City of Philadelphia

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

Legislation Details (With Text)

File #:	220846	**Version:**	0	**Name:**	
Type:	Bill			**Status:**	ENACTED
File created:	10/20/2022			**In control:**	Committee on Rules
On agenda:				**Final action:**	12/15/2022

Title: Approving the plan, estimated costs and proposed method of assessment and charges of the Center City District (the "Authority") for and concerning business improvements and administrative services to the central business district of the City of Philadelphia for 2023-2027; amending an Ordinance (Bill No. 1069, approved November 2, 1990, as amended by Bill No. 960631, approved November 25, 1996, as further amended by Bill No. 120800, approved December 21, 2012, and as further amended by Bill No. 170927, approved December 20, 2017) adopted pursuant to the "Municipality Authorities Act of 1945," P.L. 382, as amended (the "Act"); and approving estimated costs for debt service through 2045; all under certain terms and conditions.

Sponsors: Council President Clarke, Councilmember Squilla

Indexes: CENTER CITY DISTRICT

Code sections:

Attachments: 1. 220846 - Exhibit Set, As Introduced, 2. Bill No. 22084600.pdf, 3. CertifiedCopy22084600

Date	Ver.	Action By	Action	Result	Tally
1/4/2023	0	MAYOR	SIGNED		
12/15/2022	0	CITY COUNCIL	READ AND PASSED	Pass	16:0
12/8/2022	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL		
12/8/2022	0	CITY COUNCIL	READ AND ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
12/8/2022	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY`S FIRST READING CALENDAR		
12/6/2022	0	Committee on Rules			
12/6/2022	0	Committee on Rules			
12/6/2022	0	Committee on Rules			
10/20/2022	0	CITY COUNCIL	Introduced and Referred		

Approving the plan, estimated costs and proposed method of assessment and charges of the Center City District (the "Authority") for and concerning business improvements and administrative services to the central business district of the City of Philadelphia for 2023-2027; amending an Ordinance (Bill No. 1069, approved November 2, 1990, as amended by Bill No. 960631, approved November 25, 1996, as further amended by Bill No. 120800, approved December 21, 2012, and as further amended by Bill No. 170927, approved December 20, 2017) adopted pursuant to the "Municipality Authorities Act of 1945," P.L. 382, as amended (the "Act"); and approving estimated costs for debt service through 2045; all under certain terms and conditions.

WHEREAS, Under the Act, the City, in an ordinance approved on March 28, 1990 (Bill No. 727), authorized the organization of an authority then known as the Special Services District of Central Philadelphia for the purpose of making business improvements and providing administrative services, as those terms are defined in

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the Act, to the central business district of the City of Philadelphia; and

WHEREAS, Articles of Incorporation were filed with the Secretary of the Commonwealth and the Authority was incorporated on May 4, 1990; and

WHEREAS, In accordance with the requirements of the Act, the Authority completed a plan for business improvements and administrative services to be made and provided through the 1995 fiscal year of the Authority to the central business district of the City of Philadelphia, and the Authority held public hearings respecting such plan; and

WHEREAS, Legally sufficient written objections were not received from property owners and the City approved the Authority's plan to serve the central business district area (the "District") bounded and described in the ordinance approved on November 2, 1990 (Bill No. 1069); and

WHEREAS, the City, by Ordinance (Bill No. 960631) approved on November 25, 1996, expanded the boundaries of the District as set forth in Section 1 of such Ordinance; and

WHEREAS, the City, by Ordinance (Bill No. 120800) approved on December 21, 2012, expanded the boundaries of the District by providing in Section 1 of such Ordinance; and

WHEREAS, the City, by Ordinance (Bill No. 170927) approved on December 20, 2017, expanded the boundaries of the District by providing in Section 1 of such Ordinance; and

WHEREAS, The Articles of Incorporation of the Special Services District of Central Philadelphia were amended on October 30, 1992, to change the name of the Authority to the "Center City District"; and

WHEREAS, The Authority filed an amendment to its Articles of Incorporation with the Secretary of the Commonwealth on March 30, 1995, pursuant to which the Authority's term was extended from five (5) to twenty-five (25) years; and

WHEREAS, Under the Act in an ordinance approved on November 17, 2004 (Bill No. 040873), the City authorized an extension of the term of the Authority to December 31, 2025, by approving an amendment to the Authority's Articles of Incorporation; and

WHEREAS, The Authority filed an amendment to its Articles of Incorporation with the Secretary of the Commonwealth on December 23, 2004, pursuant to which the Authority's term was extended to December 31, 2025; and

WHEREAS, Under the Act in an ordinance approved on December 21, 2012 (Bill No. 120800), the City authorized an extension of the term of the Authority to December 31, 2045, by approving an amendment to the Authority's Articles of Incorporation; and

WHEREAS, The Authority filed an amendment to its Articles of Incorporation with the Secretary of the Commonwealth on February 5, 2013, pursuant to which the Authority's term was extended to December 31, 2045; and

WHEREAS, In 1995, the Authority issued bonds (the "1995 Bonds") with a term ending in 2015, the proceeds of which were used to finance capital improvements and maintenance within the District; and

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WHEREAS, In 2004, the Authority refinanced the 1995 Bonds for the purpose of reducing debt service, and issued new bonds (the "2004 Bonds"); and

WHEREAS, In 2014, the Authority refinanced the 2004 Bonds by issuing long-term debt in the form of Term Note A, with an original value of $10.8 million, as well issued additional debt to finance operations and complete the construction of Dilworth Park, which additional debt consisted of the issuance of long-term debt in the form of Term Note B, with an original value of $10 million and short-term borrowing, with an original value of $5 million (collectively, Term Note A, Term Note B and the short term borrowing are referred herein as the "Debt Instruments"); and

WHEREAS, The Act of February 14, 2012 (P.L. 83, No. 12) (the "2012 Amendment") amended the Act to permit a business improvement district such as the Authority to elect to reduce by 50% the assessments on owner-occupied residential properties, such as condominiums and single-family properties; and

WHEREAS, Pursuant to the Act as amended by the 2012 Amendment, the Authority elected to reduce the assessments on owner-occupied residential properties by 50% beginning in calendar year 2013 and continuing through calendar year 2017; and

WHEREAS, On or before November 16, 2013, the Authority mailed to each property owner within the District notification of the Authority's election, pursuant to the then pending House Bill 1644, to use the same 50% formula authorized by the 2012 Amendment to the Act and to maintain the allocation between commercial and residential properties, by adding the goal that the total assessment of residential owner-occupied properties will not exceed 5% of the Authority's annual assessment in any year covered by its then current plan and budget.

WHEREAS, House Bill 1644 was enacted by the Act of December 23, 2013 (P.L. 1254, No. 128), and the additional protocol relative to the total assessment of residential owner-occupied properties was placed into effect for calendar year 2014 and continuing through calendar year 2022; and

WHEREAS, Pursuant to the Act as amended by the 2012 Amendment, the Authority has since calendar year 2013 been required to assess each condominium building as a single benefitted property and provide to the condominium association an itemized bill to be paid by the condominium association from amounts collected from the individual unit owners; and

WHEREAS, The Authority has recently completed a plan for fiscal years 2023 through 2027 to continue the level of services provided to property owners located within the District, which will be financed by assessments and charges to be paid by property owners within the District (the "5-Year Operating Plan"); and

WHEREAS, The first year of the 5-Year Operating Plan is a plan for the 2023 fiscal year of the Authority; and

WHEREAS, The Authority mailed to each property owner and to each commercial tenant within the District as proposed to be expanded by this Ordinance "The Plan and Budget for the Center City District", which includes a description of the 5-Year Operating Plan, the proposed method of assessment and charges, the annual debt service on the Debt Instruments, all of which are herein collectively referred to as the "Plans"; and

WHEREAS, After sen_ding to each benefitted property and property owner and to each commercial tenant in the District, as proposed by this Ordinance, the Plans and the cost to each property owner together with notice of public hearings respecting the Plans; and, after due advertisement of such public hearings, public hearings have been held by the Authority pursuant to the Act; and legally sufficient written objections have not been received either from persons representing the ownership of one-third (1/3) of the benefitted properties in the

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District as proposed by this Ordinance or from benefitted property owners within the District as proposed by this Ordinance 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, The Authority has submitted to City Council for review and approval the Plans, which are attached hereto as Exhibit "A," and City Council has held public hearings respecting the Plans; and

WHEREAS, City Council desires to take appropriate action with respect to the proposed amendments and the Plans; and now, therefore,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 1 of the Ordinance approved November 2, 1990 (Bill No. 1069), as amended by the Ordinance approved November 25, 1996 (Bill No. 960631) and further amended by the Ordinance approved December 21, 2012 (Bill No. 120800); and Section 2 of the Ordinance approved November 2, 1990 (Bill No. 1069), as amended by the Ordinance approved November 25, 1996 (Bill No. 960631); further amended by the Ordinance approved December 21,2012 (Bill No. 120800); and further amended by the Ordinance approved December 20, 2017 (Bill No. 170927) approving such plan and budget for 2018-2022.

SECTION 2. It is hereby declared that the participation of the Authority in projects for and concerning business improvements and administrative services to the District by this Ordinance, as contemplated in the "2023-2027 Plan and Budget for the Center City District," which includes a map showing the boundary of the District attached as Exhibit “B”, a description of the boundary attached as Exhibit “C”, a description of the 5-Year Operating Plan, and the proposed method of assessment and charges, all of which are herein collectively referred to as the "Plans" and are attached as Exhibit “A”, is desirable for the entire City of Philadelphia to restore the economic vitality of the District which had provided over 300,000 jobs for residents of the City and surrounding region. The Plans, having been duly reviewed and considered, are approved.

SECTION 3. Estimated costs for debt service in the amount of$1,630,000 for 2023, $1,655,000 for 2024, $1,690,000 for 2025, $1,000,000 for 2026, $1,000,000 for 2027 and estimated costs no less than the annual amount of $3,400,000 for the years 2028 through 2045, the estimated costs for 2028 through 2045 representing two times the amount of the estimated debt service for 2025 on the Debt Instruments (rounded up), pursuant to the method of assessment set forth in the Plans, are approved, pursuant to the Act. Notwithstanding the estimated costs for debt service set forth in the preceding sentence of this Section 3, the Authority is hereby authorized, and may so covenant for the benefit of the holders of the Debt Instruments, to fix, levy and collect its assessments in each fiscal year such that the available revenues of the Authority pledged to secure the Debt Instruments, including such assessments, shall never be less than 200% of the debt service requirement for that fiscal year.

SECTION 4. The Authority is authorized to take such action as may be necessary to carry out the Plans, including, but not limited to, issuing or refinancing debt, in conformance with the provisions of the Act, which had been issued to finance Authority capital improvements. City Council authorizes the Authority to proceed with minor changes in substantial conformity with the Plans.

EXHIBIT “A”

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2023-2027 PLAN AND BUDGET FOR THE CENTER CITY DISTRICT

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