



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 230628

Introduced September 21, 2023

Councilmember Squilla

**Referred to the
Committee on Rules**

AN ORDINANCE

Approving a new plan, estimated costs and proposed method of assessment of the Old City Special Services District of Philadelphia for and concerning business improvements and administrative services to the Old City area of the City of Philadelphia, all under certain terms and conditions.

WHEREAS, The Old City Special Services District of Philadelphia ("OCD") was incorporated as a municipal authority for a term of five years under the provisions of the Municipality Authorities Act, Act of May 2, 1945 (P.L. 382, No. 164) as amended, (the "Act") and as authorized by Bill No. 970093 (approved May 13, 1997); and

WHEREAS, Bill No. 020737 (approved January 23, 2003) authorized an extension to the term of OCD as a municipal authority to December 31, 2022; and

WHEREAS, Bill No. 130775 (approved January 8, 2014) approved the Plan and Budget for OCD through December 31, 2018; and

WHEREAS, Bill No. 180747 (approved November 29, 2019) authorized an extension to the term of OCD as a municipal authority to December 31, 2038; and

WHEREAS, Bill No. 180749 (approved November 29, 2019) approved the Plan and Budget for OCD through December 31, 2023; and

WHEREAS, OCD wishes to continue providing business improvements and administrative services to the Old City area of the City of Philadelphia; and

WHEREAS, In accordance with the Act, OCD has recently completed a plan for certain business improvements and services to the Old City area of the City of Philadelphia for fiscal years 2024 - 2028, together with the estimated costs thereof and the proposed method of assessments and

City of Philadelphia

BILL NO. 230628 continued

charges therefor, and has submitted a copy to City Council, for review and approval, a document entitled “2024-2028: Plan and Budget for the Old City District” (the “Plan”) attached hereto as Exhibit “A”; and

WHEREAS, OCD mailed to each property owner and to each commercial tenant within the District the Plan which includes a map of the District, a description of the Plan, and the proposed method of assessment and charges; and

WHEREAS, After duly advertised public hearings have been held by OCD pursuant to the Act, legally sufficient objections have not been received either from persons representing one-third (1/3) of the properties in the District or from property owners whose property valuation as assessed for taxable purposes amounts to more than one third (1/3) of the total property valuation of the District; and

WHEREAS, City Council desires to take appropriate action with respect to the Plan; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Old City Special Services District’s (“OCD”) Five Year Plan and Budget (the “Plan”) attached hereto as Exhibit “A”, including maps and other documents supporting data which form a part of the Plan, submitted by OCD having been duly reviewed and considered, is approved.

SECTION 2. OCD is authorized to take such action as may be necessary to carry out the Plan for a period of five (5) years. City Council authorizes OCD to proceed with minor changes in substantial conformity with said Plan. Any major changes must be approved by Ordinance.

SECTION 3. The City resolves to cause the level of security and maintenance services provided by the City to the area served by OCD to be established in the future at the same levels as would have been provided in the absence of such services to be provided by OCD, unless there shall be a City-wide reduction in services.

SECTION 4. This Ordinance shall take effect immediately.

City of Philadelphia

BILL NO. 230628 continued

EXHIBIT A

2024-2028 PLAN AND BUDGET FOR THE OLD CITY DISTRICT



231 Market Street
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2024-2028

PLAN AND BUDGET FOR THE OLD CITY DISTRICT

Old City Special Services District’s mission is to improve Philadelphia’s historic district as a place for people to meet, work, shop, and live by **supplementing municipal services** with cleaning, public safety, economic development, and promotional programs. Old City Special Services District (“Old City District” or “OCD”) was established by ordinance of Philadelphia City Council in 1998, with the support of the commercial property owners within its boundaries, and in accordance with the Commonwealth of Pennsylvania’s Municipality Authorities Act of 1945, 53 Pa. C.S. § 5601 et seq. In November 2018, the City of Philadelphia authorized a 20-year extension, through the year 2038. Now in its 25th year, this public-private partnership continues to maintain and improve the dynamic Old City neighborhood. **OCD serves to supplement, but not replace, both the services provided by the City of Philadelphia and the responsibilities of property owners, contributing to a healthy environment for businesses to be successful, for visitors to enjoy their experience here, and for residents to maintain a positive quality of life.**

The Old City neighborhood is comprised of an important collection of assets. Here in “America’s Most Historic Square Mile,” Independence National Historical Park is an international destination, peaking at more than four million visitors per year. Also, important culturally and economically, Old City is home to world-class museums, theaters, and art galleries, excellent hotels, a wide range of dining and nightlife establishments, independent retailers, and a diverse mix of technology, media, and professional and service organizations. Old City employers range from major institutions to solo entrepreneurs, representing a significant segment of the regional economy. In addition, the residential population of Old City continues to increase. From 2017 to 2021, the residential population grew from 5,400 to 6,900, a 27% increase. There are hundreds of more units in development which will continue to increase the number of those who live in the neighborhood.

This five-year plan and budget charts Old City District’s path through budget years 2024 - 2028. The OCD Board will continue to devote resources to deliver services that 1) provide clean and safe public spaces, 2) expand economic opportunities via business attraction, retention, and expansion, 3) provide marketing and promotional services for Old City and its business community, and 4) provide ongoing improvements to the streetscapes throughout the district.

The enclosed Five-Year Plan and Budget is a component piece of the Old City District reauthorization process. OCD will continue to prioritize neighborhood cleanliness and safety. OCD will hold a Public Hearing for the purpose of receiving public comment from affected property owners with the District (and any other interested persons) on this preliminary plan, to be held on **Wednesday, August 23, 2023, from 1 pm-4 pm at 599 Market St., Phila. PA, 19106.**

Affected property owners within the District will have forty-five (45) days from the date of the above-referenced Public Hearing on the plan to file objections to and disapprove the final plan for proposed continuance of the OCD. Such objections must be made in writing, must be signed by the property owner, must identify the address of any property for which the objection is being made, and must be filed with both: 1) the Clerk of City Council, Room 402, City Hall, Philadelphia, PA 19107, and 2) Old City District, 231 Market St., Philadelphia, PA 19106.

SERVICE AREA

The service area for OCD includes the area bounded by Florist Street to the north, Walnut/Dock Streets to the south (including both sides of Walnut St.), 6th Street to the west, and Front Street to the east. This map generally depicts the boundaries of the service area.



STREET CLEANING

Keeping Old City’s streets clean and safe is central to OCD’s mission and is the foundation of its programming.

- OCD employs a street and sidewalk cleaning crew of up to six workers deployed every day, in all weather conditions. The crew provides manual pan-and-broom sweeping of sidewalks.
- Sidewalks are power washed on a monthly basis (weather permitting) and graffiti, posters, and stickers are removed from public property including mailboxes, parking kiosks, and utility poles.
- Graffiti tags from commercial buildings and residences are removed in coordination with the City of Philadelphia’s Community Life Improvement Program.
- OCD works closely with the City of Philadelphia to request and coordinate services on behalf of the business and property owner community. OCD regularly works with the City to address broken Big Belly trash receptacles, illegal dumping, non-operating streetlights, and dangerous potholes and road conditions.
- OCD works with its current cleaning vendor to recruit returning citizens to serve as ambassadors. Currently, more than 80% of ambassadors have a mark on their record.

In 2022, OCD’s cleaning crew gathered nearly 17,000 pounds of trash, cleared more than 700 used needles, and removed more than 600 graffiti tags and stickers. Philadelphia Streets Department cleans the streets from curb to curb, services trash receptacles, and enforces sanitation laws. OCD’s ambassadors supplement the sanitation services of the City of Philadelphia and assist property owners in fulfilling their legal obligation to keep their sidewalks clear of litter and debris.

PUBLIC SAFETY

To enhance public safety, OCD continues to take an assertive role.

- OCD coordinates regularly with the City of Philadelphia’s 6th Police District and has successfully lobbied for an increased presence during the hours when they are needed the most.
- Old City successfully advocated for a full-time foot patrol officer, who is on duty Monday to Friday, 10 am-6 pm. OCD funds supplemental officer shifts during peak weekend hours as needed.
- OCD works with city and state agencies in the ongoing oversight of liquor license compliance. OCD participates in the Old City Nuisance Task Force, comprised of elected officials, state regulatory and enforcement agencies, local regulatory and enforcement departments, the Philadelphia Police Department, Old City business owners, and residents.
- OCD helps businesses and property owners navigate the Business Security Camera Program, a City of Philadelphia grant that provides up to 75% reimbursement (of up to \$3,000) for the total cost of eligible safety camera installations for a single commercial property.
- OCD sponsors a text alert system to allow businesses to communicate with each other in case of shoplifting, counterfeit bills, or other suspicious activities.
- OCD is currently developing a new public outreach ambassador program to address homelessness, addiction, and panhandling in the neighborhood.



ECONOMIC DEVELOPMENT

Old City District promotes the neighborhood’s economic vitality by working to attract, support, and retain a broad range of businesses that are “Independent by Design.” Building on its foundational clean and safe programs, OCD fosters a positive environment for local businesses and connects its business owners and residents to city, state, nonprofit, and private resources.

- OCD maintains an online inventory of available commercial properties to help business owners, developers, and real estate brokers locate opportunities in Old City. OCD also distributes a monthly real estate newsletter to neighborhood commercial brokers, which features available retail, restaurant, and office spaces, as well as new business openings and an Old City data infographic.
- OCD connects business and property owners to funding resources, including Storefront Improvement Grants (Philadelphia Department of Commerce), Business Security Camera Grants (Philadelphia Department of Commerce), and Stabilization Grants (The Merchants Fund). These resources help Old City businesses improve and grow by providing support for facade improvements, security cameras, and business equipment.
- OCD helps new and existing Old City businesses navigate City of Philadelphia permitting and licensing processes, works with business and property owners to address challenges, and serves as a liaison between owners, residents, and city and state agencies.

VISION2026

In 2016, after a year-long public engagement process, OCD published Vision2026, an effort to embrace and shape the future of Old City, setting a vision for optimal private development and a high-quality public realm. The Vision2026 plan supplements the Philadelphia City Planning Commission’s Philadelphia 2035 plan and positions Old City to achieve important improvements in time for Philadelphia’s 250th anniversary of the signing of the Declaration of Independence.

- As a follow-up to Vision2026 recommendations, OCD created an Old City Design Guide. The Old City Design Guide serves as a resource for property owners, developers, architects, and shopfront entrepreneurs and advises how to maximize their opportunities while complementing the essential character of Old City.
- Vision2026 identified Market Street as a prime opportunity to bring more people to Old City without using their own private vehicles. Following the concept plan enunciated in Vision2026, OCD conducted a Market Street Transformation and Mobility Study to examine how to right-size Market Street for future use.
- At the end of 2021, OCD published the Vision2026 Halfway Progress Update, which provided a comprehensive update to each goal laid out in Vision2026. This report separates each goal into a “Success,” “In the Works,” or “On the Back Burner.” The Halfway Progress Update also presents a “What’s Next” section, as celebrations for the 250th anniversary of the founding of the United States approach in 2026.



Old City continues to recover from the COVID-19 pandemic but is making significant progress in getting back to pre-pandemic levels. In November 2019, Old City’s retail vacancy rate hovered around 12%, which was in line with the national average of similar business corridors. In December 2020, eight months after the COVID-19 lockdown went into place, the neighborhood had a retail vacancy rate of 20%.

- In 2022, OCD put forth a strategy with the overall goal to get back to its pre-pandemic retail vacancy rate of 12% by the end of 2023. In 2021 and 2022, 60 new businesses opened in the neighborhood, and seven have already opened in 2023, with several more pending. As of April 2023, the retail vacancy rate is under 15% and is trending positively.

Old City has experienced a significant growth in its residential population in the last few years. From 2017 to 2021, the residential population grew by 27%, from 5,400 to 6,900 people.

- Over 800 more units are planned in the neighborhood, which will add approximately 1,200 residents in the next few years.
- OCD supports policies and legislation that promote development and growth that is appropriate within the context of Old City’s history.



PUBLIC SPACE

Old City District’s Vision2026 concluded that with the right physical and programmatic interventions, Old City could develop a collection of small-scale public spaces, enriching the daily life of the neighborhood. One of the key concepts coming out of Vision2026 was the Market Street Transformation Project, which was then adopted by the City of Philadelphia and is moving forward. This project will significantly improve Market Street from Front to 6th Streets by creating a more pedestrian and bike-friendly space, with curb bump outs, protected bike lanes, and other traffic calming measures.

- A key component of the Market Street Transformation Project is the creation of Tamanend Plaza at 2nd and Market Streets. Tamanend Plaza is especially important as the 250th anniversary of our country’s founding approaches in 2026, as it will recognize the role Lenni Lenape Leader Chief Tamanend played in the creation of our country. Currently, a statue of Chief Tamanend sits at the undesirable location of the I-95 ramp at Front and Market Streets. The plaza design is built around moving this statue to 2nd and Market Streets, which will create a striking visual marker at the end of Market Street, as well as a place for education and reflection.
- OCD is working in close partnership with the City of Philadelphia and the Independence Historical Trust in securing funding for Tamanend Plaza. The Market Street Transformation Project is fully funded and a Request For Proposals for construction is expected for later 2023.

OCD is currently pursuing additional public space work throughout the neighborhood, including potential improvements to the Park at 2nd and Market Streets and the Commerce Street walkway. In the next five years, OCD will continue to invest in public space improvements, working in partnership with local government, property owners, nonprofits, and the National Park Service to upgrade Old City’s public environment. OCD will also work to secure outside funding for such endeavors.

STREETSCAPE MAINTENANCE & IMPROVEMENTS

It is the responsibility of all property owners to keep their abutting sidewalks clean and well-maintained, including repair in a timely manner of settled, raised or broken sidewalks.

OCD works to enhance the public spaces in the neighborhood by delivering streetscape improvements in several categories.

- Old City District contributes funds to bridge financing gaps and serves as liaison between the City and businesses. OCD purchased and installed the snowflake lights that illuminate Market Street during the holiday season and the wreaths that decorate 3rd St., welcoming visitors and shoppers to the neighborhood.
- OCD manages a banner program on over 100 light poles to create an attractive streetscape, providing a low-cost means for cultural groups to communicate their message.
- To maintain a green urban environment, OCD plants and maintains street trees based on a partnership with Philadelphia Parks & Recreation Department and Old City Green and hires professional horticulturists to provide a comprehensive street tree management program.
- When streets must be closed to traffic for construction or repairs, OCD staff works with the various City departments and affected businesses and residents to minimize disruption.



MARKETING AND EVENTS

Old City District conducts marketing efforts year-round to promote the neighborhood as a place for people to meet, work, shop and live by highlighting the neighborhood’s world-class assets – its history, arts and culture, shopping, dining, lodging, and living.

- OCD publishes a Pocket Map to attract visitors to the District, printing 50,000 copies in 2023. Distribution locations include Independence Visitor Center, Philadelphia Convention & Visitors Bureau, Center City hotels, Philadelphia International Airport, and William H. Gray III 30th Street Station. The Pocket Map is funded by advertising sales.
- OCD produces a monthly eNewsletter, featuring First Friday exhibitions, events, and promotions – all information generated from our local businesses. It is distributed to more than 7,000 readers. To sign up for the eNewsletter, visit www.oldcitydistrict.org.
- OCD produces a monthly B2B eNewsletter to provide updates, information and alerts to Old City stakeholders, including information about street closures, trash pick-up, grant availability and resources for businesses. It is distributed to more than 1,000 readers. To sign up for the eNewsletter, visit www.oldcitydistrict.org.
- Redesigned in 2021, the OCD website, www.oldcitydistrict.org, communicates news and events in the District. A directory and events calendar is available for local businesses to submit content directly online.
- OCD communicates with a broader audience via social media, including Facebook, Twitter, Instagram, and TikTok, with more than 66,000 total followers in 2023.



- As part of its efforts to promote Old City as an ideal place for people to meet, work, shop and live, Old City District works with partners to plan a series of year-round neighborhood events:
 - o OCD showcases its thriving dining scene with Old City Eats, a program that features restaurants and bars through the summer months. The annual block party attracts 3,000 people each year.
 - o OCD highlights the neighborhood with Old City Fest, Old City’s largest event, that draws 20,000 people annually. The fall festival is a celebration of art and design, fashion and food, creativity, and culture. Old City Fest highlights our region’s premier arts and design district, showcasing local designers, creative firms, restaurants, retailers, galleries, theater, culture, history, and architecture.
 - o Historic Holidays in Old City celebrates the holiday season in America’s most historic square mile. Featuring a Tree Lighting, Menorah Lighting, Shopping Stroll, and more, the program aims to make Old City a must-see destination during the holiday season.
 - o Old City is home to some of the region’s most unique bridal boutiques and venues specializing in everything needed to plan your special day. OCD hosts the annual Old City Wedding Stroll in the spring to introduce couples and families to all the neighborhood has to offer, from gorgeous wedding attire to exceptional services and iconic locales.
- OCD supports local organizations and programs including the Farmers Market at Christ Church, which brings fresh food options to the neighborhood, and the General George A. McCall School, an educational hub for Philadelphia families for over 100 years that serves several neighborhoods, including Old City.
- OCD supports organizations that bring events and visitors to Old City including Visit Philadelphia, Wawa Welcome America, Design Philadelphia, Philadelphia Open Studio Tours (POST), Philly Holiday Experience, and more.
- OCD works with public relations agencies to procure earned media coverage and promote neighborhood programs, events, initiatives, and businesses.



OLD CITY DISTRICT'S ADMINISTRATION

Old City District is governed by a 19-member volunteer board of directors comprised of a cross-section of major commercial property owners, local businesspeople, and residents, who are deeply committed to the improvement and maintenance of Old City. Each board member serves on at least one of three committees: Clean & Safe, Economic Development, and Marketing. The programs are administered by a staff of four who conduct the ongoing management and operations of OCD. OCD's storefront office at 231 Market Street is open to the public.

FUNDING

OCD funds its operations primarily through assessments on taxable commercial properties within the district. Under this Plan, as authorized by the Pennsylvania Municipality Authorities Act of 1945, 53 Pa. C.S. § 5601 et seq., OCD will collect assessments from commercial property owners on an annual basis. OCD bases its assessments of real estate on the assessed value for real estate tax purposes without reduction for any tax abatements, homestead exclusions, or similar reductions to assessed value.

ASSESSMENT FORMULA

Annual assessment charges are computed by multiplying that portion of the District's annual billing amount (2024 total = \$1,197,369) by a ratio of the assessed value of a property to the total assessed valuation of all the commercial properties in the district (2024 total = \$1,496,711,735).

The assessment for each property, therefore, is calculated as follows:

- 1) Divide the total assessed value of the property for that tax year by the total assessed value for all commercial properties within the district.
- 2) Multiply the result from (1) by that portion of the annual budget for the district identified as the total Billing Amount for the year.
- 3) The result from (2) is the property's annual assessment.

For purposes of this formula, "commercial properties" are defined as properties used for any activity involving trade or commerce in general, including properties designated for office, retail, industrial, wholesale, or other commercial service use, and including income-producing residential units that are rented to tenants. Single-family owner-occupied residential properties, including single-family owner-occupied residential condominiums, shall be exempt from the OCD assessment. Other properties designated for residential use (including single-family homes, condominiums, and cooperative units) may also be considered commercial properties if they are not used by the Record Owner (as identified on the deed) exclusively as his or her legal residence or domicile (i.e., used primarily for commercial or investment purposes, not as the Record Owner's residence/domicile).

District assessments will be calculated annually using the property values certified by the Office of Property Assessment for the tax year for which the assessment is imposed, without any reduction for any tax abatements, homestead exclusions, or similar reductions to assessed value.



¹ Proof may be required to qualify for exemption. Specific requirements will be provided by OCD upon request.

² Details on commercial status of residential properties will be provided by OCD upon request.

OLD CITY DISTRICT PLAN AND BUDGET 2024-2028

BUDGET: 2024-2028

	2024	2025	2026	2027	2028
REVENUES					
Prior Year Commercial Assessments (1)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Billing Amount	\$1,197,369	\$1,245,264	\$1,295,075	\$1,346,878	\$1,400,753
Income from Assessed Charges (2)	\$1,101,580	\$1,145,643	\$1,191,469	\$1,239,128	\$1,288,693
Interest and Other Income (3)	\$60,612	\$60,612	\$60,612	\$60,612	\$60,612
Total Revenue	\$1,202,192	\$1,246,255	\$1,292,081	\$1,339,740	\$1,389,305
EXPENSES					
Public Safety and Street Cleaning (4)	\$521,700	\$536,700	\$551,700	\$566,700	\$590,000
Marketing (5)	\$44,000	\$47,000	\$50,000	\$56,000	\$60,000
Economic Development, Planning, Streetscape Maintenance & Improvements (6)	\$42,500	\$45,368	\$49,071	\$50,642	\$66,251
General and Administration (7)	\$215,642	\$223,703	\$232,087	\$240,806	\$250,438
Human Resources (8)	\$378,350	\$393,484	\$409,223	\$425,592	\$422,616
Total Operating Expenses	\$1,202,192	\$1,246,255	\$1,292,081	\$1,339,740	\$1,389,305
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0

NOTES TO FIVE-YEAR BUDGET

- 1) Collection of past-due assessments from prior years.
- 2) Current-year assessments assume a collection rate of 92%.
- 3) Fees, interest, service charges, and sponsorship revenue.
- 4) Private security services contract, additional Philadelphia Police in the district, and contract for street and sidewalk cleaning, power washing, and graffiti removal.
- 5) Marketing plans and programs to promote business growth.
- 6) Economic development programming and initiatives to attract and retain businesses and encourage local investment, street lighting maintenance, street tree planting, banners, and streetscape improvements.
- 7) General office and administrative expenses relating to the management of OCD, including, office leasing, audit, and general legal fees.
- 8) Expenses related to payroll, including taxes, administration, and benefits for OCD staff who are responsible for oversight and implementation of all activities identified in this five-year plan and budget.

*Policy related to reduced assessments. The OCD assessments are based on the assessed value for taxable real estate as determined by the Office of Property Assessment (OPA). In any given year, property owners have the right and ability to appeal the OPA assessment to the Board of Revision of Taxes (BRT) and not OCD. OCD's policy is to recalculate the annual charge and allow an adjustment to the current year's charge, or if the charge has already been paid, to allow a credit against the property's next annual OCD charge, if the certified assessed value of the property is reduced on appeal by the BRT. **In order to be eligible for the reduction or credit, OCD must receive written notification of an appeal from the property owner in the year in which the appeal is filed, in addition to a copy of the initial application and final decision of the BRT for reduction of the property value for which the assessed charges apply.**



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BILL NO. 230628 continued