

LOWER PAXTON TOWNSHIP
PLANNING COMMISSION
BUSINESS IMPROVEMENT DISTRICT
WORKSHOP MEETING

March 16, 2009

COMMISSIONERS PRESENT

Fredrick Lighty
Roy Newsome
Dennis Guise
Ernest Gingrich
Robin Lindsey
Douglas Grove
Richard Beverly

ALSO PRESENT

Lori Wissler, Planning & Zoning Officer
Dianne Moran, Planning & Zoning Officer
Todd Vander Woude, Executive Director of the
Harrisburg Downtown Improvement District

CALL TO ORDER

Mr. Lighty called the workshop meeting of the Lower Paxton Township Planning Commission to order at 5:30 pm, on March 16, 2009 in Room 174 of the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. Lighty led the recitation of the Pledge.

HARRISBURG DOWNTOWN IMPROVEMENT DISTRICT

General Discussion

Mr. Lighty introduced Mr. Todd Vander Woude, the Executive Director of the Harrisburg Downtown Improvement District. He explained that he started in November 2008 with the HDID, and before that he was the General Manager for the Harrisburg Senators for 22 years. He has been a City resident for many years. The HDID was started in 1999 as a part of the Harrisburg Authority, and in 2004, it branched off and became its own non-profit entity: Harrisburg Downtown Improvement District Inc. It is a 501.C.3., with a 9-person Board of Directors. One Board member is appointed by the City, and the other eight are made up of "shareholders" in the District. The office is on the corner of Second and Walnut Streets.

Mr. Vander Woude explained the boundaries of the HDID: the northern boundary is a little bit north of Pine Street, almost to Barbara Street; the western border is Front Street (Riverfront Park is taken care of by the City); the southern boundary is almost to Mary Street where the railroad bridge is located; and then out to the Amtrack Station, around the Capital to Third Street and back to the other side of Pine Street.

The mission is to serve the property owners in the District to help increase their value. They support economic development in the community. The core functions are clean, safe and beautiful.

Clean: there are sweepers, both machines and crews on foot. One current project is to replace all the trash receptacles (55).

Safe: Security is provided for the weekends (Friday night, Saturday night), which is supplemented with the Harrisburg Police and security from Harristown Development (Strawberry Square).

Beautiful: there are hanging flower pots, which are maintained by the District. A current project is "Hydrant Hysteria" where the community artists can paint the hydrants. There are historical banners that are hung from the light poles, which are part of the marketing and special events attracting people to the District. There are two Restaurant Weeks, the week of June 7th and Labor Day week.

Mr. Vander Woude stated that these things are funded by the assessment. The millage rate is 1.5 mils. In Harrisburg City, there are a lot of non-profit or government (state/city/local) buildings. They are served, but are not assessed. The District asks for voluntary contributions from these.

The HDID receives almost \$600,000 through assessments. The voluntary contributions range from \$160,000 to \$190,000.

The HDID was set up under the Neighborhood Improvement District Act of 2000, which requires some plans and boundaries. A relationship needs to be established with the governing body. The HDID is very involved in the City and the City events. Communication between the City and the shareholders is something that Mr. Vander Woude has been working on since he started. This allows them to let the shareholders know what is being done with their money. The large portion of the budget is cleaning, and the next portion is the flower program. A lot of the marketing, i.e. the trash cans, comes from the voluntary assessments.

Mr. Newsome asked about organization and governance, the membership on the Board of Directors, how they relate to the existing multi-commercial organizations like Harristown. Mr. Vander Woude stated there is a 9-person Board of Directors, which is who he reports to as the Executive Director, and he has two staff members, an executive assistant and a director of marketing and special events. The board has executive committee meetings every month, and full board meetings every other month. Harristown has some buildings that they operate that do not pay the assessment, but they do offer a voluntary contribution. There are buildings where they own part of the building. The relationship between the HDID and Harristown is very good.

The Board meetings are open to all shareholders. PMI is a large shareholder, and has a representative on the Board. Penn National Insurance has a representative, as well as M&T bank. There are also some smaller shareholders on the Board.

Mr. Lighty asked how shareholders are appointed. Mr. Vander Woude stated that originally they were appointed by the Mayor of Harrisburg. They now have two-year terms. There is an HR Nominating Committee who selects a shareholder, and the full Board has to vote on them. They cannot

serve more than two consecutive 2-year terms. The terms rotate so that there are not more than 2 or 3 up at a time. The typical nomination for a seat being vacated by Penn National is another Penn National person, but the Board doesn't have to vote for them.

The HDID comes up for reauthorization at the end of 2010. This year and next year they are going through a process with the Pennsylvania Downtown Center. That organization is the one that runs the Elm Street and Main Street Programs. A public hearing will be held in the Spring of 2010, where the shareholders will have the opportunity to vote "no" as to whether the HDID continues. He is confident that it will continue. One idea is to expand the District. That was attempted several years ago, that did not get very far (Harrisburg DID 2).

Mr. Guise asked if the HDID receives money from the State. Mr. Vander Woude stated they do not, but they do apply for State grants, such as the façade program for \$30,000 matching funds. Last fall they had five programs in place and there are two planned for this year.

Mr. Guise asked about the reauthorization. Mr. Vander Woude stated they will have to go through the whole process again, including a public hearing. Forty percent will have to come forward and say they do not want this to continue.

Ms. Lindsey asked the initial reaction of the then-potential shareholders. Mr. Vander Woude stated he was involved in the City, and found it to be positive. When looking at it in dollars, a property assessed at \$200,000 is paying \$300 per year. The success is from the larger shareholders that wanted to really buy into the program and get the Downtown cleaned up. The City didn't have the resources to make the City the way the larger land owners wanted to see it. The HDID 2 expansion did meet resistance, and there was not enough business base to support it.

Ms. Lindsey asked where the millage rate came from. Mr. Vander Woude did not know. He noted they are considering raising it, since it has never been raised. If that is attempted, there is a chance that may meet with some resistance.

Mr. Newsome asked if the members come to the Board with suggestions or ideas. Mr. Vander Woude stated they do, and the increased communication has helped that too. When he started, he went out and met with each shareholder, and started focus groups to brainstorm ideas about their wants and needs, and their concerns and what could be done more effectively. The open communication really helps bring things together.

Mr. Grove asked what kind of requests they bring to the Board. Mr. Vander Woude stated that a recent concern was over security with regard to pan-handlers and homeless. They are a nature of any downtown. When he visited Lancaster, they have a security patrol on bikes that will direct the homeless to the places they can get a meal or a shower, and help to get them to where they need to be.

He noted they are now getting into bringing more to the shareholders, such as a message board (ticker-tape style) on the side of the bank building. While attracting new business is important, they also focus on taking care of the shareholders that have been there since the beginning. The cleaning can be

increased. Since that has been brought up, they have looked into hiring a couple more for the on-foot crew. The large shareholders are important, but in the past the smaller businesses may have been forgotten, and that is something they are addressing better.

Mr. Grove asked if there is much interest in getting on the board from the shareholders. Mr. Vander Woude stated they do not typically, but have been recently.

Mr. Newsome questioned the number of shareholders. Mr. Vander Woude stated there are about 170, amounting to a budget of \$160,000. The problem with that is there are property owners that are not local, so they have the challenge of getting in touch with the local manager instead of sending questions to California.

They have an electronic newsletter, Harrisburg Hello, with information within the District as well as around Harrisburg. They have a mailing list of 5,000, with a goal of 25,000.

Mr. Vander Woude stated the biggest challenge is keeping clean on the weekends. When the bars let out at 2am, the clean up crew is out at 7 am the next morning. The crew has been alerted to get to Second Street first thing in the morning the day after St. Patrick's Day.

Mr. Vander Woude asked if Lower Paxton is looking for more of an economic development area. Mr. Lighty stated that the Township is working under the NID Act of 2000, and considering a Business Improvement District. They have identified three major goals, but not how they are distributed. The goals are beautification, marketing and traffic management. He noted that one thing that discourages people from shopping here is the traffic. The former AMP company laid fiber optics along the corridor, and the signals are already tied to that cable. A network operations center may be something to consider where traffic could be manually controlled. Regarding marketing, the basic idea is shop here not the other shopping centers. PennDOT has already drawn plans to beautify West Hanover Township, so that could be extended further west into Lower Paxton Township. Mr. Lighty noted he loves the flowers in Harrisburg, and would like to do something like that here.

Mr. Vander Woude stated the flowers are the most visible thing in the HDID. By doing something easily visible, the people feel as though they are getting their money's worth. The HDID is doing pink flowers this year, and tying that into the Breast Cancer Awareness Walk. That is a way to build upon something that already has a very positive response. He suggested Lower Paxton find something to focus on, such as the holidays. Mr. Lighty summarized that whatever is done should be visible and immediate so people can see their money working. Mr. Vander Woude agreed, and noted things will grow from there. The light poles along Route 22 could be utilized to give the strip an identity. Mr. Lighty asked about a welcome sign. Mr. Vander Woude stated that Lemoyne is working on something for the Market Street strip. Getting an identifiable feature out there to identify what is going on here is crucial.

Mr. Newsome stated that this strip has a lot of out of town owners, and he asked what would interest those people for what is going on here. Mr. Vander Woude stated there is a community aspect. The edge to keep people coming to the business in the property that that person owns is what draws.

The big corporate landlords are receptive to the municipality helping their tenants. They want whoever is in their building to be successful.

Mr. Newsome stated that there was at one time a feeling that the services the BID provides are services that should be taken care of by paying municipal taxes, that a special assessment was not necessary to keep up the basics. There is some balance between the goals of the HDID and what the City is trying to accomplish. At one time it would have been looked at as an unfair advantage even though they are having to pay extra for it. This paints a picture of the basic change in philosophy of the role of government. Mr. Vander Woude agreed partially, and noted that the HDID frees up the City from those burdens and allows them to focus on other areas and the gateways into the City. He noted he is on a committee working on the area of the Broad Street Market. There was a vague hope that the HDID would expand and grow to encompass this area. A flourishing downtown area is beneficial to all City residents, whether they live in the district or not. Mr. Newsome stated he has thought about these points a good bit and what is the role of the government, and he would prefer to have the BID focus on things the municipality cannot do. Mr. Vander Woude stated that he was a resident of Harrisburg City for many years, he truly thought the HDID was beneficial. He noted what the City was like 15 years ago, and what it has transformed into.

Mr. Beverly asked if the assessment started as a small amount. Mr. Vander Woude stated it was always the 1.5 rate, and it was due the first of January. The HDID actually does the collecting of the assessment. Mr. Guise asked if the bills are separate from the tax bills. Mr. Vander Woude stated it is a separate bill, and there is a 2% discount if paid early.

Mr. Grove asked about how quickly did shareholders respond to the DID. Mr. Vander Woude stated the assessment was due the first of the year, and the visible improvements such as the flowers and cleaning crews did not begin until the warmer months. He noted that according to the law, the Improvement District can put a lien on a property for non-payment. He added that last year they did not have to do any liens, and only one straggler. The year before there may have been three liens. The liens are satisfied when the property is sold. Mr. Vander Woude stated that if there is a lien against a property, they have gotten that money as quickly as a week.

Mr. Lighty asked how often the HDID is notified of changes of ownership. Mr. Vander Woude stated they get the updated list every January. Through better communications, the information is received much sooner.

Ms. Lindsey asked how the maintenance of the flowers and cleaning are paid for. Mr. Vander Woude stated that the HDID has a contract with a cleaning company, whose employees do the labor. The company is paid by the HDID's assessment money. That is the largest expense in the budget at \$588,000. The voluntary contribution money can vary, so that money is put towards special events or activities. Ms. Lindsey asked if any expenses beyond the DID's income are passed on to the taxpayers. Mr. Vander Woude answered no.

Mr. Vander Woude stated there are 240 hanging baskets and 60 other pots, so there are two full-time people that water and tend to those.

Mr. Vander Woude stated there is a separate security contract. Mr. Guise noted that the DID does not employ people for these jobs, but contracts the jobs out. Mr. Vander Woude agreed, and noted there are three employees. Ms. Lindsey asked if the salaries come out of the assessment money. Mr. Vander Woude answered yes. Ms. Lindsey noted that the DID is self sufficient. Mr. Vander Woude stated the message board was purchased with sponsorship money and voluntary contributions. The bigger purchases are generally done after the bills are paid. The purchase of the trash receptacles is an example of such a purchase, and one that saves the City from that burden.

Mr. Lighty asked the cost of the hanging baskets and their upkeep. Mr. Vander Woude stated the purchase of the baskets and the flowers was around \$25,000. The baskets are \$70-\$80 per basket, and the pots are more. The yearly watering contract is another \$18,000. Mr. Lighty had heard that the Horticulture Society helped in some way. Mr. Vander Woude did not believe that to be true. Ms. Lindsey suggested the Dauphin County Technical School, which has a horticultural shop.

Mr. Lighty asked what has worked best for marketing. Mr. Vander Woude stated the Street Fest didn't really produce much; for the cost of \$22,000 it drew a crowd of 3,000 people. He noted that they are trying to increase their web presence. They have done some radio and a very small amount of newspaper. He felt that increasing the email list would be effective. Another effective method will be the electronic message board. Mr. Lighty asked how long they had to save up to get that message board. Mr. Vander Woude stated that it will cost \$50,000 and can be programmed from the office.

Mr. Vander Woude stated he is also trying to spotlight some businesses. There are several parades in the City. The marketing budget is very small: about \$40,000, so a lot of marketing is done for free.

Mr. Newsome asked about a logo for the HDID. Mr. Vander Woude stated the logo has been the Harrisburg Hello, and in small print there is the Harrisburg Downtown Improvement District, as well as the Visitors Information Center. It was very confusing. He is working on building an identity as the Harrisburg Downtown Improvement District using the night shot of the skyline. They are still using the image of the Capital Building, but the HDID is around that instead of Harrisburg Hello. He emphasized that Lower Paxton Township should build an identity right away.

Mr. Newsome asked if York or Lancaster have a DID. Mr. Vander Woude stated they do. Mr. Newsome asked if the Harrisburg DID gets together with both or either of them. Mr. Vander Woude stated he is getting together with the Director for York City, and the new Director for Lancaster will be invited. It is easy to get stuck in your own area, where communities can share ideas and collectively improve each other's areas. There isn't so much competition as there is a group of communities working together.

Mr. Lighty asked what improvement districts made the biggest impact, best and worst, on Mr. Vander Woude. He answered that he will be going to San Antonio which is supposed to be fabulous. He felt the best he has seen is the Center City District in Philadelphia. They have had success with redevelopment of the older buildings. The first floor was generally retail but the next 15 floors were

empty, so they developed them into high end condos. Their District negotiated a 10-year tax abatement with the municipality. They do a lot with the arts, with the Boulevard of the Arts, which is a great mechanism for identity. The municipality was initially very skeptical of the tax abatement but later realized substantial gains by having the titles transfer and the communities grew and attracted more businesses and increased the residency as well. He was also impressed with Lancaster. They do something for the arts with First Fridays. Mr. Lighty asked if there are any that Lower Paxton should not model themselves after. Mr. Vander Woude did not know of any at this point.

He emphasized the first splash or initial image. That must be clear and concise with what they want to accomplish. This was successful in getting big property owners behind the idea.

Mr. Lighty asked for advice in bringing the success of the HDID into Lower Paxton Township's Route 22. Mr. Vander Woude stated the key to the whole thing is communication. Really pay attention and do some focus groups to find out what shareholders think and what they want to see happen in their Route 22. The next question to ask them is where they want to be five years from now. Listen to what they have to say, that is proven to be beneficial in every way, both for the Director as well as the shareholders.

Mr. Vander Woude asked how many properties are included in LP's project. Mr. Lighty stated there are 215 or slightly more, and some of them are large malls. Mr. Vander Woude stated the large malls should be brought on board and then talk to the other ones. At the same time, you cannot forget the little guy.

The Commission thanked Mr. Vander Woude for attending the meeting and speaking with them. He invited the Commissioners to come downtown to the Visitors Information Center across from The Spot. He appreciated the opportunity to share ideas.

Ms. Lindsey stated that York and Lancaster are different in that they only have two lanes and Lower Paxton has four lanes. Mr. Newsome noted that this project will be very unique. The improvement districts were created initially for cities, and this is a linear application. He spoke to the Executive Director for State College's BID, where they have a downtown area and a two-lane roadway. Mr. Lighty noted the law was written for several versions of an improvement district. Mr. Newsome stated the idea was started as an area not a strip. Ms. Lindsey was interested in seeing another linear development. Mr. Lighty stated the Boulevard of the Arts is six lanes and has a substantial median.

Mr. Guise agreed with Mr. Vander Woude's idea to get focus groups of the larger stake holders and the smaller business owners together. They could initially be selected and invited to a meeting, prior to everyone being brought in. Mr. Lighty suggested a focus group of the large businesses and another one for the small ones. Mr. Guise thought the groups should be mixed. Mr. Grove suggested three, one for the large ones, one for the smaller, and a blended group. He felt the key to getting this to work is to convince the prospective stake holders that it is worthwhile. Mr. Beverly felt the smaller businesses can easily be overlooked, and the Commission should be careful that does not happen.

Mr. Newsome asked about the list, and why some large centers are broken down into stores and some are simply listed as the mall. Colonial Commons is one lot, except for Dick's Sporting Goods and Olive Garden. They are on their own parcel. Whereas the stores in Paxton Towne Centre are each on a separately deeded lot. Those parcels are only the size of the actual store, not the parking areas. Mr. Guise stated it is set up like a condominium association. Target and Costco actually own their own lot, but none of the others in that mall do.

Mr. Guise asked if PSATS had a listing of townships, boroughs or cities that have NIDs. Staff will contact PSATS. The Township may also have a list of many of the local contacts for these stores. Mr. Lighty asked that assessed value be added to the property list.

Mr. Guise stated that it would be easier if the assessment could be added to the tax bill, similar to the library assessment. Mr. Lighty stated it is a special assessment not a normal tax, so he was not sure how that would work out.

Mr. Lighty noted that Professor Morcol has recently studied improvement districts in the suburbs of Atlanta. That may be helpful for this Commission.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

The next Planning Commission workshop session regarding the Route 22 Improvement District is scheduled for Monday, April 20, 2009, at 5:00 pm, in Room 174 of the Municipal Center. There will be a light dinner available.

The next regular Planning Commission meeting is scheduled for Wednesday, April 8, 2009, at 7:00 pm at the Lower Paxton Township Municipal Center, Room 171.

Being no further business, the meeting adjourned at 7:00 pm.

Respectfully Submitted,

Michelle Hiner
Recording Secretary