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MEMORANDUM

From: Elizabeth McCollum  
Date: February 10, 2025  
To: File  
Re: BILL NO. 240612

On June 13, 2024, Councilmembers Squilla and Lozada introduced Bill No. 240612 (“the Bill”), which was approved by the Council of the City of Philadelphia (“Council”) on December 12, 2024. This memorandum summarizes the Bill, the legal requirements and procedures governing its passage, and its procedural history.

**Bill Summary**

The Bill provides for continuation and extension of various authorizations approved by Council in Bill No. 190659 related to the Fishtown Kensington Area Business Improvement District (“the BID”) and the Fishtown Kensington Area Business Improvement District, Inc. (“FKABID”). Specifically, it continues the BID and FKABID beyond their current expiration dates until December 31, 2029; extends the BID’s boundaries to include North Front Street from Montgomery Street to Diamond Street, East Girard Avenue from East Fletcher Street to East Berks Street, and the north side of West Girard Avenue from Front Street to North 2nd Street; and reauthorizes FKABID to impose a special assessment as set forth in the BID Plan, attached to the ordinance as Exhibit “A.”

**Applicable Legal Requirements and Procedures**

The BID is a specific form of Neighborhood Improvement District (“NID”), and FKABID is a type of Neighborhood Improvement District Management Association, both of which are governed by state law. The Community and Economic Improvement Act (“the Act”), 53 Pa. Stat. § 18101 *et. seq.*, sets forth the process for creating a NID and the strategic Plan that will guide its operations (“NID Plan” or “Plan”) as well as for defeating a proposed NID by objection. 53 Pa. Stat. § 18105. The Act specifically outlines the procedures for public notice of the proposed NID Plan, public hearing, and filing of objections. It also prescribes when objections filed against the

Plan can defeat establishment of the NID.

Pursuant to the Act, Council must provide “all affected property owners and lessees of affected property owners” notice of “the preliminary plan or any revised plan with respect to which a public hearing must be held.” 53 Pa. Stat. § 18105(b)(1). If the substance of the preliminary plan is not subsequently revised, affected property owners and their lessees would receive notice of the preliminary plan only, and only one public hearing must be held. 53 Pa. Stat. § 18105(b)(1) (noting that one public hearing is the statutory minimum number of public hearings that must be held on the NID plan); 53 Pa. Stat. § 18105(b)(4) (“If revisions, other than technical revisions, are made to the preliminary plan or a revised preliminary plan, a public hearing shall be held for the purpose of receiving public comment on the revisions with notice and advertising provided in accordance with [the same provisions applicable to the preliminary plan]”). The provided notice must be given at least 30 days prior to the public hearing and include a copy of the NID Plan and the date, location and time of the hearing. 53 Pa. Stat. § 18105(b)(1). In addition to the public notice to owners and lessees within the NID, Council must also advertise the public hearing in a newspaper of general circulation at least 10 days prior to such hearing. 53 Pa. Stat. § 18105(b)(2).

Copies of the Plan attached to the Bill were mailed not later than September 17, 2024, to all properties listed in the Bill; these notices provided the plan as well as the date, location, and time of the public hearing. Notice of a public hearing of the Committee on Rules to be held on October 18, 2024, was published in the Philadelphia Inquirer (the newspaper of general circulation) as well as the Legal Intelligencer on September 19, 2024. A public hearing before Council’s Committee on Rules was held on October 18, 2024, at the time and location set forth in the public notices.

The Act allows a narrow class of persons within the NID the opportunity to object to the NID Plan before its enactment. Objections are permitted by “affected property owners” within the NID only. 53 Pa. Stat. § 18105(b)(5). “Affected properties owners” are defined as those property owners whose property is or could be subject to a special assessment imposed by the NID. 53 Pa. Stat. § 18103. This definition limits lawful objections to owners of taxable properties and thus excludes tax-exempt/nonprofit and government owners.

The form and manner in which affected property owners can lawfully file an objection are also prescribed by the Act. Objections must satisfy each of the following five requirements: (1) be in writing; (2) identify the address of the property for which objection is being made; (3) be signed by the owner of such property; (4) be filed with the Council Clerk; and (5) be submitted within the statutorily-provided objection period. 53 Pa. Stat. §18105(b)(5).

The Act provides that objections must be filed no later than “45 days after the hearing held on the final Plan.” *Id.* A preliminary Plan subject to no subsequent non-technical amendments is “the final Plan” as that term is used in the Act.

No revisions were made to the Plan after mailing of notice pursuant to the Act. Affected property owners within the District were therefore provided no less than 45 days from the date of the October 18, 2024, public hearing—i.e., through December 2, 2024—to file objections to the

Plan.

The Act prohibits establishment of the NID if either: (1) at least one-third of properties owned by affected property owners in the NID filed timely objections; or (2) the value of timely objecting properties, as assessed for taxable purposes, amounted to at least one-third of the total property valuation of property owned by affected property owners within the NID. 53 Pa. Stat. § 18105(b)(7). Under either scenario, no more than one objection is counted per property, even if multiple objections are filed per property. Therefore, duplicate objections for the same address were counted as one single objection.

### Calculation Methodology and Results

The following details the methodology used to evaluate whether lawful objections filed during the statutorily-authorized objection period were sufficient to defeat the NID pursuant 53 Pa. Stat. § 18105(b)(7).

#### I. Affected Properties

The population size of affected properties was calculated by taking the total number of properties in the NID as listed in Exhibit “A-2” of the Bill and then subtracting any listed properties that were owned by tax-exempt nonprofit, City, Commonwealth, or other government entities. Owner-occupied residential properties included on the list were not excluded from the count, as they are potentially assessed under the life of the Plan if the owners convert their use to rental. Of the properties listed, 1,044 qualify as taxable properties that are—or could be—subject to special assessment under the Plan. A list of affected properties is attached.

The following properties owned by tax-exempt non-profit and/or City, Commonwealth, or other government entities were excluded from all calculations and tallies: 410-22 E Girard Ave; 426-30 E Girard Ave; 1340-52-52 Frankford Ave; 1400-10 Frankford Ave; 1401 Frankford Ave; 1403 Frankford Ave; 1817 Frankford Ave; 1825 Frankford Ave; 2007-09 Frankford Ave; 2200-08 Frankford Ave; 2211 Frankford Ave; 2213-17 Frankford Ave; 2231 Frankford Ave; 2233-43 Frankford Ave; 2428 Frankford Ave; 2515 Frankford Ave; 2610 Frankford Ave; 2612 Frankford Ave; 1347 N Front St; . The following City, Commonwealth, or other government entity-owned properties were excluded from all calculations and tallies: 12-28 E Allen St; 13-21 E Allen St; 30 E Allen St; 611-17 E Girard Ave; 1300-04 Frankford Ave; 945 Frankford Ave; 1701-21 Frankford Ave; 2453 Frankford Ave; 2614 Frankford Ave; 2616 Frankford Ave; 2618 Frankford Ave; 73-81R Laurel St; 1019-21 N Front St; 1023 N Front St; 1035-41 N Front St; 1036-66 N Front St; 1101-19 N Front St; 1773 N Front St A; 1856 N Front St; 1858 N Front St; 1860 N Front St; 1861 N Front St; 1862-64 N Front St; 1901 N Front St; 908R N Front St B; 101 W Girard Ave; and 37 W Girard Ave.

Therefore, the number of Affected Properties is 1,044.

#### II. Total Assessed Value of Affected Properties

The total assessed value of 1,044 Affected Properties in the NID, as identified in the NID Plan,

was derived from point-in-time December 2024 City of Philadelphia Office of Property Assessment's market value data. The 1,044 Affected Properties have a total market value of \$635,559,517.

### III. The Number of Timely Objections by Affected Properties Was Less Than One-Third of the Total Number of Affected Properties

The Act prohibits establishment of the NID if at least one-third of properties owned by affected property owners in the NID file timely objections. 53 Pa. Stat. § 18105(b)(7).

Objections received through December 2, 2024 were deemed timely. Objections received on or after December 3, 2024 were not timely and were not included in tallies or calculations.

The Office of the Chief Clerk received timely objections from 306 Affected Properties in the NID. The total number of Affected Properties was 1,044. One-third of 1,044 is 348. The 306 objecting Affected Properties represented 29.31% of the total number of Affected Properties. As 306 is less than 348, and 29.31% is less than 1/3 (or 33.33%), the number of timely objections by Affected Properties was insufficient to defeat the NID.

### IV. The Total Property Value of Objecting Affected Properties Was Less Than One-Third of the Total Value of the Affected Properties

The Act also prohibits establishment of the NID if the value of timely objecting affected 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 NID. 53 Pa. Stat. § 18105(b)(7).

The 1,044 Affected Properties have a total market value of \$635,559,517. One-third of \$635,559,517 equals \$211,853,172. The timely objections of 306 Affected Properties represents \$128,161,458 (20.17%) of the total market value of Affected Properties. The total assessed value of the 306 objecting Affected Properties in the NID, as identified in the NID Plan, was derived from point-in-time December 2024 City of Philadelphia Office of Property Assessment's market value data. As \$128,161,458 is less than \$211,853,172, and 20.17% is less than 1/3 (or 33.33%), the property value of objections from Affected Properties was insufficient to defeat the NID.

### V. Duplicate Objections and Objections from Nonaffected Properties

Of timely objections, 11 Affected Properties received duplicate objections. These were each counted once per property and were included in the tallies and calculations. Of the untimely objections, 10 were duplicates of timely objections received on or before December 2, 2024 that were already included in the tallies and calculations as one objection per property.

Objection correspondence received for properties that were not listed in in Exhibit "A-2" of the Bill were not included in any tallies or calculations. Any address not listed in listed in in Exhibit "A-2" of the Bill is not an Affected Property, and therefore cannot make an objection. Thus, objections (both timely and untimely) for the following addresses were not counted in any tallies or calculations: 2123 E. Haggert St; 2508 Amber St; 1223 Hope St; 1221 Hope St; 1833 N Hope St; 1420 E Susquehanna Ave; 1101-1119 N Front St; or 701-19 E Girard Ave.

## **Conclusion**

Having met all procedural requirements of 53 Pa. Stat. § 18105, *et. seq.*, and timely objections having not met the threshold for dissolution under state law, the bill was approved by Council on December 12, 2024.