



PITTSBURGH
DOWNTOWN

PARTNERSHIP

Final

2008 BUSINESS PLAN

Adopted November 15, 2007

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	3
OVERVIEW	4
- Vision	
- Mission	
- Strategic Initiatives	
- Funding	
- Partners	
2008 PDP STRATEGIES AND ACTIONS	5 - 10
- Clean and Safe	
- Advocacy and Public Policy	
- Transportation and Parking	
- Housing	
- Market Square	
- Economic Development	
- Marketing	
- Administration	
RESOURCE REQUIREMENTS	11 - 13
- Staff Responsibilities	
- Staff Allocations	
2008 STRATEGIC PLAN GRAPHIC	14
2008 BUDGET	15 – 16
- Resources and Expenses	

EXECUTIVE SUMMARY

Momentum continued in Downtown Pittsburgh in 2007 with new private investment in office, housing and retail. Announcements including the relocation of UPMC headquarters to the USX Tower; the 5 Lofts on Penn and 941 Penn Avenue condo projects, the opening of Capital Grille, Chick Boutique and extended store hours at Saks Fifth Avenue all provided evidence of a healthy and competitive Downtown. Large public investment in destination facilities like the arena and casino; transportation projects including the Grant Street Transportation Center and the North Shore Connector and parks and recreation with the renovation of Point State Park represent millions of dollars in new investment, providing an expanded Downtown and enhanced Downtown experience.

The PDP continued to play its role in maintaining the Downtown momentum. The arrival of Flexcar, providing funds for the first grocery store Downtown in 20 years, securing condo tax abatement and vacant upper floor funding to facilitate more housing, attracting major Foundation investment for Paris to Pittsburgh and a renewed focus on Market Square highlighted the contribution of the PDP to a more robust and compelling Downtown.

Over \$3 billion dollars in private and public investment will be underway Downtown in 2008.

In 2008, the PDP will ensure that all of the BID area of Downtown consistently looks clean and feels safe. The PDP will support private and public projects that leverage high economic impact throughout the greater Downtown. The PDP will bring direct economic development dollars to spur private investment in more Downtown housing and activate the streetscape through high-quality design. The PDP will work with the Port Authority to improve bus routing and circulation and further enhance the transportation option with improved bicycle access and safety for pedestrians.

The PDP will marshal its resources, where possible, to provide focused energy to accelerate the economic transition of Market Square and Smithfield Street.

In 2008, the PDP will deliver its comprehensive marketing message through public relations and a consistent advertising campaign to attract even more people Downtown. This campaign will effectively articulate the array of positive changes occurring Downtown, while simply inviting people to 'Be Downtown'. The PDP will market unique Downtown experiences, manage customers expectations of our evolving Downtown and remind people of the valuable services provided by the PDP.

The PDP is a mature, visible and innovative leader in Pittsburgh's urban development. The PDP will serve its constituency by allocating resources and maximize stakeholder return on investment. The 2008 PDP Business Plan is aggressive, timely and filled with value for Downtown and the entire region.

OVERVIEW

Vision

Downtown Pittsburgh is one of America's great urban centers.

Mission

The Pittsburgh Downtown Partnership provides dynamic leadership and a consistent voice to improve the vitality of Downtown through enhanced services, advocacy, collaboration and marketing.

Strategic Initiatives

The PDP actively pursues four Strategic Initiatives in partnership with other organizations and the community:

- A **Clean and Safe** strategy to maintain and promote an inviting Downtown experience
- An **Advocacy and Public Policy** strategy to encourage the adoption of governmental policies, tools, guidelines, and incentives to support the realization of Downtown's full potential;
- A **Transportation and Parking** strategy to address issues that strengthen the ability to access the Downtown offering of employment, living, culture, shopping, entertainment and outdoor recreation; and
- A **Housing and Economic Development** strategy to increase the livability of Downtown, generate jobs and economic vitality supportive of existing and new residential and commercial activity.

Funding

The PDP has five main funding sources to support its initiatives. First, as the management entity for Downtown's BID, the PDP receives funding from **assessments** paid by Downtown property owners. Under its agreement with the City of Pittsburgh to manage BID activities, the PDP provides marketing efforts for Downtown and oversees the implementation of enhanced public services, which include a clean and safe program and street/infrastructure maintenance. Second, as a **membership** organization, it receives dues from voluntary members throughout the community who want to invest in the future of Downtown. Third, through the support of **foundations**, the PDP advances the Downtown vision through important project specific activities. Fourth, the PDP receives **government grants** and, fifth, through **earnings** from advertising, fees and sponsorships.

Partners

The PDP works with a range of organizations to deliver its vision of Downtown. Partners include government agencies and neighborhood associations, as well as business, community, civic, and cultural organizations.

2008 STRATEGIES AND ACTIONS

To be successful, the delivery of real value to our property owners and members must be a priority for the Board of Directors and staff throughout 2008. The action items will require a high degree of organizational focus, the strategic use of resources and the nurturing of key partnerships.

Clean and Safe

Strategic Direction: *Deliver high quality and cost-effective clean and safe services to maintain Downtown as a visually attractive destination and enhance its perception as a clean and safe regional asset that attracts people and investment.*

Action Items

- Negotiate, by the first quarter, a new Memorandum of Understanding with the City of Pittsburgh regarding basic levels of city service in Downtown. The MOU will include such issues as graffiti, alleys, dumpsters, rodent control, police services and panhandling.
- Enhance the Safety Ambassador and Clean Team programs throughout 2008 to positively impact the perception of safety and cleanliness Downtown, strengthen interaction with business owners, continue to improve customer service, refine deployment (location, special events), continue operating the new Safety Escort Program, and incorporate new equipment to maximize effectiveness (e.g. wi-fi cameras).
- Increase the number of Safety Ambassadors through partnership opportunities with other organizations and through new Foundation funding for Safety Navigators to address specific social issues of Downtown individuals in need.
- Enhance the level of service of the Clean Team using strategies such as eliminating the yellow trash bags next to garbage cans; targeting the worst sidewalk locations for aggressive power washing; painting signal boxes and other public infrastructure; and working with stakeholders to improve conditions in alleys.
- Continue working closely with the County DA's office, City of Pittsburgh Police Department and the PDP Safety Ambassador program to provide aggressive public safety services in Market Square. Investigate the viability of a police sub station in Market Square.
- Hold *monthly/quarterly* meetings with a consistent group of security personnel including the City Police, Port Authority police, school police, private security personnel and building managers to better address Downtown safety issues.
- Work with business and property owners to develop and implement a plan for speedy removal of graffiti from private property (ground level) in highly visible locations.
- Maintain ongoing and effective dialogue with key social service agencies regarding homeless, mental health, drug addiction and panhandling issues that affect Downtown. Monitor the status of Wood Street Commons and the impact of any changes on Downtown.
- Establish a program to reset, repair and replace trash cans (as funding allows); participate in the Mellon Square rehabilitation study; and develop a strategy to reduce the number of newspaper boxes on Downtown sidewalks and improve their attractiveness.

Advocacy and Public Policy

Strategic Direction: *Engage the PDP membership and Board, community leaders and our elected officials in advocating and promoting important Downtown policy issues. Develop support for legislative and capital requests advantageous to Downtown.*

Action Items

- Establish criteria to identify issues specific to Downtown or important to Downtown but that no one else is addressing.
- Engage the PDP Board through an e-survey annually to ask them what they perceive as the critical public policy issue(s) for Downtown in the coming year.
- Complete research on critical Downtown issues and educate the PDP Board. Secure consensus, if possible, and advance a position as necessary. (If a consensus is not reached, do not establish a PDP position).
- Identify appropriate strategic partners to assist in advocating for Downtown policy issues.
- Communicate PDP issues (legislative and capital) on a regular basis to the Mayor, County Executive, key state representatives and the Chamber of Commerce.
- Investigate the cost and effectiveness of hiring a State and Federal lobbyist to advocate for Downtown issues.

Transportation and Parking

Strategic Direction: *In partnership with the City of Pittsburgh and others, continue to advocate for efficient, safe and comprehensive transportation and parking options as necessary to further the growth of Downtown.*

Action Items

- Financially support the Flexcar/Zipcar car-sharing program through the PDP contract (May 2008) and support on an ongoing basis as a congestion mitigation strategy and Downtown amenity that supports residential and office development.
- Participate on the Port Authority's Steering Committee and advocate for public transit to support the evolving office, retail, residential and entertainment markets Downtown.
- Continue an aggressive construction mitigation marketing program to decrease the impact of the North Shore Connector project and other major Downtown projects with the Port Authority, Downtown stakeholder and PGH 250.
- Work with the City of Pittsburgh and the Port Authority to develop Downtown bus rerouting that leaves Market Square bus-free by May 2008.
- Work closely with the new City Traffic Engineer and advocate aggressively for the installation of the Downtown Traffic Signal plan and upgrading of 22 Downtown intersections.

- Re-survey Downtown employee transportation needs and benchmark against the 2003 Downtown Employees Transportation Needs Assessment.
- Identify strategies to improve pedestrian and bike safety in Downtown and support the creation and implementation of a City of Pittsburgh Pedestrian Plan.

Housing

Strategic Direction: *Generate new Downtown investment by stimulating interest to retain, expand and recruit new residential development.*

Action Items

- Develop an Affordable Housing policy statement for PDP Board adoption in the first quarter of 2008.
- Encourage and stimulate the renovation of ten buildings with vacant upper floors by providing professional architectural and financial technical assistance in 2008.
- Implement the new PILOT Vacant Upper Floors Loan Fund and close five loans in 2008 developing 50 units of new housing Downtown.
- Provide financial assistance for a second grocery store Downtown in support of residential living and student housing by the end of the second quarter.
- Package and present the array of new residential financing tools, such as condo tax abatement; Upper Vacant Floor Loan Fund and state historic preservation incentives to educate the development community and home-buyers and accelerate Downtown housing development.
- Utilize the Downtown Housing Working Group and maintain close relationships with brokers and property managers to promote the development of more Downtown housing.
- Continue to advocate for neighborhood amenities in downtown such as an off-leash dog park, movie theater (Harris Theater), grocery store, bookstore, playground and elementary school.
- Survey Downtown residents to assess retail demand by the end of the second quarter and update Downtown Pedestrian Counts in third quarter.

Market Square

Strategic Direction: *In partnership with the City of Pittsburgh, continue focused staff time and resources to establish Market Square as a Downtown destination.*

Action Items

- Enhance Security – see Operations.
- In partnership with the City Department of Planning and the URA, activate Market Square through coordination of a stakeholder group made up of Market Square merchants and property owners, new investors and property owners just beyond Market Square.

- Continue to make strategic design changes to the hardscape and softscape to improve the pedestrian experience in Market Square.
- Work with the City of Pittsburgh landscape architect to complete a final plan for physical changes to Market Square and assist the City to secure funding for construction.
- Present a series of events throughout the year including partnership with other organizations (PUMP, PASA, TRAF, PDNA etc.) to improve Downtown employee, residents and visitors perception of Market Square and an attractive Downtown destination.
- Use multi-media to advertise the improvements in Market Square - see marketing.
- Hire a care taker to provide daily management and maintenance of Market Square, (setting tables, chairs and outdoor eating amenities, providing for music, trimming landscaping, cleaning sidewalks, curbs and tables, coordinating street cleaning and securing appropriate storage facilities), to demonstrate to users the PDP commitment to Market Square.

Economic Development

Strategic Direction: *Generate new Downtown investment by stimulating interest to retain, expand and recruit new commercial development. Focus on critical districts Downtown including Market Square and Smithfield Street.*

Action Items

- Advance the retail redevelopment of the Fifth and Market District through a focused strategy of organization, promotion, design and redevelopment of the Smithfield Street corridor through the new Pittsburgh Downtown Task Force.
- Complete a retail demand analysis to understand the market support for Downtown retail including characteristics of the Downtown shopper, amount of disposable income, sustainable and unique retail mix and determine a comprehensive retail implementation strategy.
- Secure Foundation funding complete an engineering report to develop a Streetscape Improvement Plan in cooperation with the City of Pittsburgh to upgrade the public infrastructure throughout Downtown including an assessment of the current condition, estimated cost of infrastructure upgrades in phases and a financing strategy.
- Continue the aggressive and consistent Downtown public relations campaign to promote the Downtown office experience and invite business investment throughout the region.
- Complete 68 façade enhancements through the Paris to Pittsburgh program throughout Downtown Pittsburgh resulting in a high-level of design and increased street activation.
- Hire a full-time professional by the end of January 2008 to implement the enhanced PDP economic development and housing loan programs identified above.

Marketing

Strategic Direction: *To be the central marketing resource for the organization and its departments by ensuring consistent crafting and delivery of key messages, producing effective collateral materials and coordinating successful events to position Downtown in a positive way.*

Action Items

- Implement an aggressive, pro-active public relations strategy to consistently present a compelling story of the positive changes occurring Downtown as outlined in the adopted 2008 Market and Communication Plan.

Advertising and PR:

- Implement a consistent retail advertising campaign in 2008 and package a menu of unique experiences for the Downtown customer, i.e., shopping, arts and culture, dining, outdoor recreation, romance to attract more people Downtown to shop.
- Implement an aggressive **Housing** marketing campaign in the first quarter and throughout 2008 to create awareness of the new financial incentives and exciting housing options to motivate potential home buyers and renters to choose Downtown.
- Promote **Market Square** as a key Downtown destination (for everyone), with a renewed focus on the growing Downtown student populations, including a possible rededication ceremony in the summer of 2008. Market the new design elements, programming and management improvements happening in Market Square throughout the year and use a re-activated Market Square as a selling tool to drive more office and residential development.
- Aggressively market current Downtown **Transportation and Parking** initiatives. Include critical construction mitigation, alternative transportation, \$5 weekend parking rates, 'free parking' days and the PDP parking space reservation program.

Communications:

- Use the PDP website and weekly and monthly e-newsletters as key communication tools for Downtown stakeholders. Proactively monitor website activity and continue upgrades to improve user functionality and value.
- Produce a series of consistent collateral materials including a *Downtown Made Easy Guide*, *Holiday Guide* and *Light up Night* brochure and others as necessary.
- Secure professional photography services to document Downtown activity throughout 2008 and build an image library to use for PDP communications and marketing purposes.
- Complete organizational branding including Clean Team uniforms, garbage cans, Cultural Trust video board and investigate the use of interactive media such as blogs, panovision and You Tube to communicate the good news of Downtown.

Events:

- Produce successful events for Downtown including the Annual Meeting, Walk and Dine and Holiday/Light up Night to attract and retain people to Downtown.
- Coordinate strategic membership events, investor events and ongoing PDP press conferences throughout the year.

- Aggressively pursue increased sponsorship of PDP products including the Annual Meeting and Annual Report, Walk and Dine, Market Square, LUN, membership events. Develop a comprehensive, multi-year sponsorship strategy and secure \$206,400 in total sponsorships in 2008.
- Coordinate PDP resources to amplify planned PGH250 events scheduled to occur in Downtown Pittsburgh including the conclusion of the cross-state bike race in June, the community ride to open the Great Allegheny Passage in early October and the opening of the renovated Point State Park.

Administration, Membership and Fundraising

Strategic Direction: *Enhance the financial sustainability and organizational flexibility of the PDP to carry out its mission and advance the vision of a “Downtown Pittsburgh as one of America’s great urban center”.*

Action Items

- Implement the new budget framework and financial statements throughout 2008, energize the Finance Committee and form an Audit Ad Hoc Committee to administer the annual audit.
- Support the City of Pittsburgh and the necessary funding to complete a new Downtown Plan. As a key component of the Plan identify a sustainable strategy for the PDP to grow as the Downtown CDC to implement the Plan recommendations.
- Re-activate the PDP Membership Task Force and raise \$200,000 from investors in the PDP by retaining 90% of our investors in 2008 and strategically attracting new investors (a 10% increase).
- Improve Board efficiency by strategically reducing the number of Board members to 40, per the adopted Bylaws, through attrition and attendance.
- Secure \$820,100 in new Foundation funding to deliver specific projects aligned with the mission of the PDP and consistent with the PDP business plan.

RESOURCE REQUIREMENTS

The Downtown Pittsburgh Partnership assigns staff resources based on the requirements of the annual business plan. In order to maximize the effectiveness of the total resource mix, a percentage of certain staff may be assigned to PDP, TMA or BID in any given year.

President and CEO

The President of the Downtown Pittsburgh Partnership is responsible for the fiscal health, program development, staff management, and accountability of the organization. The President will ensure that all requirements of the BID are fulfilled in a timely and professional manner. The President will provide management guidance to the Board of Directors, BID Committee and designated task forces. The President will lead in the development of this comprehensive Annual Business Plan for the entire organization.

V.P. of Marketing and Communications

The V.P. Marketing and Communications develops and implements the annual marketing plan, oversees the development and production of advertising and promotional materials, coordinates media activities, supports events and directs market research activities. The V.P. of Marketing promotes Downtown and the organization's activities within the community, working closely with the President to generate positive public relations stories about the work of the PDP/BID and the health of Downtown.

V.P. of Operations

The V.P. of Operations is responsible for the daily management of the clean, safe and operational programs associated with enhancing municipal services in Downtown Pittsburgh. The V.P. of Operations builds and maintains key partnerships with the City of Pittsburgh to assure effective coordination with PDP clean and safe programs and the appropriate City of Pittsburgh departments.

V.P. of Transportation and Parking

The V.P. of Transportation and Parking will be responsible for the management of the TMA and parking issues associated with Downtown Pittsburgh. The V.P. of Transportation is responsible for the planning, development, and implementation of all activities and initiatives associated with transportation and parking.

V.P. of Housing and Economic Development

The V.P. of Housing and Development will provide day-to-day administration of housing development and office retention, expansion and recruitment and the advancement of the Fifth and Market District. The V.P. of Housing and Development will work closely with the PDP President on defined projects that further the development of Downtown Pittsburgh, as well as long-term relationship building to affect local residential and commercial real estate professional interaction with Downtown opportunities and challenges.

Economic Development Specialist

The Economic Development Specialist is responsible for all aspects of the PDP Vacant Upper Floors Loan Fund, Paris to Pittsburgh grant program, an effective PDP retail retention, expansion and recruitment strategy and support for all PDP economic development activity. The

Economic Development Specialist will report to the PDP President and CEO and the VP of Housing and Economic Development.

Manager of e-Marketing and Promotions

The Manager is responsible for all aspects of coordination, facilitation and content management of the PDP web site and production and distribution of the PDP electronic newsletter. The Manager will complete all promotional work to advance the PDP marketing action items including assistance with Market Square, retail promotions, events and collateral material.

Program and Event Manager

The Program and Event Manager is responsible for the implementation of the Pittsburgh Downtown Partnership (PDP) adopted strategy to revitalize Market Square and provide Downtown-wide event support at the direction of the Marketing Department including the day-to-day programming and operations of Market Square and ongoing event support for the annual series of PDP Downtown events administered through the PDP Marketing Department. The Manager reports directly to the VP of Housing and Economic Development.

Market Square Care Taker

The Care taker provides daily management and maintenance of Market Square, including setting tables, chairs and outdoor eating amenities, providing for music, trimming landscaping, cleaning sidewalks, curbs and tables, coordinating street cleaning and securing appropriate storage facilities to demonstrate the PDP commitment to Market Square. The Caretaker reports to the Program and Event Manager.

Accounting and Office Manager

The Accounting and Office Manager is responsible for the daily accounting functions of the PDP, for maintaining the accounting records, for reconciling bank account and records on a monthly basis, producing quarterly financial statements and for filing all needed payroll or other corporate reports. Normal procedures include the accounts payable requisition process, payroll, accounts receivable, and the system's record keeping process. The Manager also serves as the computer network administrator including troubleshooting, problem solving and general upkeep of the organization's operating network.

Receptionist/Administrative Assistant

The Receptionist/Administrative Assistant is responsible to greet visitors; answer incoming calls; manage organization mail; type correspondence as required; set up meetings; organize Board and Executive Committee meetings, assemble and send out Board packets; order office supplies, pop, and coffee; help the marketing personnel with special events; manage the online parking reservations system; record all incoming checks in the Check Log; handle all RSVP's for PDP meetings and special events; send out membership reminder letters quarterly; enter membership data in the database and on a membership spreadsheet; and send thank you letters to renewing and new members.

Contract Staff, Consultants and Interns

Contract staff may be used if the PDP cannot afford adequate staff, work requirements do not require a full-time employee, or peak workloads demand short-term assistance. Contract staff may also be used for specialized services such as security and maintenance. Where special expertise is required, consultants will be used as an appropriate alternative to staff resources.

2008 PDP Staff Allocation

The following chart represents the percentage of time allocated to PDP activities for each staff resource described above.

2007 Staff Salary and Benefits Allocation						
	Operations	Eco. Dev.	Housing	Transportation	Marketing	Admin.
President and CEO	20%	30%		20%	20%	10%
VP of Marketing and Communication					100%	
VP of Operations	100%					
VP of Housing and Economic Development			100%			
VP of Transportation and Parking				100%		
Economic Development Specialist		100%				
Manager of E-Marketing and Promotions					100%	
Program and Event Manager			100%			
Market Square Caretaker			100%			
Accounting and Office Manager	10%	10%	15%	20%	15%	30%
Receptionist and Administrative Assistant	10%	10%	15%	20%	10%	35%

2008 PDP Budget

	2007 Budget	2007 Projected to year end as of 10/31/07	2008 Budget
<u>New Revenue</u>			
40200 · BID Assessments	1,240,000	1,234,413	1,290,000
40210 · BID Interest and Penalties	5,000	4,739	5,000
40300 · Earned Revenue	190,000	196,584	228,200
40400 · Foundations	225,000	5,051,023	820,100
40500 · Grants	372,000	285,061	237,000
40600 · Interest Earned	60,000	84,576	100,000
40700 · Membership Revenue	240,000	176,725	200,000
40800 · In Kind Revenue	0	34,111	0
40900 · Assets Released from Restriction			
New Revenue Totals	\$ 2,332,000	7,067,232	2,880,300
Carry Forward Totals as of Jan 1	1,278,661	1,624,153	6,033,282
Total Revenue	\$ 3,610,661	8,691,385	8,913,582
<u>Expenditures</u>			
Operations	961,470	938,700	1,343,483
Eco Development	489,500	319,519	1,670,815
Housing	824,377	605,922	4,207,074
Transportation	589,000	460,607	346,136
Marketing	468,059	406,046	734,254
Administrative	418,429	365,255	427,645
Total Expenditures	\$ 3,750,835	\$ 3,096,049	\$ 8,729,407
Revenue over Expenditures	(140,174)	5,595,336	184,175
Restricted 2008 and beyond:			
Vacant Upper Floors Loan Fund		3,800,000	
Paris to Pittsburgh		990,000	
Other		868,282	
Total		5,658,282	
Revenue over Expenditures		(62,946)	
01/01/07 Audited Unrestricted Fund Balance		789,635	
Projected 12/31/07 Unrestricted Fund Balance		726,689	

2008 BID BUDGET SUMMARY

	2007 Budget	2008 Budget
Projected BID Funds	1,240,000	1,290,000
Other Income	5,000	5,000
DOJ	85,000	
Interest Earned	60,000	41,483
Total BID Income	1,390,000	1,336,483
Operations:		
Salaries	84,970	122,483
Clean	508,500	543,000
Safe	362,500	374,000
Public Infrastructure	5,500	4,000
Marketing:	167,885	50,000
Housing	77,716	50,000
Economic Development	54,500	48,000
Transportation:	35,000	40,000
Administrative:	93,429	105,000
Total BID Expense	1,390,000	1,336,483
TOTAL REVENUE OVER EXPENDITURES	0	0