

PARTNERSHIP FOR HADDONFIELD
2007 BUDGET

**BOROUGH OF HADDONFIELD
CAMDEN COUNTY, NEW JERSEY**

February 7, 2007

Introduction

The Partnership for Haddonfield is the District Management Corporation for the Borough's Business Improvement District ("BID"). The mission of the Partnership is:

To provide leadership that produces the best downtown in the region by creating and promoting a superior business mix, and enhancing the image of Haddonfield in the marketplace.

2006 Highlights

In 2006, 15 **new businesses** opened downtown, including 10 retail stores, 2 restaurants and cafes, 1 other specialty food store and 2 service businesses. In addition, 2 regional apparel retailers and 1 acclaimed restaurant signed leases in 2006 with plans to open early in 2007. The Partnership's Retail Incentive Program, initiated in 2005, was an important tool in the recruitment of 4 of the new retail businesses.

Many new **advertising and promotional** activities were undertaken by the Partnership's Marketing Committee this year. In August, 2006, the Marketing Committee awarded contracts to Media Friendly Public Relations of Haddonfield to provide public relations services and also awarded contracts for marketing and advertising support to WMSH Marketing Communications of Haddonfield and Blue Wire Media of Washington Township. The latter two contracts are hourly agreements versus retainer commitments.

The number of participants in the **ShopHaddonfield website** expanded dramatically during the year, reaching 33 retailers, restaurants and service businesses by the end of the year. The number of shoppers reached by our **ShopHaddonfield email blasts** also increased to 1,500. Both of these vehicles have proven to be very successful at reaching our target customer.

A number of successful special events attracted shoppers to Haddonfield during 2006. For the second year in a row, the "**Hey, Girlfriend**" and "**Mom's the Word**" events brought women (and the people who love to shop for them!) to town for special shopping promotions, entertainment and dining. This year, the "Mom's the Word" event was expanded to include a special trolley ride that made stops throughout town and at each location where the Lizzie Haddon Basketball Tournament was taking place. The **13th Annual Crafts and Fine Arts Festival** drew over 120,000 visitors in July and set a revenue record. This year's **Fall Festival** was expanded to include more entertainment along the street, and featured fabulous food offerings by many of our food establishments who "set up shop" along the highway for the day.

The Partnership enhanced **the Candlelight Shopping** experience this year with greatly expanded entertainment offerings on Friday evenings and Sunday afternoons as well as absorbing the cost of lighting 14 additional trees along Kings Highway and North Haddon Avenue. The Marketing Committee blitzed the local press with advertisements in *Style Magazine*, *Philadelphia Magazine*, *The Inquirer*, *The Courier Post*, *South Jersey Magazine*, *SJ Magazine*, *What's On* (Haddonfield and Collingswood), all editions of the *Sun* and its Holiday Gift Guide, as well as the *Retrospect's* Holiday Gift Guide. Haddonfield and several of our merchants were featured in articles in the *Courier-Post*, *South Jersey Magazine*, *SJ Magazine*, and Haddonfield was a popular location for TV reporters to conduct holiday shopping interviews throughout the season.

The Streetscape Committee has re-focused its mission and is working actively with the Borough to address the cleanliness of the streetscape, landscaping in the parking lots and other areas of concern. Based on the initiative of the Committee Chair, Kings Court was cleaned, mulched and weeded; the Boy Scouts agreed to keep Lantern Lane clean; landscaping proposals are being sought for ongoing cleaning and mulching of planted areas downtown. Look for more initiatives next year, including the purchase of new trash receptacles for location in key spots on Kings Highway.

The Partnership's Professionals Committee continued its successful efforts to encourage greater awareness of Haddonfield's professional community, along with greater business-to-business awareness and utilization within Haddonfield. Three highly successful networking events attracted members of the professional and retail communities, as well as PfH staff and Borough government representatives. The Committee also published the second edition of its **Professionals Directory**, which it distributed to more than 100,000 South Jersey residents through local newspapers.

2007 Budget

To carry out its mission, the Partnership levies an assessment on property owners in the Business District. This assessment represents the Partnership's principal source of funding. Each year the Partnership prepares a budget that must be submitted to and ultimately approved by the Board of Commissioners. This document fulfills that obligation.

The Partnership for Haddonfield is proposing a 2007 operating budget of \$345,940, a decrease of \$12,106 from 2006.

Revenue

Revenue in this budget is derived from four sources: (1) the District Assessment, (2) the Crafts Festival, (3) the Directory, and (4) surplus funds.

\$250,000, or about 72% of the Partnership's revenue, comes from the District Assessment. Of particular note in 2007 is that the budget (1) is lower than the 2006 budget and has been structured to provide for recruitment funding needed through 2009; (2) there will be no increase in the special assessment; and, (3) appropriated surplus is a conservative 57%.

Appropriations

The appropriations are presented in five categories: (1) Retail Recruitment and Retention, (2) Marketing and Public Relations, (3) Administration, (4) Professionals, and (5) Streetscapes. Each category is overseen by a committee of the Partnership. The budget reflects the core mission of the organization. Of the total funding, an aggregate of 80% is dedicated to retail recruitment and retention (44%) and marketing (36%). Administration is maintained at a modest 10%. Among the 2007 initiatives are the continuation of retail recruitment and tenant fit-out grants, advertising and marketing campaigns, maintaining clean and attractive streetscapes, and a new grant program to retain existing retailers.

The allocation of \$82,599 for tenant fit-out grants reflects an aggressive effort to recruit restaurants and new retail tenants in the apparel and home accessories categories. The budget includes

encumbrances to cover current tenant fit-out grants as well as new initiatives for 2007 that are targeted for very specific types of businesses. However, the budget reflects decreased appropriations for Retail Recruitment and Retention in 2007 in order to provide for a cash reserve of tenant fit-out funds to meet projected obligations in 2008. The amount of \$11,500 is being allocated to a new retail retention program to reimburse tenants for improvements to their facades, window displays and merchandising displays. A pay increase of 3% for the retail coordinator has been factored into the overall retail recruitment budget.

The Marketing budget is up \$6,500 over the budgeted figure for 2006, to continue current marketing efforts and special events.

Administrative costs are slightly higher than 2006 levels to budget for credit card and bank fees. The compensation for both the Secretary-Administrator and Treasurer has not been increased, and other related expenses are managed conservatively.

Costs for the Professionals remains the same as 2006, and \$9,000 has been appropriated for the Streetscapes Committee to supplement the Borough efforts in maintaining clean streets.

Budget Detail

Retail Recruitment & Retention - Tenant Improvement Funding

The Business Support Committee has proposed a budget of \$82,599 to cover several key business initiatives in 2007:

- expenses for current program participants, B. Lovell Shoes, Cottage Home, Ellie
- expenses for new participants, J. McLaughlin, Polished Plate
- retail incentive program
- restaurant incentive program

In addition, The Business Support Committee is proposing a budget of \$11,500 to cover a proposed new grant program to retain existing retailers. This could include tenant reimbursements for the following:

- new signs and/or awnings
- window display consultations
- merchandising display consultations
- fit-out costs associated with re-location or expansion of existing merchants

Grants would be for a maximum of \$500 per retailer and would represent no more than 50% of the retailer's total expenditure.

Retail Incentive Program

The Business Support Committee believes it is appropriate, in this highly competitive retail environment, to offer a proactive financial incentive program to retailers as a means to "jump-start" the attraction of unique retailers. In order to attract distinctive retailers in targeted categories, a two-part grant program is included in the budget.

Part one provides grants to retailers to defray up to 25% of the cost (a maximum of \$25,000) to fit out a new retail business in Haddonfield. The fit-out grant would be paid quarterly over a two-year period. Eligible fit-out expenses include fixtures, lighting, flooring, painting of interior walls, purchase of shelving, display cases, and other decorative accents. This assumes that the landlord provides a plain, vanilla shell, ready to accept tenant improvements.

Part two of the PfH retail attraction program is a grant program for first-year rent for selected, eligible retailers who lease space in Haddonfield. The program would match up to two months' free rent offered by the landlord up to a maximum of \$8,000.

Our retail coordinator is working with a core group of new retail tenants (apparel and home accessories) who have expressed specific interest in accessing PfH funding to support store fit-out, should their plans to lease in Haddonfield come to fruition.

Restaurant Incentive Program

The Business Support Committee believes it is critical that funding be available to the Retail Coordinator in the event of the opening of a ***fine dining*** restaurant requiring funding support. Funding to support a two-part grant program to attract restaurants is also included in the budget.

Part one provides grants to restaurants to defray a portion of the fit-out costs associated with opening a new restaurant. Fit-out grants can provide monies to restaurateurs to defray up to 50% (subject to a maximum of \$50,000 per restaurant) of the cost to fit out one or more fine dining restaurants in Haddonfield. The fit-out grant would be paid quarterly over a two-year period. Part two provides a grant program designed to "match" first-year rent waivers which may be offered by landlords. The program will match up to six months' free rent offered by the landlord, with a cap of \$25,000.

Retail Retention Program

The Business Support Committee is requesting a budget of \$11,500 to initiate a retail retention program by offering grants (in the form of expense reimbursement) to existing retailers for exterior enhancements (signs and awnings), as well as enhancements to window and/or merchandising displays. Funding will also be available under this program to cover a portion of the fit-out expenses for current Haddonfield retailers who are re-locating or expanding their business in Haddonfield. The highly competitive regional retail environment compels the Partnership to offer financial incentives to encourage current retailers to maximize the visual appeal of both the interior and the exterior of their businesses.

"Much of retailing is built around a sense of sight. Small things like signage, display, lighting, and windows all factor in to a potential customer's perception of a store and his or her willingness to cross the threshold, spend time inside, make a purchase, and return again. The customer is not just purchasing a product, he or she is purchasing a shopping experience, and wants to feel good about the time and money spent in the store. Many little details make up the entire retail experience..." (from Downtown Works Retail Recruitment Strategy).

Marketing and Public Relations

The Marketing & Public Relations Committee is requesting a budget of \$127,500 to continue current marketing and public relations efforts, and managing special events. This budget request represents an overall increase of \$6,500 over 2006.

Advertising: A budget of \$55,500 is requested for 2007 to cover the cost of a advertising in a variety of media, including radio, television, local and regional newspapers, regional magazines and internet.

Special Events: A budget of \$27,000 is requested to cover the cost of PfH sponsored special events, including *Mom's the Word*, *Fall Festival* and *Candlelight Shopping*. This budget request includes the cost of expanding the number and caliber of special events.

Agency Fees: A budget of \$45,000 to cover the cost of hiring marketing and PR consultants to continue the current media campaign, as well as to develop new advertising collaterals to further the growth and awareness of Haddonfield's Business District. This budget request includes an encumbrance of \$20,940 to retain Media Friendly Publications.

Administration

The budget for Administration, at \$37,180 is slightly increased from 2006, due to credit card and bank fees. The compensation for both the Secretary-Administrator and Treasurer has not been increased, and other related expenses are managed conservatively.

Professionals

The Professionals Committee requires funding in the amount of \$20,000 in order to accommodate planned marketing and events. The Committee will continue to explore areas of opportunity to create awareness of the diversity of talented professionals within the community. The Committee will also continue to sponsor and organize 3 Business After Business networking events, which have proven to be very successful.

The following are some of the expenses expected:

- \$12,500 for advertisements and promotions through local newspapers, promoting awareness of professional and service businesses in Haddonfield Borough, including newspapers in neighboring townships , including Cherry Hill, Moorestown and Haddon Heights, into which the Professionals' client base may extend. This proposed expense includes printing of 80,000 bi-fold counter top professional listings, which are to be distributed to all retailers and professionals and reprinted as necessary.
- \$2,500 to cover 3 Business After Business events - printing & mailing 850 invitations, refreshments for 75 - 100 guests per event
- \$5,000 in support of marketing opportunities created by features in local magazines like *SJ Magazine* or *Philadelphia Magazine* highlighting "best docs", "best lawyers", "best salons", where appropriate.

Streetscapes

Partnership for Haddonfield
Budget

2007

The Streetscapes Committee is requesting \$9,000 to keep the sidewalks, streets, crosswalks, and parking lots clean. Specific activities could include any of the following:

- arranging for part-time help in watering and pruning plants, maintaining tree wells
- purchasing additional trash cans/cigarette disposal containers where needed
- hiring a landscape contractor for landscape clean up of Lantern Lane, parking lots and tree wells and installation of mulch from the PATCO Speedline to Borough Hall, and from Post Office to Haddon Avenue parking lots. This includes public parking lots serving Kings Highway buildings, Kings Court and Lantern Lane, and others.
- Fall cleaning of all areas covered above

**PARTNERSHIP FOR HADDONFIELD, INC.
BUDGET WORKSHEET FOR 2007 BUDGET**

02/07/07

	2006 BUDGET	2006 spend plan	2007 proposed annual budget	2008 proposed
Revenue				
PfH Assessments	250,000	250,000	250,000	250,000
Crafts& Fine Arts Festival- net income	32,000	32,000	32,000	32,000
Directory	0	0	2,000	2,000
Appropriated surplus	76,046	76,046	61,940	39,838
Misc & Interest income	0	0	0	0
Total	358,046	358,046	345,940	323,838
Expenses				
Retail Recruitment and Retention				
Wages - Retail Coordinator	40,015	40,015	41,215	42,600
Payroll added cost	4,805	4,805	4,946	5,112
Fees, Downtown Works consultant	2,600	1,000	1,000	1,000
Recruitment packets	1,000	1,000	1,000	1,000
Travel and other recruiting expenses	6,000	6,000	6,000	6,000
Tenant fit-out (interest/rent subsidy)	113,295	23,911	82,599	67,000
Retention program	0	0	11,500	10,500
Seminars	5,000	5,000	4,000	4,000
Subtotal	172,715	81,731	152,260	137,212
Marketing and Public Relations				
Advertising	49,500	49,500	55,500	55,500
Special Projects	6,000	6,000	0	0
Special Events	27,000	27,000	27,000	27,000
Agency fees	38,500	38,500	45,000	45,000
Subtotal	121,000	121,000	127,500	127,500
PfH Administration				
Compensation, Treasurer	14,000	14,000	14,000	14,000
Compensation, Sec&admin	11,000	11,000	11,000	11,000
Treasurer expenses	400	400	450	450
Secretary expenses	400	400	450	450
Web page maintenance	2,000	1,000	1,080	1,080
Insurance	2,826	2,826	2,900	2,900
Professional Fee's (Legl & audit)	4,000	4,000	4,100	4,100
Misc	1,500	1,500	1,500	1,500
Credit Card and Bank Fees	0	1,348	1,700	1,700
Clearing Account	0	0	0	0
Subtotal	36,126	36,474	37,180	37,180
Committee for Professionals				
Advertising	7,500	7,500	12,500	12,500
Special Events	1,500	1,500	2,500	2,500
Web pages	1,000	1,000	0	0
Marketing	10,000	10,000	5,000	5,000
Subtotal	20,000	20,000	20,000	20,000
Streetscapes				
Clean streets & parking lots	8,205	8,205	9,000	9,000
Total	\$358,046	\$267,410	\$345,940	\$330,892

projected net income	\$90,636	(\$7,054)
additional craft fair revenue	4,737	0
directory funds	2,000	0
prior years available surplus	11,435	7,030
available surplus	108,808	46,868

Notes

- (1) no increase in tax rate for 2007
- (2) 57% of available surplus; remainder of surplus for 2008 budget
- (3) assumes salary increase for retail coordinator
- (4) encumbrances Lovell 3,247; Cottage Home 599; Ellie 8,109; future J McLaughlin 15,375
- (4) continued - future Polished Plate 3,624; restaurant 25,000, new retail 26,645
- (5) redirect unused funds from Todaro 10,500 & Couture 998 to new retention program for existing businesses
- (6) encumbrances \$20,940 Media Friendly
- (7) Administration minor increase due to credit card & bank fees ; 10% of overall budget
- (8) funds to support Professionals
- (9) funds to support clean streets & parking lots, \$5400 encumbered