COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEES ON FINANCE and TRANSPORTATION

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Room 696, City Hall
Philadelphia, Pennsylvania
Wednesday, May 7, 2003
10:15 a.m.

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RESOLUTION 020607 - Resolution authorizing the City Council Committees on Finance and Transportaion to hold hearings to examine SEPTA's Market Street Elevated Reconstruction Project in West Philadelphia, its fiscal impact on local businesses, and its overall effect on the community and the city at large.

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PRESENT:

COUNCILWOMAN JANNIE BLACKWELL, Chair
COUNCILMAN ANGEL ORTIZ
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN MICHAEL NUTTER

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05/07/03 - FINANCE AND TRANSPORTATION - RES. 020607

COUNCILWOMAN BLACKWELL: Thank you all for attending this hearing. This is a joint hearing with Committee on Finance and the Committee on Transportation to deal with SEPTA and the project on Market Street that goes from 46th and 60th, how it affects the businesses, as well as the residential communities, and what impact in general it's having on our City.

Before we begin we would like to note that Steve Brookins passed. His funeral is this morning at 10:00. The viewing was at 9:00 at Mount Airy Church of God in Christ at 6401 Ogontz Avenue. And so we tried to attend the viewing since we needed to be here with all of you this morning. So we might ask before we begin that we have a moment of silence for Steve Brookins, who passed away.

(Moment of silence.)

COUNCILWOMAN BLACKWELL: Thank you.

Many of you know we have a lot of battles with -- we remember a lot of battles, from the subway to the hotels when SEPTA Transport Workers Union, that is, was going through their negotiations. But we have a long history with Mr. Brookins, and he certainly deserves all the respect

that he's getting this morning. People are lined up in the streets to view and to pay their respects to his family. We send them our condolences and hope that this rash of people passing away will stop, so many good people, and that their legacies will be forever remembered.

What we'll ask now is that the Clerk will please read the title of the Bill.

Before that, let me note that the Chair of the Transportation and Public Utilities Committee is here; to my left, the Honorable W. Wilson Goode; and to my right, the Honorable Angel Ortiz. He is on the Committee on Transportation and Public Utilities, and we are very glad that they are here this morning.

Before we hear any testimony, we would like to ask the Clerk to read the title of this Resolution.

THE CLERK: Resolution 020607, a Resolution authorizing the City Council Committees on Finance and Transportation to hold hearings to examine SEPTA's Market Street Elevated reconstruction project in West Philadelphia, its fiscal impact on local business and its overall

affect on the community and the city at large.

COUNCILWOMAN BLACKWELL: Thank you very much.

And we thank all of you again who have come from your communities to testify.

We'd like to give just a little bit by way of background, and then we'd like to ask Mr. Cecil Bond if he would come forward. He will be testifying. We note that Frances Jones is here. Then we'll take public testimony.

Let me note that we did ask Faye Moore to be here this morning, but she has chosen not to come. We believe that she should have respected the request of this Committee to come forward. We have many questions that we have continued -- and we appreciate the Assistant General Manager, Business Services Division, to be here, and we ask him to take the witness stand. We appreciate, certainly, Reverend Jim Baker for being here and Frances Jones. I note Frances Jones is Community Relations -- Vice President of Community Relations?

MS. JONES: Assistant General Manager of Government Affairs.

COUNCILWOMAN BLACKWELL: Assistant

General Manager of Government Affairs. I said that all wrong.

We appreciate their input and certainly we work with SEPTA -- we work with Frances Jones all the time, so our issue is certainly not with her. But we do have a serious problem with Faye Moore not respecting this Committee and the residents and business owners who are suffering by not coming forward herself to testify. She could have done that.

We believe -- and we take it as an affront, as an insult to the efforts to try to help businesses on the Market Street corridor and businesses affected, as well as residents. And we believe that everybody can come when you have only positive things to say. If you have a serious agenda, nothing to hide, if your agenda is positive, that you can come certainly and face questions.

We want to say from the onset that we do believe that, again, it is an insult for her to not come forward. Certainly, we have a $58 million subsidy that the City is involved with for SEPTA. We have the freedom to introduce an amendment to hold up or even remove that subsidy. Those are

always options we have when we have people who don't respect us. Then we have to decide what it is we think that our response should be.

A few issues that concern us are, one, an action plan for the community. Residents and business owners have felt that they have been left out of the process. I said this during our SEPTA hearings that we had a block captain in the 5500 block of Market Street, for example, who came to us when those doing the work, contractors, were urinating in front of their homes. They didn't have a porto-toilet, and they were disrespecting people by urinating on the street. And disrespecting the community -- the workers on this project -- by not having a dumpster to even clean up at the end of the day. We've been complaining since the beginning of this project about the cleanliness, about the respect to the community. We want this project. When government overall is spending almost a billion dollars, to expect cleanliness, to expect people to clean up at the end of the day, to expect just some human decency is what a community has the right to expect.

We're also concerned about -- and we

would like certainly for you to respond today -- about decisions for closing Angora Terrace. We have advertisements in my office I will have brought up that talk about advertising. There were advertising glitches. The train said one notice in terms of closing Angora Terrace, and then the El said another. So there was misinformation given on that and we're hoping and requesting that that closing be delayed because we didn't even have consistent information given out on the closing.

Angora Terrace, that station, is in the middle of a mall, a neighborhood business mall. It's a block from a school, within a block of a school and a public library. It will make a big difference to that neighborhood. Albeit, we have a trolley that can take you downtown, closing that station and making that a wasteland really goes against the whole nature and plan for neighborhood transformation and certainly will adversely, greatly affect that neighborhood. So Angora Terrace was number two.

Number three was route consolidation. People are complaining that it seemed to be random, even though I know you have plans. They are

absolutely complaining about the whole issue of route consolidation.

Number four are contracts. We have contractors who are here. Anthony Fullard, for one, will speak for them. At the last meeting, many contractors came out to say, albeit, you give numbers like 34 percent during one aspect of the project, they don't see that and are complaining against neighborhood and minority inclusion. All of us know that this is the time where minorities, women, and disabled have to be included on projects or they just won't go. So that's the fourth issue.

And the last issue that we want to mention is a time line. We would like you to respond to what's going to happen and when in terms of this project.

And finally, we have been trying to talk to everybody we can find to get business owners help. Nobody can survive six years without a full pay; not six weeks. None of us can do that. So we are really concerned about -- we need a plan to subsidize our businesses, and we have been -- I got a call as recently as yesterday with some consultants who want to work with us in the business

community and commerce to see what we can do. We've got to find a way to subsidize businesses because in five to six years we won't have businesses left if we don't find a way to give them some help around this project.

There's also a meeting today with SEPTA's marketing department, along with -- it's called Clear Channel, a SEPTA proposal that will deal with Power 99 and WDAS Unity Day, where there is a plan to try to focus on maybe a trip to Disney World for people who shop on the strip and try to come up with a plan to focus interest on this commercial corridor. So we've been working with that, and we thank them for coming up with the idea and letting us know about it. So we will be reporting back to you about a meeting that is called the Clear Channel SEPTA Proposal. And Clear Channel is really trying to work with us to try to focus attention on this neighborhood corridor and to see what we can do to spur those interested to participate.

Having said those things, I would like to ask my colleagues if they would like to make an opening statement.

The Chair notes that Councilman Michael Nutter is likewise here, and we thank him for his attendance as well.

Mr. Bond, would you identify yourself then for the record and begin your testimony.

MR. BOND: Good morning, Councilwoman Blackwell and Members of the City Council. I am Cecil Bond, Jr., Assistant General Manger of Business Services at SEPTA. Today I'm representing the General Manager, Faye Moore, and SEPTA. Ms. Moore offers her regrets, as she is attending meetings having to do with the recent announcement of our budget crisis.

In addition, I'm here to provide testimony on Resolution No. 020607, concerning the Market Street Elevated Reconstruction Project in West Philadelphia. Accompanying me is Frances Jones, Assistant General Manager for Government Affairs, and members of SEPTA's project team for the Market Street Elevated Project.

We are undertaking the reconstruction of the Market Street Elevated Line in West Philadelphia and Delaware County as a part of a major capital investment project to improve the Market-Frankford

Subway Elevated Line between 46th Street and Millbourne Street in eastern Delaware County.

Opened in 1907, the El in West Philadelphia has been in active service for 96 years. The intent of the Market Street Elevated Construction Project is to ensure the operational reliability and safety of this portion of our busiest line which transports more than 100,000 daily riders.

The current scope of work for this project includes replacement and reconstruction of six existing stations; 46th Street, 52nd Street, 56th Street, 60th Street and 63rd Street in Philadelphia, and the Millbourne Station in Delaware County; replacement of 11,000 feet of guideway structure between Millbourne Station and 46th Street with a new single column bent structure; the construction of two new automatic train control buildings and other related safety improvements.

The project is designed to open the area surrounding the El in West Philadelphia to more natural daylight and to ease the flow of traffic along Market Street. The new Americans with Disabilities Act compliant stations will be equipped

with new elevators and escalators, improved lighting, and new in-station communication systems. With a budget of $567 million, the project is scheduled to be substantially complete in the year 2007.

In addition to four professional service contracts, the project is divided into five major construction contracts: The ATC Buildings at 52nd Street and 63rd Street; the Foundations, including ductbanks and utilities; the Cobbs Creek Project at Millbourne and 63rd Streets and the portion of the guideway between these stations; the guideway for the remaining sections of track between stations; and finally, the fifth package is the stations package, 46th, 52nd, 56th and 60th Streets, and a portion of guideway at each station.

Construction is substantially complete on the two ATC buildings. The contracts for the Foundations package was awarded and is 40 percent complete, with a scheduled completion date of 2004. The Cobbs Creek contract is currently 19 percent complete, and work is scheduled to be completed in the year 2005. The guideway package was recently awarded at SEPTA's April 2003 board meeting. And

the station package bids will be open on May 9th, that's this Friday, the year 2003.

As defined by the regulation of the US Department of Transportation 49 CFR Part 26, our Small and Disadvantaged Business Utilization Department, through its Affirmative Action program, ensures equal opportunities for minorities, women and construction area residents to participate in the construction contracts and employment opportunities associated with the program to reconstruct the El in West Philadelphia.

The contract goals for disadvantaged business participation are established on a contract-by-contract basis. The overall DBE goal achievement for the MSE professional services and construction contracts as of January 2003 was 23.8 percent.

In addition, each of the contractors working on the MSE project must conform with standard Federal Equal Opportunity work-hour goals, set at 17.3 percent for minorities and 6.9 percent for female. We added a voluntary construction area residents EEO goal of 10 percent. We continue to meet with the contractors, encouraging achievement

of the expanded EEO goals established for the project.

As of January 2003, the minority goal achievement was 21.14 percent. The female goal was .28 percent, and the resident goal achievement was 10.24 percent. In addition, the total number of workers employed for all trades utilized was 558, of which 136 are African American, or 24.37 percent. Forty individuals employed on the project are construction area residents.

Since the beginning of the project, we have embarked on an aggressive outreach program for minority and women-owned businesses that includes technical assistance and advice concerning the DBE certification process. We've held six contract information outreach sessions, providing an opportunity for potential prime bidders and DBE subcontractors to network and discuss forging business relationships.

We have also engaged in an intensive community outreach component with community residents and stakeholders. These tasks are presently being accomplished with the combined resources of SEPTA and its project consultants. To

this end, we have assumed direct responsibility for the staffing and management of a Community Information Center, located at 5344 Chestnut Street. By providing a daily presence, we are working to enhance communications, the flow of information, and improve coordination on matters demanding immediate attention. In addition, we continue to hold community meetings to provide project activity updates and to inform the community about pertinent project-related activities through comprehensive communication efforts.

By the very nature of the construction work, individuals who live and work adjacent to the El structure are experiencing changes in their lifestyles. While every effort is being made to minimize these hardships, we recognize that the business community in and around Market Street have specific issues and concerns that must be addressed throughout the life of this project.

We have identified in excess of 750 businesses within the larger project area, and approximately 163 businesses located along Market Street. Working through our consultants, we have developed a comprehensive business outreach program

designed to provide assistance to local businesses.

A business resource guide with information about starting a business, developing a business plan, business marketing, agencies and organizations that can provide assistance and technical advice was prepared and distributed to area businesses. I think you have a copy of some of this literature in your package.

Our consultants have also developed special promotional programs, including "It's Cool to Shop Around the El," and "Holiday Lights" to encourage community residents and SEPTA riders to support businesses within the project area.

As an extension of our business outreach efforts, one member of the team has been assigned to daily monitor project activity, which includes walking the construction area, meeting with the business owners and providing assistance in resolving construction-related issues that might impede the normal flow of day-to-day business activities.

In response to concerns expressed by businesses at 52nd and 56th Street and Market Streets concerning impediments to vehicular traffic,

we constructed two customer parking lots. In addition, we've met with Councilwoman Blackwell to discuss other possible locations for customer parking lots to support businesses within the project area.

Even with the best intentions, it is difficult to complete a project of this magnitude and complexity without disruption to customers, community residents, and area businesses. However, every effort is being made to resolve issues that arise within the specific areas of construction.

In response to concerns about lighting, we have replaced missing lights along the 5500 block of Market Street that are on the existing structure. Our MSE project team has been actively coordinating with the 16th, 18th, and 19th Police Districts concerning street closures, construction activity locations and emergency vehicle access.

The Market Street Elevated Reconstruction Project represents a major investment for the City of Philadelphia and the future of the citizens who live and work in West Philadelphia.

As a quasi-public agency, please be assured that we are committed to addressing the

concerns of this Council and your constituents. We are prepared to collaborate with stakeholders and other government agencies to mitigate present and future issues.

Thank you for your indulgence and continued support. That concludes my testimony.

COUNCILWOMAN BLACKWELL: Thank you very much.

You mentioned that contract goals for minority participation are established on a contract-by-contract basis. Do you not have overall goals, and then deal with it on a contract-by-contract basis?

MR. BOND: We're required by the FTA to submit an annual overall goal. I'm not sure exactly what that number is, but I think it's about 15 percent this year. Every year the goal varies based on available capital projects that are going to take place during the ensuing year.

But when we review the contracts, there's some contracts that do not offer subcontracting opportunities for anyone. And so in those case we would not set goals. There are some contracts and most of the contracts on MSE project

provide opportunities for subcontracting to minority and other subcontractors. And so in those cases we do set goals.

COUNCILWOMAN BLACKWELL: Would you give us detailed information about that, the overall goals and the goals for each contract? That is going to be very important to the minority contractors, some of whom are here.

MR. BOND: We have that information. I think we submitted it in the past, but we'll get it for you again. That's not a problem.

COUNCILWOMAN BLACKWELL: Thank you.

Councilman Nutter, do you have a question on this area?

Part of the El, as many of you know, above 60th Street to Millbourne is Councilman Nutter's, who's a Member of the Finance Committee, is his area.

COUNCILMAN NUTTER: Thank you, Madam Chair.

Madam Chair, I didn't understand the response.

COUNCILWOMAN BLACKWELL: Mr. Bond, would you repeat or clarify for us?

MR. BOND: Your question was, I thought, does SEPTA have an annual DBE goal. We do have an annual DBE goal. It's sent off to the FTA every year.

COUNCILMAN NUTTER: I thought the question was, do you have individual goals on the contracts related to this project. I thought that was the question.

MR. BOND: I didn't understand that to be the question. If I misunderstood --

COUNCILMAN NUTTER: I thought your question was, are there goals for the project?

COUNCILWOMAN BLACKWELL: Absolutely.

On page 2, third paragraph of his testimony, he states, and I quote, "The contract goals for disadvantaged business enterprise participation are established on a contract-by-contract basis." And we needed clarification.

COUNCILMAN NUTTER: Right. And I thought your question was about that. And the next thing I heard about was an annual goal.

MR. BOND: I misunderstood the question. I apologize.

Yes, there are contract goals set on each of the contracts for the Market Street Elevated Project. And we have the information on each contract by goal -- well, the goal of each particular project, on the MSE project.

COUNCILMAN NUTTER: And what are they?

COUNCILWOMAN BLACKWELL: But we also did question the overall goal, as well as the contract-by-contract, that we wanted that information.

COUNCILMAN NUTTER: Exactly. I just thought that the response was not responsive to the question that was asked, and I didn't understand it.

MR. BOND: I apologize. I misunderstood the question.

We have four professional services contracts. The DBE goal for the four professional services contracts were MSE Architecture and Engineering Services for Inspection design and construction-related Services, that was a 23 percent goal.

On the MSE, Affirmative Action Consulting Services was awarded in 1998. It was a 50 percent DBE goal.

On the MSE Communications and Community Relations Services, there was a 50 percent goal.

On the MSE Program Management Services, there was a 17 percent goal. That's on the professional services contracts.

On the construction contracts --

COUNCILMAN ORTIZ: Madam Chair, if I may?

COUNCILWOMAN BLACKWELL: Yes.

Councilman Ortiz.

COUNCILMAN ORTIZ: As you state the goals, and you say these are professional services, could you also state what minority companies were hired and their addresses and so on?

MR. BOND: We have that information. Just hold on a second.

MS. JONES: We can provide you with that information also.

COUNCILMAN ORTIZ: And why are the goals so low? They're really low. In a City in which we're close to 60 percent of the population, the goals are very low.

MR. BOND: I'll try the first question you asked first.

On the first professional services contract where the goal was 23 percent --

COUNCILMAN ORTIZ: Define what we mean by goals and what was achieved out of that with each category that Councilwoman Blackwell and Councilman Nutter asked for.

MS. CLAITT: Good morning. I'm Lillie Claitt with SEPTA. I work with the Small and Disadvantaged Business Utilization Department. I will do my best to answer the questions concerning the DBE participation for the Market Street Elevated project.

If I may please have the specific question for right now, please, sir.

COUNCILMAN ORTIZ: You have to identify yourself for the record.

MS. CLAITT: My name is Lillie Claitt. I am with the Small and Disadvantaged Business Utilization Department at SEPTA, and I work with the goals for minority employment for Market Street Elevated Project. I will do my best to answer the questions regarding the minority firms or DBEs that are participating on the contracts that we've just informed you about.

Could I please have the specific question that you would like answered at this point in time, please?

COUNCILMAN ORTIZ: I asked for, one, the identification of those firms that were hired; and also for the definition, and were the goals realized, and then why are they so low.

If you reach this very low barrier, if you reach this very low barrier, are we then just, "Oh, well, we reached 15 percent, so let's forget it, let's go on and do that"? If we reach that low barrier, then why don't we have a greater participation?

It is a very low barrier that we have in terms of standards.

MS. CLAITT: In terms of establishing the goal on a contract-by-contract basis, it's based on not just the elements of the work that is available for participation by minorities or any other contractor, but it's based also on the number or percentage of minority or DBE firms that we have certified in our database in terms of setting the goal.

The achievement for each of the

contracts, if that's what you would like to know at this time, I have available for each contract, each contractor.

On the professional services contracts, our achievement is 22.03 percent -- if I may correct that, please.

On the architectural and engineering professional services contract, we have an achievement of, again, 22.03 percent. And that's based on the monitoring percentage of payment by the prime contractor to each of the subcontractors.

COUNCILMAN ORTIZ: Could you define that, monitoring percentage of payment.

MS. CLAITT: Monitoring is the review of monthly documents submitted by each contractor that demonstrates to SEPTA that they are paying the DBE subcontractors to achieve their goal. We monitor it on a monthly basis to determine if there's any deviation or if there's any problem or discrepancy based on the percentage of the contract that's complete and the percentage that has been paid to each of the DBEs.

At that time, if a contractor is falling short of their DBE goal, we are in a position to

work with them to ensure that they do meet that goal. So that's a monthly utilization report that is submitted to us, together with canceled checks, evidencing the payment to those DBEs.

Does that answer your question, sir?

COUNCILMAN NUTTER: Excuse me. Can I have a microphone, please?

COUNCILWOMAN BLACKWELL: Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

I'm sorry, ma'am. I was distracted. I didn't catch your name.

MS. CLAITT: My name is Lillie Claitt, and I'm with SEPTA's Small and Disadvantaged Utilization Department.

COUNCILMAN NUTTER: Okay. Ms. Claitt, you were telling us about professional services contracts; is that correct?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: Okay. Are there any minority or female firms that are functioning as a prime in the professional services area?

MS. CLAITT: Yes, there are. We have

two.

COUNCILMAN NUTTER: What are they?

MS. CLAITT: On the communications and public relations, that's Portfolio Associates. That is a certified women-owned business located in Philadelphia. And on the Affirmative Action contract, we have Contract Compliance, Inc., which is owned by an African American male, with a home base in Bethesda, Maryland.

COUNCILMAN NUTTER: I'm sorry?

MS. CLAITT: Contract Compliance, Inc., an African-American-owned consulting firm.

COUNCILMAN NUTTER: Based in Maryland?

MS. CLAITT: Yes, sir. They have a project office in West Philadelphia.

COUNCILMAN NUTTER: Which was set up to do this project. They're not based here; they set up an office because doing work here?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: Okay. We'll get back to that.

I guess what I was really asking on the professional services side in terms of prime contractors was related to the actual work of the

project, like architects or designers or something that's a little more directly related.

I'm glad that we have a communications component. I'm not exactly thrilled about the Contract Compliance. I'm glad we have it. I'm sure we could have found someone who might have been interested in that work who is based here in Philadelphia, but we don't have to have that argument at the moment.

What I'm trying to understand is, directly related to the single bent column system running down Market Street, is there any minority, black, Latino, Croatian, or any other minority that might be available, or a female firm, that is prime contractor for professional services?

MS. CLAITT: No, there is not.

COUNCILMAN NUTTER: Why?

MS. CLAITT: I can't answer that question, sir.

MR. BOND: All these projects with SEPTA are professional services contracts.

COUNCILMAN NUTTER: Right. Which have the maximum flexibility of any contract; is that correct?

MR. BOND: Which has the flexibility of individual companies --

COUNCILMAN NUTTER: You can pretty much pick who you want.

MR. BOND: -- responding to the RFP. You cannot pick anyone you want. They have to be responsive to the RFP. There is a technical package that is submitted and there is a cost package that is submitted.

COUNCILMAN NUTTER: Do any firms that we've described here, whether minority, African American, female, or any other classification, respond to any of these RFPs?

MR. BOND: I don't have that information at hand, but I can get the information on the number of firms who did, the type of firms and the number of firms.

COUNCILMAN NUTTER: Well, if none had, given your length of experience and the expertise that I know you've developed over the years, Mr. Bond, if none had responded, you'd probably know that, right? I mean, that would probably seem a little strange to you?

MR. BOND: Yes, I probably would have

known if they had not responded.

But what we do is, on all of our contracts, when they've submitted proposals, we have a list of the breakdown of all the firms who submitted responses, and we would also have a list of their ethnicity. And I have that information. I just don't have it at my fingertips.

There may have been minority firms who responded as prime proposals on professional services contracts, on the architectural and engineering designs. And we did have African American firms performing as subs on those architectural and engineering design projects.

COUNCILMAN NUTTER: Well, you know, I'm always pleased to hear that. I mean, but the question is, are you working in the field, or do you own the farm? I mean, that's how you really start to make your way. When do people make the progression -- because everybody's got to start somewhere, and I understand that. When do you make the progression over the years from this sub status to the prime status? How does that happen? And if it doesn't happen in professional services, it's much more likely that's not going to happen anywhere

else because you have the greatest amount of discretion and leeway on the professional services side.

MR. BOND: Well, I would tend to agree with you. What I'm saying is, I don't have it at my fingertips. I can get the information on the numbers --

COUNCILMAN NUTTER: Is it possible to get it in the course of this hearing? Does somebody else have it back at the shop?

MR. BOND: Yes. We can get that information on the number of minority firms that bidded on all of the professional services contracts.

COUNCILMAN NUTTER: And how is it that -- increasingly what we seem to hear -- and this came up during budget hearings and some of the questioning by other colleagues -- it seems that when SEPTA sets a goal, however it may be established, the goal appears to be the ceiling, as opposed the floor, and you are always -- for any of the hearings that I've participated in, it sounds like you have always been within less than one percentage point of the goal. So at budget time, we

heard you have an overall goal of 18 percent, and I think the actual was, like, 18.2. We hear on professional services the goal was 23 and your at 22.03. I mean, how does that happen?

MR. BOND: The exact numerical goal that you have on one contract is not the same on every contract.

COUNCILMAN NUTTER: I understand that. But how does it always end up that you are always just right there?

MR. BOND: I don't know that that's the case. We can go through the numbers. But the goals are set individually on each individual contract, whether it's a Request For Proposal or a competitive bid. Some of those goals are higher than others. And on the professional services contracts, the goals were higher obviously because, as you said, more minorities are certified in those particular areas. But I can't answer the question saying that they're that close. We could have an annual goal of 18 percent, and we can have some contracts with goals that go out that have 25 percent.

COUNCILMAN NUTTER: I understand that. But when you add it all up, it's right there at 18.

MR. BOND: Well, I can only add up the numbers as they are.

COUNCILMAN NUTTER: The numbers are what they are. I understand that. It just seems that somehow -- we are starting to veer into mathematical improbability, that every time a goal is set, you are right there within less than a percentage point of that goal on either side of it.

MR. BOND: Well, I can say as an agency -- and I've been involved in working in and around this area for the last 20 years -- we have encouraged all of our contractors to increase the goals. Some of them do. Some of them don't. I would say the majority of them accept the goal for what it is. Be it not for the federal guidelines that allow us to be able to set goals, I'm not too sure there would be minority contractors on many of our contracts. It is the goal that drives the engine here. And what we try to do is, we have guidelines and regulations we have to follow. We follow the regulations on how we set goals on projects. It is not a special science that you sit down and say on all those projects, because it's in a special locale, we're going to set a 75 percent

goal.

The other issue is, is that -- and I'm sure you've heard this before. It doesn't make matters any better. Is that the goal is made up of minorities, and based on the federal government standards, minorities include other than African Americans, including white females, which also hampers our ability to increase the goal from what it is to the African American community.

COUNCILMAN NUTTER: That was a point of information. I'll come back for regular questioning.

Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you very much.

We certainly would like a response to these issues, other issues that I mentioned in my opening testimony about routes and Angora Terrace, et cetera.

What we would like for you to do is to -- we want to permit some community residents who are here, who have taken off, to have the opportunity to testify, but we'll ask you if you will come back to respond to their issues, if that

is okay with the Committee.

Councilman Ortiz.

COUNCILMAN ORTIZ: On page 2, you have, in addition to the total number of workers employed for all trades utilized was 558, of which 136 are African American, 24.37. Forty individuals employed on the project are construction area residents. Could you tell me if any of the 136 African Americans are in the trades or are laborers? How many of them are in the so-called skilled trades, and whether any of them are?

MR. BOND: They're all in the trades.

COUNCILMAN ORTIZ: They're all in the skilled trades?

MR. BOND: Right.

COUNCILMAN ORTIZ: Can you give me a listing of those trades, and identify the 136?

MR. BOND: We have that information.

COUNCILMAN ORTIZ: Do you have that?

MR. BOND: Yes. We'll get that information for you.

COUNCILMAN ORTIZ: They're members of the electricians, the carpenters, the steel workers and so on?

MR. BOND: That's correct.

COUNCILWOMAN BLACKWELL: Thank you, Councilman. And we ask that you get all information to the Chair as well. We'll make sure Committee Members get it.

Councilman Goode and then Councilman Nutter.

COUNCILMAN GOODE: Thank you, Madam Chair.

Good morning, Mr. Bond and Mrs. Jones.

To set the tone for the testimony from the businesses and residents, I want to talk a little bit or ask you about the Frankford experience. Tell me about businesses lost, about business retention plans you may have had there, about any economic recovery that may or may not have taken place.

MS. JONES: The Frankford Project was a bit different than the project we're doing on Market Street. The Frankford Project was the rebuilding of the existing structure and the stations. Market Street, we're doing a total --

COUNCILMAN GOODE: Before there's any comparison, I actually just want to know the

Frankford experience; how it went, how it impacted businesses, how many businesses were lost; was there a retention plan, was there any economic recovery from whatever businesses were lost there?

MS. JONES: The specific data on the businesses lost, I don't have that; but we can get that information back to you. To be very honest with you, there was no reimbursement for lost revenues for the businesses in Frankford around the project.

COUNCILMAN GOODE: My question is, how bad was the problem? How much of an impact did it have? Was there any retention plan and how much recovery was there economically?

MS. JONES: We can get that information back to you. It was quite devastating for businesses in Frankford.

COUNCILMAN GOODE: Based upon that analysis of what happened in Frankford, was there any inventory of businesses around this project?

MS. JONES: The Market Street Project, absolutely, which is why we have such an ambitious -- sorry.

COUNCILMAN GOODE: How far did you

inventory around the project? What businesses did you consider to be impacted by the project?

MS. JONES: We determined the project area to be a four-block radius, two blocks each side of the project, from 46th Street to 63rd Street, and including Millbourne Station in eastern Delaware County, as well as two blocks going north and south. So we consider that to be the project area.

We also inventoried and considered the spoke streets, the numbered streets, 52nd Street, 60th Street, and 63rd Street, as well as all the businesses on Market Street.

COUNCILMAN GOODE: How many businesses are contained within that inventory?

MS. JONES: About 700. We determined it to be about 700 businesses in the project area.

COUNCILMAN GOODE: How many were expected to be lost?

MS. JONES: You're asking how many did we anticipate losing?

COUNCILMAN GOODE: How many did you project to be lost?

MS. JONES: I don't have that data in front of me. Thus far, there have been closures of

four businesses.

COUNCILMAN GOODE: Was there a projection of how many businesses were going to be lost among those 700 inventory?

MS. JONES: No.

COUNCILMAN GOODE: There's no projection at all?

MS. JONES: We did not have a projection.

COUNCILMAN GOODE: But you did have a Frankford experience, although there is a different project, you did know there was going to be some businesses lost, so you did an inventory for what purpose?

MS. JONES: We did an inventory to determine who the businesses were, what type of businesses they were to determine essentially what their needs would be around technical assistance, and to deal with their issues, and where they were, the status of their individual businesses.

COUNCILMAN GOODE: Because you were worried about the economic impact on those businesses?

MS. JONES: Yes.

COUNCILMAN GOODE: But you did no projection of what was going to be lost?

MS. JONES: At this point, we did not. We will take that into consideration, Councilman.

COUNCILMAN GOODE: Did you hold separate meetings for businesses, separate from residents?

MS. JONES: Yes. And we're doing that on an on-going basis. We've been doing that since 1998.

COUNCILMAN GOODE: How many businesses participated among those 700 inventoried?

MS. JONES: Generally at the business meetings we get anywhere from to 25 to 50 businesses. I think we've topped out at about 50 businesses at the round table meetings, or the technical assistance meetings.

COUNCILMAN GOODE: So, what outreach do you do to those businesses beyond those meetings?

MS. JONES: We have a consultant, number one, who is out there on a daily basis. We have two staff people that walk the project area. They go in and out of businesses to determine what their needs are. If there's special needs around deliveries or special needs around access to the business in the

construction area, we're there to try to mitigate those kind of issues. And we have a specific person who's on board to provide technical assistance around marketing, advertising, internal controls, accounting procedures, those types of issues.

COUNCILMAN GOODE: So how many of those 700 have been individually contacted?

MS. JONES: All 700.

COUNCILMAN GOODE: Have been individually contacted?

MS. JONES: Yes. I'm sorry, it's 750.

COUNCILMAN GOODE: How have they been individually contacted?

MS. JONES: Personally. There's a person that has gone door to door. When we first brought the consultant on board, we wanted an inventory to see who was there, how many vacant properties were there, the businesses. On an ongoing basis, we go back around promotions, if we're doing special activities, we go back door to door to each individual business. It's an arduous and tedious process, but we go individually door to door to every business in the corridor.

COUNCILMAN GOODE: So what do you know

about the 700 businesses?

MS. JONES: We know what type of businesses they are. We know what categories fall into. We know what their needs are.

COUNCILMAN GOODE: I mean, beyond the initial inventory, in terms of the follow-up and the outreach to those 750 business, what do you know about those businesses now, if there's continuous outreach?

MS. JONES: We know as much as they will provide us with, as far as information is concerned. Do we know what their -- in some instances, we know what revenues are, but in some instances, some of them think that that's very private business. So we know as much as they will tell us about their individual business, other than the information that we're able to get from them from site visits, the condition of their property. But the information that we're able to glean from them is the information that they give us voluntarily.

COUNCILMAN GOODE: Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Thank you very much.

Councilman Nutter.

COUNCILMAN NUTTER: Let me refer to the testimony first, and then I have some other questions.

On page 2 you say that the work hour goals were set at 17.3 percent minority. How do you arrive at such a number?

MR. BOND: The 17.3 percent minority -- the 6.9 percent number is a federal standard that is set for all public agencies with regards of those agencies that are receiving federal grants.

COUNCILMAN NUTTER: Is that a minimum or a maximum?

MR. BOND: That's the minimum that firms are required to hire. And it's work-hour goals only.

COUNCILMAN NUTTER: And after you meet the minimum, the max is the sky is the limit, right?

MR. BOND: That's correct.

COUNCILMAN NUTTER: And you ended up at 21.14?

MR. BOND: January 2003, achievement has been 21.14.

COUNCILMAN NUTTER: Councilman Ortiz

mentioned how is it that you end up at that kind of number, given the general population in Philadelphia, and specifically out in West Philadelphia, how do you end up with 21 percent?

MS CLAITT: For the Market Street Elevated Project, based on the demographics of the workers in the trades, we established a 26.4 percent goal for minority participation. And as a result, that's what we're working towards.

COUNCILMAN NUTTER: I thought it was 17.3?

MS. CLAITT: That's the standard goal, sir. 17.3 is the standard federal goal.

COUNCILMAN NUTTER: Right. Where did the 26 number come from?

MS. CLAITT: The 26.4 is the goal established as a result of the demographics within the construction area.

COUNCILMAN NUTTER: What's the minority population in the construction area?

MS. CLAITT: I don't have that in front of me at this moment, sir.

COUNCILMAN NUTTER: Have you ever been to the construction area?

MS. CLAITT: Yes, I have.

COUNCILMAN NUTTER: What's your sense of what the demographic is of the construction area?

MS. CLAITT: Majority African American.

COUNCILMAN NUTTER: Probably, like, about 98 percent?

MS. CLAITT: I would say yes.

COUNCILMAN NUTTER: So how do you end up at 26?

MS. CLAITT: It's based upon the trades that will be required for construction of the El.

COUNCILMAN NUTTER: So our problem is not that there are so many African Americans in West Philly; the problem is that not enough of them are in the trades. Is that the issue?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: So what are we doing about that?

MS. CLAITT: We've established a training program identifying those individuals within the community that are interested in trades. We performed outreach since 1998 with lists that totalled up to over 1,000 names. We've since purged that list based on different interests of the

people. We now have approximately 618 that have expressed interest in this project. Of those, 193 are current union card holders. The balance, we're working with to establish training programs.

COUNCILMAN NUTTER: 193 are already in unions?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: Are they working on a project?

MS. CLAITT: No, sir. Not all of them.

COUNCILMAN NUTTER: Why not?

MS. CLAITT: I don't have that answer at the moment.

COUNCILMAN NUTTER: Well, I mean, that would be the next natural question, right?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: What are we doing to find out what those folks are up to?

MS. CLAITT: The workers that we have -- the 193 union card holders, the majority of them are laborers. Each contractor as they come on board provide us with a list of the labor force that they will require at different phases of the work. We provide them with the list of the workers that we

have. From there, they go to the union halls to request or to get workers in the trades that they require. But they do have the list of our applicants.

COUNCILMAN NUTTER: So do they pick any of the folks from the list that you provided?

MS. CLAITT: There has been a few of the names from our list that have been selected, yes.

COUNCILMAN NUTTER: Well, what's SEPTA's ability to insist on the utilization of people that you've identified?

MS. CLAITT: To extent that the applicants are selected or are provided to the contractors through the union halls.

COUNCILMAN NUTTER: Well, you're doing that, right?

MS. CLAITT: No, sir.

COUNCILMAN NUTTER: You provided them the names. You have 193 people that you've identified as card-carrying union members, right?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: My question was, what is SEPTA's ability to insist or request or require that those people work on this particular

project?

MS. CLAITT: To the extent possible, we encourage the contractors when they got to the unions halls to request those that are listed.

COUNCILMAN NUTTER: Let's hold on for a second. Whose project is this?

MS. CLAITT: This is SEPTA's contract.

COUNCILMAN NUTTER: It's SEPTA's contract, right?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: It's not the contractor's project, right?

MS. CLAITT: No, it is not.

COUNCILMAN NUTTER: They're working for you, right?

MS. CLAITT: Yes, they do.

COUNCILMAN NUTTER: So when you pay for something, you demand a certain level of service, right?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: Like, if I put my $1.60 or $2.00, or whatever it's going to be, in the box, if I'm trying to go east, I expect the train is going to take me east, right? That's what I'm

paying for.

MS. CLAITT: That's correct.

COUNCILMAN NUTTER: So it's SEPTA's project, and you're paying people to perform a service to get the El Project done as quickly as possible, and you have some other goals, right?

MS. CLAITT: Yes.

COUNCILMAN NUTTER: So you've now gone through the time and effort to identity certain people as neighborhood people who are card-carrying union members. And you're telling me that the extent of your involvement here is provide the list and ask them to please think about the possibility of considering maybe picking up some of these folks if you feel like it? Is that where we're at? Is that where we're left here?

(Applause.)

MS. CLAITT: No, sir. I wouldn't say that is accurate.

COUNCILMAN NUTTER: So take me to the next step then.

MS. CLAITT: Unfortunately, SEPTA has no control over the union and the workers that they provide to the contractors.

COUNCILMAN NUTTER: Let me go back. How much is this project?

MS. CLAITT: $567 million.

COUNCILMAN NUTTER: $567?

MS. CLAITT: Yes, sir.

COUNCILMAN NUTTER: And it's your project?

MS. CLAITT: Yes, it is.

COUNCILMAN NUTTER: And you have contracts with people to provide a service. They're card-carrying union members who you have identified through your own efforts who will help you attain a certain goal, if it is in fact a goal of the project not to completely destroy and disrupt the neighborhood, and provide some economic opportunity for people out there. And you're telling me that you cannot say to the contractors, "You have to hire the X number of people to do the job. We want you to hire this particular group of people because they live in the project area, because they are union card-carrying members, and that we want this group of people, all things being equal, all skills being the same, to work on our project in West Philadelphia;" you're telling me that you don't

have the ability to tell people that's what you want?

(Applause.)

MR. BOND: My response to this is that, you're certainly right. We have the right to do that, and we do that. The issue is, what is the penalty for not doing it. And my experience in dealing with minority work-hour goals on all federal and public work projects, is that it is the responsibility of the Office of Federal Contract Compliance to monitor work-hour goals and to ensure that contractors who are performing on government projects are adhering to these goals. The issue is --

COUNCILMAN NUTTER: I agree with you. But, unfortunately, I have to cut across you. Because if meeting the goal was the only point, they're probably doing their job. The standard was 17 point something. You're at 21 something, you're trying to get to 26 something. If that's all of the facts and the information that's available, everybody's done their thing. Everybody's covered their little behinds, and everything is great. The problem here is, I think we have some other goals

that we're trying to attain, which have nothing to do with the Feds or the contractors or anyone else. It should be a SEPTA goal and a public policy goal to make sure that people who have been historically locked out of these opportunities -- you're running the thing right through their neighborhood, disrupting their lives and their businesses --

(Applause.)

COUNCILMAN NUTTER: They should have a right to expect a higher level of persistence and insistence by the agency to say, "We're glad with about the 17; 21 is wonderful; 26 is very nice. Now, we've got a 193 people who live in the neighborhood who are card-carrying union members. Put them to work because you need people to work." And that's why they should be working on this particular project, because you know as well as I know, that if you don't insist on it, no one else will. The contractors are certainly not going to insist on it because they've already identified who they would like to work because they got their own list of people, and most of those folks in West Philly, their name ain't on it. So the only way it's going to happen is if SEPTA insists on it and

says, "You need 20 bodies to work today. We want you to hire these 20 bodies. They've got union cards. They passed the test. They're qualified to do the work. Put them to work. And if you don't put them to work on our project, you won't get paid."

Now, that seems to attract people's attention, when you're talking about their money. Because then they've got to decide what's more important to them, these 20 guys who can go and work on some other job somewhere else, or this group of 20. Because if I don't put this group of 20 to work, I'm not getting paid. I think that's a real simple decision for them.

MS. JONES: Councilman, thank you. We're going to do what we can to increase our goal.

COUNCILMAN NUTTER: Let her give an answer.

I'm sorry. Finish your answer, please.

MS. JONES: Councilman, thank you for your comments. And they are very well taken. We've heard your comments of this nature before.

COUNCILMAN NUTTER: Right. This is not a new conversation, and I appreciate you coming up

to the table. But we have had this discussion in the past. I mean, the question is whether the agency is prepared to have that level of conversation and relationship with its contractors. I'm not trying to cause somebody else heartache and dismay. All I understand is, the 193 people have virtually no shot working on somebody else's project. They're just not going to get the call. You know that. I know that. They'll be sitting around waiting for telephone call until Verizon turns the phone off. The only way a call will come now is if SEPTA says to the contractor, "we have some other goals that we'd like to attain and we appreciate you adhering to your contract and doing all you're doing, but we have these people out here not working. It's a problem for us. Because you'll work on this job and you will go away. We have a lifelong relationship with these folks out in West Philadelphia. We'd like them to continue riding that El when the El and buses are doing their thing. So we have an additional goal, which is these 193 people. We'd like you to do something."

MR. BOND: I don't want you or your constituents to believe that we have not had

conversations with the contractors. Well, I've had this conservation with the contractors. And I know we've had conversation. The question is -- and I think this is what we have to explore -- is what teeth do you have, other than non-payment, to get them to hire the employees that should be hired. I hear what you're saying.

COUNCILMAN NUTTER: That's a fairly high motivator for many people. And you probably have other legal recourse.

MR. BOND: Well, I think that's what we have to look at, and we promise that we will do that. Because there are other things that go in when you stop paying. The job stops. Everything else stops. The project gets delayed, and there are additional costs. I hear what you're saying --

MS. JONES: Councilman, we will go back and have that internal conversation.

COUNCILMAN NUTTER: This is not a project at any cost because the cost benefit on this is in the negative already. What's another couple weeks delay if you're already jammed up? If you're on your way out of business, it really don't make much difference. If you don't have work, you're

ain't too worried about somebody else who ain't working. So the real issue here is, what's the agency prepared to do and how much are you prepared to take to accomplish these other goals on behalf of your ridership and the people who are here. There are a whole lot of folks working on that project out there who will never sit their behind on one of them trains. It'll never happen. They ain't thinking about being on the train. They wouldn't know where to get on, and they wouldn't know where to get off.

MR. BOND: I hear you.

(Applause.)

COUNCILMAN NUTTER: Let me ask a statistical issue. The testimony indicates -- you say that 40 individuals employed on the project are construction area residents. Is that 40 out of the 558?

MR. BOND: That's correct.

MS. JONES: Yes.

COUNCILMAN NUTTER: Well, my little calculator told me that 40 out of 558 was 7.2 percent, but your document indicates -- you say you have a resident goal achievement of 10.24 percent?

(Applause.)

MS. CLAITT: Sir, if I may just explain real quickly.

The goal is based on the work hours that's performed by the workers. We have been counting the heads for the purpose of being able to say whatever number of workers have participated together with those hours. So our goals are based on the work hours alone.

COUNCILMAN NUTTER: Why do you do that?

MS. CLAITT: That is by law.

COUNCILMAN NUTTER: What's by law?

MS. CLAITT: That we count goals -- or we monitor goals based on the work hours, hours worked by the trades.

COUNCILMAN NUTTER: What's the purpose of that? I mean, why would that be the measurement as opposed to actual bodies?

Tell me how you end up with 40 out of the 558, which is 7.2 percent of the actual workforce, but you end up with 10.24 hours. Does that represent overtime?

MS. CLAITT: No, sir. The heads are the numbers of workers that have participated in the different trades. You asked earlier, sir, that we

provide you for the break out of how many African Americans worked within the different trades, what specific trade they worked in.

COUNCILMAN NUTTER: I understand that. I didn't ask that question. Councilman Ortiz asked that question. My question has to do with area residents. Your testimony says you have a residents goal achievement of 10.24 percent. Your testimony goes on to say, "the total number of workers employed for all trades utilized was 558." I take that to be the total universe. You then say that 40 individuals employed on the project are construction area residents. 40 out of 558 is 7.2 percent.

MS. CLAITT: People. Yes, sir.

COUNCILMAN NUTTER: Heads.

MS. CLAITT: Heads. Yes, sir.

COUNCILMAN NUTTER: I'm trying to understand the distinction between the heads and the hours.

MS. CLAITT: Technically, we would not be calculating the goal achievement by the heads. That is for the purpose, as I said earlier --

COUNCILMAN GOODE: Point of information.

COUNCILWOMAN BLACKWELL: Point of

information.

COUNCILMAN GOODE: You're working fewer people more hours to meet the goal? You're working fewer residents more hours just to meet the 10 percent goal, rather than hire more residents?

COUNCILMAN NUTTER: Right. You have to.

MS. CLAITT: No.

COUNCILMAN NUTTER: That's the only way to explain the discrepancy. That's the only way you can explain the discrepancy. Otherwise, they would be the same.

MS. CLAITT: No, sir. Our work hours are based on the total hours worked by the contractor and those hours by the minority, female, or the residents.

COUNCILMAN GOODE: And the minorities and residents you're hiring, you're actually working them more hours in order to reach the goals, rather than hiring more residents and hiring more minorities.

MS. CLAITT: No, sir. The goal is based on work hours only.

COUNCILMAN GOODE: I understand that. Are you listening to me?

MS. CLAITT: Yes, sir.

COUNCILMAN GOODE: Okay. You say you are meeting your goals, and you're almost -- as Councilman Nutter pointed out before -- just meeting your goals. But when you count the bodies, there are less bodies. And I know you're doing it by work force hours. So you're actually working fewer minorities and fewer residents more hours in order to reach your goals, rather than hiring more minorities and hiring more residents.

MS. CLAITT: I'm not sure -- I don't understand.

COUNCILMAN GOODE: Obviously, you don't understand.

COUNCILMAN NUTTER: How do you explain the difference? Why are the numbers different? The Councilman's point is the absolute point. You have to work the workers more hours to meet the goals if you're short on the bodies. You've got 7.2 percent of the workforce doing 10.24 percent of the hours. The only explanation is they're working more hours. It's not a trick question. We're not trying to do anything to you. We're just trying to understand what's going on. It's the only logical explanation.

MS. CLAITT: We'll have to get back to you, sir, with an explanation.

COUNCILMAN NUTTER: Okay.

Madam Chair, I just have a couple last questions.

Councilman Goode asked an excellent question. It was one of the questions I had on my list, which was about the number of businesses you expect to go out of business, and I know you did your inventory of how many businesses there are. It is a little surprising -- we don't have to go back through it -- that there wasn't some estimate on total loss. But the Councilman covered that area.

The testimony indicated that there was this benefit from the project for people in West Philadelphia, and I'd actually like to better understand, from SEPTA's perspective, what is the benefit to the businesses and the residents of the SEPTA El Project, from your perspective?

MS. JONES: Our goal is always to provide the best transportation that we possibly can. As we said in the testimony, the El structure itself has been existence since 1906. And so because we're concerned about the best

transportation possible and because our interest is state-of-the-art transportation, as far as our cars are concerned and our structure, how we provide the information relative to transportation, we wanted to make sure that the El provided the best service possible in West Philadelphia. And so the design of the project, as well as the transportation --

COUNCILMAN NUTTER: I understand that. Ms. Jones, I'm sorry to cut across you.

MS. JONES: Sure.

COUNCILMAN NUTTER: I understand that those are SEPTA's long-term interests. It will take us, I believe, to '08 --

MS. JONES: '07.

COUNCILMAN NUTTER: -- '07 or '08 to achieve that particular goal. In the meantime, the residents and the businesses are seeking to survive. I took down -- not verbatim -- that there was a benefit to the businesses and residents of West Philadelphia from this project. So I'm not talking about how we will all benefit from a beautiful transportation system and a single bent column down the middle of the street and lighting and landscape and all that. That's on the other side.

I'm trying to understand, while we're living and breathing today, from SEPTA's perspective, what is the benefit of current the construction project -- which at the moment has nothing to do with transportation -- it is a construction project. What, from your perspective, is the benefit to West Philadelphia residents and businesses from this particular project, which is going on through '07-'08? How will they benefit directly? Before they get to ride on the new system, how do they benefit directly from this project?

MS. JONES: To be perfectly honest, at this point it is a construction project. And as we see it on the surface, it's an inconvenience which is directly interpreted as no benefit at this point.

COUNCILMAN NUTTER: No. An inconvenience would be if I stubbed my toe. If my foot were taken off, that would be a tragedy. Similarly, it's a inconvenience if the Water Department has to do infrastructure work for a couple days; that's a inconvenience. Having streets closed for extended periods of time is tragic, if not potentially fatal. There's nothing inconvenient

about this. Some people will go out of business. That's not inconvenient.

(Applause.)

COUNCILMAN NUTTER: So I think we have to be very careful in how we have our conversations with the public about what's going on here.

The issue is, how do people survive for the next four-and-a-half to five years so that there will be someone left to appreciate the beauty and the wonder of this system? That is the fundamental issue here, from how many lanes are open, to what services are provided, to the financial losses -- you know, when we do what we do, if we destroy your sidewalk in the course of doing work, if one of our pieces of equipment falls on your building, people make claims against us. They were sitting there minding their business, and the next thing you know, a piece of lumbar comes flying through the window. They've been damaged. I don't know that anyone out there asked for this. And this is one of those tricky situation where everybody wants to go to heaven, but nobody wants to die. So the El system is a complete mess. We understand that. Everybody wants it to look nice. Everybody wants it to work

well. Everyone would like to have a new thing. But the getting there -- I think that used to be one of your slogans, "We're getting there." The getting there could put a whole bunch of people out of business. What's going to be left on Market Street when this brand spanking new project cranks up in '07, '08? Quite honestly, I think it's something that SEPTA needs to be concerned about. Because if there's nothing on Market Street, if there's nothing on 56th Street or 60th Street or 63rd Street, who's going to ride it?

MS. JONES: Councilman, we're very much concerned. We're very much concerned. And there's an ongoing effort at SEPTA working with different public quasi and public agencies to identify resources where we can provide businesses with relief. We will continue to do that. We're looking at and working with and calling -- we've talked with and will continue to meet with our Congressmen to try to identify federal resources, and on a state level. I mean, we will not give up until we identify resources to help the businesses. That's our goal.

COUNCILMAN NUTTER: I understand that.

We've heard a lot here about goals. Let's talk about concrete stuff. You need a business relief plan with the necessary funding behind it.

MS. JONES: We're working on doing that, Councilman.

COUNCILMAN NUTTER: The folks out here don't need anymore goals. They appreciate the best efforts and all that. Identify a pot of money that can be utilized for these folks.

(Applause.)

MS. JONES: We welcome the assistance from the Council and from the other elected officials to help us to do that.

COUNCILMAN NUTTER: I appreciate that and will be glad to look after that. But we're not the only game in town. Now, you know, I won't even get into comparisons between our situation here and the little activity going on halfway around the world where folks are lined up knocking themselves out to get all the contracts in the world to rebuild a place that we just blew up. But we have no money for people who are minding their business here in the United States of America subject to a project that it didn't necessarily ask for. Everyone

understands the goal and the long-term benefit that will come from it, but somehow now, we have no money for them. That's one.

MS. JONES: We need your help.

COUNCILMAN NUTTER: Two, we need a lane open on Market Street to allow the residents, notwithstanding all the other promotions and everything else, because most days I'm not sure what's open, what's not open, and if anybody is functioning halfway like me, which I don't encourage. What you do is just say, "I don't want to be bothered with that because I don't know what I'm going to get into once I get down there. I could be on this street. I can't be on that street. I've got to swerve around this. I've got to get around that. So let me just find somewhere else to be."

You need a lane open so that the customers and motorists understand how to get around and what they need to do.

MS. JONES: Can I respond to that?

COUNCILMAN NUTTER: Go ahead.

MS. JONES: When it is at all possible and it is not a safety hazard, we have opened up the

streets. Where there is ongoing construction and where we have heavy equipment, it is virtually impossible for us to open the street, and it provides the safety hazard. We're concerned -- it may seem like we're not, but we're absolutely concerned about the businesses on Market Street and the impact that the construction is having. So when it is at all possible, we have opened up a lane to traffic, to thru traffic, as long as it's not a safety hazard.

COUNCILMAN NUTTER: Ms. Jones, I think the problem here is that -- and I'm sure you believe in your heart and in your soul that the agency is trying to do all that it can, that the agency is committed to people. At the end of the day, it's action that really makes the difference and the demonstration of what those efforts are. And so from the small to the large, from the simple to the virtually impossible, the public needs to see what those actions are. Again, the best efforts, not the best of intentions. And so whether we're talking about lights on Market Street -- now, I asked that question at a budget hearing. The response was -- and we did the tour out there -- all the lights are

working on the superstructure. They're all in the outer area of the El. There are none down the center. We know that it is dark there. And the response that came back was -- the written response -- "We did a survey, all the lights are on. It's light enough out there."

Next question. Now --

MS. JONES: We have additional information because we have been -- our program manager and the City have been meeting on an ongoing basis to determine how lighting can be installed on the undercarriage of the El. So that is moving along. There have been continued meetings on that.

COUNCILMAN NUTTER: Well, all I have is the response I received a couple of weeks ago. I'm not aware of that discussion. And it seems to me that lights can be put directly under the El. And it cannot be overly complicated. You already have energy coming right onto superstructure with the lights that are on the outside. Run a string of lights down the center, similar to what they do on many construction sites when they need temporary lighting.

MS. JONES: That's what we're doing.

COUNCILMAN NUTTER: Again, these kinds of things need to be done on a quick-as-possible basis, which also helps to demonstrate some legitimate sincerity about getting things done.

We had a discussion about the escalator at 60th Street. Now, the response was", Well, one, it's old. We don't have any parts" -- although there are escalators working at other places.

Two, "Why should we fix the escalator, since two years from now we're going to tear this station down?" Because for two years people can't get up the steps. That's why you would fix the escalator, and demonstrate again to the public that you care about them in ways that you're willing to take some extraordinary steps. These kinds of things.

No one is expecting miracles out there. But where there are things that can be done, they should be done. And all we get is, "No. Can't. Forget about it." That's not helpful to this relationship here. And people are not going to stand for it, and I'm certainly not going to stand for it, because I'm not going to listen to this noise for the next five, six years on things that

don't make any sense.

(Applause.)

COUNCILMAN NUTTER: No one asked you to take the entire superstructure and piece by piece lift it out of there on a helicopter and do all kinds of wild and impossible things. We're talking about, give us some light. Open a lane. Fix the escalator. The public didn't put the escalator there; you put the escalator there. And now it's not available for your riders. So, I mean, you're sending, at best, mixed messages; and at worst, an air of, "We don't really care. We'll just let all that stuff sit out there. We'll get to it when we get to it. And when it falls apart, we're not thinking about fixing it because we're going to change the whole thing anyway. And if you can't get up the steps, tough." It's not helpful.

Mr. Bond, do you want to say something?

MR. BOND: I would say that on the escalators -- in fact, I was through the area yesterday. We have people working on the escalators that are broken. There's at least one escalator that I know of that we cannot get the parts for. They don't make the parts anymore.

COUNCILMAN NUTTER: Is that the one on the southeast corner?

MS. JONES: It's 60th Street.

MR. BOND: It's on 60th Street. They don't make the parts for it. So you either put in a new escalator now, or you put it in in a year or two when the new station is built. The question is, maybe what we ought to look at is maybe trying to explore, how do you make accommodations for those people who use the escalator at that particular location. The escalators that are in the other locations --

COUNCILMAN NUTTER: What else are you going to do with them? The platform is 30, 40 feet up in the air. What are you going to get, a cherry picker? Are you going to get, a crane?

MR. BOND: No, I'm just saying there are other ways of transporting the individuals. If we can't fix it because we can't get the parts, I have no other solution other than to offer some other form of transportation for these individuals.

COUNCILMAN NUTTER: Put another escalator in. Did they stop making escalators or something?

MR. BOND: No. If you put a new escalator in, then you take that out in a year or two, to put a new escalator into the station that you're building, you're going to build new stations with new escalators and new elevators. That's the issue. It is an issue of money.

COUNCILMAN NUTTER: You know, you guys can make the relatively simple just incredibly difficult. I mean, I am trying to be cooperative here. I had a meeting with some of your folks I shared with the Chair at nine o'clock this morning. I'm still pissed about that meeting, which you really don't want to hear about.

And then I've got to come up here and listen to this mess. I've asked a bunch of questions. I've got half answers, "Get back to you. No."

Now, what do you want from me, and what do you expect that I'm going to do? Do you think that I'm just going to accept it? Do you think that I should just be pleased? Do you think that I'll just leave at some point in time today and say, "Well, that's the way it goes, and I'll move on to the rest of my day"? Do you really believe that

about me? Do you really think that this is acceptable?

(Applause.)

COUNCILMAN NUTTER: Do you think this is the end of this?

MR. BOND: No, I do not. I don't think anyone has ever questioned your persistence. We will get responses to the questions that you raised that we did not have at our fingertips this morning.

COUNCILMAN NUTTER: When should we anticipate receiving this information? I'd really like for it to happen during the course of this hearing.

MS. JONES: Within the next five business days.

COUNCILMAN NUTTER: There are some issues that you should be able to address in the course of this hearing. Mr. Bond said that some of the information was back at the shop. You're going to be here for a while.

MR. BOND: We understand we'll get as much as we can for this hearing. And what we can't get, we will provide within the next five business days.

COUNCILMAN NUTTER: Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: You're welcome.

Since cleaning up the surrounding area should be a priority, we're asking you if you can use our West Philadelphia Mercy Health Special Services to assist in that regard. We're asking you to hire that service, since we have that service through the partnership CDC. So we're asking you to help us and use Community CDC to help clean up the area. Would you respond to that, as well?

MS. JONES: Councilwoman, the contractor is required, as a part of his contract, on a daily basis to make sure that the area, the construction area, is clean. And we are enforcing that on a daily basis. In addition, once a week it is hosed down.

(Audience responds.)

COUNCILWOMAN BLACKWELL: As you hear, it's just not done. Anytime people would urinate in front of other people's homes, obviously they're not respecting our community. That's a major, major issue. That's why we asked for the clean-up.

MS. JONES: We've also enforced that the

contractor have port-a-toilets or toilet facilities at each construction site also. And they're there. At each construction site, there are facilities for the contractor and the workers.

COUNCILWOMAN BLACKWELL: Were the neighbors -- some neighbors in the immediate area of the hearings we had on the 24th about Angora Terrace were notified, but they complained of so many people from the suburban areas being contacted, as well. They said that their meeting -- I got there late. I did talk to a gentleman who showed me the posters. I have them. Two listing different sets of information about the notification. Did we do outreach primarily in the area? I know I did. But in terms of SEPTA -- because they're complaining they had more suburbanites than people in the area at the meeting.

MS. JONES: Yes. We did outreach. We had City Year (ph) helped make a flyer for us. As well as I was in contact with a community resident, Greg McKinley, who's here today and provided information. And we worked through one of your other community contacts, Pat Evans, through the Turner School.

COUNCILWOMAN BLACKWELL: And Pat Evans is here and will be testifying.

The Federal Office of Small Business Advocacy has recommended to the Commerce Director for review by the President, that the federal government procurement process reverse the trend of bundling large contracts together and make them smaller to encourage greater participation by small local businesses. We are really interested in this process and want to know how SEPTA will integrate this trend reversal into their bidding?

MR. BOND: I haven't seen that information, but if can get a copy of it, we'll certainly explore the possibility of doing that.

COUNCILWOMAN BLACKWELL: In fact, it's even been on the news and it's been out there for, I don't know, maybe a month that that's a trend. So that's pretty much public knowledge.

How does SEPTA generally coordinate their services with other City departments and agencies?

MS. JONES: Wherever possible, if it's a project that we're doing or they're doing, we generally coordinate, particularly around service,

through the Managing Director's Office, the Special Events Office, around service. If they're are construction issues and it's our project and it impacts service or it impacts any of the operating departments of the City, for example, gas or water or whatever, we work through those individual departments, through Public Property or the Streets Department.

COUNCILWOMAN BLACKWELL: What provisions are being made for people with respiratory problems who want to access the business community, given all that's going on?

MS. JONES: I'm not understanding your question, Councilwoman.

COUNCILWOMAN BLACKWELL: We have people who are complaining that they have respiratory problems or are in wheelchairs and are having problems getting around this construction. Are there any provisions being made for that group of people?

MS. JONES: Let me speak about the disabled, those that are disabled or physically challenged. Where we find that the project area is inaccessible, the person that we have out there on a

daily basis makes provisions to make sure that that is taken care of on a daily basis. So when we're notified of it -- and we monitor it daily to make sure that the area is accessible to the physically challenged.

We've interacted with -- in fact, at the meeting that Councilman Nutter had, there was someone there from the Health Department. And our contractors -- there's a monitoring component to make sure that we are within the environmental guidelines around the construction area. So we have a person on the project management team that monitors the air quality control.

COUNCILWOMAN BLACKWELL: We have been particularly contacted about people with asthma and respiratory problems who are having problems with the construction, and who are in that area, who can't breathe are being affected by the construction.

MS. JONES: If you'll provide us with that information, just call my office and provide us with that information, and we'll take care of it.

COUNCILWOMAN BLACKWELL: And with regard to the other, it's the Federal Office of Small

Business Advocacy that you can contact with regard to that federal provision.

MS. JONES: We'll get that information, Councilwoman. And wherever we can do whatever we can to encourage minority participation, we'll do it.

COUNCILWOMAN BLACKWELL: Would you describe your business outreach plan as referred to in the testimony?

MS. JONES: Our business outreach plan is extensive. We have a consultant on board that works with us closely and we meet on a bi-weekly basis to make sure that we're on top of everything.

Now, that includes, again, providing technical assistance to individual businesses. And by technical assistance, we mean helping them to put together a business plan, to establish a business strategy, to assist them with whatever areas they are weak in their business, to also provide alternative measures to getting customers or to increase their business, their individual business, as well as provide technical assistance to the business associations on the corridors, i.e., 60th Street and 63rd Street, in getting better organized

or if they're interested in getting a 501(c)(3) we're providing that technical assistance also.

We've also been available to go to the business association meetings to address the concerns of the business association as an organization, as well as to address the individual business concerns of the businesses within the organization. So we have a very extensive and aggressive outreach plan for the businesses in the project area.

COUNCILWOMAN BLACKWELL: We've been working closely with the Commerce Department and the City to -- and certainly they have agreed to come up with a 50 percent facade treatment for businesses, but obviously that won't help while we're going through this process.

In addition, for the business owners we have been dealing with SEPTA to ask for the permanent acquisition of lots where they do temporary parking, so that after this is over, we have that. That's something for later. Of course, it doesn't get us through these hard times, which is the reason for our hearings day. Now, we would like, before people have to -- I know businesses,

they're already struggling. We really would like to get the community members on, and ask that you remain.

MS. JONES: Sure.

COUNCILWOMAN BLACKWELL: Thank you.

Shirley Gregory. She's one of our fine Ward leaders, the 49th Ward. She's representing Congressman Robert A. Brady today.

Shirley, would you come forward?

We thank you very much for your time and your patience. We want to get our community on. We don't want to lose you because you don't get a chance to testify. That always worries me. And we appreciate you taking time out of your schedules today. Busy, but not busy enough. But we appreciate you being here.

Thank you, Ms. Gregory. Would you identify yourself for the record. Thank you.

MS. GREGORY: Thank you. The pleasure is mine, of course. I need to begin by thanking you, Chairwoman Blackwell, Chairman Goode. I congratulate you and the Members of these Committees who have been in and out of the room for holding this hearing on a problem many people have referred

to as "the nightmare on Market Street."

My name is Shirley Gregory, and I am Congressman Robert Brady's District Director. I am here representing him today. Congress is in Session today, so that Congressman Brady is not able to attend this hearing.

This week, the House will be debating the proposed Republican tax cut and much needed benefits for America's brave troops. His major committee, the Armed Services Committee, will be holding hearings similar to this to consider defense-related spending for next year. Because there are several job-related measures in that spending Bill, he could not miss those hearings.

I am sure you understand, however, Congressman Brady believes that this is a very important hearing about a project that is very important to his constituents. He asked me to thank you for seeking his testimony and to deliver a statement on his behalf. I have provided that statement, or it is being provided -- especially to the press -- to committee staff, and ask that it entered into the record.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much. Can we have the Sergeant-At-Arms pick up copies of her statement?

We thank you very much, Ms. Gregory.

MS. GREGORY: I'd be happy to read the statement from Congressman Brady.

COUNCILWOMAN BLACKWELL: Thank you. Thank you for all your service to our citizens.

MS. GREGORY: It's my pleasure.

COUNCILWOMAN BLACKWELL: Maybe we better get that in.

MS. GREGORY: "Statement of Congressman Robert A. Brady submitted to the Committee on Finance and Transportation of the Council of the City of Philadelphia, Wednesday, May 7th, 2003.

"I thank Chairwoman Blackwell and Chairman Goode and the Members of the Committee on the Finance and Transportation for your help and deep concern about the welfare of our constituents and the future of job-creating businesses in our City. As a former Ranking Democrat on the Congressional Small Business Committee Regulatory Reform and Oversight Subcommittee, a former board member of the Redevelopment Authority and as a

lifelong resident of West Philadelphia, I am well aware of the importance of Market Street corridor businesses to the growth of the entire City. I also know how crucial the Market-Frankford Elevated train is to our constituents. The El is how our children get to school, our neighbors get to work, and how people from other parts of the City reach our community to shop.

"There is no doubt that this nearly 100-year-old line needed to be improved. Our neighbors deserve the most modern transportation. I am pleased that SEPTA is doing this work. However, I am deeply concerned about how SEPTA has proceeded with this job. Since January of this year, when sections of West Philadelphia became part of my district, I have participated in numerous meetings with local residents, business people and with SEPTA. I have expressed my determination to see SEPTA do a better job of coordination of this work eliminating unnecessary inconveniences to residents and businesses, and expand its hiring and contracting programs for minority and local citizens. Members of this Council have participated in those meetings, and your hard work is much

appreciated.

"I look forward to continuing to work with you on this and other vital projects. I would appreciate a copy of your findings and recommendations so that I can do my best to bring this situation to a successful conclusion. Thank you for accepting this testimony."

COUNCILWOMAN BLACKWELL: Thank you. I think the Congressman lists the problems very well and very succinctly. Certainly, we will be in touch. We really need help with subsidy for businesses. We met with Congressman Fattah last spring and asked him for such. But we really need him to look into the congressional coffers and work with us with a plan to do some subsidies for businesses that are suffering.

MS. GREGORY: Thank you. And I shall take that message to him.

COUNCILWOMAN BLACKWELL: Thank you very much.

First Deputy Commerce Director, Mjenzi Traylor.

After that -- is Mr. Connor here?

Okay. You're next.

Thank you, Mjenzi. Please identify yourself for the record and begin our testimony. Thank you.

MR. TRAYLOR: My name is Mjenzi Traylor. I'm First Deputy Director of the City Commerce Department. Good morning, Chairwoman Blackwell and Councilman Goode. I will present testimony on behalf of the Administration. We appreciate this opportunity to submit testimony on Public Hearing 020607, a Resolution authorizing the Committees on Finance and Transportation to hold hearings on the impact of the SEPTA Elevated Reconstruction Project on businesses in West Philadelphia.

First, let me comment on the enormity of the reconstruction project. This $580 million project is both complex and, inevitably, lengthy in duration. The Commerce Department wants to acknowledge the hard work of Frances Jones and the many SEPTA employees who have worked with the community to facilitate project implementation, building a framework that will respond to community needs and concerns.

I would also like to acknowledge that we would have had with us today Robert Fulton who, as

most of the business people and residents know, is the representative from the Mayor's Business Action Team that our department has had present at meetings and trying to respond to community concerns. He is hospitalized, doing well, and will be back with us soon.

While careful thought has been given to this outreach process, it is time to acknowledge that there have been serious shortfalls in its implementation. One does not need to read the newspaper to recognize this project's destructive impact on West Philadelphia. One needs only to attempt to drive or walk to the normally bustling commercial corridors of 52nd Street or 60th Street. For more than a year, the Commerce Department has worked to mitigate the impact of the reconstruction process by serving as an intermediary between the community and SEPTA, looking to solve problems as they arise and seeking out ways to assist the community in dealing with the impact of the project.

For example, representatives of the Commerce Department have attended a majority of the community meetings held on the project in order to stay abreast of and keep in touch with community

opinion. When interruptions or disruptions within the community have occurred, such as blocked streets, driveways, sidewalks, the Commerce Department has worked with local businesses affected to reach a quick and as effective solution as possible to the issue. Commerce has also conducted a comprehensive survey of the affected communities and constituencies in order to determine the scope and extent of potential issues raised by the project, so that constructive recommendations could be developed and made to SEPTA regarding those issues. I will detail these recommendations later in my testimony.

Additionally, Commerce has worked with Congressman Chaka Fattah's office to seek out federal funds that may be available to assist the small business owners affected by the project. Together, we have sought out emergency funds from the Federal Transportation Administration, including, but not necessarily limited to, seeking out approximately $500,000 from the MTCAP Program in order to make loans and/or grants in the range of $5,000 to $10,000 available to business owners. It is estimated that with these funds, approximately 85

businesses can be immediately assisted. Now, the advantage of dealing with this, is that these are funds that are already on deposit here in the City. And so it's simply a matter of getting clearance from FTA to use the funds for these emergency purposes.

Notwithstanding the Administration's efforts, there remains serious challenges. Recognizing these shortfalls, the Commerce Department urges urgent attention to three areas: Reduced business interruptions, improved communications, and additional financial assistance.

Business interruptions currently range from the closure of entire blocks of Market Street, including numbered through-streets, to a lack of construction clean-up that impedes City trash collection and is causing respiratory illnesses in the community. We propose consideration of the following remedies to these issues:

Open one lane of Market Street. Shoppers are currently obstructed along Market from 44th to 63rd, and face detours that re-route them as far as Walnut and Race Streets. SEPTA should seek as quickly as possible to accommodate some level of

automobile traffic, currently a major source of corridor shoppers. We recognize that there are safety issues, but we would like to see some additional attention being given to this possibility of opening a lane down Market Street.

Provide weekend and other flexible responsive street openings when construction is not underway. For example, 52nd Street was unnecessarily closed the weekend of May 3rd, impeding blocks of commercial traffic, despite having no construction equipment on the roadway.

Next, fortify the SEPTA Community Information Center. While the center seeks to provide outreach and response to local complaints, there is no substitute for having an accountable SEPTA staff member with real decision-making power staffing the satellite office. In addition, this office should be accountable to the City, for example, by disclosing business complaints by number and type and tracking closures resulting from business interruption.

Next, clean the corridor utilizing the resources of the Mercy Special Service District, which Councilwoman Blackwell has already recommended

today. With oversight by Partnership CDC, the district is committed to clean 300 block faces weekly, removing graffiti, stickers and trash from public spaces, particularly along West Philly's major commercial corridors. This group can be leveraged to assist SEPTA in providing more regular clean-up in exchange for the purchase of the appropriate cleaning equipment.

Now, we, of course, heard the response earlier from SEPTA, that the primary cleaning responsibilities rest with the contractors. However, we suspect that there is a level of cleaning that may be considered more cosmetic than is usually associated with construction, but which could serve the business, as well.

Next, communications between SEPTA and businesses have been poor, ranging from failure to provide notice prior to obstruction of ingress or egress, to publication of a coupon booklet, including business participants without their consent. We propose consideration of the following remedies to these issues:

Provide regular monthly business outreach. Current business outreach is too broadly

based and cannot respond to the specific issues faced on the diverse commercial corridors. SEPTA should provide a forum for each corridor to meet and prepare for each phase of construction implementation.

Give businesses one week notice. Businesses should have at least one-week notice prior to impeding, building ingress or egress, as well as commercial street closings to automobile traffic. This should be accomplished by written communication that can updated at monthly corridor meetings that were mentioned above.

Next, is convene a monthly roundtable for City agencies. SEPTA outreach should incorporate a monthly meeting with representatives from City agencies, specifically Streets, the Managing Director's Office, Council Offices, Commerce, and other agencies as necessary to expedite issue resolution with SEPTA decision makers.

Next, communicate current community outreach and bench marks. Two excellent consulting firms have been providing community outreach and business re-positioning services. SEPTA should work

with the City to provide regular reporting for these services, setting bench marks and evaluating results. This coordination will enable the Commerce Department to more appropriately respond to the service gaps and assist SEPTA in filling these gaps. For example, by providing access to business financing. And there are programs in place to do that.

Last, there appears to have been little consideration for the inevitability of total business dislocation and closure, an issue that was raised earlier by Councilman Goode, particularly along Market Street. While the Department recognizes that SEPTA is facing a budget shortfall and even financial constraints on the West Philadelphia component of the Elevated reconstruction project, current outreach funding may not be sufficient, particularly if we continue to pursue the same strategy. We propose that consideration be given to the following measures:

First, audit community outreach activities. SEPTA and the City should assess whether current programs are being utilized to maximize business survival.

Next, set up a business relocation fund for businesses that are permanently displaced by construction, enable access to a funding source for those that would continue to operate in one of the neighborhood retail corridors. The City is committed to coordinating its economic development programs with SEPTA initiatives.

Next, fund a post-construction plan. Given the reality of numerous documented business failures, and those that will inevitably result from the next four or more years of construction, we must plan for the future. This will include funding a market analysis and street scape improvement program for project completion to revitalize a severely impacted business corridor. SEPTA should provide leadership and funding for this initiative. Of course, it's at this point that our normal facade and security programs could also kick in and be of help in doing this.

If we do not address the concerns I have outlined here, we will have spent seven years and $580 million on an Elevated reconstruction project that wipes out the commercial activity and negatively impacts residential users of this

critical transportation. As sole proprietorship, once they are bankrupt, many of these small entrepreneurial endeavors, and the jobs they provided, will not be returning. It is our responsibility to provide the reduced business interruptions, improved communications and additional financial assistance that will enable them to weather the next several years.

For the reasons I have outlined, the Commerce Department supports the Resolution that is before us, and I would pleased to respond to any questions that you have.

(Applause.)

COUNCILWOMAN BLACKWELL: Mr. Traylor, we thank you for this excellent report. We're going to ask Members of the Committee to recommend this, in addition to any other suggestions that come out of this hearing, from members of the business community and interested persons. This is an excellent report and it certainly takes us where we need to go.

Thank you very much.

MR. TRAYLOR: Thank you, Madam Chair.

COUNCILWOMAN BLACKWELL: Councilman Goode.

COUNCILMAN GOODE: Thank you for your testimony.

City Council has already prepared a budget amendment that would transfer SEPTA subsidy to City Council until we're satisfied with this issue and a number of other issues. Is the Administration willing to support withholding the subsidy until the Commerce Department's recommendations are implemented?

MR. TRAYLOR: I would assume from agreements that have already been made at the administrative level, that there would be no problem with that, and we will certainly be prepared to take that back for the immediate approval.

COUNCILMAN GOODE: Thank you.

COUNCILWOMAN BLACKWELL: Thank you very much.

(Applause.)

COUNCILMAN BLACKWELL: Mr. Chuck O'Connor, owner of Bargain House on the corner of 52nd and Market Streets.

Also, while he is coming, the Chair also notes that we have Vivian Miller, who is here. She's Clerk of Quarter Sessions Court and also Ward

Leader of the 51st Ward, so she's part of that community and understands the problems. We thank you for coming, and thank you for your support.

Mr. O'Connor, thank you for coming. Please identify yourself and begin your statement.

MR. O'CONNOR: I'm Chuck O'Connor. I own the Bargain House on the northwest corner of 52nd and Market Street. I've been involved in the 52nd and Market Street business corridor since 1969.

Over the course of time, we've had SEPTA strikes, which have affected our business by 50 percent. Since the inception of this program, our business has been off. And now that it seems to be concentrating on the 52 and Market Street area, we're off by about 50 percent. Over the years, we've never laid anyone off. Over the last few months, we've been forced to lay off two employees, full-time and one part-time. You have fixed expenses that you really can't do anything about. The landlords want their rent. The City utilities want their payments. Insurance companies want their payments. And when you can't generate sales, there's no money being generated in order to pay these agencies.

I'm right on the corner of 52nd and Market. This project began March 17. There has been no work done at the intersection, yet this detour has been up since March 17th. We have no buses running past our business, either on Market Street or on 52nd Street. We're faced with construction equipment all over the area, mounds of gravel, mounds of dirt. It's certainly not conducive to people shopping. And unless something is done real soon, we're going to be forced out of the community.

I came here today just to express what's going on so that everyone can understand what we're facing. I'm certainly hopeful that there can be some kind of subsidies in order to keep not only my business, but many of my fellow businessmen still able to keep their businesses going.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Mr. O'Connor, thank you coming. We know we've communicated with you many times in the past and we know of your involvement. And it's a bus stop. It's a vital place certainly for SEPTA, and certainly we would

ask someone from SEPTA to respond.

Mr. O'Connor says they closed off the area on March 17th, but he's seen nothing happen that would justify him losing 50 percent of his business and employees, two full-time and a part-time employee. We're asking someone from SEPTA to respond. And Mr. O'Connor explains exactly what the problems are. All you business folks know. It's just unfair. You can't help by hurting in the process. We want a new El, but we don't want to kill everybody in the process. So we're asking for a response to that.

Thank you. Please come forward.

Thank you so much, Mr. O'Connor. We're here to support you.

MR. SABATINI (ph): I'm Dom Sabatini, and I'm Director of the Construction Program for SEPTA.

First of all, we certainly are understanding of the problems that the construction creates to the local business areas. In terms of 52nd Street, the construction there is some major underground utility work. Also, there's been some problems with wash-out on the underground surface

there, and it's been plated over. The concern is that bus traffic in that plated-over area can withstand the loading of the busing.

COUNCILWOMAN BLACKWELL: Say that again.

MR. SABATINI: The area is plated over. However, the loading cannot sustain buses because of the problem, the underground problems with wash-out in that area.

MS. JONES: Councilwoman, the buses are on detour. And the buses are on detour because we anticipated construction in that area. During the holiday season, we opened up the street to vehicular traffic because we wanted to assist with the holiday with the businesses. However, the street cannot take the weight of the buses, and so we have kept the buses on detour because of the utilities work that's going on on 52nd Street. We are very much afraid of the safety issue, and the weight of the bus would be too heavy for the street because it's just plated. And because of the utility work going on underneath, the street cannot handle the weight of the buses.

COUNCILWOMAN BLACKWELL: I see some people complaining.

Mr. O'Connor, please come forward.

MR. O'CONNOR: There are no plates at the intersection of 52nd and Market. That area hasn't been touched. They opened the streets up for Easter for vehicular traffic, but yet they continue the detour of the buses. That's our lifeline. The buses are our lifeline. I mean, for them to take the barricades down and to open the intersection for vehicular traffic, it really doesn't mean anything to us. We don't get that kind of traffic. Most of our traffic is generated by SEPTA.

COUNCILWOMAN BLACKWELL: So you hear the response, that SEPTA has done nothing, so the street is no more weakened than it was before, since SEPTA has not done any work on his side of the street. You know, he's on the north side. So what is SEPTA's response to that? You've done nothing, so it's strong as it always was. Can you give us a response?

MR. SABATINI: I think the issue is, in that street intersection, there's, I believe, major water lines that have to be relocated. Also, in that area there's been an undermining of the subsurface from wash-outs in that area. So the

reason that the construction is taking longer than anticipated is because, first of all, the resolution of those wash-outs. And, secondly, those utilities do have to be re-located in that intersection.

COUNCILWOMAN BLACKWELL: Where do buses stop? Can't they stop a half a block or so many feet away from his business? So maybe you can't stop right in the middle of the intersection, but can't you give him a few feet away so that people are near his business? I mean, if it's one-quarter of the way away from his business -- or either way, so that he just has a matter of footage, so that people maybe don't stop in the intersection, but can't the buses stop right near there, so the businesses don't loss everything? Since you're not working there, since nobody is digging there, there's nothing that's happened, can't you determine exactly where -- if there's a danger, for the water pipes or other construction where it is not undermined, where that danger ends and give our businesses a break?

MR. SABATINI: Well, I think that the operation of the buses, in terms of their turning radius, is in that area, and the detour is probably

the issue. I'm not absolutely positive of that, but I think that could be the issue. We certainly could take a second look at that to see if we could accommodate that.

COUNCILWOMAN BLACKWELL: We're absolutely asking before the end of the day, and certainly before -- as one of our major issues -- that we try to restore bus service to the north side of Market Street so that he doesn't lose everything. We can't afford to lose him on that corner. He's been struggling for years to stay there, and we need that business. We can't afford to lose the businesses we have. So we're going to ask you to get back to us before the hearing is over as to the ability of SEPTA to restore bus service to that area.

MR. SABATINI: Okay.

COUNCILWOMAN BLACKWELL: Thank you.

Thank you, Mr. O'Connor.

(Applause.)

COUNCILWOMAN BLACKWELL: We have Denise Garris President of the 60th Street Merchants' Association, and we have Mr. Pak, who's President of the Korean Merchants' Association on 60th Street.

We thank you both. We saw Mr. Pak at an affair on Saturday -- I can't remember.

MR. PAK: Friday.

COUNCILWOMAN BLACKWELL: Friday night. Every day you have affairs. On Friday night, where he certainly helped with awards at Walnut Park Plaza, to give young people sports awards. He contributed, as he always does, to the community, and we thank you very much, Mr. Pak.

MS. GARRIS: And we also have Mr. English.

COUNCILWOMAN BLACKWELL: Mr. English, would you please come forward.

Then we'll get Reverend Barnes, you and the others with you.

They have Deborah McGregor, Appleheart CDC, and Denise Oh with you.

You're next.

Is that okay, Reverend Barnes?

Mr. English, we thank you as well. We know that you have been in the office. You have given us petitions, letters. You have tried to work with the association, and you've done everything you can to try to support having business

open and viable on 60th Street. We thank you for your commitment, and taking time. I know you come down all the time, and I know it's sacrifice of your time and energy, as well.

So we ask you two to identify yourselves for the record.

And then, Ms. Garris, you can make your testimony.

MR. ENGLISH: My name is Cliff English. I'm the President of the West Market Village Association, and I own A&R Beer Distributor and Village Dollar Store.

COUNCILWOMAN BLACKWELL: Identify yourself again.

MR. ENGLISH: My name is Cliff English. I'm the President of West Market Village Association. I own A&R Beer Distributer at 61st and Market, and also Village Dollar Store in the 6100 block of Market Street.

COUNCILWOMAN BLACKWELL: Thank you. So we have three presidents here; the 60th Street Merchants; Mr. Pak, the 60th Street Korean Merchants; and Mr. English, the West Market Village Association. So we thank you all.

Ms. Garris.

MS. GARRIS: Good morning, Congresswoman Blackwell.

COUNCILWOMAN BLACKWELL: Ms. Garris, would you hold -- oh, I'll take the promotion. Thank you.

Can you hold on? Our stenographer has to break for a moment. Thank you very much.

(Brief recess.)

COUNCILWOMAN BLACKWELL: Thank you very much. We will now resume our hearing.

Ms. Garris, again, would you begin your testimony?

Thank you all for your patience.

MS. GARRIS: Good morning, Councilwoman Blackwell, Councilman Wilson Goode, Members of the City Council, and fellow residents and taxpayers of Philadelphia. My name is Denise Garris. I am President of the 60th Street Merchants' Association, and second generation business owner of Garris Fabrics and Fashions. I'm located at 44 South 60th Street.

I want to first thank everyone for giving us this opportunity to speak on this very

important matter. I have been involved with trying to get information and giving feedback to SEPTA representatives since the beginning of this project. I want to review some of the things that have been taking place in relation to this project.

Before construction began, I along with other community representatives and with elected officials, and Ms. Frances Jones of SEPTA met about the upcoming project. And during that meeting, Ms. Jones let me know that we didn't have to worry about parking. We didn't have to worry about staging. We didn't worry about anything. Those are the same things we have to worry about today.

Later, there was a meeting with the contractors to go over the construction schedule and our proposal for change to the proposal, and how it might impact the area businesses. I left the meeting not knowing what would happen to our proposal, with parking staging and signages. And with the proposal -- I have the proposal right here -- they did many mark-outs of our proposal, not understanding what's going on. We also encompass using the Misericordia Special Services District to help with the clean up.

Subsequently, I attended numerous SEPTA-sponsored community meetings about the project. We focused on employment opportunities and the scope of the project and other issues. I also met with Jim Baker and Company, who are consultants to this project, providing technical assistance to the businesses. And I must commend Mr. Baker and Company because they helped the 60th Street Merchants' Association with our 501(c)(3) and other technical services. Any time that we needed special services, Mr. Baker was there to help us. But nobody else was.

I also asked to be on the board or a part of the advertisement committee. And I think they're formulating that now, but in the beginning they had advertisements. And they were doing a promotion last year on Mothers' Day that was unsuccessful because $500 was given to a first prize winner, an American Express money order, where they can spend anywhere in the world. And I said, how does this benefit our area? I then asked them to change it. Not only am I going to ask them why do they do this, but I'm going to give suggestions on how they can change it. And so they did.

I am also proposing that we be a part, as members and community leaders of West Philadelphia, we be a part of all advertisements and any promotional situation and any construction that goes on in this area. Because we are adversely affected.

There were walk-throughs in the area around 60th Street by elected officials in June of 2002. We discussed the safety problems and the problems of customers accessing businesses, and other problems concerned. It seemed to be productive. Ms. Blackwell and Senator Williams and State Representative Ronald Waters and other elected officials in our area, we did that first walk-through in June. And we found a lot of things that were very appalling, through non-accessibility for handicapped people, along with just people in general walking over trapped doors which were just covered by wooden planks that were very degradable due to rain and weather conditions. That was helpful. Some things alleviated and then some things were left alone.

With all the meetings and walk-throughs, residents and business owners are not very happy

with some of the outcomes. There are still places where people cannot get through to merchants properly. We were promised one lane of drive-through traffic for deliveries. And when I speak on deliveries, I have a merchant on Market Street, Debonair Cleaners, Mr. David Taylor, he received numerous parking tickets just because he was actually taking garments in and out his car to be dry cleaned because he owns the cleaners. In the near future, the buildings next to him will be demolished. And who is going to actually go to him and have clothes cleaned with all this dirt and construction going on? He has been in our community for about 30 or 40 years, and this will be devastating to him, as well as other business owners.

The bottom line for us is, what can be done to assist us in making sure we do not lose more businesses and to attract more businesses to our area. Because if we're not careful, this will end up being a ghost town.

I also want to know, what will you do about the vendors in the area who are setting up and selling the same goods and services of those who pay

taxes to the City? Because there are a lot more vendors who are coming out there. We are devastated already. We cannot go on letting other people sell the same services without paying property tax or business tax or licenses the way we do.

Is there any enforcement of licenses requirements by the City related to the vendors? And if so, we would like to understand how we can enforce that.

Again, thank you for holding this hearing and giving us the opportunity to share our views.

COUNCILWOMAN BLACKWELL: Thank you very much.

Before we -- if Mr. Pak or Mr. English would like to speak, I can respond to the vendor issue.

We don't have a vendor Bill there. We're one of the last holdouts in the City. We have tried to let the vendors regulate conduct and do their own enforcements. Obviously, that has not happened. What we need is, across the strip -- 60th Street isn't as inundated with vendors as is 52nd Street. But what we want to do is, when we get the

lots from SEPTA at the end of the project, then we can make the lots available. We're looking into also making one side of 52nd and Ludlow available. And once we have parking, then we can use the meters that are already there, or see if that works best to allow people to shop on 52nd Street to allow the businesses to -- to allow people to shop, to allow people to park, to open up the street. Then you can have vending. Parking has been the issue. And now that it looks like we'll get some lots, we can regulate and organize vending.

We have told the vendors many, many times we would do this. You will remember a few years ago, we closed it down, got rid of the graffiti and reopened it. We've asked the vendors to make sure that they clean up at the end of the day. It doesn't always happen. And so we are going to end up with vendor regulation, but I don't think we can do it until this project is completed. Once the project is completed and we have the parking lots, then we can introduce vendor legislation that will clear up the area with the vendors and obviously with the business community.

MS. GARRIS: I also want to inject that

I'm concerned about the buildings on Market Street with the structural foundation, with the magnitude of construction that's going on, they have dug down up to 50 feet and it does have some type of effect on the structural buildings. I don't know what SEPTA will do or has done to alleviate this problem or fix this problem after the construction is over.

COUNCILWOMAN BLACKWELL: We want SEPTA to respond to that, in terms of the foundations of the existing businesses.

Thank you.

MR. TEPPER (ph): My name is Jack Tepper. I work with SEPTA. I'm the Deputy Director of the Blue Line Structures Project. I'm happy to hear that we question. It's a very valid question. The foundations that we are installing on Market Street do go down as far as 45 feet. What we've done is, we've taken a video survey before work started of all the properties along Market Street to try to get a pre-construction status or a record of what's out on Market Street.

We will also be requesting individuals to allow us to enter their property, if they so wish, so that we would take pictures and also do a

physical survey of their properties. In that way, if there are any damages or any issues that arise from the foundation installation, we would be able to address them, either through insurance or through our contractors.

COUNCILWOMAN BLACKWELL: So we've learned if we can adopt the report made by Mr. Traylor we will have a regular system for this. But we hear today -- to all the business folks here, that we can have our businesses inspected so that if anybody's foundation has been undermined, then SEPTA has to be responsible for that and all that that implies. That is a legitimate question. We really, really worry.

We hope that you will keep in touch with me. Once we have this system in place that Mr. Traylor outlined and the regular reporting back to the businesses, it will be easier. Until that's done -- and we're going to ask again that SEPTA respond before the day is over to this, as well as to Mr. O'Connor's issues. Please get in touch with me, or this is Lisa Snead in my office, my Special Projects Director. Make sure we have your address and your number. Until we have a system in place,

we will monitor it.

Thank you.

Thank you, Ms. Garris.

Mr. Pak, identify yourself again --

MR. PAK: Same history.

COUNCILWOMAN BLACKWELL: Thank you, Mr. Pak.

He says his record in history is the same, and he understands the problems.

Mr. English.

MR. ENGLISH: Good morning, Councilwoman Blackwell, Councilman Nutter and the rest of City Council. My name is Cliff English. I'm retired from Verizon. I have businesses on Market Street. I'm also the founder of the West Market Village Association. I have a few points to make this morning.

First, before I took my retirement income and invested it into the second business, which is Village Dollar Store, I asked SEPTA about the impact of construction in the area. They assured me that one lane each way would be kept open for traffic, so I didn't that would be too big a risk to go and invest my money into the business.

When I then asked -- when they finally closed all of Market Street down and business dropped in half, I went to them and asked them why would do they do this? Why would they intentionally mislead someone? They said it wasn't intentional. They said they got permission from the City to close the whole street down. For their safety reasons, it's a lot more convenient for them to work with no lanes at all. And that's totally killing us. I don't know how they expect any business to survive five, six, seven years without any drive-by traffic. It's just too much for any business to have to bear.

I'm so grateful and thankful for Councilwoman Blackwell and Nutter for all the help that they're doing to come to businesses' aid, because it was looking pretty dismal to us. I don't know what they expect. And the attitude I've been getting from SEPTA has just been appalling too. It's just like they don't care about things. The only thing decent I've seen them do so far is with the Baker Administration. They put them to assist us and they try to do all they can with the limited money that they seem to have. They don't seem to have enough money to do what we consider even basic

things for us. When we asked for flyers for everybody, they had to consolidate that and do something different. We need billboards and posters. We need everything you can get when you close a street down. We need everything that can possibly be done for us because the only customers you get now are the neighbors that have already been to the store. They like your business and they want to go out of their way and tread through this mess to get to you. That's no way to have to run a business, just counting on the neighbors. That's why we put up the big signs, for all the traffic that goes on Market Street. Before, you put a sign up and they look and say, "Oh, there's a dollar store, let me stop and get this. Or there's a beer distributer, let me stop. Or I can get my hair cut while I do this." I mean, we have all the services there on Market Street and nothing is being able to be realized because they totally cut the traffic off.

And they say that we can't do it. We can't do the one lane thing. I've taken pictures of it where they had to leave a lane open, like for Andy's shop, which is in the middle of the block,

like mine is. They have skilled technicians. They're not hiring no dummies and retards there. I watched them work around their vehicles. They put their vehicles inside this safety area and they work the big equipment around and they drill all their holes. But when it comes to our vehicles there, it's a safety problem. It's this. It's that. I say, they can do it. And I say we need them to open one lane. Don't just kill us for some beautiful project that we won't be there to see. I mean, who is this supposed to be benefiting? Just keep the businesses you have there. Let's work together. We understand sometimes there may be a position where you have to close one side or the other. But that's not the case all the time. Any time the street can be opened, we need it open. I don't think that's too much to be asking.

The other thing that really bothers me, and it doesn't directly affect me, it affects my customers and the community at large. When they ask them about the escalators at 60th Street, they said, no, point blank, "We're not going to repair them. At the end of the five-year project, we'll have a new elevator."

And I'm saying, "Well, how about seniors now that can't get up the steps? They have to walk the two blocks and then take the bus because the escalator is not working."

"Well, it costs too much. It almost costs $600,000 to fix the escalator."

I don't care what it costs. You got 500-and-something million dollars. Fix the escalators. Let the seniors be able to ride like everybody else. They pay taxes here. They've supported your system for all this time, and you're just going to stick it to them with that kind of stuff. It really gets me upset even dealing with it, especially the way they talk to people. How do you tell somebody you're just not going to do something when you're taking out money? We're the ones that are paying them.

Again, I thank all Councilpeople for letting them know what we think about it, and I just wanted to add that.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much.

Not only do we pay, but we pay more than anybody else in country. We pay.

And let me say that we're back to Mr. O'Connor and the issue of the escalator. So it seems to me that SEPTA needs to either repair the escalators or provide buses. You can't have it two ways. And we need the buses anyway. That might be one way you can accommodate both interests at one time. So again, we're going to ask SEPTA to respond to those issues before the end of the day.

Let me say to all who are here that we introduced this Resolution on October 3rd. We have tried to allow SEPTA time to try to reconcile some of these problems. Obviously, it didn't happen, and so we're having this public hearing to put them on notice and to formalize all of this. All of the times we've all walked through the community, we've met at corners, we've talked with everyone, and here we still are and we've got to do something to improve what's happening out there on that project.

We thank you all. All of you presidents, we thank you for all you do, all you give, and we're going to try to get something done.

Thank you very much.

(Applause.)

COUNCILWOMAN BLACKWELL: Reverend Barnes, will you come forward? We thank you very much. We know that you have been through a lot. Your church is right there. You've worked so hard to try to do so many outreach activities with the youth, try to have food projects, try to have programs. You close off the street every year, clean the street, everything to try to accommodate the community and try to assist SEPTA. But obviously, we're still having these concerns. We thank you very much. Thank you for all that you do.

Please identify yourself for the record and begin. Thank you.

MR. BARNES: Good morning, Councilwoman Blackwell, and all other City Council representatives who are here. My name is Joseph Dewitt Barnes. I'm the Pastor of the Christian Faith Baptist Church. We're located at 6014 Market Street. I've been the pastor of the church for the past 10 years. I'm a charter member of the West Market Village Association. I am also a supporter of the 60th Street Merchants' Association. In fact, we work with all of the business associations in the

area. I have three points to make.

Number one, for the past 10 years at that location, we have not had any break-ins or burglaries in our church. In fact, we have enjoyed a very good relationship with the surrounding neighbors and neighborhood community groups.

Two months ago, in March of 2003, our front door was smashed in, in an attempt to enter the sanctuary. One day later, the second attempt was successful when the burglars had to come in the church by way of the bolted sidewalk trap door. They had time to wheel heavy bolt cutters without witnesses because construction fences obstructed the view to residences and nighttime foot and vehicular traffic, meaning that these young men or persons had plenty of time to do what they needed to do to get inside the church. Our computers, printer, fax machines, scanners were lost, and the sanctity of our house of worship was violated.

We believe that, as probably mentioned earlier, that some type of strong halogen lighting on the construction site at night and less construction sprawl will improve the security for the neighbors, businesses and the construction

materials. We want SEPTA police or community-based monitors to provide a presence that would deter potential security breaches.

Now to a few more important matters. When the construction is going on in the area, my parishioners cannot get to church. Our current and future work with those in drug and alcohol recovery is severely compromised. Not only drug and alcohol programs, but youth ministries, single ministries, food ministries. All of the ministries of the church are compromised because members of the church, visitors or those who are affiliated with the church have been used to driving up right in front of the church along Market Street, parking their cars and walking inside the church. Seniors are dramatically affected by the construction. We've had seniors who have tried to do every type of -- made every type of alternative move to get to the church. Folks have been dropping them off at the corner, walking them to the church two blocks. But after a few weeks or months of that, cousins, nieces and nephews get a little tired of walking grandmom, grandpop two and three blocks to get to church.

The church works to save people's lives

more than any institution in the community. We do not exist to save SEPTA money. We cannot sacrifice our mission today or in the future for the sake of a new train, because a new train does not save anybody's life. That's the church's response. We support everything that everyone on the block is trying to do, business owners and community groups. We support everyone. But the church is different than the businesses. And at some level the church has to be handled in a separate way. My hope is that we can talk about how that can occur.

There was a response that came from one of the SEPTA representatives saying that federal dollars for assistance may not be available for religious organizations. So I asked them to go back and find out how we can get around that. Because the church is the church. In the future when the train is finished and work has taken its toll on businesses and the community, we'll find that the church's work has been delayed. What value is it for me to put together a five-year growth and development plan for the church for the increased membership? In fact, what value is it to put together any type of plan for the future in any of

the ministries of the church, if we can't guarantee that folks have access to get there? In fact, who wants to drive to a church anyway that's bombarded with dirt and noise and litter, loss of security and decreasing membership? Yes, we have evangelism efforts. We have outreach events. The church does a lot to reach out to the community. But with construction going on, the outreach efforts to increase membership or to sustain the work becomes in vain. We can do all of the evangelism. We can stand on the streets and minister to people on the corners all day and all night. But who's going to come? If I'm outside of the neighborhood, and they find out that there's no parking available. They're not going to come to Christian Faith Baptist Church, let alone come to any of the businesses on that strip. We're not the only church in that area. I don't know how much of a survey was done by SEPTA.

I've heard everything today talking about how they surveyed the businesses. And most of the responses meet the needs of businesses, and it makes sense. But a lot of what they responded to today, in terms of how they're going to fix the problem, don't meet the religious community's needs.

You have to deal with that differently. It must be a different plan.

Now, I'm supposed to put on hold a five-year plan until the construction is completed four to six years from now. Someone said 2007. Somebody else said 2008. Someone said that it might be delayed even more than that. You never know what they're going to find as they continue to build and to dig in the ground. And a new train is not going to solve all of the problems.

The only thing that grows a church is strong, clear visions, a plan and evangelism outreach efforts. Those efforts are minimized without technical assistance from hired consultants. The church has affiliates, organizations that they associate with in the religious community. But these issues of construction need technical assistance from people who have the expertise to deal with religious organizations. We can increase membership. We can do those things with technical assistance that's been given some real thought.

In closing, if you take a vote today among business owners, I believe you'll find that the efforts of the consultants have been good.

They've been good, but the results have been dismal. If the goal for businesses on Market Street is to maintain a strong customer base, we expect to work along with those business owners, community leaders, politicians, the Commerce Department, to make that happen.

Councilwoman Blackwell had mentioned earlier that every year for the last four years, from 1999 until now, the church has done an outdoor evangelism festival. When we do that outdoor event -- Councilman Nutter is familiar with that. You talk about putting people on the street. We organize that event each year with church leaders, preachers and pastors, community leaders. All the businesses on the strip donate to the event. Block captains, ward leaders all come together every year at the end of September, and we do this festival. The first year was very successful. The second year was very successful. Last year, less successful. It was successful, but less because of construction. The first two years we put a general estimate of 10 to 15,000 people came through that day for those events. We start early in the morning and we go until the sun goes down.

If you're looking to put people on the street, I'm going to ask that City Council, SEPTA and all three business associations become permanent sponsors of the event, both now and in the future, as a way of keeping people coming to Market Street, not once a year, but maybe twice a year in the fall and in the spring. It will take less dollars than what you might be spending now on all of the consultant fees. You talk about people on the street keeping them coming to Market Street.

There are other concerns. I like what I've heard today from Council. I like what I've heard today from the Commerce Department in terms of solutions. The only thing we are interested in today is solutions. The problems have been there for some time. I'm asking that Council and all who are involved will take serious considerations to some of the solutions.

Thank you for that time.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much, Pastor Barnes. That was an excellent presentation. Certainly we're happy to join with you in this bi-yearly festival. We're always happy

to be with you during that day. It's always a great, great day. Last year, yes, in spite of all of that, you all still cleaned the whole area and everybody had a great time in spite of all the construction. But certainly we will ask SEPTA. I'm sure that they will join in partnership in sponsoring this affair. And they say yes.

MR. BARNES: Councilwoman Blackwell, I want to thank you for that. Because we had to move down the street, if you remember last year.

COUNCILWOMAN BLACKWELL: I do.

MR. BARNES: So if there's an area -- and I'll be talking with the business associations, because where there's an area where there's not construction going on, we found that it was easy to move down the street or up the street on Market Street. The City Streets Department has been very flexible with us in allowing us to get the permits necessary to go either up or down. If the construction was right in front of our building, in the 6000 block, they allowed us to go to the 5900 Block. I think Brother Wadell from Councilman Nutter's organization had suggested a couple years ago that we do the festival at another level where

we take some of the cross streets also. Denise Garris does parades on 60th Street. We've worked along with her on 60th Street. And if we have something on Market Street, we've talked about coming together and doing one larger type of event, which would take in 60th and Market, and that way you have more of an Odunde day type of celebration going on. But I just want to thank you.

MS. JONES: I'd just like to add, if in fact -- whenever there are events going on in the community of whatever scale -- because generally they're going on on weekends, Saturdays or Sundays. And when we're notified in advance, we can arrangements to make areas accessible, particularly for Reverend Barne's event. So we are amenable to working along with community-based organizations or whomever is having an event in the community to make sure that the area is accessible.

COUNCILWOMAN BLACKWELL: We're also asking for Reverend Barnes -- he mentioned the faith-based community having special needs, and we're asking SEPTA to provide, as you said you did for the community, the technical assistance they may need, number one.

MS. JONES: In fact, let me just say that Jim Baker will take of his MBA hat and put on his Reverend hat to be able to provide technical assistance to Reverend Barnes, because he is a pastor and has been trained and is able to provide that technical assistance also.

We've been working with Reverend Barnes on an ongoing basis with -- and have participated in his events, his yearly events at some level. We are not in a position to do a monetary sponsorship or donation, but we provided in-kind services and have worked along with his organization and will continue to do so.

COUNCILWOMAN BLACKWELL: Speaking of monetary assistance, we're asking -- he admitted that never before have they had break-ins or burglaries. Now, doesn't SEPTA have insurance or -- it seems to me that he's owed something, that the church is having these problems due to this project. Doesn't SEPTA have something in their contract that makes him whole after the church having to endure all of this?

MS. JONES: We will have Jim Baker talk with Reverend Barnes after the hearing to get his

information.

COUNCILWOMAN BLACKWELL: And we're certainly making that one of the issues that we would like a response to before the end of the day, because it seems to me that, if the church experienced these burglaries that have never before happened because, obviously, we need lighting and policing, that certainly Christian Faith and that entire community is due something. And we're asking that probably you can have your attorneys or whomever respond to that so we have a legal response as to what Reverend Barnes -- whether or not he can be made whole. Because it's obvious that he should be made whole because it's just too hard. People are suffering. It's not their fault. It's just too hard, and they deserve at least some kind of renumeration for the suffering they've endured and to help them with the church building.

MR. JONES: The last two community meetings, prior to that, we heard from the businesses on Market Street, that because it was so dark and desolate, and that the lighting on the structure was inadequate. And we determined that a lot of light prior to the construction did come from

the cars. So we put together -- and in fact, Councilman Nutter at the meeting that he had contacted the Police Commissioner and the captains of all the district and had representatives at that meeting so that we could hear the complaints and the issues and the problems that were occurring in the community.

In addition, the team meetings that we've had, we've had the community relations people from all of those districts in the property area attend also, and they had presence also at your meetings. So we're trying to coordinate with the local districts to make sure that the captains are aware of the problems that we're experiencing on Market Street, as well as coordination with the Transit Police.

COUNCILWOMAN BLACKWELL: Well, we don't believe that's adequate. We have Mercy Health West Philadelphia Special Service District. They're community people you can hire who are able to be there. Certainly SEPTA can make sure that it is lit up enough so that people don't feel that they're in danger. That affects shopping on the strip, as well. But we have a special services district right

there in the community. We don't understand why you can't hire people to do that. Hire people to make sure -- we all know that if it's lit and people are there, crime doesn't happen. But if it's dark and there's no accessibility, people have problems. So again, we don't believe -- the police respond to emergencies. They're always there for us. We have an excellent relationship with them. But nobody wants to pick up the phone and call 911 or call a police district because they're in the process of being burglarized. We have to have a preventive arm because nobody here, none of the businesses asked for all of these problems due to trying to have a new El project. So we need a preventive program in advance, which means we have to have people who are there. And we already have a CDC that has a special services district. We have a vehicle through which we can hire people who live in the community to try to protect it. So that is one of the other issues that we will ask SEPTA to respond to before we end.

Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair and Mr. Chair. Councilman Goode is chairing

the Transportation Committee.

On that particular issue I just had one thing I wanted to ask, if it was okay.

The SEPTA representative, it's in concert with the point that you raised. First, whether it's with regard to the CDC or even West Market Village Association, we did have a conversation out at 63rd and Walnut and talked about this whole issue of, kind of a different version of community policing, where there should be discussion and then implementation of an opportunity to hire people in the neighborhood to monitor what's going on down at the site, daytime and nighttime. Provide additional level of service. Again, a lot of ideas, a lot of conversation and no implementation leads to frustration and a disbelief that anything is going to happen. That meeting was two or three weeks ago.

MS. JONES: Two or three weeks.

COUNCILMAN NUTTER: Do you have results?

MR. JONES: No, we don't.

COUNCILMAN NUTTER: You talked about community advisories and flyers and some kind of newsletter to convey information, all of those kinds of things. Councilwoman raised the issue about

lighting. Well, we know that it's dark out there and we you know that you check the lights and everything that's out there is working. Unfortunately, because of lack of traffic, it is inadequate. The response I received two weeks ago was, "We checked the lights. They all worked. Be happy about it."

Now, you did put on the record earlier today that there are continuing conversations. The question is, again, when? I mean, this is not -- there's no incredible design element to running a string of lights down the center of Market Street and attaching them to the superstructure.

MS. JONES: And that's what we're working with the Streets Department to do.

COUNCILMAN NUTTER: I understand that. What we need is for these kinds of issues -- and I think the only thing that's going to lead to any repair, possibly, of a relationship is concrete deadlines for when certain things are going to be done. So we know that you're working on the lighting issues, somebody needs to say, "By May, whatever, they're going to be up and working." Then people can -- they'll judge you based on that. And

if you meet the deadline, they'll say, "Hey, they said they were going to do it, and they did it." And you can just keep going down the line with that stuff.

With regard to -- the Reverend made mention of the whole issue of the Church and whether the Church can get money. You know, at least on the national level, we certainly know that when the federal government wants to give churches money, they go through incredible gymnastics and jump every hurdle and hoop to figure out how to support faith-based initiatives when it's in their interest. Now all of a sudden we can't do anything with churches. So I think we need to re-examine that whole issue.

But beyond that, have you determined any estimates to -- we talked about financial relief for the businesses in the community. Has SEPTA looked at this issue from a "if we had the dollars available, it would take X amount of money to try to provide some amount of relief to the businesses out there." Have you done any of that kind of work?

MS. JONES: Yes, we have. We started on that probably about four or five months. We

understood the issue with the businesses and we've been having ongoing discussions with Congressman Fattah's office to identify -- and it is a line item in the appropriation, some dollars to provide.

COUNCILMAN NUTTER: What's your estimate on what a pool of distress relief dollars would be? How much?

MS. JONES: Somewhere around $4.5 million.

COUNCILMAN NUTTER: And what are the efforts to get to that money?

MS. JONES: We're continuing dialog and conversations with the Congressman's office to have it included in the budget so that we can have dollars available to provide relief to businesses. But it's an ongoing process. And we've had meetings and conversation with him in that regard.

COUNCILMAN NUTTER: Well, I understand that. And I'm certainly no expert on the federal budget process, but I think they're in October 1 September 30th cycle, so at best you'd be looking something in the post-October time period --

MS. JONES: Yes.

COUNCILMAN NUTTER: -- I'm assuming,

unless there's some other special dissertation.

MS. JONES: Yes. Or as soon as we get the information.

COUNCILMAN NUTTER: What contact or conversation has there been with our City Commerce Department or PIDC or any of our other various agencies? I mean, this is an economic development issue. We're talking about the potential termination of a variety of businesses. Now, when we have businesses that we think are going to move, we'll jump out of a second-story window to try to put every possible package we can in front of them to assist them in retaining those businesses. And it seems to me that, at least from a City side, if not from a State side, and given the fact that SEPTA is actually a State authority, some combination of City and State response to a business retention problem. It's not that they're trying to move to New Jersey. It's that they may just literally go out of business. No one's playing a game here. We've actually had people act like they were thinking about moving. We give them what they want, and they had never even contacted a moving company. These folks won't need to contact a moving company. They

just won't come back one day, and that's going to be the end of the conversation. So I'm asking you, what avenues have you explored? In a similar situation, if we have distressed businesses, we start putting dollars on the table -- I know the City does. I know that this is a capital project. What was that total again, $567?

MS. JONES: $567 million.

COUNCILMAN NUTTER: $567 million. If I know construction projects like you know construction projects, one, you're not going to spend $567 million, because within that budget you probably have, at a minimum, a 10 percent contingency.

MS. JONES: We're probably going to spend more than that at some point.

COUNCILMAN NUTTER: So you're at least going to spend that. But all of those budgets usually have a contingency in them, which you may or may not actually use. So the total dollar amount, whatever the total is going to be, there are always some dollars set aside because some of the contracts are going to come in a little higher, some are going to come in a little lower.

(Applause.)

COUNCILMAN NUTTER: And I understand because they're capital dollars you may not be able to do distress relief. On the other hand, SEPTA does have its own operating budget. And you have to anticipate in this project that you're going to these issues. You also have no way of anticipating -- although you can estimate -- for instance, how many accidents you're going to have with buses and trolleys and trains and other claims against the system. It's all an estimate. And when you have to pay, you pay. You're now in a situation where bad things have happened or are in the process of happening. And when people make their claims, you always figure out how to pay them.

We're in the same kind of distress situation. The system has got to identify some amount of funding. And I appreciate you going after the 4.5, and if we can get it all out of the Feds, that's wonderful. But if that doesn't happen, somewhere between the system, the State and the City of Philadelphia, some pool of dollars have to be identified for relief, and they have to be identified soon. Because the federal process is

long and generally convoluted.

MS. JONES: I need to say on the record that we've had ongoing conversations with PCDC and will continue to have ongoing conversations with PCDC, Philadelphia Commercial Development Corporation, because their charge is to deal with small minority and female business owners, and particularly on commercial corridors such as 52nd, 60th and 63rd. I think 52nd and 63rd -- I think 60th Street also -- are one of the corridors -- those corridors are corridors that they deal with. It's my understanding that at some point there were dollars that could be used for transportation-like activities; however, at some point those dollars frozen. We are working with PCDC currently to figure out a way to have those Department of Transportation dollars liquid so that we can have a relationship with PCDC to help the distressed businesses.

COUNCILWOMAN BLACKWELL: Councilman Nutter, we don't want to interrupt, but we have a lot of people testify. And Councilman Cohen has judges in the hallway ready for his one o'clock hearing.

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COUNCILMAN NUTTER: I'm about to exit myself. But I did want to find out why they couldn't do a contract with the CDC, for instance. So if you could check into that, I'd appreciate it.

COUNCILWOMAN BLACKWELL: Okay. Yes.

COUNCILMAN NUTTER: Thank you.

Thank you, Madam Chair, and Mr. Chairman.

COUNCILWOMAN BLACKWELL: Councilman Nutter, thank you very much.

Thank you, Pastor Barnes. .

Please identify yourself. Thank you.

Thank you all for your patience.

MS. MCGREGOR: Good afternoon, Councilwoman Blackwell, Councilman Cohen, Goode and Councilman Nutter. My name is Deborah McGregor. I am a retired physician with a masters in public health. I live in West Philadelphia near the 63rd and Market Station. I have companies that service health needs statewide. I have one client that deals with global nutrition. I do my work on the Internet and by long-distance phone. I'm not impacted directly by the obstruction of traffic. However, my neighbors have allowed me to speak today

because of a unique perspective I have.

In 1997, I was working as a physician at Frankford Hospital when the El construction was going on. I worked at Work Health. It was street level. The construction project was in front of our door. Our patients, our clients, were required to come to the door of that facility by rail, car, ambulance and by foot. For the entire year of 1997-1998 we had no problems servicing our clientele.

I've also been the Commissioner of Health of the United States Virgin Islands. In 1987, I had to assess the hospitals for contract fraud. In doing so, we required a forensic assessment of work done. That meant that all of the subcontractors and the contractors had to report their scope of service. We had the forensic firm compare what they promised to do and what they did and how much it cost. We found out we had $10 million worth of hospital for $60 million in funding. And I went after the $50 million that didn't show up in construction. So that word, "forensic assessment," I'd like to be a major part of my presentation.

We've also recognized that if, in fact, there were funds available, we would ask, as a business community, for a different array of services than are being provided by current consultants. I commend the work of Baker Company, their field team, Michael Tucker and Carol Smith, and their president, James Baker. What we have seen, however, in meetings is somewhat of a flat-footed, tin ear approach to marketing, to providing services specific to the business needs, and we would like a review of the scope of services of the communication companies that have been providing services.

The final point is I have provided a proposal to support any company providing services to the businesses. And to this date, I have not had a response to the proposal to assess the needs of companies that may be either doing well and need just a little help -- we put that in the green category. Struggling, but may be able to hold on. And then what we found out one consultant calls, "obsolete businesses," meaning that somebody has already made the decision that these businesses are not worth saving. We don't want the cherry picker

phenomenon, where the good businesses are held and the others are kicked to curb by a construction project that makes it easy for the land and the "business of the week" business to be speculated or to be purchased or to used by people waiting in the wings.

We would like the City plan for West Philadelphia to come to the table now so that any dollar spent for signs, frontage, security can be used as a beginning point for the next dollar that will come at the next SEPTA project. So no dollar would go wasted because someone doesn't have the bigger vision. We would like that vision to reside with Council or with a Council-determined commission so that somebody keeps up with the plan that involves both the businesses and the community.

In summary, we want a forensic assessment of the work already done. We'd like to know what was promised, what was delivered, what they paid for it and how much is left in the budget. For the next wave of contracts being given, we want community involvement so that the community and the businesses can determine their needs. This is not an issue of loco parentis. These are mature

businessmen who already have businesses who do not need to have help with a beginning set of services.

And finally -- and I'm going to represent the community by saying this -- there are young people in that community who will ask for me jobs this summer. They will want to sweep, clean, paint, deliver brochures and the like. They are not affiliated with a formal organization. But there is no consideration for the seasonal needs of the community, as it relates to the snow, when this pregnant woman had to walk across snow drifts to get to the ambulance to deliver her baby. There was no consideration or any consideration for the trash pick ups. When people who live in the middle of the block cannot get their trash to the end of the block, and it looks as though we don't care, and we really do. And finally, for the children who will want summer jobs who will be underage, who will not be assigned to another organization, and the neighborhood will have to pay them the $5, $10 or $15 it takes to keep them engaged.

I thank you for the opportunity to represent a very honorable neighborhood, a very honorable group of businessmen. Thank you, again.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much. We are happy to -- we are requesting that you submit us a copy of your proposal. We will ask SEPTA to respond to the forensic assignment portion. We're happy to meet with the full community to talk about the City's part of the plan. And also that, if you get together for summer jobs, we'll meet with SEPTA and we'll also ask the City Recreation Department and any other area partnership. The West Philadelphia Partnership is taking applications for summer jobs, so we'll work with you on that. We'll work with the partnership, West Philadelphia Partnership and Recreation, for summer jobs. We'll have a full meeting with the community to follow-up on the City's part of the plan, and ask SEPTA to respond to the forensic part. Thank you.

All right. Mr. Thurman, East Parkside. And we have Anthony Fullard from the African American Chamber of Commerce.

Identify yourself for the record. Either one of you can begin.

MR. THURMAN: Councilperson Blackwell and fellow Councilpersons, Mr. Thurman, East

Parkside Residents Association.

The reason that we're here today is because -- and I concur with all the testimony I heard today regarding the 52nd Street El renovation. We have a problem from 38th Street to Belmont Avenue with the light rail construction of SEPTA for the light rail trolley. It's a safety hazard in the making. We've already had several crashes there. Total regard for safety. Total regard for the neighborhood. The only new signs they've put up is in front of the zoo. Nowhere else on the 40th corridor. As soon as someone gets killed there, mauled -- and I have pictures of accidents that already occurred there. It's improper lighting. There's no markers there. The traffic needs to be slowed down. There's 100,000 cars that pass that corridor daily going to the suburbs. But nothing is done. I've met with SEPTA several times. They continue to do what they want to do.

In addition to that, over $7 million in capital subsidized assistance has come to that project and not one job has been allocated for any Section Three resident of the neighborhood. I'm not talking about subcontractors that they have

manipulated the numbers. I want to see actual Zip codes stating that they're residents that have a job there. Not one economically disadvantaged worker has been placed on these job sites. And I think with all this federal subsidized money that goes into SEPTA through the City of Philadelphia -- and I concur that, in fact, the CEO of SEPTA cannot even address the public and the City Council. Why should we subsidize these so-called improvements? In five years we're going to get a rate increase. Most of them don't even ride the buses.

(Applause.)

MR. THURMAN: We're talking improvement for what? Standing in the bus line longer? Ineffective transportation? It's not transportation friendly. They talk about putting up canopies with no rails. They talk about -- there's no access for senior citizens, and we have a big senior citizen population here. And I am here to put a notice to the SEPTA that if federal government monies have been allocated for the capital improvements for the infrastructure and expansion of several SEPTA transportation services, that I agree to veto all that money. Let's put our teeth into it and stop it

right now. Don't give them anything else until our labor issues are satisfied, until our transportation becomes transportation friendly, and we become the users of a system that works for us. We work for them now. They don't even want to show up to talk to us about it no more. I feel insulted.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you, Mr. Thurman. He represents East Parkside Residents Association and Parkside Historic District Coalition. Thank you very much.

The next gentleman is Anthony Fullard, African American Chamber of Commerce. We work with him regularly. He's always on the case, and we appreciate his commitment in this area.

Thank you, Fullard.

MR. FULLARD: Thank you, Madam Chair and Councilman Goode and also Councilman Cohen as well. And also, Councilman Nutter, even though he isn't here, but I really appreciate your efforts and formulating this hearing, which I believe that is long overdue. I don't know where do I begin. We've been fighting this fight for, I will say about two-and-a-half years, trying to bring some real

tangible economic development with SEPTA to ensure that African Americans and also minorities will be able to benefit from this economic development.

Madam Chair, let me begin to say that I feel the pain and also the insult to this Committee and to our Council leaders for Faye Moore, who is the General Manager of SEPTA, to not to be present, no matter what her prior commitments were. We received notices of this hearing well in advance, and for her presence not to be here is unacceptable.

COUNCILWOMAN BLACKWELL: We totally agree.

MR. FULLARD: And so I just wanted to ensure that the African American Chamber of Commerce was on record in saying that. We've had similar problems with her before when we had devised meetings with the Mayor, as well. We've had about three meetings with the Mayor, with SEPTA at the table. And I don't want to undermine the efforts of Lillie Claitt, Frances Jones and also Cecil Bond, who have been really receptive to all the things that we have tried to do, but we are -- but we know well that they can only do but so much because this whole thing is steered by the board of SEPTA. This

is where a lot of these issues -- and they are not sensitive to the concerns of West Philadelphia. They are not concerned about what our issues are. And this has started from the very second bid with Driscoll, when we had went to the board and when they got reports back from their staff of how Driscoll was reluctant to come to the table with some tangible participation goals. They had to almost pull Driscoll's teeth in order for them just to reach those goals.

Now, I just want to add this here -- because I have a few points here, and then I have some things that I would like to put on the table for SEPTA to do.

First thing, you had about -- you had the switch gear building package come out, you had the ductbank package come out, and then you had two guideway packages come out. All of these packages have been awarded thus far. There's only one more package left to be awarded, and that is the station package. So I just want everybody to be clear on that, that this station package which is set to be let on the 9th, there are no more packages left to be awarded. So SEPTA is moving on with their

agenda. Out of the packages that have been awarded, I know of about two packages that have had change orders added to their packages once it has been awarded. I know of one package, when they bidded the package, it was $68 million. There was only one bidder that bidded this project, and it was 20 percent over the budget bid for that package. And SEPTA still accepted that bid. So now they have to pay 20 percent more for that. Then the Driscoll package was added a change order and they received extra money for whatever that change order was to cover.

So we have to also be mindful, when they say that they don't money for our businesses, when they don't have money for the accessibility for our senior citizens and all, but they can always find money to ensure that they get their project done. They can always pay change orders for when these contracts are let to ensure that they get their project done. So I have a problem with that.

Also, we have been working with SEPTA, as I said, for over two-and-a-half years -- but to no avail -- to ensure that we have the right amount of participation in West Philadelphia, to ensure

that we have local businesses.

Now, another fact is, all of these packages that were let are all owned by white male contractors. Every last one of these prime contracts went to white males.

Secondly, that a large amount of the subcontracting work that is let out on these projects goes to everybody else except local firms, as far as Virginia. They go and find subcontractors all the way outside of the City limits. So now Philadelphia is not even -- they don't even benefit from the economic development that is even being spent inside their own City. And you have other people from other places, other cities benefiting from this economic development here. People that even live here, have their businesses here, do not even benefit from that. And this is in a large scale. They will all the way as far as Maryland, Virginia, down to -- I believe we even had some contractors North Carolina doing work here in Philadelphia. So we cannot even benefit from that aspect. So that's a major concern.

To add to that, as far as the unions and the labor. When we hear numbers about them meeting

their goals, number one is, when you say union, when you say union in this City, and you're saying that this is a union job, number one, this is not a union job. This is a prevailing wage job. But when you say union, you are saying that this is exclusively white males. Because white males make up the whole constituency of the union labor. So when you say that this has to be a union company, you are saying, on the other hand, that this is only for white males. Because African Americans and minorities only make up about four or five percent in the unions. So you are going to employ the majority of white males. That's what you say when you say that you have to go to the unions and you have to do this with the unions. But that is not so, because this is not union job. This is prevailing wage job. So a subcontractor does not have to be union. He would have to pay the prevailing wage on that job.

Also, when they bring forth numbers to our Council leaders, and they say that we have reached these goals, the large goals -- especially when they're dealing with African American labor -- we are only speaking about just the labor trade, which is the lowest paid trade on the whole union

scale. So any other trade, such as electricians, plumbers, mechanical workers, et cetera, none of them represent any African Americans in those trades. When they say that we have reached these numbers, they are only speaking about the labor trade, because that is approximately -- the labor union has about 85 percent African Americans. That's why. So there's another concern as well.

Now, you have the lighting problem there, which as we see it that that is a prime opportunity for one of our local electrical companies that could solve that problem for SEPTA.

As far as the escalator problem, there are many ways of how that can be resolved. They have project lifts, elevator lifts, that could get our people up to that level. They do that on all job sites when they have multi-storied levels. They have a specific elevator lift for that purpose.

Also, when -- there was mentioned that the escalator parts could not been found. I really, really would like to see those facts, and I would really like to see which of those parts could not either remade. There are machinists throughout this whole tri-state area here that probably can make

anything that you need made. So I really would like to see more facts on that.

But as I have brought up, Madam Chairwoman and our Council leaders that are before me, there are a lot of concerns, these concerns. And we were trying to head off these concerns two-and-a-half years ago with SEPTA. I went to Atlanta myself to bring a reputable African American company here that would have been sensitive to all of these concerns here. They did a Power Point presentation two-and-a-half years. SEPTA said that they could not consider that. They had people in place. But here we are this day having hearings to an ineffective operation that is going to include people that should be included into this process.

What I ask from this Council right now is for, number one, for us to really consider that the El is a vital part of SEPTA, of how they generate their money. The people that ride the El, especially our African American women, ride that El day in and day out, all weekend long, as well. We do not have any representation on the board level and we are the ridership that is on that system there. I really think that the City really needs to

look at what your legal rights are as to claim the El and that system there of what you can use to say, hey --

COUNCILMAN GOODE: Just to tell you, we own the Frankford side. They own the Market Street side.

MR. FULLARD: Okay. All right. Well, whatever we own, we can claim that.

COUNCILMAN GOODE: We own the Frankford side. They own the Market Street side.

COUNCILWOMAN BLACKWELL: Thank you. I'm sorry that I'm rushing everybody, but they've got people from out of town for another meeting. I'm sorry. I didn't realize we were so tight in time, but we've got to give everybody their respect.

MR. FULLARD: Councilwoman, I just have two more things and then I just would like to --

COUNCILMAN GOODE: Mr. Fullard, can I ask a couple questions?

MR. FULLARD: Yes, sir.

COUNCILMAN GOODE: Is there any formal relationship between the African American Chamber and SEPTA with regard to this project, in terms of monitoring compliance? Are they formally involved

in the African American Chamber in any way?

MR. FULLARD: No. All of this that the Chamber has done thus far is volunteer. All of the work, all of the going back and forth talking, we don't receive one dime.

COUNCILMAN GOODE: I'm asking, is there any formal share of information? Are you involved in the pre-bid process, bid process, monitoring compliance process?

Mr. Bond, can you approach?

COUNCILWOMAN BLACKWELL: Let's all try to move forward quickly. We're really under pressure.

MS. JONES: Probably three or four years ago we set up an African American Chamber SEPTA taskforce to determine and to review the issues around small business and small business development. In fact, that occurred in 1997. And out of that we determined that there were some concerns and some things that we could do; i.e., when the bids were let, that the African American Chamber would be a part of the mailing that would automatically get bids that come out.

We also determined at one point that

they would get the bids electronically, by fax, also. And that we would keep a communication going with the African American Chamber to ensure that, as much as we possibly could, that the playing field would be level; i.e, making sure that they did get the bid information. In fact, two-and-a-half years ago when the contractors did come into Philadelphia and we met with them regarding the Market Street project, at that particular point in time, we gave them the information about subsequent contracts and bids that were coming down the pike. However, at that point that company was more or less interested in the program management contract, which had already been let, since that was their area of expertise.

COUNCILMAN GOODE: Thank you.

MS. JONES: Just one more point.

In fact, based upon conversations and dialogs we had with the African American Chamber, we did extend the bid for the most recent package that is expected to come in on May 9th. And so we've tried as much as possible, understanding the climate and conditions, to work along with the African American Chamber. I don't want to in any way taint

Mr. Fullard's testimony in any way, but we'll continue. We will have conversations and will continue to work with groups to make sure that we do what we need to do in a way that would be representative of SEPTA and the community.

MR. FULLARD: Yes. And we do receive notices. We are also plan holder that we do receive plans from SEPTA. And we did ask for an extension of the bid, and I would also request that before this last bid package -- because it is the final bid package -- is for that to also be held up one more time so that we can do whatever we can to ensure that this package represents the local contractors and also prime contractors to give them the opportunity to bid on this package here, okay. Because I do get calls to extend it. But because there are so much concerns, because there has been so much money being let out with nine local firms, I think that we need to do our due diligence to ensure that we have done everything that we can to ensure that our firms locally benefit from this package.

Also, we also would like for the Committee to -- well, that was my request, that we hold up that station package because that is the

last final package.

And that will conclude my testimony, Madam Chair.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you so much, Mr. Fullard. I'm sorry to rush everybody.

Pat Evans, Mr. McKinley, we thank you all for your patience. This has been excellent testimony. We are going to ask SEPTA to be prepared at the conclusion of these hearings, which will be shortly, to look into these various issues and to consider the report submitted by the Commerce Department.

Thank you so much. These are my great friends and community leaders. Thank you for you work at Turner. Thank you for Bernice Arms, named after my mom, for all you do.

Please identify yourself and begin your testimony.

MS. EVANS: Can I defer to my collaborative, and then I'll wind it up after his statement?

COUNCILWOMAN BLACKWELL: Absolutely.

Mr. McKinley.

MR. MCKINLEY: I'm Gregory McKinley. I'm a member of the Angora Station Riders Association, which is a small group of riders that SEPTA identifies as the loyal riders of the Angora Train Station.

The issue around closing the Angora Station is very sensitive, and Ms. Pat will get into that in more detail around our development issues that we have in the community.

I'd like to thank this Committee and this Council for inviting us here to speak on behalf of our community.

The Angora Train Station is the number one hub and the fastest piece of transportation that we have around the 58th and Baltimore Avenue transportation hub. It allows us to get into the City within 17 minutes. There's no other way to get into the City by taking the G Bus over to the El when we have the El lying right in our own in neighborhood. It's under-ridden, but it's under-advertised by SEPTA. The key to the advertisement was addressed in an earlier attempt to shut down the train station in 1996 by SEPTA. They claim that they did a marketing door hanger in the

neighborhood in, I think, 2000 or 2001. A one-time attempt to market something in the neighborhood is really not an attempt at all. No one in the neighborhood I know of actually will admit receiving anything, because I'm not sure that it actually happened. I haven't been able to receive the materials upon request from SEPTA or the individual at SEPTA, Harry Garforth (ph), who claims that this was done. So I would assume that it really wasn't done because somewhere along the line there would be materials lying around that would represent what was allegedly hung on these doorknobs. One other thing that came up here today, Ms. Frances Jones mentioned that she has worked with us in the neighborhood. And she has, and I will commend her as a person. But I couldn't give the same compliment to this company called SEPTA. I think maybe we are closely approaching the time that we may need to have SEPTA sell itself off. They don't have the wherewithal and they are steadily decreasing the ridership and cutting stations and closing rails when we are entitled parid to rail transit the same as everybody else here in this region when we ultimately subsidize it at our fare box.

What we need from SEPTA is a commitment to partnership with our neighborhood, partnership wholeheartedly and not come to us at a last minute necessity.

The hearing that we had in our neighborhood was a last minute thought for the most part because they didn't have a location and we didn't receive any of the materials. For a hearing that was on the 24th of April, we got the materials on the 9th. That's basically when we got the notice that the transportation was going to be cut at that station. They want to close that station so they can go by rapidly.

I have some material here that are examples of flyers that -- I only got them off the Internet when I became aware that the transportation was going to be stopped at the Angora Train Station. Everybody in our neighborhood is not going on the Internet looking out for what's going to happen or supposedly happen in our neighborhood under these proposals.

One of the main things I would like to say is, they allege that they do surveys and they count people's heads as they ride on the train

station. They had listed in the service plan as 25 riders with s 50 ridership as a minimum. I question some of the counting and some of the techniques that they used. It came out at the hearing that we had 37 riders. So that's very close to 50. With a little bit of marketing, we could probably exceed the minimum. The community is willing to do the leg work. But some of the ideas have to come from the community on how to market to our community. I think SEPTA falls short in actually talking about what it is that they have as a system here to serve our communities. They really don't want to blend ridership, I was told in 1996, so we couldn't advertise on the G Bus that rides over the train station, which does not stop at the train station. People are riding to get to the El when the train station is right there and could facilitate all of their needs and probably accomplish their needs even more effectively, if they knew about the ridership.

One of the other under-advertised facts is that when they rezoned the station from being a Zone One station to a City zone station, you could use the transpass. And we did petitions -- which we have over 400 signatures. And along with out

petitions, we surveyed each signer of the petition and asked them, did they know they could a transpass. We increased our number of petition signatures to reflect 100 percent more than ridership. So we went from 300 petitions to 400-plus signatures. And we asked the people did they know about the transpass issue. 90 percent of the people who signed our petition did not know they could ride that with a transpass. They thought they would use their transpass and would have to pay an additional fare, along with whatever transit they would have to take. That lack of marketing no way in that hub, that transportation hub, you can effectively advertise. You can't put it on the trolley. You can't put it on the G Bus. You can't tell people any other way. There's a large billboard. We have poor signage addressing where the train station is. People didn't even know a train station was there. People assumed it was only there for our convenience during a SEPTA City transit strike.

I will submit 400 signatures and the Power Point presentation into the record today.

COUNCILWOMAN BLACKWELL: Thank you.

We will also note again that we have both posters that advertised some new and some old advertising between the El and the SEPTA buses. We would ask SEPTA to consider that. We will also make that part of the record and ask them to not close Angora Station due to all these various reasons, from the 400 names to the false advertising, that is, advertising different things on different SEPTA vehicles. And we're asking them to also respond to not closing Angora Terrace Station.

Ms. Evans.

MS. EVANS: Councilwoman Blackwell, what I'd like to do now is -- after the meeting of the 24th, basically the same things were said at our meeting that were said here. We took it and put it in writing as a letter to you. But after I read the letter, there's some things that I heard here today that I would like to particularly address myself, if that's possible.

Dear Councilwoman Blackwell, if allowed, the shutting down of the above train station, which is the Angora Train Station, would shatter the dreams and hopes of a community on the rebound from decades of neglect. It is not just a train station

that would be closed. It would destroy the community's vision of revitalization.

As you know, the supporters of our Community Civic Association Incorporated, also known as Socca CDC, are on the threshold of redeveloping parts of two vital gateways in Southwest Philadelphia. Known as Project BARD, the Baltimore Avenue Revitalization District, begins at 53rd and Baltimore Avenue, west to 61st and Baltimore Avenue, the county line or gateway one. Project BARD also incorporates 58th Street and Baltimore Avenue, and Cobbs Creek Parkway south to Kingsessing, gateway two. Beginning at 57th Street to 58th and Baltimore Avenue, we have the Cobbs Creek Shopping Mall, and the back of the entire mall is adjacent to and connected to the Angora Train Station, separated only by a cyclone fence. Through the RDA, Socca was able to secure the rights to 1135-37 South 58th Street, the old Club 51, for economic development. This building, too, is adjacent to and connected to the Angora Train Station on the southeast side.

In the fall of 2002, as part of Project BARD, and thanks to you and Mayor Street, a junk yard at the rear of 1135-37 South 58th Street, Club

51, was cleaned up after years of neglect. This land, too, is also adjacent to and connected to the Angora Train Station. The Angora Train Station, operated by SEPTA, accesses a connection between Philadelphia and our surrounding counties. We believe this resource is not fully utilized because of a general ignorance of its existence. When various members of the community were polled, they cited lack of security, lighting, signage, seating, antiquated steps, lack of parking and aesthetics as valid reasons as to why they do not ride the train. These same issues were also cited almost seven years ago when the issue of closing of the Angora Station first emerged.

The proposed closing of the Angora Station has led the community to the question, how serious is SEPTA's commitment to our community, our concerns and our values. The model of SEPTA we thought was better than driving, not driving communities to lose their vision.

A new market owner with a new commitment to our community all hinge on the Angora Train Station being revitalized. Partnership with our community is paramount. It benefits SEPTA and its

ridership. Therefore, it is our sincerest hope that SEPTA will reconsider its position to close Angora Station, and it will partnership with the Angora community, as it has done with others. For example, the University City and 49th Street Chestnut Avenue Railway Station, have certainly demonstrated that reinvestment in our communities certainly benefit SEPTA, its riderships, our communities and the City of Philadelphia.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you so much. We appreciate all you do, and for coming here. We agree with you, and we will ask SEPTA to respond. Thank you both.

MS. EVANS: I would like to ask some further questions that I heard brought up today.

Coming from Councilman Nutter, who questioned minority participation and who was monitoring that. SEPTA said it allows its contractors to do that. Well, I thought that quite strange, because when we took on the Bernice Arms Apartment Building in partnership with the developer, it was incumbent upon Socca to monitor the minority participation. We too worked with

union cardholders, non-employed members on the streets. So what we would like to propose, since we are thoroughly experienced in that area, that Socca commit to a partnership with SEPTA, and SEPTA with us, to allow us to recruit and get them the people that they need, since we have experience in doing it.

Now, another thing I don't understand is, for years I thought it was just the communities that SEPTA never gave answers to. But what I found out here, from being here since early this morning, they don't give you answers either. So who has the answers? Where is the president, the CEO or whoever she is? Who can give the answers? Where is the board? Where is the board that comes into our community from suburbs? And when we get up to speak, they've got the nerve to say, what building are you talking about? They don't even know what we're talking about. So who are they to sit back and dictate the policies of how our lifestyle should be adjusted to fit SEPTA's needs? All along it's the land value that was involved. They see no worth in our communities, except when they feel it's worth revitalizing.

Now, in fairness to Frances Jones -- now, we'll go back to that meeting of the 24th. Socca knew nothing about it. Yet still we have a resource center right in the school they gave the meeting at. I called you. You were shocked. If it hadn't been for Greg, I wouldn't have known.

But now, in fairness to Frances, Greg had a meeting with her that following week, and I asked her, would she please come out and see what we are trying to do with our area, because it's actually the radius of four blocks. She walked it. She liked it. She talked it. But the bottom line, she couldn't do it. So then we're saying once again, why are we all here? If there are going to be no forthcoming, then I have to be in agreement with some of the people who testified at our community hearing, which is that SEPTA needs to be investigated. We're is the money? We're not getting flyers. We're not getting jobs. We're not getting contracts. So who's getting all the money?

I'd like to thank Charles Gibbs. He's a member of our community. This young boy stood up. All we're asking for is a chance to live our own dreams in our community, but to be a part of the

system, not used by the system.

Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you very much.

Ms. Bazemore.

Mr. Jerry Jordan, owner of Jerry Jordan Restaurant.

Joseph Lee, owner of AQ 1 Hour.

Dave Pak.

Would you please come forward.

Then we will have one other group, and then we are done. While they're coming forward, let me say that Jetty Newkirk on the board, works with our community, as does Mr. Babcock. They are members of the SEPTA board who have been responsive to us, and we want the record to reflect that.

Thank you very much.

Mr. Jordan.

MR. LEE: Mr. Jordan is not here. He had to get going.

COUNCILWOMAN BLACKWELL: Thank you. We're very happy to have you. You can, in any order, identify yourself and speak.

And we thank you for your patience.

MR. LEE: My name is Joseph Lee. I'm here on behalf AQ 1 Hour Photo, which is located at 5213 Market Street on the north side.

MR. PAK: My name is Dave Pak, 52nd and Market Street.

COUNCILWOMAN BLACKWELL: Thank you, Mr. Pak, for all you do in the community. You've been a blessing.

MR. KOH: My name is Vincent Koh, representing 52nd Street Korean Business Association.

COUNCILWOMAN BLACKWELL: Mr. Koh is head of the 52nd Street Business Association. We thank him. Thank you for staying all day.

Mr. Pak, these are people who give over and over, who support their community, who are business owners and a blessing on the strip.

And we thank you, Mr. Lee, for being here for 1 Hour Photo.

You can begin your testimony.

MR. LEE: Basically, I'm not here to speak for a long time. A lot of the points that I'm about to say are things that were already addressed

earlier by Mr. O'Connor, and are also the same concerns of Mr. Jordan, who had to leave due to prior engagements. He happens to also be our next-door neighbor, at 5211. All we ask for as business owners, and our fellow business owners, is that -- 52nd and Market is a major hub. It's a very fertile when watered by the El, and the passengers can produce an enormous amount of revenue for everyone there, as well as the people buying things of that nature. All that we ask -- we realize that this project is going to affect business. You would be stupid to think othererwise. We realize that. We're not asking for anyone to move heaven and earth. All that we ask is that, if at all possible, when there is no construction going on, that we have some kind of lane opened or some kind of traffic to feed the area where the businesses can flourish, people can get to buy what it is that they need, and things of that nature.

Like we said, we realize that we have to take a hit, and everyone is going to have to take a hit and everyone has to work together to get this thing done, and we're not ignorant of that. We just ask that maybe, if there's a better way to

reorganize sometimes the flow of traffic or the recircumventing of traffic, if that's at all possible, that that can be done to allow the passengers and the commuters and people looking to purchase things, or just to get to school or whatever it is, to do so.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you. We agree. We want SEPTA to respond today to opening one lane.

(Applause.)

COUNCILWOMAN BLACKWELL: Thank you.

Mr. Pak.

MR. PAK: I have been there almost 18 years, on Market Street. I understand this is a SEPTA project. I understand, really understand. A couple years ago, with the construction that time, that is almost the same station. I understand this project is to be one year, two years long, maybe six years, this project. As Mr. O'Connor said for his association, for our association too. Why can't the president of SEPTA get new programming? We need to have it.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you, Mr. Pak.

Mr. Koh.

MR. KOH: Our Korean Association has 55 members. Two-thirds of them are located nearby, within one block from the construction. Today I came here to introduce how that construction is affecting us. We all heard how bad influence to each of the merchants around Market. We at 52nd, two-thirds of them lost 50 percent or more daily visitors. Some of them lost 70, 80, 90 percent. As of the end of last April two business merchants closed their doors. He was letting three employees go. When he was leaving, with tears in his eyes. That merchant has been there more than 20 years. That is located right at the intersection of 57th and Market.

While we all understand SEPTA's modernization plan is very important, that we need, the problem is ongoing and inevitable that we are all aware. However, we would like to see our suffering minimized, so today's I have a couple of proposals to City Council, especially Councilwoman Blackwell. She's covering our district.

I strongly urge SEPTA to extend the work in shifts. Currently they are working Monday through Friday, 7:30 to 3:00 pm. That's it. I know that there's a certain of work to do. If they extend the shift, our ordeal will be overcome sooner. That's what we are strongly proposing.

Secondly, since all traffic and delivery trucks, they are all prohibited from there. Not only are merchants, those people are equally suffering too. So we'd like to have more eased up parking regulation nearby on 53rd. They require a parking permit number two and three for residential only. I'd like to ask that that regulation be eased for other people too.

We also badly need of lighting after sunset because of bad conditions on walkways and so on, and the lighting is dim. Many people are chaes out during the daytime because of noise and dust flying. In the afternoon, many people can come, but the area is so dangerous and hazardous and dark, dim, they are scared to. So please install more lighting and also more signs, detouring signs. Some businesses are open at a late hours, so kind of more visible signs, we'd like to have. So I have just a

few proposals to Council this morning. Thank you very much.

COUNCILWOMAN BLACKWELL: Thank you, Mr. Koh.

We've heard you, as all of the other business leaders have said, that your business is off by 50 percent. You mentioned more detour signs and more lighting. And you're saying the easing of parking regulations. So there are "No Parking" regulations that are hurting you, as well, in that block, in your community; is that right?

MR. KOH: Yes, ma'am.

COUNCILWOMAN BLACKWELL: So we are SEPTA to respond to these issues as well. We can deal with it from the Streets Department's side, but we're asking SEPTA to respond to these issues, as well. We thank you and we totally support you.

Yes, Frances?

MS. JONES: Again, we've been working with the Parking Authority and the district, the police district that represents 52nd Street, but we absolutely would welcome your assistance in working with the Parking Authority and the Police Department in easing ticketing on 52nd Street. But I would be

remiss if I didn't say that Mr. Baker and Baker and Associates have made several attempts to meet with both these gentlemen, and we will continue to --

COUNCILWOMAN BLACKWELL: They're the presidents of our association leaders there. And we're happy to work with you with the Police and the Parking Authority.

MR. JONES: Yes. And we will continue to make attempts to meet with them to deal with their issues. But where there are problems with getting deliveries, that's not a problem. We have a staff person that is there and is available to do mitigation, to assist with deliveries and all the other issues that they have on 52nd Street. But we need to have a working relationship and have them agree to meet with us. We're fine with getting their issues taken care of.

COUNCILWOMAN BLACKWELL: Thank you.

Finally, since I know my colleague -- we asked him for a half-hour, 45 minutes ago. We have Ms. Bazemore, Ms. Tate and Mr. Gibbs. And then we'll ask SEPTA to respond, hopefully to agree to what we've asked to do. And then we will let the next hearing go on. I see some of my friends in the

D&A community back there.

Ms. Ruth Bazemore, please identify yourself.

She's block captain from Haddington.

MS. BAZEMORE: Thank you Councilperson Jannie Blackwell.

COUNCILWOMAN BLACKWELL: Thank you. Thank you for all you do as committee person, as well, and block captain.

MS. BAZEMORE: I represent the Haddington Block Captain Coalition. Basically, we formed about four years ago, and our boundaries are 52nd Street, from Market over to Race, and 52nd through really through 56th Street now. And all of our block captains basically formed the Coalition because we understood that, basically, working together, we all have our same problems. Within our boundaries we have made coalitions with Adath (ph) Church, which is Reverend Sherman, Pastor, and the Salvation Army, which is Lieutenant Lewis. So when -- and I have also been a very active member of, basically, the El project. And my biggest problem that happened was, when I was over at Haddington and we first talked about the El project, it was really

welcomed because it was told that it was going to bring economic development into our community, and that it was going to basically hire a 27 percent black minority in our Zip codes. And then there have been meetings and meetings and meetings, and all the good positive things -- I have folders, I have training guides, et cetera, et cetera. I am very disappointed to find out basically that these goals have not been met.

And I also would like to put on record that I went to the board meeting when they gave the contract to Driscoll. And we were there, a small group of community people, and the meeting was postponed by the SEPTA board three times. And we finally met, and it was to give the rewarding of the contract to Driscoll. And I would like to go on record to say, at that time, there was a controversy about them going forward with the contract because it seems like he was not basically in compliance. And with all the things that are going on and what not, I think there should be more of a study to find out basically how some things that we are told that SEPTA cannot do to our black minority as far as jobs and constructions, and when we know that when the

awards of the contract, there was only two people from Philadelphia that was awarded the contracts. And the other contractors came from Virginia, Delaware, Washington, and New Jersey, which means that, in those terms, those people were allowed to bring their own people. So we have no black. And I would like to go on record as to say, I support any progress that's going to enhance, but I do not support us being victimized in a sense when we see and we have to go through all these things that we're going through as a community, and we see no future for us as employment or anything, and that's not going to be permissible.

When I saw in the paper that they were going to re-route the buses through our neighborhood, and we were not even advised, I was outraged. And so I made several phone calls. And then I contacted our Councilperson. And I called all the different departments in the City, and I was amazed to find out that the City was not in control of what SEPTA did. Like I said, that cannot happen, because we have to hold the City responsible. So, therefore, the City has obligation to put SEPTA or anybody else that really comes into our City to work

on notice, that they have to be accountable and we also must know exactly what they're doing and when.

The problem with rerouting the buses, they called a meeting one day, and four days when we voiced our concerns and all the different things that rerouting the buses would have an impact upon us, March 17th, they ran the buses. And it has been a disaster. And I thank our Councilperson, Ms. Blackwell, because she called a town meeting so that we would have basically the City people there, plus SEPTA, to really come together because it's something that the community, SEPTA, and the City must work together, but we all must know and respect each other on what is going on. And what we are finding out is that we have to make the solutions on problems that really shouldn't even be problems in the first place. Had there been meetings and plannings of different things, there could be some things that -- the project itself would work a lot more smoother. We find that the contractors don't know about our City, so they don't even understand when we were telling them that blocking off a street would not allow the people to go and have trash collections, even some of the City people didn't

understand what blocking off the street meant because they don't know the area, and there should be basically surveys and people actually walking through the neighborhoods, talking to the people and understanding exactly what it curtails.

Now, one of the things that happened at the last meeting. I talked about an open sewer that was there where they put up the emergency bus stop. I called. I called. I called. Finally I was able to get Mr. Ferraro from the Water Department, he came out right away and he fixed the problem. He's still fixing the problem, but the problem still exists. Because at 53rd and Arch, the buses -- which has never been a bus stop -- they have to make a turn, and because they haven't seen fit to put no parking buses, then the cars are parking there, so the buses cannot make the turn. So they're running over the man hole and breaking it. And then when buses cannot go and make the turn, they're coming through my block, which is the 100 block of North 53rd. We told them at a prior meeting, that in the middle of our street is an indent, that the street is going to collapse. They did not adhere to that. They ran the buses on the

unit block of 53rd Street. What has happened is, in the middle of the block, that block has collapsed, but they're still running the buses.

And then we have the problem with parking and streets closed and vehicles coming in, and it's just a little bit of sitting down, talking, putting up parking signs. It don't cost a lot of money. But it does cause insight on what the problem is, but everybody doesn't seem to really want to take responsibility. They blame it in each other, and it has to stop. Because we want to know exactly when the project is going to start, how are we going to be impacted by it, and when it's going to be finished. If it's going to be finished in six weeks, fine. But we don't want six weeks to be six months. Because there's a credibility thing. And, like, it's not being run as a business. All I'm saying is, we have to basically all come together and basically try, try very hard, because we're all going to be either losers or winners. But we need to make this transition as basically where we respect each other, welcome what we can do, and say to each other, and basically try to resolve our problems together.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you, Ms. Bazemore. And for start, impact and finishing in that area, we are going to ask SEPTA to respond to that, as well, when they respond.

Ms. Tate, Urhuru Restaurant.

MS. TATE: Hi. My name is Sherri Tate. Councilwoman Blackwell, good afternoon. I'm here representing my family's business. I'm at 12 North 52nd Street. We've been in the 52nd Street corridor for 26 years, on 52nd Street. We're not a new business. We're a business that has a lot of experience in conducting our business. And we don't need technical assistance, you know, which is really the only thing that SEPTA is offering us. Of course, any business can use more advertisement, but the problem is, that first the barriers, you know -- or the barricades on 52nd Street, that whole intersection has been blocked off since March 17th. There's been no work that's been done there. There's no reason traffic can't flow up and down 52nd Street, going north to south. There's no reason one lane can't be open going east to west. It's possible for it to be done, and SEPTA needs to

listen and to be considerate of the businesses that there are.

To be quite honest, I don't know if we're going to be able to stay in business throughout the duration of this project. And the reason I'm saying that is, just based on these last couple of months, we've lost over 60 percent of our business. I can tell you, I closed out April's books this week. We threw away $1,300 worth of food. That's just waste. That's not even a profit that could have been made. That doesn't even reflect lost profits. We're losing money big time, and I don't see any way we're going to be able to sustain these types of losses for more than a year, tops. And it's not fair to black businesses, to the African American community in general. It's really not fair. This the second business. I was on Lancaster Avenue a few years ago. I lost my business on Lancaster Avenue. At that time there were only four businesses; myself, the lumbar yard, the beer distributor across the street, and the plumbing business. And we had meetings with lawyers, not SEPTA. SEPTA didn't come to the meetings. SEPTA's approach towards the business

community on Lancaster Avenue a few years ago was totally arrogant. They didn't respond to us all. We ended up hiring lawyers who got very little accomplished. This situation is a little bit different in that it's such a busy financial corridor in West Philadelphia that it forces people to take a look at SEPTA's -- the only thing I can describe is an anti-people, anti-community approach. They have the attitude that they could really care less whether we lose everything. And that's just --

(Applause.)

COUNCILWOMAN BLACKWELL: Let me say thank you. We know of your business and businesses throughout the City. Lancaster Avenue is coming up again.

MS. TATE: Yes. But unfortunately I lost my business.

COUNCILWOMAN BLACKWELL: I'm sorry to hear that. And we agree that you shouldn't have to lose 60 percent of your business. Certainly that's what we're all about. We really really hope that you can try to hang in there while we try to work out something, because we know the businesses have to be subsidized to survive.

MS. TATE: We need subsidy, absolutely. It's only way we're going to survive.

There's other things in addition to subsidy. There's things that can be done now to prevent businesses from being lost and to try to help those of us that are struggling in there to make it. Our customer's are very loyal during this process. People have been patronizing us on a consistent basis for many, many years. The thing is, we're getting complaints about parking. Our phones are ringing off the hook now because a lot of our customers call to order their food, and then they run outside and we have their food ready. We're having a -- as soon as they run in the store, the Parking Authority is there giving them a ticket, or the police are trying to beat them back to their car to give them a ticket, to generate additional funds for the City. It's not fair. We're being sucked dry here. It was the parking. Advertisement. We can always use more advertising. And it needs to be on the radios. People need to be encouraged to participate. BLL, they're doing as much as, I believe, they can do with the resources they have available. They need more resources.

They need more resources.

Also, just in terms of general economic development in the community, to keep the African American community, at least moving forward. We're already underdeveloped. We're already underdeveloped. We need all the help we can get. The amount of work, the amount of resources that are being given to the African American community are virtually none. I live there every day. I don't see these African American companies benefiting from this project, which is a huge project. I don't see any benefits to the African American community at all by this project. SEPTA really needs to be held accountable for that.

Thank you.

COUNCILWOMAN BLACKWELL: Thank you.

(Applause.)

COUNCILWOMAN BLACKWELL: And her testimony is similar to that of Mr. O'Connor about existing work there that's hurting the businesses when nothing is going on there.

Mr. Gibbs. Thank you.

MR. GIBBS: Good afternoon. My name is Charles Gibbs. I'm a Committeeman for the 3rd Ward

16th Division. I'm one of the Democratic state committee people for the 8th Senatorial District.

SEPTA, when it first began this project, I was excited that $400 million would be invested into our neighborhoods. However, as time has went on, I am not excited anymore. It has been tragic for the businesses and our community. I walk up and down 52nd Street and 56th Street and 60th Street and talk to the business owners, because I don't have a car. My only means of transportation is SEPTA. These business owners, their spirit is broken. They're suffering. We cannot -- we must not -- sit back and let this happen. I'm not going to go on and on, Councilwoman, and Councilman Cohen, about the things that you've heard already. The business people are hurting. They're young people who -- as a committeeman, I'm asked to go out and to bring home the party's ticket. When I've gone, I'd ask these young people to come out and vote. They would say, Charles, on that side of the fence, that eight-foot cyclone fence, there are people with New Jersey that that don't look like me, that come into this community, collect a pay check, and leave. And I sit here, and I watch them. Why should I vote?

Will those politicians help me get on the other side of that fence? I don't have an answer for them. I don't.

We have our senior citizens, who I ride the bus with every morning, who have to get off at Chestnut Street and walk a full block to get to the El, and then when they get there, they have to walk up 40 steps because it's not economical for SEPTA to fix the escalators. That is absurd. That is absurd.

(Applause.)

MR. GIBBS: Councilwoman, SEPTA will come before you in a moment and they will answer the questions that have been placed before you. And today I submit a suggestion.

The City appropriates from the General Fund $56.5 million towards SEPTA. The state government has cut their subsidy. I'm asking you, if SEPTA does not do what you ask them to do, to direct the Director of Finance to not give them their money. We have a voice. We have a voice and we can use it, Councilwoman, and Councilman Cohen. We have to hold their money. Because it's a republican-controlled board, and we all know that.

We all understand that. They're not here today, but they will be here when they don't get that $56 million. If they don't have that $56 million, I guarantee you that they will go out and find some more minority contractors. If they don't have $56 million, I guarantee to those young people that ask me all the time, Charles, can I get on the other side of that fence, they'll be on the other side of that fence. If they don't have that $56 million that they are so expecting from us, our children will be able to have free school tokens, because SEPTA will understand our issues. They have ignored us for too long. Now os the time for us to stand up and make our voices heard. Councilwoman, Council Cohen, I beg you to hold their subsidy if they don't meet the terms and conditions that you set forth. Thank you for your time and attention.

COUNCILWOMAN BLACKWELL: Thank you very much.

Thank you all very much.

We'd like to ask SEPTA to come forward.

As they do, we want to thank Mr. Milton Montgomery for being here.

Greg Spearman for his role on the strip,

and working hard to get everybody notified. We have these folks here.

We thank you all for being here.

Councilman Cohen's hearing was due to go on at 1:00. It's 2:35. People came from out of town. I owe him big time.

I'm sorry, Councilman.

We want to say among other issues mentioned, were foundations of properties, lighting, policing, having the special services work in these areas, as well as in cleaning, about the escalator at 60th and Market, or about buses near the Bargain Store. We heard from Urhuru and Bargain Store with regard to those issue. About delaying closing or rescinding the closing of Angora Terrace, because of false advertising, among other issues. About advertising, about parking and parking regulations. We're willing to work with you on that, to contact the Parking Authority and the Police. About minority participation and the monitoring thereof by Socca and Pat Evans and her group. About a forensic report. And about the parking regulations overall being eased, et cetera, et cetera.

Those are just some that I happened to

note. And we wondered what you can respond to today, and what you need five days to respond to. In addition to which, when we leave this hearing, we will try to have another hearing shortly, and we'll advertise. We'll give you three days notice to advertise, and we'll take just an hour and a half to have a response to those issues that are not responded to today. So we'll ask all who can to come back to receive a public response on issues not responded to today.

MS. JONES: What we did provide was a list of professional services contracts, and the list of the proposers and their ethnicity. So that information is here for distribution to the entire Council today.

Those other issues that you specifically asked, we will get that information back to you within the next five business days.

Some of the issues are issues, of course, that we've heard before, and issues that we will address and have addressed in the past. Again, we will continue to work with the businesses on the corridors and those that are impacted in the project area. The technical assistance will occur. But let

me just reiterate and underscore that we are working along with our Congressional delegation and, particularly Congressman Fattah to identify resources so that we can provide some relief to the businesses that are within the project area. We have grave concerns about economic development because we know that when the project is done, of course it will be an economic development spur. However, in the interim, we know that the businesses in West Philadelphia are hurting, and are hurting badly. I am not out there every day, but our consultants are out there every day. I am out there on a regular basis, and please be assured that I see these people on weekends in the supermarket. I get notes slipped at church. I see them at civic events. And understand that the problem is a dire problem and we're concerned about it, and we're committed to do what we can to assist the businesses that are being impacted, as well as the residents and our riders. We're concerned out every constituent that is impacted by this project. So we want to go on record and say that there is a commitment on our behalf to continue to work with the community.

COUNCILWOMAN BLACKWELL: Thank you. And with regard to the report from the Commerce Director that gives the City's position, we ask you to consider that as well with response in five days.

Councilman Cohen.

COUNCILMAN COHEN: I've been sitting here now for a couple of hours listening to a tale of economic destruction, not economic rebirth. What I'm hearing is that this is not a program in which SEPTA cares even the slightest bit about the health of businesses. It seems to me that SEPTA said, whatever we're interested in is going to be the reconstruction of the EL. We don't give a hoot what happens to the business or to the community.

(Applause.)

COUNCILMAN COHEN: If Septa care the slightest bit, they would have a team working constantly to deal with the traffic problems, to deal with all the problems, and make the interference as little as possible. I think what SEPTA has done in this case has been to destroy a community, to destroy a business center. I think it's unforgivable. And I don't pay the slightest bit of attention to the words that are being spread

here about SEPTA's concern. I think all SEPTA is concerned is building something, and they don't care about the nature of the workers. They don't care about employing Philadelphians or employing minorities. They go out of town and run their own show. I think what SEPTA's done has been an absolute disgrace to the whole City of Philadelphia.

(Applause.)

COUNCILWOMAN COHEN: And if and when Councilwoman Blackwell proposes that we take the SEPTA budget and put it in the City Council budget and only permit withdrawals from it when SEPTA proves to us that they've changed. I will be strongly in support of that motion. Very, very strongly.

Thank you, Councilwoman Blackwell.

(Applause.)

MS. JONES: Your points are well taken, Councilman. Thank you very much.

COUNCILWOMAN BLACKWELL: Thank you. And again I apologize to Councilman Cohen. He had people from out of town and judges here to talk about the health issues that we also face, another big issue in this City.

So we will be in touch with you by flyer. Greg Spearman will help us with that, and we'll also advertise.

So this hearing is now recessed, subject to the call of the Chair.

Thank you all.

(Council adjourned at 2:40 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing proceedings of the Council of the City of Philadelphia of May 7, 2003, were reported fully and accurately by me, and that this is a correct transcript of the same.

RE: COMMITTEE ON FINANCE AND TRANSPORTATION

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Lisa C. Bradley, RPR
and Notary Public