52nd Street: A Commercial Corridor for West Philadelphia

Investment and Partnership Opportunities
What is the 52nd Street Investment Playbook?

The 52nd Street Investment Playbook was launched by The Enterprise Center (TEC) and the Nowak Lab to provide investors, banks, community members, state and local leaders with the opportunity to realize economic and social returns from the revitalization of 52nd Street as the main corridor of West Philadelphia.
The 52nd Street Investment Playbook focuses on over 30 investments and strategies, totaling to over $160M.*

<table>
<thead>
<tr>
<th>Investments and Strategies</th>
<th>Leading Organizers</th>
<th>Cost</th>
<th>Potential Noteworthy Funders</th>
</tr>
</thead>
</table>
| **Transformative Real Estate** | Marketplace 52  
Parke Building  
277 Community & Business Resource Center  
5241-43 Market Street  
52nd Street Commons | TEC | $90M | State ($15M) |
| **Business Support & Attraction** | Grants for Small Business Infrastructure (5 Grants)  
Minority Contractors & Procurement | TEC | $4.8M | City Programs; Banks (JP Morgan + Wells Fargo) |
| **Infrastructure** | Public Improvements (2 investments)  
Connected Street Initiative (5 investments)  
Climate Action Plan (5 investments) | TEC + SEPTA + City of Philadelphia | $68M | IIJA Funding (channeled through states and cities) |
| **Community Development** | Inclusion of residents in employment opportunities  
Minority Contractors & Jobs  
Anchor Institution Collaboration  
Third Places | TBD | TBD | Anchor Institutions |
| **Housing** | Affordable Housing Accessibility  
Preservation of Naturally-Occurring Affordable Housing  
Protection of Renters  
Housing Quality and Conditions  
Sustainability of Local Homeownership | TBD | TBD | TBD |
| **TOTAL** | | ~$163M | |

*Note: This cost is expected to increase as projects on Housing and Economic Mobility are costed and incorporated.
Unprecedented federal investment presents a unique opportunity for place-based initiatives.

- **The American Rescue Plan Act (ARPA, $1.9 trillion) — passed in March 2021**
  - The bill included $350 billion in discretionary Coronavirus State and Local Fiscal Recovery Funds (SLFR), of which **$7.3 billion went to Pennsylvania**.*
  - Surplus ARPA funds for Pennsylvania have yet to be allocated.

- **Infrastructure Investment & Jobs Act** ($1.2 trillion, $549 billion in new spend) — **passed November 2021**

- **Inflation Reduction Act** ($740 billion, incl. $360 billion on clean energy programs) — **passed August 2022**

The 52nd Street playbook seeks to build on this momentum to build a vibrant and healthy corridor.

The main objective is achieving a vibrant and healthy corridor that adapts to the needs and concerns of residents.

Our equitable development approach ensures that everyone can participate in and benefit from decisions that shape their neighborhoods and regions.

This entails being intentional with investments and infrastructure.

<table>
<thead>
<tr>
<th>What characterizes a healthy commercial corridor?</th>
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<tbody>
<tr>
<td>Mixed-use district with clustered development</td>
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<tr>
<td>Retail anchors that add, not detract, from the small business environment</td>
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<tr>
<td>Institutional anchors that provide community-accessible jobs</td>
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<td>Thriving local-owned and legacy small businesses</td>
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<tr>
<td>Professional services that meet community needs in health and finance</td>
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<tr>
<td>Cultural assets that convene community</td>
</tr>
<tr>
<td>Mixed-income residency</td>
</tr>
<tr>
<td>Pedestrian oriented design</td>
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<tr>
<td>High proportions of local ownership</td>
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</table>
The playbook focuses on the 52nd Street corridor, from Malcolm X Park to Arch Street.

6 Blocks, stretching 0.5 miles, that host 138 Businesses that employ 648 people and generate $98 million in annual sales.

The neighborhood* surrounding 52nd Street suffers from entrenched inequities: compared to the city, 52nd Street's residents are predominantly Black, poorer and less educated.

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Education</th>
<th>Income</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Growth Rate</td>
<td>% Black</td>
<td>% w/BA+</td>
<td>Median HH Income</td>
</tr>
<tr>
<td>Corridor</td>
<td>3%</td>
<td>74%</td>
<td>27%</td>
<td>$39k</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>5%</td>
<td>40%</td>
<td>33%</td>
<td>$54k</td>
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*Note: The neighborhood surrounding 52nd Street was defined as the area within a 10min walk from the corridor. 
There are **four distinct benefits** to investing in the development of 52nd Street.

- **Strong Local Intermediary**: TEC is rooted in West Philly, having anchored several community plans and development projects.
- **Cultural & Commercial Assets**: 52nd Street is West Philly’s second largest cluster of businesses and cultural assets.
- **SEPTA Transit Station**: The 52nd Street SEPTA station is the busiest transit stop outside of Center City.
- **Anchor Proximity**: UPenn and Drexel Campuses, as well as CHOP and HUP, lay within a 2.5 miles radius from the corridor.
As West Philadelphia grows, new development inches towards 52\textsuperscript{nd} Street.

- As Philadelphia recovers from the pandemic, the University City market continues to grow, faster than other areas in Philadelphia.*

- Recent development activity in West Philadelphia is marching towards 52\textsuperscript{nd} Street. More than 1,300 units have been permitted for construction between 44\textsuperscript{th} and 57\textsuperscript{th} Streets, with another 1,900 units in the pipeline.

*Source: Market values in University City rise as residents struggle to stay in their homes, The Daily Pennsylvanian
As new development inches west, it has the potential to magnify existing trends affecting the corridor.
There are **six key trends** that will impact the corridor’s trajectory.

### Corridor Trends

<table>
<thead>
<tr>
<th>Trend</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor Purchases</td>
<td><strong>16 corporate owners</strong> control 40% of the corridor.</td>
</tr>
<tr>
<td>Ownership of Properties</td>
<td>77% Black population, but significantly lower <strong>Black business ownership</strong></td>
</tr>
<tr>
<td>Bargain Retail</td>
<td>The corridor holds 6 <strong>discount stores</strong> in less than 0.2 miles.</td>
</tr>
<tr>
<td>Anchor Spend</td>
<td><strong>Low utilization of local businesses</strong> by nearby anchors.*</td>
</tr>
<tr>
<td>Public Space and Safety</td>
<td>The corridor faces high levels of <strong>gun violence</strong>.</td>
</tr>
<tr>
<td>Longstanding Inequity</td>
<td>Residents earn roughly <strong>74% of the city’s median income</strong>.</td>
</tr>
</tbody>
</table>

*Note: “Anchors” are defined as anchor institutions that are mainly medical and educational institutions.*
TEC and Nowak Lab created five strategies responding to these trends.

**Corridor Trends**

1. **Investor Purchases**
2. **Non-Local Ownership**
3. **Bargain Retail**
4. **Anchor Spend**
5. **Public Space and Safety**
6. **Longstanding Inequity**

**Key Strategies**

1. **Transformative Real Estate**
   - Acquire a cluster of properties and develop them into projects that signal to the market equitable economic development.

2. **Business Support**
   - Support and attract minority startup activity to serve the community’s unmet needs.

3. **Infrastructure**
   - Create a sustainable and connected platform for equitable growth.

4. **Community Development**
   - Expand opportunities and improve outcomes for all residents.

5. **Housing**
   - Help residents become homeowners and mitigate displacement.
These strategies support a **healthy and vibrant corridor**.

### Corridor Trends
- Investor Purchases
- Non-Local Ownership
- Bargain Retail
- Anchor Spend
- Public Space and Safety
- Longstanding Inequity

### Key Strategies
- **Transformative Real Estate**
- **Business Support**
- **Infrastructure**
- **Community Development**
- **Housing**

### Vision for the Corridor
- **The corridor provides high-quality products and services.**
- **Public spaces and quality infrastructure create a safe and healthy environment.**
- **High proportions of local owners**
- **Institutional anchors provide community-accessible jobs.**
Through the development of transformative real estate, TEC sets the tone for a healthy, vibrant, and equitable commercial corridor.

- **Catalytic Investment**
  - Transformative Real Estate
  - Partner with anchors* to create mentorship and employment opportunities.
  - Activate green space in Malcolm X Park and create placemaking features along the corridor to attract activity.

- **Transformative Real Estate**
  - Launch and support locally-owned businesses to provide high-quality products and nutritious food.

- **Preserve naturally-occurring affordable housing and local homeownership.**
  - Create public community spaces with tenants that preserve culture and ensure 100% minority contractors in the development of these spaces.

- **Provide accessible business resource centers on the corridor.**
  - Implement digital and energy-efficient infrastructure to modernize public assets.

*Note: “Anchors” are defined as anchor institutions that are mainly medical and educational institutions.
The five strategies for intervention on 52nd Street total to over $160 M.

**Housing**
- Preserving naturally-occurring affordable housing stock for existing residents and supporting local homeownership.

**Community Development**
- Bolstering "third" places, like YMCA or Blackwell Library
- Generating employment opportunities

**Transformative Real Estate**
- Five defining projects that set the tone for future development, indicating how community-serving real estate can generate social, economic, and financial returns.

**Business Support**
- Business Improvement Grant
- New Business Grant
- Upper Floor Reuse Grant
- Storefront Improvement Grant
- Minority Contractors and Procurement

**Infrastructure**
- Public space improvements, such as outdoor seating outside of the library.
- Public art along the train bridge.
- Green infrastructure and streetscape improvements
- Fiber network/WiFi
- Rooftop solar panels
- Intelligent traffic systems and tech-enabled safety enhancements
- EV parking spaces and charging stations
- Welcome kiosks at 52nd Street SEPTA station
- Efficient, transit-oriented development

**Malcolm X Park**
As a foundational first move, TEC will transform key real estate properties along the corridor into community-serving assets.

**Transformative Real Estate**
Five defining projects that set the tone for future development, indicating how community-serving real estate can generate social, economic, and financial returns.

- **52nd Street Commons**
  - Incoming Tenant: Honeysuckle
  - Project Cost: $5.5M

- **38-42 S 52nd Street**
  - Current Tenant: Footlocker
  - Project Cost: TBD

- **Marketplace 52 (Site TBD)**
  - Project Cost: $15.5M

- **Parke Building**
  - Incoming Tenant: TBD
  - Projected Cost: $27M

- **277 S 52nd Street**
  - Current Tenant: TEC
  - Project Cost: $2.5M

**Business Support**
- Business Improvement Grant
- New Business Grant
- Upper Floor Reuse Grant
- Smart Retail Pilot Program
- Energy Audit Program

**Community**
- Bolstering "third" places, like YMCA or Blackwell Library
- Generating employment opportunities

**Housing**
- Preserving naturally-occurring affordable housing stock for existing residents.

**Infrastructure**
- Public space improvements, such as outdoor seating outside of the Library.
- Public art along the Train Bridge.
- Green infrastructure and streetscape improvements
- Fiber network/WiFi
- Rooftop solar panels
- Intelligent traffic systems and technology-enabled safety enhancements
- EV parking spaces and charging stations
- Welcome kiosks at 52nd Street SEPTA station

**Market Street Community Resource Center**
- Current Tenant: TEC
- Project Cost: $400K

**Marketplace 52 (Site TBD)**
- Project Cost: $15.5M

**Parke Building**
- Incoming Tenant: TBD
- Projected Cost: $27M
Financing this strategy requires going **beyond the limits of traditional development financing.**

Traditional funding sources do not align with coherent local priorities.

The recent influx of federal and state funding requires **additional coordination efforts.**

Traditional financing might be reluctant to invest in a **traditionally low-return market** (MBEs credit profile is low and building conditions are not optimal).

The corridor **lacks tax increment finance and is not a business improvement district.**
A $15M catalytic investment can unlock an impactful public private partnership.

State Funds
"First-in" flexible working capital to prove the market and attract blended capital to invest in the next layers of the project.

Potential blend of patient capital
Supports Transformative Real Estate, Business Support, Infrastructure, Community Development and Housing

Unlocks

$15M catalytic investment

~$160M
52nd St. Playbook
Summary

1. TEC has begun acquiring and redeveloping anchor properties with success on the 52nd Street Corridor.

2. As the market accelerates westward, their acquisition strategy is pivotal to the realization of a healthy and equitable corridor, particularly as they look to replace noncommunity serving uses and develop a construction pipeline of minority contractors.

3. To further their impact, they need patient working capital and nondilutive grants to unlock properties and put them to productive use.

4. With similarity to other corridor efforts, we propose a $15 million catalytic investment to kick off the redevelopment of transformative real estate, including 277 and the 52nd Street Commons concept, an innovative, intermediary-led approach.

5. This Playbook is a living document and can be updated as the market changes.
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