



PARTNERSHIP FOR HADDONFIELD 2008 BUDGET

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

February 12, 2008



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.

2007 Highlights

In 2007, 20 **new businesses** opened downtown, including 10 retail stores, 4 restaurants and cafes, 2 other specialty food retailers and 4 service businesses. Included in the mix are two regional apparel retailers who chose Haddonfield as the site for their first South Jersey locations and 2 regionally-recognized chefs who helped further cement Haddonfield's reputation as a dining destination. The Partnership's Retail and Restaurant Incentive Programs, initiated in 2005, were important tools in the recruitment of 3 of these businesses.

The Partnership took advantage of many opportunities to market and promote the town, with the assistance of our advertising and marketing partner, WMSH Communications. With the introduction of "**Lizzy**," Haddonfield's new advertising icon, the Marketing Committee rolled out a new image, positioning the town as a sophisticated shopping destination. Advertising dollars were directed to the local and regional print media (including newspapers and magazines), as well as radio. Many of Haddonfield's events saw record attendance, including "Mom's the Word," (Haddonfield's Mothers' Day weekend extravaganza) and the Annual Crafts and Fine Arts Festival, now in its 15th year. Despite a challenging economic environment and uncooperative weather during the annual Candlelight Shopping event, most of Haddonfield's retailers held their own, showing better year-to-year results than the retail industry as a whole.

The number of participants in the **ShopHaddonfield website** continued to expand and now features 50 merchants. And, the number of shoppers reached by our monthly **ShopHaddonfield email blasts** almost doubled, reaching 2,700 potential customers. To take advantage of our web presence, the Marketing Committee commissioned our web partner, Raphael Webscapes, to create an **on-line holiday gift guide** launched in November, featuring holiday "HUGS," (Haddonfield Unique Gifts). Nearly 40 Haddonfield businesses participated in the gift guide, which will be rolled out again, with new items, at future gift-giving holidays.

The Business Support Committee launched a new **retail retention program**, offering current businesses up to \$500 in matching grants to fund façade enhancements, window décor modifications and/or interior remodeling. Altogether, 6 businesses took advantage of this program, which funded everything from new awnings to a fresh coat of exterior paint to merchandising consultations. Business Support also sponsored a series of retailer networking events called "**Coffee and Conversation**," designed to familiarize retailers with their neighbors' businesses, promote cross-selling and cooperation and give participants the opportunity to hear about new Partnership initiatives.

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 third edition of its **Professionals Directory**, which was distributed to more than 100,000 South Jersey residents through local newspapers.

Board member Beverly Aldeghi worked closely with Borough officials to supplement **streetscape maintenance activities**. Specifically, she negotiated with the Borough to encourage them to weed and mulch all 9 Borough lots in the same year, for the first time. The Partnership then paid for an additional round of weeding and mulching in the fall. The tree wells along the 400 block of North Haddon Ave. were weeded and mulched under Partnership direction, and Kings Court and Lantern Lane were cleaned, mulched and pruned several times during the year. Three townwide clean-ups were undertaken prior to major downtown events, including Fall Festival, Black Friday and First Night. The gazebo was painted, the sidewalk in front of 3 restaurants was power-washed, all 24 trash receptacles were steam-cleaned. A “trash summit” was held with Borough officials and restaurant owners to address the subject of weekend trash collection and all store owners received a joint letter from PfH and the Clean Communities Office reminding them to be responsible for the removal of trash, leaves and debris from the front of their properties.

2008 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, but not exclusive, 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 2008 operating budget of \$326,270, a decrease of \$19,670 from 2007.

Revenue

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

\$250,000, or about 76% of the Partnership’s revenue, comes from the District Assessment. Of particular note in 2008 is that (1) the budget is lower than the 2007 budget; (2) there will be no increase in the special assessment; and (3) appropriated surplus is limited to a conservative 85%.

It is also important to note that prior obligations contractually committed to, for funding existing recruitment grants, will be met through an escrow account at The Bank. This interest-bearing account was established in 2007 and has a balance of \$89,783 as of yearend 2007. It was created specifically for the purpose of having a cash reserve in order to meet both 2008 and 2009 obligations that were committed to in prior years and would extend for a period of two (2) or more years. In 2008, up to \$63,775 will be withdrawn from this account to meet scheduled payments. The remaining \$26,008 will be retained in escrow for 2009 scheduled payments.

Appropriations

The appropriations are presented in six (6) categories: (1) Retail Recruitment and Retention, (2)

Marketing and Public Relations, (3) Information Center, (4) Administration, (5) Professionals, and (6) Streetscapes. Each category is overseen by a committee of the Partnership. The budget reflects the core mission of the organization. Of the total funding, 36% is dedicated to retail recruitment and retention and 41% for Marketing. Administration is maintained at a modest 11%. Among the 2008 initiatives are the continuation of retail recruitment and tenant fit-out grants, a grant program to retain existing retailers, advertising, marketing and public relations campaigns, shopping events, networking events for Professionals, and maintaining clean and attractive streetscapes.

The allocation of \$52,000 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 funding to cover new initiatives for 2008 that are targeted for very specific types of businesses. The amount of \$4,500 is being allocated to an existing retail retention program to reimburse selected tenants for improvements to their facades, window displays and merchandising displays. A pay increase of 3.25% for the retail coordinator has been factored into the overall retail recruitment budget.

The Marketing budget is slightly lower than the budgeted figure for 2007 and will be used to fund marketing, advertising, public relations and special events.

A new line item in the amount of \$11,400 has been allocated in the budget to cover the services provided by the Director and staff of the Information Center.

Administrative costs are slightly lower than 2007 levels. However, the budget includes a 3.25% pay increase in compensation for both the Secretary-Administrator and Treasurer. Related administrative expenses are managed conservatively,

Costs for the Professionals remains approximately the same as they were in 2007, and \$8,000 has been appropriated for the Streetscapes Committee to supplement the Borough efforts in maintaining clean streets and parking lots.

Budget Detail

Retail Recruitment & Retention - Tenant Improvement Funding

The Business Support Committee has proposed a budget of \$52,000 to support recruitment of new retailers and restaurants under the following two established programs:

- retail incentive program
- restaurant incentive program

In addition to the \$52,000 in the budget for new recruitment, an additional \$63,775 from an escrow account will be used to fund the following obligations that were made in prior years and are payable during 2008: B. Lovell \$3,247; Ellie \$8,108; Polished Plate \$2,164; Javier \$37,756; McLaughlin \$12,500.

In addition, The Business Support Committee is proposing a budget of \$4,500 to cover an existing 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 the Haddonfield business district. 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 the Haddonfield business district. 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 the Haddonfield business district 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 \$4,500 to continue the retail retention program that offers grants (in the form of expense reimbursement) to selected 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 selected 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).

Seminars and Networking

Funds in the amount of \$4,500 have also been allocated to support educational seminars and networking events such as the ongoing “Coffee and Conversation” effort.

Marketing and Public Relations

The Marketing & Public Relations Committee is requesting a budget of \$133,800 to continue current marketing and public relations efforts, and managing special events.

Advertising: A budget of \$59,800 is requested for 2008 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 \$28,000 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.

Marketing - Agency Fees: A budget of \$16,000 is requested to cover the cost of a marketing firm 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.

Public Relations – Agency Fees: A budget of \$30,000 is requested to hire a Public Relations firm to prepare press releases that generate buzz and excitement in major regional media and draw shoppers to town. This is a new initiative for 2008.

Information Center

The Partnership receives support from the Information Center in several areas including sales of gift certificates, upkeep of professional and retail lists for the Professionals' brochure, Shopper's Guide, business Directory on the Haddonfield website, Craft Festival coordination, Candlelight Shopping, Sidewalk Sale, and other events. The Partnership has budgeted \$11,400 to reimburse the Borough for these services. This is a new budget item for 2008.

Administration

The budget for Administration, at \$36,263, is slightly decreased from 2007 due to stringent refinement of all categories. The compensation for both the Secretary-Administrator and Treasurer has been increased for the first time in 4 years at 3.25%, and other related expenses are managed conservatively.

Professionals

The Professionals Committee requires funding in the amount of \$19,800 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:

- \$12,800 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.
- \$2,000 to cover three (3) Business After Business events - printing and 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

The Streetscapes Committee is requesting \$8,000 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
- arranging for leaf removal, cleaning and weeding parking lots
- power washing trash cans

**PARTNERSHIP FOR HADDONFIELD, INC.
2008 BUDGET**

01/02/08

	2007	2008	2008
	annual budget – revised	proposed	temporary
Revenue			
PfH Assessments	250,000	250,000	62,500
Crafts& Fine Arts Festival- net income	32,000	32,000	8,000
Directory	2,000	0	0
Appropriated surplus – genl operations	61,940	44,270	15,985
Total	345,940	326,270	86,485
Expenses			
Retail Recruitment and Retention			
Wages - Retail Coordinator	41,215	42,864	10,716
Payroll added cost	4,946	5,144	1,286
Fees, Downtown Works consultant	1,000	0	0
Recruitment packets	1,000	1,000	250
Travel and other recruiting expenses	6,000	7,000	1,750
Tenant fit-out - new recruitment	73,599	52,000	17,917
Retention program	11,500	4,500	1,125
Merchandising Seminars	4,000	4,500	1,125
Subtotal	143,260	117,008	34,169
			0
Marketing and Public Relations			0
Advertising	61,500	59,800	14,950
Events	30,000	28,000	7,000
Agency fees – Marketing	45,000	16,000	4,000
Agency fees – Public Relations	0	30,000	7,500
Subtotal	136,500	133,800	33,450
Information Center			
PfH Support	0	11,400	2,850
PfH Administration			
Compensation, Treasurer	14,000	14,455	3,614
Compensation, Secy & Administrator	11,000	11,358	2,839
Treasurer expenses	450	450	113
Secretary expenses	450	450	113
Web page maintenance	1,080	1,000	250
Insurance	2,900	2,900	725
Professional Fees	4,100	2,800	700
Miscellaneous	1,500	850	213
Credit Card and Bank Fees	1,700	2,000	500
Clearing Account	0	0	0
Subtotal	37,180	36,263	9,066
Committee for Professionals			
Advertising – Brochure printing/news	12,500	12,800	3,200
Special Events	2,500	2,000	500
Marketing – Agency fees	5,000	5,000	1,250
Subtotal	20,000	19,800	4,950
Streetscapes			
Clean streets & parking lots	9,000	8,000	2,000
Total	\$345,940	\$326,270	\$86,485
projected budgetary surplus	\$40,716	(\$0)	\$0
additional craft fair revenue	11,637		
available surplus	52,083		

NOTES

no increase in tax rate for 2008

salary increases for retail coordinator, treasurer, secretary at 3.25%

Marketing to hire Public Relations Consultant

encumbrances – Lovell 3,247; Ellie 8,108; Polished Plate 2,164; Sanabria 37,756; McLaughlin 12,500

PfH to fund Information Center for staff time spent on PfH activities

2008budgets

total 63,775 from escrow account