



**PARTNERSHIP FOR HADDONFIELD**  
**2006 BUDGET**

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

March 14, 2006



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March 14, 2006



## Partnership for Haddonfield, Inc.

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March 14, 2006

Board of Commissioners  
Borough of Haddonfield  
242 Kings Highway East  
Haddonfield, NJ 08003

### **RE: 2006 Budget, Partnership for Haddonfield**

Dear Mayor Colombi and Commissioners Borden and Rochford:

I am pleased to present the Partnership for Haddonfield's 2006 budget for your consideration. Our proposal calls for no increase in assessments. The rate remains at \$.25 per hundred dollars of valuation for regular businesses and \$.125, or half, for properties with a residential component.

The budget total is \$358,046. Revenue is derived from three sources: (1) the District assessment, (2) the Craft Festival, and (3) surplus funds. This budget reflects the appropriation of a disproportionately higher amount of surplus, about \$76,000, than might be considered typical. This higher amount represents funds which were earmarked for the restaurant and retail incentive programs adopted in 2005 but which have not yet been disbursed. This circumstance was expected. Both of these programs were new initiatives, targeted for specific types of businesses. We anticipate that these funds will be expended in full during 2006.

Appropriations are presented under each Partnership committee and reflect their respective work plans. Among the initiatives for 2006 are the hiring of a part-time event coordinator and the implementation of a new advertising and marketing campaign to support professionals.

In 2005, the Partnership embarked on a number of initiatives and carried out a successful marketing program that saw 20 new businesses open in our downtown. For 2006, we look to further refine our efforts through targeted business attraction and a series of programs that support our existing businesses.

Haddonfield's downtown is renowned for its charm, style and shopping. As stewards of this reputation we confront a number of challenges that are addressed in this budget. The continuation of our strong partnership with the municipal government, the business community and residents will make 2006 a year of continued success and achievement.

Sincerely,

Robert R. Kugler, Chairman



	2005	2005	2006	NOTES
	annual budget	12 month actuals	proposed annual budget	
<b>Revenue</b>				
PfH Assessments	250,000	250,000	250,000	1
Crafts& Fine Arts Festival- net income	32,000	32,000	32,000	
Directory	5,000	2,000	0	
Appropriated surplus	17,847	17,847	76,046	2
Miscellaneous income	0	297		
Interest income	0	189	0	
<b>Total</b>	<b>304,847</b>	<b>302,333</b>	<b>358,046</b>	
<b>Expenses</b>				
<b>Retail Recruitment and Retention</b>				
Compensation Retail Coordinator	20,300	20,284	0	
Wages - Retail Coordinator	18,550	20,468	40,015	3
Payroll added cost	0	1,997	4,805	
Fees, Downtown Works consultant	4,200	766	2,600	
Recruitment packets	0	0	1,000	
Travel and other recruiting expenses	6,000	5,420	6,000	
Tenant fit-out (interest/rent subsidy)	80,647	10,371	98,200	4
Merchandising seminars	0	0	5,000	
<b>Subtotal</b>	<b>129,697</b>	<b>59,306</b>	<b>157,620</b>	
<b>Marketing and Public Relations</b>				
Advertising	54,662	61,145	49,500	
Special Projects	9487	8287	6,000	
Special Events	11,435	14,994	27,000	5
Agency fees	59766	50515	60,000	
<b>Subtotal</b>	<b>135,350</b>	<b>134,941</b>	<b>142,500</b>	
<b>PfH Administration</b>				
Compensation, Treasurer	14,000	14,000	14,000	
Compensation, Sec&admin	11,000	11,000	11,000	
Treasurer expenses	400	413	400	
Secretary expenses	400	375	400	
Web page maintenance	5,000	2,188	2,000	
Insurance	1,500	1,917	2,826	6
Professional Fee's (Legl & audit)	4,000	3,000	4,000	
Misc	1,000	2,830	1,500	
<b>Subtotal</b>	<b>37,300</b>	<b>35,723</b>	<b>36,126</b>	
<b>Committee for Professionals</b>				
Advertising	0	144	7,500	
Special Events	2,500	929	1,500	
Web pages	0	0	1,000	
Marketing	0	0	10,000	
<b>Subtotal</b>	<b>2,500</b>	<b>1,073</b>	<b>20,000</b>	7
<b>Visual Improvements</b>				
Spring & Fall plantings	0		1,800	
<b>Total</b>	<b>\$304,847</b>	<b>\$231,043</b>	<b>\$358,046</b>	

Net Income from 2005 operations **\$71,290**  
 Prior yrs unappropriated surplus **\$13,898**  
 Available surplus **\$85,188**

NOTES

- (1) No increase in Tax rate for 2006
  - (2) 89% of available surplus
  - (3) assumes salary increase for retail coordinator effective January, 2006
  - (4) encumbrances Todaro, Lovell included; funds for restaurants, proposed new programs
  - (5) includes funds for part-time event coordinator
  - (6) includes D&O insurance premium
  - (7) new advertising & marketing campaigns to support professionals
- budget2006r5

## 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.*

### 2005 Highlights

In 2005, 20 **new businesses** opened downtown, including 6 retail boutiques, 5 restaurants and cafes, 2 other specialty food stores and 7 service businesses. In addition, 9 businesses changed locations within the business district.

A major initiative in 2005 was the adoption of a **restaurant incentive program** and the formalization of our **retail incentive program**. The programs provide financial incentives to qualifying restaurateurs and retailers who come to Haddonfield.

A number of successful special events attracted shoppers to Haddonfield during 2005. Two new events in the first half of the year, "**Hey, Girlfriend**" and "**Mom's the Word**" brought women (and the people who love to shop for them!) to town for special shopping promotions, entertainment and dining. The **13<sup>th</sup> Annual Crafts and Fine Arts Festival** drew over 120,000 visitors in July. Our annual **Sidewalk Sale** in August generated record numbers of attendees from outside the area, many drawn by a new e-mail campaign.

**Candlelight Shopping** in downtown Haddonfield took on a new look this year as well as extended hours on Friday and, for the first time this year, Saturday nights. A new "Historically Hip" marketing campaign was rolled out. The campaign featured a break dancing colonial man outfitted with an Apple iPod and skateboard. The campaign included a billboard on the Ben Franklin Bridge, a television commercial which ran hundreds of times over cable, and ads in print media throughout the Delaware Valley.

Many new **advertising and promotional** activities were undertaken by The PfH Marketing Committee this year. A brand new Shoppers Guide and first-time-ever advertising brochure were introduced in time for the crowds attending the Craft Fair in July. A new e-mail communication program was rolled out in the fall to alert loyal shoppers to upcoming events and promotions and work is well underway on a new shopping website, "ShopHaddonfieldnj.com." Haddonfield ads appeared in the *Inquirer*, the *Courier*, all of the local papers, as well as *Philadelphia Magazine*. We also appeared for the first time in *Style Magazine* and *South Jersey Magazine*, while the September issue of *SJ Magazine* featured an article on shopping in Haddonfield.

A new Visual Improvements Committee was created by the Partnership to create and maintain a liaison between the Partnership, the Borough, the Garden Club and other volunteer organizations to improve the downtown's appearance and keep the streetscape clean.

The Partnership' Professionals Committee launched several major initiatives to encourage greater awareness of Haddonfield's professional community, along with greater business-to-business awareness and utilization within Haddonfield. Two highly successful networking events attracted members of the professional and retail communities as well as PfH staff and Borough government representatives. Last fall, the Committee also created and published a Haddonfield Professionals Directory in the *Haddonfield Sun*.

At the urging of the Partnership, and the hard work of the Borough's Parking & Access Task Force, the Borough Commissioners took a number of steps to improve parking for the downtown. In September, the Borough initiated the **Meter Permit Parking Program**, an experimental parking program designed to make preferred parking more accessible to downtown shoppers. The goal of the initiative is to stop the practice of meter feeding by employees and make more premium parking available to shoppers.

The Police Department also embarked on a number of initiatives and studies to maximize the efficiency of the town's 850 existing parking spaces and to gather data so that future plans are based on a solid foundation. In addition, the Department erected 20 new directional signs to further improve access to Borough lots. Finally, In December, the Borough, in cooperation with PATCO, added 300 free parking spaces on weekends for downtown shoppers.

## 2006

The 2006 budget funds the continuation of existing initiatives and supports the implementation of new programs. A major goal in 2006 is the attraction of **fine dining restaurants** and targeted retailers, namely **apparel and home furnishings**. Business attraction and retention continues to represent the Partnership's largest expenditure.

The Partnership determined in 2005 that a **highly competitive market** required the Partnership to offer financial incentives in order to achieve its business attraction goals. The incentive programs funded in this budget represent this policy decision. They include important checks and balances to insure that the proceeds of the program leverage the results sought by the Partnership.

**Special events** are a means to draw shoppers and visitors to downtown and a source of revenue. The 2006 budget proposed by the Marketing Committee recognizes that these events require a higher-level of professional commitment to supplement volunteers. Therefore, funds are proposed for a part-time coordinator.

The appropriation for the **Professional Committee** reflects a significant effort to expand their work. This budget increases their appropriation by \$17,500, a significant amount for the Committee. Through a cooperative venture with the Marketing Committee, the Professionals will embark on a campaign to promote their constituency with a number **promotions and events**.

The details of these initiatives are described further in this document. In sum, the Partnership seeks to build on its successful track record and hold true to its mission to provide leadership that produces the best downtown in the region.

## 2006

To carry out its mission, the Partnership levies an assessment on businesses in the 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 2006 operating budget of \$358,046, an increase of \$53,199 over 2005.

### Revenue

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

\$250,000 or about 70% of the Partnership's revenue comes from the District Assessment. Of particular note in 2006 is that the budget reflects the appropriation of a disproportionately higher amount of surplus, \$76,046. This represents funds earmarked for the restaurant and retail incentive programs adopted in 2005 but not yet dispersed. This circumstance was expected. These were new initiatives and are targeted for very specific types of businesses. We anticipate that these funds will be expended in 2006.

### Appropriations

The appropriations are presented in five categories: (1) Retail Recruitment and Retention, (2) Marketing and Public Relations, (3) Administration, (4) Professionals, and (5) Visual Improvements. Each category is overseen by a committee of the Partnership. The budget reflects the core mission of the organization. Over 80% of funding is dedicated to retail recruitment and retention (44%) and marketing (39%). Administration is maintained at a modest 10%. Among the 2006 initiatives are the hiring of a part-time event coordinator and a new advertising and marketing campaign to support professionals.

The budget reflects increased appropriations for Retail Recruitment and Retention, specifically additional funds for tenant improvement initiatives and a pay increase of 3% for the retail coordinator. The overall increase of approximately \$28,000 for these items reflects an aggressive effort to recruit restaurants and new retail tenants in the apparel and home accessories categories.

The Marketing budget is up \$7,150 over 2005 to continue current marketing levels and add additional events. We have added \$20,000 to the budget for targeted advertisements and promotions geared to the professional community.

Administrative costs are slightly below 2005 levels. The compensation for both the Secretary-Administrator and Treasurer has not been increased, and other related expenses are managed conservatively.

# Budget Detail

## Retail Recruitment & Retention - Tenant Improvement Funding

The Business Support Committee has proposed a budget of \$98,200 to cover several key business initiatives in 2006:

- expenses for current program participants, B. Lovell Shoes and Todaro's
- retail incentive program
- restaurant incentive program

## 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 being 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 could provide grants to restaurateurs to defray up to 50% of the cost (a maximum of \$50,000) 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.

## Marketing and Public Relations

The Marketing & Public Relations Committee is requesting a budget of \$142,500 to continue

current marketing levels as well as add additional events. This budget request represents an overall increase of \$7,150 over 2005.

- Advertising: A budget of \$49,500 is requested for 2006 to cover the cost of a advertising in a variety of media including radio, television, local and regional newspapers, regional magazines and internet. This budget request maintains the 2005 spending level.
- Special Projects: A budget of \$6,000 is requested to cover the cost of creating and publishing a quarterly newsletter to be distributed to professional, retail and service businesses in Haddonfield. This budget request represents a reduction of \$3,487 over the 2005 budget.
- Special Events: A budget of \$27,000 is requested to cover the cost of PfH sponsored special events including *Hey Girlfriend*, *Mom's the Word*, *Fall Festival* and *Candlelight Shopping*. This budget request includes an increase of \$15,565 to cover the cost of hiring a part-time events coordinator as well as expanding the number and caliber of these special events.
- Agency Fees: A budget of \$60,000 to cover the cost of hiring marketing and PR consultants to continue the current media campaign as well as develop new advertising collaterals to further the growth and awareness of Haddonfield's Business District. This budget request maintains the 2005 spending level.

### Administration

This category is down approximately \$1,174 from 2005. The compensation for both the Secretary-Administrator and Treasurer has not been increased, and other related expenses are managed conservatively.

### Professionals

The Professional Committee requires funding in the amount of \$20,000 in order to accommodate the marketing and events planned. The Committee is exploring areas of opportunity to create awareness of the diversity of talented professionals within the community. The Committee plans to work with the Marketing Committee to learn how best to get the word out. We will be doing all of this work for the first time, with the exception of our Business After Business events, which have proven very successful.

Following are some of the expenses expected:

- \$7,500 for advertisements and promotions through local newspapers promoting awareness of professional and service businesses in Borough, including newspapers in neighboring townships like Cherry Hill, Moorestown, Haddon Heights where client base may extend to. This includes printing of 50,000 bi-fold counter top professional listings, which are to be distributed to all retailers and professionals and reprinting as necessary. Plans also include printing a non-retail directory (which may become self funding thru advertising).
- \$1,500 to cover 3 - 4 Business After Business events - printing & mailing 850 invitations, refreshments for 75 - 100 guests per event
- \$1,000 to expand the Partnership website to allow non retailers advertising and multi listings

- \$10,000 to support of marketing opportunities created by features in local magazines like *SJMagazine* or *Philadelphia Magazine* highlighting "best docs", "best lawyers", "best salons" where appropriate.

Visual Improvements

Spring and fall plants comprise the entire allocation of \$1,800.

# BID Assessment

<u>2005. ASSESS. VALUE</u>	<u>2005 BID</u> <u>TAXES</u>	<u>RATE</u>		
	\$			
CBD ZONE	67,401,600	\$ 168,504	0.25	63.6%
C ZONE	\$ 4,321,700	\$ 10,804	0.25	4.1%
	\$			
O ZONE	14,466,400	\$ 36,166	0.25	13.6%
RES.ZONE - NR	<u>\$ 8,021,900</u>	<u>\$ 20,055</u>	0.25	<u>7.6%</u>
	\$			
SUB-TOTAL FULL RATE	94,211,600	\$ 235,529		88.9%
	\$			
HALF RATE - RES.ZONE - R	<u>11,771,900</u>	<u>\$ 14,715</u>	0.125	<u>11.1%</u>
	\$			
TOTAL	105,983,500	\$ 250,244		100%