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## **Comparative Study of Urban Regeneration in the United States and South Korea**

**Wilson Center – Korea Housing and Urban  
Guarantee Corp (HUG)  
Joint Research Initiative**

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### **Case Study**

**Business Improvement Districts  
Philadelphia, Pennsylvania**

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# Philadelphia Case Studies

## Introduction

This report is part of a larger study with the Wilson Center and the Korean Housing and Urban Guarantee Corporation (HUG) comparing public-private partnerships for urban regeneration in the United States and Korea. Two case studies review how Business Improvement Districts (BIDs) in Philadelphia, Pennsylvania have successfully invested in public spaces to help revitalize their neighborhoods. BIDs are districts with special powers and duties conferred on them by state and city council legislation<sup>1</sup> to promote and enhance local economic development. Municipal governments give BIDs the authority to raise their funding via a separate property tax (assessment) levied on the district's property owners. While local city councils must approve a BID's assessment formulas, BIDs are empowered to collect assessment directly from property owners and have independent boards with the authority to establish programs and budgets. A BID's responsibilities vary by neighborhood need and local legislation but are commonly designed to supplement municipal services. Typical programs include trash pick-up, landscaping improvements, safety, and business marketing and promotion. Other services may include job training partnerships, public events management, data and market research, and transportation planning.

The two case studies are located in adjacent Philadelphia neighborhoods. The first, 'Center City', is the central business district. It is a major east coast transportation hub with forty-two percent of the city's jobs and a growing residential population. The second, 'University City', is west of Center City. Five major academic institutions and hospitals supplying 12% of the city's employment and diverse residential neighborhoods with small commercial corridors anchor the district. The first case study explores the Center City District (CCD)<sup>2</sup> BID's efforts to raise over \$50million USD in financing from government agencies, private donors, and commercial banks to transform and revitalize Dilworth Plaza. The little-used plaza at the center of the central business district is now the hugely popular Dilworth Park, attracting over 10 million visitors a year. The second case study looks at a new public space called The Porch by the University City District (UCD) BID<sup>3</sup>. The UCD used different financing, design and partnership strategies to transform a parking lot into a popular space lunch and evening plaza in a former light industrial zone transforming into a dynamic mixed-use district.

The case studies show how local BIDs provide a framework for encouraging private and civic institutions to take on a larger role in the vitality of their own neighborhoods. As quasi-government non-profit organizations, BIDs rely on strong support by local business owners and community members as well as good relationships with municipal authorities to run successful programs. By giving local communities power to invest in their own neighborhoods, BIDs offer policymakers a framework that encourages a bottom-up approach to community investment and spurs public-private partnerships.

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<sup>1</sup> Commonwealth of Pennsylvania Neighborhood Improvement District Act: <https://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2000&sessInd=0&act=130>

<sup>2</sup> Center City District, <https://centercityphila.org/>

<sup>3</sup> University City District. <https://www.universitycity.org/>

## Background: Why Drove the Creation of BIDs in Philadelphia?

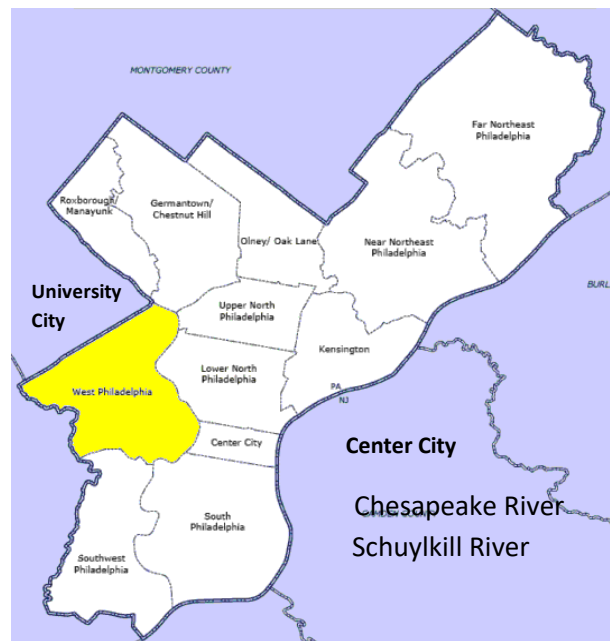
### Socio-economic Environment

In the late 19<sup>th</sup> century, Philadelphia, with a population of almost 2 million, was one of the strongest industrial urban centers in the world. Founded on the Chesapeake River, the city had a strong maritime tradition, including the first U.S. naval shipyard. By the 1850's, the growth of manufacturing jobs on the Schuylkill River on the west side of the city spurred waves of immigration and development in what was rural West Philadelphia. In 1872, University of Pennsylvania (UPenn) moved from its first campus on 4<sup>th</sup> Street to a large campus on 34<sup>th</sup> Street. Drexel Institute (now University), founded by a local industrialist, opened in 1891. By the turn of the twentieth century, the two west neighborhoods were the economic engines of the Philadelphia region.

In the 1940s, the city started to suffer serious population and economic decline due to suburban migration and the decline of urban manufacturing centers. Middle-class and working-class neighborhoods emptied out, poverty increased, and Philadelphia lost a large proportion of its commercial tax base. Local docks, once beehives of local economic growth and jobs, closed as containerized ships transformed the transportation industry and companies no longer needed to be near railyards or docks to move their goods. In 1946, Philadelphia was one of the first U.S. cities to create a local redevelopment authority to address these economic declines.

As federal investment dollars and urban tax bases continued to decline, the private sector began organizing to promote and revitalize downtowns. In 1956, Mayor Richardson Dilworth worked with Philadelphia downtown business leaders to create the Old Philadelphia Development Corporation (OPDC). The OPDC leveraged private investment funds and federal grants to rehabilitate (rather than demolish) the historic 'Old City' neighborhoods east of 6<sup>th</sup> Street. Despite the city's early leadership efforts and support from federal urban renewal legislation between 1948 and the early 1970s, poverty rates continued to rise and the business districts suffered from lack of investment. By the 1980s, the Center City business district had high commercial real estate vacancies and low real estate values. Quality-of-life crimes (aka 'petty crime') such as auto thefts, littering, public drinking, and graffiti gave the area a reputation for being dirty and dangerous.

Figure 1. Philadelphia Neighborhoods



By 1987, Philadelphia business leaders in Philadelphia were exploring a new model for downtown revitalization launched in cities like Denver, Colorado called a Business Improvement District (BID). By 1990, the Center City District was established with City Council approval and a majority of the property owners in the district. The BID was given self-taxation authority, allowing it to collect yearly fees from its members to fund programs and operations. The BID Board members consisted of major property owners and organizations like the Philadelphia Convention & Visitors Bureau.

West Philadelphia neighborhoods suffered similar economic disinvestment as Center City. By the early 1950s, academic institutions like the UPenn and Drexel Institute were the economic anchors of the neighborhoods west of Center City known as 'University City'. Unlike Center City, University City did not have a dense business district or many commercial property owners. Local business corridors provided basic neighborhood services and were in steady decline. The docks along the Schuylkill River were demolished and the city used the vacant land for a new regional highway called the Schuylkill Expressway. Meanwhile, the academic institutions were walling themselves off from the local communities, poverty and crime rates rose, and vacant properties depressed home values.

In the early 1990s, institutions like UPenn and Drexel decided to make a significant investment in their local neighborhood. Without private developer interest in the business corridors, UPenn initially self-funded commercial investments including a new hotel, movie theater, and grocery store. However, University City needed a larger coordinated effort to turn it around. Using the Center City BID as an example, UPenn worked with other universities, community organizations, and commercial property owners to create the University City District (UCD). Center City's self-taxing model, however, would not work with University City's large residential population and small business community. Instead, institutional leaders, which were also the larger property owners in University City, made a long-term voluntary commitment to fund UCD operations.

### Public Space Investments

Creating "clean and safe" public spaces was, and continues to be, the mission for both BIDs. Both organizations established uniformed cleaning crews and community service representatives to deter crime and provide advice and other services to pedestrians. Streetscape improvement programs followed, to help improve quality-of-life for residents, workers and visitors and attract new investment. New street lighting and landscaping improvements made the neighborhoods feel safer. Improved quality of life and lower crime rates encouraged new commercial and housing investment. As their programs became more successful and the organizations matured, BID boards recognized that more ambitious capital projects like park renovations could catalyze further neighborhood investment. Unlike basic services like cleaning crews, however, these projects were beyond the financial or management scope of the BID organizations. Larger capital projects would require multiple sources of funding, coordination with federal, state and city government agencies, and more community input. Taking on the responsibility for park management would also require yearly maintenance budgets and therefore larger financial commitments from district board members.

The following case studies showcase the two different – yet successful - partnership and financial models that the BIDs used to create a new park amenity in their respective districts.

# Case Study 1: Center City District and Dilworth Park

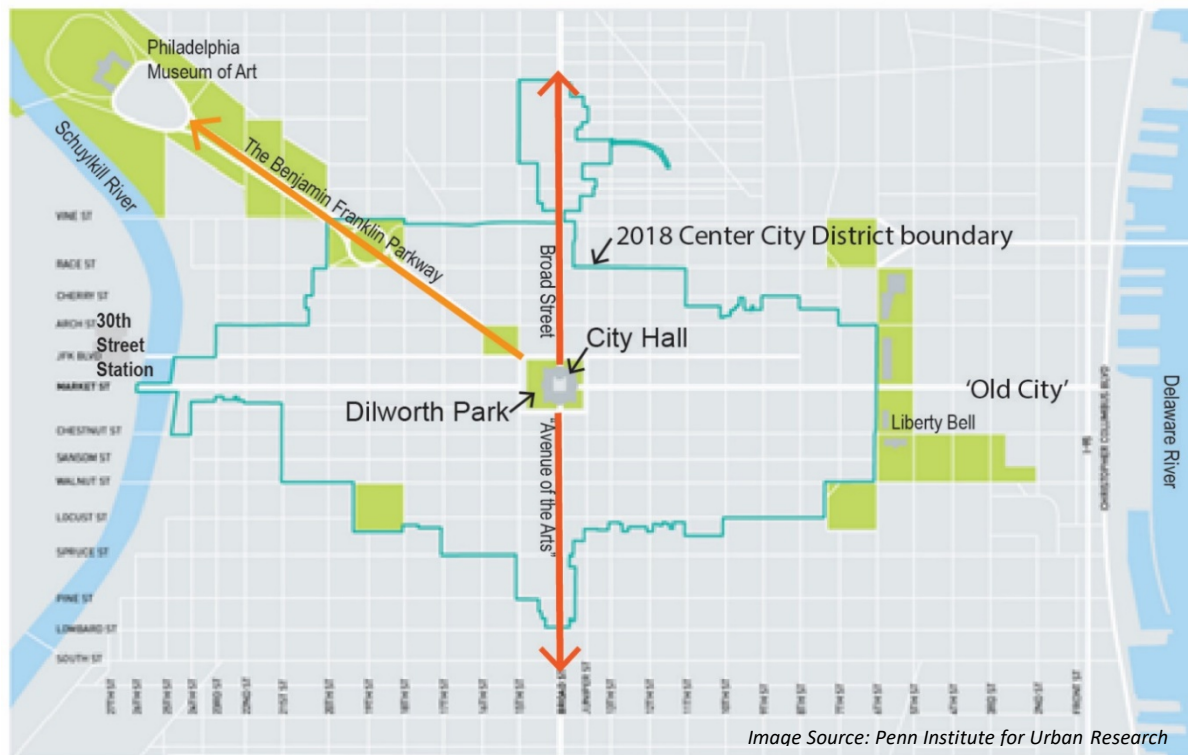
## Project Background

Within a few years Center City District’s investments in public space improvements such as lighting, signage and landscaping were paying off. Rittenhouse Square, the district’s premier park, was thriving, but another large public space, Dilworth Plaza, was not.

Dilworth plaza (now known as Dilworth Park) is at the heart of the city. It is adjacent to City Hall at the intersection of the city’s two major cultural and arts districts: the Avenue of the Arts on South Broad Street, and the Benjamin Franklin Parkway to the Northwest with the iconic Philadelphia Museum of Art. It sits on top of the region’s largest transportation hub with regional rail, trolleys, and subway lines. It serves as a gateway into Center City for 300,000 workers each day as well as travelers who the train between Center City and the Philadelphia International Airport (PHL).

In the early 1970s, a local architect turned the area into a granite plaza with open below grade entrances and open staircases down to transit corridors. Unfortunately, the below-grade design collected trash, made the transit entrances impossible for disabled passengers, and the area became a

Figure 2.3 Map of Center City District with location of Dilworth Park



haven for petty crime. It acted like a hole in the heart of the city and was a very poor first impression of the city.

As early as the 1980s, city leaders identified Dilworth Plaza as a poorly functioning public space but the CCD services did not include public park management, which was the responsibility of the city. That started to change in 2003, when the city asked CCD to take over management of Cret Park, just a few blocks from City Hall. By 2006, CCD was looking at ways to improve Dilworth Plaza.

In 2006, CCD hired OLIN partners to design a new park proposal for Dilworth Plaza and by 2008 started public community meetings to discuss the design. CCD received grants from local foundations to support this first design phase. In 2008, the recession hit Philadelphia and city cut spending on neighborhood-based services like parks. However, the CCD's efforts were bearing fruit: Center City saw its residential population numbers expand in 2009. By 2011, with a 44% rise in tourists, the Philadelphia convention center, not even twenty years old, required a \$700 million expansion<sup>4</sup>. The CCD searched for ways to fund the renovations without city financing.

## Planning

The planning stages of Dilworth Park took a number of years and included many community meetings, design reviews, and design changes to satisfy community groups, government agencies, and SEPTA engineering departments.

### 2006-2008

- CCD presents designs at over 35 public meetings - civic and business groups, residents, public agencies, editorial board of local newspapers. The Art Commission, Historical Commission, Planning Commission and the City Council hold formal public meetings. Designers revise the plans three times in response to comments.
- SEPTA begins work on hub improvements, part of a larger \$100 million capital investment program. Architects and engineers began to coordinate potential schedules and design conflicts to allow for new subway entrances, new elevators, adjusted concourse traffic flow, structural repairs and ensuring that the station would remain open during construction.

### 2009

- Schematic Design is completed and submitted for City Design review processes; Construction Documents are completed and approved by the Philadelphia Historical Commissions with regard to impact on City Hall; City Council approves the designs.

### 2010

- City of Philadelphia passes Bill No. 100842 authorizing the Commission of Public Property to enter in a long-term lease agreement for Dilworth Park with Center City District. The lease requires that all funds generated on Dilworth Park will be used exclusively for maintaining and operating the park.

### 2011

- Architects complete a third major redesign with new underground signage. The Philadelphia Arts Commission approves the art installation design by Janet Echelman that tracks trains real time under the park with colored lights.
- Construction begins in September, 2011

### 2014

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<sup>4</sup> By 2018, CCD had invested over \$148 million enhancing streetscapes with street lighting, new sidewalks, signage, bus shelters, and landscaping.



- After three years of construction, Dilworth Park opens in September with grand opening events

2014 – Present

- CCD operates and maintains the park, including all concessions, event planning, marketing, safety, cleaning, and landscaping. CCD does not handle use permits; Events must be submitted to the appropriate city agencies for approval and permits.

### Local Project Partners

The following section contains brief descriptions of the project partners and their role in the project.

**Center City District.** The Center City District (CCD) is a special purpose district that augments municipal services provided by local governments. The Pennsylvania Municipality Authorities Act of 1935 (the ‘Act’), allows cities to create special districts with approval of the majority of district property owners and the City Council with re-authorization every five years. As a special district, the CCD has substantial autonomy to provide services and has an independent board of directors. To fund the CCD’s activities and operations, the Act gives the CCD the power to “charge and collect rates and other charges” from district property owners (calculated with a formula tied to the City’s property assessment database). CCD collected this tax directly, and is not managed by Philadelphia Department of Revenue or counted as part of the city’s income. The Act also gives CCD the ability to borrow money, issue bonds, accept grants, and to enter into contracts with any government agency, non-profit, or private corporation. This power allows the CCD to act as a funding conduit for the Dilworth Park project and take out bank loans to cover construction costs. The CCD pays for maintenance and operation costs of the park not covered by concession fees.

**City of Philadelphia.** The City of Philadelphia Council helped fund the renovations and entered into a unique lease arrangement/partnership with CCD to manage the park as a public space. The municipal Parks & Recreation Department is responsible for managing the city’s 300+ parks, playgrounds, and historic properties around the city. However, The City Council and the Mayor agreed that the transformation of Dilworth Park and its on-going maintenance, security and operations costs were beyond the city’s Parks budget and responsibilities. The city council city gave CCD responsibility for Dilworth park (and three other parks) within its boundaries as part of its larger role managing downtown public spaces. The city retains the right to permit all uses and requires all design and construction to go through government review.

**Southeast Pennsylvania Regional Transit Authority (SEPTA).** SEPTA was a critical partner in the Dilworth project. SEPTA provided funding, supported federal grant applications, dedicated engineers to the design and construction team, coordinated site logistics and hosted community meetings.

SEPTA provided funding for the project in two ways – as a co-sponsor of the TIGER grant application<sup>5</sup> and capital spending coordinated with Dilworth Plaza renovations. SEPTA analysis of the project benefits was critical for the TIGER grant application. SEPTA calculated benefits including commuter time savings, improved circulation, disability access in the form of plaza improvements and new elevators, and improved safety through the plaza re-design and 24-hour security.

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As the central spoke in a regional rail network, SEPTA – and area commuters – could not afford to close down lines to renovate Dilworth. Therefore, SEPTA had to ensure that all regional rail lines would remain operational during construction. SEPTA engineers worked with Kieran Timberlake Architects, the Olin Studio (landscape design) and Urban Engineers to coordinate structural work (such as new steel beams, elevator shafts, new electrical, HVAC and air supply systems, and fountain infrastructure) and adjusted their capital budget planning to coordinate Dilworth-related upgrades with their larger \$150 million City Hall Station Renovation Program.

SEPTA, along with the design team, also hosted public community meetings during the planning and design phase to ask for public input on the design and impact on the transit hub.

**William Penn Foundation.** The William Penn Foundation is a regional family foundation committed to improving the life of Philadelphia for the last 70 years. With an endowment of over \$2 billion USD, the foundation awards over \$60 million in grants each year. The foundation has been a long-time partner and support of Center City District and business district initiatives for decades. In the 1990s, William Penn Foundation supports the South Broad Street Cultural District with 24 grants totaling over \$900,000 and over \$13 million in construction grants for arts organizations.

A part of its continuing focus on public spaces and art, the William Penn Foundation helped fund the design phase and public meetings for Dilworth as well as \$1.2 million to support construction in 2011. More recently, the foundation gave CCD \$325,000 to complete ‘Pulse’, the public art installation designed, but not completed, as part of the Dilworth Park, and \$300,000 to install a “Wintergarden” as part of the CCD’s public space event programming.

**The Knight Foundation.** The Knight Foundation, through their Arts and Community initiatives, supported both the design and construction of Dilworth as well as the development of the art installation by Janet Echelman. A 2006, \$50,000 grant in 2006 and \$850,000 grant in 2008 supported the design and engineering phases of the park. In 2012, the foundation offered CCD a \$400,000 challenge grant for the Pulse Art Installation, a grant that required a 1:1 matching effort by CCD. By the summer of 2013, twenty-one local donors matched the funds, for a total of \$800,000.

#### State and Federal Funding Partners

**Commonwealth of Pennsylvania.** CCD applied for funding from the Redevelopment Assistance Capital Program (RACP), a Commonwealth grant program administered by the Office of the Budget for the “acquisition and construction of regional economic, cultural, civic, recreational, and historical improvement projects”. RACP projects must generate employment, tax revenues, or other measures of economic activity. The state funds RACP grants by issuing 30-year municipal bonds; therefore, the applicant (CCD) must be eligible for federal tax-exempt bonds. RACP grants also requires non-state matching funds. For Dilworth Park, federal TIGER II grants qualified as matching funding (see below). A detailed flowchart of the funding process is attached as an appendix.

**Federal Department of Transportation (US DOT).** CCD sought out federal funding from the US DOT’s Transportation Investment Generation Economic Recovery (TIGER) grant program. The TIGER grants were part of 2009 (TIGER I) and 2010 (TIGER II) federal legislation to provide \$1.5 billion in federal dollars for capital investments to help spur development after the recession. The program prioritized projects that strengthened access to opportunities for employment, education and services through transportation improvements. This program was part of the larger American Recovery and

Reinvestment Act of 2009 (ARRA). The US DOT awarded money to only 3% of applicants and Dilworth was one of 42 capital projects selected in 2010. CCD’s ability to get this money was due to its partnership with SEPTA.

**Other Donors.** CCD raised significant funds from over sixty private and institution donors ranging from Comcast Communications and PNC Bank (major business anchors in the city) to small foundations and individuals. Many of the donations supported Pulse art matching grant challenge from the Knight Foundation. The art installation, embedded in the new fountains, creates scrimms of color-coded LED-colored mist that trace the movement of the transit lines underground in real time.

### Resources and Funding

The CCD was responsible for fundraising from federal, state, local, private and civic organizations to fund the renovations. Approximately 70 percent of the funds were in the form of grants, donations or state/federal funding. Thirty percent (\$20.1 million) was a bank loan to the CCD at a 3% fixed interest rate. Early projects estimates in 2011 was \$51 million (Table 1). Final costs came out to approximately \$67 million (see Table 2 and 3 for a breakdown).

*Table 1 Initial Budget Estimates*

<b>Dilworth Park Renovation Budget</b>	<b>Estimated Cost</b> (2011 USD, in millions)	<b>Actual Costs</b> (2018, USD millions, rounded )
<b>Planning, Design and Administration</b>	4	3.41
<b>Construction Costs (with Management)</b>	45	62.9
<b>Public and Digital Art</b>	2	1.1
<b>Projected Total</b>	<b>51</b>	<b>67.41</b>
<i>New Costs – Cast Iron City Hall Gates</i>	0	1.7

*Source: Center City District 2018 State of the City Report*

Table 2 Capital Investment by Partners 2006-2017

Breakdown of Phase Costs by Partner Contributions (2018 USD )							
Project Phase	CCD	Federal	State	City	Non-Profits	Other Donors	Total
Design & Engineering	1,555,900				1,701,900	151,500	3,409,300
Design & Construction	17,853,041	15,000,000	16,373,801	5,750,000	1,854,340	6,066,226	62,897,408
Pulse Art Installation (2017)	729,646	20,000	-	-	325,000	41,550	1,116,196
<b>Total</b>	<b>20,140,980</b>	<b>15,020,000</b>	<b>16,373,801</b>	<b>7,462,212</b>	<b>3,881,240</b>	<b>6,259,276</b>	<b>67,422,904</b>
<i>Source: from the Center City District State of the City Report, 2019) *3% APR loan terms</i>							
City Hall Gates	2,393	-	-	1,712,212	-	-	1,714,605

Table 3 Funding Breakdown by Partners

Sources of Funding	Type	Amount (USD, millions)	Purpose
Federal	Department of Transportation TIGER II grant, 2010	15	Construction
State	Commonwealth of Pennsylvania Redevelopment Assistance (RACP) grant	15.5	Construction
City of Philadelphia	Capital Program Funds, 2010	5.7	Construction
City of Philadelphia	Capital Program Funds, 2017	1.7	Construction (New Gates)
SEPTA	City Hall Dilworth Plaza Fund – part of their Capital Funds Program	5.5	Construction
William Penn Foundation	Grants	1.2	Design, Construction
William Penn Foundation	Grant	.325	Public Art
Knight Foundation	Arts Challenge grant	.40	Public Art
Knight Challenge Match	Private and civic donors	.40	Public Art
Knight Foundation	Grants	.85	Design and Engineering
Albert M. Greenfield Foundation	Grants	.225	Construction
PNC Corporation	Donation	.30	Construction
Center City District	Bank Loan (3% interest rate)	20.1	Design, Construction, Public Art
<i>Source: Center City District annual reports</i>			

**Operations:** The CCD continues to fund the park operation costs out of its own operating budget. Concessions such as the café, event fees and sponsorships partially fund operations and management.

The remainder of the costs for full-time and part-time staff, landscaping, security and maintenance comes out the CCD operating budget.

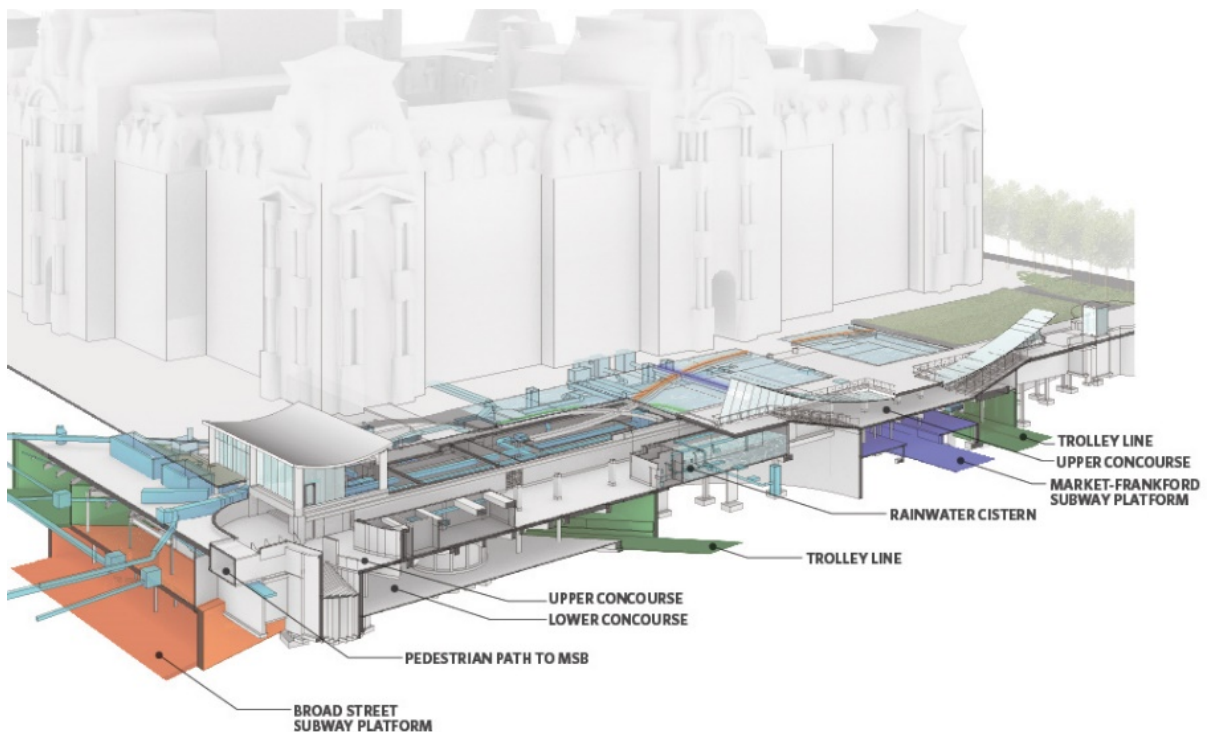
## Challenges and Outcomes

The success of the project required the CCD to overcome a few significant challenges and barriers.

### Challenges

1. *The 2008 Economic Recession.* Community meetings for Dilworth started in 2008 and the impacts of the recession were immediate. The banking industries stopped lending, and stress on the business community and taxes severely affected the city's budget. The mayor put municipal employees on furlough, and cut salaries and programs to save money. The city budget was still recovering six years later. The city did not have \$40-50 million for a renovation and other sources of funding would be more difficult to find. CCD had to get creative to find financing and focused on foundations, local corporate donors, and new federal funds set up to support communities such as the *Transportation Investment Generating Economic Recovery (TIGER)* grants.
2. *Regional Transportation Hub.* Any renovation of Dilworth Park would require coordination with the Southeast Pennsylvania Transportation Authority (SEPTA) to keep the trains running during construction and coordinate construction projects. The hub under City Hall serves over 300,000 commuters each day with multiple lines and concourses. Rail services are controlled by SEPTA, PATCO (New Jersey's Port Authority), and Amtrak. New entrances, elevators, infrastructure for the fountains and the removal of their "roof" would require complex negotiations.

*Figure 4. Plan for Transportation Hub updates tied to Dilworth renovations*



Source: Kieran Timberlake Architects

3. *Public-Private Partnership.* City Council's decision to give Center City District control of Dilworth Park in 2010 raised discussions about the "private" control of public spaces in the city. The city gave CCD a no-cost twenty year lease (with a 10 year extension) giving responsibility for site improvements, operations - and costs - to CCD.. The lease was a requirement of the Pennsylvania RACP grant program, a major source of project funding. The grants are funded through state bonds and repaid by projected tax revenues.

Recipients are is required to control the site during the bond's 30-year lifespan. The city gave up operating control except for permitting permits and requires that all revenue generated in park must be used to operate the park. Revenues from the café and events does not pay for park operations and security so the CCD uses its own operating funds. This arrangement would not have been possible with a private developer.

4. *Philadelphia History.* The new design would need to respect the history of the site and gain approval from the Historic Commission. The site, on William Penn's original city plan as Center Square, has been at the heart of the city for over 200 years. The second-empire style City Hall, opened in 1901, is now a National Historic Landmark. Dilworth Plaza is also the terminus of the Benjamin Franklin Parkway, a Beaux Arts boulevard connecting City Hall with the Philadelphia Museum of Art, lined with public buildings and museums.

5. *Programming.* City and CCD leaders knew that a new landscape design alone would not create an active and popular destination for the local community and visitors. CCD relied on its expertise in marketing and public space event programming to encourage people to use the park, which is open from 6am – 1am every day.

6. *Funding Maintenance and Operations.* Dilworth Park is run without city, state or federal funding. CCD would need to raise

Figure 5 Center Square in 1801

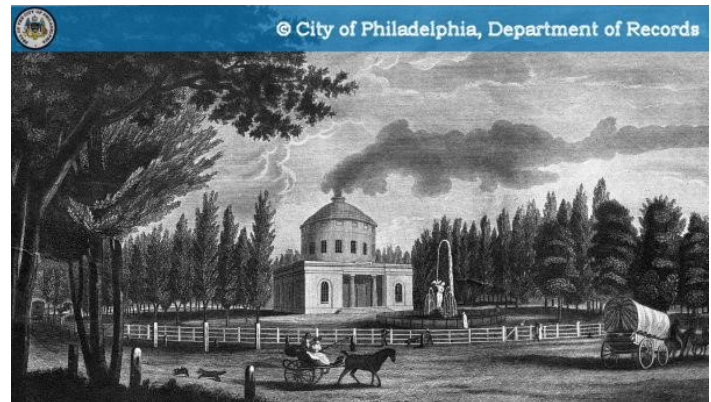


Figure 6 Newly Constructed City Hall in 1892



Source: Philadelphia Free Library digital archives

funds from concession and event fees. Addition funding for staff, maintenance, and security would need to come out of the CCD budget.

## Outcomes

The CCD overcame all of the challenges and barriers and created a park that today has more than 10 million visitors a year.

1. *Economic development and jobs.* Construction of Dilworth created 900 construction-related jobs (full time and part-time, combined). Twenty percent of sub-contracts were awarded to female-owned firms, and 19.48% were to minority owned firms, for a total of \$14.5 million. These numbers were above city contracting average. Since it has been open, the park has generated 43 full-time jobs (90% live in the city) and 41 part-time seasonal jobs
2. *Surrounding Property Values.* The properties around Dilworth Park have increased rents since the opening of the park and market the park as a major amenity for both residential and commercial tenants. An empty lot on the south side of the park, long empty, was developed into luxury residences (Residences at the Ritz-Carlton). Many of the city's new construction projects are within a 5-minute walking distance of the park, including Comcast's new 1.8 million square foot Technology Center and new coworking spaces on Market and Board Streets.
3. *Civic Life Improvements*

Each year since its opening, the park's visitor rate has increased. In 2017, the park hit more than 10 million visitors and by 2018 numbers rose by another 800,000, including 1,272,590 visitors in the month of December for holiday events. More than 58,000 skaters visited the Rothman Institute Ice Rink. Average weekend pedestrian counts in 2017 was 23,610. By 2018, weekend visitor counts rose to over 49,000 pedestrians.

Figure 7 2018 Dilworth Plaza Statistics

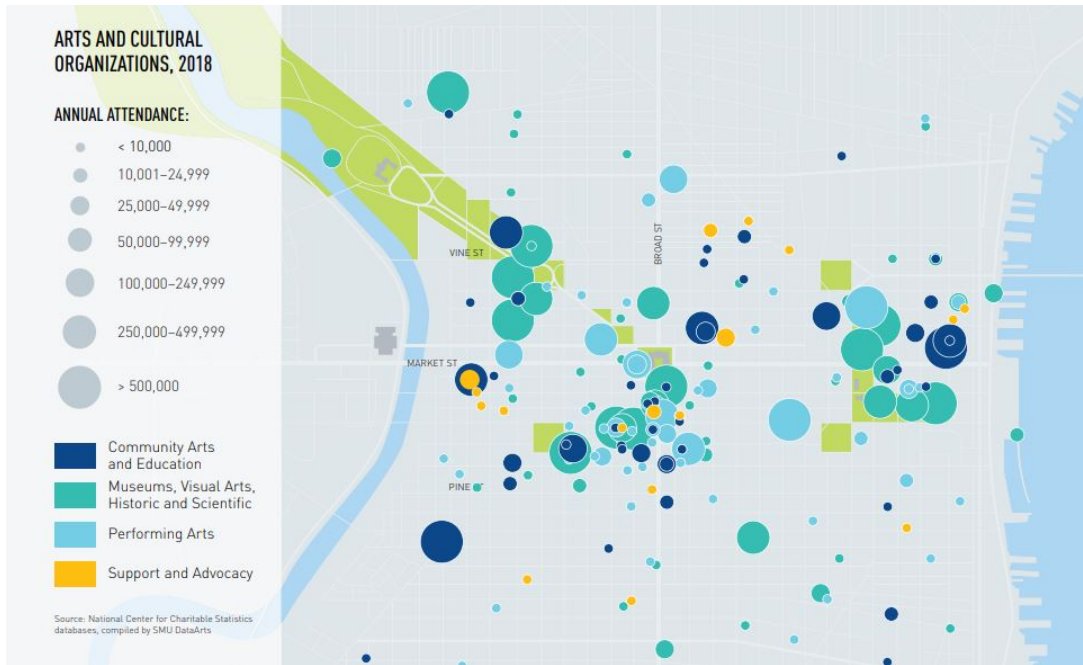


Source: 2019 State of the City Report, Center City District

### 4. Expanding Access to Arts and Culture

With regular programming provided by the CCD, Dilworth Park has become a major venue for free arts performances in Center City. In 2018, Dilworth hosted over 100 events including movie nights, craft markets, local musical performances. CCD has also activated Pulse, an interactive art display using lights and fountains. The park is now included in the city's tally of 'Arts and Cultural Organizations', which includes nearby museums, music venues and community arts groups.

Figure 8. Center City Arts and Cultural Organizations, 2018



The CCD offers non-profit organizations reduced rental fees at Dilworth through its Community Access Program, provided they receive city permits and have insurance.

### 5. Transportation

Dilworth Park is the largest hub in the subway system. Market-Frankford and Broad Street subway lines stations under City Hall serve 60,000 passengers each weekday. Regional rail ridership for Suburban Station, connected to the subway under Dilworth Park, adds another 25,000 passengers every day. Renovations created a major gateway entrance into the system and improved disability access and pedestrian flow.

Figure 9 New subway entrances in Dilworth Park





## Case Study 2: University City District and ‘The Porch’

### Project Background

On the west bank of the Schuylkill River, the industrial zone extended to 32<sup>nd</sup> street while the universities and “street car” neighborhoods grew west of 32<sup>nd</sup> street. In the 1910, (Figure 9) the area was filled with lumberyards, coal yards and factories providing neighborhood employment. By the time 30<sup>th</sup> Street Station was constructed in 1933, many of those yards had disappeared. The rest were demolished and replaced during 10 years of construction for the Schuylkill Expressway in 1958. In addition to the job loss, the transportation corridor created a wall of traffic between University City neighborhoods and Center City. (Figure 10)

By the 1980s, University of Pennsylvania had also walled itself off from the neighborhoods but institutional leadership could no longer ignore the rising poverty rates, increased crime, and vacant business corridors around the campus. Students and faculty thought University City and the campus was a dangerous. In 1996, Penn started the ‘West Philadelphia Initiative’ to address crime and safety and help stabilize the neighborhoods. In 1997, Penn played an active role in the formation of the University City District (UCD) and continues to be major funder of the organization. Penn’s Executive Vice President has been on the UCD Board since it was established. The founding members provide most of the operational funding for the BID though voluntary contributions. Projects are funded through a combination of operational funds, foundation and government grants, and project partners. In 2014 the district around 30<sup>th</sup> Street Station had no residential neighborhoods, few businesses, and was dominated by the highway and railyards.

Figure 10. 1910 Schuylkill River industrial zone west of the river

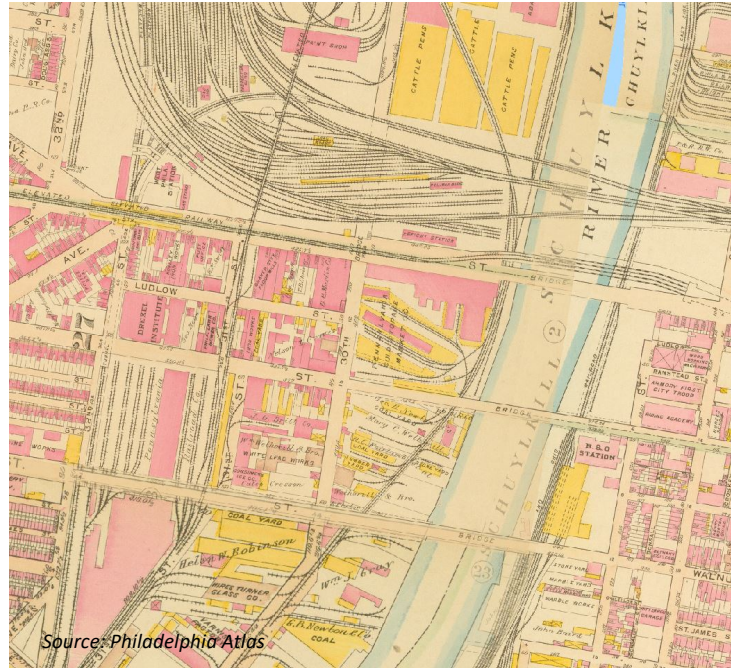
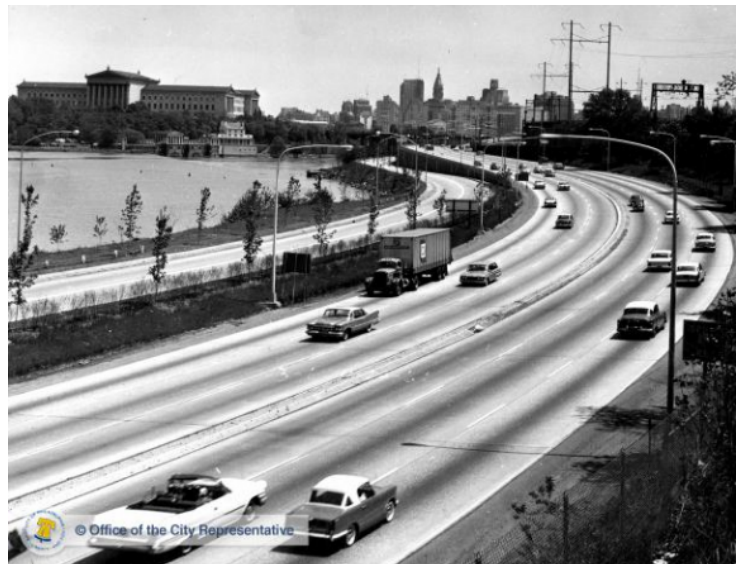


Figure 11. Schuylkill Expressway, when it opened in 1958 (looking south)



## Reconnecting University City and Center City

The industrial land by the river had great re-use potential and UCD partners wanted to re-link Center City and West Philadelphia with a new mixed-use business district. By 2000, the university also wanted an expansion strategy that did not negatively affect the residential neighborhoods west of campus. The plan called for replacing 24 acres (about 10 hectares) of industrial land owned by the Post Office with sports fields and a new mixed-use neighborhood. The first anchor of a new district, the 26-story Circa Center built in 2004, attracted tenants who needed easy rail access to New York City and Washington D.C. The station serves over 4 million rail passengers a year and it is the third busiest Amtrak station in the U.S.

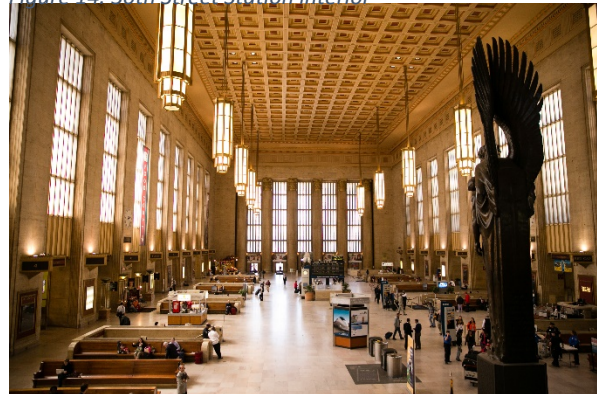
By 2007, Penn became the owner of most of the industrial riverfront property between the campus and the Schuylkill Expressway, including the large Beaux-Arts style Post Office. In 2008, the old Post Office was leased to a federal agency for a regional headquarters and underwent a \$250 million 3-year renovation. When it re-opened in 2011, the area gained 8,000 full-time and seasonal workers.

30<sup>th</sup> Street Station, like the hub under City Hall, was now more than just a regional transit hub – it was becoming the heart of a new Philadelphia gateway district - a district without a great public plaza. UCD began to improve the streetscape and knew a new civic space would attract new workers (and residents) to burgeoning mixed-use district.

Figure 13. East Campus expansion proposal, University of Pennsylvania 2006 Strategic Plan



Figure 14. 30th Street Station interior



**Figure 15. Market Street, September 2009.** Facing east, Station on the left; Post Office on the right; 10 drive lanes, 3 parking rows, poor sidewalks and no trees.



### Planning & Coordination

Between 2007-2010 the Pennsylvania Department of Transportation (PennDOT) began a \$50.8 million renovation of the Schuylkill Expressway “viaduct”— the streets and highway ramps around 30<sup>th</sup> Street. After sixty years, the platforms over the railyards and expressway lanes were deteriorated. When PennDOT started planning for platform improvements, the city asked PennDOT to consider improving the public space around the station. As a result, PennDOT reached out to UCD about integrating a new public space into their capital program. The public square idea would improve the commuter experience around 30<sup>th</sup> Street Station and make the area safer for pedestrians. UCD asked PennDOT to help coordinate improvements with the post office renovations across the street. The renovation of the old Post Office by the Internal Revenue Service (a federal agency) included significant improvements along Market Street, including new sidewalks, large tree planters, and removal of traffic lanes previously connected to the truck docks.

Penn DOT agreed to close a south side parking lot along 30<sup>th</sup> Street Station and build a 55-foot wide “sidewalk” on Market Street. The new site, now a public thoroughfare, was technically a city responsibility. However, the city, still having fiscal problems due to the great recession, did not have funds to support a new public plaza. Amtrak, which controls the station, did not want to take on the responsibility or costs of a new public space. The UCD, with board members underwriting programs and operations, had staff to support events, maintenance, safety, and coordinate the design process and apply to future funding sources.

As UCS came up with a fast design for a new public plaza, they coordinated with Amtrak to improve pedestrian flow into the station and with PennDOT to avoid damaging the new bridge infrastructure.

### Design Phase

Working with ideas from the ‘Project for Public Spaces’, a non-profit organization based in New York City, UCD came up with a flexible, experimental plan to use moveable tables, chairs, umbrellas and

planters. This “Lighter, Quicker, Cheaper” approach, often called DIY urbanism or pop-up urbanism, had minimal up-front costs and a quick timeline. The new public space took only seven months to design and build. If elements did not work, UCD would simply re-organize or remove the elements and use them somewhere else in the district. To complement the physical design, the UCD invested in a large program of free events to attract visitors and find out how people would use the space. Elements like food trucks schedules and pedestrian flow into the station could be easily adjusted based on feedback of Porch users. Users now included the 8,000 workers who had just moved into the old Post Office building across the street. As planned residential buildings were built, the UCD could also adapt to the needs of residents.

### Data-based Place Making

In 2012, the UCD funded a study to observe the Porch for an entire year and collect information on events, use patterns, and pedestrian paths. This data helped the UCD understand exactly how the site was used, what factors affected its use. The survey captured information on users from 08:00 - 18:00 each day between April 2 and October 1, 2012. The study also collected environmental data points such as weather, wind and noise levels and comparative data at four similar plazas in Center City. UCD continued to gather data about how the site is used every week based on observations and surveys. The results allow UCD to tweak programs, pedestrian flow into and out of the station, and amenities. This data show partners like Amtrak exactly how the space is used.

### Project Partners

**University City District** is a non-profit organization formed as a partnership between University City anchor institutions, resident associations and businesses to improve the quality of life and economic vitality of the University City district between the river and 50<sup>th</sup> Street. The University of Pennsylvania launched with organization with other major stakeholders including Drexel University, civic associations and major companies like Brandywine Realty Trust. Programming started with maintaining clean and safe street, and initiatives to improve the district’s public spaces in the residential communities around the campuses. UCD invests in streetscape and lighting improvements, new park design, and public events like outdoor movie nights, street fairs and live music. UCD’s largest board members largely fund UCD operations and UCD staff fundraise for

Figure 16 Data on Use of the Porch; UCD 2013 report 'Realizing the Potential of the Porch'

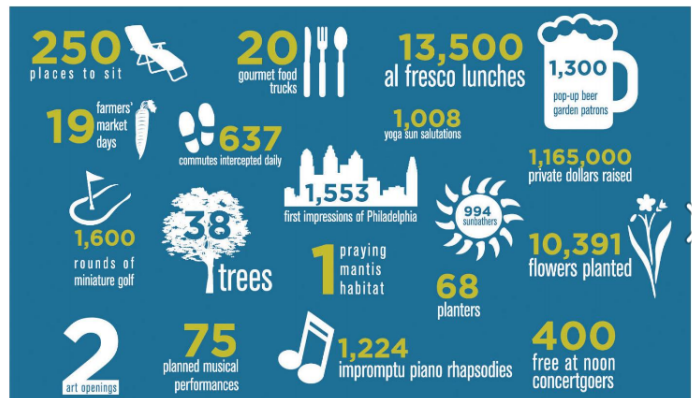


Figure 17 Rittenhouse Square (source: USHistory.org)



specific projects. Unlike the Center City District it does not have state authority to tax property owners and donations are voluntary.

**Amtrak** is a quasi-public corporation that operates U.S. national passenger rail services and owns 30<sup>th</sup> Street Station. It raises revenue and operates as a for-profit company but receives state and federal appropriations each year. In addition to Amtrak service, the station also accommodates SEPTA and New Jersey Transit regional rail lines and connections to busses. In 2002, Amtrak and a local developer, Brandywine Realty Trust, built the Cira Center, a 29-story office building on the north side of the station that connects to the station via a glass bridge.

**Pennsylvania Department of Transportation.** With a budget of over \$9 billion USD (2019), the agency oversees highways, waterways, airports, railroads and local transit agencies. PennDOT is responsible for the maintenance and expansion of over 40,000 miles of state highways and over 25,000 bridges across the Commonwealth of Pennsylvania. PENNDOT receives both state (\$7 Billion, 2019) and federal funding (\$2.2 billion, 2019). The Schuylkill Expressway falls under their jurisdiction and responsibility.

**City of Philadelphia Streets Department.** The Streets department is responsible for the construction and maintenance of 2,225 miles of local streets and roads and 320 bridges in Philadelphia as well as trash removal, snow and ice removal, and lighting. In 2017, the Streets Department budget was \$137 million (USD).

**William Penn Foundation.** The William Penn Foundation is a regional family foundation committed to improving the life of Philadelphia for the last 70 years. With an endowment of over \$2 billion USD, the foundation awards over \$60 million in grants each year. The foundation has been a long-time partner and support of University City District. A part of its continuing focus on public spaces and art, the William Penn Foundation funded the first and second phase of the Porch design and construction.

## Resources and Funding

Partner	Element/Phase	Amount
University City District	Management	% of operations budget
University City District	Landscaping Maintenance	% of operations budget
University City District	Public Safety Ambassador and Public Space Maintenance crew	salary
William Penn Foundation	First Phase: Design and Construction	\$325,000
William Penn Foundation	Second Phase: Bridge Design and Construction	\$525,000
Knight Foundation Arts Challenges and Art Place programs	Second Phase: Design and Construction	\$120,000
US DOT	Structural renovations; waterproofing; paving	? portion of \$50 million budget

## Challenges and Outcomes

### Challenges

The success of the project required the UCD to overcome a few significant challenges and barriers.

*Public Skepticism.* There was general public skepticism about creating an “oasis” in the middle of heavy car traffic, taxi drop-off areas and highway ramps. The UCD, however, knew that there was a pent-up demand for a calm public space, particularly at lunchtime when new office workers wanted to sit outside. UCD’s innovative experimental design method meant that initial investments were low and changing the design would be simple and cheap. After successful public space investments over twenty years, The UCD had strong relationships with the city and potential funders. As a result, funders like the William Penn Foundation took a chance on the project and funded the initial design phase.

*Coordination with Transportation Infrastructure:* The large bridge platform over the railyards and the expressway are below the Porch. The new plaza would replace and reroute existing station parking and drop-off lanes. It had to sit lightly on the new platform infrastructure and avoid puncturing the platform or cause water damage. The schedule would be constrained by PENNDOT’s construction schedule and Amtrak, the station’s owners, would need to agree to the plaza design. However, in comparison to the Dilworth Plaza project, the coordination was simple. The site was much smaller, there were no underground pedestrian corridors, no federal or state grants to management, and the site design did not include permanent landscaping or water fountains.

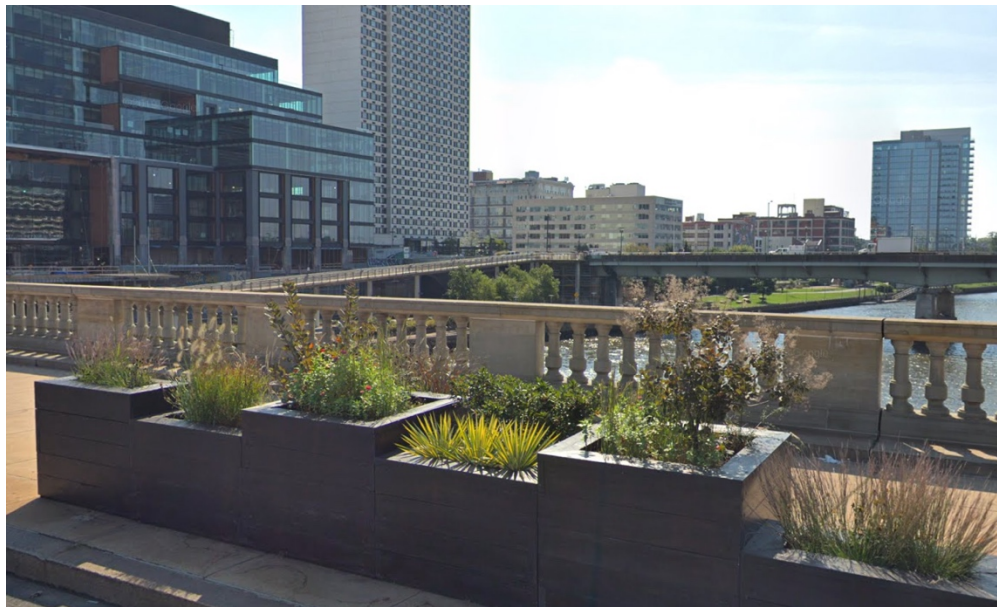
Figure 18. I-76/ Schuylkill Expressway under 30<sup>th</sup> Street Station and the Porch



Source: Google Maps

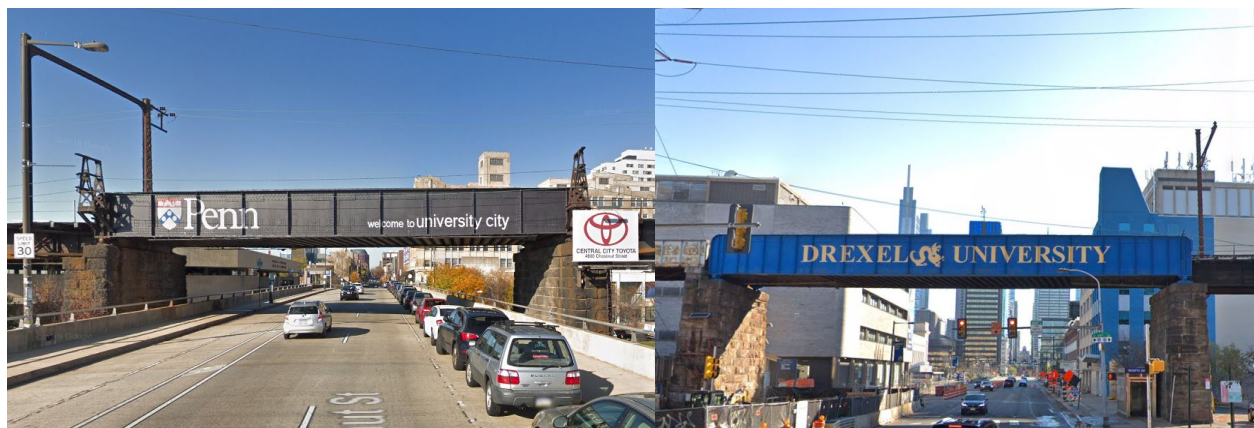
*Lack of Greenspace Corridor:* The entire district, including 30<sup>th</sup> Street Station, had little or no green space, and was not connected to the Schuylkill River Trail Park across the river or the new recreation fields south of Walnut Street. The Porch would need to lead by example and create successful landscapes resilient enough to survive in planters, site conditions like sun and lack of shade, and be easy to care for by landscape teams. In Phase 2 of the Porch UCD, PennDOT, and the Schuylkill River Development Corporation coordinated to improve the adjacent Market Street bridge and visually connect the Porch to the entrance to the Schuylkill River Trail – a major recreation attraction for area residents. Other sidewalk improvements would follow as PennDOT and the city upgraded other bridge and platform infrastructure in the district.

*Figure 19 2014-15 Market Street Bridge improvements, as seen in 2019 (view towards the Schuylkill Banks Park below)*



*No Identity.* Despite the beautiful roman façades of 30<sup>th</sup> Street Station and the Post Office, the area was not a visual gateway to University City. Designed to accommodate cars, trucks and highway entrance ramps the area did not feel like part of University City. When getting off the train, or walking across the bridges pedestrians did not feel welcome in the new district. The two closest universities actually use the freight rail bridge west of 31st Street as “gateway” signs. The Porch would be the first step towards

*Figure 20 Penn and Drexel's "welcome" signs on the elevated freight rail track*



integrating the new district with the leafy campuses a few blocks away. It would also need to welcome visitors walking west towards Center City.

*Operations and Maintenance.* The CCD agreed to take on the responsibility of operations and maintenance of the Porch. Current costs average between \$200-250K per year including \$70,000 for security and \$100,000 for landscaping and horticulture. According to UCD staff, the Board take the role of community steward very seriously and consider the costs of maintaining the Porch a small investment for the positive returns it provides the community. One staff member calculated that with 7.5million visitors passing through the Porch each year, the cost is about 3 cents per user- well worth it!

### Outcomes

*A signature gateway for the district.* UCD overcame skepticism to create a vibrant well-used public space where there was only a parking lot. In addition to regional rail users at 30<sup>th</sup> Street Station, more than 6,000 commuters walk across the Market Street bridge each day to work, passing through the Porch. Lunchtime performances and food trucks are busy and an evening beer garden is a popular destination in good weather. Design elements like colorful swings, moveable benches, decorative metal screens and seats and multi-level planters are popular waiting areas for trains and buses.

Figure 21. The Porch at lunchtime



*Proof-of-Concept: data-based place-making.* With the success of Phase 1, both William Penn and Knight Foundations gave money to UCD to upgrade the Porch and the Market Street Bridge in 2014-15. The Porch got large colorful swings, fencing fabricated by local metalsmiths, and larger planters along the Market Street. To attract after-work events, the Porch opened a seasonal beer garden. These new design elements were the result of analysis of data collected on the site, including surveys and use patterns



*A new amenity for residents.* Since the Porch launched, Brandywine Realty opened two high-rises one block south of the train station, filling the neighborhood with new residents. The complex includes mixed office and residential space, a 2,400-space parking garage, and a large public green roof/plaza with a popular summer beer garden. The FMC Tower on the Walnut street side of

Figure 22 The neighborhood today, with FMC and EVO towers



the development is 49-stories with 861,000 SF including a restaurant on the ground floor. EVO tower, on the north side facing Chestnut Street, is a 33-story residential building for graduate students and young professionals with café and small grocery store.

*Helped attract new investment.* The Porch's success helped convince UCD partners and area investors that residents would move into the formerly industrial neighborhood. UCD Board members Drexel University and Brandywine Realty Trust worked with Amtrak in 2016 to produce a vision for \$3 billion in new construction north of the station called Schuylkill Yards. The plan calls for commercial towers and a new low-rise residential neighborhood. The first project is Drexel Square, a new plaza across the street from the Porch. It will open in summer of 2019.

## Conclusion: Lessons Learned

Civic leadership by non-profit civic organizations organized by business leaders have a long history in the United States. They have emerged, in part, because the U.S. constitution decentralizes many powers to state and local governments. With limited funds, municipalities must find creative ways to support services and business investment. The government will use tax and policy incentive programs to catalyze local and private investments but will rarely pay for entire projects. In fact, eligibility for many federal and state programs require matching funding commitments from local partners. Business Improvement Districts allow cities and local business communities to leverage this decentralized policy environment instead of reacting to crises in an ad hoc manner. The value of BIDS in local community revitalization in the United States is a proven model, provided a framework is in place that recognizes several important lessons about public-private partnerships.

1. *Establish Trust.* Both University City District and Center City District have been consistent, reliable civic leaders in Philadelphia for over twenty years. Potential partners, such as local

governments or foundations, can rely on the organizations to deliver services and manage public-private partnerships.

- a.** *Example:* Data-driven place-making builds trust. Both BIDs value strong public communication and are transparent about programs and budgets. They publish yearly reports filled with statistics about the economic and community impacts of their initiatives and projects. This gives the city leaders and the community confidence in the organization and shows members how their fees are spent.
    - b.** *Example:* Strong local networks build trust. Both BIDS have member benefit programs that help connect local leaders through informal networking events, newsletters, and opportunities for joint promotion and marketing. These programs build networks that the BIDS use to find new project partners.
  2. *It is Complicated.* Partnerships and market-driven development efforts are usually multi-year incremental initiatives. Dialogues with local governments and communities bring many stakeholders to the table and concerns may take months to resolve. Identifying and acquiring multiple funding sources can be slow. Partners and investors share the costs and risks so solutions and investments are usually incremental. However, this process ensures that project feasibility is regularly evaluated and adjusted to reflect changing economic environments and community needs.
    - a.** *Example:* The design phase of Dilworth Park was complicated. Community discussions and design phase with SEPTA and other partners took over two years. During that time, the district was changing, in part because of CCD's business promotion, clean and safety programs, and streetscape upgrades. Those changes attracted new housing projects. The designers adjusted the design to support new demographics and respond to the concerns of many community groups and partners.
    - b.** *Example:* Financing was complicated. When the recession hit Philadelphia in 2008 the project's financing was not guaranteed but partners were committed to the finding a way to make the project happen. New sources of funding would require the BID to take on larger commitment for operations and management. Due to the trust and buy-in from partners, the city council agreed to lease the park to the CCD.
  3. *Experiment at a small scale, and build up to a Larger Projects.* Both BIDS established streetscape improvement programs before tackling larger public space projects. By investing in sidewalk upgrades, landscaping, and lighting projects, staff learns what works and can respond to changing needs. Growing slowly also allow BIDs to expand strategically, adding new staff and funding commitments at a sustainable pace. Small successes builds trust.
    - a.** *Example.* In the early 2000s, the city asked Center City District to manage two small park renovations. The success of those two projects and CCD's continuing investment in their maintenance and operations showed partners that CCD could manage a large project like Dilworth Park.
    - b.** *Example:* The Porch design was an experimental project with a small budget and big impact. The University City District's success set an example for new projects in the area. A major trolley portal project in West Philadelphia and a new civic space new the train station used lessons from The Porch. Other business districts also saw the success of The Porch and invested in similar projects in their districts.

4. *Proof-of-Concept Projects.* Experimenting at a small scale means BIDs can take the risk of Proof-of-Concept projects. Local communities and governments are often skeptical of new ideas and do not want to spend taxpayer dollars on projects with limited market analysis or unproven community benefits. As a civic organization, the BIDs can fundraise from private or foundation donors. By using data-driven place-making models – tracking how the community uses the space by day, season, weather and event - the BID can respond to community and market signals quickly and adapt the project to meet new user needs or requests.
  - c. *Example:* The entire design and program strategy at The Porch was Proof-of-Concept. If the project wasn't working, they could afford to change it quickly and experiment with new program ideas. By tracking the daily impact of the project, the data convinced foundations, civic leaders and the city council that the idea could work in other locations around the city. Civic associations use the Porch project's template and programming ideas to renovate abandoned piers, waterfront property, and other empty public spaces around the city, with success.
5. *Great Public Spaces Can Catalyze Private Investment.* Both the Porch and Dilworth Park are gateway projects that have transformed dead zones into vibrant and heavily used public spaces. This activity shows investors and lenders that the area is a good investment, spurring more private investment.
  - a. *Example:* the popularity of Dilworth Park encouraged the development of an empty lot on the south side of the park and increased the property values and rents of buildings with views of the park.
  - b. *Example:* The popularity of The Porch encouraged a neighborhood institution to convert a large 1.3-acre parking lot into a public park across the street from the Porch. This new space, called Drexel Square, is the start of a larger district plan to add more than \$3billion of new properties over the next twenty years.

*Business Improvement Districts can create stable long-term private partnerships.* A well-run BID gives government a reliable civic partner that can support government services and programs. BIDs also give local government a partner with strong links to private investors, property owners, and community members. BIDs can respond more quickly to changing economic conditions than government agencies or policymakers and can co-sponsor projects that governments may be unwilling or unable to fund. Businesses and institutions take on responsibility for the vitality and success of their own neighborhoods and stay invested in the BIDs initiatives, even when governments slash budgets and services. Philadelphia communities now rely on BIDs and their strong public-private partnerships to revitalize communities and catalyze development through great public spaces.