 9 Anticipated Operating Revenue:** The amount of revenue the S9SABD expects to receive over any given fiscal year.
- 10 Total Scheduled Revenue:** The total revenue derived from the aggregate of assessments billed on affected properties and curb stands along with a planned contribution from the United Merchants of the South 9th Business Association.
- 11 Cleaning Services:** This is the proposed budget for Cleaning Services as outlined in Exhibit 1 of this Plan. Assumes that the proposed cleaning program will expand by \$8,000 annually until leveling off in year four.
- 12 Parking Management Services:** This is the proposed budget for Parking Management Services as outlined in Exhibit 1 of this Plan. Assumes a rapid budget increase in year two with smaller increases in subsequent years.
- 13 Public Safety Services:** This is the proposed budget for Public Safety Services as outlined in Exhibit 1 of this Plan. Assumes a rapid budget increase to \$14,000 in year two and then leveling off at \$16,000 in year three.
- 14 Promotional Services:** The proposed budget for Promotional Services as outlined in Exhibit 1 of this Plan. Assumes annual increases as revenues allow.
- 15 Communication Services:** This is the proposed budget for Communication Services as outlined in Exhibit 1 of this Plan. Assumes an annual increase of \$500 to cover the rising cost of supplies, postage, and other related communication instrument fees.
- 16 Programs and Services Total:** This is the proposed total budget for Programs and Services as outlined in Exhibit 1 of this Plan.
- 17 Executive Director:** This is the proposed total compensation for the Executive Director position as outlined in Exhibit 1 of this Plan. This amount includes \$40,000 from S9SABD revenues on property and curb stands along with a \$20,000 contribution from the United Merchants of the South 9th Business Association for year one. Compensation is budgeted to increase by 2% annually through the five-year duration of this plan.
- 18 Outreach & Accounts Support Position (P/T):** A part-time position to support outreach and billing efforts as outlined in Exhibit 1 of this Plan. Compensation is budgeted to increase by 2% annually through the five-year duration of this plan.
- 19 Office Operations:** The proposed budget to cover the cost of office rent, technology, supplies, security alarm, utilities, along with phone and internet service for the S9SABD as outlined in Exhibit 1 of this Plan. Proposed budgets for years two through five of this Plan reflect annual increases of 3% to reflect increases in the cost of rent, materials, and services.
- 20 Legal and Professional Support:** The proposed budget to cover the cost of operating insurance, book-keeping, accounting, legal expenses, and professional development resources for the S9SABD as outlined in Exhibit 1 of this Plan. Proposed budgets for years two through five of this Plan reflect annual increases of 3% to reflect increases in the cost for these services.
- 21 Billing Costs:** The proposed budget to cover the cost of billing for both property and curb stand assessments to support the activities of the S9SABD as outlined in Exhibit 1 of this Plan. Held at a constant rate based on the assumption that future collection efficiencies will be absorbed through higher cost for supplies and postage.
- 22 Administration and Personnel Total:** This is the proposed total budget for Administration and Personnel as outlined in Exhibit 1 of this Plan.

City of Philadelphia

RESOLUTION NO. 160704 continued

Exhibit 1 - C

- 23 First-Year Start Up Cost:** The proposed budget to cover additional expenses encountered during the first year of S9SABD operations as outlined in Exhibit 1 of this Plan. Such expenses may include (but are not limited to) the cost of minor office renovations, security deposit, etc. This amount is budgeted for the first-year of S9SABD operations only.
- 24 Planned Operating Expenses:** The total cost of Programs and Services along with Administration and Personnel for any given fiscal year. This amount does not include the allowance for expected non-payment of S9SABD fees.
- 25 Net Operating Income:** The difference between Anticipated Operating Revenue and Planned Operating Expenses. This reflects the ending balance of the S9SABD's operating expenses for the implementing of Programs and Services along with Administration and Personnel for any given fiscal year.
- 26 Anticipated Non-collection Allowance:** The expected amount of non-payment on S9SABD assessments from affected properties and curb stands for any given fiscal year. This item is considered as an expense and also includes the anticipated amount to be deducted from the billing of owner-occupied properties based on the portion of residential occupancy by owners of such properties.
- 27 Total Scheduled Expenses:** The total of expenses derived from the aggregate cost of Programs and Services, Administration and Personnel, and the Anticipated Non-collection Allowance for any given fiscal year.
- 28 Net Scheduled Income:** The difference between Total Schedule Revenue and Total Scheduled Expenses. This reflects the ending balance of the S9SABD's total budget when accounting for both scheduled and actual revenue collections along with the scheduled and actual costs for Programs and Services, Administration and Personnel, and the Anticipated Non-collection Allowance for any given fiscal year.

BYLAWS OF THE SOUTH 9TH STREET AREA BUSINESS DISTRICT, INC.

ARTICLE ONE GENERAL

Section 1.01: Name. The name of this entity shall be the South 9th Street Area Business District, Inc. (S9SABD). As permitted under Commonwealth of Pennsylvania Community and Economic Improvement Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18101 et. seq.) (“Community and Economic Improvement Act”) the S9SABD is opting to organize itself as a nonprofit corporation authorized to serve as the Neighborhood Improvement District Management Association as designated by the City of Philadelphia and the Commonwealth of Pennsylvania.

Section 1.02: Definitions.

- a. ASSESSMENT. The special assessment fee charged to affected real property owners located in the S9SABD and the holders of licenses to operate curb market stands located in the S9SABD.
- b. BOARD. Refers to the Board of Directors of the South 9th Street Area Business District (S9SABD).
- c. BUSINESS IMPROVEMENT DISTRICT (BID). The designated Service Area of the S9SABD.
- d. CORPORATION. The nonprofit corporate entity that is the Neighborhood Improvement District Management Association.
- e. CURB STAND OWNER. Shall refer to the person named as the licensee as listed on the official license of a curb stand stall with the City of Philadelphia.
- f. NEIGHBORHOOD IMPROVEMENT DISTRICT MANAGEMENT ASSOCIATION (NIDMA). As delineated in the municipal ordinance establishing the S9SABD, the S9SABD Board will be the managing entity for the S9SABD.
- g. MEMBER. As used herein a “Member” shall refer to those individuals qualifying as a Member of the S9SABD in accordance with the procedures outlined by these bylaws.
- h. OFFICER(S). As used herein an “Officer” shall refer to any Trustee or Trustees of the Board, either voting or non-voting, elected to serve as an Officer(s) in accordance with the procedures outlined by these bylaws.
- i. TRUSTEE(S). As used herein a “Trustee” shall refer to any Member or members of the Board.
- j. SERVICE AREA. As used herein the “Service Area” shall refer to boundaries of the BID as defined by the ordinance establishing the S9SABD.

SECTION 1.03: INCORPORATION. The Corporation is formed under and has been chartered by the Secretary of State of the Commonwealth of Pennsylvania, DATE _____.

SECTION 1.04: SEAL. The S9SABD seal shall be circular in form and shall have inscribed thereon the name of the S9SABD and the words, “Corporate Seal – Pennsylvania 2016”.

SECTION 1.05: OFFICES; REGISTERED AGENT. The principal and registered office of the S9SABD shall be _____ Philadelphia, PA 19147 or at such a location that the Board may by resolution hereafter designate.

SECTION 1.06: DISSOLUTION. The S9SABD may only be dissolved in accordance with the procedures established by the City of Philadelphia and the Commonwealth of Pennsylvania as set forth in the Community and Economic Improvement Act at 53 P.S. §18108.

ARTICLE TWO PURPOSES

SECTION 2.01: PURPOSES. The purposes of the S9SABD shall be to:

- a. Assume and implement all powers granted to it by virtue of its designation by the City of Philadelphia as a Neighborhood Improvement District Management Association (NIDMA) as defined by the Community and Economic Improvement Act 53 P.S. §18107 for the Service Area defined in Philadelphia City ordinance number _____.
- b. Improve property values and business profitability by fostering an attractive, well-managed business district.
- c. Take actions that result in the Service Area being viewed as a desirable place to invest, shop, live, and visit.
- d. Provide a framework whereby Service Area business owners can cooperatively work on matters of common interest.
- e. Work with the Bella Vista Neighbors Association and the Passyunk Square Civic Association on matters of common interest and maintain lines of communication with elected officials and government agencies on issues impacting the BID.
- f. Cooperate with the existing United Merchants of the South 9th Business Association through a memorandum of understanding to ensure the appropriate coordination of services and enhancement activities within the Service Area.
- g. Educate and create educational opportunity for Members, residents, and others regarding issues affecting the Service Area via discussion groups, forums, panels, newsletters, and other outreach.

SECTION 2.02: TAX CODE. The S9SABD is organized exclusively to qualify as a nonprofit, tax-exempt entity pursuant to Section 501(c) (3) of the Internal Revenue Code of 1954, as now or hereafter amended. To effectuate such intent, no part of any net earnings of the S9SABD shall inure to the benefit of any of its individual Members or any other individual. Notwithstanding any other provision of these articles, this Corporation shall not undertake any activities not permitted of a corporation organized under state nonprofit law (P.L. 1444, No. 177, Subpart C) and Section 501(c) (3) of the Internal Revenue Code.

ARTICLE THREE MEMBERSHIP

SECTION 3.01: MEMBERSHIP, DEFINED. Members of the Corporation (“Members”) include the four following classes:

- a. Property Owner Members – Property owners whose property(ies) is/are within the Service Area and whose property(ies) is/are being assessed to support the activities of the S9SABD.
- b. Business Owner Members - commercial tenants of properties subject to the BID Assessment but not owning any property assessed to support the activities of the S9SABD and holding a minimum one-year lease, all required licenses, or having valid tenancy within the Service Area for at least three years.
- c. Curb Stand Owner Members – Curb Stand Owners assessed to support the activities of the S9SABD and currently holding all required licenses.
- d. Curb Stand Operator Members – Tenants, but not Curb Stand Owners, of curb stands assessed to support the activities of the S9SABD and currently holding all required licenses.
- e. Owners of properties located within the Service Area, but not subject to the BID Assessment (“non-assessed property owners”), shall not be considered as Members.

SECTION 3.02: MEMBERSHIP PARTICIPATION. Members who have not paid their BID Assessment for the year prior to the Annual Meeting are not eligible to serve on the Board or vote in an election for Board Trustees until such time as their assessments have been paid in full.

SECTION 3.03: MEMBERSHIP VOTING, PROXY VOTING. For election of Trustees, amending the bylaws, and other times when Members have an opportunity to vote on S9SABD matters, definitive eligibility to vote will be:

- a. that the person is named as owner of the property (Property Owner Member) as delineated in Philadelphia tax or property ownership records;
- b. for properties owned by corporate entities the corporation must file a statement prior to voting indicating who will be voting on behalf of the corporate owner where any person voting on behalf of the corporation's interest must be someone with a direct interest in the property as owner/co-owner of the property or in the employment of the owner/co-owner;
- c. a Business Owner Member's eligibility to vote on S9SABD matters shall be granted to one owner of said business as listed on the official license of the business. If there is more than one owner listed on the official license of the business, the business owners shall decide which individual will cast one vote on behalf of all the owners;
- d. a Curb Stand Owner Member's eligibility to vote on S9SABD matters shall be granted only to one person that is named as the Curb Stand Owner as listed on the official license of the curb stand;
- e. a Curb Stand Operator Member's eligibility to vote on S9SABD matters shall be granted only to one person that is named as the tenant of the curb stand as listed on either the official license of the curb stand or on an official lease agreement between the curb stand operator and the Curb Stand Owner of said curb stand;
- f. tax exempt institutional or nonprofit owned properties within the Service Area, but not subject to the Assessment as outlined above, may become Property Owner Members of the S9SABD if the owner chooses to voluntarily pay a BID Assessment based on their tax exempt assessed value; and
- g. proxy representation for voting at any meeting is not acceptable at any time.

SECTION 3.04: MEMBERSHIP QUORUM. For a duly authorized and properly notified meeting, a quorum shall consist of the number representing a minimum of five-percent (5%) of all S9SABD Members, who are authorized and designated as eligible voters as defined by these bylaws.

SECTION 3.05: NON-ASSESSED PROPERTY OWNER PARTICIPATION. Property owners, businesses, residents and others not meeting the definition of Member shall be eligible to participate in the activities and governance of the S9SABD as delineated by these bylaws and the municipal enabling ordinance. Non-assessed property owners within the Service Area may become Members by making annual voluntary contributions to the S9SABD in the amount equal to the assessment they would have been charged if their property was subject to the Assessment. Non-assessed property owners within the Service Area and others may be invited to access or participate in activities or programs of the Corporation on a fee-for-service basis, or on such other terms as the Board of Trustees shall determine from time to time.

SECTION 3.06: OTHER PARTICIPATION. Others not owning property within the Service Area may also participate as members of Board Committees as determined by the Board.

SECTION 3.07: MEMBERSHIP STATUS DEFAULTATION ORDER. In cases where a Member of the S9SABD may qualify as a Member under more than one class of membership as defined by Section 3.01 of these bylaws, said Member's membership class, as recorded in the membership roll book of the Corporation, shall

default to the membership class as represented by the scale outlined within this section. The default ordering scale of membership classes shall be a) Property Owner Members, b) Business Owner Members, c) Curb Stand Owner Members, and d) Curb Stand Operator Members. Members of the S9SABD qualifying as a Member under more than one class of membership shall therefore default to the membership class represented by the earliest alphabetical term (a, b, c, or d) as outlined by the default ordering scale stated in this section. In no case shall a Member's class indicate that said Member has more or fewer privileges than a Member qualifying under a different class of membership.

ARTICLE FOUR GOVERNANCE

SECTION 4.01: BOARD OF TRUSTEES, TOTAL. In accordance with the decision to organize the S9SABD under the Pennsylvania Community and Economic Improvement Act 174 of 1998 53 P.S. §18106(d) (3) the Board shall consist of nine persons.

SECTION 4.02: BOARD COMPOSITION. The Board will have five classes of membership. All shall be voting members.

- a. One person representing the City of Philadelphia in accordance with the procedures established by the City.
- b. One board member of the United Merchants of the South 9th Business Association as designated by that board in accordance with its procedures. Such designation shall be made and transmitted to the S9SABD by resolution of the United Merchants of the South 9th Business Association.
- c. One person representing a Curb Stand Owner Member or Curb Stand Operator Member as designated by the United Merchants of the South 9th Business Association in accordance with its procedures. Such designation shall be made and transmitted to the S9SABD by resolution of the United Merchants of the South 9th Business Association.
- d. Two persons qualifying as Business Owner Members as defined in Section 3.01 of these bylaws and chosen according to the procedures established in these bylaws. These two persons must qualify as Business Owner Members at the time of their appointment or election and continue to meet this definition throughout their respective terms in office.
- e. Four persons qualifying as Property Owner Members as defined in Section 3.01 of these bylaws and chosen according to the procedures established in these bylaws. These four persons must qualify as Property Owner Members at the time of their appointment or election and continue to meet this definition throughout their respective terms in office.

The Board may have more than one member who owns property and is a Curb Stand Owner and/or Curb Stand Operator within the District. To ensure compliance with the law under the Pennsylvania Community and Economic Improvement Act 174 of 1998 53 P.S. §18106(d) (4), the S9SABD Board shall include a representative of Property Owner Members and a representative of Business Owner Members located within the Service Area. If at any time during a term in office a Board member can no longer meet the membership qualifications of their seat on the Board, the Board seat shall be declared vacant and shall be filled by the procedures established in Section 4.07 of these bylaws.

SECTION 4.03 SELECTION OF BOARD MEMBERS, BUSINESS OWNER AND PROPERTY OWNER MEMBERS, NOMINATING COMMITTEE AND APPLICATION PROCESS. Prior to the Annual Meeting, a Nominations Committee shall be established in accordance with the procedures outlined in Section 8.07 of these bylaws. Nominations for Board seats shall be accepted from Members of the S9SABD, meeting the qualifications as

outlined by Section 4.02 of these bylaws for any existing vacancy. The Nominating Committee shall prepare an application form to be used by those who wish to nominate themselves for the Board. All nominations for Board seats must be received by the Nominations Committee at least thirty days prior to the date of the Annual Meeting at which vacant Board seats shall be filled. Within thirty days prior to the Annual Meeting, the Nominations Committee shall review all the applications submitted for vacant Board seats and compile a ballot listing all candidates that are qualified, in the category in which they are qualified, as outlined in Section 8.07. At the Annual Meeting the candidate(s) that receive the highest number of votes in their category shall be elected for that category. Only members in attendance may vote. No proxy voting is permitted. Votes shall be cast on the basis of one vote per Member in accordance with the membership procedures outlined in Section 3.03 by these bylaws.

SECTION 4.04 SELECTION OF BOARD MEMBERS, CURB STAND MEMBER AND REPRESENTATIVE FROM THE UNITED MERCHANTS OF THE SOUTH 9TH BUSINESS ASSOCIATION. Prior to thirty days before the Annual Meeting of the S9SABD, the United Merchants of the South 9th Business Association shall submit to the S9SABD Nominations Committee their designees for Board membership, two positions that include a) a board member of the United Merchant of the South 9th Business Association to serve on the S9SABD Board as a representative of that organization; and b) one Member to represent Curb Stand Owners and/or Curb Stand Operators to serve on the S9SABD Board. The Nominations Committee shall verify for eligibility both such designees from the United Merchants of the South 9th Business Association based on the nominee's application form, and shall directly appoint these designees to serve on the S9SABD Board.

SECTION 4.05: ELECTIONS: TERMS OF OFFICE, GENERAL. Elections shall be held at the Annual Meeting. Terms shall begin immediately after election. Terms shall be for two years, except those selected for terms to begin in January 2017 so that future boards will be elected on a staggered basis to promote continuity. Barring resignation or dismissal from the Board, members may continue to serve after the second anniversary of their election until such time as a replacement Trustee has been chosen. Trustee of the Board shall not serve more than two consecutive, two-year, terms. A Trustee having completed two consecutive, two-year, terms on the S9SABD Board may be nominated for election again after sitting off the Board for one year.

SECTION 4.06: ELECTIONS, TERMS OF OFFICE, FIRST ELECTION. All candidates for the Board at this first election shall run as candidates to serve on the Board. At the conclusion of the first election and the identification of six (6) S9SABD members for Board service, there shall be a drawing of lots among those candidates with three (3) members drawing numbers to serve Board terms of two years; three (3) members drawing numbers to serve a single year term on the Board. For the first election, two Property Owner Members and one Business Owner Member shall have a one-year term, and two Property Owner Members and one Business Owner Member shall have a two-year term.

SECTION 4.07: VACANCY DUE TO FAILURE TO CONTINUE TO MEET ELIGIBILITY REQUIREMENTS.

- a. If during a term of Board service, a Trustee fails to continuously maintain the eligibility to serve on the Board per these bylaws, the Trustee will be automatically removed from the Board and the remaining Trustees will convene to appoint a new member to fill his or her position on the Board until the next annual meeting.
- b. If at any time during a term in office a Board member no longer meets the definition of a Member as defined by Section 3.01 of these bylaws the Board seat shall be declared vacant and shall be filled by the procedures established in Section 4.07 of these bylaws.

SECTION 4.08 REMOVAL OF TRUSTEES, VACANCIES. The Board may vote to remove any Trustee from the Board with or without cause by majority vote at a special meeting duly called for this purpose and at which a quorum is present. The Board shall appoint a successor to serve until the next Annual Meeting at which time an election shall be held to fill the seat for the balance of the term, if necessary.

SECTION 4.09: RESIGNATION OF A TRUSTEE. Any Trustee may resign at any time. In the event of a resignation, submitted in writing to the Board Secretary, a vacancy shall be declared. Should a vacancy be declared, the Board, by majority vote, shall appoint a temporary Trustee who shall serve until the next Annual Meeting at which time a selection process will be held to designate a member who will serve for the balance of the unexpired term of the resigned Trustee.

SECTION 4.10: MINIMUM EXPECTATIONS OF TRUSTEES. Trustees serving on the S9SABD Board are expected to meet the following requirements. Failure to meet any of the following requirements may constitute grounds for removal from the Board.

- a. All Trustees are required to achieve an 80% annual attendance rate for all regular or special meetings of the S9SABD Board during any fiscal year.
- b. Trustees missing two consecutive meetings will be automatically considered for a vote of removal from the Board.

ARTICLE FIVE POWERS OF THE BOARD

SECTION 5.01: POWERS OF THE BOARD. Consistent with state law under the Pennsylvania Community and Economic Improvement Act 174 of 1998 53 P.S. §18107, municipal ordinance and these bylaws, responsibility for managing the affairs of the S9SABD shall be exercised by and be under the authority of the Board of Trustees. This shall include the power to:

- a. Assume all responsibility to exercise those powers granted to the Board under applicable state law, municipal ordinance and these bylaws.
- b. Fulfill the requirements of applicable state and local law.
- c. Call an Annual Meeting in accordance with these bylaws.
- d. Establish permanent and ad-hoc committees to advise the Board.
- e. Provide Members with occasional reports on S9SABD activities and ensure that the programs of the S9SABD are being implemented.
- f. Hire, reward and terminate the Executive Director and establish compensation for such employee, and otherwise oversee his or her performance.
- g. Contract for S9SABD management services as well as services to advise and/or implement specific program activities.
- h. Take such actions as are necessary and convenient to implement the BID Plan identified in the municipal ordinance authorizing S9SABD operations.
- i. Appoint additional non-voting members of the Board to serve as non-voting Trustees of the Board. Non-voting Trustees appointed by the Board may serve as committee chairs and participate in all Board discussions. Non-voting Trustees can, but are not required to be Members of the S9SABD. The input of non-voting Trustees is in all cases encouraged, and where possible decision-making consensus shall occur between voting and non-voting Trustees of the Board. Terms of non-voting Trustees shall be decided by the Board by policy or at the time of the appointment of the non-voting Trustee.

ARTICLE SIX MEETINGS

SECTION 6.01: ANNUAL MEETING. The Board shall be responsible for convening an Annual Meeting each year. The time and place of this meeting shall be established by the Trustees. The Corporation shall hold its Annual Meeting during October prior to the start of the fiscal year that is to be reviewed on the agenda of the Annual Meeting.

The Secretary of the Board (or the Secretary's designee) shall provide a written notice of the Annual Meeting to Members, stating the place, date, and hour of the meeting. The notice shall be given either personally hand delivered, or by mail to each Member at least three weeks before the date of the meeting or by emailing a copy of the notice to all Members and posting of such notice prominently at the Office of the S9SABD. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the Member at their address as it appears on the Corporation's membership database.

SECTION 6.02: ANNUAL MEETING AGENDA. The annual meeting shall include the following required agenda items:

- a. Elections and/or Approvals of Trustees to fill forthcoming and/or expired terms.
- b. Election of Board Officers, by those persons who will constitute the Board membership for the new or just commenced fiscal and calendar year. The Board may, at its discretion, briefly adjourn the Annual Meeting and caucus to discuss among themselves and the newly elected Trustees the election of Board Officers.
- c. The Chairperson shall report on activities of the previous year and present a work plan for the S9SABD for the coming year, recognizing that the plan for the year is subject to amendment by the Board during the course of the year. At the conclusion of this report, the Board shall solicit comment from the Members in attendance and after appropriate discussion the Board may amend the work plan and shall seek a resolution of support from those Members attending the Annual Meeting for the proposed plan.
- d. The Treasurer shall report on the financial condition of the S9SABD and present the proposed budget for the coming fiscal year. Members shall have the opportunity to ask questions and express opinions regarding the proposed budget at this time. At the conclusion of the hearing on the proposed budget, the Board of Trustees may adopt the proposed budget, with or without amendments, or adopt an interim budget to be used until a permanent budget is adopted. In preparation for this report, Members shall be sent a copy of the proposed budget at least three weeks prior to the Annual Meeting by mail or electronic means.
- e. Time shall be allocated at the Annual Meeting for any Member to address the Board on any topic of relevance to the S9SABD.
- f. A schedule of Regular Meetings for the forthcoming year shall be presented and adopted by the Board. Such schedule is also to be posted on the S9SABD website and emailed to all Members.
- g. The Board may conduct additional business at the Annual Meeting at its discretion.

SECTION 6.03: REGULAR MEETINGS. All meetings are open to all Members except when circumstances require confidential discussions. As guidance as to when closed sessions are required the Board shall use as guidelines the Pennsylvania Sunshine Act (65 Pa.C.S.A. § 708) and applicable Philadelphia ordinances. Minutes of the discussions shall be taken by the Secretary of the Board and shall be made available as soon as practical and posted on the organization's web site along with minutes from other regular meetings.

SECTION 6.04: SPECIAL MEETINGS. Special meetings may be called by the Board Chair or when requested by three or more Board members. The Secretary of the Board shall give or shall cause to give notice of each special Board meeting or rescheduled regular meeting at least twenty-four hours prior to the time thereof, indicating the date, time, location and purpose of said meeting. Notice shall constitute personally hand-delivering to the site of each Member's Service Area location or emailing a copy of the notice to all Members and posting of such notice prominently at the Office of the S9SABD.

SECTION 6.05: QUORUM. A majority of the voting Trustees of the Board shall constitute a quorum for the transaction of business, except in cases where by statute, ordinance or provision of these bylaws another number is specified. In the absence of a quorum, the voting Trustees present by a majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. The acts of a majority of the voting Trustees present at a meeting at which a quorum is present shall be the acts of the Board.

SECTION 6.06: USE OF CONFERENCE TELEPHONE EQUIPMENT. Trustees may conduct regular or special Board meetings through the use of any means of conference telephone or similar communication equipment by which all Trustees participating in the meeting may simultaneously hear each other during the meeting.

ARTICLE SEVEN OFFICERS AND EMPLOYEES

SECTION 7.01: EXECUTIVE OFFICERS AND EXECUTIVE COMMITTEE. By a majority vote of the voting Trustees at the Annual Meeting, the Board shall elect, from the Trustees, a Chairman of the Board, a Vice-chairman, a Secretary and a Treasurer (the "Officers"). Terms for these offices shall be for one (1) year. Together these Officers shall constitute an Executive Committee. The Executive Committee shall have no power to take any action required by law without the approval of the Board. Consistent with furthering openness and transparency, the Executive Committee may meet to plan meetings, take action to call previously unscheduled meetings and direct ministerial tasks to be undertaken by staff. Minutes shall be taken at every Executive Committee meeting and shared with the Board of Trustees as soon as practical, as a record of the Executive Committee's actions. All minutes shall be posted on the organization's web site within fifteen (15) days of approval by the Board.

SECTION 7.02: CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the Board at which he/she shall be present. He/she shall have and may exercise such powers as are from time to time assigned by the Board. The Vice-Chairman of the Board, at the request of the Chairman or in his/her absence, or during his/her inability to act, shall perform the duties and exercise the functions of the Chairman of the Board, and when so acting shall have the powers of the Chairman of the Board. The Vice-Chairman shall have such other duties as may be assigned by the Chairman. The Chairman shall have general charge and supervision of the activities and affairs of the Corporation. When authorized by the Board of Trustees, he may sign and execute in the name of the Corporation on all authorized instruments, except in cases in which the execution thereof expressly requires two signatures or where power to execute an agreement has been delegated by resolution of the Board to some other Officer or agent of the Corporation.

SECTION 7.03: SECRETARY. The Secretary shall keep:

- a. The minutes of the meetings of the Board in books provided for the purpose, including records of all votes.
- b. A roll book of Members derived from the tax records of the City of Philadelphia.

- c. All other resolutions and acts of the Corporation.

Records shall be placed in Corporation offices and under the daily control of designated staff. Ministerial functions of the Secretary may be assigned to designated staff by the Board. The Secretary shall see that all notices are duly given in accordance with the provisions of the bylaws or as required by law. The Secretary shall be custodian of the records of the Corporation; see that the corporate seal is affixed to all documents requiring said seal, upon authorization by the Corporation and when so affixing the Seal the Secretary may attest to the same; and, in general, perform all duties as, from time to time, may be assigned by the Board or the Chairman. The Secretary is responsible for ensuring that notices of all meetings and other materials, as required by these bylaws, local ordinance and state law are provided to Members and public notice providers. The Secretary is responsible for keeping the Board minutes, however the Secretary may designate staff or another to take meeting notes that become the basis for the Board minutes.

SECTION 7.04: TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit or cause to be deposited in the name of the Corporation all monies and other valuable effects in such bank, or other depositories as shall, from time to time, be collected by the Board of Trustees. Whenever required, the Treasurer shall provide an account of the financial condition of the Corporation, and, in general, shall perform all duties incident to the Treasurer of the Corporation and such other duties as may be assigned to him/her by the Board or the Chairman. The Treasurer shall make a presentation on the fiscal condition of the Corporation at the annual meeting covering the fiscal impact of proposed actions for the ensuing year.

SECTION 7.05: SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The Board may from time-to-time elect such other Officers and appoint such committees, employees or other agents as the business of the Corporation may require, including one or more Assistant Secretaries, and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine. The Board may delegate to any Officer or committee the power to elect subordinate Officers and to retain or appoint employees or other agents, or committees and to prescribe the authority and duties of such subordinate Officers, committees, employees or other agents.

SECTION 7.06: DUTIES OF THE OFFICERS MAY BE DELEGATED. In the absence of any Officer, or for any reason that the Board may deem sufficient, the Board may delegate the powers and/or duties of any Officer to any other Officer, or to any other Trustee, with the concurrence of a majority of the Board.

SECTION 7.07: OFFICER RESIGNATION. Any Trustee may resign in writing as an Officer at any time to the Board Secretary. Resignation as an Officer does not trigger resignation as a Trustee. Upon resignation of an Officer of the Board, the Board shall meet at its convenience to name a replacement Officer, but in no event should a replacement Officer be named later than the next regularly scheduled board meeting after the meeting where the resignation is received.

SECTION 7.08: REMOVAL OF OFFICERS. Any Officer may be removed from office by majority vote of the voting Trustees as a result of absence or other cause as defined by the bylaws. Such Officer shall abstain from the removal vote.

SECTION 7.09: COMPENSATION. No Trustee of the Board shall receive financial compensation or other financial benefits from service on the Board. However, the Corporation may reimburse Trustees and Officers

for reasonable expenses incurred in connection with their duties as Trustees and Officers as approved by the Board from time to time.

ARTICLE EIGHT COMMITTEES

SECTION 8.01: COMMITTEES, GENERALLY. The Board may provide for standing or special committees with such powers and duties as it deems desirable and the Board may discontinue the same at its pleasure. All Committees shall include at least one Member who is not a Trustee. The remaining members of such committees may, but need not be, Trustees. Vacancies on any committee shall be filled by the Chairman of the Committee.

SECTION 8.02: APPOINTMENT OF COMMITTEE CHAIRS. For all special and standing committees working to support the S9SABD in accordance with these bylaws, a chairman of each committee shall be nominated by the Chairman of the Board. All nominees for chairman of S9SABD special and standing committees must be approved by the S9SABD Board of Trustees.

SECTION 8.03: COMMITTEE REPORTS. All recommendations by a committee shall be reported in writing, during a Board meeting, to the Board.

SECTION 8.04: MEETINGS OF COMMITTEES. Each committee shall meet at the call of the Chair of said committee.

SECTION 8.05: PARTICIPATION IN COMMITTEES. In selecting members of committees, the Committee Chair shall encourage widespread participation among Members and others with an interest in the economic well-being of the Service Area including businesses, civic organizations, and persons with special expertise.

SECTION 8.06: STANDING COMMITTEES. The Board shall establish committees covering each of the major activity elements of the final adopted BID plan – Cleanliness, Promotion, Parking Management, and etc. to help plan these activities and to advise the Board.

SECTION 8.07: NOMINATIONS COMMITTEE. A Nominations Committee will be annually established prior to the Annual Meeting to seek candidates to serve on the Board in anticipation of future vacancies and to manage the ministerial functions of electing Trustees prior to, and at, the Annual Meeting. For the first operating year of the S9SABD, the Nominations Committee shall consist of five voting members including (i) a member of the S9W Steering Committee as listed in the S9SABD Proposal submitted to the City of Philadelphia, (ii) a board member of the United Merchants of the South 9th Business Association as designated by that board in accordance with its procedures, (iii) a Curb Stand Owner or Operator Member of the S9SABD, and two Members of the S9SABD representing any combination of Business Owner Members, Property Owner Members, Curb Stand Owner Members, or Curb Stand Operator Members. Additionally, a BID formation consultant shall serve as a non-voting member of the Nominations Committee. Beginning in the second year of S9SABD operations, the Nominations Committee shall be established by the Board in accordance with the procedures outlined by Section 8.01 of these bylaws. Notwithstanding the role of the Nominations Committee, any Member within the Service Area may seek nomination to the Board by notifying the Nominations Committee at least thirty days prior to the Annual Meeting at which a Trustee is to be elected and submitting an application form with the required information.

SECTION 8.08: ETHICS COMMITTEE. Upon organization, the Board shall create an Ethics Committee with the charge of recommending additional changes to these bylaws concerning ethical behavior and developing disclosure forms and such other declarations to ensure organizational transparency and avoidance of conflicts of interest. In making its report, the Ethics Committee shall consult with other BIDs and the City Office of the Chief Integrity Officer for recommendations as well as others as the Committee may determine. The Ethics Committee shall report to the Board within six months of its organization. Thereafter, the Board may re-authorize the Ethics Committee as the Board determines to be necessary or useful.

ARTICLE NINE FINANCIAL

SECTION 9.01: FISCAL YEAR. The fiscal year of the Corporation shall begin on January 1. The annual budget, as approved at the Annual Meeting may be reviewed and revised periodically as deemed necessary by the Board, consistent with the Pennsylvania Community and Economic Improvement Act 174 of 1998 53 P.S. §18105(c) (3) (ii) or local law and/or these bylaws.

SECTION 9.02: ANNUAL AUDIT. In accordance with the Pennsylvania Community and Economic Improvement Act 174 of 1998 53 P.S. §18109(1) and the enabling ordinance, within 120 days of the close of the fiscal year, the Board shall submit to the PA Department of Community and Economic Development, the City of Philadelphia Commerce Department and the Clerk of City Council, an annual audit which shall be prepared to reflect a full and correct statement of the affairs of the S9SABD management corporation. Upon submission to the required state and city offices, the fiscal report shall also be posted on the Corporation's web site, and made available electronically or in some other convenient way to all Members of the S9SABD.

SECTION 9.03: ANNUAL REPORT. In accordance with the Pennsylvania Community and Economic Improvement Act 174 of 1998 53 P.S. §18109(2) and the enabling ordinance, the Board shall submit a report, including financial and programmatic information and a summary of audit findings, to the Clerk of City Council and the City of Philadelphia Commerce Department. This report shall be posted on the organization's web site so it is available to all Members of the S9SABD.

SECTION 9.04: DESIGNATED DEPOSITORIES. Corporate funds shall be deposited in federally insured depositories as the Board may designate by resolution from time to time.

SECTION 9.05: CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the S9SABD of Five Hundred (\$500.00) or more shall be signed by two (2) Trustees designated by the Board by resolution who shall be identified as signatories, and whose signatures shall be on file with the S9SABD's financial institution. All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidence of indebtedness issued in the name of the Corporation in amounts less than Five Hundred Dollars (\$500.00) may be signed by one Trustee as designated by the Board by resolution.

SECTION 9.06: EXPENDITURE AUTHORIZATION. No Officer, Trustee, Committee Chair, or other Committee member may enter into a contract, lease, purchase order or other obligation on behalf of the S9SABD without the prior written authorization of the Board. Contracts, leases, purchase orders or other obligations greater than \$1,000.00 executed in the name of the S9SABD shall be signed by the Treasurer, or such person as designated by the Board. No obligation greater than \$2,000.00 may be approved unless it is delineated in an

annual budget approved by the Board or otherwise accompanied by an approved motion or resolution of the Board authorizing the obligation.

ARTICLE TEN EXECUTIVE DIRECTOR

SECTION 10.01: OPERATIONAL ROLE. The Executive Director shall manage the daily operations of the S9SABD. The Executive Director shall be responsible for coordinating the implementation of the S9SABD's policies, programs and such other duties as the Board may require. Compensation for the Executive Director shall be determined by the Board.

SECTION 10.02: INTERIM LEADERSHIP. During any period in which an Executive Director has not been hired, the Board may appoint an interim Executive Director on a full or part-time basis. The interim Executive Director shall be responsible for coordinating the implementation of the S9SABD's policies and projects and such other duties as the Board may require. The interim Executive Director shall receive for his or her services such compensation as may be determined by the Board.

ARTICLE ELEVEN CONFLICT OF INTEREST

SECTION 11.01: STATEMENT OF POLICY. It is essential that the S9SABD:

- a. Encourage the purchase of goods and services from Service Area providers whenever possible.
- b. Encourage the active participation of Members.
- c. Operate in a manner that is transparent to all Members.
- d. Comply with all applicable local ordinances and state statutes regarding conflict of interest.

SECTION 11.02: PUBLIC DISCLOSURE. Any Trustee having a financial interest or benefit in any contract or transaction being considered at a committee meeting or meeting of the Board shall not vote or use his or her personal influence in the meeting, even where such actions are otherwise permitted by law. The minutes of the meeting shall record compliance with these requirements. The section shall not be construed as to prevent the interested Trustee or committee member from briefly stating his or her position regarding the contract and transaction, nor from answering pertinent questions of other Trustees or committee members, since his or her knowledge may be of great assistance. All new committee members and Trustees shall be immediately advised of the requirements of this Section.

SECTION 11.03: PROVIDING GOODS AND SERVICES. Trustees of the Board shall not be debarred from providing goods and services to the S9SABD, provided:

- a. That which is being provided is publicly recognized as an item that the provider makes available to others as part of existing, usual, and customary business operations.
- b. That where there are other recognized local providers the S9SABD shall seek quotes, bids, proposals, etc. as is appropriate under city and state regulation from these other providers so as to perform due diligence regarding the identification of that provider that best meets the needs of the S9SABD for such goods or services.
- c. That a Trustee shall disclose to the Board any personal interest or potential interest which he or she may have in any matter pending before the Board.

SECTION 11.04: FAILURE TO DISCLOSE. Failure to disclose an actual or potential conflict of interest is grounds for dismissal from the Board. In addition, the Trustee may be subject to discipline stemming from the violation of state or local law.

SECTION 11.05: CONFLICT OF INTEREST STATEMENT. Each prospective Trustee of the Board shall sign a conflict of interest statement in the form adopted by the Board within 14 days of election to the Board. Continuing Trustees shall sign the statement each and every year of their service. Trustees may be asked to complete additional disclosures upon the Board's adoption of additional procedures recommended by the Ethics Committee.

ARTICLE TWELVE

LIMITATION OF TRUSTEES' LIABILITY AND INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHERS

SECTION 12.01: LIMITATION OF TRUSTEE'S LIABILITY. To the extent permitted by law, no Trustee of the Corporation shall be personally liable for monetary damages as such for any action taken or any failure to take any action unless (a) the Trustee has breached or failed to perform the duties of the office of Trustee of the Corporation under Section 8363 of the Pennsylvania Trustees' Liability Act (relating to standard of care and justifiable reliance), and, (b) the breach or failures to perform constitutes self-dealing, willful misconduct or recklessness, provided however, that the provisions of this Subsection shall not apply to the responsibility or liability of a Trustee pursuant to any criminal statute, or to the liability of a Trustee for the payment of taxes pursuant to local, state or federal law.

SECTION 12.02: INSURANCE. The Corporation shall purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person under Pennsylvania or other law. The Corporation may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

SECTION 12.03: FUND FOR PAYMENT OF EXPENSES. The Corporation may create a fund of any nature, which may, but need not be, under the control of a Trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, as a result of the enabling ordinance, by agreement, vote of Trustees, or otherwise.

SECTION 12.04: INDEMNIFICATION AND INSURANCE. To the extent permitted by law:

a. Indemnification of Trustees and Officers.

- I. Each indemnitee (as defined below) shall be indemnified and held harmless by the Corporation for all actions taken by that Trustee or Officer and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including without limitation attorneys' fees, judgments, fines, taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this Article shall be made however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by the court to have constituted willful misconduct or recklessness.

- II. The right to indemnification provided in this Article shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Corporation in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law, provided that, if Pennsylvania law continues to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.
- III. Indemnification pursuant to this Article shall continue as to an Indemnitee who has ceased to be a Trustee or Officer and shall inure to the benefit of his or her heirs, executors and administrators.
- IV. For purposes of this Section: (i) “Indemnitee” shall mean each Trustee or Officer of the Corporation who was or is party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that this individual is or was a Trustee, Officer, Employee, Agent, Partner, or Fiduciary of, or in any other capacity for, another Authority or Corporation, Partnership, Joint Venture, Trust, Employee Benefit Plan, or other enterprise; (ii) “Proceeding” shall mean any threatened, pending, or completed action, suit or proceeding (including without limitation an action, suit, or proceeding by or in the right of the Corporation), whether civil, criminal, administrative, or investigative.

SECTION 12.05: INDEMNIFICATION OF EMPLOYEES AND OTHER PERSONS. The Corporation may by actions of its Board and to the extent provided in such action, indemnify employees and other persons as though they were Indemnitees.

SECTION 12.06: NON-EXCLUSIVITY OF RIGHTS. The right of indemnification and to the advancement of expenses provided in this Section shall not be exclusive of any other rights that any person may have or hereafter acquire under any statute, provisions of the Corporation’s enabling ordinance, other City ordinances or regulations, agreement, vote of the Trustees, or otherwise.

SECTION 12.07: AMENDMENT. The provisions of this Article relating to this limitation of Trustees’ liability, to indemnification and to the advancement of expenses shall constitute a contract between the Corporation and each of its Trustees and Officers which may be modified as to any Trustee or Officer only with that person’s consent or as specifically provided in this Article. Notwithstanding any other provision of these bylaws relating to their amendment generally, any repeal or amendment of this Article which is adverse to any Trustee or Officer shall apply to such Trustee or Officer only on a prospective basis, and shall not reduce any limitation on the personal liability of a Trustee of the Corporation, or limit the rights of an Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment.

SECTION 12.08: CHANGES IN PENNSYLVANIA LAW. References in this Article to Pennsylvania Law or to any provision thereof shall be to such law (including without limitation the Directors’ Liability Act) as it existed on the date these bylaws, including this Article, were adopted or as such law thereafter may be changed; provided that:

- a. In the case of any change that increases the liability of Trustees or limits the indemnification rights to the rights to the advancement of expenses which the Corporation may provide, the rights to limited

liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law.

- b. If such change permits the Corporation without the requirement of any additional action by Trustees to additionally limit the liability of Trustees and/or Officers or to provide broader indemnification rights or rights to the advancement of expenses than the Corporation was permitted to provide prior to such changes, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be increased to the extent permitted by law.

ARTICLE THIRTEEN MISCELLANEOUS

SECTION 13.01: PROCEDURE. The most recent edition of "Roberts' Rules of Order" shall govern the daily course of procedure not otherwise provided for in these bylaws.

SECTION 13.02: AMENDMENTS. A proposal to amend, alter, repeal or enact a bylaw may be made by motion by a Trustee of the Board, or by petition of at least twenty Members, with such petition presented to the Board at a regularly scheduled meeting of the Board. Changes to the bylaws may only be made as a result of the vote of the membership.

The proposed amendment to the bylaws shall be adopted only upon receiving the affirmative vote of three-fifths (60%) of the Members present voting, including Trustees. A vote on the amendment may be held at a regular or special meeting of the Board. Notice of the proposed amendment shall be provided to all Members at least ten (10) days prior to such meeting. Such notice shall contain a full written statement of the exact language of the proposed amendment and the time, place and day of the meeting when the amendment will be considered. The notice shall be given either personally hand delivered, or by mail to each Member or by emailing a copy of the notice to all Members and posting of such notice prominently at the office of the S9SABD. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the Member at their addresses as they appear on the Corporation's membership database. The procedures and notice requirements in this Section shall apply irrespective of any contrary provisions which may be contained in these bylaws.

ARTICLE FOURTEEN RESPONSIBILITIES OF THE INCORPORATORS

SECTION 14.01 INCORPORATORS AND INTERIM BOARD OF TRUSTEES. The incorporators of the S9SABD shall consist of those members of the S9SABD Study Steering Committee who are willing to serve as the interim Board of Trustees.

SECTION 14.02 CALLING AND CONVENING OF THE FIRST MEMBERSHIP MEETING. The incorporators shall serve as the Interim Board of the S9SABD until the first meeting of the membership is called. It shall be the responsibility of the S9SABD incorporators to call this membership meeting. Best efforts shall be made to schedule this meeting prior to November 1, 2016. The Chairperson of the meeting will be decided among the incorporators in a manner of their choosing.

Prior to the meeting, the incorporators will provide all Members with written notice of the meeting at least three weeks prior to the meeting. The notice shall be given either personally hand delivered, or by mail to each Member or by emailing a copy of the notice to all Members and posting of such notice prominently at

the office of the S9SABD. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the Member at their addresses as they appear on the Corporation's membership database.

In addition to the time and place of the meeting, the notice shall provide an agenda of other items expected to be brought before the membership, including:

- a. Election of the permanent Board and the selection of Board Officers as delineated by these bylaws.
- b. Adoption of a budget.
- c. Adoption of a date for the first meeting of the Board at which time the Board will adopt a schedule for the balance of the fiscal year in accordance with these bylaws.
- d. Time for Members to address the Board.
- e. Such other business as the new Board may find it necessary to act upon.

SECTION 14.03: OTHER RESPONSIBILITIES. During the period when the S9SABD is being governed by the incorporators, the incorporators shall:

- a. Organize the formation of the first Nominations Committee to gather applications and commence with the ballot of candidates to be elected to serve on the first S9SABD Board.
- b. Inform the municipal official who is to serve "by right" on the S9SABD board of incorporator organizational activities and notice of the first membership meeting.
- c. Prepare and send:
 - I. A "newsletter" to all Members informing them of the adoption of the BID ordinance, who the incorporators are and such other information as to inform Members of what is happening with the organization and to invite participation.
 - II. An Assessment notice and Assessment bill. The notice should reiterate how the amount of the bill was determined.
 - III. Notice of the membership meeting.
- d. Manage the finances of the organization as is necessary and convenient including opening bank accounts, obtaining an employer identification number, paying bills, reaching agreement with a lender or other organization for line of credit to pay organization bills prior to the receipt of FY 2017 BID assessments; contract for interim staff and office space, purchase supplies and equipment; and seek external grants and enter into contracts consistent with the S9SABD plan where such opportunities require action before the election of Trustees.

SOUTH 9TH STREET AREA BUSINESS DISTRICT, INC. ORGANIZATION ACTION OF THE INCORPORATORS

The undersigned, being Incorporators and the Interim Board of Trustees of the South 9th Street Area Business District, Inc., a Pennsylvania nonprofit corporation, hereby consent to the following action:

- a. The Bylaws presented to the undersigned are hereby adopted and ratified as the Bylaws of the South 9th Street Area Business District, Inc., and a copy of such Bylaws shall be filed with the Secretary of the Corporation and inserted in the minute book of the Corporation.

City of Philadelphia

RESOLUTION NO. 160704 continued

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the sixteenth of June, 2016.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Squilla

Sponsored by: Councilmember Squilla