

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

5

- - -

6

Room 400, City Hall.
Philadelphia, Pennsylvania
Thursday, March 31, 2005
2:10 p.m.

8

- - -

9

RESOLUTION 040827 - A resolution authorizing
the Committee on Commerce and Economic
Development to hold hearings to review the
findings and recommendation of the
Philadelphia 21st Century Economic Development
Summit...

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

PRESENT:

COUNCILMAN W. WILSON GOODE, JR., Chair
COUNCILMAN DARRELL CLARKE
COUNCILMAN FRANK DICICCO
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN MICHAEL NUTTER
COUNCILMAN FRANK RIZZO
COUNCILWOMAN DONNA REED MILLER

22

- - -

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

V A R A L L O Incorporated
Litigation Support Services
1835 Market Street, Suite 600
Philadelphia, PA 19103
(215) 561-2220

1		
2	I N D E X	
3		PAGE
4	STEPHANIE NAIDOFF	3
5	MARISA WAXMAN	30
6	MAXINE GRIFFITH	54
7	KEVIN HANNA	67
8	MALCOLM LAZIN	91
9	GILBERT ROSENTHAL	96
10	HARRIS ECKSTUT	108
11	JUDITH ROBINSON	118
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 COUNCILMAN GOODE: This
3 hearing is called to order. This is a
4 public hearing of the Commerce and
5 Economic Development Committee for
6 Resolution Nos. 040827 and No. 041017.

7 My name is W. Wilson Goode,
8 Jr., chair of this committee. A quorum
9 is not necessary, as this is a resolution.
10 Attending the hearing at this point is
11 Councilman Frank DiCicco and
12 Councilwoman Donna Reed Miller. We
13 expect other committee members to show
14 up at some point.

15 The title of Resolution No.
16 040827, authorizing the Committee on
17 Commerce and Economic Development to hold
18 hearings to review the findings and
19 recommendations of the Philadelphia 21st
20 Century Economic Development Summit, to
21 take public testimony related to the
22 Street Administration's proposed Economic
23 Development Blueprint and Investment Fund
24 and further authorizing the Committee to
25 issue subpoenas to compel the attendance

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 of witnesses and the production of
3 documents and other evidence; title of
4 Resolution No. 041017, a resolution
5 authorizing Philadelphia City Council's
6 Committee on Commerce and Economic
7 Development to hold hearings to
8 investigate residential and commercial
9 development in Philadelphia, including
10 waterfront development and the Building
11 Industry Association of Philadelphia's
12 recommendations to encourage new
13 construction in the city.

14 Our first witness will be
15 the commerce director, Stephanie Naidoff.

16 Good afternoon, Miss Naidoff.
17 Please state your name for the record and
18 proceed with your testimony.

19 MS. NAIDOFF: Good afternoon,
20 Mr. Chairman and Members of the
21 Committee. I'm Stephanie Naidoff, and I
22 am Philadelphia's City Representative and
23 Director of Commerce.

24 I'm pleased to have this
25 opportunity to provide additional

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 testimony on the recently completed
3 Economic Development Blueprint in
4 response to Councilman Goode's
5 resolution.

6 I also have a secondary
7 objective today. I hope to demonstrate
8 how the blueprint speaks to another issue
9 on the committee's agenda, Resolution
10 041017, which focuses on the issue of
11 development in the city.

12 There are several City
13 departments represented here today in
14 order to provide detailed information
15 regarding residential and commercial
16 development in the city. The Blueprint
17 speaks to the way in which these issues
18 are divided between departments and
19 provides the larger framework for
20 coordinated policy planning and improved
21 service delivery. The Blueprint presents
22 the administration's goal to improve
23 development in the city through
24 transparency, coordinated policy
25 planning, and a shared vision for

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 encouraging development in Philadelphia.

3 At our last meeting to discuss
4 the Blueprint on March 3, I presented the
5 initial administrative priorities coming
6 out of the Blueprint process and outlined
7 the administration's plan to present the
8 full document last week.

9 Since the March 3 hearing the
10 administration has worked to flesh out
11 the remaining objectives and complete the
12 administration's comprehensive vision for
13 economic development in Philadelphia.

14 We also provided the
15 opportunity for the public to comment on
16 the executive summary via the Internet.
17 We have kept to the Mayor's proposed
18 schedule and I'm pleased to be here today
19 to present testimony and answer any
20 questions you may have.

21 In my testimony to this
22 committee earlier in the month I
23 presented the first four Blueprint
24 objectives: Expansion of the City's
25 knowledge industry, support for civic and

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 cultural development, making Philadelphia
3 a national model for MBE/WBE
4 participation in the local economy, and
5 continuing and growing the successful
6 development of Philadelphia's 38 miles of
7 waterfront.

8 Consistent with our objective
9 to make Philadelphia a model for MBE/WBE
10 participation, the Mayor issued an
11 executive order committing the City to
12 achieving equitable participation for
13 minority and women-owned businesses
14 especially within City government but
15 also within the larger economy. As the
16 Mayor pointed out, increased
17 participation for minority and
18 woman-owned businesses is good business.

19 To the original four objectives
20 we add now six additional objectives:
21 Sustain advances in neighborhood economic
22 development; make City government
23 incentive programs more predictable,
24 objective and equitable; continue
25 business attraction and expansion

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 efforts; continue to reduce the cost of
3 and barriers to doing business in
4 Philadelphia; increase educational
5 opportunity and access to literacy
6 services; and, sixth, maintain fiscal
7 responsibility through strategic tax
8 allocation and tax reduction.

9 I will go over these six now in
10 a little more detail.

11 Sustain advances in
12 neighborhood economic development.
13 Philadelphia is truly a city of
14 neighborhoods and the neighborhood
15 transformation initiative is making our
16 neighborhoods better places to live and
17 do business. The program has gained
18 national prominence as an ambitious
19 neighborhood revitalization strategy that
20 has transformed the role of government
21 when it comes to housing, community and
22 economic development. NTI has stemmed
23 the spread of blight and has been the
24 essential vehicle that enables all
25 sections of Philadelphia to utilize many

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 of the City's commercial corridor support
3 programs. These coordinated efforts to
4 address the quality of life in
5 Philadelphia communities has restored
6 confidence in our neighborhoods and
7 contributed to a 30 percent appreciation
8 in real estate values over the past five
9 years.

10 Our challenge going forward is
11 to sustain and build upon these advances.
12 Better and more efficient delivery of
13 economic development services, increased
14 attention to and investment in
15 neighborhood commercial corridors,
16 sustaining the advances already made
17 under the NTI program to provide a basis
18 for growth and a renewed commitment to
19 the preservation of historic assets are
20 all strategies for improving our
21 neighborhoods.

22 To achieve this the
23 administration will review and align our
24 community and economic resources to
25 achieve maximum impact through better

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 coordination of our existing resources,
3 leveraging available state resources and
4 forging new financial partnerships with
5 other levels of government as well as
6 neighborhood-based partnerships with CDCs
7 and business associations.

8 Commercial corridors provide
9 the backbone for our residential
10 neighborhoods. The Blueprint recognizes
11 that strengthening commercial corridors
12 builds stronger, more vibrant and stable
13 neighborhoods. Business attraction and
14 expansion efforts will include small and
15 neighborhood businesses with a particular
16 focus on commercial corridors. Better
17 marketing of our incentive programs,
18 coordination of our technical assistance
19 and outreach efforts, building
20 connections between small businesses and
21 traditional lending agencies will help
22 neighborhood businesses and jobs grow.

23 In partnership with
24 community-based organizations and
25 business groups, the City can improve

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 land use, facilitate the use of vacant
3 parcels and historic buildings and, where
4 appropriate, consolidate corridors to the
5 strongest remaining blocks in order to
6 assure viable commercial corridors for
7 growth.

8 NTI's successful blight removal
9 efforts will continue to create a safe,
10 welcoming environment for new investment.
11 The City will work to give the public the
12 tools it needs to foster commercial and
13 housing development projects by both
14 private and nonprofit developers.
15 Through NTI the City is streamlining its
16 land acquisition and disposition
17 processes, supporting development
18 activity, and creating conditions for
19 reinvestment in neighborhoods.

20 The City will reorganize
21 housing and neighborhood activities to
22 improve services to developers of
23 commercial and housing project.

24 It will also complete the
25 unified land records database and vacant

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 property management information system to
3 improve public access to information
4 about available land and development.

5 The Blueprint recognizes that
6 Philadelphia's cultural legacy is partly
7 expressed through the architectural
8 variety found in our residential
9 neighborhoods and commercial districts.
10 Well-preserved historic properties
11 increase neighborhood and location
12 desirability, and the administration
13 believes that careful consideration of
14 historical assets should continue to
15 guide neighborhood and commercial
16 corridor redevelopment efforts.

17 Next is make city government
18 incentive programs more predictable,
19 objective and equitable.

20 Incentives are tools the City
21 has to encourage certain types of
22 business activity such as job creation,
23 improvement to real property, or historic
24 preservation. The Blueprint recognizes
25 the need for transparency in economic

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 incentive delivery in order to ensure
3 that incentive programs are predictable,
4 objective and equitable.

5 To accomplish this, the
6 administration will analyze current
7 economic development incentive programs
8 administered by the Department of
9 Commerce, PIDC and PCDC. The department
10 will also analyze the organizational
11 structure of the City's economic
12 development agencies to determine whether
13 existing and future programs may be
14 delivered in a more efficient manner.

15 With better information the
16 City can ensure investment and incentive
17 determinations are objective, transparent
18 and provide equal access. New
19 performance measures that result from
20 these analyses will be made public and
21 presented in an annual economic
22 development performance report that
23 addresses performance across economic
24 development agencies.

25 Third is continue business

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 attraction and expansion efforts.

3 Through the combined efforts of
4 the City, PIDC, the Chamber of Commerce,
5 Center City District and the
6 Commonwealth, Philadelphia has retained
7 over 98 percent of the major commercial
8 office tenants with office leases that
9 expired over the past several years.

10 The City will build on this
11 successful team approach in its efforts
12 to help local businesses remain, grow and
13 prosper.

14 Going forward, the City's job
15 will be to collaborate with the business
16 community and support the efforts of
17 Select Greater Philadelphia to market the
18 region's economic and quality of life
19 assets to attract new firms and grow the
20 businesses that are here. The
21 administration will work to make
22 Philadelphia a premier choice for
23 conventions and trade shows and will use
24 these conventions as an opportunity to
25 market Philadelphia as a great place to

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 do business. We will also work to
3 increase international trade
4 opportunities for Philadelphia
5 businesses.

6 The next is continue to reduce
7 the cost of and barriers to doing
8 business in Philadelphia.

9 The administration is committed
10 to making it easier and less expensive to
11 do business with the City. From service
12 delivery to zoning rules, the City will
13 examine the impact that its regulations
14 and processes have on the business
15 community.

16 The managing director's office
17 has already made significant strides
18 towards achieving this goal. They have
19 incorporated suggestions from a number of
20 sources including an internal task force
21 review, cooperative focus group meetings,
22 and an independent report commissioned by
23 the Building Industry Association of
24 Philadelphia, the BIA.

25 The administration will build

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 on these efforts to improve City service
3 delivery at the point of contact for many
4 businesses.

5 The administration will create
6 and give wide publicity to new
7 publications, Web sites, and other
8 information outlets that explain clearly
9 what needs to be done to begin or expand
10 a business in Philadelphia including
11 permits, licenses and zoning. The
12 ultimate goal is to consolidate and
13 simplify City services related to
14 business development.

15 The administration will provide
16 trained government services
17 representatives for outreach efforts to
18 civic groups and trade associations to
19 provide education and feedback on
20 regulatory requirements for small
21 entrepreneurs and startup businesses. We
22 will continue to implement the
23 recommendations of the BIA report to
24 streamline construction industry's
25 specific processes.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 For large development projects
3 the administration will form a committee
4 under the direction of the managing
5 director's office comprised of high-level
6 representatives from the City's operating
7 departments. This committee will serve
8 as a single point of contact when the
9 permit and review process of large-scale
10 projects begins in order to reduce time
11 and expense for the City review
12 processes.

13 As was demonstrated at the
14 Pennsylvania Convention Center,
15 Philadelphia's economy is tied to good
16 working relationships with organized
17 labor. To identify and explore
18 labor-related issues that, if improved,
19 could benefit the City and the region,
20 the administration will enhance the
21 services provided by the Labor Relations
22 Office. The office will examine the
23 feasibility of a partnership structure
24 between City government and labor
25 representatives to address problems that

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 arise on an ad hoc basis and for joint
3 review of issues of mutual interest.

4 The office will also consider
5 appointing a labor ombudsman and creating
6 a model facilitation approach to
7 labor-related issues between building
8 trades and developers in Philadelphia.

9 The next is increase
10 educational opportunity and access to
11 literacy services.

12 Increased education opportunity
13 attainment for City residents is closely
14 linked with the earlier Blueprint
15 objective of expanding the knowledge
16 industry. Earlier in the month I
17 provided detailed testimony regarding the
18 administration's initiative to attract
19 and retain young professionals in the
20 region. A highly skilled work force is
21 crucial for 21st Century businesses to
22 thrive. As regional college students
23 choose to stay and work in the city,
24 educational opportunities for their
25 children will become an increasingly

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 important factor in their decision to put
3 down roots in Philadelphia.

4 The City supports the Center
5 City district's efforts to market and
6 strengthen public school options and
7 believes these efforts can serve as a
8 model for other neighborhoods where the
9 availability of quality public school
10 choices can help sustain housing markets
11 and encourage population groups.

12 To this end we will continue to
13 work with the Commonwealth and the School
14 District to increase educational
15 opportunities and achievement through
16 enhanced academic standards and
17 instruction, safety, community
18 involvement, and financial stability.

19 Through the City's
20 representatives on the School Reform
21 Commission and regular interaction with
22 the School District's management team,
23 the administration is committed to
24 creating an environment that is conducive
25 to high educational attainment levels.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 This means support both within the
3 classroom and outside by building and
4 strengthening the safe schools
5 initiative, after school programs, and
6 meeting the physical and behavioral
7 health needs of our children. Through
8 the School Reform Commission and advocacy
9 efforts, the administration continues to
10 pursue long-term financial stability for
11 the school district.

12 Finally, our responsibility for
13 high educational attainment extends
14 beyond the traditional school system to
15 adults as well. The City supports higher
16 education for City students through
17 College Opportunity Resources For
18 Education, CORE, and Philly Scholarship
19 program. And Philadelphia is the only
20 city in the country to offer every high
21 school graduate a freshman year college
22 scholarship.

23 Strong foundation skills are
24 critical to success in Knowledge Economy
25 jobs. Therefore, the City will

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 significantly increase its efforts to
3 provide access for adults to literacy
4 programs. This end will be achieved
5 through Excel Philadelphia, an initiative
6 of the Philadelphia Workforce Investment
7 Board in partnership with the Mayor's
8 Commission on Literacy and the
9 Philadelphia Literacy Coalition.

10 Sixth, maintain fiscal
11 responsibility through strategic tax
12 allocation and tax reduction.

13 The administration is committed
14 to continuing to ease the burden imposed
15 by local taxation in Philadelphia in a
16 prudent, responsible manner that weighs
17 all available evidence and serious
18 scholarship. By the end of this fiscal
19 year the City will have returned over
20 \$1.1 billion to the taxpayers through tax
21 rate reductions over the past ten years
22 in its unique and unprecedented tax
23 reduction program, including over \$200
24 million in this fiscal year alone. No
25 other state or local government in

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 America can lay claim to this record of
3 sustained annual tax reductions.

4 The City's resident wage tax
5 rate is almost 13 percent lower today
6 than it was when the reduction program
7 started in 1995 and the nonresident
8 portion is 11 percent lower. The gross
9 receipts portion of the business
10 privilege tax is over 40 percent lower
11 today than it was when the program
12 started in 1995 and by next year it will
13 have been cut in half if the
14 administration's proposals are
15 implemented.

16 However, the City faces
17 significant risks and challenges in
18 maintaining a balanced budget and City
19 services while implementing the tax
20 reductions already planned. The
21 administration has already instituted
22 layoffs and hiring freezes, and studies
23 show that tax reductions that lead to
24 City service cuts undermine the very
25 value of the tax reduction. Therefore,

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 further tax reductions are absent from
3 the Blueprint priorities. Tax reductions
4 in isolation will not grow the City's
5 economy. Further tax reductions will
6 only serve to decimate the quality of the
7 City's services that economists caution
8 are as important as a competitive tax
9 structure. Tax reform must embrace more
10 than simply tax reduction.

11 If the City is to become
12 competitive and maintain essential
13 services, we must pursue a strategy that
14 shifts away from a dependence on onerous
15 business taxes and balances the burden
16 more evenly across parking taxes,
17 property and other revenue services.

18 The administration supports
19 such a shift provided adequate
20 legislative measures are first put in
21 place to protect senior citizens and
22 homeowners who are put at risk by such a
23 shift between taxes.

24 Taken together these ten
25 objectives are the administration's

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 strategic vision for the economic
3 development of Philadelphia. This vision
4 in turn provides the necessary framework
5 to coordinate our efforts both within
6 city government and through public
7 private partnerships for maximum impact.
8 These policy priorities will contribute
9 to Philadelphia's lasting viability as a
10 location of choice for residents,
11 businesses, students, and visitors.

12 Thank you for the opportunity
13 to speak on this important issue, and I
14 will be happy to answer any questions you
15 may have.

16 COUNCILMAN GOODE: Thank you
17 for your testimony, Miss Naidoff.

18 The discussion of the last
19 objective within the Blueprint on Pages
20 25 and 26, the local and state job tax
21 programs are referenced, and as part of
22 the requirements of those tax credit
23 programs the jobs must be at least 150
24 percent federal minimum wage. Do you
25 think that is something that should be

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 extended to all economic development
3 incentive programs, and, if not, do you
4 believe some other job quality
5 requirements should be imposed on all
6 economic development incentive programs?

7 MS. NAIDOFF: I'm afraid I
8 can't answer that question now. I will
9 be glad to think about it and study it a
10 little and get back to you and give you a
11 written response, Councilman?

12 COUNCILMAN GOODE: Thank you.
13 That was my only question. There are
14 questions from other members of the
15 committee.

16 First let me note for the
17 record that Councilman Frank Rizzo is
18 also in attendance today.

19 Councilman DiCicco.

20 COUNCILMAN DICICCO: Thank you,
21 Councilman.

22 Good afternoon, Miss Naidoff.

23 MS. NAIDOFF: Good afternoon.

24 COUNCILMAN DICICCO: The page
25 before the last page of your testimony at

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 the very bottom, "The administration has
3 already instituted layoffs and hiring
4 freezes and studies show that tax
5 reductions lead to City service cuts."
6 Who performed that study and could you
7 share that study with us? I take this to
8 -- it seems to me they are blaming all
9 the layoffs on the fact that we are
10 reducing taxes and not because of the way
11 the administration has been spending its
12 money lately.

13 MS. NAIDOFF: I think the
14 reference there is to a study by
15 Professor Lynch, which I don't have with
16 me, but I would be glad to provide it to
17 you, who has written about the fact that
18 tax reductions standing alone, tax
19 reductions that impede the ability to
20 provide high-quality services, do not
21 work to grow the economy. The decimation
22 of services actually has a detrimental
23 effect and you can't just look at tax
24 reduction alone.

25 COUNCILMAN DICICCO: I can

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 agree with that, but the way I'm reading
3 this, I take this to mean that because of
4 the reduction in taxes is the reason for
5 the City service cuts, so cuts in
6 services and layoffs. Maybe I'm
7 misunderstanding that or misreading it,
8 but that is the implication I get.

9 MS. NAIDOFF: I think the
10 implication there is that as we reduce
11 the numbers of people available within
12 the City Government to provide services,
13 we run the risk that we will not be able
14 to provide services at the high levels
15 that they are being provided now and we
16 would, therefore, mitigate any benefit we
17 might get from tax reduction.

18 COUNCILMAN DICICCO: I can
19 understand that, I can understand that,
20 but if you can share with us that study,
21 I would appreciate it.

22 MS. NAIDOFF: I'm happy to do
23 that.

24 COUNCILMAN GOODE: Any
25 questions from other members?

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Councilwoman Miller.

3 COUNCILWOMAN MILLER: Thank

4 you.

5 Good afternoon, Miss Naidoff.

6 MS. NAIDOFF: Good afternoon.

7 COUNCILWOMAN MILLER: I just

8 had an opportunity to read your

9 testimony, but in skimming it I am

10 particularly interested in work force

11 development. Do you have anyone with you

12 that can explain this Excel project as

13 the point that you make about knowledge

14 base and expanding literacy opportunities

15 for adults? Who is watching what

16 training we should be focusing in on to

17 train unemployed Philadelphians, adults

18 I'm talking right now, through the Work

19 Force Development Corp. or whatever as it

20 relates to employment, employment

21 outlook, the employment opportunities

22 that will be available in the future?

23 MS. NAIDOFF: Sally Glickman is

24 the person I think that you would want to

25 speak to and I would be happy to set that

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 up. Sally is the one that could talk to
3 you about that program and specifically
4 about the efforts that the Work Force
5 Investment Board is conducting to make
6 sure that the training programs are
7 focused on the knowledge industry jobs
8 that will be available in the 21st
9 Century. Be glad to set up a meeting.

10 COUNCILWOMAN MILLER: That
11 would be good. I think we can do all
12 that we can to develop economic
13 development opportunities in
14 neighborhoods through housing, commercial
15 strips, et cetera; however, we don't have
16 a work force -- if we are not looking at
17 the continued development of our work
18 force in more than just the service
19 industry, which doesn't really pay a
20 whole lot of money, then we really won't
21 be strengthening our neighborhoods or the
22 City.

23 MS. NAIDOFF: I agree with you,
24 but I think they are focusing on that and
25 I would be glad to set up a meeting so we

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 can discuss it.

3 COUNCILWOMAN MILLER: Very
4 good. Thank you.

5 COUNCILMAN GOODE: Is that it,
6 Councilwoman?

7 COUNCILWOMAN MILLER: I did
8 have a question about neighborhood
9 commercial corridors, but I heard you
10 when I was downstairs. I heard you
11 through the intercom and I've lost it,
12 but I will get it back.

13 MS. NAIDOFF: I will be happy
14 to answer it.

15 COUNCILWOMAN MILLER: Thank
16 you.

17 COUNCILMAN GOODE: Any
18 questions from other members of the
19 committee?

20 Thank you, Miss Naidoff.

21 MS. NAIDOFF: Thank you.

22 COUNCILMAN GOODE: Our next
23 witness on Economic Development Blueprint
24 is Marisa Waxman from the City
25 Controller's Office.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Good afternoon, Miss Waxman.

3 MS. WAXMAN: Good afternoon.

4 Marisa Waxman, City Controller's Office.

5 Controller Saidel sends his regrets that

6 he couldn't be here to day and asked that

7 I deliver his testimony and convey any

8 questions you have for him so he can

9 provide you with a response.

10 COUNCILMAN DICICCO: Will you

11 let him know we are happy he is not here,

12 please?

13 MS. WAXMAN: I will be sure to

14 do that.

15 COUNCILMAN DICICCO: Just

16 joking.

17 MS. WAXMAN: Good afternoon,

18 Chairman Goode and Honorable Members of

19 the Committee on Commerce and Economic

20 Development. I am Jonathan Saidel, City

21 Controller, and I come before you today

22 to offer comments on the recently

23 released Economic Development Blueprint

24 for a greater Philadelphia.

25 I applaud the administration

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 for endeavoring to craft a strategy to
3 expand the City's tax and employment base
4 while improving the quality of life and
5 financial condition of Philadelphia's
6 firms and families.

7 I have reviewed the Blueprint,
8 and although it contains many important
9 and worthwhile goals, it falls short of a
10 comprehensive approach to solving the
11 City's economic woes. I do not need to
12 detail Philadelphia's challenges for you,
13 our decades of job and population loss.
14 The causes are many, including global
15 economic shifts, changes in federal
16 policies, and our city's own policy
17 choices that have led many individuals
18 and businesses to decide that the
19 services and amenities available in
20 Philadelphia are simply not worth the
21 high costs.

22 While I agree with the goals
23 outlined in the Blueprint, I am
24 disappointed that the plan lacks many of
25 the concrete action steps to be taken by

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 the City to address the challenges cited
3 in this document and numerous reports and
4 symposia over the past several years.

5 This plan is nearly a year in
6 the making and should offer more than
7 promises to develop a system to attract
8 and retain neighborhood businesses or to
9 create a targeted program to attract and
10 retain international knowledge workers.
11 Too many of the recommendations lack a
12 clear delineation of responsibility.
13 Will the City fund the \$300 million
14 venture capital fund it seeks to
15 catalyze? Who will be responsible for
16 increasing the percentage of
17 international students? How much will
18 this cost over what time period? Are
19 there consequences for failure to achieve
20 these outcomes? This work should have
21 been done by now.

22 As my office recommended when
23 planning for the Economic Development
24 Summit began, we must first take an
25 inventory of our current economic

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 development activities, review the
3 results and identify which programs are
4 the most efficient and effective. While
5 I had hoped that this work would be
6 undertaken in advance of the Summit and
7 attempts to craft an economic development
8 strategy, I am pleased that the
9 Administration has embraced this notion
10 as part of the Blueprint.

11 Until we truly understand the
12 impact of the City's current economic
13 development initiatives, we have no
14 justification for allocating any economic
15 development resources or the creation of
16 new programs and task forces which may
17 duplicate existing efforts or prove
18 ineffective.

19 Once this work is completed, we
20 must dedicate ourselves to a rational,
21 equitable and transparent strategy for
22 economic development. Furthermore, this
23 strategy should clearly state which
24 initiatives can be undertaken by the City
25 alone and which require outside

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 assistance. Similar to tax, campaign
3 finance, and ethics reform, we cannot
4 wait until others in Harrisburg,
5 Washington and the private sector come to
6 our aid. We must do what we can on our
7 own and do it before the situation
8 worsens.

9 The Blueprint appropriately
10 identifies some of the needs of the city.
11 We can make Philadelphia more open to
12 private economic activity by streamlining
13 our regulatory processes and simplifying
14 our zoning. We need more educated
15 people, native Philadelphians with
16 opportunities to advance academically,
17 recent college graduates who choose to
18 stay, and migrants and immigrants that
19 opt to make their homes here. We need to
20 provide good jobs for these people and
21 opportunities for entrepreneurship. I
22 agree that to achieve these goals we must
23 ensure greater economic participation by
24 women and minorities and invest in the
25 cultural and civic institutions that

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 nourish our souls and feed the City
3 coffers.

4 The Blueprint is a failure on
5 the subject of tax reform. I have never
6 asserted that tax reform will act as a
7 panacea to our economic ills, but it is
8 clearly a vital part of the solution. At
9 the Economic Development Summit five of
10 the eight working groups placed tax
11 reform or lowering the cost of doing
12 business as the first item on their
13 timeline and two other groups made it
14 their second action item during the
15 Action Headline Exercise.

16 From this I gather that the
17 groups viewed tax reform as a precursor
18 to other strategic actions, a clear
19 priority, and an intervention that can be
20 and must be implemented in the near
21 future. These people, referred to in the
22 document as the City's most involved,
23 pragmatic and resourceful citizens,
24 stated that tax reform and high-quality
25 government are not mutually exclusive.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Surprisingly, the administration's final
3 Economic Development Blueprint states
4 that absent from prioritization is
5 further tax reduction even though a
6 recent report to the administration from
7 Professor Robert Inman of the Wharton
8 School credits recent tax reductions with
9 preserving 22,000 jobs in the last
10 decade.

11 Vast sums of taxpayer dollars
12 have been spent on summits, review forums
13 and commissions to investigate tax
14 reform. Each time the conclusions have
15 been the same: Philadelphia's crushing
16 tax burden contributes to the economic
17 hardships felt throughout our
18 neighborhoods. Each time these panels
19 have issued their reports, the
20 administration has said no more can be
21 done. We know the problems. We have
22 identified the solutions. We do not need
23 any more blue ribbon panels. What we
24 need is comprehensive tax reform.

25 The Blueprint says we cannot

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 afford additional tax reform, but it
3 fails to project the costs for the
4 numerous programs and changes proposed,
5 nor does it identify revenue sources to
6 support these initiatives. Government
7 undertakes many tasks that are hard to
8 quantify. How can we place a value on
9 teaching a child to read or preventing
10 crime against persons or property?

11 Economic development, however,
12 is the most businesslike government
13 endeavor. We must understand the costs
14 and benefits of various actions so we may
15 achieve the best possible return on
16 investment. Tax reform has provided
17 Philadelphia with well-documented
18 returns.

19 I had hoped the Blueprint would
20 offer a roadmap to guide future
21 decision-making and state clearly what
22 the administration intended to do to
23 promote the economic health and vitality
24 of the City and its citizens. While the
25 Blueprint has fallen short, I remain

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 ready to work with other elected
3 officials, community and business leaders
4 to ensure that Philadelphia's future is
5 one of economic opportunity and quality.
6 Thank you.

7 COUNCILMAN GOODE: Thank you,
8 Miss Waxman. Thank you for offering that
9 testimony. I have a couple questions.

10 In the controller's tax
11 structure analysis report he called for
12 the creation of a local job creation tax
13 credit. Based on the state's program the
14 legislation has been passed and amended
15 and, as I mentioned to the commerce
16 director, has a requirement that all jobs
17 have at least a minimum hourly wage of
18 150 percent of the federal minimum wage.

19 My question is: Does the
20 controller's office support extending
21 that job quality standard to all economic
22 development incentives.

23 MS. WAXMAN: We are actually in
24 the process of reviewing that. There are
25 the trade-offs on the one hand. You

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 know, you want to assure that everybody
3 has a job that pays that they can live on
4 hopefully with other amenities such as
5 healthcare. On the other hand, there are
6 the concerns that that could reduce the
7 number of jobs and total available and we
8 are currently looking at that situation.

9 COUNCILMAN GOODE: Have you
10 reviewed any of the impact studies from
11 other job quality legislators around the
12 country, particularly living wage?

13 MS. WAXMAN: We have looked at
14 some of those; not in depth yet. We are
15 currently in the review stage.

16 COUNCILMAN GOODE: Because none
17 of the impact studies show a loss of jobs
18 or a loss of job quality.

19 MS. WAXMAN: We have not
20 completed that research yet, but if you
21 have information, I would love to obtain
22 that.

23 COUNCILMAN GOODE: Could you
24 actually forward a formal response to
25 that question?

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 MS. WAXMAN: Sure.

3 COUNCILMAN GOODE: The second
4 questions is when can we expect a small
5 business lending update for 2004?

6 MS. WAXMAN: I believe that
7 usually the updates from the federal data
8 come out in the summer, so as soon as the
9 federal data is out, that's when we will
10 do our annual review, so you can expect
11 that over the summer.

12 COUNCILMAN GOODE: Okay. Thank
13 you.

14 Any questions from other
15 members of the committee?

16 Thank you, Miss Waxman.

17 Miss Naidoff, could you please
18 approach the witness table again?

19 The Chair recognizes
20 Councilwoman Reynolds Brown.

21 COUNCILWOMAN BROWN: Thank you.

22 Good afternoon.

23 MS. NAIDOFF: Good afternoon.

24 COUNCILWOMAN BROWN: Please
25 forgive me for not being here during your

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 testimony. I was actively listening
3 upstairs.

4 I had a couple questions with
5 regard to your testimony. Number one, on
6 Page 6 there is much discussion of and I
7 quote, assists with planning and
8 financing Parkway and Avenue of the Arts
9 projects and encourage vibrancy of the
10 public spaces.

11 Given the idea and the
12 anticipation to improve the Avenue of the
13 Arts, would it not follow then that we
14 should continue to be serious about our
15 investment in the Philadelphia Museum of
16 Art, particularly when we stack that
17 against what is being proposed in our
18 budget this year.

19 MS. NAIDOFF: I think the
20 administration is very serious about it.
21 I think we provide support to them, but
22 we have a lot of the arts and cultural
23 institutions that we are trying to
24 balance and, quite honestly, as you know,
25 the public resources at all levels are

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 not as available as they have been in the
3 past, so one of the things the Mayor is
4 very focused on is trying to find other
5 avenues for dedicated funding for the
6 arts, and we have a process going that
7 has been going since late December to do
8 that.

9 So I think with respect to any
10 one particular institution I would say
11 that the answer probably lies in the
12 success of that effort.

13 COUNCILWOMAN BROWN: That is a
14 segue into my very next question which is
15 to give us an update on where that is.
16 And is the intent to create a plan over
17 the next three years or to actually
18 implement a plan over the next three
19 years?

20 MS. NAIDOFF: I would think
21 that our hope is that we will implement
22 something over the next three years, and
23 we are making substantial progress. We
24 have been meeting on a fairly regular
25 basis with a very broad group of civic

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 leaders who are very committed to this,
3 very committed to the arts and committed
4 to helping us find ways to find dedicated
5 funding.

6 COUNCILWOMAN BROWN: I would
7 imagine they represent disciplines across
8 the board, the civic leaders that you're
9 speaking of?

10 MS. NAIDOFF: When you say
11 "disciplines," I'm not sure what you
12 mean.

13 COUNCILWOMAN BROWN: Business,
14 the arts, businessmen and women,
15 community group heads.

16 MS. NAIDOFF: Probably not as
17 broadly as you are describing it, no. We
18 put the group together looking at
19 business leaders. It was originally a
20 project that came out of discussions we
21 were having with the Chamber, and it is
22 business leaders and people who are, we
23 think, capable of helping to identify the
24 sources for dedicated funding but as well
25 have a passion and track record of

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 commitment to the arts, and we think that
3 is really what is driving their interest
4 and their enthusiasm for this.

5 COUNCILWOMAN BROWN: Are the
6 counties represented amongst this group?

7 MS. NAIDOFF: Yes, they are.

8 COUNCILWOMAN BROWN: And are
9 you at liberty to say at this juncture,
10 is there talk of a plan, a written plan?
11 Where are you in the process?

12 MS. NAIDOFF: I think the best
13 answer I can give you at this point is we
14 are looking at a number of plans. We are
15 looking at a number of plans that involve
16 both public and private resources. We
17 have at least three or four that are on
18 the table. We have some subcommittees
19 that are looking at specific plans, so we
20 are making a fair amount of progress on
21 this.

22 COUNCILWOMAN BROWN: Is
23 government represented besides the
24 Department of Commerce on that group?

25 MS. NAIDOFF: No; I think it is

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 all business leaders.

3 COUNCILWOMAN BROWN: Thank you
4 for your testimony.

5 Thank you, Mr. Chairman.

6 COUNCILMAN GOODE: The Chair
7 recognizes Councilman Rizzo.

8 COUNCILMAN RIZZO: Commerce
9 director, good afternoon.

10 MS. NAIDOFF: Good afternoon.

11 COUNCILMAN RIZZO: I would just
12 like to add also that the Art Museum is
13 very important to you, to me, but there
14 are some extenuating circumstances I
15 believe there that the budget cuts can
16 really have some dramatic effects.

17 And I knew the word yesterday,
18 but I'm trying -- I can't remember it
19 today where various museums throughout
20 the world will hesitate to give their
21 collections like we have the various
22 collections on display now. And without
23 adequate security many of the collections
24 are in jeopardy. And learning, I think,
25 from your department the significance of

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 this museum and what it brings in
3 economic development to the city where
4 our sports teams don't bring the room
5 nights and the dining nights that this
6 museum does, that it seems so
7 shortsighted to tinker with a moneymaker,
8 to cut it back and to cut it back even to
9 the degree that it is being cut back to
10 jeopardize so many of the potential works
11 of art that will not be given us because
12 I understand they do a survey, they want
13 to know exactly what the situation is
14 with staffing levels before they give
15 up -- I can understand why they would
16 want to be concerned, and if we are
17 running 50, 40 security people less, it
18 could have an effect and we might not get
19 the wonderful expositions that we get
20 here in the City of Philadelphia.

21 So I just can't imagine any --
22 and this is not said with any disrespect
23 because I know it is not you --
24 intelligent person that would tinker with
25 a moneymaker and potentially affect the

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 quality of a product that is there.

3 So I don't know whose advice
4 this was, but I don't think it was good
5 counsel.

6 MS. NAIDOFF: I will take that
7 message back. We all appreciate and
8 admire the extraordinary ability of the
9 Philadelphia Museum of Art to put on
10 really wonderful exhibits, and its own
11 collection is truly one of the most
12 extraordinary in the world. We are very
13 fortunate to have it here, but the truth
14 of the matter is we have an extremely
15 rich arts and culture community and we
16 have a lot of organizations that can't
17 afford to sustain themselves, so we need
18 to look at all of them, and that is the
19 reason that the Mayor is pursuing this
20 arts and culture funding initiative.

21 COUNCILMAN RIZZO: You know, I
22 heard, and I can't point my finger to who
23 made the statement, that the board of the
24 Art Museum should be doing more. I mean
25 we have some very dedicated people there

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 and that was an insult I think indirectly
3 to the people that sit on that board to
4 think that they should cough up more to
5 pick up the slack on the City's
6 responsibility that I believe they have.
7 And I think many of those board members
8 when they left this Council chamber were
9 offended by -- and I can't recollect who
10 made that statement, but it was offensive
11 to me. I kind of sat back in my chair
12 when I heard that.

13 To suggest that -- and I'm not
14 suggesting you are suggesting that, but I
15 think you just said something about the
16 wealth of the art community, suggesting
17 maybe that they should be doing more. I
18 think they do a lot. When you get
19 gentlemen and ladies of the caliber that
20 sit there and spend their time, I think
21 that is impressive in itself and I think
22 they quietly spend a lot of their own
23 money at that museum and I think, again,
24 this is one Council member, and I think
25 my colleagues have suggested to me, that

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 this is going to be an issue that we are
3 going to have to I think -- I don't like
4 to use the word "fight," but we are going
5 to fight over this one.

6 MS. NAIDOFF: I understand your
7 position.

8 COUNCILMAN RIZZO: Thank you.

9 COUNCILMAN GOODE: Councilwoman
10 Miller.

11 COUNCILWOMAN MILLER: Thank
12 you, Mr. Chair.

13 Miss Naidoff, I do remember my
14 question now. And I have a particular
15 concern and interest in the small
16 neighborhood commercial corridors. And
17 it seems like those corridors that are
18 kind of small and have someone there like
19 a CDC or a pretty strong business
20 association have probably some of the
21 necessary people around to help them
22 develop and continue to expand and
23 attract certain businesses.

24 But then when you have other
25 corridors; for example, in my district we

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 have Broad and Erie, Germantown and Erie.

3 Councilman Clarke and I share that area.

4 And we have been trying over the years to

5 get them organized, but they are not

6 organized.

7 So now if I call Commerce, can

8 I get someone to help me do what needs to

9 be done at Broad and Erie, go down there

10 and provide the technical assistance that

11 is needed, taking a look at that

12 corridor? And then we have some other

13 commercial strips in my district that

14 perhaps we could figure out how to market

15 that area, what we can do different to

16 attract a different type of business to

17 that area.

18 Many of the commercial

19 corridors are turning into general

20 merchant stores -- turning into places

21 that have a whole bunch of general

22 merchandising stores, meaning the dollar

23 stores, the stores that sell hair. Does

24 Commerce provide or will this Blueprint

25 provide an opportunity to utilize what

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 you guys have learned? You go to the
3 retail fairs. I don't believe we have to
4 be the experts because that's why we have
5 a department of commerce, correct?

6 Once you get that information,
7 then how is it disseminated? Who at
8 Commerce decides whether this strip gets
9 to be recommended for Elm Street or Main
10 Street. My office wrote a proposal to
11 get some of the money from PennDOT
12 because we learned of that opportunity at
13 a meeting I attended a year ago that had
14 nothing to do with the City of
15 Philadelphia. Had we not attended that
16 meeting, we would not have known that
17 those funds were available.

18 So my office took the time with
19 another person and wrote the proposal,
20 and that's how we were awarded about
21 800,000 when they gave out the money, the
22 safer route's money, a couple weeks ago
23 here through the deputy secretary from
24 PennDOT.

25 How does that happen? What is

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 the process? How will that Blueprint
3 make sure that the resources that come
4 into this city are available citywide?

5 When I arrived to the city it
6 seems to me that certain neighborhoods
7 are targeted for certain resources and
8 other neighborhoods are not getting it,
9 and I don't know how we are going to
10 strengthen our commercial corridors, our
11 commercial corridors out in neighborhoods
12 without, I believe, a fairer distribution
13 of the resources that are coming in to
14 this City of Philadelphia for those types
15 of activities.

16 And you don't have to answer
17 that today, but that has been on my mind
18 for quite some time. In fact, I had a
19 meeting with a couple people from your
20 staff a few months back to express my
21 concerns. Because I shouldn't have to be
22 the expert. I shouldn't have to go out
23 here looking for resources. You guys do
24 this, and if we are not going to work
25 together as a partner, then something is

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 not happening here.

3 MS. NAIDOFF: I think you are
4 identifying something that we have
5 committed to in the Blueprint and that is
6 to make the resources available in a more
7 transparent, objective, and fair way, and
8 Mr. Trailer I think was here, here he is,
9 and I think maybe one of the things we
10 ought to do is set up a meeting to
11 discuss this with you, and Mr. Trailer's
12 responsibilities within the department
13 would allow him to bring together all of
14 the resources that would be necessary to
15 answer your questions.

16 COUNCILWOMAN MILLER: And the
17 people from Commerce that deal in all of
18 those various areas.

19 MS. NAIDOFF: Right, and make
20 it collaborative as well, uh-huh.

21 COUNCILWOMAN MILLER: Thank
22 you.

23 COUNCILMAN GOODE: Are there
24 any other questions from the panel?

25 Thank you again.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Our next panel will deal
3 specifically with waterfront development.
4 That panel will consist of Maxine
5 Griffith and Kevin Hanna.

6 Good afternoon. Please state
7 your name for the record and proceed with
8 your testimony.

9 MS. GRIFFITH: Good morning,
10 Councilman Goode and Members of the
11 Committee. My name is Maxine Griffith,
12 Secretary for Strategic Planning, and
13 Executive Director of the Philadelphia
14 City Planning Commission.

15 I'm joined today by Rich
16 Lombardo, Deputy Executive Director of
17 the Philadelphia City Planning
18 Commission.

19 I am here this afternoon to
20 testify on Council Resolution No.
21 041017.

22 Last year Mayor Street
23 announced the next component of his
24 vision for Philadelphia: Philadelphia,
25 the New River City. This strategy serves

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 to create a framework for the City's
3 planning and development efforts along
4 the waterfront as we reclaim and
5 revitalize these critical assets.

6 The strategy also seeks to
7 focus public attention on Philadelphia's
8 waterfront renaissance and to assist in
9 the prioritization of public funds.

10 Philadelphia's history,
11 culture, economy and industry were tied
12 to its rivers, but after decades of focus
13 on the rivers' importance primarily for
14 industry and port uses, the City is now
15 working to both connect these important
16 assets to existing neighborhoods and to
17 use the Delaware and Schuylkill waterways
18 to anchor new, mixed-use communities.

19 As you know, during the tenure
20 of this administration Planning
21 Commission staff completed an ambitious
22 strategic plan for an 11-mile stretch of
23 the North Delaware Riverfront. We have
24 also been pleased to support and
25 participate in the development of plans

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 recently completed for both the Lower
3 Schuylkill and the Philadelphia Navy
4 Yard. Our city is now poised to
5 capitalize upon large expanses of
6 undeveloped waterfront land along 25
7 miles of our rivers.

8 Elements of the New River City
9 Initiative include the creation of new
10 riverfront recreational resources that
11 enhance the quality of life and add value
12 to existing and future communities;
13 improving and maintaining the quality of
14 life in adjacent neighborhoods by
15 providing better access to the water;
16 promoting and marketing of the waterfront
17 in terms of development opportunities as
18 well as a place to create new
19 communities; reclamation of thousands of
20 acres of vacant port and industrial land
21 to create new communities; encouraging
22 the creation of contemporary communities
23 with housing, retail, and work space for
24 technical and research companies; the
25 creation of a riverfront network of

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 trails, open space and active
3 recreational uses that serve neighborhood
4 residents and regional tourists; the
5 development of waterfront recreational
6 opportunities that will attract knowledge
7 industry jobs and residents; the
8 augmentation and enhancement of
9 pedestrian and vehicular traffic and
10 transit systems; an effort to raise
11 awareness of the riverfront's potential
12 as local, regional, national and
13 international destinations by promotion
14 of special events; support of development
15 with expedited review and permitting and
16 appropriate rezoning; an effort to ensure
17 that existing viable industrial uses are
18 also accommodated.

19 I would like to spend the next
20 few minutes talking about what the
21 administration has accomplished thus far
22 along its rivers and obviously
23 specifically with regard to planning.

24 The North Delaware Plan study
25 area encompasses 11 miles of the Delaware

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Riverfront east of I-95 and extending
3 from just north of the Benjamin Franklin
4 Bridge to the Montgomery County line.
5 This area enjoys spectacular views up,
6 down and across the river and features a
7 mostly green and wooded New Jersey side
8 and the Center City skyline.

9 However, access to the river is
10 mostly isolated and very difficult to get
11 to. The riverfront features gentle
12 banks, some beaches and tidal flats. It
13 is an ideal place for fishing, boating
14 and walking, but few of the nearby
15 residents have experienced these features
16 because it so difficult to get either
17 physical or visual access to the river.

18 The area consists of over 3500
19 acres, approximately 1000 of which are
20 vacant, including some large assemblages
21 of contiguous land and is adjacent to ten
22 communities, including Fishtown,
23 Kensington, Port Richmond, Bridesburg,
24 Frankford, Wissinoming, Tacony,
25 Holmesburg, Upper Holmesburg and

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 Torresdale.

3 The area also offers easy
4 access to the northeast corridor via
5 highway, including I-95, the Pennsylvania
6 Turnpike, the New Jersey Turnpike, US
7 Route 1, and rail connections like the
8 SEPTA Trenton line connecting to New
9 Jersey Transit and New York and Amtrak
10 via 30th Street Station.

11 Additionally, it is a 10-minute
12 ride to Center City by automobile or
13 commuter rail, a 20-minute drive to
14 Philadelphia International Airport, a
15 90-minute drive to New York and a
16 150-minute drive to Washington, D.C.

17 The primary objectives of the
18 North Delaware Plan are to develop
19 strategies that will revitalize the 11
20 miles of predominantly industrial
21 shoreline along the Delaware River to
22 expand riverfront access and recreation
23 opportunities for adjacent neighborhoods,
24 to retain and strengthen existing
25 industrial areas where appropriate, and

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 to expand the availability of land for
3 housing, commercial and modern industrial
4 development.

5 Thus far there has been
6 significant progress along the North
7 Delaware. The Pennsylvania Environmental
8 Council has secured funding and begun the
9 assemblage of the former K & T Railroad
10 right-of-way for the creation of a biking
11 and hiking trail. PEC has also received
12 funding for open space planning and
13 design.

14 Key Span, the owners of the
15 former Philadelphia Coke site, after an
16 RFP process, has selected a partnership
17 of K. Hovnavian and Westrum Development
18 as developers for the site. Together
19 they propose to construct approximately
20 1200 units of market rate housing.

21 If I may, since I know this is
22 also going to be territory covered by
23 Secretary Hanna, perhaps I will allow him
24 to expound on development in the area and
25 go on to the Navy Yard.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Philadelphia Navy Yard Master
3 Plan. In 2004 the Master Plan for the
4 redevelopment of the Philadelphia Navy
5 Yard was released. This plan encompasses
6 7 miles of river frontage and 522 acres
7 of land located east of Broad Street. It
8 envisions a vibrant, mixed-use waterfront
9 community that includes industrial
10 development, offices, retail, waterfront
11 amenities, research and development, mass
12 transit, and possibly even residential
13 development.

14 The plan capitalizes on the
15 Navy Yard's unmatched assets including
16 its unique turn-of-the-century
17 architecture and landscaping, its
18 frontage on the Delaware River and its
19 proximity to interstate highways,
20 International Airport, and Center City.

21 And again there is a listing of
22 elements of the plan, and I note that the
23 plan's authors are also here and will
24 probably speak to that in detail.

25 So going on to the Lower

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Schuylkill, the Schuylkill River
3 Development Council, SRDC, was created in
4 1992 by riverfront residents who saw an
5 opportunity where others saw only a
6 post-industrial wasteland. Established
7 on June 6, 1992 as a nonprofit
8 organization, its first mission was to
9 complete the City's plan to create a
10 public park on the banks of the tidal
11 Schuylkill. It was envisioned that the
12 River Park would enhance Philadelphia's
13 already world-famous parks and
14 dramatically transform the soul and
15 spirit of the city.

16 In 1995, working in partnership
17 with the Philadelphia Streets Department
18 and the Fairmount Park Commission, the
19 project was awarded more than \$8 million
20 in federal funds and \$2 million in
21 private funds for planning and
22 construction. The River Park Project
23 received support from federal and state
24 legislators as well as support from
25 Wachovia, CIGNA, PECO, Sunoco and others.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 This plan envisions the
3 creation of a new Schuylkill Riverfront
4 for six miles -- I should say a lot of
5 that has already been accomplished --
6 4,125 acres of land between Fairmount
7 Waterworks and the former Naval Base.

8 It recommends the creation of
9 new riverfront destinations between the
10 Waterworks and the South Street Bridge,
11 the creation of greenways and trails
12 along the river, improvements to the
13 connections to the riverfront from
14 adjacent communities and the promotion
15 and marketing of the Schuylkill River as
16 a unifying presence in the region.

17 The plan anticipates two phases
18 with Phase 1 encompassing the area from
19 Waterworks to Bartram Gardens being
20 improved between 2004 and 2007 and then
21 Phase 2 encompassing the area from
22 Bartram Gardens to Fort Mifflin being
23 improved between 2008 and 2020.

24 The new Cira Centre office
25 building, the Hospital of the University

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 of Pennsylvania and Children's Hospital
3 expansion plans, the redevelopment of the
4 Post Office and several new residential
5 development proposals are all examples of
6 the vitality of this area of our
7 waterfront.

8 Penn's Landing. The Penn's
9 Landing program area is delineated by
10 Market Street, Christopher Columbus
11 Boulevard, Walnut Street and the Delaware
12 River. As you know, as part of a request
13 for proposals process jointly sponsored
14 by the City and Penn's Landing
15 Corporation, Planning Commission staff
16 drafted and promulgated land use and
17 urban design criteria so as to guide
18 developer proposals.

19 When the developer selection
20 process did not yield a viable applicant
21 able to implement the proposal without
22 extensive City subsidy, the Planning
23 Commission was asked to develop an
24 interim capital improvement plan. At the
25 request of Penns Landing Corporation and

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 in consultation with the commerce
3 director, the Planning Commission
4 recommended \$500,000 for a variety of
5 critical needs in the subject area. The
6 details of this plan can be found in the
7 recommended 2006 to 2011 capital program
8 document recently issued by the
9 commission.

10 As guided by the
11 administration's economic development
12 policy, we will continue to assess
13 approaches to long-term planning for the
14 area. We believe that Philadelphia's
15 increasingly robust real property market
16 may yet yield opportunity for development
17 and enhance public amenities without
18 significant subsidy.

19 We also note with interest a
20 recent plan for the area by the prominent
21 planning firm of Wallace Roberts & Todd.
22 Although more specific and prescriptive
23 than the guidelines and criteria
24 developed for the previously mentioned
25 RFP, we are aware of significant

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 concurrence in thinking.

3 Rich Lombardo, who will succeed
4 me in the position of executive director
5 agrees it would be useful to continue a
6 dialogue with WRT and with the planned
7 sponsored entities.

8 Finally, we have been
9 encouraged by our work on both Penns
10 Landing and the North Delaware Riverfront
11 project to explore the prospect of
12 waterfront zoning. These special land
13 use regulations could recognize and be
14 informed by proximity of a given
15 development to the water. Issues such as
16 accessibility, view corridors and
17 easements, connectivity to existing
18 communities and other environmental
19 factors could be provided for in a
20 consistent and predictable manner.

21 I am sure that Rich Lombardo
22 along with Tom Chapman, our director of
23 development planning and zoning, look
24 forward to working with Council members
25 to explore these possibilities.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Although the New River City
3 Initiative brings unprecedented clarity
4 and intergovernmental coordination to our
5 work along the waterfront, there have
6 been a number of excellent planning
7 efforts that predate NRC and that have
8 already provided a foundation for
9 successful development. It is the
10 successful implementation of these
11 earlier plans, completed in partnership
12 with the Council, that give us confidence
13 in this larger, multiagency effort. We
14 have summarized these plans in the
15 attached document entitled Addendum A.

16 This completes my testimony,
17 and both Mr. Lombardo and I will be
18 pleased to answer questions.

19 COUNCILMAN GOODE: Thank you,
20 Miss Griffith.

21 Mr. Hanna.

22 MR. HANNA: Good afternoon,
23 Chairman Goode and other members of the
24 Committee on Commerce and Economic
25 Development. My name is Kevin Hanna. I

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 serve as Secretary of the Office of
3 Housing and Neighborhood Preservation of
4 the City of Philadelphia.

5 I'm here today to testify on
6 Resolution 041017, which relates to
7 residential and commercial development
8 including waterfront development.

9 In my written testimony
10 distributed to you and introduced into
11 the record, I give an overview of the
12 administration's efforts to date in
13 housing development. I also review in
14 particular our efforts to encourage
15 large-scale housing construction
16 especially along the Delaware Riverfront,
17 which has become one focus of new housing
18 construction.

19 Finally, in that written
20 testimony I provide a summary of the
21 Office of Housing and Neighborhood
22 Preservation's efforts in working with
23 developers to navigate the development
24 process such as our work with Toll
25 Brothers in facilitating construction of

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 its long-awaited Naval Square
3 development.

4 What I would like to do here
5 today is introduce all of that testimony
6 into the record, but only review verbally
7 just now that portion dealing with
8 riverfront development, and if you are
9 follow along, it skips all the way back
10 to Page 3 of my testimony.

11 In highlighting residential,
12 large-scale development, which is now
13 planned or occurring along the North
14 Delaware Riverfront, that area has been
15 engendered by Philadelphia's
16 strengthening housing market, the
17 availability of land in the area, the
18 attraction of riverfront living, and the
19 planning and zoning efforts led by the
20 Philadelphia City Planning Commission.

21 During the summer three former
22 industrial sites were purchased by
23 housing developers. Transactionable
24 Property Solutions, which specializes in
25 brownfields developments, purchased both

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 the Northern Shipping sites as well as
3 the Tacony Army warehouse, opening up
4 more than 85 acres of residential
5 development. Transactionable Property
6 Solutions is a brownfields redevelopment
7 specialist.

8 A partnership between Westrum
9 Development Corporation and K. Hovnaian
10 purchased the former Philly Coke site, a
11 67-acre parcel in Bridesburg near the
12 Tacony-Palmyra Bridge. Initial plans
13 called for more than 700 homes as well as
14 70,000 square feet of retail space on
15 this site. These developers have
16 together reserved space for the planned
17 North Delaware Greenway, a public
18 recreational walkway along the river.

19 Philadelphia is beginning a
20 renaissance on our river shores with
21 waterfront development planned and
22 underway for other parts of the city as
23 well. The master plan for the former
24 Navy Yard includes, as you've heard
25 before, the rehabilitation of historic

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 structures into apartments and
3 condominiums as well as the creation of a
4 new community focused on the river with
5 more than a thousand housing units. The
6 Schuylkill River is also attracting new
7 residential housing development,
8 particularly in Manayunk.

9 Housing is an integral part of
10 the Mayor's New River City initiative,
11 which will bring resources for
12 infrastructure for redevelopment on the
13 banks of the Schuylkill and the North
14 Delaware Rivers.

15 I have distributed to you for
16 your review and information certain
17 marketing tools that we distribute or
18 provide to developers to give them some
19 idea or some flavor of various markets in
20 and around -- well, throughout the City
21 of Philadelphia.

22 Again, the rest of my testimony
23 is before you. If you have any questions
24 about it or any of the issues that I have
25 touched on here, I and my deputy will be

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 more than happy to address them at this
3 time.

4 COUNCILMAN GOODE: Thank you,
5 Mr. Hanna.

6 Are there questions from
7 members of the committee?

8 Councilman DiCicco.

9 COUNCILMAN DICICCO: Thank you,
10 Mr. Chairman.

11 Good afternoon, everyone. Miss
12 Griffith, I appreciate your testimony,
13 and please don't take this as any
14 disrespect for the job that the Planning
15 Commission and you have done for the City
16 of Philadelphia, but when I look at your
17 statement and listen to it, to me it
18 appears more than like a mission
19 statement than an actual plan. To me a
20 plan is when a developer walks into my
21 office and has a set of blueprints, some
22 sense of what the development will look
23 like, artists' renditions. To me that's
24 a plan. And I'm a layperson; I'm not a
25 planner, but it is something I can look

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 at, put my arms around, and really get a
3 sense of what the project will be.

4 We have had these discussions,
5 as you know, you and I and other members
6 of your department as well as
7 administration along with a team of
8 community representatives -- Mr. Malcolm
9 Lazin is here today and he will be
10 testifying -- over the last couple of
11 years, and from time to time we hear from
12 the administration or others that we are
13 working on a plan. The plan will be the
14 New River City as an example and it's a
15 great catch phrase. It is a great idea,
16 but again I just don't see that -- there
17 aren't any details, details that I think
18 would be important to attract developers
19 because much of what I have seen in the
20 city in the ten years or so that I have
21 been a Councilperson representing my
22 district -- a district that probably has
23 more economic development activity than
24 all others combined -- most of what I
25 have seen, if not all of it, has really

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 been developer driven. And I don't mean
3 that, again, to be disrespectful to your
4 department or the people that worked
5 there.

6 I was hoping today that we
7 would see some details of the plan, some
8 zoning maps, maps of zoning, some
9 ownership and evaluation marketing
10 studies, who owns what along, in my
11 district I'm talking about, the area from
12 Allegheny area south to approximately
13 Oregon Avenue, because I think if we had
14 that stuff, I think if we had a sense and
15 a blueprint, if you will, laid out, a lot
16 of the things that are going on and the
17 questions that are being asked of me and
18 throughout the community, both the
19 development community and the residential
20 community, we have an answer for them.
21 We wouldn't be looking at creating the
22 Gaming Task Force possibly today.
23 Although I still don't know what, if any,
24 role the city will have in site
25 selection, we will make recommendations,

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 but they may as good as the
3 recommendations we make the
4 administration aware to spend money that
5 we appropriate. I'm sorry. I can't help
6 myself today.

7 But, in any event, you know,
8 for me I look at the Navy Yard and I
9 think there is a sense of a plan there
10 much more than there are in other areas.
11 You have a parcel. You have aerial views
12 and you are showing a lot of different
13 places where things may fit in, and
14 that's good, but for the district that I
15 represent along the Delaware I don't see
16 that. If you have it, we would like to
17 see it because that's kind of what we
18 have been asking for for a while. So we
19 can look at it as a community, the
20 organization, the people can look at it
21 and sink their teeth into it and have
22 some input, not necessarily erase what
23 you have done and say we don't want that;
24 we want something else, but it works.

25 I, on many occasions, have

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 taken developers through my district and
3 literally point to land, Hovnanian many
4 years ago, I pointed to the parcel that
5 is under discussion in the Fishtown
6 section of my district along the river
7 that has received some negative publicity
8 of late as a possible casino site, as
9 possibly a site for housing. I took them
10 out there. I don't know if it works. I
11 don't know what the condition of the land
12 is. And I have driven through Port
13 Richmond, South Philadelphia with various
14 developers and said, "How about this?
15 Will this work? I think housing would
16 work. What do you think?"

17 Again, I was hoping today that
18 we would have something more substantive
19 to look at and kind of like what was out
20 here at the previous hearing with the
21 Navy Yard. I wasn't a part of that
22 hearing, but something like that. So if
23 you have it, it would be certainly
24 helpful, and if you don't and it is being
25 formulated, that's fine, but when I hear

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 the plan, for me as the layperson, the
3 nonarchitect, the nondeveloper, I kind of
4 look for a map. I kind of look for a
5 sketch, an artist's rendition with some
6 layouts of housing and public space and
7 recreational areas. That to me is a
8 plan.

9 MS. GRIFFITH: If I can
10 respond, Councilman, I think not only in
11 the Navy Yard but in the North Delaware
12 and certainly along the Schuylkill --

13 COUNCILMAN DICICCO: Well, it
14 connects to the Delaware.

15 MS. GRIFFITH: -- you will see
16 that kind of vision plan with imagery
17 that speaks to the layperson and that
18 someone can put themselves into.

19 As you know, there was a
20 different approach; for instance, in
21 Penn's Landing. That approach did not
22 bear fruit, at least the approach that we
23 were involved in.

24 COUNCILMAN DICICCO: You are
25 speaking of the Simon project?

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 MS. GRIFFITH: I'm speaking of
3 the Penn's Landing RFP process.

4 COUNCILMAN DICICCO: I'm sorry.

5 MS. GRIFFITH: I missed Simon.

6 COUNCILMAN DICICCO:

7 Unfortunately I put seven years into that
8 one.

9 MS. GRIFFITH: Yes.

10 And what is happening now, as I
11 said in my testimony, there was an
12 interim plan, not a vision plan, but to
13 ensure that that area did not suffer from
14 the fact that the development plans did
15 not move forward, so money was -- has
16 been produced to shore up piers and to do
17 maintenance and repair, et cetera.

18 In terms of the long-term
19 planning, the vision plan or the imagery
20 or the more detailed plan needs to set
21 within the administration's policy
22 framework. In other words, what is it
23 that the City wants of this parcel of
24 land. And we have already had very
25 fruitful conversations with the Director

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 of Commerce. I expect that Mr. Lombardo
3 will continue those given this very rapid
4 change in the market and very robust and
5 hot market about what possibly could
6 happen in the area.

7 I also note in my testimony and
8 will underscore for the record our
9 interest in pursuing some of the concepts
10 in the Wallace Roberts Todd plan. It is
11 a very expensive plan the way it is laid
12 out now; however, in concept and in sort
13 of the broad objectives we don't see any
14 conflict. So it may be that as we
15 continue to vet through policy and come
16 to some closure on policy, we can then go
17 on to do a specific plan.

18 In the plans that you have
19 noted such as the Navy Yard and North
20 Delaware, what predated the drawings was
21 a decision about what should happen there
22 and how it is going to be financed and
23 how it was going to be paid for, and I
24 think that's where we are now.

25 I would add that in a robust

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 market, as long as appropriate zoning is
3 in place, there is also nothing wrong
4 with having a developer-led process. If
5 it's an appropriate development and a
6 development that fits within a land use
7 envelope that has been discussed and
8 vetted and agreed upon, in a way that is
9 the best kind of planning. It doesn't
10 require a great deal of City subsidy or
11 assistance, but I concur with you that
12 there are probably parcels along your
13 stretch of the waterfront where more
14 in-depth planning that would yield a
15 specific visual that could then be
16 marketed and promoted might be of use.

17 And one of the reasons I asked
18 Rich to come up with me is I realize we
19 are in a transition period and wanted to
20 make sure that you understood that to the
21 extent that I can I'm speaking for
22 conversations that Rich and I have had
23 and concur in.

24 COUNCILMAN DICICCO: Let me
25 make it clear that I'm not opposed to

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 developer-driven projects. I would be
3 foolish to say that. But developer
4 driven projects are basically a result of
5 what the market at the time is interested
6 in doing. A master plan sometimes I
7 think could be the stimulus that drives
8 developers to want to come to look at.
9 We do tax incentives. That's a reason I
10 would say why sometimes developer do
11 things because they see a benefit to the
12 economic benefit as a result of the tax
13 credit or tax abatement or whatever, and
14 that's okay. I think we as a government
15 have that role.

16 You referenced Wallace Roberts
17 & Todd, who will be here also to give us
18 some thoughts today, and the conceptual
19 overview of what they saw, which is
20 expensive, and we all agree on that, but
21 the difference is they came up with a
22 conceptual visual image of what they
23 thought may be an appropriate use.
24 Whether we agree or not that that is the
25 appropriate use, there was something to

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 kind of look at, again, to get your arms
3 around, and work from. It was all about
4 what that concept could mean to future
5 uses along the Delaware Avenue/Columbus
6 Boulevard corridor, so, again, not to
7 sound like a broken record -- and I know
8 you won't be here much longer; is that
9 correct?

10 MS. GRIFFITH: Those are the
11 rumors. Those are the rumors.

12 COUNCILMAN DICICCO: If I'm
13 correct -- I should save this I guess for
14 the next person, Mr. Lombardo, but you
15 are not going to be here that much longer
16 either from what I understand. Whatever.
17 But you all hear what I'm saying anyway,
18 and whoever is out there who may follow
19 in their footsteps, please take note.

20 MS. GRIFFITH: And we don't --
21 I don't think we disagree.

22 COUNCILMAN DICICCO: It is the
23 first time in my political career that I
24 actually feel more secure than people
25 that are civil service employees

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 actually.

3 MS. GRIFFITH: We don't
4 disagree. And, as you know, many folks
5 in our agency have been there 20, 30
6 years. They are not going anywhere, at
7 least not in the next couple of years,
8 and they have been part of this process,
9 and we have Warren Huff and Tom Chapman
10 who at least tell me they are not going
11 anywhere. And I think we can encourage
12 Rich to stay around a little while longer
13 as well.

14 But you are absolutely right.
15 There are many ways to approach
16 development. The approach that was taken
17 by the administration at Penn's Landing
18 initially was to see if we could get the
19 vision and the funding and the financing
20 in one package and moving forward
21 together. That was not successful, and I
22 think the administration is open to
23 trying other avenues, other avenues.

24 And, as I said, I was
25 encouraged by the fact that although we

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 may disagree about details and expense,
3 in terms of the important things, which
4 is the connectivity of communities and
5 the connectivity to the waterfront, the
6 need to have a very lively and robust and
7 energetic waterfront that is filled with
8 people and activity, there is nothing
9 between those two plans that are
10 anathetical (ph) and I think it gives us
11 something to work with within a policy
12 framework that is going to be developed
13 by our economic development agencies led
14 by the Commerce Director.

15 COUNCILMAN DICICCO: As you
16 know, the Wallace Roberts & Todd report
17 was paid for by a grant that was awarded
18 to our organization through Senator Fumo.
19 We were actually considering extending
20 that, that initial report, with another
21 50,000 grant, which I'm not sure if it is
22 even still available, but we never
23 actually told the waterfront association
24 folks that we are not -- I didn't think
25 we should even spend that money because

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 we don't want to spend totally a hundred
3 thousand dollars between the two reports
4 when the Planning Commission may have a
5 plan. Let's see that plan. But, you
6 know, we never heard back from anyone
7 since that initial meeting that was
8 convened in the Mayor's office well over
9 a year ago.

10 MS. GRIFFITH: Again, as I
11 mentioned and as you know, this
12 administration is very collaborative and
13 we work within a policy framework on
14 economic development matters that is set
15 by the economic development cabinet, and
16 it so happens that Rich is our
17 representative to that cabinet. So we
18 don't necessarily go off and vision on
19 our own. It is very much tied to
20 policies that are developed jointly
21 amongst the agencies, and what I am
22 suggesting is that this might be a very
23 timely period to engage the consortium of
24 organizations that I know that you work
25 with and yourself and others in a

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 discussion not only of a vision but of a
3 policy that that vision would actually
4 make concrete.

5 COUNCILMAN DICICCO: I'm
6 working on some legislation that will
7 hopefully set some guidelines for future
8 development that would include public
9 space as part of the development, and I
10 found out meeting with two developers
11 from Hoboken, New Jersey about a week ago
12 who have a very ambitious project they
13 are proposing along Delaware Avenue just
14 north of Spring Garden that there are a
15 lot of federal dollars that are available
16 for riparian rights and other public
17 amenities, and I will get back to you
18 once that legislation is sent back to me
19 that they have been using in other parts
20 of the country.

21 So I will work with the
22 Planning Commission developing that
23 legislation that will make it a
24 requirement, which will not be an onerous
25 requirement on the developer. If

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 anything, I think it will add to the
3 amenities and enhance the project when it
4 is completed because of the public space
5 that it will provide.

6 Thank you, Mr. Chairman, and
7 thank you.

8 MS. GRIFFITH: Thank you.

9 COUNCILMAN GOODE: Any other
10 questions from the panel?

11 COUNCILWOMAN BROWN: Yes,
12 please.

13 COUNCILMAN GOODE: Councilwoman
14 Brown.

15 COUNCILWOMAN BROWN: Thank you,
16 Mr. Chairman.

17 Mr. Hanna, thank you for your
18 testimony. You gave a lot of discussion
19 to the meetings in the workings with
20 developers. Where appropriate, share
21 with us how you address the spirit of the
22 Mayor's executive order around MBE/WBE
23 participation.

24 MR. HANNA: Brewerytown is one
25 of the first developments that would come

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 to mind. At Brewerytown there has been,
3 as you probably know, some level of
4 acrimony within the neighborhood by
5 certain folks who think that the
6 development of market rate housing in
7 that neighborhood might engender or
8 create some level of gentrification.

9 There was also the concern that
10 once stuff got started or coming up out
11 of the ground, to paraphrase one of the
12 neighborhood members who came to one of
13 the neighborhood offices, they were
14 afraid that a lot of pickup trucks with
15 Jersey tags would be parked along the
16 streets. Pursuant to the Mayor's
17 executive order, we made it clear to the
18 developer that we needed, we absolutely
19 had to have, minority participation, that
20 there should not be a bunch of Jersey
21 tags on pickup trucks around the site.

22 COUNCILWOMAN BROWN: Could I
23 ask you to pause there one moment? How
24 is that communicated? Verbally for sure,
25 I would imagine and in the exchange in

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 the meeting, but is there written -- is
3 there provision in the agreement with the
4 developer that stipulates that that's not
5 optional as required?

6 MR. HANNA: No, because in this
7 particular situation the developer bought
8 -- the City helped assemble, but the
9 developer bought the land at fair market
10 value.

11 Now, there is a provision in
12 the development agreement between the
13 developer and the RDA which speaks to
14 that, but, to finish the story -- so
15 that's -- I guess that's the legal nexus
16 between developer and City. Most,
17 however, most of the discussion did take
18 place verbally.

19 As a result of that -- and I
20 spoke to the councilman on this very
21 issue not ten days or so ago -- as a
22 result, the councilman is ecstatic
23 because as it turned out, somewhere
24 upwards of 60 percent of the work being
25 done out there is being performed by

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 minority, or there is a 60 percent
3 minority participation at the Westrum
4 site at Brewerytown and, again, all of
5 that stemmed from the Mayor's executive
6 order and, aside from the executive
7 order, the fact that it is a very
8 important aspect of what the Mayor is
9 looking to do citywide as articulated in
10 the Blueprint.

11 Brewerytown, as I say, was one
12 of the first -- in fact, was kind of in
13 the process as we were having those kinds
14 of discussions. They got it very quickly
15 and, if nothing else, it also proves the
16 fact that there are minority contractors
17 and subcontractors out there if in fact
18 the right amount of effort is made to try
19 to locate and then employ them.

20 COUNCILWOMAN BROWN: It
21 certainly also suggests that yes, it can
22 be done if there is the will for
23 developers to figure it out. So Westrum
24 becomes a clear, in-your-face example of
25 what's possible, which I would hope make

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 all the other developers who are now in
3 line recognize that it's possible.

4 MR. HANNA: You can bet on the
5 fact that we are going to point to
6 Westrum each time we go out and develop
7 some of these development agreements
8 between the RDA and the prospective
9 developer.

10 COUNCILWOMAN BROWN: Very well.
11 Thank you for your testimony.

12 MR. HANNA: Yes, ma'am.

13 COUNCILMAN GOODE: Any other
14 questions for this panel?

15 Thank you very much.

16 Our next panel will also deal
17 specifically with waterfront development.
18 If Mr. Lazin and Mr. Rosenthal will come
19 to the witness table.

20 Please state your name for the
21 record and proceed with your testimony.

22 MR. LAZIN: My name is Malcolm
23 Lazin, and I chair a committee of eleven
24 community organizations up and down the
25 central waterfront district.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 MR. ROSENTHAL: I'm Gilbert
3 Rosenthal. I'm an architect and a
4 planner with Wallace Roberts & Todd, the
5 author of the plan we have heard a little
6 bit about in the last few minutes.

7 MR. LAZIN: Last evening
8 totally by accident I had to walk along
9 the central waterfront district and, as a
10 result, Chair of the Committee Goode, I
11 thought of your dad because in 1984 I
12 made a proposal to David Brenner, who was
13 then the commerce director, for putting
14 out an RFP for Piers 12 through 24 at a
15 point in time when no one believed that
16 the waterfront could be developed.

17 They put out a bid and the
18 company that I represented and was
19 president of was the only bidder on all
20 of those piers because nobody else
21 believed in it. We developed the first
22 full-service marina, rehabbed Pier 19,
23 which is now where Magiane and others are
24 located, created the first waterfront
25 club, and literally started the

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 renaissance. We formed then the
3 Philadelphia Waterfront Developers
4 Council. And so one of the reasons why
5 all of this was brought to mind was back
6 in 1984 Delaware Avenue was a pothole
7 ravine. It was probably the quickest way
8 you could possibly get to China. It was
9 a trucker's freeway, and so what we
10 recognized was at that point in time the
11 City really had no one who was paying
12 attention to the infrastructure.
13 Philadelphia Port Corporation had
14 supposedly that authority, although their
15 interest was obviously in the industrial,
16 and therefore we started to do that kind
17 of planning.

18 And one of the very first
19 things we did was we brought in Wallace
20 Roberts & Todd to take a look at Delaware
21 Avenue and what could be done, and as a
22 net result of that we made a proposal
23 based upon their recommendations for
24 infrastructure planning to then secretary
25 of transportation, Jerusalem, which then

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 got into the nine-year plan, and what you
3 see today on Delaware Avenue is exactly
4 the work of Wallace Roberts & Todd.

5 Now, the reason I raise all
6 that is that the only way -- first of
7 all, one, Philadelphia clearly has a
8 history of complete and utter failure in
9 terms of trying to develop Penns Landing.
10 You would think based upon that failure
11 the City would say to itself why have we
12 failed so miserably in spite of the fact
13 that we brought Bill Rouse to the table
14 and Simon DeBartolo to the table and lots
15 of other people to the table. Maybe
16 there is, one, a flawed process and,
17 number two, maybe there is some
18 infrastructure that needs to be addressed
19 because in terms of a central waterfront
20 district for a major urban city, other
21 cities have been able to do it including
22 Baltimore's Inner Harbor, which obviously
23 was probably one of the very worst areas
24 in one of the worst cities in the country
25 before it got developed. And how did

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 that happen? Because they had an
3 infrastructure plan. And who prepared
4 the infrastructure plan? Wallace Roberts
5 & Todd.

6 Now, I'm not here as their PR
7 person, but I am here to tell you that
8 until the City of Philadelphia develops a
9 plan for the development of the
10 waterfront, you are going to have more of
11 the same and, therefore, in terms of the
12 eleven civic organizations that came
13 together around the most recent
14 development of the waterfront, it was to
15 ask the City to come up with a waterfront
16 plan.

17 I listened to the testimony of
18 the current City Planning Commission
19 executive director and it is very nice to
20 hear about we want a waterfront that is
21 going to be user friendly, increase the
22 quality of life, interface with the
23 neighborhoods, et cetera, et cetera, et
24 cetera, but, unfortunately, from my
25 viewpoint as a representative of all

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 eleven adjacent community organizations
3 we have not seen such a plan and,
4 therefore, what we did was we went to
5 Councilman DiCicco and Senator Fumo and
6 asked them to support our retaining
7 Wallace Roberts & Todd to take the very
8 first step in that very important
9 process.

10 And so what I would like to do
11 is now turn it over to Gil Rosenthal to
12 tell you about that plan that, by the
13 way, all of those community organizations
14 have embraced.

15 MR. ROSENTHAL: Thank you.
16 Thank you, Malcolm. Thank you,
17 Committee. Thank you, Councilman.

18 I was going to begin with a
19 brief overview of my credentials. I
20 think my colleague has done that very
21 well and I will move on to the second
22 paragraph. And I have written this
23 testimony and will probably follow it
24 very closely, although I do tend to ad
25 lib from time to time.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Since I arrived in Philadelphia
3 in 1983, I have been engaged five times
4 to prepare a plan for Penns Landing. The
5 first four were for developers -- Bill
6 Rouse the first, Malcolm Lazin I think
7 was the third. There were a lot of
8 developers involved. There were no
9 rules. We worked with inventive programs
10 and unlimited budgets, developer budgets,
11 not architectural budgets. These were
12 all big-scale visions proposing huge
13 attractions intended to make Penn's
14 Landing a tourist destination.

15 Our drawings, like those of
16 other designers, showed mega complexes
17 for retail and entertainment, Worlds
18 Fair-like exhibition halls, towering
19 commercial buildings and parking for
20 thousands of cars.

21 Not one recognized any
22 relationship to the scale or social
23 fabric of Society Hill or Old City or
24 Queen Village. Rather, these were
25 highway developments aimed at the

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 tourists operating at the pace and scale
3 of I-95 and the vast open space of the
4 river.

5 You could pin up those four
6 plans we drew over the past two decades
7 alongside the seven or eight proposals
8 submitted to Penn's Landing Development
9 Corporation two years ago and, with few
10 exceptions, they would all fall into the
11 same category: Huge, tourist-related,
12 out of scale with the city.

13 But our most recent planning
14 assignment has been very different.

15 First, our client was not a
16 developer this time nor was it the City,
17 but rather an organization of eleven
18 community groups who felt it was
19 necessary to take a more comprehensive
20 look at the entire waterfront from Penn
21 Treaty Park to Washington and Oregon
22 Avenues.

23 Second, perhaps because this
24 was not developer driven, we abandoned
25 the goal of a megascaled tourist

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 destination in favor of neighborhood
3 projects that would be easier to
4 implement and might extend the fabric of
5 the river wards all the way to the river
6 they once lay beside. Our goal was to
7 reconnect those neighborhoods to their
8 river, east-west, to create an
9 interconnected river neighborhood,
10 north-south, and to offer waterfront
11 amenities that might serve these
12 neighborhoods as well as all the
13 residents and the visitors of
14 Philadelphia.

15 This third point, that the goal
16 of the planning study was to make
17 Philadelphia more livable rather than
18 visitable is essential to citywide
19 economic development. I have no report
20 to confirm that. That's my opinion.

21 We have a tremendous
22 opportunity to take advantage of a
23 growing trend towards in-town living,
24 allowing us to attract new families to
25 our city. Perhaps Paul Levy, who we had

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 hoped would be here today, could speak in
3 more depth about that and his analysis of
4 attracting families Center City to
5 reside.

6 Finally, this assignment was
7 not about creating a plan, although we do
8 have illustrative plans that are included
9 in my handouts and I have larger boards
10 with me, but rather about compiling a set
11 of evaluations and observations coupled
12 with some creative thinking about what
13 might be drafted in an illustrative
14 format so that the community, our client,
15 and the City might be able to establish
16 criteria with which to evaluate all
17 development proposals.

18 So we are looking at a
19 combination of creating a framework of
20 evaluation which then welcomes developers
21 to participate in the process.

22 We asked some critical
23 questions that we have not seen addressed
24 before: One, if the market in
25 Philadelphia really has the depth to

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 absorb more than a billion dollars of
3 investment, as at least one of the Penn's
4 Landing proposals suggested, should we as
5 a city try to guide where that investment
6 might best serve us. Let's look at
7 market depth as a limited resource and
8 spend it wisely. Rather than
9 concentrating our next decade's
10 development potential on 13 skinny acres
11 between Market and Walnut, might we be
12 better off if we can steer it to other
13 sites to complete the rest of the
14 waterfront or the Avenue of the Arts or
15 fill out the vision for the Benjamin
16 Franklin Parkway.

17 These are just ideas offered.

18 If Penn's Landing is to be a
19 development site, which we agree it could
20 be, our second question would be is there
21 still a need for large, open park space
22 on the river or a series of smaller park
23 spaces directly related to their
24 neighborhoods to the west? We made some
25 suggestions about where they might be and

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 how big they might be, but this question
3 requires much more public participation.

4 Three, while it is currently
5 possible to meet all zoning requirements
6 without any need for real public access
7 to the waterfront, we considered how a
8 linear park or riverfront walkway similar
9 to those my firm created along the Hudson
10 River -- that would be Hoboken -- might
11 benefit all of the parcels as well as the
12 city and what route it might take.

13 It's not easy to create a
14 linear walkway with all the pier
15 constructions, but there are larger
16 parcels where a pier can be jumped or
17 where a walkway can go out to the edge,
18 but right now there is no requirement t
19 do so and developers are generally
20 choosing not to do so.

21 Four, most planners have tried
22 to address the issue of crossing the
23 width of I-95. We now have long, empty
24 bridges and small underused parks. Some
25 developers and some planners, including

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 ourselves, have proposed expensive covers
3 to the highway's length, but we have also
4 examined this problem of the separation
5 of the waterfront from the rest of the
6 city. We felt it might be prudent to
7 first focus not on I-95 but rather on
8 Columbus Boulevard, which is being used
9 as a service access road to I-95, sort of
10 a continuation of the work we were doing
11 that Malcolm identified earlier.

12 This access condition of
13 Columbus Boulevard greatly exacerbates
14 the separation. Together, along with the
15 railroad tracks down the center, they
16 comprise a 21-lane chasm. Is it
17 possible, we asked, to find a way to
18 change Columbus Boulevard into a city
19 street or, might we say, back to a city
20 street rather than a highway-scaled
21 commercial route?

22 Without yet quantifying this,
23 we examined approaches to new
24 infrastructure that would create
25 development parcels that might in turn

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 support the cost of that infrastructure.

3 Our goal was to create value through the
4 infrastructure and have the value of that
5 parcel pay for the infrastucture itself.

6 We do not believe it's essential for
7 large public expenditures to make some of
8 these items work.

9 We identified a series of steps
10 that could be taken to modify streets in
11 a careful, frugal, incremental way.

12 For example, we think it is
13 possible to slope Columbus Boulevard up
14 northward beginning at the Hyatt Hotel to
15 the height of Front Street so that Walnut
16 and Chestnut can simply be carried across
17 I-95 as streets at grade and level,
18 making this new, raised Columbus
19 Boulevard the new waterfront street,
20 literally extending the fabric of Society
21 Hill.

22 This new Columbus Boulevard now
23 at the level of Front Street would then
24 gently slope back down to pass under the
25 Market Street Bridge, and the drawings

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 explain this three-dimensionally.

3 We think it is possible to
4 build reasonable parking garages beneath
5 this raised level so that buildings that
6 front on the new, raised Columbus
7 Boulevard would present a retail or
8 residential face back toward Front Street
9 rather than the blank garage facades
10 earlier developer proposals have had to
11 deal with. Less intense development on
12 these parcels would also lessen the need
13 for gargantuan garages, and the drawings
14 illustrate these and other diagrams --
15 other ideas.

16 So where do we go from here?

17 We think it is time for careful
18 examination in greater depth than we were
19 able to do in our short study of two
20 major components, public policy, which we
21 have heard a lot about and we believe
22 this report that has just been issued
23 does address, but this includes the issue
24 of livability versus visitability, for
25 example, what are we trying to achieve

13 This study should take into
14 account market potential. As I said
15 before, I consider that an asset that the
16 city has, but market potential for the
17 whole city with some designation of
18 preferred areas of growth, a sort of
19 urban-smart growth plan or, as Maxine
20 called it I think, prioritization. It's
21 a great idea; secondly, financial impact
22 on both the costs and revenue sides of
23 the equations.

24 You have seen a lot about the
25 cost side of the equation. We want to

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 look at the revenue side. If you build a
3 street that creates property, can we then
4 sell that property for enough money to
5 pay for the street. I think so.

6 Infrastructure that addresses
7 traffic without succumbing completely to
8 its demands -- reclaim Delaware Avenue in
9 particular and I-95 if we could -- and,
10 finally, zoning that really represents
11 the wishes and vision of the city within
12 the rights of landowners and can be
13 relied on by planners and developers.

14 Thank you.

15 COUNCILMAN GOODE: Thank you
16 both for your testimony.

17 Are there questions from
18 members of the committee?

19 COUNCILMAN DICICCO: I just
20 want to publicly thank you, Malcolm,
21 again and Gil for all the work that has
22 gone into this. We heard some of the
23 testimony and some of the questions went
24 back and forth. I think Miss Griffith is
25 shaking an affirmative before I even got

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 it out. I think we have an understanding
3 that maybe we need to regroup and start
4 talking about some of these things, and
5 whatever we, the public sector, myself
6 can lend to the Planning Commission, we
7 are certainly available. So thank you.
8 I really appreciate you taking the time
9 to come here.

10 MR. LAZIN: Thank you.

11 COUNCILMAN GOODE: Thank you
12 both.

13 Is Harris Eckstut here? Please
14 approach the witness table and identify
15 yourself for the record.

16 MR. ECKSTUT: Harris Eckstut,
17 Philadelphia Board of Realtors. Just so
18 you know, I have never met the architect
19 from Wallace Roberts or Malcolm, but my
20 testimony will be similar.

21 It is kind of unusual to be
22 here. I had a restaurant for 25 years on
23 South Street, MontSerrat, as the
24 councilman knows, and I have never seen
25 the place empty before. Usually the

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 liquor tax and the smoking bills get a
3 bigger crowd. So it's nice.

4 Good afternoon. My name is
5 Harris Eckstut. Again, some of you might
6 remember me as the owner of MontSerrat
7 Restaurant on South Street for a couple
8 of decades, and I was also the founding
9 chair of the South Street/Headhouse
10 Business Improvement District. And, yes,
11 I am still around. The Councilman knows
12 that.

13 Today I'm a realtor at Plumer &
14 Associates, a Philadelphia family real
15 estate firm in continuous operation
16 actually on South Street since 1923.

17 Since closing the restaurant,
18 I've been working at other challenges,
19 selling real estate, commercial and
20 residential, in Philly and consulting on
21 independent restaurants for developers,
22 bankers and investors in the Middle
23 Atlantic States including Strubels
24 Bellows Eckels in Baltimore Inner Harbor
25 as well as brokering new restaurant

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 independent businesses.

3 I also assist my brother's
4 firm, Ehrenkratz Eckstut & Kuhn
5 Architects, EE&K, in its public relations
6 efforts. EE&K Architects has offices in
7 New York; Washington, D.C.; Los Angeles
8 and Shanghai, China.

9 As the architect who designed
10 Battery Park City in New York, brother
11 Stan has become known around the world,
12 as the American Association of Port
13 Authorities called him last year, the
14 waterfront architect. Working on the
15 firm's public relations and having been
16 active in the South Street/Headhouse
17 Business District and participating in
18 the public discussions on a number of
19 Penn's Landing's plans and projects, I
20 have applied this past experience and
21 interest with some current duties to
22 become familiar with many of EE&K's
23 waterfront projects around the world.
24 These include the San Pedro waterfront of
25 Los Angeles, America's second largest

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 commercial seaport; Queensway Bay, Long
3 Beach, California; the North Embarcadero
4 in San Diego; Inner Harbor East and
5 Harbor Point at Baltimore's Inner Harbor;
6 Anapolis, Maryland; the Anacostia
7 Waterfront in Washington, D.C.; East
8 Pointe, Providence, Rhode Island;
9 Newark's Passaic Waterfront; a mixed-use
10 plan on Huang Pu River on the Bund in
11 Shanghai; and in New York, besides
12 Battery Park City, Newport, Jersey City,
13 the Peninsula at Bayonne Harbor, the
14 Yonkers Waterfront, Arverne by the Sea;
15 and many more.

16 These all have or are now being
17 built, and one thing they all have in
18 common, they are all very different.
19 There is not one proven way of how to get
20 the projects designed and built, but
21 there is the commonality that it can't be
22 done on an island all by itself.

23 If you know of anyone from the
24 Rockaways Peninsula in New York and you
25 mention that Arverne has become the most

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 desirable, middle-income housing
3 purchases in all of New York City, after
4 that person stops laughing, he or she
5 will tell you how full of it you are. In
6 fact, in the early '50s a government
7 official called Arverne in the Far
8 Rockaways the atomic bomb site. It
9 remained so until two years ago.

10 I have had people tell me for
11 years that nuttin will ever get built at
12 Penn's Landing and on the waterfront
13 because of all of the Philadelphia
14 speculators, money grubbers and
15 politicians and all of those unkind
16 things they say about politicians.

17 Well, that's not what holds up
18 the development of the Philly waterfront
19 because I found that all of the other
20 cities in America, and probably the
21 world, have speculators, money grubbers
22 and politicians and all of those unkind
23 things they say about politicians.

24 Then there is this I-95, oh,
25 no, we can't do it barrier. Since the

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 days of the construction of I-95 and the
3 long-forgotten almost Walnut Street exit
4 of I-95 for the 3rd Street Independence
5 Park Welcome Center, I have heard that
6 Philly's waterfront development is
7 handicapped by I-95.

8 It's time to get rid of this
9 Philadelphia negativity or, as one of the
10 sports announcers calls it, Negadelphia.
11 I-95 is not a handicap. Rather, it is a
12 challenge. And every waterfront
13 development in America has challenges,
14 not exactly this one, but a multitude of
15 others. Battery Park City in New York
16 had the World Trade Center Towers. San
17 Pedro, the L.A. Waterfront, has the
18 dilapidated commercial area as well as a
19 multitude of residential issues, and
20 Baltimore Inner Harbor, as was expressed
21 earlier, had Baltimore, and the list can
22 go on and on.

23 It is not that they had a
24 problem or a handicap; they just didn't
25 look at it that way. Rather, these were

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 challenges that they chose to deal with.

3 In fact, I don't think our
4 challenge is I-95, but what the roadway
5 points out, that Old City Philadelphia
6 and its neighbors are multiple stories
7 higher than the Philadelphia waterfront
8 at Penn's Landing. So there. I-95 is
9 not a problem anymore, but the height
10 difference of the waterfront and the old
11 city is a great challenge for creative
12 and visionary professionals.

13 Did you know that Battery Park
14 City, which is built on the landfill
15 created by construction of the World
16 Trade Center, went 14 years and dozens of
17 proposals, some from the biggest
18 developers and top architects in the
19 world, and none went anywhere. It wasn't
20 until the State of New York's financial
21 support for the Battery Park City
22 Authority was running out and the
23 Authority was near bankruptcy that Stan
24 drew up the original idea for the master
25 plan of one of the great waterfront

1 3/31/05 - COMMERCE - RES. 040827 AND 041017
2 achievements on a beverage napkin on an
3 airplane.

4 The plan was as simple as the
5 napkin. Let's not do something grand and
6 different. Let's do what we already know
7 is great. In this case it was Manhattan.

8 So they planned the waterfront
9 esplanade like on the East River, a
10 destination center like Grand Central
11 Station, buildings built from the same
12 stone as those built on Central Park West
13 in earlier times, Upper West Side at
14 another time, street lamps that lined the
15 streets of Manhattan in the '40s, and so
16 many other architectural elements of that
17 city.

18 What was/is the key to the
19 fiscal and physical success of Battery
20 Park City? By the way, today it is known
21 as New York's cash cow, funding many
22 other city residential developments. The
23 key was not to reinvent the wheel. In
24 other words, I'm saying let's stop trying
25 to reinvent Philadelphia. It's a great

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 city. Let's use our city, use our
3 heritage and our culture. I'm not an
4 urbanist. I don't know what makes Philly
5 great, but I have a good idea. Small
6 shops with residential use above, great
7 public squares for public places, a
8 lively walkable street life. I'm sure
9 professionals in urban planning and
10 design can explain more than just this
11 old restaurateur.

12 We can also avoid reinventing
13 the wheel and another half century of
14 nothingness by speaking to people at the
15 successful waterfront agencies,
16 governments, and communities and find out
17 how they worked it all out and
18 intermeshed and strategized all of the
19 components, money, politics, land,
20 management, et cetera, that made their
21 projects happen.

22 Once this is digested, then
23 there should be consensus among the
24 stakeholders as to the best way to have
25 the Philly waterfront happen.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 I have attached Stan's
3 published article on the guiding
4 principles of large-scale architectural
5 design including waterfronts. A lot of
6 this consensus-building, local culture
7 philosophy is detailed there.

8 What I have learned from the
9 history of other waterfronts around the
10 country is that sometimes, just like here
11 in my city, it takes a little longer to
12 get a large-scale urban waterfront to
13 happen. There might be a few roadblocks
14 and nasty pratfalls, but with dedication,
15 vision and professionalism the waterfront
16 can and will happen.

17 It is up to you, our elected
18 officials, to gather the people from
19 government, appropriate agencies, and
20 community with vision, understanding,
21 and, most of all, what I feel has been
22 the most lacking in the history of our
23 waterfront, professionalism. Then we
24 have the ingredients to make this the one
25 and only Philadelphia waterfront.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Thanks.

3 COUNCILMAN GOODE: Thank you
4 for your testimony.

5 Are there questions from
6 members of the committee?

7 Thank you.

8 Let me note for the record that
9 Councilman Clarke was here and had to
10 leave and Councilman Nutter has also
11 joined us.

12 Miss Judith Robinson, please
13 approach the witness table.

14 Good afternoon, please state
15 your name for the record.

16 MS. ROBINSON: My name is
17 Judith Robinson. Thank you all for the
18 opportunity to testify today regarding
19 Resolution 041017. I'm sorry. I'm
20 sorry. It is 040827 is what I'm here to
21 testify on today. Thank you for the
22 opportunity.

23 I just wanted to clarify that I
24 am clear that this is regarding the 21st
25 Century Economic Development Summit?

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 COUNCILMAN GOODE: That's
3 correct.

4 MS. ROBINSON: Because I see
5 that there is a blueprint and I
6 understand there is another blueprint
7 going around I think from the state
8 level. Is that one and the same or being
9 combined somewhere?

10 COUNCILMAN GOODE: No. As a
11 result of the summit, there was a formal
12 Blueprint document that was developed and
13 released last week and this is a hearing
14 on that document.

15 MS. ROBINSON: Okay. Well, I
16 did read the whole 21st Century Economic
17 Development Forum Review. I did read
18 that. And, respectfully, I say that I
19 looked at the members of each committee
20 and it was heavy on lawyers. With all
21 due respect, average citizens have great
22 ideas that can be of value. I know it
23 was not convened by this body, but I just
24 want to say that to you all. Please be
25 respectful of every idea. You never know

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 where it might come from, maybe even a
3 child. If we are respectful of each
4 other, maybe we could solve some of these
5 problems.

6 I have been coming here for
7 many years regarding every economic
8 project and I'm going to say greetings
9 from the neighbor-Hood. I have come here
10 for OHCD hearings, Comcast, the School
11 Board, et cetera, et cetera, most
12 important you all know my favorite, the
13 Neighborhood Transformation Initiative.

14 Every project, every program
15 has some economic development stimulus
16 package attached to it, so you all claim,
17 or so the claims were. If that be the
18 case, it shouldn't be that hard to try to
19 make these things work.

20 Chairman Goode, I read your
21 testimony or your, yeah, testimony, as it
22 relates to this process overall, and I,
23 like you, am concerned about enforcement
24 and monitoring of what folks declare they
25 are going to do when they come to this

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 body and before us regarding these
3 economic stimulus package. I think what
4 you propose were some great ideas to
5 monitor that process and I would just
6 like to see it, in fact, happen.

7 I'm going to just briefly go
8 over some of the testimony from
9 Controller Saidel and also the City
10 representative and Director of Commerce.

11 All these years that the
12 controller has been in office he states
13 that he hopes that this Blueprint will
14 offer a roadmap to future
15 decision-making, okay, to promote the
16 economic health and vitality of the city.

17 Not to be disrespectful, for
18 many years the controller has been in a
19 position to better monitor or be more of
20 an enforcer of whether each of these
21 projects that you all agree to finance or
22 agree to get out of the committees out of
23 this body through the voting process, he
24 has agreed to keep the money flowing so
25 to speak. So I hear him per his

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 testimony. He won't be here anymore, but
3 maybe in the future we can allow a
4 controller to be everything they can be
5 and truly monitor this process.

6 I only remember one time
7 Mr. Saidel stopping some very
8 disrespectful spending. It was in the
9 Rendell administration. It was over on
10 Osage Avenue. Remember that mess?
11 That's the only time I remember payments
12 being stopped for a project. I guess it
13 was so darn ridiculous that it had to be
14 stopped. That is the only time I
15 remember him doing that. I'll leave that
16 alone.

17 Secondly, regarding the City's
18 representative -- I want to call her the
19 Director of Commerce -- just to go over
20 her testimony, this Blueprint, they have
21 objectives and I'm real clear that we are
22 now trying to move towards a city that is
23 going to extract the best and the
24 brightest and use the knowledge industry
25 to build economy. I would hope, because

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 I'm a voice from the neighbor-Hood that
3 you will make sure that you leave no
4 children, no people behind, nobody from
5 my neighborhood because we have knowledge
6 up in the Hood and I want to make sure
7 that as we give these colleges entree all
8 over our neighborhoods, expanding as they
9 are, that we are not so disrespectful of
10 the people that live in those
11 neighborhoods that we don't even offer
12 them an opportunity to attend those
13 institutions as we expand them into our
14 neighborhood.

15 Just Thursday I read where
16 Temple University in my neighborhood of
17 north Philadelphia is going to the state
18 for increased funding. I'm sure that's a
19 good thing per their request; however,
20 I'm concerned that these institutions are
21 expanding into the community, begging for
22 more money, but not looking to those very
23 communities for brains, knowledge, power.
24 That's one of my terms.

25 Secondly, according to the

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 representative's statements, testimony,
3 the second objective of this Blueprint
4 objective is the economic development. I
5 think we need those who are the
6 decision-makers to expand your groups.
7 Stop listening to the same voices. We
8 are not getting it done now. Maybe if
9 you open up your ears you may be able to
10 hear that there are some ideas coming out
11 of the mouths of those that are not
12 appointed, annointed or part of the
13 clique. You just may get the answer.
14 Remember, it could come from anywhere.

15 In addition, and it is sad to
16 me, but I knew this would never be the
17 first thing that would be considered, but
18 making Philadelphia a national model for
19 the MBE/WBE process, after 20-some years
20 of having MBEC in place, it is just truly
21 unfortunate that we can't get this right.
22 We can't be respectful that each and
23 every one of us citizens of Philadelphia
24 can bring something to the process and to
25 exclude those people that are of value to

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 our community, those that could be even
3 more of taxpayers than they are already.
4 It is just such a sad thing for us, and
5 the better we are about dealing with that
6 ASAP would be of value.

7 This program, this Blueprint,
8 is supposed to sustain advances in
9 neighborhood economic development. Well,
10 I live and soon I will have a business in
11 the heart of North Philadelphia. As a
12 business person, I never requested any of
13 this money from the Commerce Department.
14 I guess my self-sufficiency just makes me
15 go on about my business to try to do
16 this, but as I look at our commercial
17 corridors, whatever money has been put
18 towards that process has not really been
19 of value to the communities.

20 The stores on our corridors are
21 mostly dirty food stores with people as
22 proprietors that are from outside of our
23 community, so the dollar goes out, not
24 in.

25 If we are truly trying to do

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 economic of scales and trying to be of
3 value to those of us that live in the
4 communities of these neighborhoods, we
5 would do a better job of monitoring how
6 dollars are spent and what value are they
7 bringing back to us.

8 We know that over 300 and some
9 million dollars, bond money, not money
10 that we can use as grant money, money
11 that will have to be paid back in the
12 future was used in the name of
13 transforming communities. Houses were
14 built. Houses were torn down. We have a
15 bunch of land. But somehow with all the
16 building people didn't think about
17 supermarkets. They didn't think about
18 economic development and helping people
19 from these communities participate. I
20 hope we can make a correction in that
21 regard.

22 In my community -- in our
23 community, but mostly in the North
24 Philadelphia community that I live in,
25 there is lack of opportunity for our

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 males, and my -- and I'm sure you all
3 heard this one before. My mother would
4 say it all the time. Out of mind
5 playground of the devil. And it's
6 obvious. I'm going to leave that there.

7 But as we get expansion of
8 student housing, as we get all of these
9 PHA redevelopments, et cetera, going on,
10 there is no true economic development
11 stimulus as relates to every one of these
12 projects.

13 I will just digress for a split
14 second to say that I encourage you all
15 and this economic development committee
16 to be supportive of my councilman,
17 Darrell Clarke, as he will come back
18 before this body soon in the name of 1600
19 North Broad Street and, again, we are
20 talking about economic stimulus.

21 I'm going to move on because I
22 want to finish up real soon, but I want
23 to say this: In the Commerce Director's
24 testimony I see where they are talking
25 about preserving historic properties.

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 Some of the best historic properties are
3 in the heart of North Philadelphia being
4 destroyed, so if you all are really,
5 truly interested in preserving historic
6 neighborhoods, let's be respectful of all
7 of them.

8 Making city government
9 incentive programs more predictable,
10 objective and equitable, that would be a
11 good thing. What are we going to do
12 about it, you all?

13 In addition, let's not just --
14 again, I keep challenging you all to
15 listen to all voices. Go out and talk to
16 somebody you never talked to before
17 because to just use independent report
18 commissioned by the Building Industry
19 Association, who I respect very much,
20 BIA, they have a program, but you need to
21 listen to those others that are not part
22 of those groups or part of unions, et
23 cetera.

24 Correct me if I'm wrong, but
25 there is no law that says that all work

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 has to be done by union employees.

3 COUNCILMAN GOODE: That's

4 correct.

5 MS. ROBINSON: Is that true?

6 COUNCILMAN GOODE: That's

7 correct.

8 MS. ROBINSON: So then there

9 should be no good reason why we can't

10 have my brothers from the Hood working on

11 these projects without any major problems

12 about this, okay?

13 In closing, increased

14 opportunities and access to literacy.

15 Yes, we do need to deal with that, safe

16 schools, all of that. And as you build

17 those schools, \$1.5 million, another

18 economic development program that I think

19 if we continue to move forward and being

20 the best we can be and we are truthful

21 with each other and we are trying to make

22 sure we move toward this Blueprint and

23 make sure we follow all the guidelines,

24 then, you know, we could move forward in

25 being the best Philadelphia we could be

1 3/31/05 - COMMERCE - RES. 040827 AND 041017

2 by sticking to guidelines, really, truly
3 pulling in everybody to make sure
4 everybody is included in the economic
5 development process.

6 Thank you all very much. Let's
7 work together.

8 COUNCILMAN GOODE: Thank you.
9 And if you don't have a copy of the
10 latest Blueprint, I would be more than
11 glad to give you this copy.

12 MS. ROBINSON: I would love to
13 have it.

14 COUNCILMAN GOODE: Does anyone
15 else want to testify on these
16 resolutions?

17 Seeing none, this hearing on
18 both resolutions is recessed to the call
19 of the Chair.

20 (The hearing adjourned at 4:25
21 p.m.)

22

23

24

25

1

2

CERTIFICATE

3

I HEREBY CERTIFY that the

4

proceedings of the Committee on Commerce &

5

Economic Development are contained fully

6

and accurately in the stenographic notes

7

taken by me on Thursday, March 31, 2005,

8

and that this is a true and correct

9

transcript of same.

10

11

12

13

14

15

16

Cynthia A. Whyte, RPR

17

18

19

(The foregoing certification of

20

this transcript does not apply to any

21

reproduction of the same by any means,

22

unless under the direct control and/or

23

supervision of the certifying reporter.)

24

25