



# **PARTNERSHIP FOR HADDONFIELD 2009 BUDGET**

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

**February 10, 2009**



## 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.*

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.

## 2008 Highlights

In 2008, 11 **new businesses** opened downtown, including 6 retail stores, 2 restaurants and cafes, 2 other specialty food retailers and 1 service business. In addition, four current Haddonfield stores expanded their successful businesses to larger locations along Kings Highway, or signed leases to do so. The Partnership awarded \$18,900 in incentive funding to Melange Café, which opened in May, 2008. During 2008, 15 businesses closed their doors, including 2 restaurants, 3 cafes, 9 retailers and 1 service business. Despite the challenging economic environment which prevailed throughout 2008 and worsened in the last two quarters of the year, Haddonfield's vacancy rate remains very low at 3%, which is well below regional and national averages. Also of note, with the exception of 3 spaces that have been vacant for 1-2 years, it took, on average, less than 1 ½ months to fill the vacancies that occurred during the year. In seven cases, leases were signed with new tenants before departing tenants closed their doors.

The Partnership took advantage of many opportunities to market and promote the town, with the assistance of our advertising partners, WMSH Communications and Accent Studio, as well as our Public Relations consultant, MB Associates. The goal of the Marketing Committee is to keep Haddonfield "top of mind" as a unique shopping destination that offers a superior shopping experience. The Partnership leveraged the ad dollars spent by individual businesses, advertising consistently in the local press (all 8 Sun publications and "What's On"), as well as doing strategic placements in regional magazines, including Philadelphia Magazine, Style, South Jersey and SJ Magazine. Holiday advertising efforts also featured radio, which this year expanded at the holidays to include B101 and WRTI-FM, in addition to KYW. Supplementing our paid advertising, Haddonfield and its businesses were featured in local and regional print publications, as well as television, thanks to aggressive public relations efforts by MB Associates. Highlights included live broadcasts by John Bolaris of FOX 29 from Kings Highway during October's First Friday event, as well as feature stories covering downtown events on Action News, Fox 29, CN8 and NBC-10 throughout the year. Overall, more than 20 individual retail stores, restaurants and service businesses, as well as downtown events, were featured in more than 40 news stories and TV features during the year, not to mention numerous calendar inclusions featuring our events.

In addition to our highly successful **Mom's the Word** event, the **Crafts and Fine Arts Festival**, and **Candlelight Shopping**, the Marketing Committee also developed new events this year to entice

people to “shop Haddonfield.” During April and May, Haddonfield’s apparel boutiques offered a lunchtime informal modeling event called “**Dish and Dazzle**” every Friday at Javier. At each event, one lucky attendee left with \$75 in gift certificates donated by the Partnership, the restaurant and the featured boutique. But perhaps the most successful new event in years became **First Friday**, a celebration of arts, culture, shopping and dining, which launched in September. The event was a joint effort of the Business Support Committee, the Marketing Committee and several town business owners who came together to orchestrate and run this highly successful new event.

To stimulate sales during the holiday season, the Partnership offered, for the first time ever, a 10% discount on the popular **Townwide Gift Certificates**, absorbing the cost of the discount to benefit our town businesses. The impact of the discount was immediate and dramatic as customers purchased certificates not only to give as gifts, but to use to purchase merchandise, meals and services throughout town at a 10% discount. As a result, during December alone, \$34,000 worth of gift certificates were sold, more than triple the previous year’s December sales and nearly surpassing the \$39,000 in certificates that were sold during the entire year of 2007. As a result of the strong holiday sales, \$56,300 in certificates were sold during 2008, a 44% increase over 2007.

The **ShopHaddonfield website** continues to be an effective vehicle for conveying information about town-wide and individual store events. More than 50 businesses have signed on to be “Featured Merchants” and the number of shoppers reached by our monthly **ShopHaddonfield email blasts** increased by nearly 50% to 4,000 potential customers. To take advantage of our web presence, the Marketing Committee commissioned our web partner, Raphael Webscapes, to continue the successful **on-line holiday gift guide** concept launched in November, 2007, to include Valentine’s Day, Mothers’ Day and Holiday Shopping 2008.

The Business Support Committee conducted a successful retail roundtable in April entitled “**How to Win Customers and Improve your Bottom Line.**” More than 50 people attended and all came away with fresh ideas. Business Support also sponsored the successful monthly 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 fourth edition of its **Professionals Directory**, which was distributed to more than 100,000 South Jersey residents through local newspapers. The committee has partnered with Raphael Webscapes for the creation of a new Haddonfield Professionals website, [www.haddonfieldprofessionals.org](http://www.haddonfieldprofessionals.org). It is networked with the Borough and Shop Haddonfield sites to encourage cross-utilization.

The **Streetscape Committee** continued to partner with the Borough to ensure the parking lots were weeded and landscaped. The Partnership also absorbed the cost of additional trash cans and recycle bins for the downtown.

## 2009 Overview

In 2009 we are facing many challenges. The economic crisis is creating uncertainty about the future among businesses of all types and sizes. Locally, Haddonfield retailers are facing an increasingly competitive environment due to the expansion of the Cherry Hill mall, as well as the new retail and restaurants at the Garden State Pavilion in Cherry Hill. Many consumers have less money to spend and are bargain hunting. As a result, some downtown retailers are struggling, and it is increasingly more challenging to recruit new businesses in the short term.

The Partnership is planning to execute the following initiatives to help the downtown businesses meet these challenges:

- Pursue consistency in store hours
- Aggressively promote the downtown with an expanded event roster
- Focus advertising and marketing efforts on the Haddonfield “experience”
- Recruit appropriate new businesses and retain current businesses
- Provide networking opportunities, financial incentives, and information to downtown businesses
- Develop working relationships with banks, landlords and other organizations to find ways of coping with a tight credit market
- Continue to develop and market the Shophaddonfield website to disseminate information

## 2009 Budget

To meet the challenges facing the Business District, The Partnership for Haddonfield is proposing a 2009 operating budget of \$353,681, an increase of \$27,411 from 2008.

### Revenue

Revenue in this budget is derived from four (4) sources: (1) the District Assessment, (2) appropriated surplus funds, (3) the Crafts Festival, and (4) Shophaddonfield.org sales. This is broken down as follows:

District Assessment	\$250,000*
Appropriated Surplus	68,681
Crafts Festival	32,000
Shophaddonfield.org	<u>3,000</u>
Total:	\$353,681

\*Note that \$250,000, or about 71% of the Partnership’s revenue, comes from the District Assessment.

Of particular note in 2009 is that (1) there will be no increase in the District assessment; and (2) appropriated surplus is limited to a conservative 85% of surplus funds. The unappropriated surplus will be held in the operating account at Susquehanna Bank.

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 \$42,868 as of yearend 2008. 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 2009, up to \$21,997 will be withdrawn from this account to meet scheduled payments. The remaining \$20,871 will be released, as needed, from escrow and has been included in the appropriated surplus figure.

### Appropriations

The appropriations are presented in seven (7) categories: (1) Marketing and Public Relations, (2) Retail Recruitment and Retention, (3) Administration, (4) Professionals, (5) Business Support, (6) Information Center, and (7) Streetscapes. Of the total funding, 43% is dedicated to Marketing and 33% Retail Recruitment and Retention. Administration is maintained at a modest 10%. This is broken down as follows:

Marketing and Public Relations	\$ 152,300
Retail Recruitment and Retention	117, 568
Administration	36,038
Professionals	18,775
Business Support	10,000
Information Center	10,000
Streetscapes	9,000
Total	\$353,681

### Marketing and Public Relations

The Marketing & Public Relations Committee is requesting a budget of \$152,300 to continue current marketing and public relations efforts, and managing special events. This is \$18,500 more than the budgeted figure for 2008.

Advertising: A budget of \$63,000 is requested for 2009 to cover the cost of a advertising in a variety of media, including radio, television, local and regional newspapers, regional magazines and internet.

Major Events: A budget of \$50,300 is requested to cover the cost of PfH sponsored special events, including *Mom's the Word*, *Fall Festival*, *First Friday* and *Candlelight Shopping*. This budget request includes the cost of expanding the number and caliber of special events.

Marketing - Agency Fees: A budget of \$39,000 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. It also covers the cost of a Public Relations firm to prepare press releases in major and minor regional media.

### Retail Recruitment and Retention

The allocation of \$117,568 in the Retail Recruitment and Retention category reflects an aggressive effort to recruit restaurants and new retail tenants in the apparel and home accessories categories. The budget includes funding to cover initiatives for 2009 that are targeted for very specific types of businesses. Funds within this budget category will also be used for a 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.

In addition to the \$60,000 line item in the budget for recruitment and retention grants, an additional \$21,997 from an escrow account will be used to fund the following obligations that were made in prior years and are payable during 2009: B. Lovell \$2706; Polished Plate \$541; Javier \$18,750.

### Administration

The budget for Administration, at \$36,038, remains approximately the same as it was in 2008. The budget includes funds for Directors and Officers liability insurance, auditor fees, credit card fees and a 3.25% pay increase in compensation for both the Secretary-Administrator and Treasurer. Related administrative expenses are managed conservatively.

### Professionals

The budget for the Professionals, at \$18,775, remains approximately the same as it was in 2008. The Professionals Committee requests funding in order to accommodate planned marketing and networking 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 anticipated:

- \$11,275 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 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. This also includes maintenance cost of the Shophaddonfield.org web page for the Professionals.

### Business Support

Funds in the amount of \$10,000 have been allocated to networking events such as the ongoing "Coffee and Conversation" effort, and the "Dish and Dazzle" restaurant/fashion modeling event held in April.

### Information Center

The Partnership receives support from the Information Center in several areas including sales of gift certificates, Craft Festival coordination, and various other administrative support related to the Marketing Committee, Candlelight Shopping, Sidewalk Sale, and other events. The Partnership has budgeted \$10,000 to reimburse the Borough for these services.

### Streetscapes

The Partnership has allocated \$9,000 for the Streetscapes Committee to supplement the Borough efforts to keep the sidewalks, streets, crosswalks, and parking lots clean.