

# City of Philadelphia



(Bill No. 130775)

## AN ORDINANCE

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

WHEREAS, The Old City Special Services District of Philadelphia (“District”) 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 14, 1997); and

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

WHEREAS, The District’s registered office address currently on file with the Pennsylvania Department of State is 35 South Letitia Street, Philadelphia, Pennsylvania 19106; and

WHEREAS, The District proposed and City Council desires to authorize a change of such registered office address to 231 Market Street, Philadelphia, Pennsylvania 19106; and

WHEREAS, The District wishes to continue providing business improvements and administrative services to the Old City area; and

WHEREAS, The District has completed a new Plan and Five Year Budget (the “Plan”), attached as Exhibit “A” hereto, detailing certain business improvements and administrative services to the District, together with the estimated costs and the proposed method of assessment and charges; and

WHEREAS, After duly advertised public hearings held by the District pursuant to the Act, legally sufficient objections to the Plan have not been received either from persons representing the ownership of one-third (1/3) of the properties in the district or property owners within the district 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

# City of Philadelphia

BILL NO. 130775 continued

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WHEREAS, As required by the Act, the Plan has now been submitted to City Council for its review and approval; and

WHEREAS, It is desirable to the City that the Plan to continue providing improvements to the Old City Special Services Area be approved for 5 more years; and

WHEREAS, It is City Council's intent, in enacting this Ordinance, to authorize a change to the District's registered office address and to take the action required under the Act to approve the Plan; now, therefore

## *THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. City Council hereby authorizes the District to change its registered office address on file with the Pennsylvania Department of State to 231 Market Street, Philadelphia, Pennsylvania 19106, and to notify the Secretary of the Commonwealth of such change.

SECTION 2. The Plan and Five Year Budget for the Old City Special Services District ("Plan") attached as Exhibit "A" hereto, including the maps and other documents and supporting data which form a part of the Plan, submitted by the Old City Special Services District ("District") having been duly reviewed and considered, is approved.

SECTION 3. The District is authorized to take such action as may be necessary to carry out the Plan for a period of 5 years. City Council authorizes the District to proceed with minor changes in substantial conformity with the Plan. Any major changes must be approved by Ordinance.

SECTION 4. The Director of Commerce, on behalf of the City, is authorized to enter into cooperative agreements with the District, in a form approved by the City Solicitor, for taking legal action to collect District assessments and charges.

SECTION 5. The City resolves to cause the level of security and maintenance services provided by the City to the area served by the District to be established in the future at the same levels as would have been provided in the absence of the services to be provided by the District, unless there shall be a City-wide reduction in services.



**OLD CITY  
DISTRICT**

## Five Year Plan and Budget

### INTRODUCTION

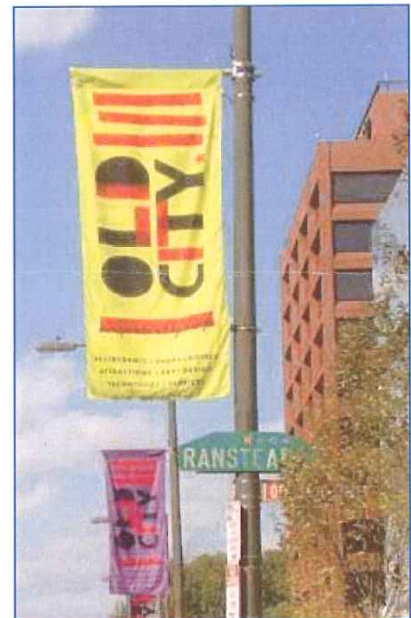
Old City District's mission is to improve Philadelphia's historic district as a place for people to meet, work, shop and live by supplementing municipal services with maintenance, public safety, economic development and promotional programs. Old City District (OCD) was established by ordinance of Philadelphia 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, 2002, the City of Philadelphia authorized a 20-year extension, through the year 2022. Now in its 15<sup>th</sup> year, this public-private partnership continues to maintain and improve the dynamic Old City neighborhood. OCD serves to supplement,

rather than replace, the services of the municipal government, 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, attracting 3.6 million visitors per year. Also important culturally and economically, Old City is home to world-class museums, theatres and art galleries, excellent hotels, a wide range of dining and nightlife establishments, independent retailers and a diverse mix of technology, media, professional and service organizations. Old City employers range from

major institutions to solo entrepreneurs, representing a significant segment of the regional economy. In addition, according to the 2000 census, more than 8,000 residents live in Old City in a range of housing units from apartments and townhouses to contemporary lofts and high-end residential condos.

This five-year plan and budget charts Old City District's path through budget years 2014–2018. 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.



### SERVICE AREA

The service area for OCD includes the area bounded by Florist Street to the north, Walnut/Dock Streets to the south, 6<sup>th</sup> Street to the west and Front Street to the east. This map generally depicts the boundaries of the service area.





## STREET CLEANING & MAINTENANCE

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 ten workers deployed every day, in all weather conditions. The crew provides manual and mechanical sweeping of sidewalks.
- Sidewalks are power-washed on a monthly basis (weather permitting) and illegally dumped trash is removed along with graffiti, posters and stickers from public property including signage, parking kiosks, and utility poles.
- Graffiti tags are removed from commercial buildings and residences in coordination with the City of Philadelphia's Graffiti Abatement Team.

In 2012, OCD's cleaning crew gathered 7,460 bags of trash, and removed 149 graffiti tags. Philadelphia Streets Department cleans the streets from curb to curb, services trash receptacles and enforces sanitation rules. To supplement planned Streets Department activity, OCD is acquiring additional Big Belly trash compactors and recycling units, increasing capacity and reducing litter on Old City's streets.

## PUBLIC SAFETY

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

- OCD coordinates regularly with the City of Philadelphia's 6<sup>th</sup> Police District and has successfully lobbied for an increased presence during the hours when they are needed the most.
- OCD funds supplemental officer shifts during peak weekend hours, and employs a private security firm, which serves as additional "eyes and ears" on the streets.
- OCD also created and maintains a radio communications network to link operators of nightlife establishments with OCD security patrols and the Police.
- OCD works with city and state agencies in the ongoing oversight of liquor license compliance.
- OCD plans to invest in video camera equipment to monitor public areas, working with business and property owners and the Police Department on this new initiative.
- To address traffic flow and mitigate congestion during peak hours, OCD commissions transportation studies and works on solutions with the Streets Department and Philadelphia Parking Authority.

OCD will continue its commitment to increase both the reality and perceptions of public safety in Old City.

## ECONOMIC DEVELOPMENT

Old City District works to promote the neighborhood's economic vitality through a number of approaches. With a clean and safe neighborhood as a foundation, OCD fosters a positive environment in which the diverse local economy can flourish and expand.

- To attract new and retain existing businesses in Old City, OCD maintains an inventory of available commercial properties on its website, which is available to real estate brokers, developers and businesses.
- OCD organizes broker events to promote these available properties and works with a network of economic development agencies, including Philadelphia Commerce Department, Philadelphia Industrial Development Corporation and Select Greater Philadelphia.
- OCD helps local business and property owners to improve their building facades, by helping them apply for Storefront Improvement Grants via Philadelphia Commerce Department. These matching grants are designed to support the businesses while improving the look of the historic neighborhood.



- OCD also assists small businesses to secure financial assistance grants through The Merchant's Fund.

OCD has stepped up to play a more active role in the important community discussions that impact local land use, zoning and development decisions. In 2012, the City of Philadelphia completely revamped its zoning code – a landmark event – and OCD acquired the designation as a "Registered Community Organization," authorized to conduct reviews of zoning applications within the district's boundaries.

Old City's growing tech and creative sectors serve an increasingly important role in our local economy. Software developers, IT consultants, marketing and design agencies, computer and robotics engineers, co-working spaces and other tech/creative firms have found homes here. Small and upper floor office spaces are ideal for start-up firms, and their savvy workers enjoy the amenities of Old City and become customers of nearby businesses.

- OCD leverages this critical mass to attract more new businesses.
- OCD supports real estate site selection and delivers media messaging to promote Old City's tech and creative communities.

Old City has seen impressive levels of private investment and growth, despite the country's economic downturn. In 2012, Old City welcomed 42 new business openings, eight relocations within our district and three expansions. This includes the grand opening of the Hotel Monaco – a Kimpton Hotel, the expansion of the venerable Arden Theatre – one of Old City's cultural anchors, and yet another expansion of Indy Hall – Old City's nationally acclaimed co-working space for the tech and creative communities.





street trees based on a partnership with Philadelphia Parks & Recreation Department and the Old City Tree Tenders, 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.

## 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 business people and residents, who are deeply committed to the improvement and maintenance of Old City. The programs are administered by a staff of three who conduct the ongoing management and operations. The 2011 relocation to a storefront office at 231 Market Street has enabled the organization to better serve 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.

## MARKETING & PROMOTIONS

- OCD's marketing communications promote Old City's world-class assets – the history, arts & culture, shopping, dining, lodging and living.
- OCD publishes an attractive marketing brochure distributed broadly to attract residents and visitors to the district. The brochure project is funded primarily by advertising sales; proceeds also fueled a neighborhood branding project.
- OCD spearheaded creation of a bold new graphic identity for the entire Old City neighborhood by a local marketing agency. The brand is already tying the neighborhood together on streetlight banners, storefront window stickers and on the Old City brochure cover. Additional applications are planned.
- OCD produces a monthly eNewsletter, featuring First Fridays, which now are expanding to First Friday Weekends. This publication highlights Old City's numerous gallery openings plus other events and promotions from our local businesses, and is distributed to more than 6,800 readers. To sign up for the eNewsletter, visit [www.oldcitydistrict.org](http://www.oldcitydistrict.org).
- The OCD website communicates news and events, and lists our local businesses in a directory. The website is now being redesigned – the next version will provide enhanced communications with stakeholders and visitors, and will be available later this year.

## STREETSCAPE MAINTENANCE & IMPROVEMENTS

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

- OCD works with the City of Philadelphia and Center City District to secure the installation of new pedestrian street lighting. In 2012, new lighting was installed along 3<sup>rd</sup> Street, from Chestnut to Race Streets, illuminating a previously dark stretch of roadway in the heart of our business district.
- 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, welcoming visitors and shoppers to the district.
- To maintain our green urban environment, OCD plants and maintains

## ASSESSMENT FORMULA

Annual assessment charges are computed by multiplying that portion of the district's annual budget attributed to assessments (2014 total = \$780,630) by a ratio of the assessed value of your property to the total assessed valuation of all the commercial properties in the district (2014 total = 1,100,522,319).

The assessment for each property 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 the annual budget amount for the district;
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 (non-residential) use, and including income-producing residential units that are rented to tenants. Single family owner-occupied residential properties, including residential condominiums, shall be exempt from the OCD assessment.<sup>1</sup> 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 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).<sup>2</sup>

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.

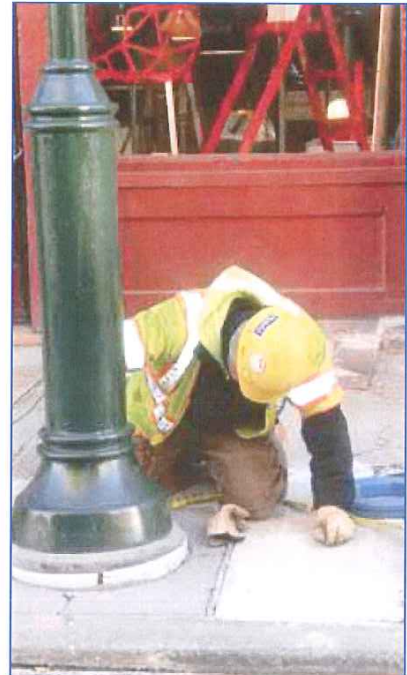
1. Proof may be required to qualify for exemption. Specific requirements will be provided by the OCD upon request.
2. Details on commercial status of residential properties will be provided by the OCD upon request.





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[www.oldcitydistrict.org](http://www.oldcitydistrict.org)



## BUDGET: 2014–2018

	2014	2015	2016	2017	2018
<b>Revenues</b>					
Prior Year Commercial Assessments <sup>1</sup>	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Current Year Commercial Assessments <sup>2</sup>	\$741,600	\$763,848	\$786,763	\$810,366	\$834,677
Interest and Other Income <sup>3</sup>	\$47,500	\$48,450	\$49,421	\$50,414	\$51,429
<b>Total Revenue</b>	<b>\$804,100</b>	<b>\$827,298</b>	<b>\$851,185</b>	<b>\$875,780</b>	<b>\$901,106</b>
<b>Expenses</b>					
Public Safety <sup>4</sup>	\$120,215	\$123,822	\$127,537	\$131,363	\$135,304
Street Cleaning & Maintenance <sup>5</sup>	\$248,286	\$255,725	\$263,386	\$271,277	\$279,405
Marketing <sup>6</sup>	\$64,500	\$66,135	\$67,201	\$68,299	\$69,430
Economic Development & Planning <sup>7</sup>	\$15,500	\$16,070	\$16,552	\$17,049	\$17,560
Administration <sup>8</sup>	\$289,791	\$299,160	\$308,841	\$319,118	\$329,780
Streetscape Maintenance & Improvements <sup>9</sup>	\$65,808	\$66,386	\$67,668	\$68,675	\$69,627
<b>Total Operating Expenses</b>	<b>\$804,100</b>	<b>\$827,298</b>	<b>\$851,185</b>	<b>\$875,780</b>	<b>\$901,106</b>
<b>Operating Income (Loss)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Notes to Five-Year Plan

1. Collection of past due assessments from prior years.
2. Current year assessments assume a collection rate of 95%.
3. Fees, interest, and service charges for OCD services.
4. Private security services contract and additional Philadelphia Police in the district.
5. Contract for street and sidewalk cleaning, power washing, graffiti removal.

6. Marketing plans and programs to promote business growth.
7. Economic development programming and initiatives to attract and retain businesses and encourage local investment.
8. General office and administrative expenses relating to management of OCD, including human resources, office leasing, audit and general legal fees.
9. Street lighting installation and maintenance, street tree planting/maintenance, banners and streetscape improvements.

# City of Philadelphia

BILL NO. 130775 continued

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 12, 2013. The Bill was Signed by the Mayor on January 8, 2014.

A handwritten signature in cursive script, reading "Michael A. Decker".

Michael A. Decker  
Chief Clerk of the City Council