A STRATEGIC REVIEW OF
THE CAMDEN SPECIAL SERVICES
DISTRICT

Prepared by
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1. Executive Summary

1.1 Introduction

After five years of operation, the Camden Special Services District (CSSD) has become a fixture in the downtown and Waterfront district providing clean and safe services. With this track record in place, the Greater Camden Partnership (GCP) decided to initiate a strategic review of its signature program. Funding from the William Penn Foundation allowed the GCP to contract with three entities, the Milano School Community Development Finance Lab, Wendell & Associates, and the Walter Rand Institute at Rutgers (WRI) to produce specific elements of the final report which WRI produced.

Organized as a business improvement district to service the downtown and Waterfront in Camden, the CSSD is generally acknowledged for adding significantly to the quality of life in its service area, and recently with Urban Enterprise Zone (UEZ) support, has expanded its operations to a series of commercial corridors in the City. This expansion of the CSSD into neighborhoods presents an opportunity for wider engagement with small businesses, very few of which operate in the CSSD’s original service area. The positive perception of this expansion creates an opening for the CSSD to recruit new members and diversify its Board. In addition, leadership changes in Camden, including a new GCP President, the hiring of a Director for the CSSD and the transition to a new Mayor, have introduced the possibility of starting a renewed conversation about the role the CSSD can play in economic development and community revitalization in Camden. Moreover, this strategic review itself presents an opportunity to reevaluate the CSSD and incorporate best practices into its operation. These opportunities for moving the CSSD to a higher level of service delivery and contribution to Camden’s revitalization are tempered by a number of significant challenges.

1.2 Challenges
Like all improvement districts, the CSSD faces the fundamental question of how to collect in practice contributions from stakeholders who support the idea of a BID in principle. Unlike other improvement districts the CSSD has not adopted a legally binding assessment model. Instead, owing to the particular circumstances on the ground in the city of Camden, the CSSD implemented a voluntary contribution model which has raised long term sustainability issues. Additionally, unlike successful improvement districts, the public identity of the CSSD remains ambiguous because it exists as a project of the GCP rather than a free standing not-for-profit entity. Also, unlike other improvement districts, the CSSD does not enjoy a strong and sustained collaborative relationship with key municipal departments. Finally, the CSSD does not include a very large number of businesses, especially small enterprises, relative to other improvement districts. This situation not only undermines the legitimacy of the CSSD but also strains its resources. These challenges framed the strategic review of the CSSD which generated the following findings.

1.3 Findings

The CSSD has materially changed the quality of life in downtown Camden for the better. The street and sidewalk cleaning it performs have improved the physical environment and the presence of its uniformed workers creates a more secure and welcoming sensibility for those who work and study in the universities, hospitals and other establishments within its service area. The CSSD also enhances the experience of visitors to Waterfront venues and the Symphony in C concerts. Taken as a whole, the discreet components of this strategic review, combined with a comparison to other improvement districts, paints a picture of the CSSD as an enterprise poised to move from a start-up model to a more mature organizational design. To effect this transition, the CSSD will have to address the following set of issues that emerged from analysis in this review:

- The current system of voluntary stakeholder contribution is an inherently unstable model that undermines planning for capital and operational needs and invites membership turnover, free riding, and the diversion of GCP leadership resources to address day-to-day fiscal matters of the CSSD.
The extraordinarily low number of CSSD contributors is uncharacteristic of successful improvement districts, as is the predominance of large, not-for-profit partners.

An assessment formula based on traditional measures such as property tax value or square footage is not feasible given the present number and configuration of contributors. Consequently, the CSSD membership must adopt a minimum three year contract for contributions at current levels to allow time for developing an action plan for building membership and transitioning to a legally binding and rationally based financial model.

Stakeholders and external audiences conflate the identities of the CSSD and the GCP because, in contrast to best practice, the improvement district organization exists as a project of the parent organization rather than an independent 501c entity. This arrangement complicates fundraising and relies on the cannibalization of GCP resources to sustain the CSSD.

In contrast with successful improvement districts, the CSSD Board includes member organizations that do not contribute financially and minimizes the participation of operational managers from contributing organizations.

Management functions of a successful improvement district cover finance, development and marketing in additional to operational supervision. It is unclear whether the newly hired CSSD Director can or should take on all of these functions. If not, the CSSD must decide how these functions can be provided.

The CSSD does not have a capital plan to replace and upgrade its equipment or fund a move from its temporary headquarters to a more appropriate and visible venue.

The CSSD is characterized by an incremental and opportunistic approach to deployment and contracting. These functions require a comprehensive review to formulate decisions on how they should be developed and supported.

While the CSSD’s scope of services includes clean and safe activities, only the former is provided at a level and quality comparable to successful improvement districts. Best practice suggests the deployment of a more robust ambassador
program through a combination of dedicated positions and cross training of clean-up personnel.

- The CSSD has expanded its operations to additional service areas without long term plans to sustain this expansion should the public (UEZ) funding for the expansion erode.

- The CSSD workforce does not enjoy a benefits package comparable to other improvement districts.

- Interaction of the CSSD with Camden Police, Public Works, and Code Enforcement departments is haphazard and focuses on purely operational rather than policy or strategy matters. This is uncharacteristic of successful improvement districts which generally enjoy robust collaborative relations with their own municipal departments.

### 1.4 Conclusion

To address the issues identified above, the CSSD should initiate a number of immediate actions which will provide the time and information necessary to develop a long range plan for sustainability and growth. The organization should move as quickly as possible to secure multi-year funding commitments from its current contributors, attain independent 501c status, revamp its contracting process and develop an RFP for a new service contract, convene leaders of key municipal departments to improve cooperation, reassess the efficacy of its deployment, and invigorate its performance evaluation systems. Taking a longer- term view, the CSSD Board and staff should undertake a comprehensive, in-depth appraisal of the mission, vision, scope of service, and resources needs of the organization, using this strategic review as a guiding document. As part of that appraisal, the Board and staff should develop a plan for shifting from the multi-year funding commitment from a limited number of contributors to a legally binding assessment formula applicable to a much larger membership base. The report concludes with a more detailed set of recommendations to achieve both short term objectives and long term goals.
2. Project Background

In 2001, seeking to replicate the redevelopment successes of Newark Renaissance, Bishop Nicholas DiMarzio along with Philanthropist and Camden native Lewis Katz, convened city and regional stakeholders to coordinate support for the revitalization of Camden. These discussions launched the Greater Camden Partnership (GCP). From the outset, the GCP membership decided that an effective strategy would be to align its activities with the Municipal Recovery and Economic Revitalization Act (MRERA) which sought to leverage substantial state investment by focusing in the City’s downtown, home to major hospitals and universities as well as local state and federal government offices.\(^1\) This strategic focus led GCP to consider the creation of a business improvement district (BID) with traditional *clean and safe* services\(^2\) for the downtown and adjacent waterfront to enhance the prospects for (re)development investment. Given the severe fiscal constraints on Camden’s municipal services, a BID promised to address immediate quality of life concerns for the GCP membership. With an initial grant from the Delaware River Port Authority in 2004, the GCP President Steve Dragos contracted with the Atlantic Group to assess the prospects for developing a BID in downtown Camden and present its findings to the GCP Executive Committee. Based on the study performed by the Atlantic Group, the GCP created the Camden Special Services District (CSSD) in 2005, and it would not be an exaggeration to characterize the CSSD as the Partnership’s signature project. After five years of operation and with the transition in leadership from Steve Dragos to the new President, David Foster, the GCP decided to undertake a strategic review of the CSSD.

2.1 Collective Action and Free Rider Issues

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   \(^1\) The MRERA allocated a substantial portion of its $175 million infrastructure investment in the downtown. Approximately $40 million was designated for neighborhoods outside of the downtown.
   \(^2\) See Appendix II, Wendell Associates Study for a discussion of the nature and efficacy of *clean and safe* strategies.
While the historical logic of a five year reassessment is persuasive in and of itself, additional considerations suggested the advisability of a strategic review. Based on the recommendation of the original Atlantic Group study, the CSSD was launched with a business model built on voluntary contributions of critical stakeholders.\(^3\) Initially, six major institutional members of the GCP agreed to allocate $50,000 each, with several other members contributing substantial, though lesser amounts. Thus, from the outset, the CSSD confronted what public choice economists characterize as a \textit{collective action problem}. The problem, in this case, stemmed from the fact that while all stakeholders enjoy a potential benefit from the provision of a \textit{public good}, cleaner and safer streets, the private market cannot extract the resources from beneficiaries to finance the necessary expenditures for the services. The traditional solution economists propose to this problem is, of course, “coercion” in the form of government taxation or special assessments imposed by a municipal ordinance; and this is how most BIDs are financed. The predominance of nonprofit organizations and limited number of small businesses in Camden’s downtown, however, precluded such an approach. Consequently, the CSSD was able to address its collective action problem only because it enjoyed status as a \textit{privileged group}, that is an organization in which a few stakeholders communicating directly and benefiting disproportionately from the services to be provided are willing to bear unequal costs, and to tolerate free riding by others who derive benefits of cleaner and safer streets without contributing to their provision.\(^4\) Indeed, the CSSD’s free rider problem is compounded by the fact that suburbanites who visit regional attractions on the Camden Waterfront also derive benefits of the GCP’s clean and safe program while their parking and entertainment costs do not include compensation for CSSD services provided.

A serious challenge for the CSSD, like other privileged groups, is that its financial supports are voluntary and inherently unstable; financial commitments are a function of communication and social norms rather than law or contract. In fact, the CSSD has experienced a degree of turnover among its contributing members and difficulty in collecting contributions in a timely manner. Through assiduous fundraising work first

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\(^3\) The Atlantic Group calculated that standard BID assessment methods would yield only $13,000 of a projected $500,000 annual budget. See Appendix I, Milano Study.

\(^4\) A classic example of a \textit{privileged group} is the United Nations in which a relatively small number of nations provide the lion’s share of the resources.
by Steve Dragos and subsequently by David Foster, the CSSD has acquired grants and added new members to compensate for turnover. While commendable, these efforts in support of a highly valued program are an inefficient use of high level executive talent and divert resources from other GCP activities that might focus more directly on economic development and urban revitalization, the primary reasons for the GCP’s formation.

As the fiscal challenges of its members mount in the current environment of resource constraints, these problems are likely to persist. On the other hand, GCP membership consistently expresses both satisfaction with the CSSD and a commitment to sustaining the program. Thus, in addition to standard objectives of five-year strategic assessments such as evaluating what is working and what might be improved, this review is intended to address the core question of CSSD sustainability.

3. Structure of the Strategic Review

As outlined in the scope of work for this strategic review, there are three critical components of the analysis, each prepared by a separate entity:

- **Fiscal Sustainability** – An examination of the CSSD’s revenues and expenses combined with a consideration of alternative assessment methods. Performed by the Community Development Finance Lab, Milano: New School for Management and Urban Policy (Milano);

- **Operations and Management** – An examination of the resource deployment, organizational structure, and development possibilities for the CSSD. Performed by Wendell & Associates (Wendell);

- **Relationships with City Departments** – An examination of integration of CSSD activities with relevant municipal services (Code Enforcement, Police, and Public Works). Performed by the Senator Walter Rand Institute for Public Affairs, Rutgers-Camden (WRI).
WRI is responsible for collating the work of all contributions into a single document for consideration by the GCP leadership. (The original, component reports from Milano, Wendell and WRI are each appended to this review, in their entirety.)

In order to provide a context for the three analytic components enumerated above and to identify best practices for improvement districts, we include an environmental scan in which the CSSD is compared to seven other BIDs, reflecting a variety of sizes, circumstances, and challenges. Our report concludes with a set of specific recommendations compiled from the three analytic studies as well as the environmental scan.

4. Current State of the CSSD

4.1 Initial Services and Core Area

As currently constituted, the CSSD program employs Camden residents to provide clean and safe services including: trash removal, sidewalk and street sweeping, power-washing, graffiti removal, maintenance of streetscape plantings; public safety “eyes and ears on the street”; and a limited ambassadorial service focused primarily on special events. The visible presence of CSSD workers is understood as essential to improving the character of the downtown as the cleaning and maintenance activities they perform. Under a contract with the GCP, Service Group Incorporated (SGI), is responsible for hiring, training, deployment, and management of the workers. Initially SGI oversaw service delivery in the CSSD core area bounded by the Delaware River on the west, the Benjamin Franklin Bridge on the north, Martin Luther King Jr. Blvd. on the south and I-676 on the east. See the map below for a visual representation of the CSSD primary service area, set off by the orange line.
4.2 Expansion and Sustainability

In August of 2008 an agreement for new funding from the Camden UEZ allowed the CSSD to expand its service area to include Yorkshire Square as well as business corridors along Broadway, Haddon Avenue, Federal Street and River Road. In addition, the CSSD has begun to provide staffing for Waterfront concerts. The current program not only augments the activities of GCP partner institutions and municipal services, but also significantly enhances the experience of people who live, work and recreate in the CSSD service areas. Minutes of the GCP Executive Committee as well as field interviews conducted for the Wendell study clearly indicate a conviction among CSSD partners that the clean and safe program contributes positively to the downtown environment and is expected to have a similar impact in the commercial corridors. The fact that major institutions have continued to contribute substantial sums annually to the CSSD provides the best indicator of the value they attach to its activities. The UEZ expansion indicates that the CSSD’s performance has established a demand for BID services beyond the original service area established the founding partners. The
presence of uniformed CSSD workers providing regular cleaning is clearly viewed as a value added proposition by development officials and small businesses struggling to revitalize commercial districts in Camden.

Ironically, satisfaction with CSSD and the growing recognition of the role BID services can play in Camden’s revitalization spotlight long-term questions of sustainability for the organization. After five years of operation, the CSSD is still essentially a project of the GCP and functions as a voluntary coalition supported by a relatively small number of member organizations. Moreover, capital funding for CSSD cleaning equipment was supplied by a state grant from the Camden Economic Recovery Board. The extension of CSSD services beyond its original downtown district has occurred only with grant funding from the UEZ rather than the addition of new contributors in those commercial corridors. While demand for CSSD services is likely to increase, its operating budget is derived from discretionary contributions of GCP members and soft-money, and its equipment was funded by a one-time, seed grant. With the fiscal environment in New Jersey likely to remain tight for the foreseeable future, Camden hospitals and universities that are the mainstays of the CSSD may face difficult choices on funding priorities, and capital dollars to replace or upgrade equipment may not be available from state sources. Thus the CSSD faces a critical challenge: it provides highly valued “clean and safe” services without a stable and predictable financial base from which to operate.

GCP leadership clearly recognized that challenge and undertook this strategic review, in large measure, to address it. The Milano study provided a “drill down” assessment of the nature of the problem and attempted to define alternative approaches to developing a sustainable fiscal model for the CSSD. While it focused on managerial and organizational matters, the Wendell study also pointed to the necessity of addressing the fiscal sustainability question for the CSSD and proffered a number of options for increasing efficiency and generating alternative revenue streams, beyond fee collection from BID beneficiaries.

1. 

5 A management board comprised of eleven GCP members (major contributors) oversees the CSSD with the SGI staff reporting directly to the GCP President on day-to-day matters.
A final dimension of sustainability for any BID is a strong working relationship with city government and municipal services. GCP leadership has sought a deeper and more constructive relationship between the CSSD Camden City Government. However, the inherent complexity resulting from a state-appointed Chief Operating Officer, the co-mingling of the CRA and City Planning Departments, a police department under state-imposed supersession authority of the County Prosecutor, and turnover in the Directors of Public Works and Code Enforcement, have undermined efforts at building a collaboration. The WRI analysis examines the prospects for more effective cooperation between the CSSD and the City and identifies possibilities for synergy and efficiencies on both sides.

Before turning to the results of these reports, however, it will be useful to examine how the CSSD compares to a range of BIDs. While every improvement district is, in a sense, unique, confronting its own peculiar political, economic, and historical situation, all share a set of common questions:

- What is an effective and equitable model for funding BID operations and minimizing free rider problems?
- What is an appropriate governing and management arrangement?
- How can resources be deployed most effectively and efficiently?
- How can a BID augment rather than duplicate or complicate services provided by municipal government?

The following environmental scan suggests some common themes and approaches that the CSSD should consider in answering these questions in Camden.

5. **Environmental Scan**

In this section, we compare the CSSD to seven other BIDs along five dimensions:
1. Geographic Size;
2. Number of Contributors in Relation to Overall Budget;
3. Method of Revenue Collection;
4. Relationship of the BID with Host Municipality.
5. Governance of the BID;

The purpose of the comparison is to provide a broader context for the Milano and Wendell studies which focused on well-known and successful BIDs for understanding best practices. Importantly, many of the conclusions to be drawn from our more varied array of improvement districts confirm Milano and Wendell conclusions that were based on reviews of Denver and Philadelphia experiences. The BIDs selected for comparison include six in New Jersey (Atlantic City Special Improvement District; Collingswood Partners, Inc.; Historic Midtown Elizabeth; Central Avenue, Jersey City; Newark Downtown; and Ironbound BID, Newark). In addition we examined the Downtown Partnership of Baltimore.\textsuperscript{6} Data for this environmental scan were collected by means of telephone interviews with representatives of each improvement district.\textsuperscript{7}

5.1 Geographic Size

As Table 1 below indicates, the BIDs examined include a wide range of geographic size from a low of 0.5 miles in Collingswood to a high of 4 square miles in the Ironbound Business Improvement District in Newark. The CSSD falls in the midrange of area serviced by the BIDs we explored and includes all major institutions in Camden City.

<table>
<thead>
<tr>
<th>Business Improvement District</th>
<th>Geographic Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic City Special Improvement District</td>
<td>3.1 sq. mi.</td>
</tr>
</tbody>
</table>

\textsuperscript{6} The Baltimore BID was selected to include an improvement district in a large city. Since Philadelphia’s Center City and University City Districts are well-known to GCP members, it was decided to look elsewhere in the Northeast Corridor for a large city example.

\textsuperscript{7} Specific questions used in the telephone survey appear in Appendix III.
As we shall see below, however, the CSSD faces significant challenges, not confronted by the other BIDs, in providing clean and safe services.

### 5.2 Number of Contributors in Relation to Overall Budget

Table 2 shows the number of businesses and institutions contributing to each BID in relation to the size of its operating budget. Although the CSSD is responsible for at least as large a service area as several other BIDs in our comparison and finance an operating budget that is higher than all others except Baltimore and Newark Downtown, Camden derives its funding from 12 contributors, 6% of the next smallest BID, Central Avenue in Jersey City, which has an operating budget that is 30% of the CSSD’s. This table highlights an important aspect of the sustainability question faced by Camden’s BID; with such a small number of contributors in a voluntary association, the CSSD is dependent on their continuing to have a relatively high tolerance for free riding and to place a relatively low value on the opportunity costs of maintaining present funding commitments.

**TABLE 2**

<table>
<thead>
<tr>
<th>Area</th>
<th>Area Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Partnership of Baltimore</td>
<td>1.4 sq. mi.</td>
</tr>
<tr>
<td>Collingswood Partners, Inc.</td>
<td>0.5 mi. long</td>
</tr>
<tr>
<td>Historic Midtown Elizabeth</td>
<td>15 blocks</td>
</tr>
<tr>
<td>Central Avenue, Jersey City</td>
<td>0.8 mi. long</td>
</tr>
<tr>
<td>Newark Downtown District</td>
<td>0.45 sq. mi.</td>
</tr>
<tr>
<td>Ironbound Business Improvement District, Newark</td>
<td>4 sq. mi.</td>
</tr>
<tr>
<td>Camden Special Services District(^\text{8})</td>
<td>58 blocks</td>
</tr>
</tbody>
</table>

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8 The CSSD area used in this comparison is the original downtown district and does not include the additional UEZ service areas.
While it would be a dubious exercise to simply calculate average contributions from these raw numbers\(^9\), it is certainly appropriate to explore the distribution of cost across large and small businesses. To that end, we approached larger BIDs in our sample a second time to determine the relative burdens of small businesses. For this exercise we employed the U.S. Census definition of 100 or fewer employees for a manufacturing entity and 40 or fewer for a service entity. The Newark Downtown BID was able to provide the following detailed information on the distribution of its contributing members:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Number of Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥1000</td>
<td>14</td>
</tr>
<tr>
<td>500-999</td>
<td>8</td>
</tr>
<tr>
<td>100-499</td>
<td>84</td>
</tr>
<tr>
<td>50-99</td>
<td>129</td>
</tr>
<tr>
<td>25-49</td>
<td>201</td>
</tr>
<tr>
<td>&lt;25</td>
<td>3,795</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,231</strong></td>
</tr>
</tbody>
</table>

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\(^9\) CSSD contributors, for example, average $41,666 while Newark Downtown averages $4,381.
Note that only enterprises with 25 or more employees contribute in Newark; the total of these yields the number of contributors (436) listed in Table 2 above. The Newark Ironbound District reported that 100% of its contributors employed 122 or fewer individuals. While it is clear that many BIDs include a limited number of major contributors who fund a large proportion of operating budgets (perhaps most obviously Atlantic City with its casino industry), it is equally clear that numerous small businesses generally contribute in successful improvement districts. Not only do contributions from smaller firms disburse the burden of operating expenses, but they also make for better connectivity with the community and greater opportunity for the BID to engage effectively in economic development activities that benefit all.10 The CSSD provides important benefits to many small businesses that are, in effect, subsidized by 12 funders almost all of which are nonprofit organizations. As noted above, the CSSD addresses its collective action problem as a “privileged group” rather than through the more robust solution of legally binding assessments, and this is an unstable model.

5.3 Method of Revenue Collection

Table 3 shows, that the CSSD is a unique revenue collection case compared to the other BIDs.

\[
\begin{array}{|c|c|}
\hline
\text{Method} & \text{Revenue Collection} \\
\hline
\text{CSSD} & \text{Unique case} \\
\hline
\end{array}
\]

\textbf{TABLE 3}

Of all the BIDs reviewed, Camden is the only one without a formal assessment mechanism in place. This circumstance arose, in part, from the history of efforts to create an improvement district in Camden. In 1992, City Council enacted an ordinance (MC-2792) in accordance with Chapter 309 of the New Jersey Municipal Code. As the Milano study notes, however, initial widespread community opposition to the creation of a proposed improvement district to serve the downtown and Waterfront induced Council to pass a law allowing the organization of improvement districts anywhere in the City as long as property owners agreed to pay a voluntary contribution for maintenance of their BID. The CSSD was formed under the auspices of this weaker ordinance and, notably, is the only BID organized subsequent to 1992 Council action. Six of the other BIDs we examined operate under a municipal law which assesses commercial property owners a BID fee based on a uniform model. Most employ a formula that is based on property value derived from the municipal tax assessor. The Jersey City BID imposes an assessment on its member organizations, though it is not a voluntary system for businesses within the district. In all cases other than the CSSD, then, a binding mechanism exists for revenue collection. Unlike the CSSD, therefore, the

| Atlantic City Special Improvement District | Special Assessment on District Commercial Property |
| Downtown Partnership of Elizabeth | Special Assessment on District Commercial Property |
| Collingswood Partners, Inc. | Special Assessment on District Commercial Property |
| Historic Midtown Elizabeth | Special Assessment on District Commercial Property |
| Central Avenue, Jersey City | Self-assessment among District Properties. |
| Newark Downtown District | Special Assessment on District Commercial Property |
| Ironbound Business Improvement District, Newark | Special Assessment on District Commercial Property |
| Camden Special Services District | Voluntary Contributions within the District. |
other BIDs can depend on predictable revenue streams, timely receipt of payment, and the ability to plan sensibly for capital expenditures.

5.4 Governance of BIDs

All of the seven BIDs analyzed in the study were further distinguished from the CSSD in that each enjoyed 501c status as an independent nonprofit entity. The CSSD continues to operate programmatically under the auspices of the GCP. BIDs, as reflected in our sample, may adopt a range of nonprofit governance models including 501c4 and 501c6 as well as the more traditional 501c3 designation. The Atlantic City BID, Downtown Collingswood, Historic Midtown Elizabeth, Newark’s Downtown District, and the Newark Ironbound BID, or 5 out of the 7 BIDS, are classified as 501c3, providing for federal tax exemptions to nonprofit organizations. Central Avenue BID in Jersey City is classified as a 501c4, reserved for organizations such as civic leagues and social organizations. The Central Avenue, Jersey City BID, along with other associations that would typically receive a 501c3 designation are organized as 501c4 because they partake in activities that include substantial lobbying or political candidate endorsements, prohibited under 501c3. The Downtown Partnership of Baltimore BID is designated a 501c6, typically the assignment for organizations such as business leagues and chambers of commerce. They were designated as a 501c6, because unlike

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11 **501c3**: Section 501(c)3 is the portion of the US Internal Revenue Code that allows for federal tax exemption of nonprofit organizations, specifically those that are considered public charities, private foundations or private operating foundations. It is regulated and administered by the US Department of Treasury through the Internal Revenue Service. In order to qualify for 501(c) (3) status, an entity must be organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals. 501(c) (3) organizations fall into one of three primary categories: public charities, private foundations, and private operating foundations.

12 **501c4**: *Civic Leagues, Social Welfare Organizations, etc.* These organizations tend toward advocacy work, political actions, lobbying, environmental purposes, homeowners’ associations and various community associations. Interestingly, it is not uncommon to find some organizations occupying the ranks of 501(c)(4) that would normally be considered 501(c)(3) if it were not for particular activities such as substantial lobbying or political candidate endorsements...things prohibited under 501(c)(3).
others in this review, they were specifically organized to promote the business interests of companies or individuals\textsuperscript{13}.

\textbf{TABLE 4}

<table>
<thead>
<tr>
<th>Business Improvement District</th>
<th>Tax Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic City Special Improvement District</td>
<td>501(c)3</td>
</tr>
<tr>
<td>Downtown Partnership of Baltimore</td>
<td>501(c)6</td>
</tr>
<tr>
<td>Collingswood Partners, Inc.</td>
<td>501(c)3</td>
</tr>
<tr>
<td>Historic Midtown Elizabeth</td>
<td>501(c)3</td>
</tr>
<tr>
<td>Central Ave., Jersey City</td>
<td>501(c)4</td>
</tr>
<tr>
<td>Newark Downtown District</td>
<td>501(c)3</td>
</tr>
<tr>
<td>Ironbound Business Improvement District, Newark</td>
<td>501(c)3</td>
</tr>
<tr>
<td>Camden Special Services District</td>
<td>None</td>
</tr>
</tbody>
</table>

The important point to be taken from this review of BID governance models is that the CSSD again appears as an outlier case. Both the Milano and Wendell studies raised this distinction as well. Milano noted that the murky distinction between the GCP and the CSSD creates confusion among contributors who are asked to financially support both organizations. Conflating the GCP and the CSSD also complicates marketing and development with external audiences. Wendell specifically recommended pursuit of separate 501c3 status to more effectively pursue grant and development opportunities

\begin{itemize}
  \item \textsuperscript{13} 501\textit{c}6: \textit{Business Leagues, Chambers of Commerce, etc.} Trade associations and professional associations are considered business leagues. These organizations typically promote higher business practices, better business methods, and integrity within an industry. They implement educational programs like 501c3 organizations, but are specifically geared toward promoting the business interests of companies or individuals.
\end{itemize}
aimed for the CSSD’s clean and safe activities. The efficacy of these recommendations is reinforced by the uniform 501c status of all BIDs we reviewed.

5.5 Relationship of BID with Host Municipality

For the GCP leadership, a key objective of this five year strategic review is an evaluation of the relationship between the CSSD and three municipal departments, Police, Public Works, and Code Enforcement. Table 5 provides a comparative reference for that analysis which appears in section 7. Representatives for each of the seven BIDs in our comparative analysis were asked to characterize the relationship between their BID and municipal departments, particularly Police, Public Works and Code Enforcement. Based on our examination of the CSSD’s relationship with Camden Departments as well as a review of the literature on improvement district best practices, our BID representatives were presented with three options:

1. The BID has regular and formal communication with city government on strategic as well as operational issues;

2. The BID has regular but informal communication with city government focused on operational issues with occasional discussion of strategic matters;

3. The BID has infrequent communication with city government that focuses solely on operational matters.

To validate responses, each interviewee was asked, as a follow-up, to share specific examples to illustrate the nature and frequency of interaction between the BID and municipal departments. Our characterization of the CSSD’s interaction with municipal departments was derived from detailed qualitative interviews. As was the case with revenue collection and governance, our seven comparative BIDs have a much more developed and formal model for municipal relations than that evinced by the CSSD

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which, at the time of our interviews (early fall 2009) had irregular and unstructured communications with key municipal departments. Results appear below.

<table>
<thead>
<tr>
<th></th>
<th>Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic City Special Improvement District</td>
<td>Regular and formal communication on strategic as well as operational issues.</td>
</tr>
<tr>
<td>Downtown Partnership of Baltimore</td>
<td>Regular and formal communication on strategic as well as operational issues.</td>
</tr>
<tr>
<td>Collingswood Partners, Inc.</td>
<td>Regular and formal communication on strategic as well as operational issues.</td>
</tr>
<tr>
<td>Historic Midtown Elizabeth</td>
<td>Regular and formal communication on strategic as well as operational issues.</td>
</tr>
<tr>
<td>Central Avenue, Jersey City</td>
<td>Regular and formal communication on strategic as well as operational issues with occasional discussion of strategic matters.</td>
</tr>
<tr>
<td>Newark Downtown District</td>
<td>Regular, but informal communication focused on operational issues.</td>
</tr>
<tr>
<td>Ironbound Business Improvement District, Newark</td>
<td>Regular and formal communication on strategic as well as operational issues.</td>
</tr>
<tr>
<td>Camden Special Service District</td>
<td>Infrequent communications solely on operational matters.</td>
</tr>
</tbody>
</table>

**TABLE 5**

### 5.6 CSSD Board

In the BIDS we examined for this report, the boards play a variety of roles, depending upon the particular circumstances they confronted. The size and scope of the boards depended to some degree on the size of the district. The largest BID, Downtown Partnership of Baltimore, which has 2600 business, in fact has two boards. The Board of
Authority consists of multiple constituent groups and meets every other month, while the Board of Estimates oversees the Board of Authority. The Board of Estimates meets quarterly and consists of business leaders and city officials. The Ironbound BID in Newark, NJ, which consists of 700 businesses has a 26 member board that includes business owners/managers, a City Hall representative and residents, and meets monthly. The closest BID to CSSD in terms of size is the Central Avenue BID in Jersey City. The Central Avenue BID has 200 businesses, and a nine person board that includes businesses and commercial property owners within the business district. The Central Ave. board of trustees meets monthly. Table 6 reveals the size and composition of select BIDs and the frequency of their meetings.

<table>
<thead>
<tr>
<th>Atlantic City Special Improvement District</th>
<th>Once a Month</th>
<th>20 members including casino executives, neighborhood business people and government officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Partnership of Baltimore</td>
<td>Board of Authority: Every Other Month, Board of Estimates: Quarterly</td>
<td>Board of Authority: 10-25 members and consist of constituent groups, trade groups representing hotels, motels, retail merchants property owners and managers, leaders of major institutional and business interests, commercial real estate, tourist and convention industry, and tenants of properties. Board of Estimates: oversees Board of Authority and is comprised of city councilmen and a few representatives from the business community.</td>
</tr>
<tr>
<td>Central Avenue, Jersey City</td>
<td>Once a Month</td>
<td>9 members including businesses and commercial property owners within the business district.</td>
</tr>
<tr>
<td>Ironbound Business Improvement District, Newark</td>
<td>Once a Month</td>
<td>26 members including business owners/managers, a City Hall representative and residents.</td>
</tr>
<tr>
<td>Camden Special Services District</td>
<td>N/A</td>
<td>Beyond information sharing, no clear policy or strategic role for the CSSD board.</td>
</tr>
</tbody>
</table>

In order to better understand the relationship between the board and the operations of each BID, we asked interviewees to describe the topics each BID discussed during board meetings. There were many similarities in terms of broad topics discussed such as finances, project initiatives and operational issues. The board meetings act as forums to evaluate and decide on new projects and policies, and address long term strategic challenges to the BIDs ability to fulfill their missions. The strength of these boards’ is vested in the fact that they consist of diverse individuals, who contribute knowledge
and practical experience in areas of development and finance, while providing relevant stakeholders with an opportunity to participate in discussions pertinent to the future of the business district.

Clearly, the functioning of the CSSD’s board does not align with general practices identified in comparable BIDs. The reconstitution and repurposing of its board would provide the CSSD with a level of operational and strategic support that is currently absent.

5.7 Best Practices and the CSSD in Comparative Perspective

Our environmental scan indicates that the CSSD lacks fundamental funding and governance components widely recognized as best practices and reflected in the seven BIDs we have examined. Nevertheless, the CSSD provides benefits that are highly valued by current contributors and that have persuaded the UEZ to fund expansion beyond the original downtown service area. GCP leadership has perceived the inherent tension between the CSSD’s core capacity and the demand for its services. The comparison with other BIDs clearly justifies a level of concern with long term sustainability under current operating conditions. The following specific conclusions are warranted:

- The CSSD serves a downtown area that is of a middling size compared to other BIDs;
- The size of its operating budget of $500,000 for the downtown is sensible in comparison to other BIDs. However, the needs of Camden’s business district are unique and the CSSD budget should reflect the distinctness of the district. For example, contrary to other BIDS, CSSD service a high number of unsightly vacant lots increasing the amount of money allocated for clean and safe services. While a vast majority of CSSD’s budget is spend on its clean and safe program, other BID’s allocate significantly less money for clean and safe services. For
example, Downtown Partnership of Baltimore and Newark Downtown District, spend approximately 58 and 35 percent of their budget on clean and safe services respectively, while Ironbound in Newark allocates 30 percent of their budget for similar services. The budget constraints that result from the unique issues faced by the CSSD require that the board reexamine the budget and consider increasing the current operation budget to approximately 750,000. Further expansion of CSSD’s scope will require an increase in operating expenses that should be driven by a sound business model rather than the availability of grant funding.

➢ The number and character of CSSD contributors raises serious sustainability questions for the Camden Downtown, let alone any additional service areas. In particular the low number of commercial enterprises, especially small businesses, places the entire fiscal burden of the CSSD on a small set of nonprofit organizations and governmental entities. This generates a number of issues for the CSSD. Most obviously there is a free rider problem; small businesses and other nonprofit organizations in CSSD service areas derive benefits without any contribution. Not only does this situation pose a direct challenge to the fiscal viability of the CSSD, but it also raises equity considerations for contributors who tolerate the free riding. Second, the lack of engagement with small business as key stakeholders and contributors, even at a reduced cost, reinforces a perception that the GCP and by extension, the CSSD is of, by and for the large institutions in Camden. This perception can only buttress longstanding community concerns, however unfounded, that positive developments in Camden exclude neighborhoods and residents.15

➢ The current CSSD revenue model is unstable and unsustainable in the long run. All of the BIDs to which we compared the CSSD operated under a formal assessment model, and six of the seven collected funds under a municipal ordinance that applied to all commercial properties within their service area. Given the constraints noted in the above bullet, the CSSD is not likely to be able

1. 

15 Many of the same residents and activists who opposed the original BID ordinance in 1992 are still active in City affairs and remain deeply suspicious of major institutions as well as City Hall.
to replicate the model of an ordinance authorizing an assessment model predicated on property tax values.¹⁶

- The CSSD should follow the example of other BIDs and organize itself as an independent, 501c organization. Such a legal distinction of the improvement district from the GCP will up targeted grant possibilities and increase the transparency of financial support for contributors, especially new recruits, to both the GCP and CSSD. In addition, the separate identity for the CSSD may help to free it from any community concerns about the continued flow of resources to the downtown and large institutions which comprise the GCP leadership.

- Uncharacteristic of other BIDs and recognized best practices, the CSSD has a very weak relationship with key municipal offices. Recent efforts of the GCP leadership, especially hiring a project manager with a strong track record of relating effectively with municipal departments including the Camden Police, demonstrates a recognition of this problem and a determination to address it. The transition to a new mayor holds out the prospect for “hitting the reset button” on the CSSD’s relationship with City government.

- A general conclusion to be drawn from our environmental scan is that compared to other BIDs the CSSD has accomplished an enormous amount in its first five years under extremely limiting circumstances. However, going forward, the GCP leadership rightly appreciates the need for making a number of critical decisions that will promote a stable and sustainable organization for the CSSD. In pursuing that end, a key strategic fact that confronts the CSSD, revolves around the fact that even in smaller or distressed cities BIDs have a more substantial economic and commercial base on which to build. In devising a strategy for the next five-to-ten years, the CSSD will have to develop a plan that enhances its capacity in the short-term while establishing goals and objectives that move the organization toward best practices in the long-term. For example, contracts with CSSD partners for fixed multi-year commitments may offer a bridge to developing a standard assessment model authorized by a municipal ordinance in the longer term.

1.  
16 A fuller discussion of a practicable assessment model for the CSSD is taken up in more detail in section 6 below.
Regarding the long-term, no strategic goal is more important to the CSSD than supporting economic development; without significant progress on that front, there will not be sufficient CSSD members to sustain an improvement district. No program or investment should be undertaken by the CSSD and the GCP leadership without considering carefully its contribution to economic development and commercial growth. In fact, it is advisable for the GCP and CSSD to adopt a goal of some number of new commercial enterprises in Camden within some specified period of time and organizing activities to achieve that goal. Compared to other BIDs, the CSSD’s core problem is that it is a business improvement district without a critical mass of businesses to improve.

To achieve strategic goals mentioned above, it would be advisable for the CSSD Director and the GCP President to restructure its board.

6. Fiscal Sustainability (Milano)

Recognizing the difficulty of sustaining CSSD operations under a voluntary contributions fiscal model, the GCP leadership contracted with Milano Community Development Finance Lab from the New School in New York City. With expertise in both urban financial matters and improvement district development, Milano was charged with performing a fiscal assessment of the CSSD and recommending a stable funding plan.

6.1 Preliminary Milano Findings and Recommendations

Based on careful research of successful BIDs and the facts on the ground in Camden as well as in-depth interviews of CSSD partners, Milano crafted an initial fiscal model which it presented to the GCP Executive Committee. Consistent with the environmental scan presented above, Milano reported that successful BIDs uniformly employed a
formal and binding revenue collection mechanism. More specifically, though, the Milano team noted that BIDs base their two cardinal principles:17

- Cost sharing among stakeholders based on a “benefits received” formula;
- Multi-year, legally binding contribution obligations for BID beneficiaries.

Since the CSSD’s major stakeholders are non-profit organizations, the Milano analysis eschewed the widely-used assessed property value basis as a proxy for benefits received in favor of a model predicated on square footage of property serviced by the BID. Working from the CSSD’s annual budget of $500,000 for the downtown, Milano was able to calculate the price per square foot of providing its clean and safe activities to the service area. Allocating equitable stakeholder contributions began by multiplying the price per square foot for the entire service area by the square footage of each individual CSSD beneficiary. In deference to the disparity in capacity between the largest and smallest stakeholders as well as the variation in types of property, Milano also incorporated a point system that separated properties into three tiers and then allocated a proportion of the CSSD budget to each tier.

While this modeling effort yielded a rationally based contribution system rooted in the generally accepted BID principle of benefits received, the practical results generated a set of pragmatic issues including: (1) an intricate tiered point system that created serious transparency concerns and (2) wide variations in the contributions of key stakeholders currently supporting the CSSD at equal levels. The GCP concluded that the preliminary Milano fiscal model, based on square footage as a measure of benefits received, would be impracticable to implement. The Milano proposal for multi-year contractual obligations for stakeholders was, however, accepted a critical to the sustainability of the CSSD.

6.2 Amended Milano Findings and Recommendations

Following feedback from the GCP Executive Committee, The Milano Team attempted to revise and simplify its fiscal model in order to address the drawbacks identified in

1. See Appendix I for full Milano Report.
the first round assessment. After making a number of adjustments such as eliminating
the tiered point system and shifting from a simple square footage to a square footage of
property frontage as a proxy for benefits received, Milano produced a second fiscal
model. This second model would have incorporated eighty percent of the non-
residential and beneficiaries in the downtown district, but would have generated only
$225,000 of the CSSD’s annual operating budget. The differential ($275,000) would have
been supplemented by surcharges imposed on larger stakeholders who are currently
funding the BID. As the Milano Team noted, this approach had the virtue of expanding
stakeholder contributions, assuming small businesses and some non-profit
organizations would buy in or, if a municipal ordinance were sought, would not oppose
its enactment. The model would also provide stable funding for almost fifty percent of
the CSSD operating budget for the downtown district. Nevertheless, Milano Team
concluded that this modified approach would not successfully address the CSSD’s long
term fiscal sustainability question. Their recommendation was for an immediate
adoption of a multi-year contractual commitment of all CSSD contributors at current
levels of support coupled with a simultaneous commencement of a “planning process
of implementing an official improvement district in order to facilitate the application
of an assessment model to the CSSD.” Milano also strongly suggested that the CSSD
explore opportunities for marketing its services to create alternative revenue streams.

7. Operations and Management (Wendell)

In addition to a drill down analysis of fiscal sustainability for the CSSD, the GCP
requested a strategic review of operations and management functions with an eye
towards achieving efficiencies and identifying growth opportunities. This portion of the
assessment was performed by Wendell & Associates and the Wendell study specifically
evaluated: staffing and deployment; current and potential scope of services; contract
structure and competitiveness; appropriateness of equipment; performance and
feedback metrics; management and oversight structure. In addition, Wendell was asked
to recommend a structure for organizing a citywide anti-graffiti initiative for the CSSD.

7.1 Staffing and Deployment
Wendell identified seven CSSD employees: four workers, two ambassadors and a supervisor. Hourly pay rates stood at $9.00 for the workers, $9.23 and $9.46 for the ambassadors and $13.00 for the supervisor. The expansion into the commercial corridors funded by the UEZ is staffed by twelve workers earning hourly wages $9.50, one lead workers earning $10.00 per hour, and one supervisor earning $12.00. In addition to the pay disparities, Wendell underscored the lack of benefits for all workers as a problem that the CSSD should address. New uniforms and better winter apparel were urged as well. During the course of the Wendell study, the GCP engaged a full-time CSSD Director, signaling recognition that BID management should no longer cannibalize the leadership resources of the parent organization.

With respect to deployment, Wendell questioned the efficiency of the current approach which assigns workers to one area for an entire day. The analysis opined that a “more thorough review” undertaken by the new CSSD Director might reveal that not all deployment zones required seven-day-a-week cleaning and perhaps some could be maintained with as few as two days per week. Wendell also speculated that the CSSD might want to create a “special team” to address “hot spot and special incidents,” though it was unclear if this team required additional personnel or it was to be formed by redeployment. Finally, Wendell suggested the formation of a two-person graffiti removal squad that could also supplement core clean and safe functions. A supplementary consulting visit by Frank Russo, Deputy Executive Director of the Downtown (Washington)DC Business Improvement District, recommended altering deployment according to a peak load model in which more workers would be assigned to cleaning duties to coincide with morning, lunch and evening, thereby maximizing visibility as well as effectiveness.

7.2 Current and Potential Scope of Services

The Wendell study correctly observes that the CSSD presently focuses on street and sidewalk cleaning, landscape maintenance, and special event-related services. Contributors surveyed in the study reported a high level of satisfaction with these activities. However, as Wendell also asserts, these activities alone ultimately will not have the desired positive impact on economic development. In particular the study
recommends both a more robust ambassador function and closer cooperation with public safety organizations, especially the Camden Police Department. Hiring more staff to expand the ambassador function was suggested, as was cross-training all workers to cover cleaning, public relations, marketing and public safety functions.

Wendell indicated that for an effective Ambassador Program to be fully realized, the CSSD should pursue the possibility of joint training, common roll calls and shared dispatch system in conjunction with public safety personnel. It was also suggested that the Camden Police Department create a Downtown/UEZ substation to be co-located with a new CSSD headquarters. While a deeper collaboration between the Police and the CSSD is both desirable and possible, the level of operational integration and the co-location of a sub-station suggested in the Wendell report is highly improbable at this time given the Police Department’s emphasis on attacking violent crime and its intelligence-led deployment strategy. Moreover, the full array and depth of expanded ambassador and public safety programming contemplated in these recommendations is likely to strain the current capacity of the CSSD, particularly given its fiscal sustainability concerns. Nevertheless, Wendell’s contention that a BID’s aspiration to fully realize its economic revitalization potential relies largely on its ability to integrate its cleaning operations with a strong public safety and visitor service effort is incontrovertible.

Wendell also correctly notes that successful BIDs have extended the scope of their services well beyond even the core combination of clean and safe functions. In this regard, it is advised that the CSSD incorporate an urban planning operation, an effective development/fundraising function, and a summer youth jobs program into its mission. While each of these may be laudable generic goals for a downtown BID, the circumstances in Camden may militate against the CSSD adopting all three. Camden, for instance, has an abundance of community development corporations and Neighborhood Plans, a highly successful planning and development organization in Cooper’s Ferry Development Association, major institutions with their own master planning objectives and a heavy governmental involvement in urban planning via the CRA. For the CSSD to build a planning capability would risk duplication of these
resources and could undermine the GCP’s position as a neutral convener. An independent fundraising capacity would be functional, especially if it were targeted to development opportunities geared specifically toward BIDs and did not compete with the GCP for resources. The recommended hiring of a Director of Development, though, would have to be weighed very careful before committing resources to such a position. With respect to summer youth employment program, the CSSD should proceed only after carefully investigating existing programs with which collaboration might be possible. Camden is a relatively small city and the CSSD should be mindful of how its independent efforts might be perceived by residents and community groups that have been struggling with such social problems for decades.

Echoing the Milano study, Wendell recommended a significantly enhanced marketing function which could develop a fee for service opportunities and promote downtown events. Hiring a full-time Marketing Director was deemed essential to ensuring focus and success of a marketing program. However, a summer youth jobs program, the suggested start-up marketing activities of web development, event planning and advertizing, business surveys and relationship building, information collection, etc. all seem to overlap significantly with what would normally be expected of a Development Director. Consequently, the CSSD should consider whether these functions might be combined and subsumed under the portfolio of the newly-hired CSSD Director. The consultant report from Russo added that publicity through service tags, web presence, and signage at a downtown headquarters are all helpful in a coordinated marketing effort.

7.3 Contract Structure and Competitiveness

Wendell noted a number of possibilities for improving the current contract to achieve savings and enhance performance. Recommendations included both changes to the contracting process and the structure of the agreement itself. Regarding the contracting process, Wendell strongly encouraged the utilization of an RFP designed to elicit detailed information on eleven variables (see Appendix II). The RFP would form the basis of a competitive bidding procedure. The new contract should reflect four specific changes from the current operating agreement. First the contract should cover multiple
years rather than being amended on an as-needed basis. The longer contract terms, as Wendell observes, would afford the CSSD opportunities to achieve economies of scale and allow amortization of capital equipment. Second, the contract should specify personnel policies. Third, specific accountability metrics should be incorporated into the contract. Lastly, the new contract should not include non-competitive language. The language in the current contract between CSSD and Service Group Incorporated (SGI) includes non-competitive language that prohibits CSSD from receiving fair market prices for services.

7.4 Equipment

Wendell made a number of suggestions for improving the mix and deployment of the CSSD’s equipment. Noting underutilization and limited effectiveness of Kubota carts, it was recommended that only one of the three be retained along with the pick-up truck and the van. Power cleaning equipment was viewed as assets to be maintained and upgraded; Hydrotek power washers to support anti-graffiti efforts as well as sidewalk cleaning and replacement of the litter sweeper with two ATLV riding vacuum vehicles. The study also recommends replacing the CSSD Manager’s truck with a fuel efficient vehicle. Since no cost estimates were provided for these changes it is not possible to determine whether they would amount to net savings or expenditures over a number of years. It is clear though, that replacements or upgrades would require capital outlays in the short-run. As with the assessments of staff deployment, Wendell suggests the need for a more detailed study of equipment needs.

7.5 Performance and Feedback Metrics

A number of possibilities for enhancing performance measurement and program evaluation were proposed including pedestrian counts, satisfaction surveys, formal inspections of service areas and recording new business and investment. The Russo consultation report supported these recommendations and advised the use of a web presence to increase feedback sources as well as the accumulation of testimonials that can support development.

1. Presumably business failure and disinvestment would be recorded as well.
7.6 Management and Oversight Structure

Wendell highlighted three managerial improvements the CSSD should consider: reconstituting the CSSD board to include operational representatives of stakeholders rather than top leadership; inclusion of new contributors on the CSSD board; and organizing the CSSD as a 501c entity.

Reinforcing the findings of both the environmental scan and the Milano School, independent 501c status is proposed for the CSSD. In addition to the reasons already discussed (clarity of the difference between the GCP and CSSD for funders, grant opportunities geared to BIDs, and freeing up GCP resources for more of an economic development focus), creating a 501c organization will allow an unbundling of the fiscal records and management activities from the GCP. Wendell suggests maintaining the relationship between the two organizations by reserving ex officio seats on the CSSD board for a few GCP leaders and requiring quarterly reports to the GCP Executive Committee. This model would be especially advisable if the Wendell recommendation to shift CSSD board membership from top leadership of stakeholder organizations to a more operational membership.

8. Relations with City Government (WRI)

The third focus of this strategic review, the relationship between the CSSD and municipal government, is generally recognized as a cornerstone of BIDs success. Without a strong and cooperative connection between an improvement district and City Hall, unnecessary operational redundancy, missed opportunities for improvement of service delivery, and suspicion are all likely outcomes. Best practice indicates that the relationship should be developed on two levels, day-to-day operations and policymaking, and should be institutionalized through regular communication. The environmental scan clearly indicates that all seven BIDs analyzed maintained an effective working relationship with municipal government. While the CSSD, largely through the actions of GCP leadership, has had ongoing, if irregular, interaction with
the Mayor, the CRA, and City Council, critical operational cooperation with the Police, Public Works and Code Enforcement has proved to be more challenging.

This section presents WRI’s findings from an assessment of interactions between the CSSD and those three municipal departments. The basis of the analysis is a series of field interviews conducted with Inspector Lynch of the Camden Police Department, Director of Public Works Pat Keating, Director of Code Enforcement Iraida Afanador and Chief License Inspector at Code Enforcement Doris Arch. Findings are organized into the three broad topics investigated: (1) level of knowledge about CSSD; (2) nature and frequency of interaction with the CSSD; (3) potential for improved working relations.

8.1 Level of Knowledge about CSSD

All three city departments were aware at some level of the CSSD but none had a detailed knowledge of the improvement district operations, its mission, or its capabilities. More importantly, none of the officials interviewed indicated that the CSSD figured in their own strategic or operational thinking, though they all recognized the potential for synergy if organizational inertia could be overcome. It was clear that the initiative for changing the nature of the relationship would have to come from the GCP and CSSD. The Police Department appeared to be only marginally well-informed about the CSSD, indicating that the officers had observed uniformed CSSD workers in downtown district and as a direct result of outreach from Sue Brennan (Broadway Main Street Manager for the GCP), were made aware of the planned expansion to the Broadway corridor. They did not, however, know the full extent of the UEZ-funded expansion. The Public Works Department was quite knowledgeable about the CSSD, largely as a consequence of their close work with the CSSD on trash pick-up and disposal from service areas and the fact that the City’s original $50,000 contribution to the CSSD was reportedly diverted from the Public Works budget. Moreover, development of the CSSD had aroused concern among the unionized Public Works employees regarding the potential threat posed to their job security. Code Enforcement was also cognizant of the CSSD; Director Afanador had a general knowledge of the CSSD and Inspector Arch reported direct interactions regarding potential code
violations observed and phoned in by CSSD workers. Of the three municipal units examined, it is fair to say that the CSSD appeared most prominently on the radar of Public Works, less so for Code Enforcement, and least for the Police.

8.2 Nature and Frequency of Interaction

If effective communication is a hallmark of a strong relationship, it is obvious that there is considerable room for improvement in the way the CSSD and city agencies interact. Director Keating noted that even the regular operational interaction Public Works maintains with the CSSD does not extend to strategy or policy and that he had learned of CSSD program initiatives through back channels or as they were announced in City Council walk-on proceedings. Communications with Code Enforcement are irregular, opportunistic, and restricted to purely operational matters of complaint intake, while interaction with the Police is essentially non-existent. As noted above, Sue Brennan has initiated communication with Chief Scott Thomson around the CSSD’s Broadway program, but this does not approach a level recommended by the Wendell study or the levels enjoyed in other BIDs.

8.3 Potential for Improved Working Relations

All three municipal departments recognized the potential for a better working relationship with the CSSD and expressed a desire to achieve that goal. In the course of interviews, a number of specific ideas and recommendations emerged, which could be implemented immediately at low or no cost.

8.3.1 Formalization and Regularization of Communications

Police, Public Works and Code Enforcement indicated that institutionalizing formal mechanisms for communication with the CSSD would be advantageous. All expressed the view that CSSD workers were making a positive difference at least in the downtown service area and the Police noted that there visibility can only help in creating a higher

1. 

19 Following WRI’s interview with the Police, Inspector Lynch has regularly attended GCP Board meetings.
perception of safety that matches the relatively low incidence of crime in the downtown. As a first step the GCP should convene leadership from all three city departments and the CSSD to explore more carefully what regular interactions would best suit each entity. The Police, for example were emphatic that meetings they attend should be as infrequent as possible and focus on “actionable matters” given their obligations with DCCBs and community groups. Public Works appeared amenable to more frequent opportunities for interaction, but stressed the need for discussion of policy, strategy and new initiative contemplated. In particular Public Works saw the need for harmonizing deployment strategies to effect cleaning activities. Director Keating opined that having a strategic or planning relationship between Public Works and CSSD would be helpful. The Director also observed that he has his learned of CSSD’s expansion and new initiatives second hand or through the “walk-on process”- when he is in attendance at City Council meetings. Code Enforcement expressed an interest in both expanded and more formal communications for code violations that would include mechanisms for follow-up and in higher level discussions of emerging problem areas and strategy.

8.3.2 Training for CSSD Staff

Code Enforcement saw utility in providing training in the nuts and bolts of code enforcement for CSSD workers as well as supervisors. Communication and effective response would be aided if CSSD staff were trained to recognize technical property code violations, animal abuse, etc. Training would also provide an opportunity to build a working relationship between Code Enforcement and CSSD personnel. Co-training would also be desirable with Public Works, though the emphasis would be less on legal, technical matters and more on procedures and operations.

8.3.3 “Eyes and Ears”

The Police and Code Enforcement both saw prospects for the CSSD enhancing their information, intelligence and response capabilities if CSSD workers could act as their “eyes and ears” on the ground. Implementation of such a program would require additional training, particularly for the police, so as to insure the safety of CSSD
workers. Although the level of integration between Police and the CSSD recommended by the Wendell study is problematic under current conditions, the Police were interested in exploring how CSSD might safely contribute to their intelligence-based policing strategy. There may be a tie-in to the planned “eye-in-the sky” implementation the police are planning whereby CSSD workers can be provided with silent reporting capabilities.

9. Conclusion and Recommendations (WRI)

Four broad conclusions emerged from the strategic review of the CSSD. First, the CSSD is providing services that are valued by stakeholder contributors and have created a demand for expansion of those services, however, the CSSD is recognized primarily for the clean aspect of traditional BID clean and safe programs. Second, the CSSD will need a short term fix to its fiscal and management model that can provide some stability until the development of a more sustainable arrangement. Third, CSSD should undertake a strategic planning process that will establish long term goals and objectives for sustainability as well as an action plan for achieving them. Both the Milano and Wendell studies clearly indicate the need for the CSSD to undertake such a process. Fourth, the key to long term success for the CSSD is an expansion of contributing members, both the engagement of small businesses and nonprofits who are currently free riding and a commitment to support efforts to attract new commercial enterprise. While the CSSD is not equipped to take a leading role in bringing private investment to Camden, its capacity to improve the environment where businesses might locate should make it a strategic partner in Camden’s economic development efforts. The following short term actions and long term goals reflect directly these four conclusions and the analyses of Milano, Wendell, and WRI.

9.1 Short Term Actions

1. Institute a three-year CSSD contribution contract for all stakeholders at current levels of support.
2. Restructure the CSSD Board to include stakeholder representatives with operational responsibilities as well as top leadership. If possible, representatives of Police, Public Works and Code Enforcement should join the Board.

3. Transition the CSSD to an independent 501c3 organization.

4. Request that the new CSSD Director review current deployment strategy in light of Russo and Wendell suggestions for peak load assignments and more sustained efforts in some service areas than in others, and report back to the CSSD Board in three months with a new deployment plan.

5. Request that the new CSSD Director produce, within three months, a five-year capital equipment plan that incorporates the Wendell study recommendations and observations. This capital plan should be reported to the CSSD Board for its consideration.

6. A work group of key CSSD Board members and the GCP President should be organized to develop an RFP and a bidding process for a new contract that addresses the Wendell observations on deficiencies in the current contract process. A new contract should be implemented as soon as possible.

7. The CSSD’s web presence should be enhanced to allow for feedback and more effective marketing. These enhancements should be pursued using current staff resources or through in-kind contributions of stakeholders and interns, with attention to training CSSD staff on utilizing and maintaining the web presence.

8. The CSSD Director and SGI Supervisor (Maceo) should review the findings from Wendell and Russo on improved performance metrics and recommend to the CSSD Board a new performance evaluation program with an implementation plan.

9. The GCP President and CSSD Director should convene a meeting of the Police Chief, Director of Public Works, and Director of Code Enforcement to develop and institutionalize communication with the CSSD on policy and strategic matters.

10. The GCP President and appropriate CSSD staff should meet individually with Police, Public Works and Code Enforcement to explore more effective
operational collaboration including where appropriate training for CSSD workers.

11. Organize a retreat for CSSD Board and key staff to refine and devise an implementation plan for the long term goals identified below.

9.2 Long Term Goals
1. Adopt vision and mission statements that define the geographic and functional scope of services for the CSSD. In this process consider the appropriate relationships to be developed with property managers and the variety of public safety organizations operating in Camden.

2. Define the precise relationship between the GCP and the CSSD with respect to fundraising, marketing, and communication with stakeholders.

3. Define a management structure and staff for the CSSD that aligns with the mission and vision and adopt a plan to effect the necessary changes. Will there be separate marketing and development positions? Will there be additional hiring of clean and safe workers? Will there be additional ambassadors whose duties are distinct from street cleaning, anti-graffiti, and landscape maintenance functions?

4. Assess the validity of differential contributions among stakeholders and adopt a funding formula that rationally assigns contribution levels based on a benefits received approach as well as ability to pay.

5. To ensure fiscal sustainability, decide whether to pursue a new municipal ordinance more in line with those governing other BIDs or adopt an internal agreement assessing members.

6. Devise a plan to incorporate all small businesses in current service areas into the CSSD as contributing members. Such a plan will have to be sensitive to past grievances and financial constraints but is essential for reducing free riding, expanding the base of the CSSD and increasing its legitimacy.

7. Identify and assess additional revenue streams to augment stakeholder contributions and. Alternatives should include but not be limited to dedicated
assessments from parking and tickets in Waterfront entertainment venues, adequate fee-for-service on special projects or events, and sponsored fundraising events.

8. Review the capital plan (see #4 above) and develop a financing plan to meet the CSSD’s equipment needs going forward.
APPENDIX I

The Milano Study
APPENDIX II

Wendell & Associates Study
APPENDIX III

WRI Study