



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY (DID)

PLAN FOR:
May 1, 2018 – April 30, 2021

DID Mission:

To ensure economic vitality and the highest quality of life in the DID.

Table of Contents

Introduction	3
Purpose of This Plan	3
Boundaries	3
Renewal Process Overview	4-5
Term/Sunset Provision	5
Programs and Activities/Uses of Funds	6-7
Areas of Assessment	7-8
Areas of Opportunity	8-9
Funding/Millage Rate.....	9-10
DID Contact Information	10
Appendix A: DID Plan Boundaries/Map	11
Appendix B: 2017-2018 DID Board of Directors	12
Appendix C: Renewal Timeline	13
Appendix D: Draft FY18-21 Budgets	14



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

I. Introduction

The Lancaster Downtown Investment District Authority (DID) began operation in 1992 within the DID District (see Appendix A). The DID is a municipal authority structured under the Municipality Authorities Act of the Commonwealth of Pennsylvania (Act) and is governed by an eleven member Board of Directors (see Appendix B). The Act allows the DID to impose an assessment on properties within the DID District to provide a reliable and equitable source of funding for downtown administrative service programs. Since the DID's formation, property owners, civic leaders and area businesses have supported DID programs and activities, geared toward fulfilling the DID's mission of economic vitality and security.

II. Purpose of This Plan

The DID's plan for administrative services is approved by the Lancaster City Council. The DID is required to submit a new plan that outlines improvements and services to be provided together with estimated costs and the proposed method of assessment.

In this document, property owners within the DID boundaries and members of the general public will find information about the proposed Plan and the terms of that new Plan. The DID Board of Directors and staff have been working to create a new Plan that will terminate the current Plan one year early, on April 30, 2018 by introducing a new Plan to begin on May 1, 2018 and ending on April 30, 2021. This new plan will allow the Authority to better evaluate the impact of the 2017 County Property Re-assessment on the DID property owners. Additionally, the Authority proposes to adjust the current DID millage rate of 2.45%, to remain revenue neutral when the new assessed values take effect in 2018.

III. Boundaries

A map of the DID's boundaries is attached as Appendix A. In general, the DID's boundaries run from Farnum Street to Lemon Street and from Water Street to the middle of Lime Street. Within the boundaries are 711 properties, 80 of which are tax exempt.

Many property owners own more than one property in the DID. The 676 taxable properties reflect approximately 460 different owners.



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Page 3

IV. New Plan Process Overview

Discussions surrounding the Lancaster County property reassessment program began at the March 22, 2017 DID Executive Committee meeting and continued at the May 24, 2017 DID Board of Directors meeting. It was the decision of the Board of Directors to adjust the millage rate to remain revenue neutral when the new assessed values take effect in 2018. In order for this to occur, the Board of Directors determined to pursue a new three year plan to provide for the adjusted rate, and to allow evaluation of the effect of the reassessment and of the anticipated increased development occurring throughout the District. (See Appendix “C” for an overall time line.)

2018-2021 Plan Process/Outreach

The authorization of the DID plan occurs upon approval by the Lancaster City Council. Prior to City Council taking action on a plan, the Municipality Authorities Act dictates that legal owners of property and commercial lessees be given a written notice concerning the new plan and the proposed services, estimated costs and proposed method of assessment. This written notice must occur at least 30 days prior to the public hearing. Following the public hearing, property owners will have 45 days during which they can make written objections to the plan.

Based on these legal criteria, the DID will follow this schedule for approval:

- | | |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| On or about December 4: | DID property owners, commercial lessees notified of public hearing date (which is required to occur at least 30 days in advance of the date of the public hearing) |
| On or about December 28: | Advertise notice of public hearing (which is required to occur at least 10 days in advance of the date of the public hearing) |
| Second week of January, 2018: | Host public hearing to present final plan
Begin 45 day period to allow for written objections to the plan |
| On or about February 28, 2018: | End of 45 day period. Tabulate any objections utilizing an independent auditor |
| March 2018: | City Council review/approval process to occur |

As noted above, during the 45-day period following the public hearing, the legal owner of a property within the DID can object to the plan or the renewal of the DID. Specifically, the law states the following:



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Page 4

“The authority shall take no action on proposed improvement or service if objection is made in writing by persons representing the ownership of one-third of the benefited properties in the district or by property owners of the proposed district whose property valuation as assessed for taxable purposes shall amount to more than one-third of the total property valuation of the district. Objection shall be made within 45 days after the conclusion of the public hearing. Objections must be in writing, signed and filed in the office of the governing body of the municipality in which the district is located and in the registered office of the authority.”

V. Term/Sunset Provision

The decision to set the duration of this plan is a local one, not dictated by the Municipality Authorities Act and not contained in any of the DID’s organizing documents. As a result, the DID has had the flexibility to set its terms/durations based on current events, conditions and community needs, and the community is also allowed at regular intervals the opportunity to assess the value of the DID. The DID has operated with the following plan durations over its history:

<u>First Year of Plan</u>	<u>Term/Duration of Plan</u>
1992	3 years
1995	3 years
1998	3 years
2001	6 years
2007	6 years
2012	2 years, 4 months
2015	3 years
2018	3 years

For this Plan, the DID Board of Directors is recommending a three year plan to cover FY 18-19 through FY20-21, beginning May 1, 2018 and expiring at the end of the DID’s fiscal year on April 30, 2021.

There are several elements that the DID Board considered in proposing this plan. Notably, there is the recognition that the City of Lancaster, and particularly Downtown, has had positive revitalization momentum and continues to experience significant growth, with investment likely to continue. The independent merchant base, arts and cultural amenities continue to grow, and the impact of recent retail, residential and office space growth, as well as the impact of the City Revitalization and Improvement Zone (CRIZ) designation will, result in significant increased investment over the coming few years.

Additionally, as outlined in sections VII & VIII of the plan, several areas of assessment and opportunity for the DID (both as an organization and as the District) should be considered over the next several years. With significant investment in Downtown, the financial impact of that on the District should be further evaluated and discussed deliberately with property owners within the DID.



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

VI. Programs and Activities/Uses of Funds

The DID will maintain its primary service activities for the three-year plan. Specifically, the DID will continue the operations of the Bicycle Ambassadors, who serve both a hospitality and public safety function, and the operations of the supplemental sidewalk sweeping service. There continues to be resounding support for the DID to continue its focus on ‘clean and safe’ as evident of these two programs.

Bicycle Ambassadors

This program, funded by the DID within the District, is overseen by the Lancaster City Alliance (LCA), which contracts with Block By Block (BBB). Within the DID, bicycle ambassadors operate seven days a week. The current schedule is: Monday – Saturday, 7:00AM – 11:00PM; and, Sunday, 8:00AM – 11:00PM. Ambassadors play three essential roles: easily identifiable friendly resources, extra ‘eyes and ears’ on the street, and, when asked and/or necessary, support to emergency personnel.

Specific examples of the ambassadors’ activities this past year:

- Providing directions in the DID over 2,000 times – an average of almost 166 per month
- Recovering 23 items of lost property
- Contacting PPL 64 times to report street light replacement needs
- Conducting almost 12,000 ‘business checks,’ (stopping in briefly to a business)
- Assisted Downtown visitors with the parking kiosks
- Identifying and, in most cases helping to remove, graffiti over 300 times
- Communicating with/assisting over 12,500 District residents, visitors and
- Documenting/abating almost 1,200 quality of life issues affecting the District

Supplemental Sidewalk Sweeping

The DID also contracts with Block By Block to perform its supplemental sidewalk sweeping program. The Clean Team, BBB’s crew of two full-time, one part-time individuals, provide sweeping services seven days a week, with the crew working from 7:00AM – 3:30PM, Monday – Saturday and Sundays from 8:00AM – 12:00noon. The Clean Team covers the entire DID area daily, using a combination of mechanical equipment and dustpan/broom to clear sidewalks, bus shelters and areas in the public-right-of-way where leaves and debris collects.

This past year, the crew logged the following statistics:

- Cleared almost 54,000 pounds of trash and leaves (27 tons) from District sidewalks– 4500 pounds per month
- Removed 900 cases of graffiti or stickers, primarily on utility, light and traffic signal poles
- Cleared weeds and mulched 525 tree wells



In total, the first year of the plan includes \$316,000 to fund the Bike Ambassadors and Clean Team. Another \$15,000 is dedicated to marketing the DID and supporting the efforts of the DID merchant committee. In addition, \$21,000 in expenses is related to legal fees, insurance, accounting and overhead items. It also includes an administrative fee to the LCA of approximately \$85,000. This fee includes the cost of the LCA's staff time spent on DID activities (the DID has no direct staff) and a portion of costs associated with the DID's space needs. The fee does not cover the LCA's full costs of supporting the DID, with an estimated in-kind contribution by the LCA of approximately \$30,000.

Because of increased revenues, in recent years, the DID reinvested \$20,000 in the appearance and beautification of the downtown with the installation of additional trash receptacles, bike racks and the annual mulching of over 525 tree wells in the DID. This current fiscal year, the DID will be planting up to 50 trees in new wells throughout the District. As development activity continues throughout the District, assessment revenues will likely rise affording the opportunity to for continued investment in areas such as beautification and marketing. This will be evaluated throughout the life of this plan.

VII. Areas of Assessment

The three years defining the Plan for FY 18-21 will be a time of great change for the District potentially reshaping the DID landscape and skyline. Over the three years of the plan, the DID will carefully evaluate the effects of a number of important development projects under development and planned within the District.

Implementation of *Building On Strength*, The Economic Development Strategic Plan for the City

In 2015, the LCA in collaboration with the City and community partners completed Building On Strength, the 15-year economic development strategic plan for Downtown and the commercial corridors throughout the City. Succeeding the Lancaster's Economic Development Action Agenda (LDR Plan) of 1998, which reacted to the need to stimulate economic development, this strategy is building upon the strengths and opportunities gained from the years of strong economic growth of our City. Through assessing current trends, opportunities and community needs specifically centered on our commercial areas/corridors, the end result was a broad, vibrant Economic Development Strategy with detailed goals and tactics that is leading the City of Lancaster throughout the next decade.

Two years into implementation, the DID continues to be a major component of Building On Strength setting the stage for future development and continued growth within the DID. Not only will this affect the District physically, but financially as projects continue to be developed adding to assessment income. The creation of this three year plan will allow time in assessing the impact of this growth.



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Page 7

Determine the CRIZ effect on the DID

In 2013, the City of Lancaster was designated as one of two Third Class cities to be authorized as a City Revitalization and Improvement Zone (CRIZ). The purpose of the CRIZ Program is to provide a financial resource through the reinvestment of new State tax dollars generated within targeted the CRIZ Districts with a focus on infill development on vacant and underutilized sites and the redevelopment of existing challenging sites within the City which have some barrier to development.

Much of the DID is within the Downtown CRIZ District with several projects already underway taking advantage of the program. This important tool may have a significant effect on the DID by the development of both new construction and adaptive reuses of historic properties bringing increased jobs, residents, visitors and property values, potentially resulting in increased revenues for the DID.

Effects of the County Reassessment

2017 is the first county reassessment since 2005 and will take effect on January 1, 2018. The proposed new three year plan will allow for the adjustment of the millage rate in order for the DID to remain revenue neutral. With the real estate market seeing some significant changes in the past 12 years, the proposed new three year plan will also allow for a comprehensive evaluation of the impact of the reassessment on current property owners and new projects coming online.

VIII. Areas of Opportunity

With continued increased investment and through conversations and outreach to Property owners, there are several opportunities we will continue to evaluate over the life of the plan.

Strengthen the Engagement of Tax Exempt Property Owners

The DID, like many downtowns, is home to properties exempt from paying the DID assessment. Within the DID boundaries, about 13% of properties are exempt. This 13% includes considerable government buildings – from City and County offices, and properties owned by various municipal authorities – to faith based institutions and nonprofit organizations. If all tax exempt properties paid full assessment, the DID would see an additional \$500,000 in revenue.

The DID annually approaches tax exempt properties with a request to consider making a contribution in lieu of assessment, given that the direct services being provided benefit all property owners. As a result, the DID has secured additional revenue of as much as \$60,000, which has included a substantial contribution from the County of Lancaster.



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Page 8

The DID staff and Board continues to strengthen engagement with tax exempt properties recognizing that an effort to secure voluntary contributions will take time and energy. The DID committed to continuing the outreach to the owners of the nearly 70 exempt properties to educate them on the services provided by the DID, the benefits being received and the value that would be achieved through enhanced revenue from the exempt community.

With increased development within the DID, look to reinvest assessment funds within the boundaries of the District.

With new development within the boundaries of the DID generating increased revenues, the DID staff and Board of Directors feel strongly that consideration should be given to work with property owners to reinvest those funds back into the District. In recent years, this has included additional trees, bike racks and trash receptacles. Consideration could be given to, and the DID may undertake as a part of the Plan, additional physical improvements to public spaces, such as pedestrian lighting, and/or business assistance or façade improvement programs to property and business owners within the DID. Increased marketing dollars to promote the District could be considered and may be undertaken as well.

Build the brand of the DID

With the changing face of the Downtown and the continued investment occurring within the DID, this is a great opportunity to strengthen the identity of the DID and partnership of property owners who, 25 years ago, came together to advocate for a clean, safe and economically vibrant Downtown. Property owners, businesses and residents should be proud to be a part of the DID, especially as Downtown continues to grow. As we continue to move toward the future, the DID must protect the investment that has been made since 1992. To do this, the DID accomplishments will be celebrated more broadly and the Board will be a more vocal advocate to/for the District property owners. Derelict and poorly managed properties will be addressed and the relationship with the business community will continue to be strengthened.

IX. Funding/Millage Rate

The primary source of funding to support the programs and activities described above is the assessment income received from taxable property owners within the DID. A primary purpose of this plan is to notify property owners within the DID of the intended change to the millage rate required for the DID to remain revenue neutral when the reassessment of property values takes effect in 2018. **The DID**



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Board of Directors is proposing that the current millage rate of 2.45 mils be reduced to 1.57 mils to allow us to remain revenue neutral when the reassessment takes effect in 2018.

Fiscal Year	Millage Rate	DID Assessment based on Assessed Value of:		
		\$100,000	\$150,000	\$200,000
FY18-21	1.57	\$157.00	\$235.50	\$314.00

The median total assessed value for the 676 taxable properties in the DID is \$173,700. Under the millage rate of 1.57%, the DID’s assessment is approximately \$272. That millage rate would not change throughout the life of this plan. (See Appendix D for proposed budgets.)

The distribution of taxable properties in the expanded DID based on current total assessed value is as follows:

Total Assessed Value	# of DID Properties
\$0 - \$99,999	212
\$100,000 - \$249,999	221
\$250,000 - \$499,999	150
\$500,000 - \$999,999	55
\$1,000,000	38
TOTAL	676
Median = \$173,700	

X. DID Contact Information

There are several ways for property owners and other interested parties to stay in contact with the DID. To contact the DID/LCA office:

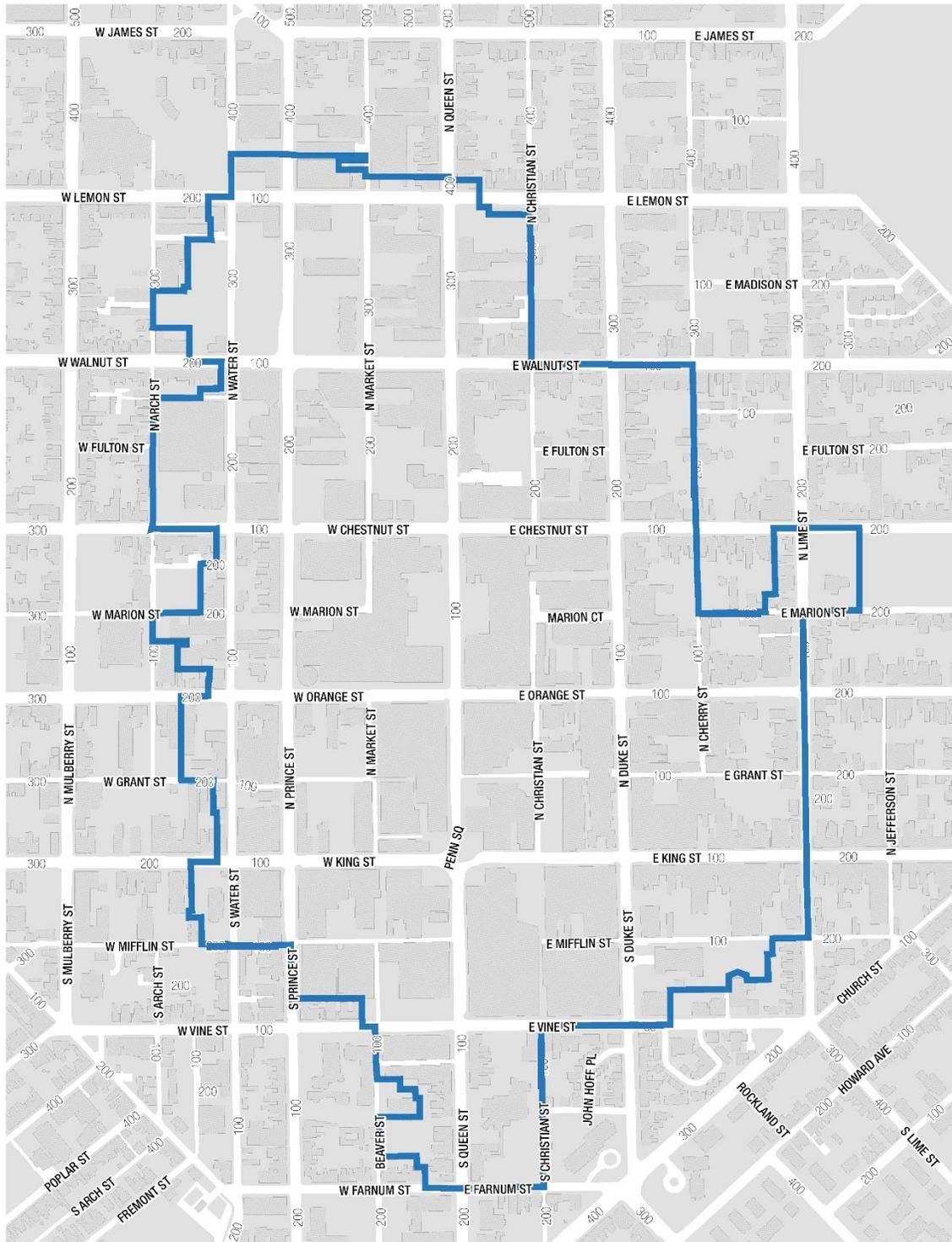
115 East King Street, Lancaster, PA 17602
 Phone: 717-394-0783, Fax: 717-394-0784
 General e-mail box: info@TeamLanc.org

DID Board of Directors meetings are open to the public. Meetings are scheduled to occur quarterly on the fourth Wednesday of February, May, August and November, at noon at City Hall, 120 N. Duke Street. To confirm a meeting date, contact the LCA office or online at www.LancasterCityAlliance.org.

Information, including a Board list, Board meeting minutes and the DID’s most recent audit can be found online at www.LancasterCityAlliance.org, click on the DID logo.



Appendix A: DID Plan Boundary Map



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN
May 1, 2018 – April 30, 2021

Appendix B: 2017 - 2018 DID Board of Directors

Executive Committee

James Wagner

DID Board Chair, Fulton Bank

Crystal Weaver*

DID Vice Chair, Property Owner

Randy Patterson

DID Treasurer, City of Lancaster

Nancy Neff*

DID Secretary, Hunger & Thirst

Members of the Board

Pastor Tim Mentzer, Trinity Lutheran Church

Scott Standish*, Lancaster County Planning Commission

Mark Stoner*, Godfrey Advertising

Christine Suarez DiRienzo, McDonald's

Joe Donaldson, Steinman Communications

*Denotes City resident



Appendix C: Renewal Timeline

As of October 25, 2017

FY 2018 – 2021 DID PLAN TIME LINE

2017

- May 24 Present DRAFT Outline & Timeline for Plan
To DID Board of Directors
- June/August Draft DID Plan based on the following considerations
- County’s final reassessment numbers
 - Overall % increase over current values
 - New millage rate to maintain current level of assessment income
 - Length of Plan to evaluate
 - Property owner challenges to new assessments
 - Impact of upcoming projects on revenue
- August 23 Review proposed “PLAN” with DID Board of Directors
- Term/Duration of PLAN
 - Millage Rate adjustment
 - Draft FY 19-21 Budgets
- October 25 Executive Committee to review draft of Plan
- November 15 DID Board of Directors to approve Plan (contingent of millage rate)
- November 15 Projected date to receive final assessment values from County
- December 4 Mail DID property owners with notice of public hearing ¹
- December 28 Advertise public meeting ²

2018

- January 8 Required public meeting to present Plan
- January 9 Start of mandatory 45 day wait period during which property owners who wish to object to the Plan must submit a signed, written notification
- February 23 End of 45-day review period. Tabulation by independent auditor of any objections

Present Plan to City Council

- March 13, 2018 First reading of Plan ordinance by City Council
- March 27, 2018 Second reading/ approval by City Council for Plan to be effective May 1, 2018

¹ Notice must be given 30 days before meeting

² Advertising must occur at least 10 days in advance of meeting



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Page 13

Appendix D: Draft Budgets for FY18-21

	FY17-18 Budget at 2.45 Mils	FY18-19 Budget at 1.57 Mils	FY19-20 Budget at 1.57 Mils	FY20-21 Budget at 1.57 Mils
REVENUE				
Assessments (4000)	\$365,000.00	\$350,000.00	\$365,000.00	\$400,000.00
Interest & Penalty Income (4001)	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Prior Years Assessments (4005)	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Total Assessment Revenue	\$371,500.00	\$356,500.00	\$371,500.00	\$406,500.00
Donations Within DID (4002)	\$60,000.00	\$70,000.00	\$75,000.00	\$75,000.00
Donations Outside DID (4003)	\$0.00	\$0.00	\$0.00	\$0.00
Total Donations	\$60,000.00	\$70,000.00	\$75,000.00	\$75,000.00
Gift Certificates Sold (4200)	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Downtown Marketing Revenue (4420)	\$540.00	\$540.00	\$540.00	\$540.00
Total Marketing Income	\$15,540.00	\$15,540.00	\$15,540.00	\$15,540.00
Contracted Revenue	\$4,738.00	\$5,000.00	\$5,250.00	\$5,500.00
Contribution from Cash Reserves	\$17,200.00	\$3,000.00	\$0.00	\$0.00
Miscellaneous Revenue (4004)	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL REVENUE	\$468,978.00	\$450,040.00	\$467,290.00	\$502,540.00
EXPENSES				
Clean/Safe				
Bike Patrol/Ambassadors (6100)	\$176,899.00	\$182,697.63	\$189,092.05	\$195,710.27
Cleaning Contract (6201)	\$126,754.00	\$131,178.50	\$135,769.75	\$140,521.69
Equipment Maintenance	\$2,000.00	\$500.00	\$500.00	\$500.00
Beautification	\$20,000.00	\$500.00	\$500.00	\$500.00
Total Clean & Safe	\$325,653.00	\$314,876.13	\$325,861.80	\$337,231.96
Marketing/Promotion				
Gift Certificates (redeemed) (5500)	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Merchant Committee Support	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Downtown Marketing (5005)	\$20,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Total Marketing Expense	\$40,000.00	\$30,000.00	\$30,000.00	\$30,000.00
Salaries/Benefits				
Executive Director (6010)	\$0.00	\$0.00	\$0.00	\$0.00
Administrative Assistant (6011)	\$0.00	\$0.00	\$0.00	\$0.00
Total Salaries and Benefits	\$0.00	\$0.00	\$0.00	\$0.00
Insurance				
Public Officials Insurance (6030)	\$2,600.00	\$2,550.00	\$2,650.00	\$2,800.00
Liability Insurance (6031)	\$900.00	\$850.00	\$900.00	\$950.00
Comprehensive Theft (6032)	\$250.00	\$275.00	\$300.00	\$325.00
Total Insurance	\$3,750.00	\$3,675.00	\$3,850.00	\$4,075.00
Administrative Expenses				
Administrative Services	\$84,448.00	\$87,000.00	\$89,500.00	\$92,500.00
Misc. Expense (6077)	\$0.00	\$0.00	\$0.00	\$0.00
Legal Advertising (6072)	\$700.00	\$500.00	\$500.00	\$500.00
Membership Dues (6074)	\$150.00	\$150.00	\$150.00	\$150.00
Postage (6075)	\$650.00	\$300.00	\$400.00	\$650.00
Office Supplies (6050)	\$500.00	\$500.00	\$500.00	\$500.00
Total Administrative Expenses	\$86,448.00	\$88,450.00	\$91,050.00	\$94,300.00
Legal/Accounting				
Audit/Accounting (6041)	\$9,000.00	\$8,500.00	\$8,750.00	\$9,000.00
Bank Service Fees (4010)	\$50.00	\$50.00	\$50.00	\$50.00
Legal Fees (6060)	\$4,000.00	\$4,250.00	\$4,500.00	\$4,750.00
Total Legal/Accounting	\$13,050.00	\$12,800.00	\$13,300.00	\$13,800.00
TOTAL EXPENSE	\$468,901.00	\$449,801.13	\$464,061.80	\$479,406.96
TOTAL NET INCOME	\$77.00	\$238.87	\$3,228.20	\$23,133.04

LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY PLAN

May 1, 2018 – April 30, 2021

Page 14

