



LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY (DID)

PLAN FOR:
May 1, 2021 – April 30, 2023

DID Mission:

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

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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 terms of that new plan, activities that will be undertaken and the millage rate that the DID Board of Directors has identified is needed to support these activities. The DID's current approved plan expires on April 30, 2021.

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 788 properties, 84 of which are tax exempt.

Many property owners own more than one property in the DID. The 704 taxable properties reflect approximately 413 different owners.

III. New Plan Process Overview

The DID staff and Board of Directors have been actively engaged in conversation surrounding what potential effects the COVID-19 pandemic could have on the DID property owners. With many of the owners providing restaurant and retail space along with a number of residential units, it was the decision of the Board of Directors to pursue a two-year Plan, which effectively renews our current plan, to provide adequate time to better evaluate the impact of COVID-19 on property owners within the DID. (See Appendix "C" for an overall time line.)

2021-2023 Plan Process Overview/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 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:	Publicize 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, 2021:	Hold public hearing to present plan. (Begin 45 day period to allow for written objections to the plan)
On or about February 25, 2021:	End of 45 day period. (Tabulate any objections utilizing an independent auditor)
March 2021:	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. Specifically, the law states the following:

“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.”

IV. Term/Sunset Provision



The decision to set the duration of this plan is a local one, not dictated by the 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
• 2021	2 years

- For this Plan, the DID Board of Directors recommends a two year plan to cover FY 21-23.

There are several elements that the DID Board of Directors considered in proposing this two-year plan. First and foremost, the potential effects the COVID-19 pandemic may have on the property owners, retailers and restaurants. Additionally, there is the recognition that the City of Lancaster, and particularly the downtown, has had positive revitalization momentum and continues to experience significant growth, with investment likely to continue. The impact of recent retail, residential and office space growth, as well as the impact of the City Revitalization and Improvement Zone (CRIZ) designation, may result in significant increased investment over the coming 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 on the District should be further evaluated and discussed deliberately with property owners within the DID.

V. Programs and Activities/Uses of Funds

The DID will maintain its primary service activities and current millage rate for the two-year plan. Specifically, the DID will continue the operations of the Bicycle Ambassadors, who serve both hospitality and public safety functions, 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

To provide this program, the DID contracts with an outside organization to provide this service. The Bicycle Ambassadors operate seven days a week from 7:00AM – 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 provides for its supplemental sidewalk sweeping program by contracting with an outside organization. Our Clean Team provides sweeping services seven days a week. In previous years our cleaning crew worked from 7:00AM – 3:30PM, Monday – Saturday and Sundays from 8:00AM – 12:00noon. With the recent economic growth and increased activity, our cleaning crews remain out until 9:00pm seven days a week. 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. Our newest tool to help us keep downtown clean is a power washer trike. A self-contained power washer mounted on a three wheel trike that allows us the maneuverability to get around the Downtown. This new tool allows us to power wash benches, trash receptacles and bus shelters in another effort to keeping things clean.

This past year, the crew logged the following statistics:

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

In total, the final year of the current DID plan includes \$353,000 to fund the Bike Ambassadors and Clean Team. Another \$10,000 is dedicated to marketing the DID and supporting the efforts of the DID merchant committee. In addition, \$20,000 in expenses is related to legal fees, insurance, accounting and overhead items.

This year's DID budget also includes an administrative fee to the Lancaster City Alliance of approximately \$94,000. 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.

In recent years, the DID reinvested \$40,000 in the appearance and beautification of the downtown with the planting 50 new trees, installation of additional trash receptacles, bike racks and the annual mulching of over 525 tree wells. As development activity continues throughout the District, assessment revenues will likely afford us the opportunity to continued investment in areas such as beautification and marketing. These opportunities of continued beautification projects are already being evaluated throughout the DID.

VI. Areas of Assessment

The two years defining the Plan for FY 21-23 will be a time of great change for the District, potentially reshaping the DID landscape and skyline. Over the two 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.

Five 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 two year plan will allow time in assessing the impact of this growth.

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.

VII. Areas of Opportunity

With continued increased investment and through conversations and outreach to Property owners, there are several opportunities we will continue to evaluate each year.

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 all tax exempt properties with a request to consider making a contribution in lieu of assessment, given that the direct services being provided benefit all properties. As a result, the DID has secured additional revenue of as much as \$65,000, which has included a substantial contribution from the County of Lancaster.

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 is committed to continuing the outreach to the owners of the 84 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.

Any new development within the boundaries of the DID generates increased usage of our resources increased pedestrian traffic and increased need for clean & safe services. 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. Additional physical improvements to public spaces, such as pedestrian lighting, façade improvement programs to

property 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 economic investment occurring within the DID, this is a great opportunity to strengthen the identity of the DID and partnership of property owners who just over 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 thrive. As we move toward the future, the DID must protect the investment that has been made since 1992. To do this, DID accomplishments will be celebrated more broadly and the Board will be a more vocal advocate to/for the District property owners. The relationship with the business community will continue to be strengthened.

VIII. Funding/Millage Rate

The source of funding to support the programs and activities as described above is the assessment income received from taxable property owners within the DID. A primary purpose of our plan is to notify property owners within the DID of any intended change to the millage rate required for the DID to support these services and programs.

The DID Board of Directors is proposing that the current millage rate of 1.57 mils remain the same over the two years of this plan.

		DID Assessment based on Assessed Value of:			
Fiscal Year	Millage Rate	\$100,000	\$150,000	\$200,000	\$500,000
FY 21-23	1.57	\$157.00	\$235.50	\$314.00	\$785.00

The median total assessed value for the 704 taxable properties in the DID is \$185,700. Under the current millage rate of 1.57%, the DID's assessment is approximately \$291.55. 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 DID based on current total assessed value is as follows:

Total Assessed Value	# of DID Properties
\$0 - \$99,999	194
\$100,000 - \$249,999	237
\$250,000 - \$499,999	181
\$500,000 - \$999,999	52
\$1,000,000	39
TOTAL Median = \$185,700.	704

IX. 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,

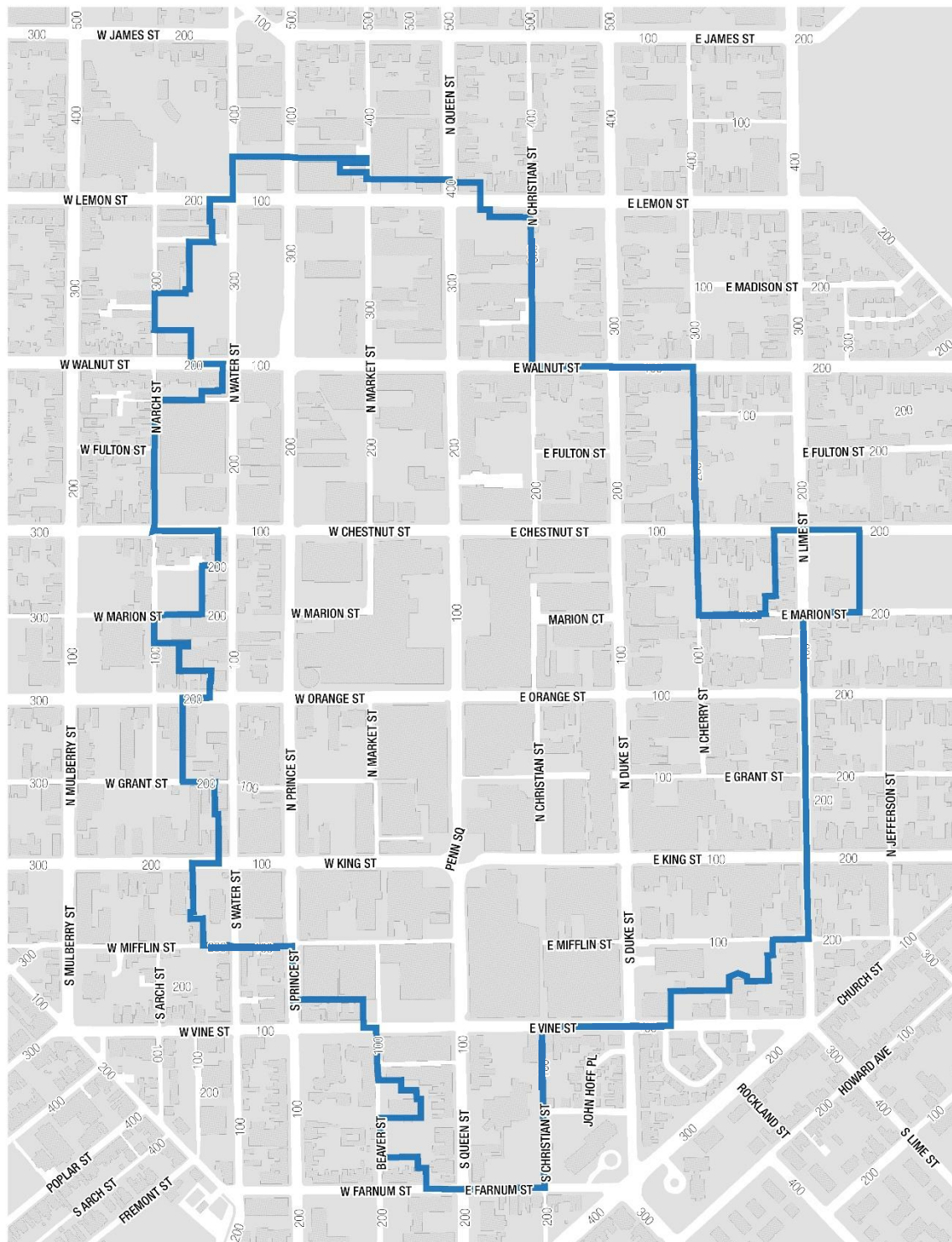
General e-mail box: info@TeamLanc.org

The DID wants to be better contact with the property owners and is asking owners to provide an email address to enable us to more effectively provide information pertaining to the downtown, i.e. special events, construction projects, snow emergencies, etc.

The 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



Appendix B: 2020 - 2021 DID Board of Directors

Executive Committee

Crystal Weaver*

DID Vice Chair, DID Resident, Property Owner, Business Owner

Pastor Tim Mentzer

DID Vice Chair, Trinity Lutheran Church

Nancy Neff*

DID Treasurer, City Resident

James Wagner

DID Secretary, Fulton Bank

Members of the Board

Alicia Byler*, DID Resident, Property Owner, Business Owner

Joe Donaldson, Steinman Communications

Patrick Hopkins*, City of Lancaster

Laura Proctor*, Lancaster County Planning Commission

Jami Rhynes*, City Residence

Mark Stoner*, City Residence

Bernard Truong, DID Property Owner, Business Owner

*Denotes City resident

Appendix C: Renewal Timeline

As of October 28, 2020

2021 – 2023 DID PLAN TIME LINE

2020

August 26	Present DRAFT Timeline for PLAN to DID Board of Directors
September	Draft DID Plan to further be discussed by Executive Committee based on the following considerations. <ul style="list-style-type: none">• Due to COVID-19, new Plan to be effectively an extension of our current PLAN• Current millage rate, (1.57%) to maintain current level of assessment income• Two year extension of current Plan to evaluate<ul style="list-style-type: none">○ Impact of expansion and into what areas○ Impact of upcoming projects on revenue○ Term/Duration of new PLAN, 2023 -?
October 28	Executive Committee to review draft of Plan
November 18	DID Board of Directors to approve PLAN
December 1	Mail DID property owners with notice of public hearing ¹
December 28	Advertise public meeting ²

2021

January 11	Required public meeting to present PLAN
January 12	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 25	End of 45-day review period. Tabulation by independent auditor of any objections

Present Plan to City Council

March 1	Present “PLAN” to City Council Economic Development & Neighborhood Revitalization Committee
March 9	First reading of Plan ordinance by City Council
March 23	Second reading/ approval by City Council for Plan to be effective May 1, 2021

¹ Notice must be given 30 days before meeting

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

Appendix D: Draft Budgets for FY21-23

REVENUE	FY 20-21 Budget	FY 21-22 Proposed Budget	FY 22-23 Proposed Budget
Assessments (4000)	\$370,000.00	\$380,000.00	\$390,000.00
Interest & Penalty Income (4001)	\$1,500.00	\$1,500.00	\$1,500.00
Prior Years Assessments (4005)	\$5,000.00	\$5,000.00	\$5,000.00
Bank Interest (4006)	\$0.00	\$0.00	\$0.00
Total Assessment Revenue	\$376,500.00	\$386,500.00	\$396,500.00
Donations Within DID (4002)	\$72,500.00	\$72,500.00	\$72,500.00
Donations Outside DID (4003)			
Total Donations	\$72,500.00	\$72,500.00	\$72,500.00
Gift Certificates Sold (4200)	\$15,000.00	\$18,000.00	\$15,000.00
Downtown Marketing Revenue (4420)			
Total Marketing Income	\$15,000.00	\$18,000.00	\$20,000.00
Other Grants (4007)	\$0.00	\$0.00	\$0.00
DCED Façade Grants (4012)	\$0.00	\$0.00	\$0.00
Total Other Grants	\$0.00	\$0.00	\$0.00
Contribution from Cash Reserves	\$25,000.00	\$13,000.00	\$10,000.00
Miscellaneous Revenue (4004)	\$2,000.00	\$2,000.00	\$2,000.00
Contracted Services (4110)	\$5,700.00	\$8,500.00	\$9,000.00
TOTAL REVENUE	\$496,700.00	\$500,500.00	\$510,000.00
EXPENSES			
Clean/Safe			
Bike Patrol/Ambassadors (6100)	\$207,534.01	\$212,720.31	\$216,974.72
Cleaning Contract (6201)	\$141,620.16	\$145,160.66	\$148,063.87
Equipment Maintenance	\$2,000.00	\$2,000.00	\$2,000.00
Beautification	\$2,000.00	\$2,000.00	\$2,000.00
Total Clean & Safe	\$353,154.17	\$361,880.97	\$369,038.59
Marketing/Promotion			
Gift Certificates (redeemed) (5500)	\$15,000.00	\$12,000.00	\$12,000.00
Strategic Planning	\$4,000.00		
Merchant Committee Support	\$0.00	\$0.00	\$0.00
Downtown Marketing (5005)	\$10,000.00	\$10,000.00	\$10,000.00
Total Marketing Expense	\$29,000.00	\$22,000.00	\$22,000.00
Insurance			
Public Officials Insurance (6030)	\$2,550.00	\$2,550.00	\$2,550.00
Liability Insurance (6031)	\$850.00	\$850.00	\$850.00
Comprehensive Theft (6032)	\$150.00	\$150.00	\$150.00
Total Insurance	\$3,550.00	\$3,550.00	\$3,550.00
Administrative Expenses			
Administrative Services	\$94,100.00	\$95,900.00	\$97,900.00
Misc. Expense (6077)	\$0.00	\$0.00	\$0.00
Legal Advertising (6072)	\$500.00	\$500.00	\$500.00
Membership Dues (6074)	\$150.00	\$250.00	\$250.00
Postage (6075)	\$500.00	\$500.00	\$500.00
Office Supplies (6050)	\$500.00	\$500.00	\$500.00
Total Administrative Expenses	\$95,750.00	\$97,650.00	\$99,650.00
Legal/Accounting			
Audit/Accounting (6041)	\$9,000.00	\$9,000.00	\$9,300.00
Bank Service Fees (4010)	\$50.00	\$50.00	\$50.00
Legal Fees (6060)	\$6,000.00	\$6,000.00	\$6,000.00
Total Legal/Accounting	\$15,050.00	\$15,050.00	\$15,350.00
TOTAL EXPENSE	\$496,504.17	\$500,130.97	\$509,588.59
TOTAL NET INCOME	\$195.83	\$369.03	\$411.41

