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COUNCIL OF THE CITY OF PHILADELPHIA

3

JOINT COMMITTEES ON TRANSPORTATION AND

4

PUBLIC UTILITIES AND THE ENVIRONMENT

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, October 28, 2008
10:10 a.m.

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PRESENT:

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COUNCILMAN CURTIS JONES, JR., CHAIR

12

COUNCILMAN BILL GREEN

12

COUNCILMAN WILLIAM GREENLEE

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COUNCILMAN BRIAN J. O'NEILL

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COUNCILMAN FRANK RIZZO

14

COUNCILWOMAN JANNIE BLACKWELL

14

COUNCILWOMAN BLONDELL REYNOLDS BROWN

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RESOLUTION 080508 - Resolution authorizing the
Committee on Transportation and Public
Utilities and the Committee on the Environment
to investigate and hold joint public hearings
on the designation of zones or areas in which
demonstration projects and sustainable
strategies can be explored to increase the use
of renewable energy...

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COUNCILMAN JONES: Good

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morning, ladies and gentlemen. This is a

4

joint hearing with the Committee on

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Transportation and Public Utilities and

6

the Committee on the Environment. I am

7

Councilman Curtis Jones, Jr., Chair of

8

Transportation and Public Utilities.

9

Also with me is my Vice-Chair, Councilman

10

Greenlee. Also on the Committee is

11

Councilman O'Neill and Councilman Rizzo.

12

We do not have a quorum, but we

13

do not need one for a resolution. So we

14

will move forward.

15

Will the Clerk read the title

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of the resolution, please.

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THE CLERK: Resolution 080508,

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authorizing the Committee on

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Transportation and Public Utilities and

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the Committee on the Environment to

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investigate and hold joint public

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hearings on the designation of zones or

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areas in which demonstration projects and

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sustainable strategies can be explored to

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increase the use of renewable energy,

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2 green building design and construction,
3 water conservation, urban agriculture,
4 tools to reduce greenhouse gas emissions
5 and other environmental strategies.

6 COUNCILMAN JONES: Also, we
7 note for the record we have Councilman
8 Green, no pun intended, is here with us
9 at the hearings today, and thank him for
10 attending our hearing.

11 As an opening statement, I just
12 noted that every time this great nation
13 has an economic crisis, it is new
14 industries that actually salvage the day.
15 In the Great Depression, we were survived
16 by the construction industry and public
17 works projects. During the '80s, we saw
18 technology come to the rescue. We're in
19 a unique opportunity today to drive the
20 future of our economy through the green
21 industries.

22 Today, we will hear about
23 efforts both in our city and throughout
24 our nation about best practices that can
25 improve the quality of our lives while,

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2 at the same time, protect the earth by
3 moving towards a smaller carbon
4 footprint.

5 It might seem odd that we can
6 live better and do more with less, but
7 this is what we hope to learn today from
8 case studies, from projects and from
9 witnesses.

10 I look forward to learning the
11 lessons that we can learn from two
12 communities that have actually
13 established green zones, both Stamford,
14 Connecticut and Richmond, California.

15 Here are some of the questions
16 that I'd like to hear considered today:
17 Can Philadelphia be to the green
18 development what the Silicon Valley was
19 to California? Can we create out of the
20 ashes of urban decay green jobs, green
21 businesses, green economies, a greener
22 city and a greener environment? Does the
23 global economic crisis make
24 sustainability and environmental
25 strategies more or less important? What

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2 synergy can we have with transit-oriented
3 development and design? Does energy
4 conservation and reducing of our carbon
5 footprint have to cost us more with
6 evolving technologies? What are some of
7 the current barriers to creating
8 sustainable communities and how can
9 government remove some of those
10 obstacles? What role should the federal
11 and state governments play?

12 These things do not happen by
13 themselves. Change occurs with political
14 will, active constituencies both in the
15 private sector, the community and within
16 government.

17 Van Jones, an environmental
18 activist and civil rights lawyer and
19 author of The Green Collar Economy, says
20 that we can solve two big problems with
21 one good solution. "Government
22 policies," and I quote from him, "can and
23 must play a role in creating inclusive
24 green economies by setting standards, by
25 spurring innovation and by realigning

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2 existing investments and making new
3 investments."

4 Both presidential candidates
5 have aggressive strategies of assuring
6 that the federal government remains
7 proactive in providing incentives to the
8 private sector, as well as directing
9 federal investments. Governor Ed Rendell
10 has been an outspoken proponent for
11 Pennsylvania in taking the lead to
12 promoting green policies.

13 It is critical, I'll repeat
14 that, it is critical that local
15 government develop efficient policies
16 both to encourage and stimulate growth in
17 the greening of our city by creating
18 green villages. That simply means we
19 should intentionally create walkable,
20 sustainable, mixed-use developments
21 creating those urban villages.

22 We are in a period of time that
23 we've never experienced in the history of
24 our country. We have a perfect storm, a
25 perfect storm created by the energy

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2 crisis, fiscal crisis and economic crisis
3 that is crushing, crushing the middle
4 class and the working poor. So similar
5 to technological advancements, the green
6 technology will evolve quicker than our
7 ability to master it.

8 So these aren't the end of
9 these hearings. These are the beginning
10 of a dialogue that we should have about
11 this new economy, and we thank everyone.

12 And with that, I'd like the
13 Clerk to call forth the first panel of
14 witnesses. Or excuse me. I'd like to
15 get an opening -- I would like my
16 Vice-Chair to have an opening statement.

17 COUNCILMAN GREENLEE: Thank
18 you, Mr. Chairman.

19 First of all, I want to
20 congratulate you and everybody involved
21 with these hearings. This is obviously
22 an extremely important issue. I'm glad
23 you mentioned in your opening statement
24 the transportation-oriented district,
25 which is certainly one of the things -- a

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2 bill that I introduced a little bit ago,
3 with your co-sponsorship. Obviously the
4 whole idea of transportation and
5 improving that and getting away from the
6 cars and all that kind of thing is also
7 very important. But all the issues that
8 you talk about are very necessary.

9 I can tell by the witness list
10 that we're going to have some excellent
11 testimony, and, again, I look forward to
12 working with you on all these issues and
13 again congratulate you on your leadership
14 on this.

15 Thank you very much.

16 COUNCILMAN JONES: Thank you.

17 I'd like to also recognize
18 Councilwoman Blackwell as joining this
19 Committee hearing. And would you like to
20 have some opening statements?

21 COUNCILWOMAN BLACKWELL: No.

22 Thank you.

23 COUNCILMAN JONES: Then I would
24 like to have the Clerk call the first
25 panel.

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2 THE CLERK: The first panel is
3 Joseph Manko, Laureen Boles, Dr. John
4 Byrne and Dr. Franco Montalto. Starting
5 in that order, Joseph Manko, Laureen
6 Boles will go first and then the other
7 two will go second.

8 (Witnesses approached witness
9 table.)

10 COUNCILMAN JONES: Good
11 morning. Could you state your name for
12 the record, please.

13 MR. MANKO: Joseph Manko. I am
14 here today at the request of the
15 Sustainability Director Mark Alan Hughes,
16 who is in the District of Columbia this
17 morning, to deliver his testimony.

18 I would like to thank you as
19 the Chair and Councilman Greenlee as the
20 Vice-Chair and Councilpersons Rizzo,
21 O'Neill, Blackwell and especially
22 Councilman Green, who was my law student
23 at the University of Pennsylvania.

24 COUNCILMAN JONES: Is that
25 right?

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2 MR. MANKO: Who got a very good
3 grade in environmental law.
4 Notwithstanding that, he's here as extra
5 credit today, I think. But I no longer
6 have any control over his success. But
7 his name was Green, I will tell you that,
8 when he was in law school, so it didn't
9 change --

10 COUNCILMAN GREENLEE: I'm glad
11 you pointed out that you're not
12 responsibility for anything else he does.
13 That's a good disclaimer.

14 MR. MANKO: I guess you could
15 take that in that context.

16 Before I read the testimony
17 from Mark Alan Hughes, I would just say
18 that I think it's somewhat appropriate or
19 fortuitous that he ask me to read the
20 testimony in his absence, and that is
21 because I wrestled with some of these
22 problems for 27 years and you are joining
23 a municipality in Lower Merion where I
24 was on the Board and President for
25 several years, and when Mayor Nutter came

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2 into office, he asked me to serve on the
3 Zoning Board of Adjustment. So for eight
4 months I served on the Zoning Board of
5 Adjustment, where I've seen a lot of your
6 representatives, Councilpersons, and now
7 I am pleased to be one of the two
8 Co-Chairs for the Sustainability Advisory
9 Board under Mr. Hughes.

10 And I would -- my opinions,
11 once I finish the testimony, will be
12 mine. I can't really speak for the
13 Administration, but I would be glad to
14 try to answer any questions that any of
15 the Councilpeople ask.

16 So at that point, I will now
17 read the testimony of Mr. Hughes, who
18 says thank you, Chairs and members, for
19 the opportunity to testify today. My
20 name is Mark Alan Hughes, Senior Advisor
21 to the Mayor and Director of the Mayor's
22 Office of Sustainability. The Mayor's
23 Office welcomes the conversation with
24 this Committee and the entire Council on
25 the important issues gathered under the

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2 heading of, quote, "Sustainability,"

3 close quote.

4 As you know, we are working

5 hard to construct a sustainability

6 framework that will guide and monitor our

7 common efforts to make Philadelphia the

8 greenest city in America by the year

9 2015. This effort is being advised by

10 the Sustainability Advisory Board and

11 realized by the Sustainability Working

12 Group. Council staffers are valuable

13 members of that team. We appreciate

14 their efforts to date and are counting on

15 their involvement in the coming months.

16 Much of the work being done for

17 the sustainability framework addresses

18 issues raised in Resolution 080508,

19 including, quote, "the use of renewable

20 energy, green building design and

21 construction, water conservation, urban

22 agriculture, tools to reduce greenhouse

23 gas emissions and other environmental

24 strategies." We are attempting to align

25 efforts across all agencies and branches

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2 of local government, as well as form
3 partnerships with other governments and
4 with the private and non-profit sectors.

5 This work is all designed to meet the
6 Mayor's challenge of making Philadelphia
7 the greenest city in America.

8 My brief comments today are
9 focused on Resolution 080508 and its
10 consideration, quote, "of zones or areas
11 in which demonstration projects and
12 sustainable strategies can be explored."
13 I commend the idea for its commitment to
14 learning more about what is possible
15 through demonstration. In the spirit of
16 working together to figure things out, I
17 would like to raise three questions,
18 which I suggest should be answered to our
19 mutual satisfaction as we continue to
20 consider this idea.

21 First, what is the learning
22 mechanism that would be designed and
23 funded in the demonstration zones? Part
24 of the usual rationale for zones is the
25 opportunity they can provide to learn

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2 about techniques and projects that we are
3 not yet prepared to use throughout the
4 City. In order to be consistent with
5 that rationale, we would need to devise a
6 way to learn from the innovative and
7 experimental activities we would allow to
8 or encourage in zones as opposed to
9 elsewhere or everywhere. This requires
10 resources, including a research and
11 reporting entity that could identify and
12 transmit what was learned back to
13 government and disseminate those lessons
14 throughout the City beyond the zone or
15 zones. Who would be responsible for that
16 learning and how would it be paid for?
17 Second, what kinds of specific
18 ideas or projects do we believe would
19 benefit from being located solely within
20 a zone rather than located anywhere in
21 the City? Another rationale for the zone
22 technique is the presumed benefit of
23 having some activities aggregated with
24 other activities in a single place. In
25 other words, under what conditions would

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2 we expect a number of good green projects
3 to produce more benefits if they were
4 bound together geographically than if
5 they were available everywhere and to
6 all? And we cannot really answer that
7 question without first addressing what
8 size zones we would consider. Do we
9 envision a streetscape of several blocks
10 that might define a corridor of storm
11 water management or a few blocks of row
12 homes where solar panels could be
13 installed? Or would we want to designate
14 a larger set of blocks that might
15 collectively create a microclimate
16 amenable to, say, heat-island reduction
17 or air quality improvements? Or is it an
18 even larger area perhaps that might
19 benefit from infrastructure, scale
20 investments leading to transit-oriented
21 development, as was mentioned, or
22 distributed generation of electricity?
23 Or is it any and all of these scales and
24 others as well? The key question is why
25 would it be important to have these

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2 projects occur only in a previously
3 designated zone?

4 Third and finally, what would
5 be the basis for choosing the zone
6 designations? Would they dovetail with
7 other targeted areas under consideration
8 for specific programs or investments?
9 Would targeted neighborhoods already
10 enjoy strong anchoring institutions or
11 existing community development
12 corporations or would we focus on areas
13 without vibrant civic stakeholders and
14 where a City-initiated and managed
15 program would try to fill an investment
16 vacuum? Assuming we answered the scale
17 questions, would we seek a portfolio of
18 zones that varied by size or
19 characteristic? Who would choose the
20 zones and what would be allowed there?

21 These are pretty tough
22 questions, and as you might suspect, it
23 remains unclear to me what benefit would
24 arise from allowing or encouraging
25 innovation only in specified zones rather

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2 than anywhere that innovation might be
3 proposed or feasible.

4 Thank you again for the
5 opportunity to comment on this
6 interesting idea. We look forward to
7 more conversation on this and other
8 issues in the future.

9 COUNCILMAN JONES: What I'd
10 like to do is allow all of the witnesses
11 to testify and then my colleagues can
12 question and answer.

13 Councilwoman Blondell Reynolds
14 Brown has joined us. She is everything
15 green, and we're glad she has joined us.

16 MS. BOLES: Good morning,
17 everyone.

18 COUNCILMAN JONES: Good
19 morning.

20 MS. BOLES: Thank you,
21 Councilman Jones, also to the other
22 Councilpersons, Councilman Greenlee,
23 Councilman O'Neill, Councilman Rizzo,
24 Councilman Green, Councilwoman Blackwell
25 and Councilwoman Reynolds Brown.

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2 Thank you for this opportunity

3 to present testimony on the designation

4 of green development zones in which

5 demonstration projects and sustainable

6 development strategies can be explored.

7 My name is Laureen Boles and I'm a Civil

8 Engineer and Environmental Planner in the

9 Philadelphia Water Department, Office of

10 Watersheds. There I'm responsible for

11 external partnerships. I've had the

12 pleasure of working on partnerships

13 between private industry, community

14 development organizations and the City of

15 Philadelphia on sustainable development,

16 which have included water and wastewater

17 management plans for the

18 LEED-certified Comcast Center, the

19 reduction of greenhouse gas emissions at

20 the Port Authority in partnership with

21 the Clean Air Council and the

22 Environmental Protection Agency, as well

23 as the development of a neighborhood

24 retail complex, the Park West Town

25 Center, and community participation

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2 education outreach programs for all ages
3 in partnership with American Cities
4 Foundation.

5 Few would argue the benefits of
6 sustainable development, most commonly
7 referred to as development that meets the
8 needs of the current generation without
9 jeopardizing the needs of future
10 generations to meet their own needs.

11 Therefore, the purpose of today's meeting
12 is to define sustainable development in
13 practice. We must, therefore, explore
14 opportunities to demonstrate the
15 connections between local and global
16 concerns, present and future needs;
17 namely, sustainable environments,
18 sustainable economies, sustainable energy
19 and sustainable equitable communities.

20 Again, what we call an E4 strategy:
21 sustainable environments, sustainable
22 economies, sustainable energy and
23 sustainable equitable communities.

24 COUNCILMAN JONES: For the
25 record, what was that again?

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2 MS. BOLES: An E4 strategy.

3 COUNCILMAN JONES: All right.

4 MS. BOLES: But what does E4
5 look like? We can, therefore, define E4
6 environmental, economic, energy and
7 equity of sustainable development as that
8 which preserves and enhances
9 environmental equality, strengthens
10 economies, conserves energy and promotes
11 human and community health and safety.

12 You will hear testimony today
13 emphasizing various aspects of an E4
14 strategy towards sustainable development
15 ranging from community development
16 projects, natural resource preservation
17 and enhancement, green job creation,
18 environmental justice programs to
19 renewable energy strategies. The
20 challenge to all of us is to
21 conceptualize and celebrate the nexus of
22 these various aspects for the betterment
23 of each.

24 Our next steps: Every decision
25 must be made with consideration given to

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2 the environmental, economic, energy and
3 equity impacts. Due diligence must be
4 given to rethinking our current
5 practices, policies, rules and
6 regulations in order to realize an E4
7 strategy towards sustainable development.

8 When we think about community
9 development projects, I ask that you
10 consider whether we are enabling the
11 enabled. Consequently, we must provide
12 opportunities to communities who are most
13 in need of public and private support in
14 order to make sustainable development a
15 reality for them.

16 When we think about community
17 development projects, I ask that you give
18 consideration to the economic benefits
19 that nature provides in the form of
20 desirable places to live, work and play.

21 When we think about natural
22 resource preservation and enhancement, I
23 ask that you consider the resources that
24 have been degraded in the adjacent
25 communities that have a right to clean

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2 air, clean water and clean land.

3 When we think about green jobs,

4 I ask that you consider communities

5 disenfranchised by the traditional job

6 market and provide them with equal access

7 to the jobs in the renewable energy

8 market.

9 So as you listen to testimony

10 today, please jot down the words

11 "environment, economy, energy and equity"

12 and make note of the connections that

13 need to be made. And I thank you again

14 for this opportunity.

15 COUNCILMAN JONES: Thank you so

16 much.

17 Please state your name for the

18 record, please.

19 DR. BYRNE: My name is John

20 Byrne and I am Director of the Center for

21 Energy and Environmental Policy at the

22 University of Delaware, and I am grateful

23 for the opportunity to appear here before

24 the joint committee on these issues.

25 I was asked to prepare a

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2 general overview of the new direction in
3 sustainable energy and to talk
4 specifically to some of the examples of
5 zones that are being used throughout the
6 country and throughout the world. I was
7 also asked to bring slides, but I'm not
8 sure that that's going to work.

9 COUNCILMAN JONES: This is the
10 technology.

11 DR. BYRNE: That's right.
12 She's got it. We are back in the game.

13 COUNCILMAN JONES: Do you want
14 us to dim the lights? Can we do that?

15 (Lights are dimmed.)

16 DR. BYRNE: So I would like to
17 just begin in this regard to echo the
18 Chairman's opening remarks, that we face
19 an energy crisis that is also an economic
20 crisis. We have seen a roughly doubling
21 in the prices in the first half of 2008
22 of our heating oil and natural gas.
23 We've seen better than a 75 percent
24 increase in the last eight years in
25 electricity prices. While we are

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2 currently seeing some dips in these
3 prices, as we all know, those dips are
4 largely the result of a worldwide
5 economic downturn, hardly a way in which
6 we are going to get affordable energy
7 over time.

8 So the existing system is
9 expensive. It will get more expensive,
10 because it depends upon non-renewable
11 fuels, and as those fuels deplete in
12 volume, we will have to pay more for
13 continued use of these fuels. That is
14 why the movement is afoot worldwide and
15 in our country to shift to sustainable
16 energy sources.

17 And on the question that,
18 again, the Chairman asked on the front
19 end, he asked can we have both a greener
20 city and a city that fulfills the
21 economic needs of its residents, and I
22 think the evidence is very strongly yes.
23 I would offer in this regard in a period
24 where we are seeing a lot of volatility
25 in the financial markets, actually

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2 investments in energy efficiency rank
3 just above treasury bills in their risk.
4 So they are very low risk investment
5 opportunities. And their rate of return
6 is better than anything that we have in
7 the financial markets so far. They beat
8 corporate bonds. They beat stocks of
9 every kind. So investing in sustainable
10 energy is better for us from an economic
11 point of view and it's also better for us
12 from a risk point of view.

13 Also, investing in the
14 sustainable energy options of energy
15 efficiency, conservation and renewables
16 bring us another economic benefit in the
17 form of increased jobs. The Chairman
18 quoted from Van Jones. Again, the
19 evidence on this is very strong.
20 Permanent job creation -- when I say
21 "permanent job creation," I mean a job
22 that's going to last for the full
23 lifetime of one of our citizens, 40 to 50
24 years. That usually means you're talking
25 about, in today's dollars, two and a half

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2 million dollars. For every million
3 dollars invested in energy efficiency and
4 conservation in the residential sector,
5 we create eight permanent jobs. That's a
6 lot of jobs. In addition to all the
7 construction that goes on, that's eight
8 permanent jobs that stay in the community
9 permanently.

10 So you get a lot of job boost
11 from energy efficiency. You also get a
12 lot of job boost from renewable energy,
13 which tends to average, particularly in
14 the case of technologies that would be
15 most appropriate in cities, you're going
16 to get five and a half to 5.7 jobs per
17 million dollars invested, much higher
18 than investing in the conventional energy
19 system, where you're only getting four
20 jobs per million dollars invested.

21 And I think these -- this is
22 important. I know Governor Rendell led
23 an effort to create at the state level a
24 new energy policy for Pennsylvania, and
25 those efforts will drive you into a new

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2 green economy where you will get these
3 job benefits and you will get reductions
4 in the long-term costs of energy.

5 Well, let me now then turn to
6 the question of the tools of how to
7 capture these kinds of benefits, and I'm
8 going to start first with zones. And, of
9 course, Philadelphia has already begun
10 this process and, of course, this hearing
11 is perhaps a process in which you will
12 build upon these early steps.

13 The Navy Yard is being used now
14 to develop a zone for attracting green
15 tech and, in particular, for attracting
16 solar energy. This is a very important
17 step, I think, in the use of the City's
18 distressed areas, and this will bode
19 well.

20 If you look at models around
21 the country, I was asked to look at some
22 of the best practices for the Committee.
23 I would just like to offer some
24 additional ideas on zones that the City
25 could consider.

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2 In the case of Richmond,
3 California, which is an industrial city,
4 not unlike East Coast cities in this
5 regard, it's built on an industrial base
6 rather than on a high tech or service
7 base. It has designated one of its
8 public housing districts in the city as a
9 solar district and it has invested one
10 megawatts worth of affordable solar for
11 these units. This is roughly 500 to 600
12 families that will now have the benefit
13 of solar energy for this purpose. And I
14 want to just mention to the Committee the
15 advantage of investing in this
16 technology.

17 Once you spend the money on the
18 up-front capital costs, you have lowered
19 the monthly bills of everybody that uses
20 this technology, because you no longer
21 have to pay high fuel costs and so on for
22 conventional fuels. So I think this is a
23 zone idea that the Committee might want
24 to consider.

25 A second example is in

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2 Stamford, Connecticut, as the Chairman
3 mentioned, which has created an Energy
4 Improvement District. This district is
5 specifically organized to create
6 renewable energy-based electricity
7 generation and heat for the city. This
8 is not unlike the way in which the Navy
9 Yard is now being used, but I would offer
10 that in the case of Stamford, they are
11 using a technology which is usually very
12 competitive and could be very useful to
13 the City of Philadelphia and, that is,
14 combined heat and power. So this is
15 another example.

16 A third example that I would
17 like to briefly mention is in the City of
18 Berkeley in California. Berkeley has
19 invented a very interesting idea called
20 the Solar Financing District. It
21 actually is not a spacial zone in the
22 case of the first two cities. Instead,
23 anyone in the city can participate in the
24 Solar Financing District, and it works
25 like this: The city will pay up front

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2 for the capital cost to put solar or
3 other renewable energy devices in your
4 community and, in return, you voluntarily
5 raise your property tax by a small amount
6 in order to pay off over the long term,
7 20 years, this investment.

8 This program has been
9 oversubscribed for three years in its
10 offering. And I just want to mention the
11 City of Berkeley is not a high-end,
12 high-income community. It's a rather
13 ordinary citizen kind of community, and
14 it is ordinary citizens who are signing
15 up for this kind of program.

16 I'm going to give you another
17 example I have in the packet that I
18 provided also, what the cities of New
19 York and Chicago are doing. They, like
20 the City of Berkeley, are using their
21 rooftops as a method of collecting solar
22 energy. But I'm not going to go into
23 their programs here. It's in the packet
24 that I provided. I instead want to give
25 you what I think is the boldest example

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2 that I know, and this will take you --
3 oh, I should mention before I do that
4 that the City of Philadelphia has also
5 been investigating for its rooftops a
6 very interesting technology, the white
7 roof membrane program. This is low-cost
8 technology that can be installed on a
9 flat row house roof, and this membrane
10 will lower the temperature in buildings
11 during the summer, making them livable,
12 and particularly important for our
13 elders, it makes it possible for us to
14 avoid some of the problems that happen
15 with heat stress during the summer to our
16 elders.

17 The Energy Coordinating Agency,
18 which I think is a jewel of the City of
19 Philadelphia, is pioneering this effort.
20 And so Philadelphia is already on the
21 radar screen of trying to use its rooftop
22 real estate for this purpose.

23 But let me now just give you an
24 extraordinary effort that's now being
25 considered. We have to travel outside of

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2 the United States for this purpose. This
3 is the City of Seoul, South Korea. There
4 are 12 million people living in this
5 city, crossed by a river that runs east
6 to west. And what the City of Seoul has
7 done is a full inventory of its rooftop
8 real estate and then has estimated how
9 much of its full electricity bill can be
10 provided by cost-effective use of solar
11 technology for this purpose. With
12 existing technology and existing costs,
13 the City of Seoul estimates that it can
14 provide 25 percent of its full
15 electricity supply simply by using its
16 rooftop real estate in a more effective
17 manner.

18 So I would just like to mention
19 to the Committee that as you consider
20 zones, one of the things you might
21 consider is your rooftop real estate. It
22 is a zone opportunity in which you could
23 collect effectively low carbon/no carbon
24 energy for this purpose.

25 Let me close with one -- oh, I

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2 just wanted to give you a picture of what
3 the city looks like. This is the City of
4 Seoul in its current form, and with
5 investment in solar technology, this is
6 what a district might look like in the
7 future.

8 I'd like to close with a
9 suggestion, because this is the Transport
10 and Utilities Committee, that I think we
11 also need to start considering the
12 utilization of a new utility that is city
13 based, that allows you to make the
14 investments and decisions on the energy
15 future of the city, that can be in all
16 directions, whether it's transport or
17 whether it's air conditioning or whether
18 it's electricity or whether it's heat or
19 whether it's industrial processes. And
20 for that, I would just offer that you
21 might consider what the City of Austin
22 has done. It has essentially built its
23 own utility for this purpose in which it
24 has, I think, in the U.S. the boldest
25 program for making its city green while

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2 capturing all of the benefits of a green
3 economy and green development.

4 And in this vein, I would like
5 to then conclude with a suggestion that
6 you might consider what my own State of
7 Delaware recently passed into law, the
8 creation of a sustainable energy utility.
9 The City of Washington, DC followed us
10 and created its law of a sustainable
11 energy utility. It gives the reins of
12 policy for this purpose in the hands of
13 the political jurisdiction to cover all
14 of the needs of its citizens and its
15 businesses. And this is a depiction of
16 what the sustainable energy utility looks
17 like. It receives investment funds from
18 a variety of sources, including from
19 bonds.

20 Cities have the authority to
21 float bonds for a variety of
22 infrastructure needs. One thing that the
23 City could consider is floating bonds for
24 the purposes of its own zones that it
25 might develop or other purposes, counting

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2 sustainable energy as a proper use of its
3 bonding authority. It can then designate
4 what are the targets that it wants in
5 terms of less energy, how much it wants
6 to reduce the use of conventional energy,
7 how much it wants to see of green
8 transport, how much it wants to see of
9 renewable energy deployed in the City,
10 and then it can put out for bid a
11 performance-based contracting request for
12 everyone to participate and try to help
13 the City green itself.

14 So that's my remarks, and I
15 think this is a very exciting proposal
16 that is coming forward in the City of
17 Philadelphia, and I wish you all well in
18 this regard. I've given you a website if
19 you want to look at the sustainable
20 energy utility further, and we would be
21 happy to assist this Committee as it
22 moves forward.

23 Thank you very much.

24 COUNCILMAN JONES: Thank you
25 for that valuable testimony. I hope you

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2 will remain at the panel and aren't
3 pressed for time. I want to get the last
4 testimony of this panel in before we open
5 up for questions, and I hear my
6 colleagues chomping at the bits to do so.

7 Can we turn the lights -- will
8 you require --

9 DR. MONTALTO: No.

10 COUNCILMAN JONES: We can turn
11 the lights back up. It's nice that we're
12 saving energy, but sight is important as
13 well.

14 (Lights back on.)

15 DR. MONTALTO: Good morning.

16 My name is Franco Montalto. I recently
17 joined the faculty at Drexel University
18 in the Department of Civil Architecture
19 and Environmental Engineering. My
20 background is water resource engineering.
21 I come to Philadelphia from New York
22 City, where I've worked over the past few
23 years in different capacities with Mayor
24 Bloomberg's office of Long-Term Planning
25 and Sustainable Development on the

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2 developing of PlaNYC and most recently on
3 the city's development of sustainable
4 storm water management guidelines. And
5 so I'm very excited to, having just
6 recently moved here, have this
7 opportunity to address the Council about
8 this really important piece of
9 legislation. I commend you on drafting
10 it.

11 My comments as an engineer are
12 on infrastructure and sustainability as
13 an infrastructure strategy. I believe
14 and incorporate into all of my teaching
15 that I don't think that we need
16 engineering and infrastructure and then
17 sustainability on the side, that actually
18 sustainability is the way we should do
19 infrastructure and the way we should do
20 engineering. So my comments are about
21 sustainable development as an
22 infrastructure strategy for the City of
23 Philadelphia.

24 Sustainable development is a
25 worthy social goal, it's a worthy

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2 environmental goal, but it's also a
3 worthy economic goal. And as it's
4 implemented, the economic benefits of
5 sustainable development when it's
6 integrated into infrastructure planning
7 can be formidable. So let me give you a
8 few examples of that that are mentioned
9 directly in the resolution.

10 Renewable energy and energy
11 conservation, if implemented
12 systematically and if implemented in such
13 a scale that it actually represents
14 significant reduction in energy, can
15 result in less power plants. So a
16 conservation strategy, less energy being
17 consumed, results in the need for less
18 physical bricks and mortar
19 infrastructure, power plants.

20 In the water sector, which is
21 the one that I work in most, reducing the
22 demand for water that urban buildings
23 exert reduces the need to provide water
24 services to those buildings. Reducing
25 the amount of runoff that is generated

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2 from urban sites reduces the scale of the
3 problem that needs to be addressed
4 downstream by the Philadelphia Water
5 Department in the form of sewer
6 infrastructure. More urban agriculture,
7 for example, addresses the transportation
8 issues associated with getting food to
9 Philadelphia. There are some who compute
10 that the average meal in Philadelphia has
11 traveled more than 1,400 miles before it
12 reaches your plate.

13 So in all of these ways, we've
14 seen how sustainability is not just a
15 worthy social and environmental strategy,
16 but is also one that can be integrated
17 into infrastructure planning of the City.

18 Let me just make -- I guess I
19 want to make four types of comments.
20 These pertain to the scale of the zones,
21 the penetration and participation of the
22 zones, the timing with which these
23 sustainability zones would be
24 implemented, and quality control.

25 So on the issue of scale,

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2 sustainable development is interesting in
3 our neighborhoods, but I think it's, from
4 an infrastructure perspective, most
5 interesting in our service areas. So,
6 for example, the City of Portland, by
7 disconnecting downspouts, the downspouts
8 that take the runoff from roof surfaces
9 and direct it into the sewer system, the
10 City of Portland has reduced by over a
11 billion gallons per year the number of
12 sewer overflows that have occurred in
13 that city. And that has translated into
14 a reduction in the scale of
15 infrastructure that the city needs to
16 build to meet its EPA-mandated CSO
17 abatement goals.

18 So on the issue of scale, I
19 think that the scale that should be
20 addressed is the service area scale. And
21 if we look in the different types of
22 infrastructure that the City has, we
23 could think of different types of service
24 areas. So from a water perspective, we
25 could talk about watersheds, basins or

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2 CSO sheds. From a social perspective, we
3 could think about school sheds. We could
4 think about employment sheds. We could
5 think about food insecurity sheds and
6 think about implementation of sustainable
7 strategies within those particular
8 geographic areas so that we're directing
9 those designs to actually meeting
10 particular goals.

11 Similarly, in energy, as we've
12 heard, we could implement sustainable
13 energy strategies in relevant grid areas
14 such that we're reducing quantifiable
15 quantities of energy that need to be
16 provided to specific areas.

17 On the issue of penetration and
18 participation, trophy green buildings and
19 trophy sustainability projects are
20 interesting, but they don't really help
21 us with our infrastructure. What we need
22 is high levels of penetration in our
23 neighborhoods. That involves not just
24 strategies that address new construction.
25 In cities like Philadelphia, that means

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2 strategies for retrofitting existing
3 construction. We're not going to knock
4 down the City and rebuild it. We need to
5 make the City work better. So new and
6 existing development need to address
7 uniquely in a sustainability strategy.

8 I also think public and private
9 land need to be addressed uniquely and
10 separately. In a typical watershed, for
11 example, about 40 percent -- 40 to 60
12 percent of the surface of the watershed
13 is privately owned lots. The rest is
14 publicly owned spaces such as streets,
15 parks, et cetera. So a zone strategy
16 would need to have unique ways of dealing
17 with the government agencies and
18 organizations that determine the design
19 of the infrastructure on public property
20 and also deal directly with the real
21 decisions that Philadelphia homeowners
22 will make about how the systems that
23 serve their property actually work.

24 On the issue of timing, if
25 sustainable development strategies are to

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2 become parts of infrastructure
3 strategies, the implementation of this
4 plan should be cognizant of the timing of
5 various compliance goals with
6 infrastructure. For example, in the
7 issue of CSO abatement, there are
8 particular timeframes within which
9 particular amounts of runoff and
10 overflows need to be reduced. So for the
11 various agencies that deal with these
12 compliance issues, implementation of
13 sustainable development strategies should
14 happen in a timeframe that makes sense
15 such that these strategies could then be
16 used to offset some of the compliance
17 needs and costs that these other agencies
18 are facing.

19 Finally, quality control and
20 enforcement. When we think about
21 decentralized implementation of
22 sustainability strategies as a form of
23 infrastructure, what comes with that is
24 how do we enforce and standardize
25 decentralized quality control. If we're

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2 having people install runoff reduction
3 measures on private property, who is it
4 that's going to go visit those private
5 property installations one year, two
6 years, five years after they've been
7 installed to make sure that those runoff
8 reduction measures or sustainability
9 strategies are still working the way they
10 were intended? And if we have multiple
11 contractors installing multiple renewable
12 energy systems on multiple pieces of
13 property, how do we ensure that all of
14 those contracts are installing these
15 measures to the same standards?

16 So I would encourage the
17 Council to also address decentralized
18 quality control and decentralized
19 enforcement such that these strategies
20 can actually be considered a viable part
21 of the City's infrastructure.

22 Thank you.

23 COUNCILMAN JONES: Well, thank
24 you.

25 I want to thank this panel. I

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2 mean, we have so much information. I
3 should have broken you guys up into
4 different segments. But what I want to
5 do is do a couple of things. One, on the
6 issue of whether it should be citywide
7 versus zones, I'm going to say that
8 measurement -- and I've heard it in a
9 number of these testimonies -- is
10 critical. So when you disperse
11 something, it's more difficult sometimes
12 to measure. When you concentrate it in a
13 zone, in a geographic area, you can
14 quantify what your savings are a bit
15 better, whether it's an individual house
16 or an individual strip or community. And
17 one of the things that we are considering
18 here today and I hear a macro approach
19 and a micro approach, a macro meaning
20 major systems such as water and rainwater
21 runoff and developing our infrastructure
22 to be sustainable over large areas, but
23 also there's the micro of the community
24 that we have to kind of do on
25 simultaneous tracks, I think, where we

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2 can demonstrate some of this.

3 And I get this idea for a
4 reason. In Washington, DC, they took the
5 area from the Monument to the Capitol and
6 opened up an area and encouraged home
7 builders to come in and use all kinds of
8 innovations, whether it was wind, solar,
9 geothermal, and they put all these
10 academic types and privateers and they
11 put them all in one area, and they were
12 competing to build a home from scratch
13 that could be the most energy efficient.
14 And they had to name one- and two- and
15 three-place winners, but actually
16 everyone who participated was a winner,
17 because the dialogue between universities
18 and individuals about technology and use
19 of technology started to happen, and the
20 buzz and the culture developed of
21 sustainability that lasted far beyond
22 that individual experience.

23 So what I'm questioning in this
24 hearing -- and my colleagues are going to
25 ask questions after this -- is whether we

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2 can create that kind of buzz here in
3 Philadelphia that can make us the mecca
4 of sustainability and for them to be
5 incentivized through whatever means,
6 whether it's zoning, whether it's TIFs,
7 whether it's whatever financial
8 mechanisms that I'm hearing about in
9 other cities, using their real estate tax
10 base as an incentive to do so, to create
11 an environment here in Philadelphia that
12 sets us apart from other cities. We see
13 other cities that have tried it, but I'm
14 questioning that.

15 And I just wanted to answer
16 your question as to why at large or why
17 in an area, and I'm not saying to the
18 exclusion of at large, but definitely
19 I'll end with this: If it ain't
20 measured, it ain't managed. I know the
21 English language, but I emphasize it that
22 way to say that we should measure and
23 quantify these savings.

24 MR. MANKO: Could I respond?

25 COUNCILMAN JONES: Yes.

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2 MR. MANKO: Again, now I'm
3 speaking for myself, but with the benefit
4 of the eight months on the Zoning Board
5 and watching the provisos that come forth
6 from community groups that address
7 environmental, I was left in a position
8 to trying to jawbone those kinds of
9 concessions from the developer. Ain't
10 the way to do it, but that's the way the
11 Zoning Code is established now.

12 By Earth Day, we would expect
13 to have what's called the framework, the
14 sustainability framework, which is sort
15 of like the plans in New York and
16 Chicago, which will set forth goals and,
17 Councilman Jones, would include metrics.
18 So there is measurement devices.

19 The Zoning Code Commission is
20 at work to develop new proposed
21 amendments, which will come back to you
22 folks. The Zoning Map would then follow
23 or be done at the same time, which again
24 is going to be up to Council. I think if
25 the environmental provisions of

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2 sustainability get built into the
3 proposed Code amendments and the Map can
4 then reflect them and the framework there
5 is existing and the communities continue
6 to put pressure on developers piece by
7 piece to do so, I think it can all come
8 together. And I guess sometimes the idea
9 precedes the coming together of all the
10 other kind of things.

11 So I'm fully supportive that
12 our zoning takes sustainability into
13 account and, from my standpoint,
14 paramount, but I guess I question when
15 you have these things all happening at
16 the same time, maybe they can come
17 together as early as the spring instead
18 of trying to come up with something
19 relatively novel compared to what's going
20 on in other ones.

21 And I guess the only other
22 thing I was saying is, the buzz that you
23 want to create, it's there and it's loud,
24 and things like the Navy Yard didn't have
25 to happen by creating a zone. It

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2 happened. And you could take into
3 account tax -- all of the different zones
4 that exist now, including equity in terms
5 of our EJ zones, and put that all
6 together and you have it in one pack. In
7 a way, I guess I'm saying could you wait
8 a couple of months to pull this all
9 together?

10 I think what you're doing is
11 exactly what you should be doing by
12 exploring another way to do it, as long
13 as it fits into the whole quilt. And I
14 think from speaking as a former Zoning
15 Board of Adjustment, I can't wait until I
16 could have something behind my "please
17 would you put a white roof on or a green
18 roof."

19 COUNCILMAN JONES: I hear you
20 loud and clear.

21 MR. MANKO: Thanks.

22 COUNCILMAN JONES: Councilman
23 Greenlee.

24 COUNCILMAN GREENLEE: Thank
25 you, Mr. Chairman.

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2 First, I want to echo the
3 Chairman's statement of all the
4 information all four of you gave. We
5 really appreciate it. And I don't want
6 to belabor this point. I also had a
7 question for Dr. Byrne, but Mr. Manko,
8 while you were reading Mr. Hughes'
9 statement, the same kind of question came
10 up that the Chairman just talked about,
11 and just reading -- and I know this is
12 his statement, not yours, but in the end,
13 it says it remains unclear to me what
14 benefit would arise from allowing or
15 encouraging innovation only in specified
16 zones. I don't think the idea is it
17 would only happen in those zones. I
18 think it would start there. I think
19 that's more the idea, rather than that
20 it's only going to be in the zone and
21 nothing in the rest of the City is going
22 to happen. I think, as the Chairman
23 said, I think the idea is to use almost
24 like test areas so, as you say, you can
25 quantify it.

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2 So, again, I know this isn't
3 your statement, but I think Mr. Hughes
4 may have been, without casting any
5 aspersions, misinterpreting what I think
6 the idea was or one of the ideas in
7 talking about zones. Now, I don't know
8 if you have any more comment on that.

9 MR. MANKO: No. I mean, in
10 trying to paraphrase his testimony, it
11 was how would you report back the
12 information and how would you select what
13 kinds of projects and then how would you
14 choose which zones. I guess he's really
15 asking you questions which you need to
16 answer if you want to proceed in the
17 pathway that you're doing. My comments
18 were more my personal ones on timing, I
19 guess.

20 COUNCILMAN GREENLEE: And I
21 understand that, and I think we're going
22 to answer those questions. That's the
23 idea, and that's the idea of all you
24 folks being here. So I think we
25 understand that there are those

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2 questions. I guess -- and, again, I
3 don't want to belabor the point, but the
4 whole idea, I think the whole looking at
5 it in zones, in my opinion, makes some
6 sense, because, again, you can get a
7 little better measurement on that.

8 But, again, one other question
9 for Dr. Byrne, if I could. Could you get
10 a little bit more -- I know you gave us a
11 lot of information there, and in the end
12 you talked about Boston. Could you talk
13 a little bit more about that? I wasn't
14 real clear on what you're saying Boston
15 is doing.

16 DR. BYRNE: Yeah. I thank you.
17 I was trying to both address directly the
18 Chairman's interest in zones and so I
19 tried to give models of what these zones
20 are, and I think that your
21 characterization is the right one. The
22 cities are typically using these as test
23 beds. They are trying new ideas; for
24 example, in the low-income housing,
25 providing solar in there to make housing

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2 more affordable this way. But then
3 you've got to go beyond that step once
4 you have proliferated a good set of test
5 beds, that you try to pull it together in
6 some integrative way. And I think what
7 the City of Austin has recognized as
8 having done in the U.S. is that more
9 integrated approach.

10 PlaNYC in New York is an effort
11 at that. I would just say Austin has
12 been at an awful lot of what PlaNYC and
13 what Chicago now have in their plans.
14 It's been added for ten or 12 years. And
15 it's found a way to integrate all of
16 these things into a, if you will, to use
17 my colleague's term, a sustainability
18 infrastructure over the last ten to 12
19 years. It's happening in water, it's
20 happening in energy.

21 And so I was offering the city
22 for that purpose and the sustainable
23 energy utility, which Washington, DC, my
24 state and other jurisdictions are now
25 using as an example, of how you would

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2 then take the zones and, if you will,
3 knit them together to give you what would
4 then be a citywide strategy.

5 COUNCILMAN GREENLEE: Okay. I
6 think we're on the same page here. Thank
7 you.

8 COUNCILMAN JONES: Thank you,
9 Councilman.

10 Councilwoman Blondell Reynolds
11 Brown, please.

12 COUNCILWOMAN BROWN: Thank you,
13 Mr. Chairman.

14 Good morning, everyone. I,
15 too, need to go on the record and echo
16 Councilman Jones' comments. The
17 testimony is brilliant in terms of
18 providing for us a context of the long
19 view we need to take as we go down this,
20 in many ways, uncharted territory for
21 us as a city. So I thank you enormously
22 for that. And I have learned in the 18
23 months that I've begun to look more
24 closely at this issue as a student -- and
25 I'll be the first to admit I'm a student

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2 in this, but excited about in the long
3 view, and I've learned from members of
4 the sustainability network that it's
5 important to do this slowly to get it
6 right, that moving swiftly will create
7 nightmares for those on the
8 implementation/execution end of this
9 equation.

10 So I hear you when -- I
11 understand completely when you say give
12 us a minute to do what we need to do
13 where you are, Mr. Manko, because that
14 will in many ways inform how we roll this
15 out.

16 With that said, I did not
17 hear -- and I came in late -- a
18 discussion, comment about where jobs are
19 infused in this process. And if not
20 now -- well, I'm curious to know, has
21 that been a part of the work that you do?
22 You have to create the policy, best
23 practices, but at some point, it
24 hopefully boils down to J-O-B's, and I'm
25 particularly concerned about jobs for

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2 specialized populations, training that
3 has to be required before we can even
4 engage in those jobs, and then who
5 ultimately or what collage of agencies
6 should be ultimately responsible for the
7 training in green jobs, the roll-out of
8 green jobs, period.

9 So any one or all of you can
10 comment on that.

11 MR. MANKO: I would just add,
12 if you could, a 5th E for E4, and that E
13 would be employment. The green collar
14 jobs present a tremendous opportunity,
15 and I think that you'll find within the
16 framework that we're working on, you're
17 going to find the collaboration of the
18 unions in terms of teaching laborers
19 green jobs. You're going to find working
20 with the Board of Education and colleges
21 and universities in terms of educating
22 people.

23 But the jobs are going to roll
24 out from these things. Not only will
25 they benefit the employees and the

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2 residents of the City of Philadelphia,
3 but to the point where as a country we
4 can start exporting the technology to do
5 that.

6 So I think that that is very
7 much in mind, and I think that there was
8 reference in the New York plan. I think
9 one of the five goals there was
10 employment, and employment feeds into
11 economy.

12 So you're absolutely right, and
13 I think that that is happening now in
14 terms of job retraining, and the more you
15 have solar installation and wind turbines
16 and things like that, everything about
17 those is jobs.

18 COUNCILWOMAN BROWN: You said
19 New York has a plan that includes the
20 fifth E?

21 MR. MANKO: Yeah. New York has
22 five goals, which I think will be
23 somewhat similar to Philadelphia's
24 framework, and one of those is
25 employment, is what I'm saying, and it's

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2 certainly one of the benefits you get out
3 of sustainability.

4 COUNCILWOMAN BROWN: Okay. Let
5 me hear the other comments and then I
6 have a reaction to your observation.

7 Please.

8 MS. BOLES: Thank you,
9 Councilwoman, for your question. I am
10 actually chairing the Funding Committee
11 for the Green Collar Economy here in
12 Philadelphia, and you will hear testimony
13 in the next panel from the Sustainable
14 Business Network. However, Van Jones was
15 here last week or so and --

16 COUNCILWOMAN BROWN: He loves
17 our city.

18 MS. BOLES: And he was signing
19 my book. I said to him, Van, there's
20 \$125 million in the federal budget for
21 the green collar jobs and training, and
22 we've done a lot of work here in
23 Philadelphia. How much of that money can
24 we expect? Can I get my share? And he
25 wrote in my book, Yes, we're going to get

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2 you your share.

3 And so Philadelphia has been
4 designated one of the five sister cities,
5 with Oakland.

6 COUNCILWOMAN BROWN: Oh, my.

7 MS. BOLES: Van Jones has
8 designated Philadelphia.

9 COUNCILWOMAN BROWN: Terrific.

10 MS. BOLES: So we're on our way
11 to getting our share, but you will hear
12 more about that today.

13 COUNCILWOMAN BROWN: Oakland is
14 indeed, again from what I've learned in
15 the past 18 months, is a leader when it
16 comes to green jobs.

17 MS. BOLES: Absolutely. In
18 fact, he said either this week or at the
19 end of last week he was meeting with
20 Nancy Pelosi to have a discussion about
21 how funding would come to the five cities
22 and he would be here in Philadelphia more
23 often.

24 COUNCILWOMAN BROWN: Okay.

25 Please. Your PowerPoint was

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2 terrific.

3 DR. BYRNE: Thank you very
4 much.

5 I would just say in that
6 spirit, just to repeat one point that was
7 made, the green economy, the economy in
8 which we invest in sustainable energy,
9 will get you more jobs than investing in
10 the conventional energy system. That is
11 clear. That's established. It's
12 empirical facts. So I think doing that
13 is a very important step for the City.

14 And I would just complement the
15 remarks that were made on the front end.
16 I've seen the jobs that you can get best
17 in a city that will really give you lots
18 of jobs are, for example, if you deal
19 with what a city has in abundance, which
20 is a very large number of buildings. If
21 we weatherize these buildings so that
22 people living in them can now afford to
23 live in them, they can afford the energy
24 services required to heat and cool those
25 buildings and, at the same time, you

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2 provide a job base for that, that's a lot
3 of jobs, a lot of skills.

4 The unions are involved in it,
5 but also it means youth. There's an
6 opportunity for entry point for new jobs,
7 which, again, is Van Jones' very
8 important point on this. If we're going
9 to go green jobs, we have to have also
10 where youth can enter and then move up.
11 Very, very important.

12 So I would just encourage that
13 you keep weatherization and other sorts
14 of things where you're dealing with your
15 built environment, which is one of your
16 biggest assets a city has, make sure that
17 you keep that in the mix when you're
18 trying to decide jobs. And typically, as
19 I tried to show on one slide, focusing on
20 residential buildings actually has the
21 highest job intensity of any of the
22 options that you would have in the energy
23 sector. So that would just be my
24 suggestion, and it's really good for
25 youth-based programs.

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2 COUNCILWOMAN BROWN: Let me
3 just underscore or echo, as Councilman
4 Jones often hears me say, put it in
5 capital letters, bold, with exclamation
6 points. When you say that eight
7 permanent jobs, if you capture young
8 people at 18, 19, 20 years old, then they
9 really have an opportunity for a career
10 and to grow in this industry.

11 DR. BYRNE: That's correct.

12 DR. MONTALTO: I'll just echo
13 everything that's been said, being last
14 in the group here, but also I guess I
15 would go one step further and say that
16 when we talk about green collar jobs, if
17 we think -- if we take an infrastructure
18 perspective to this, they're the formal
19 jobs, the people who are building the
20 rain gardens, the people who are
21 installing the solar panels, the plumbers
22 who are doing -- so they're the formal
23 jobs that this type of an approach can
24 take. But then there's sort of -- I
25 don't want to say informal, but there's

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2 the non-traditional jobs. If every
3 parcel of land in a demonstration shed or
4 zone in the City is functioning from an
5 infrastructure standpoint sustainably,
6 the owner of that parcel of land is
7 essentially working for the City, is
8 essentially providing an infrastructure
9 service to the City.

10 So a lot of these places where
11 incentive programs are put in place to
12 encourage property owners to change the
13 design of some characteristic of that
14 site, that incentive is actually funding
15 the decentralized infrastructure that
16 could happen.

17 So there's another way that we
18 could think about these jobs, and it
19 could be helping to incentivize the
20 owners of private property to do things
21 slightly differently such that there's
22 less of a burden for infrastructure on
23 the City agencies that would pay for it
24 traditionally.

25 COUNCILWOMAN BROWN: Such as?

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2 DR. MONTALTO: Well, I mean,
3 the one I can talk most about because
4 it's my field is water. So if private
5 property owners are incentivized to not
6 discharge runoff into the sewer system,
7 the City now has less of a sewer problem
8 to deal with. And as I mentioned in this
9 example with Portland, where the
10 downspouts from these buildings are just
11 disconnected and put into backyards or
12 put into tanks and released slowly. Just
13 by doing that, which is a very simple --
14 I think the City of Portland gave about a
15 \$55 incentive to private property owners
16 to do that. If you do that, we'll give
17 you 55 -- or I don't remember. I can
18 give the details on that in my written
19 comments. But as a result of that, the
20 city at large reduced by over a billion
21 gallons per year the amount of water that
22 went into the sewer system.

23 So there's a value to that.
24 That's a service. That's something that
25 someone you might say through an

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2 incentive program be economically
3 incentivized; a/k/a, paid to do to help
4 the City.

5 And, lastly, I just think that
6 the job issue is really what marries the
7 three E's of sustainability, because
8 you're getting -- you're decentralizing
9 the work, and that has -- that's a social
10 goal. It's also an environmental goal,
11 because you're making the City work
12 better from a goods and services
13 standpoint, and, of course, this is all
14 for the environment, and it could be
15 cheaper.

16 COUNCILWOMAN BROWN: Mr. Manko,
17 would the scenario just presented by
18 Dr. Franco Montalto, is that a
19 circumstance where it would be wise of us
20 to push the pause button and wait for the
21 document that you all are going to roll
22 out?

23 I guess what I'm trying to get
24 my arms around is, what's appropriate for
25 us to be mindful, wise and wait and

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2 what's appropriate for us to act and do
3 now?

4 MR. MANKO: Right. A limited
5 comment with respect to the storm water.
6 The City of Philadelphia has been
7 successful in negotiating with the
8 federal government and the state
9 government that instead of spending
10 something like \$2 billion to separate all
11 the combined systems to get the storm
12 water out of it, so that the Water
13 Department is way ahead in the integrated
14 watershed management plan, and that ties
15 into using open space and green space and
16 a 9,100 acre park, et cetera, et cetera,
17 to save \$2 billion and to serve the
18 environment. So a lot of that is
19 happening now. That's a watershed issue.
20 But, again, your watersheds are coming
21 from your suburban areas through the City
22 of Philadelphia to the Schuylkill or
23 Delaware, so you don't have head water,
24 so to speak, to deal with.

25 With respect to other sheds,

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2 you do have, I guess, air sheds and you
3 have waste sheds, but it's harder to
4 separate those within a city than it is
5 to separate it in a larger region where
6 those sheds are obvious.

7 So I don't know how you would
8 do all the other sheds, but they would
9 all contribute to coming up with areas
10 that have commonality, I guess you would
11 say, in terms of waste and water and air
12 and things like that to concentrate and
13 say maybe they should be zones within the
14 City. I personally don't know where they
15 would be, but a lot of the factors that
16 the Professor mentioned and a lot of the
17 things in the framework, I think, are
18 going to wind up back on your desk to do
19 your Zoning Code amendments.

20 COUNCILMAN JONES: Macro versus
21 micro.

22 I just want to keep us moving.
23 We have a number of panels.

24 COUNCILWOMAN BROWN: Thank you
25 for your testimony.

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2 COUNCILMAN JONES: And I want
3 to recognize Councilwoman Blackwell and
4 then followed quickly behind by
5 Councilman Rizzo.

6 COUNCILWOMAN BLACKWELL: Thank
7 you.

8 Thank you all for this
9 excellent testimony. As you know, in the
10 Sulzberger region, we're dealing with a
11 program even with the students dealing
12 with wastewater.

13 I wanted to thank Mr. Manko for
14 not only doing a great job on the Zoning
15 Board, but we've had some green issues
16 there that he supported us. So we look
17 forward. We thank you for your work
18 there and look forward to working with
19 you here.

20 MR. MANKO: Well, thank you,
21 Marty, for telling Councilwoman that.

22 You've got a jewel there.

23 COUNCILMAN JONES: You notice
24 Marty is one of the Council Committee
25 members.

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2 COUNCILWOMAN BLACKWELL: He's
3 at every zoning hearing in the Third
4 District.

5 Thank you.

6 COUNCILMAN JONES: Thank you,
7 Councilwoman.

8 Councilman Rizzo.

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

11 I just want to follow up on
12 something that you alluded to. I support
13 the Water Department's effort in trying
14 to relieve some of the water runoff in
15 the combined systems. Just last night
16 Councilman Green and myself went to a
17 community meeting in South Philadelphia
18 where -- I use my colleague's words -- I
19 think in some of these projects, we
20 really need to hit the pause button.
21 What works in Portland doesn't
22 necessarily work in South Philadelphia.

23 What I saw last night at this
24 meeting is trying to install a device on
25 a public sidewalk where vehicles have to

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2 park, and the quality of life because of
3 the installation of these devices that
4 will slowly release the water really are
5 going to be an obstacle to people that
6 are handicapped, people that need to
7 negotiate those sidewalks. And I support
8 the project, but I think that -- and
9 Joanne Dahme kind of resented that I said
10 the cookie-cutter approach, just taking
11 something from Portland and trying to
12 plug it into Philadelphia.

13 Philadelphia is not Portland.
14 South Philadelphia is a different
15 community than Northeast Philadelphia.
16 What will work in one neighborhood will
17 not necessarily work throughout our city.
18 And I'm going to do what I can do to get
19 the Water Department to hit the pause
20 button and go back to the drawing board
21 to see what we can do to accomplish the
22 goal, but in a different way. I would
23 not want what they're planning to put on
24 the sidewalks in my neighborhood.

25 So that's my only comment on

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2 that. And both of us attended,
3 Councilman Green and myself, this meeting
4 last night, and there is a lot of
5 friction and resentment in that community
6 over this project.

7 So that being said, one of the
8 things that I've noticed that this
9 government has not done is moving into
10 the area of solar. We haven't really
11 experimented with, at least as far as I
12 know, with solar street lights, a perfect
13 application for moving at least into the
14 direction and to get some experience with
15 this technology. Areas where I go when I
16 travel, we have electronic solar-powered
17 speed limit signs that the minute you go
18 over the posted speed limit, they start
19 flashing. The biggest cost that we have
20 in some of these installations of traffic
21 signals is the infrastructure to support
22 it, putting the electric service in, the
23 cable, the conduit.

24 We have, in my opinion, not
25 done enough in not just this government

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2 but I think in a lot of governments to
3 start showing the public, hey, we're
4 asking you to do it, we need to do it.

5 So I don't know what we need to
6 do, but the Streets Department and at
7 least this Streets Department seems to
8 resist it. And I haven't visited this
9 issue recently. Maybe they have started
10 to do more, but I just don't see enough
11 in government doing what needs to be
12 done.

13 So I don't know if anybody has
14 had some experience with those comments.
15 I'd like somebody to comment about this
16 Water Department project that I think
17 really just needs to be -- I think we
18 just need to put on the brakes here.

19 MS. BOLES: Thank you,
20 Councilman Rizzo. I think you're right.
21 I don't think that we can employ a
22 cookie-cutter activity in Portland and
23 just to a project here in Philadelphia.
24 I'm thinking of a green infrastructure
25 project in particular where you have on

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2 the sidewalks those zones where water
3 flows into a little area. I think that
4 only works on blocks where the sidewalk
5 is wide and, therefore, you're not taking
6 up a majority of the sidewalk for this
7 green infrastructure project. And you do
8 need access, ADA access and all the other
9 issues that come along with street
10 passage.

11 We're trying to learn from the
12 mistakes in Portland. The first project,
13 the green infrastructure project in
14 Portland where they dealt with those
15 infiltration basins, it was a problem
16 with access. And then we went back to
17 Portland and said, How did you solve this
18 problem? There was a new design that
19 came out, and I'm not sure if the new
20 design is what's being introduced to your
21 community, and I will check up on that,
22 because it's important that we learn from
23 the mistakes in Portland and not just
24 apply those projects here.

25 COUNCILMAN RIZZO: Well, I

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2 appreciate we reaching out to Portland,
3 but one of the problems we have, we
4 haven't reached out to the people in
5 Philadelphia that live in the
6 neighborhood.

7 MS. BOLES: That's important.

8 COUNCILMAN RIZZO: When
9 Mrs. Murphy comes home and she has to
10 park her car and she has a walker and
11 she's got an 18-inch piece of sidewalk
12 between the curb and the infiltration
13 device -- I'm learning all these neat
14 words -- that is a problem for
15 Mrs. Murphy. And the Water Department --
16 and let me tell you, I think you are the
17 most professional organization that I've
18 ever seen in government -- that they need
19 to start listening to the people in the
20 community.

21 And, again, I don't want to
22 kill the project. I don't want to be
23 harsh on the project, but there's got to
24 be a better approach to accomplish that
25 goal.

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2 MS. BOLES: Absolutely.

3 Community is first. Community is first.

4 COUNCILMAN JONES: We are going
5 to take one more comment on that and then
6 I'm going to move to Councilman Green,
7 and then we're going to move to our next
8 panel so we can get through the other
9 three that we have.

10 DR. MONTALTO: Thank you. I'll
11 just make this quick.

12 I agree, you can't import
13 cookie-cutter approaches to solving
14 problems. And I think when we get back
15 to this job question and if you could,
16 this wouldn't really be a way of creating
17 green collar jobs, because you would have
18 one guy somewhere who knows how to do
19 this. He could do it everywhere in the
20 whole world and everything could be
21 centralized, but the fact that a
22 sustainability approach requires the
23 consideration of local constraints, local
24 factors, you have to work with the local
25 community. The local community has to

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2 be, in some sense, employed in the
3 process.

4 And on that specific issue that
5 you talked about, we did recently address
6 that in the New York City sustainability
7 storm water management plan and ADA
8 issues, and we looked at -- and I would
9 try to find out if I can share that
10 analysis with you, but we looked at
11 typical public right-of-ways in different
12 parts of New York City. You have a
13 street that looks like South Philly where
14 you have very narrow sidewalks, very
15 narrow streets and you can implement a
16 sustainable approach through, for
17 example, porous pavements on sidewalks
18 there that you wouldn't implement, for
19 example, on Market Street.

20 So you do need different
21 strategies in different places, and there
22 are ways of getting into that.

23 COUNCILMAN RIZZIO: Thank you,
24 Professor.

25 COUNCILMAN JONES: Thank you,

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2 Councilman Rizzo. And just for the
3 record, you made my point on why we need
4 zones, so that we don't repeat mistakes
5 of South Philly versus West Philly versus
6 North Philly, so that we do our beta
7 testing in small areas before we
8 replicate a mistake citywide. Just
9 little mistakes. There you go.

10 Councilman Green.

11 COUNCILMAN GREEN: Thank you,
12 Mr. Chairman, and thank you everybody for
13 your testimony today. It was really
14 great. I learned a lot by sitting in on
15 this committee, so I thank the Chairman
16 for holding these hearings.

17 COUNCILMAN JONES: You're
18 always welcome.

19 COUNCILMAN GREEN: And I'm
20 going to beat a dead horse for 30
21 seconds, but it's something I think that
22 Mr. Manko should understand as they're
23 putting together the plan, which will be
24 general goals about how much emissions
25 and runoff and other things that we're

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2 going to commit as a city to try to do,
3 but at the time the plan comes out, it
4 won't be detailed as to exactly how we're
5 going to reach those goals. We're going
6 to look at the things we can do
7 generally. And I think what we're trying
8 to provide here as a body is something
9 that Councilman Jones and Councilwoman
10 Quinones-Sanchez and I spent a lot of
11 time talking about during our nine months
12 of preparation to come on to City
13 Council, and, that is, what we want to do
14 is create different areas where we can
15 try different incentives and see what
16 works. So we might go to two small areas
17 in South Philadelphia or in South
18 Philadelphia and Northern Liberties or
19 similar areas and try two different
20 things and then see what works.
21 So I don't agree with some of
22 the testimony, which seemed to suggest
23 from several of you that we should know
24 how we're going to address the
25 decentralized quality control and we

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2 should know how we're going to address
3 the decentralized infrastructure and we
4 should know all that in advance. I think
5 what we need to do is try different
6 things, not in a
7 spaghetti-against-the-wall approach, but
8 in a thoughtful approach based on what's
9 worked in other cities and elsewhere, but
10 try them in different areas and then see
11 what has the most bang for its buck as we
12 measure it.

13 We have a very data-centric
14 approach to the way government should
15 make decisions. Have zones, gather the
16 data, and then what works for specific
17 types of areas, row home areas versus
18 four-story homes with lawn areas, et
19 cetera, then start to roll it out
20 citywide and roll that into the Zoning
21 Code. I don't think it's possible for us
22 to have all those -- we can put
23 incentives in the Zoning Code, et cetera,
24 for other things in general, but they're
25 going to be incentives, they're not going

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2 to be mandates. And I think what we'll
3 learn by having zones and experiments is
4 what the best solutions are. I don't
5 think that we're going to come up --
6 essentially, the market will tell us, the
7 citizens will tell us what's working, and
8 we're not going to be able to from here
9 mandate to people what they are required
10 to do or not do. That seems to me to not
11 be a useful approach as a way to solve
12 this problem. We'll test different
13 things and see what really works.

14 So if you want to comment on
15 that, you can, but I just wanted to try
16 to further explain our rationale and how
17 we're approaching this.

18 I also want to say -- and I
19 can't remember who said this, but I think
20 it was Mr. Byrne talked about
21 weatherization. PGW has a subsidy for
22 people who can't afford their gas, and
23 one of my legislative aides, Sophie
24 Bryan, was reading -- I can't remember.
25 I think the Economy League did a report

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2 on PGW yesterday or the day before, and
3 one-third -- the people who have the
4 subsidy use one-third or even more gas
5 per month than homes without the subsidy
6 on average, and the conclusion of that
7 report, I think, was, one of the main
8 reasons that they use more gas is because
9 their homes aren't weatherized. They
10 don't have the proper insulation, et
11 cetera. That seems to me to be very
12 low-hanging fruit with a direct impact on
13 reducing the subsidy that we're going to
14 have -- PGW is going to have to give.
15 If PGW or the City, if we can
16 find resources to make that investment,
17 the return is going to be dramatic. And
18 that speaks to the energy efficiency
19 returns that you were going to speak to.
20 And so I had some specific questions
21 about energy efficiency versus your green
22 jobs comment, because I think when we're
23 talking energy efficiency, we're talking
24 about weatherization, sort of the things
25 that are easy to do at the beginning. I

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2 don't think we're talking about
3 creating -- the investment for putting up
4 solar panels is not 20 percent, because
5 it's like a 40-year payback or something
6 like that, right? So it's two percent a
7 year. So we're really talking about, in
8 terms of what you're calling energy
9 efficiency, not implementation of new
10 technology, but things like
11 weatherization and things like changing
12 out the light bulbs, like we did in City
13 Council.

14 Could you explain the
15 difference -- what your definition of
16 energy efficiency with that 20 plus
17 return is, 20 plus percent return is,
18 versus implementation of new
19 technologies. I just wanted to make
20 clear that I understood if there is a
21 distinction between the two.

22 COUNCILMAN JONES: We're going
23 to have that succinctly done to allow
24 others.

25 DR. BYRNE: I think the

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2 Councilmember has it right. The
3 weatherization is the way out of the
4 unaffordability of energy services. And
5 if you want to stop simply paying the
6 subsidy and you want to deal with an
7 energy justice question so that people
8 can afford ordinary energy services, then
9 weatherization is the way to go.

10 On green jobs, it will create
11 particularly entry-level youth-based jobs
12 to get you started in a career that will
13 then allow you to move up in the trades
14 as well to move up in this regard.

15 So the energy -- the green
16 energy/green jobs linkage is there, but
17 it doesn't require you to invent a new
18 technology in order to do it. You're
19 actually using the things that are on the
20 shelf now, but they've got to be
21 installed. As the gentleman said, they
22 got to be installed properly. You got to
23 make sure that things are certified and
24 so on, and that's where you're going to
25 get that green jobs bump from

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2 weatherization.

3 I hope that was succinct.

4 COUNCILMAN JONES: That was --

5 COUNCILMAN GREEN: Thank you.

6 COUNCILMAN JONES: We need to

7 take example in Council. Thank you so

8 very much for your testimony.

9 MR. MANKO: May I respond to
10 the first -- can I just succinctly
11 respond to the first one? I understand
12 macro versus micro. It's not a versus.
13 It's macro and micro. And I think that
14 what Councilman Green is talking about is
15 a framework that is going to have lots of
16 implementation methods and is going to be
17 looking at the diversity of the City as
18 well. And that, plus the Zoning Code,
19 plus the Zoning Map is going to be a bit
20 of a top down.

21 But from a bottom up, if
22 there's anything I've learned in the year
23 I've moved into the City and serving on
24 the Zoning Board, it's that we are a city
25 of neighborhoods and our community groups

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2 are very active and they are filtering
3 from the bottom up as well. So you wind
4 up having bottom up happening and top
5 down happening, and I guess the question
6 is whether zoning is the way to push the
7 bottom up or do you -- without pushing
8 Councilman Rizzo's pause button, without
9 pausing, because things are still
10 happening when we do it in the next six
11 months, and that's really going to be
12 your decision.

13 COUNCILMAN JONES: This is new
14 territory for all of us and that's why
15 the dialogue is important. Thank you
16 very much.

17 MR. MANKO: Thank you for the
18 opportunity.

19 MS. BOLES: Just to add really
20 quickly, in the conversation we had with
21 Van Jones, he said the tools of the green
22 collar economy are work boots, a hammer,
23 nails, all the things that we already
24 work with, and he's talking about
25 weatherization.

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2 COUNCILMAN JONES: There we go.

3 Thanks again. Thank you so
4 very much.

5 Will the Clerk introduce the
6 next panel.

7 THE CLERK: Panel 2 is Thomas
8 Knudsen and Steven Hershey from the
9 Philadelphia Gas Works and Leanne
10 Kruger-Braneky from the Sustainable
11 Business Network. Will you please come
12 to the table.

13 (Witnesses approached witness
14 table.)

15 COUNCILMAN JONES: Good
16 morning. Would you please state your
17 name and title for the record.

18 MR. HERSHEY: I'm Steven
19 Hershey, Vice-President of Regulatory and
20 External Affairs at PGW. With me is Tom
21 Knudsen, who is President and CEO of PGW.
22 He's in the audience and would be
23 available, if needed.

24 COUNCILMAN JONES: He should
25 come up and join us.

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2 Don't be shy. We knew who you
3 were.

4 MR. KNUDSEN: He has the
5 information.

6 COUNCILMAN JONES: Thank you
7 for repaying that 18 million. We wanted
8 to give you proper respect.

9 MS. KRUGER-BRANEKY: I'm Leanne
10 Kruger-Braneky, Executive Director of the
11 Sustainable Business Network of Greater
12 Philadelphia.

13 COUNCILMAN JONES: Thank you.

14 MR. HERSHEY: Mr. Chairman and
15 members of the Committee, Councilwoman
16 Blackwell, Councilman Rizzo, Councilman
17 Greenlee, thank you for inviting us on
18 this issue of sustainability.

19 PGW addresses the issue of
20 sustainability in two aspects, both
21 environmental sustainability and economic
22 sustainability, and urges the City to
23 take that same approach. And in the last
24 panel, we heard the discussion of micro
25 versus macro economic sustainability, and

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2 I think they're very much integrated, and
3 I'll get to that a bit later.

4 PGW, as was alluded to earlier,
5 runs a number of programs that address
6 the issue of economic sustainability or
7 survival. We have, as Councilman Green
8 mentioned, a customer responsibility
9 program which provides very significant
10 discounts to 80,000 low-income families.
11 That is a program that goes back almost
12 20 years. It was the first in
13 Pennsylvania to function this way, and it
14 is coupled with a low-income conservation
15 program, which costs -- which we spend
16 over \$2 million each year to weatherize
17 homes of low-income customers.

18 For the last several winters,
19 we have provided weatherization
20 workshops, coordinating with the City of
21 Philadelphia to provide approximately 100
22 such workshops in various neighborhoods
23 in the City, teaching people how to
24 weatherize and why they should
25 weatherize, showing them how to apply

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2 plastic window covering, caulk, weather
3 stripping, and then literally handing the
4 materials out to the participants in
5 those workshops.

6 We support the state Energy
7 Loan program, as well as the PHIL Loan
8 program here in the City, and each fall
9 and early winter we mount a very
10 aggressive media campaign to encourage
11 conservation among our customers here in
12 Philadelphia.

13 PGW is currently looking at the
14 possibility of combining several of its
15 facilities into a single building, and in
16 the process of doing that, we expect that
17 we will likely create a new green
18 building, which will address issues of
19 environmental and impact the carbon
20 footprint, energy efficiency and how to
21 make all that comfortable for the people
22 working there.

23 We're dramatically expanding
24 recycling within the company at all of
25 our locations around the City. We're

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2 proposing to the City itself how it could
3 reduce its carbon footprint and save
4 money by converting a number of its large
5 buildings to natural gas. We also expect
6 that in the near future we will be
7 proposing to the Public Utility
8 Commission a dramatic expansion of our
9 own conservation program so that it would
10 reach not only low-income customers but
11 non-low-income residential customers and
12 small business customers at least. We
13 expect that hopefully by Thanksgiving,
14 and there will be a dialogue that follows
15 concerning the impact of that program and
16 how it might integrate with what you're
17 doing.

18 We are very pleased that you're
19 holding this hearing. We're very pleased
20 to participate in anything that you come
21 up with in terms of a sustainability
22 program within specific zones or
23 citywide. There are certainly aspects of
24 it that -- of any program that have an
25 impact citywide, and let me just call

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2 your attention to the one aspect of the
3 jobs in energy conversation that you
4 began with the last panel.

5 When you consider that more
6 than half of the PGW bill is for the
7 commodity and that commodity is produced
8 in the Gulf Coast area of the United
9 States, you realize that more than half
10 of every bill is a way of sucking money
11 out of this economy and exporting it to
12 the Gulf Coast or other parts of the
13 country. If with a good energy
14 conservation program you reduce those
15 bills, you're reducing the consumption of
16 energy that must be -- that comes from
17 another area. You're stopping the
18 outflow of dollars to another region.
19 You're allowing people to spend money
20 that otherwise would have been exported
21 on local goods and services, and that by
22 itself creates jobs, because you're
23 stimulating the local economy.

24 At a different level, energy
25 conservation has a different job impact,

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2 and this is more the micro level. Some
3 of you may remember Frank Kensell, who
4 years ago in the '80s had a very small
5 program that administered the Heater
6 Hotline for the City. When low-income
7 customers had problems with their heater
8 in the winter, he was the person or his
9 shop supplied people to go out and repair
10 those heaters. His shop was at 10th and
11 Brown, and he took kids from the
12 neighborhood and trained them how to
13 repair those heaters, how to fashion new
14 parts. There was a handful of people who
15 were trained in very real job skills.
16 Today those people whom he trained are
17 out there installing energy efficiency
18 equipment, insulation, and they're the
19 core of many of the programs that we work
20 with both in Philadelphia and beyond.

21 So you look at the potential on
22 a macro level and a micro level just with
23 those two issues. When there's more
24 demand for energy efficiency, you're
25 going to get installers and contractors

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2 in the local region. You're going to get
3 people who may start manufacturing some
4 of that material. It doesn't all have to
5 come from Texas or someplace else. We
6 can make a lot of it here.

7 Perhaps I should address the
8 question that Councilman Green raised
9 earlier with regard to the energy
10 consumption of our low-income customers.
11 The Pennsylvania Economy League study did
12 identify that people on our CRP program,
13 the low-income discount program, used
14 substantially more energy than the
15 average residential customer. I think
16 there are several reasons for that. One
17 is that under the current design of that
18 program, which is approved by the Public
19 Utility Commission, the customers pay a
20 percentage of their income regardless of
21 their consumption, regardless of the
22 price of energy. And we try to manage
23 that with expenditure and conservation in
24 those homes.

25 We frequently find that you

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2 can't weatherize a home that has
3 significant structural problems, and the
4 City's Basic System Repair program is
5 designed to address some of those
6 problems. You're not going to insulate
7 the attic if the roof is severely
8 defective. You're not going to install a
9 new heater if the chimney flue is
10 defective and at risk of putting carbon
11 monoxide in the house.

12 But that program is woefully
13 inadequate. The funding has never been
14 adequate. And when you're looking at
15 weatherization of homes, particularly
16 low-income homes, you have to take that
17 kind of issue into account.

18 The other point is that even if
19 those customers kept their thermostat at
20 55 degrees, they would probably use more
21 energy than anybody else, because that's
22 the worst housing stock in the City. The
23 energy escapes from every direction. And
24 so when we look at weatherization, we
25 have to keep that, in effect, that

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2 problem in mind and look at the broader
3 issues that come with energy
4 conservation.

5 Well, I'm happy to answer
6 questions.

7 COUNCILMAN JONES: You heard
8 the amen's up here, right?

9 MR. HERSHEY: Frankly, this has
10 been the discussion for the 25, 30 years
11 that I've been working on these issues.
12 We've talked about better coordination of
13 the various energy efficiency programs,
14 conservation programs, whatever you want
15 to call them, so that there's not a
16 disconnect, so that there's a single
17 feeder line for particularly low-income
18 customers, but others as well, to go to
19 get help, to get information with
20 weatherization, to get help with the
21 structural problems in their buildings.
22 And there's lots of talk, and it hasn't
23 happened yet. So it does need to happen,
24 and that's part of the nexus between
25 economic sustainability and environmental

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2 sustainability.

3 COUNCILMAN JONES: We're going
4 to hold questions until we get all
5 testimony, but just to take the
6 prerogative of the Chair, Van Jones says
7 that the Star Wars of greening is
8 connected to the old conservation efforts
9 that need to take place. One without the
10 other is foolish. You're absolutely
11 right.

12 MS. KRUGER-BRANEKY: Good
13 morning. I want to thank Councilman
14 Curtis Jones, Jr. for his leadership in
15 holding today's hearing to investigate
16 strategies for green zoning and for his
17 support for sustainable businesses and
18 practices in the City.

19 I was here exactly five months
20 ago today when Councilwoman Blondell
21 Reynolds Brown convened the hearing on
22 green jobs, and today's hearing
23 complements her efforts to make
24 Philadelphia a center for green collar
25 jobs and green businesses.

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2 My name is Leanne

3 Kruger-Braneky and I'm the Executive

4 Director of the Sustainable Business

5 Network of Greater Philadelphia. I

6 represent a business organization that

7 brings together local leaders who share a

8 common passion to grow successful

9 businesses that are socially and

10 environmentally responsible. We

11 cultivate socially and environmentally

12 responsible commerce in the Philadelphia

13 region by providing our members with

14 assessment, education, advocacy and

15 business development opportunities. Our

16 425 members represent the future of the

17 green economy in the Philadelphia region.

18 The Sustainable Business

19 Network is also the convener of the Green

20 Economy Task Force, which has pulled

21 together numerous stakeholders to plan

22 for a comprehensive green collar job

23 strategy for the City of Philadelphia,

24 and since its inception in March, 70

25 people from 50 organizations are actively

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2 involved in this planning effort. So I'm
3 excited to hear all of the talk from
4 Council this morning on green collar jobs
5 and appreciate your interest in this
6 important topic.

7 When we brought Van Jones to
8 Philadelphia in February to talk about
9 his work with Green For All and green
10 collar job initiatives around the
11 country, he issued a challenge for
12 Philadelphia. We should beat Oakland to
13 create the first green enterprise zone in
14 the country. The idea of a green
15 enterprise zone is simple: First,
16 identify an area with existing economic
17 development incentives, like the keystone
18 opportunity zone or an enterprise zone.
19 Choose an area that is large enough to
20 accommodate new industry.

21 Second, designate that zone as
22 a green enterprise zone through branding,
23 developing supportive infrastructure,
24 attracting existing green businesses to
25 the location, and developing support

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2 systems to start new locally based green
3 businesses. Local government needs to be
4 forward thinking when creating zoning for
5 this project, making it easy for resident
6 companies to use new green technology.

7 Companies would benefit from
8 this great enterprise zone by being
9 co-located in the same area. Not only
10 will they be able to share ideas, they
11 may be able to share inputs and outputs.
12 In a closed lube manufacturing system,
13 for example, the outputs of one
14 manufacturer, like heat and steam, could
15 be used as the input for another
16 manufacturer.

17 Though no other cities have yet
18 developed a green enterprise zone, the
19 concept of clustering green businesses
20 has proven effective. In Chicago, for
21 example, the city decided to stimulate a
22 local solar panel manufacturing industry
23 through their decision to purchase solar
24 panels only if they had been manufactured
25 in Chicago. Though one manufacturer

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2 became the main beneficiary of that
3 contract, their success stimulated the
4 development of other kinds of businesses
5 as companies that manufactured related
6 products decided to set up shop in the
7 same area.

8 Today's climate is ripe for a
9 new kind of economic development policy.
10 First, Philadelphia already has a strong
11 green business sector, demonstrated by
12 the nearly 1,000 companies who are
13 currently members of the Sustainable
14 Business Network and the Delaware Valley
15 Green Building Council. The right kind
16 of public policies would make this sector
17 even stronger.

18 Second, we are clear on the
19 urgent need to replace manufacturing
20 jobs. Thirty-five percent of
21 Philadelphia's population worked in
22 manufacturing jobs in 1950, but the
23 percentage is less than nine percent
24 today, and in many cases, those workers
25 could not find better employments once

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2 their jobs left town.

3 Most importantly, we have
4 leaders at the state and local level who
5 have voiced a commitment to supporting
6 green economic development. Our City
7 Council, our Mayor and our Governor have
8 all recognized the potential of the green
9 economy to revitalize Philadelphia's
10 local economy. By paying heed to Van
11 Jones' challenge to create the first
12 green enterprise zone, Philadelphia could
13 be thrust to the national forefront of
14 the green economy movement.

15 Thank you.

16 COUNCILMAN JONES: I want to
17 recognize -- first of all, thank you.
18 And, again, good information and food for
19 thought for this committee as we develop
20 public policy.

21 I want to remind my colleagues
22 that we have about 45 minutes left before
23 we have to make room for the other
24 committees, but I would like to ask two
25 quick questions and then open it up for

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2 the rest of us.

3 One, it was important for you
4 to make the link between the Star Wars
5 conservation and actual brick and mortar
6 stuff we can do right now to get a bit
7 more green, and particularly for those
8 who need it most are poor, and thank you.
9 By way of future thinking -- and
10 everybody is talking about wind versus
11 hydro versus all kinds of other options,
12 solar. Where does gas fit in in all of
13 that, and particularly the question of
14 hydro fuel being used in the same
15 infrastructure as natural gas.

16 I've raised this before and we
17 had some conversations with the
18 engineers. And I say that for the record
19 because it could take us into a whole new
20 direction with whole other kind of
21 utilities, whether it's hydro cars or
22 other kinds of use for that fuel, and are
23 we investing a little bit of R&D money to
24 look at the possibility.

25 MR. KNUDSEN: Well,

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2 specifically, Councilman, the natural gas
3 industry views natural gas as the
4 transitional fuel from where we are now
5 to what the society is ultimately going
6 to decide is sustainable over time,
7 whether that's nuclear or wind or
8 whatever. Natural gas will be around a
9 long time. There have been substantial
10 discoveries of gas in the lower 48 in the
11 last several years, so that I think we
12 will not see as much price pressure as we
13 have seen recently.

14 To answer your question
15 specifically about hydrogen technologies,
16 it is recognized that you can feed a
17 certain percentage of hydrogen into a
18 natural gas stream, essentially to do
19 what ethanol does for gasoline. That
20 would be the analogy. There is not a lot
21 of activity in that arena right now for a
22 whole host of reasons. One, it's
23 expensive. But it is something that's
24 out there in time, but it would be a Star
25 Wars kind of application for the

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2 industry. And I sit on the Board of the
3 American Gas Association, which is all of
4 the investor-owned utilities in the
5 country, and there is no specific effort
6 at this time, although it is recognized
7 as a possibility.

8 COUNCILMAN JONES: We can put a
9 pin in that, but I'd like Philadelphia to
10 look at that again, all things
11 innovative, all things green, if in fact
12 we can improve our efficiency, because I
13 am not a scientist nor engineer, but I
14 understand that even natural gas when
15 compressed with that makes it move
16 quicker through the infrastructure that
17 we've already invested in, that it can
18 carry that same --

19 MR. KNUDSEN: There are a
20 number of opportunities like that that
21 we're exploring.

22 COUNCILMAN JONES: Okay.

23 COUNCILMAN GREEN: Point of
24 information.

25 COUNCILMAN JONES: Councilman

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2 Green.

3 COUNCILMAN GREEN: I think in
4 addition to just adding it to the fuel
5 that people burn, there's also the
6 possibility of using your pipelines to
7 transmit hydrogen that will then be
8 separated at the other end; in other
9 words, using some of the pipelines to
10 transmit hydrogen rather than burning it.
11 So that it goes from one place to
12 another, essentially on your highway and
13 that you can charge for that.

14 MR. KNUDSEN: Well, that's a
15 major technological change to the way we
16 use the system. It would require no
17 small amount of investment and
18 investigation, but right now the best
19 that we can even think about is to blend
20 the fuels.

21 COUNCILMAN JONES: Well, one of
22 the things -- Councilman, if I may piggy
23 back on your question.

24 As we look at resources coming
25 from the next Administration federally,

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2 as we look at opportunities to research
3 and development, I would not want us as a
4 utility to not be in that discussion or
5 in consideration for grants that might be
6 made available to explore that option.
7 And that's my only point.

8 COUNCILMAN GREEN: And to pick
9 up on that, you're reading my mind, we do
10 have an \$850 million new package that's
11 statewide. I don't know what, if any, of
12 that you would be --

13 COUNCILMAN JONES: Eligible.

14 COUNCILMAN GREEN: -- entitled
15 to apply for, et cetera. But as we think
16 about the gas company, there has to be
17 some things you could do that would be
18 environmentally friendly that we could
19 now get state money for, and I hope that
20 you're looking at that.

21 MR. KNUDSEN: We are.

22 COUNCILMAN GREEN: In fact, if
23 you could -- I mean, rather than you go
24 through it all now, because we have to
25 get out of the room, if you could provide

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2 to the Chair what you are applying for
3 from the \$850 million with specificity,
4 I'd like to see that.

5 MR. KNUDSEN: We can do that.

6 COUNCILMAN JONES: Thank you.

7 I'll open it up.

8 Councilwoman Blondell Reynolds
9 Brown.

10 COUNCILWOMAN BROWN: Sure.

11 Thank you.

12 An addendum to Councilman
13 Green's request -- and I'm not sure of
14 the appropriateness, so I'll ask and then
15 you can tell me. Would it be appropriate
16 for City Council to actually have a
17 look-see at the internal energy audit you
18 talked about? Because there's an
19 opportunity for us as a government to
20 learn what you're doing with that
21 particular utility.

22 Please.

23 MR. HERSHEY: Energy audits are
24 a very useful tool to diagnose how to use
25 energy more efficiently in a particular

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2 building, and you can -- some of it you
3 can eyeball just by walking around the
4 house. For others you need pretty
5 low-tech equipment, but it is low tech,
6 and learn a lot about where heat is
7 escaping, where cold area is entering,
8 and then with very low tech, tried and
9 true technology, have a tremendous impact
10 on energy consumption. And let's not
11 overlook the availability of conservation
12 as the most cost-effective, quickest
13 impact tool that we have to make bills
14 more affordable for low-income customers
15 and to have -- and also, of course, for
16 all other businesses and residential
17 customers, and also to have a very green
18 impact on the City both environmental and
19 the economy.

20 As people are saving money that
21 sustains them, it means they're less
22 reliant on City services. They are
23 recycling money that would have left the
24 City back into the City economy. That's
25 creating jobs. That should be our first

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2 focus.

3 I think the other issues are
4 important. We shouldn't overlook them,
5 but the first focus has to be the audit
6 and what that leads to in terms of
7 implementing, and we have to make sure
8 that we have the money to do that. The
9 City can play a significant role in that.
10 The State can have a significant role in
11 that, federal government and the
12 utilities. PGW will ask the PUC to
13 recover the cost of the program that we
14 will implement. We are recovering today
15 the cost of our weatherization program,
16 as do all utilities.

17 So when you're selling a
18 commodity and you pay for the operation
19 out of those sales, you have to be able
20 to recover the cost of reducing that
21 consumption.

22 COUNCILWOMAN BROWN: Your
23 response goes exactly to the two
24 communities I've listed here on my sheet,
25 and, that is, seniors and some might call

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2 underserved, others would call
3 disadvantaged, others would call
4 underemployed. So to your discussion
5 about -- not installers. Heaters, would
6 you require -- should you require
7 certified installers? Because then what
8 you get into, jackleg artists who take
9 advantage of seniors and the
10 underemployed.

11 And so is a system in place
12 that you know of where certification is
13 required before you can go in someone's
14 home and install a heater? Is a system
15 in place?

16 MS. KRUGER-BRANEKY: There is a
17 system in place to certify the energy
18 auditors, because the first step is to go
19 in and to evaluate where the
20 inefficiencies are in that building and
21 then determine which steps need to be
22 made. The Energy Coordinating Agency was
23 mentioned on the last panel as a jewel in
24 Philadelphia, and I would agree with that
25 statement. They train low-income people

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2 to go into the homes of other low-income
3 people to evaluate what measures need to
4 be taken to make those homes more energy
5 efficient. They do have a certification
6 process in place and they have a facility
7 in the Kensington section of Philadelphia
8 that they are in the process of turning
9 into a training center.

10 The problem right now with
11 energy auditors, solar installers and
12 many of these other industries is that we
13 don't have a training facility in
14 Philadelphia or really even in the area
15 right now. And so when I talk to
16 companies about the biggest need they
17 have to improve -- to grow their
18 business, it's finding a place to get
19 their people trained. I spoke to a solar
20 installer a few weeks ago who told me he
21 could hire 15 more people if he didn't
22 have to send them to California every
23 time they needed to be trained.

24 So there is a process in place
25 right now. I will caution, though, that

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2 the program from the Energy Coordinating
3 Agency is only for low income.

4 COUNCILWOMAN BROWN: Which goes
5 to my next question. Citizens who are
6 not low income but want a home energy
7 audit, what's available for them? And
8 Councilman Jones has alerted us the clock
9 we're on now. So in no way to be
10 disrespectful, just try to keep your
11 answers brief so that I can take notes
12 and move on to my next question.

13 MS. KRUGER-BRANEKY: There are
14 for-profit entities that people can hire
15 to come into their homes and to do energy
16 audits. Right now the demand is much
17 greater than the number of companies we
18 have who can provide this service. House
19 Bill 2200 on the state level will create
20 additional incentives for energy
21 conservation.

22 I see the real market here,
23 though, is public buildings. We haven't
24 talked about that. In Boston, the city
25 decided to stimulate green collar job

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2 development by requiring energy audits of
3 all existing public buildings, not just
4 residential buildings, and I think that's
5 an issue that this committee should
6 consider.

7 COUNCILWOMAN BROWN: And what
8 does PGW offer with regards to energy
9 audits for citizens who can afford or
10 low-income citizens? Anything at this
11 hour?

12 COUNCILMAN JONES: And is
13 there -- an amendment, friendly
14 amendment, to her question. Is there a
15 conflicting issue between conservation
16 and consumption by way of your business
17 model?

18 MR. HERSHEY: I'll answer the
19 last question first, and the answer is
20 yes, and 13 states have addressed that
21 conflict. It's a real barrier, a
22 disincentive for utility-sponsored
23 conservation. And they've changed the
24 mechanism, so that a utility can recover
25 not just the cost of putting in the

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2 insulation, doing the energy audit, et
3 cetera, but also recover the lost revenue
4 that occurs, and they find that both fair
5 and a real economic advantage to the
6 customers as a whole, as well as the
7 individual customers, and it, as I say,
8 it breaks that barrier to utility
9 investment and conservation.

10 To your question, Councilwoman,
11 PGW currently does not have programs to
12 address conservation for any but the
13 low-income customers, and we don't have
14 nearly an adequate program for that. We
15 will propose an expansion to address both
16 the low-income issues and beyond to the
17 rest of the residential customer class
18 and small businesses. And tune in during
19 the winter and we'll see how the PUC
20 treats that, but we hope to address
21 exactly the problems you're raising.

22 COUNCILWOMAN BROWN: Thank you
23 all for your testimony, and let me just
24 go on the record to acknowledge the good
25 work that the Sustainability Business

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2 Network does and the manner in which, the
3 very strategic manner, in which you've
4 approached this huge issue we're trying
5 to get our arms around. And you have the
6 commitment from members of this Committee
7 to continue to work with you, because
8 in -- I mean, you're the experts living
9 and breathing this issue nine days a
10 week, and this is one of several we want
11 to become fluent in so that we, again, do
12 this right.

13 Thank you very much.

14 COUNCILMAN JONES: I would echo
15 my colleague's comments in the fact that
16 I had no idea and didn't think of it
17 outside of the box, the business to
18 business ramifications of the greening
19 process, and by strategically locating
20 businesses that could feed off of one
21 another's both waste and recyclables is
22 an incredible concept that we want to put
23 forward. I'm still stuck at the previous
24 panel finding out that my food travels
25 1,400 miles on average. That's in my

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2 head.

3 So thank you all very much.

4 Can the Clerk bring up the next
5 panel. And I would tell people for time,
6 not to penalize people, that we --

7 COUNCILMAN GREEN: Councilman,
8 I just have one question I'd like to ask
9 the gas company to get --

10 COUNCILMAN JONES: Recognizing
11 Councilman Green.

12 COUNCILMAN GREEN: Thank you.

13 There's no need to answer this
14 right now, because we are trying to move
15 along. If you could just provide to the
16 Chair what the average yearly cost is in
17 some kind of mean and also average for
18 the people who are in your CRP program in
19 terms of the annual amount of the subsidy
20 per year, whether it's \$600 per household
21 or whatever the number is, and then the
22 average cost to do the Basic Systems
23 Repair that is needed in those. I know
24 you only do weatherization and not the
25 other side of it, but I'm wondering if we

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2 can use that savings for bond issuings or
3 whatever to put money in the Basic
4 Systems Repair, is the reason for the
5 question. In other words, how much of a
6 payment on a bond would it make.

7 Thank you.

8 COUNCILMAN JONES: Again, thank
9 you all for your testimony.

10 Will the Clerk call up the next
11 panel.

12 THE CLERK: Panel 3, we have
13 John McDonald, GP Caminiti and Pamela
14 Sodi. Will you please come to the table.

15 (Witnesses approached witness
16 table.)

17 COUNCILMAN JONES: Okay. We're
18 in the afternoon, so would you please
19 read your name for the record, and if you
20 can condense your testimony, all of your
21 written testimony will be on the record.
22 So if we can get the main ideas out in
23 the discussion portion, that would bode
24 well.

25 And can we turn down the lights

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2 again. We have a PowerPoint. Thank you.

3 (Lights are dimmed.)

4 MR. McDONALD: Apparently, I

5 have to get a handshake connection. I

6 have to turn the computer on in order to

7 be found.

8 COUNCILMAN JONES: Okay. As we

9 deal with technical difficulties, can we

10 have someone start so that technology can

11 catch up to us.

12 MS. SODI: Sure. Would you

13 like me to start?

14 COUNCILMAN JONES: Yes. Read

15 your name in for the record, please.

16 MS. SODI: My name is Pamela

17 Sodi and my company is called Conscious

18 Investments. Conscious Investments

19 consults with early-stage companies to

20 position them for angel investment for

21 their projects. We help with business

22 plans, presentations and connections to

23 get these companies on their feet. I am

24 passionate about these companies,

25 particularly about bringing them into

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2 Philadelphia, because they are our
3 future. These are the companies that
4 will create the technologies that will
5 ensure our future. These are the
6 companies that will create jobs in
7 Philadelphia that will strengthen our
8 local economy, while fighting global
9 climate change, reducing energy usage and
10 improving the health of our communities.

11 Today I will talk about two
12 entrepreneurs with new technology for
13 sustainable agriculture that are
14 interested in locating in West
15 Philadelphia, and I will talk about two
16 suggested demonstration projects.

17 On October 9th in a New York
18 Times article entitled "Farmer In Chief,"
19 Michael Pollan makes the strong case that
20 the health of a nation's food system is a
21 critical issue of national security. He
22 makes the point that we in this country
23 will not be able to make significant
24 progress on the healthcare crisis, on
25 energy independence or climate change

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2 until we make the reform of our food
3 system our highest priority.

4 We in Philadelphia have been
5 lucky to attract leaders who in the last
6 decade raised our awareness about growing
7 organically and buying locally. Today
8 there are highly efficient technologies
9 that can provide consistent, high
10 quality, nutritious food that can be
11 grown eight to 12 months a year, reducing
12 the cost. These facilities use
13 alternative energy technologies, making
14 them low or zero cost to run, and purify
15 and reuse water and use approximately ten
16 percent of the amount of water used in
17 traditional agriculture.

18 I have included some pictures,
19 if you have a copy of my testimony, of
20 what some of these facilities look like.
21 The first technology I'll be talking
22 about is called The Sun Curve, Micro
23 Farm, and it's the first picture that's
24 attached at the back of my testimony.

25 It was developed by a company

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2 called Inka. The Sun Curve is an
3 aquaponic food-growing system. Powered
4 by solar panels, a wind turbine and
5 batteries, The Sun Curve grows plants
6 vertically using water from the fish pond
7 as a reservoir and a nutrient source.

8 The plant roots grow media, and
9 a colony of microorganisms act as a
10 biological filter to clean the water.

11 The system, again, uses about ten percent
12 of the water consumed in traditional
13 farming and gardening. The Sun Curve can
14 store enough power in its battery bank to
15 run a built-in water pump, ultraviolet
16 filtration system and a computer phone.

17 This model was originally designed to
18 support remote medical clinics, schools
19 or refugee camps. This system is a
20 cluster of several devices connected
21 together that interact with each other in
22 a symbiotic closed-loop cycle.

23 By combining solar panels, wind
24 turbine, battery array, inverter,
25 ultraviolet filter, fish pond,

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2 microorganisms, hydroponic grow media,
3 computer and drinking water filter, a
4 closed-loop system was created that can
5 be run on recycled water.

6 COUNCILMAN JONES: Let me ask
7 you a question. Is that going to be
8 shown, that picture? Because looking at
9 this, it's important for people who are
10 actually watching this on television.

11 MS. SODI: No. I actually
12 didn't bring it in a file. I'm sorry.

13 COUNCILMAN JONES: Because it
14 is an interesting --

15 MS. SODI: It's a beautiful
16 design, yes. Absolutely gorgeous.

17 COUNCILMAN JONES: Thank you.
18 Continue.

19 MS. SODI: The Sun Curve is an
20 invention generator. The first prototype
21 has spun off many new inventions that are
22 designed to help people be more
23 self-reliant and sustainable.

24 By growing a small amount of
25 food, generating a small amount of power,

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2 recycling and filtering wastewater, it is
3 able to take care of some of our basic
4 needs. Micro farming is growing food in
5 a small area. It can be set up on a
6 rooftop, a lawn or a wall.

7 Barriers to entry for this
8 product would be, first of all, finding a
9 suitable location and, secondly, funding.
10 I would suggest that the Horticultural
11 Center in West Philadelphia, which is a
12 true gem of our community and a very
13 underutilized resource, would be a
14 perfect location for a demonstration
15 project. It is in keeping with the
16 intent of the original glorious historic
17 structure called Horticultural Hall
18 originally on those grounds. The Sun
19 Curve would be available to the community
20 to view and examine.

21 The second technology for
22 sustainable agriculture comes from a
23 company called Saladacres, and there is a
24 picture also of that on the back. It's
25 the third picture in at the end of my

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2 testimony.

3 Saladacres is ready to
4 commercialize a new operating system for
5 greenhouses that generates its own energy
6 and operates in all climates year round.
7 Saladacres will provide nutritious food
8 for the general population at a reduced
9 cost and, in the process, create
10 much-needed jobs year round.

11 Because this is a year-round
12 operation, the profitability is very
13 high. The produce and herbs are grown in
14 clean, pure conditions in environmentally
15 controlled greenhouses. Irrigation water
16 is filtered, sterilized and infused with
17 52 minerals, making the produce dark
18 green and rich in nutrients. Renewable
19 fuels such as biomass, geothermal heat
20 and hot water from solar panels are used
21 for electricity, cooling and heating.
22 The hot water provides the energy for a
23 turbine that generates electricity on
24 site, making the facility independent of
25 the grid.

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2 Pollution and land degradation
3 is zero. A lower amount of water is used
4 for irrigation, about one-tenth of that
5 used in field agriculture. Municipal
6 waste can even be burned as fuel with
7 zero pollution.

8 The Saladacres prototype will
9 generate fresh produce for the market.
10 It can burn landfill for energy with zero
11 pollution, export electricity from their
12 generator to the grid. Burning garbage
13 with zero pollution creates an
14 opportunity to become involved in carbon
15 credits, which is an additional revenue
16 stream. By burning a renewable carbon
17 fuel, an income could be collected by
18 trading carbon credits with a burner of
19 fossil fuels such as an oil company.

20 The barriers to entry for this
21 demonstration project are, first of all,
22 finding a suitable location and, again,
23 funding. I would suggest that a small
24 demonstration model be put up at
25 Sweetbriar Mansion. We've already had

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2 preliminary talks about this. Samuel
3 Breck, the original builder of
4 Sweetbriar, was an avid horticulturalist
5 with many greenhouses on his property
6 from which he grew his own food. A
7 demonstration model at this location
8 would not only be in keeping with the
9 original use of the property, it could be
10 a model for community interaction with
11 children through local schools and adults
12 through community groups.

13 Both of these projects are
14 interested in locating in West
15 Philadelphia. Both are cutting edge.
16 Both would be a catalyst for new
17 technologies and would help distinguish
18 Philadelphia as a leader in sustainable
19 agriculture.

20 And I'd like to thank City
21 Council for taking the lead to make
22 Philadelphia a model sustainable city.
23 We appreciate it.

24 COUNCILMAN JONES: Thank you so
25 much, and I really wish you'd have

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2 brought a picture to illustrate some of
3 these engineering designs, because they
4 are right out of Star Wars. And one of
5 the reasons why we wanted to consider
6 zones was for innovators just like this
7 that work out of their garage to come and
8 provide a place for them, a fertile soil
9 to test and beta test these designs to
10 see if they have economy of scales.

11 Now, just so that people
12 outside of this Chamber kind of get a
13 sense of this, there are interlocking
14 mechanisms that feed one to the other,
15 providing vile waste, solar and wind
16 power all in one machine.

17 MS. SODI: Yes. Exactly.

18 COUNCILMAN JONES: These are
19 the kinds of innovations that you need to
20 put in a location to measure to see if
21 they are manufacturable in mass
22 quantities.

23 Now, a couple quick questions.
24 This deviates from what rules I set up,
25 but I want to try to move quickly through

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2 it.

3 How much acreage on your

4 Salad --

5 MS. SODI: Saladacres?

6 COUNCILMAN JONES: Saladacres.

7 How much land are we talking about?

8 MS. SODI: He could work it on

9 two or three acres. At Sweetbriar we

10 don't have that much available flat

11 property that's in the right location for

12 the sun, but he was willing to come and

13 put a smaller demo unit there just so it

14 would -- people could see how it worked,

15 and I think that's a good first step.

16 His goal is to create these Saladacre

17 growing units in a community such as

18 Philadelphia and locate them in different

19 regions of the City, so he can literally

20 feed the population wonderful organic

21 food at a reduced cost. So that's his

22 goal.

23 COUNCILMAN JONES: Now, are any

24 of these dealing with fish farms?

25 MS. SODI: No. Saladacres is

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2 just a growing facility for salads and
3 herbs. The Sun Curve includes -- and
4 that would be more for a community
5 garden. I think I've talked to many
6 community gardeners and they're asking,
7 is there any technology we can put? We
8 certainly can't put a big greenhouse on
9 our property. But this because it's
10 vertical would fit really nicely in a
11 community garden, but it would be on a
12 much smaller scale.

13 COUNCILMAN JONES: Now, what's
14 the weight on this?

15 MS. SODI: I could find that
16 out for you.

17 COUNCILMAN JONES: Could it be
18 on rooftops?

19 MS. SODI: Yes. I have seen
20 one installed. This technology comes
21 from a gentleman in California, and I
22 have seen it installed on a rooftop. But
23 I will find the weight out for you.

24 COUNCILMAN JONES: Thank you.
25 We're going to move quickly along, but

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2 thank you so much.

3 MS. SODI: Thank you.

4 MR. McDONALD: My name is

5 Johnny McDonald. I'm one of the

6 principals in Onion Flats, LLC. We're a

7 real estate development firm,

8 architectural firm and a construction

9 company based here in Philadelphia. I'd

10 like to thank the Council for including

11 us in being here, specifically my brother

12 Timothy, who is my business partner, who

13 is also on the Mayor's Sustainable Action

14 Council. He couldn't be here today, so

15 I'm indulging you.

16 COUNCILMAN JONES: Thank you.

17 MR. McDONALD: To begin with,

18 Onion Flats, we have a very, very simple

19 basic mission. First, that good

20 architecture, good design and good

21 buildings do not need to be more

22 expensive. Good development must

23 absolutely, whether it's residential or

24 commercial, incorporate sustainability.

25 Every home that is built in the country

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2 truly and without question in our minds
3 in the City of Philadelphia has to have
4 both an environmental component to it.
5 So from the time you put a shovel in the
6 dirt, what happens to that dirt, what
7 happens to that construction waste
8 through the process, and then on the back
9 end, how efficient does the building
10 actually operate.

11 And then the final point is
12 definitely energy efficient and
13 environmentally conscious buildings,
14 specifically homes, do not have to be
15 only for the wealthy. We are committed
16 to that in the neighborhoods in which we
17 develop to maintain a beautiful mix of
18 the urban landscape.

19 With that being said, I think
20 Council invited us to be here today
21 because Onion Flats is actually, as
22 several articles locally and
23 internationally have referred to us,
24 we're literally walking the walk. We've
25 done it. It exists here in Philadelphia.

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2 It isn't a space odyssey. It isn't Star
3 Wars. You can actually come and walk
4 through some homes that have been sold
5 right in Fishtown and Northern Liberties.

6 And, finally, as an
7 overwhelming kind of idea what we're
8 about, is, we believe, just being Philly
9 guys, being born and raised here,
10 committed to the City, raising our
11 families here, that hopefully we'll
12 become a catalyst as a small development
13 firm to have other developers, large or
14 small, whether it's a two-unit duplex or
15 a 50-unit high rise -- 500-unit high
16 rise, be able to say, hey, if those Onion
17 Flats guys can do it, they're no bigger,
18 they're no smarter than us, we can do it,
19 too.

20 So, again, truly being a
21 catalyst for other sustainable
22 development happening out there, and it's
23 a word that we use all the time, and it's
24 co-opetition. We're not afraid of the
25 competition out there, because if we're

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2 not always cutting edge and if we're not
3 always progressing and pushing the
4 envelope, then, frankly, the category of
5 sustainable buildings will never develop,
6 and if it doesn't develop -- in other
7 words, we'd rather be a smaller part of a
8 larger pie than -- what's the other
9 analogy -- a big fish in a puddle.

10 So with that being said, I have
11 a PowerPoint display that I will roll
12 through as quickly as possible. Again,
13 because these things do exist, they are
14 built, and that's, I think, why I was
15 asked to share my experience and
16 expertise here with the Board. And then
17 in summation, I was also asked to come
18 with some ideas for Johnny plumber.

19 COUNCILMAN JONES: Joe.

20 MR. McDONALD: No. We were
21 raised -- my brother is a master plumber,
22 my dad is a master plumber, I plumb. We
23 were asked to bring some ideas that could
24 help developers, large or small, really
25 get through some of the challenge.

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2 So really quickly, education is
3 a real big thing and, frankly,
4 questioning is another big thing. So
5 kind of our tag line is, How big is your
6 eco? Like truly, how big is it? Ask
7 yourself. As a result, we've launched a
8 website called LEEDPhilly.com. I'll
9 explain what LEED is, but it's part sales
10 to show that these buildings actually
11 exist and part education to say what
12 actually goes into these buildings.

13 The LEED certification system
14 stands for Leadership in Environmental
15 and Energy Design. I heard it referenced
16 earlier today. The United States Green
17 Building Council is the federal entity
18 that monitors this. It's essentially the
19 report card of how green a building is.

20 We build to the LEED
21 certification starting in 2007, and every
22 project that we move forward in, that is
23 our base level of construction. Inside
24 of the LEED certification process there
25 are several categories. One is

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2 commercial. The Comcast Tower obviously
3 falls into the commercial category of
4 LEED. We build residential units and,
5 therefore, we work inside of the category
6 of LEED for Homes.

7 There are eight categories
8 within that that need to be demonstrated
9 through the design/construction process
10 and even after the building is living in
11 order to attain the different -- one of
12 the four different levels available in
13 the LEED certification.

14 You can read them here. I've
15 summarized them a little bit.

16 Locations and linkage: It's
17 just about where do you put a residence.
18 Do you put it on a 50-acre farm 40 miles
19 from shopping and work and churches? We
20 believe -- we're urban developers. We
21 say no. Put it within public
22 transportation, put it where people can
23 bike and walk and get to work, church, et
24 cetera.

25 Sustainable sites: How do you

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2 use the property? We know in the urban
3 environment that parking, for instance,
4 is a bear to deal with and often times
5 controls and mandates design. So we've
6 gotten -- we've worked our tails off to
7 figure out how to get new engineered
8 parking systems in place. Mechanical
9 parkings is one of those. Green roofs,
10 community gardens, really important parts
11 to our projects. Water efficiency.
12 Obviously Philadelphia has a combo sewer
13 system, sanitary and fresh water. So,
14 again, we, on the front end, limit the
15 amount of water that we use through
16 low-flow faucets, dual-flush toilets, and
17 then we control the water that falls onto
18 our sites through the use of green roofs.
19 Incredibly helpful, important part of
20 sustainable construction.

21 Indoor environmental air
22 quality: Through the process, we're
23 mandated and we do it anyway to seal all
24 the HVAC vents so that you're not
25 recirculating saw dust, Sheetrock dust

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2 for years to come. In addition to that,
3 we've gotten -- being originally born in
4 Canada and being plumbers, muddy, snowy
5 boots are something that we were always
6 told to take off at the door. So in
7 doing so, we've created mudrooms
8 essentially in every one of our units to
9 call people to take off their outdoor
10 shoes, which track in 80, 90 percent of
11 allergens and things that cause sickness
12 in homes, which ultimately affect the
13 workers' productivity in the workplace.
14 We've designed specifically into our
15 buildings a place to call you to take off
16 your outdoor shoes and put on your house
17 shoes.

18 Energy atmosphere: We've
19 talked about weatherization, but bottom
20 line is, insulation -- oh, insulation,
21 insulation, insulation. That is --
22 framing and insulation, actually, because
23 if you frame it correctly, then you can
24 insulate it to a higher R value. Then
25 when you put the appliances and

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2 mechanicals that are efficient and/or
3 Energy Star-rated mechanical systems,
4 they just operate that much better, use
5 that much less energy and ultimately cost
6 the homeowner that much less money.

7 Awareness and education: The
8 LEED Philly thing is big for us. And
9 then this is something that we do. It's
10 part of the LEED process, and I'm
11 positive there's only two people in the
12 City that have ever seen one of these,
13 because they're the folks that bought the
14 first two LEED-certified houses that we
15 built. This is your homeowners' manual.
16 It's a detailed account of everything,
17 from what goes into your walls, your
18 insulation, your framing, et cetera, to
19 how your electrical system -- and it's
20 legitimate. Everything that there is to
21 know about your house, you put it on a
22 shelf. Frankly, you keep it on your
23 e-mail, because save as much paper as we
24 can, and it's a reference guide forever
25 to how your home operates and how you can

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2 operate it most optimally.

3 And then, finally, a category
4 inside a LEED is innovative design, and
5 that's when you kind of think outside of
6 the box of traditional development. I
7 mentioned the mudroom. That was
8 something that we've gained points
9 because the LEED system didn't account
10 for it, and we created it and, therefore,
11 we got some credit for innovation.

12 Another thing that we're doing
13 is smart home technology, kind of Star
14 Warsy, but really significant because it
15 let's you control your electricity, your
16 lighting, your heating, your cooling, as
17 well as your audiovisual security systems
18 from in the home, at work or from an
19 iPhone or any web-based telephone.

20 So this becomes the roadmap to
21 what we do in home building. There are
22 four categories of LEED certification:
23 Certified, which is better than any other
24 new construction out there; silver; gold;
25 and platinum.

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2 In 2002, we built an 11-unit
3 project with 13 parking spaces in
4 Fishtown called Rag Flats. LEED for
5 Homes did not exist at that point and, as
6 a result, we just went ahead and built it
7 anyway to the way that we knew how to
8 build a project, which was the best of
9 our ability. Again, didn't exist, this
10 certification, didn't give us something
11 to literally designate us in the
12 marketplace, but what we did on our own
13 was took on installing a solar PV system.
14 We experimented with green roofs. My
15 brother Pat the plumber designed and
16 engineered a 6,000-gallon rainwater
17 harvesting system that was then pumped
18 back up to water the green roofs and
19 internal garden spaces.

20 High-efficiency in-floor
21 radiant heat. You can read what's up
22 there. And maybe as importantly, it
23 was -- this development was a combination
24 of both new construction and adaptive
25 reuse of an existing warehouse. So

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2 there's an existing warehouse.

3 COUNCILMAN JONES: And it looks
4 good.

5 MR. McDONALD: Again, it's all
6 about the design. It's all about the
7 ideas.

8 So that's the existing
9 warehouse on Berks Street in Fishtown.
10 It was an old rag factory. We save
11 our -- I was going to make a silly joke.
12 We save our creativity for our projects,
13 not for the names of them, is what I was
14 going to say.

15 So that's a warehouse that we
16 renovated. And then inside tucked behind
17 the veil is a brand new construction.
18 You can see in the image on the right
19 where the warehouse runs into a new
20 construction contemporary row home. Next
21 to that -- that's an image of two row
22 homes right through, an image of
23 permeable surface in the parking area,
24 all the planted areas in both images.

25 A relationship of community.

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2 From looking out one window, you have
3 neighbors. You're not separated from the
4 urban environment. The image on the
5 right shows you just how in fact close
6 you are. Those are two separate
7 second-floor stories of individual homes.
8 Looking down on, again, permeable site,
9 green parking and then the solar PV
10 system that flanks the roof of -- it's
11 our solar farm on top of it and you can
12 see the brick on top of the renovated
13 portion of the project. And then green
14 roofs.

15 The image on the left exists at
16 Rag Flats. That is the first -- well,
17 actually, the fifth green roof that we
18 did in the City.

19 The image on the right is a
20 view from my cousin's house in South
21 Beach and it is a parking garage with a
22 green roof over it. I think it's
23 important to take a look at that for you
24 to understand that green roofs can be
25 anything. That's a pool deck with --

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2 actually, there's a little coy pond there
3 and we nicknamed the bridge The Bridge
4 Over the River Coy, because it just -- I
5 mean, just the possibility that exists
6 out there is incredible.

7 So quickly getting to
8 Philadelphia's first and second LEED for
9 Homes, gold-certified project. This is
10 here, guys. It exists. People live in
11 it. Two unit in-fill project. Two row
12 homes called The Twins, on the same block
13 of Berks Street and around the lot that
14 goes street to street to Hewson.
15 Difficult to see this. I can provide
16 Council with this and testimony.

17 COUNCILWOMAN BROWN: Please.

18 MR. McDONALD: But just some
19 images. It doesn't need to be -- there's
20 a traditional row on the right,
21 traditional row on the left, in-fill
22 project. That's your backyard. Lots of
23 natural light. Internal we use some --
24 that's the mudroom, as you see the image
25 on the left. Calls you to rack your

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2 shoes, rethinking interiors to provide
3 more natural light.

4 The image on the left, all of
5 the vanities we handcraft in our
6 warehouse in Kensington made out of
7 bamboo.

8 Another bathroom. Skylights to
9 bring in more natural light so that you
10 use your electricity less, and a green
11 roof so that you can exist and you have
12 some peace and privacy in an urban
13 environment.

14 Some floor plans. Not all that
15 important.

16 This one is kind of the one
17 that we're most excited about this week,
18 I guess. Inga Saffron just wrote a
19 really beautiful article on this project
20 in last Friday's paper. But this is the
21 first project in the United States of
22 America to achieve LEED for Homes
23 certification at the platinum level, the
24 highest level possible in the country for
25 a residential duplex project. It's

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2 called Thin Flats. It's today. We can
3 walk you through them. Feel free to come
4 by, on Laurel Street in Northern
5 Liberties. A little difficult to read.

6 COUNCILMAN JONES: We're going
7 to take you up on that.

8 MR. McDONALD: Please do. This
9 is it. Thin Flats in the context of an
10 urban block. On the left you see a row
11 home. On the right you see a row home.
12 Thin Flats is clearly the image in the
13 middle.

14 On the right, that orange deck
15 that's popping off, that's a project that
16 we did back in 2000 and 2001, a
17 renovation of a 15,000 square foot meat
18 packing plant into eight residential
19 units.

20 But you can see that
21 contemporary can co-exist with
22 traditional and it can be new and
23 efficient.

24 Streetscape. Thin Flats with
25 the NEV, neighborhood electric vehicle.

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2 I actually was here about six, eight
3 month ago with Councilman Kenney
4 testifying to help promote the parking,
5 on-street parking, for NEVs, which is a
6 phenomenal program that needs to really
7 be rolled out and marketed.

8 So this is the entry to your
9 home. Cross section of the duplex. So
10 bi-level duplexes. All three-bedroom,
11 three-bath. All have off-street parking
12 with electric plug-in. Some have either
13 backyards -- the garden units have
14 backyards, private. The upper units have
15 private green roofs.

16 This is the interior. Again,
17 the mudroom, the entry to one of the
18 units, custom fabricated in Kensington,
19 buy local, make local, bamboo mudroom,
20 and then this just very cool floating
21 glass bathroom.

22 There's your kitchen. Open.
23 Again, this is a prototypical row house
24 that we just pierce as often as we can to
25 bring natural light and air through it,

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2 so you cannot use your electricity and
3 not use your heating and air
4 conditioning, because you maintain your
5 house through its insulated envelope and
6 through cross ventilation.

7 Kitchen, living, dining.

8 Again, this exists. Highest
9 level in the country. Right down to the
10 treads on the custom steel staircases
11 that we make in our warehouse, the treads
12 we fabricate and mill out of bamboo in
13 our warehouse.

14 COUNCILWOMAN BROWN: In Philly?

15 MR. McDONALD: In Kensington,
16 19122. Yeah. Front and Norris.

17 Bedroom. Again, operable doors
18 and windows for cross ventilation. The
19 flooring in this unit is FSC certified,
20 Forest Stewardship Council certified,
21 which means it comes from a certified,
22 stamped, regulated, sustainably harvested
23 forest. Again -- and you don't have to
24 sacrifice anything. It's nice. I would
25 live here.

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2 The vanity, again, custom made
3 we make in Kensington out of bamboo. The
4 bowls, we connected with a local potter.
5 There's only -- there's nine units in
6 this project. There's 24 sinks and
7 there's 24 of those bowls that exist in
8 the world, handmade ceramic sinks. A
9 woman by the name of Liz Kinder, who
10 happens to be my sister-in-law. So it's
11 a tight connection.

12 And then green roofs on this
13 project. You guys saw pools and the
14 River Coy. You guys saw turf. This is
15 another adaptation of a green roof. And
16 our simple mantra, Who says your backyard
17 needs to be on the ground.

18 To the point about Saladacres,
19 green roofs is where it's at, guys.
20 Councilman Rizzo's points, what may work
21 in West Philly may not work in South
22 Philly, well, everybody has got roofs.
23 We can put green roofs on every building,
24 new construction. Frankly, we can
25 mandate it, new construction moving

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2 forward. That will do many, many things,
3 including control storm water management.
4 There's already a tax credit in place for
5 commercial construction. It can be in
6 place for residential construction.

7 I'll get off my green roof
8 soapbox, but we can then begin to harvest
9 organic foods and buy local. And not
10 unlike you, Councilman, that's after
11 lunch and talking about food, it sticks
12 in my head, too.

13 So this is a green roof. This
14 is what it is. You got a fire pit up
15 there. You have a beautiful area,
16 beautiful views. You have total privacy.
17 Just nice.

18 There it is at night. And it's
19 not like people don't live on it. This
20 was shot at the opening reception of Thin
21 Flats that 1,400 people showed up to to
22 check out what this project was about on
23 October 3rd.

24 The next LEED platinum project
25 that we're working on -- again, don't be

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2 mistaken, it's in Philly -- is Duck
3 Flats. It's a project that we're working
4 on completion for for next year on 4th
5 Street in Northern Liberties.

6 Again, a little bad image, but
7 on the left is the Duck Flats. Well, it
8 used to be where the Duck Boats parked.
9 That's about how creative we get there.
10 So it's Duck Flats. That was actually
11 there on -- the image on the left was
12 their shop. It's a garage. We are
13 reusing it. All of the parking for this
14 project goes inside of that with
15 mechanical parking systems, three up. So
16 we can fit 30 cars in the area that ten
17 cars would typically take. What that
18 does is significantly opens up the
19 possibility for the site design and, as a
20 result, creates community gardens,
21 exactly like these images show, to the
22 tune of 4,600 square feet. So we're
23 about density, but we're not about
24 cramming folks together.

25 To finish, this is a site plan.

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2 This is an interesting image, because all
3 the green you see, and then the green
4 here is green roofs.

5 And then maybe this next
6 project, Stable Flats, you may or may not
7 have heard about it. This is the project
8 that has a lot to do with
9 incorporating -- well, here it is right
10 here. We believe this project, 70-unit
11 residential project, again, in Northern
12 Liberties, is a model for sustainable
13 development, not only for the City of
14 Philadelphia but also for all American
15 cities. It will incorporate solar PV,
16 green roofs, geothermal heat exchangers,
17 harvesting of rainwater, mechanical
18 parking and 14 to 31 percent affordable
19 housing units, in addition to 10,000
20 square feet of community garden space.

21 And, again, I have to
22 emphasize, this is real, it's happening.
23 Some of it exists and the others are
24 within the next 24 months.

25 Here's some images. This image

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2 on the bottom left shows how the
3 mechanical stack unit works, used all
4 over Asia, used all over Europe.

5 Actually, there's a couple here in --

6 COUNCILMAN JONES: We're going
7 to ask you to condense this because --

8 MR. McDONALD: I'm done.

9 COUNCILMAN JONES: Done? Okay.

10 MR. McDONALD: That's it. Good
11 timing.

12 COUNCILMAN JONES: We have to
13 have copies, and we are going to take you
14 up on the tour.

15 One of the reasons why you have
16 hearings is because you don't reinvent
17 the wheel when you know about things that
18 exist. And we are excited. Although
19 it's not in the Fourth Councilmanic
20 District, we are going to have to
21 encourage you to come to the Fourth
22 Councilmanic District.

23 MR. McDONALD: If you don't
24 mind, Councilman, just maybe two more
25 minutes to actually get on record some of

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2 the things that I think could be looked
3 at to help more of these processes take
4 off in the City.

5 COUNCILMAN JONES: I will agree
6 to that if you incorporate in it did it
7 cost you more to do it and how did you
8 break even through incentives and other
9 government-sponsored things, what helped
10 you to be a good business model that
11 actually wasn't --

12 MR. McDONALD: What helps us
13 and a distinct advantage that we have in
14 hitting the same construction price
15 points as every other builder out there
16 is the fact that we are the developer, we
17 are the architect and we are the
18 contractor. So we trim the fat right out
19 of the business.

20 Now, why we have to do that,
21 especially in these economic mortgage
22 times, we can't put our projects out at a
23 more expensive rate because the banks
24 won't finance them. There's things
25 called comps out there and appraisals,

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2 and without being -- so we need to put a
3 \$300,000 house in the heart of Northern
4 Liberties -- you know, we need to have a
5 house at a comparable market price, or
6 nobody will be able to get a mortgage on
7 it.

8 Our really kind of secret to
9 our success -- and I throw it away all
10 the time, I give it to people, and please
11 take it on, is, people -- consumers take
12 a look at what -- they go shopping for
13 houses and they say, Well, two bedrooms,
14 two baths, with parking, same
15 neighborhood, same price, no sustainable
16 features. LEED-certified platinum.
17 Chocolate, vanilla, choose. I mean, you
18 can have either one. The recipe to our
19 success has been, they choose ours, and
20 that's how we build our business model.

21 The education component is
22 incredible because we're still on the
23 forefront of this category, if you will.
24 So for us to be able to let consumers
25 know that this exists, they can have all

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2 the benefits that go along with it,
3 things that I really would love to --
4 this is just a few of them. We can talk
5 more, but an extension or a preferential
6 tax abatement for these projects. The
7 utility companies with -- it's that
8 consumption/conservation question, but to
9 be honest, we should have them put their
10 money where their mouth is, and if you're
11 living in a house that saves you 50 to 60
12 percent in your utility costs over a
13 year, why can't PECO, why can't PGW and
14 especially the Water Department, who now
15 are having green roofs not tax their
16 systems, offer a thousand bucks a piece
17 to a homeowner if you buy a green house.
18 And not only green, because green can
19 mean a hundred different things. I have
20 people calling me all the time saying, I
21 just built a green house, I want you to
22 look at it.

23 What's green about it?

24 Energy Star microwave.

25 Well, that's not a green house.

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2 It's about LEED certification in my life.

3 We should expand the commercial
4 green roof tax credit to include
5 residential and/or mandate it for all new
6 construction. We should make an example
7 of this city like Chicago, New York,
8 Boston and other cities in the country to
9 have all of the -- start with City Hall,
10 municipal buildings, schools, public
11 schools, put green roofs on them. It
12 will create jobs, without a question.

13 The federal government offers a
14 federal tax credit for homes that are
15 built -- and this is how you distinguish
16 between green and green washed.
17 Certified homes by companies like ECA and
18 McGranna & Associates, that homes are
19 more than 50 percent efficient than
20 another new construction home, why can't
21 the City or the State match some of those
22 tax credits? Those go to the builders,
23 and they're a couple grand. They're
24 pretty easy.

25 Another huge opportunity is,

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2 the former Mayor's Administration has
3 created a wealth, a wealth of land
4 through the NTI program for new
5 development. Should be a bold line in
6 the sand. They need to be sustainable
7 developments that happen on this. We
8 need to rethink the NTI.

9 In addition to that, expand the
10 EV parking initiative by advertising it
11 by actually -- I have an EV, and the
12 Parking Authority still, they don't know
13 how to deal with it. I have everything
14 in line, but I still can't get it put in
15 place.

16 And then, finally, education
17 again to the consumer, to the world, in
18 my book, equals use. So you educate
19 people that these things exist, they'll
20 begin to use them, they'll begin to
21 demand them. And maybe fundamentally
22 most important for the City and any city
23 around the country is the economy. With
24 demand comes jobs.

25 And then my last point, zoning,

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2 permitting, L&I, fast track it. If a
3 developer is going to take this on and go
4 through this learning curve of figuring
5 out how to build LEED-certified homes,
6 throw them a bone. Put them to the front
7 of the line. Don't make them pay five,
8 six hundred bucks for an accelerated
9 zoning hearing.

10 Again, leading by example, have
11 that developer get to the front of the
12 line, do a successful project, be a
13 catalyst for the next developer.

14 So thank you. I know I've
15 overstated it. I'm available, my
16 brothers are available, my partners are
17 available.

18 COUNCILMAN JONES: Thank you so
19 much.

20 MR. McDONALD: Because we're
21 passionate about this.

22 COUNCILWOMAN BROWN: And it
23 comes through. Wonderful.

24 MR. McDONALD: Go Phillies.

25 COUNCILMAN JONES: I'm going to

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2 remind you that we are going to get
3 kicked out of here, so we have to --

4 MR. CAMINITI: How much time do
5 we have?

6 COUNCILMAN JONES: We don't
7 have that much. We have about 20
8 minutes, and I have another panel.

9 MR. CAMINITI: I can be very
10 brief. I can be brief and succinct.
11 I'll try to -- tough act to follow.

12 I applaud both of your comments
13 and your projects.

14 I would like to introduce
15 myself. My name is GP Caminiti. I am a
16 Principal and Co-Founder of Renewable
17 Energy International. We currently
18 operate out of New Jersey. We are
19 leading edge renewable energy technology
20 integrators. We design turnkey systems
21 from start to finish for residential,
22 commercial and industrial applications,
23 scaled from small to medium to large,
24 including the use of hydrogen for storage
25 capabilities, and I'll get into more

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2 detail on that in a few minutes, and
3 subsequent fuel cell reconversion back
4 into electricity. That's an important
5 point, and we'll get into that in a
6 little bit.

7 What I'd like to do in the next
8 few minutes through the comments that
9 I've prepared, the testimony, is, I would
10 like to start at a somewhat higher flight
11 level and then narrow the focus
12 progressively down to show what this
13 could mean, this technology could mean,
14 right down to an individual level, going
15 through industrial applications and
16 municipal benefits. So I'd like to start
17 with a broad focus and narrow the focus
18 as we go forward.

19 Okay. I'd like to start with a
20 statement that's somewhat controversial.
21 I'm sure you've heard it before: We do
22 not have an energy crisis. There is no
23 energy crisis. So those of you who
24 aren't familiar with the concept know
25 that there's more than enough energy

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2 around. What we have is, we have a
3 crisis of harnessing electricity and
4 harnessing equipment and putting the
5 equipment into service to provide for
6 electricity needs. That's where we have
7 our problem. We have enough energy
8 hitting the planet in the form of solar
9 radiation in one hour to power the globe
10 for a whole year. That's not even taking
11 into account other resources like hydro,
12 tidal energy, geothermal or wind.

13 So we do not have an energy
14 crisis, period. So if we can get over
15 that for a second, we can think about
16 what steps need to be taken going forward
17 so that we can make a transition. And I
18 think that's important to underscore, the
19 concept of transition.

20 COUNCILMAN JONES: Do you have
21 an extra copy so our Sergeant-At-Arms
22 could --

23 MR. CAMINITI: I do, yeah. I
24 have handouts here of all of my comments,
25 and be happy to provide them. I also

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2 have PowerPoint slides, but John is a
3 tough act to follow, so I thought I
4 wouldn't even try. But I will make the
5 PowerPoint slides available to the
6 Council and, of course, any members of
7 the public who are interested.

8 Okay. Let me start with
9 another statement that's somewhat
10 obvious. As clean tech entrepreneurs and
11 innovators, we're in a pretty exciting
12 place. To say that there is interest in
13 clean tech is probably the understatement
14 of the century. We have a situation
15 which is very, very serious, and market
16 forces are responding.

17 Let me just put a statistic out
18 there for you. We know that over nine
19 percent of all venture capital and equity
20 funding going out in 2007 went to clean
21 tech investments. That's up
22 dramatically. The overall space is
23 growing at a stunning rate. We have seen
24 growth of 60 percent from 2006 to 2007 up
25 to a total of about \$148 billion in clean

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2 tech investments.

3 Now, that having been said, the
4 question is, where does it go from here?
5 We see no indication that the level of
6 investment and economic activity in the
7 clean tech sector is going to subside in
8 the next ten years. On the contrary. We
9 expect it to grow to over a quarter of a
10 trillion dollars in the next ten years.

11 That means that we have to
12 think about how we can be a part of this
13 in all of our respective communities to
14 get a slice of that pie. I'll get into
15 some specifics about what that investment
16 could get for us going forward, but for
17 now, let me say that the situation is
18 serious in terms of energy supply. We
19 know that the energy consumption is
20 projected to go up by 50 percent by the
21 year 2030. So that's the fact. Fifty
22 percent more than our generating capacity
23 will allow for right now.

24 We will respond by doubling
25 electricity generation by 2030. So the

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2 question is not is this going to happen.

3 The question is how is it going to
4 happen.

5 Carbon-based fuels, all of
6 them, whether natural gas, coal or oil,
7 are under increasing pressure. We know
8 this through international agreements and
9 also the pending carbon tax and cap and
10 trade schemes, which are a part of both
11 major presidential candidates' platforms
12 as we go into the election. So we know
13 this is coming.

14 What is the solution? Well, we
15 regard ourselves as pragmatists. We're
16 not fundamentalists in any way. We
17 understand that any solution, long-term
18 sustainability solution, will represent a
19 mix of various technologies as we
20 transition from a carbon-based energy
21 supply into a clean tech or renewable
22 energy supply.

23 You'll probably see natural gas
24 come up first. That's the low-hanging
25 fruit as we replace carbon-intensive

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2 fuels like coal with natural gas. But in
3 this mix, the role of renewables is not
4 to be underestimated.

5 Let's just say this as simply
6 as possible and get it right out there:
7 Renewable energy is free. It's free.
8 It's a gift. The wind does not cost us
9 anything. The sun does not cost us
10 anything. Tidal flows don't cost us
11 anything. The heat from inside the
12 earth's mantle costs us nothing. What
13 costs us something is the equipment to
14 harness it, harness it and capture it.
15 Those are capital costs, but the fuel
16 costs are nothing. So as we move into a
17 mix for transitioning into an energy
18 future that's sustainable and
19 predictable, overlooking the value of
20 free fuel is something that no one can
21 afford to do.

22 We also need to look at
23 reducing costs in terms of transmission
24 and distribution. In other words, if
25 you're generating your electricity from a

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2 remote site and you have to transport it
3 hundreds or even thousands of miles to
4 get it to destination, there are
5 obviously going to be costs associated
6 with that and efficiency losses.

7 The previous panel did an
8 excellent job in outlining how important
9 efficiency is. We know that efficiency
10 is the low-hanging fruit. John made a
11 number of examples in building
12 technologies. Obviously the return on
13 investment on efficiencies is greatest,
14 because a dollar you don't spend is, of
15 course, going to give you an immediate
16 return. But renewable technologies are
17 right now, absolutely viable and doable
18 to service active system needs. So
19 wherever you need to generate additional
20 electricity above and beyond which you
21 can save through efficiency day-lighting
22 strategies, cross-flow ventilation,
23 things like that, renewable energy
24 technologies can address.

25 So wherever possible, if we can

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2 simplify transmission and distribution,
3 we're going to cut costs and increase
4 reliability.

5 Not coincidentally, we also
6 have a national security component to
7 this. I had an interesting conversation
8 not too long ago with James Woolsey,
9 former head of the CIA, who is really the
10 hawk's hawk and your spook's spook, and
11 he is about the farthest thing that you
12 can find from a tree hugger I've ever
13 met, and he minces no words. He says
14 this is a national security issue.

15 So having distributed
16 generation; in other words, on-site
17 generation as close to destination where
18 the energy is going to be used as
19 possible, makes sense on a number of
20 different levels. Not only financial,
21 but also national security.

22 So what are the challenges
23 going forward with renewable energy
24 systems? We talk about capital costs and
25 we talk about capital cost parity. Is it

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2 equal to just drawing from grid sources,
3 traditional grid sources, like coal,
4 natural gas and nuclear right now? And
5 the question -- the answer is no. Right
6 now we are not at cost parity for capital
7 costs.

8 COUNCILMAN JONES: I just want
9 to state for the record what my colleague
10 brings to my attention. I meant that the
11 whole hearing had 20 minutes, not that
12 your testimony would be 20 minutes.

13 MR. CAMINITI: I'm sorry. Then
14 I will cut to the chase and try to
15 abbreviate this very quickly.

16 So we know that it's an
17 exciting space. That goes without
18 saying. Lots of investment going on.

19 Let me just give one last
20 example out of the financial sector what
21 this could mean, the investment in a
22 clean tech economy on a local basis, what
23 the yield is.

24 Let's just say, for example,
25 for purposes of illustration that we

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2 invest \$150 billion in the next ten years
3 in clean tech and energy efficiency
4 technologies. What does that get us?
5 What it gets us is a reduction of Middle
6 Eastern oil needs, imported oil, by
7 between 40 and 80 percent. It gets a
8 reduction of CO2 emissions between 460
9 and 923 million tons in that ten-year
10 period. That translates to \$13.8 to
11 \$27.7 billion at current market value of
12 tradable CO2. This does not take into
13 account other greenhouse gases; for
14 example, NOx or sulfur oxide. And, most
15 importantly, investing in the clean tech
16 sector would create three million new
17 jobs, which translates to approximately
18 two percent of all current employment in
19 the U.S.

20 So, in other words, any region,
21 any city, any municipality is going to
22 overlook clean tech jobs and development
23 at its own risk.

24 Okay. Now, how does this
25 translate into business activity on a

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2 more local level? Let me give you some
3 examples. We work with businesses, we
4 work with homeowners, and we work with
5 industries to talk about renewable energy
6 solutions. What we do is, we provide a
7 solution to what has traditionally been
8 the Achilles heel in renewable energy
9 production, which is variable production
10 or intermittency. In other words, what
11 do you do when the sun doesn't shine or
12 the wind doesn't blow. You need a way to
13 store it.

14 What we do is, we take excess
15 that's not being used, excess wind power,
16 excess hydro power, excess solar that's
17 not being used to satisfy loads, and we
18 use it to generate hydrogen from a water
19 source. We do that through the process
20 of electrolysis. So we split the water
21 into its base elements, hydrogen and
22 oxygen. We put the hydrogen into
23 storage. The hydrogen then -- it sounds
24 scary, but it's not, because we say
25 hydrogen, people think Hindenburg. We

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2 have information on that to show that
3 that's also a misconception, but I don't
4 want to digress.

5 COUNCILMAN JONES: Excuse me.

6 MR. CAMINITI: Hydrogen gets
7 reconverted into electricity or used as a
8 fuel for vehicles.

9 Yes?

10 COUNCILMAN JONES: Let me just
11 do this. A, I went to your house in New
12 Jersey and it is the most remarkable
13 thing I've laid eyes on, until I get to
14 Kensington. So what I'm saying is, you
15 use thermal, hydro, solar all in one
16 system.

17 MR. CAMINITI: Correct.

18 COUNCILMAN JONES: And it was a
19 beautiful home that heated hot tubs and
20 dishwashers.

21 MR. CAMINITI: Correct. Carbon
22 neutral luxury.

23 COUNCILMAN JONES: Carbon
24 neutral luxury.

25 MR. CAMINITI: Correct.

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2 COUNCILMAN JONES: My
3 question -- and we're going to go to the
4 question portion, because I have to go to
5 the next panel -- could these things
6 co-exist in one zone?

7 MR. CAMINITI: Certainly.

8 COUNCILMAN JONES: All of the
9 things that you guys testified to.

10 MR. McDONALD: Positively.

11 COUNCILMAN JONES: And would
12 you feed off of one another, where we
13 talk about the agro portion of this
14 and --

15 MR. CAMINITI: Certainly. We
16 see ourselves as partners.

17 COUNCILMAN JONES: And so my
18 point in this hearing is that we should
19 pick areas where you can use density,
20 where you can use access to one another
21 to create a synergy that is cost
22 effective and beneficial to the public.
23 So that's what we want to do.

24 MR. CAMINITI: Correct.

25 COUNCILMAN JONES: I'm telling

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2 you, I went out there, I rode in a hydro
3 car. I didn't get in the hot tub, but I
4 enjoyed all of the aspects of that
5 complete home, which didn't produce a
6 solar -- I mean, a carbon footprint at
7 all.

8 MR. CAMINITI: No carbon
9 footprint.

10 COUNCILMAN JONES: Sent rebates
11 back to the grid and made the electric
12 company pay them money.

13 MR. CAMINITI: Right.

14 COUNCILMAN JONES: Which are
15 salient points I think we need to put on
16 the record.

17 The question becomes, we need a
18 beta testing zone so that we can do this
19 again. You say it exists. I'm going to
20 go take a look at it. But I want to put
21 it in areas, not scattered out into the
22 Hinterlands, but in neighborhoods in West
23 Philly, East Falls, Roxborough, all over
24 our city, so that we can look and measure
25 these things over a period of time.

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2 MR. CAMINITI: It's eminently
3 doable. And let me just add to that very
4 briefly, that all of the systems that we
5 put in, all of the equipment we use, is
6 UL listed and is governed by existing
7 building codes. We've done the heavy
8 lifting in terms of inspection and
9 permitting. So these systems can be put
10 in anywhere at any scale desirable. You
11 can scale it up or you can scale it down,
12 right up to the utilities scale.

13 In other words, I was at a PJM
14 conference not too long ago and they were
15 pulling their hair out trying to figure
16 out where they're going to get additional
17 generation to meet forward markets.
18 Okay? And the question came up, Well,
19 what about renewables? Because, of
20 course, the renewable portfolio standard.
21 How about we just expand the renewable
22 portion of the energy mix? And here's
23 the buzz word that came up: Asset
24 reliability. In other words, if you put
25 in a hundred megawatts of solar, you've

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2 got to put in a hundred megawatts of
3 natural -- I'm sorry; simple cycle
4 natural gas to back it up, because the
5 storage component is not there. With a
6 hydrogen generation and storage, now you
7 have load-leveling capabilities, storage
8 capabilities, you can meet base load.

9 Let's go back to something John
10 said very briefly as an illustration of
11 how you can use this to generate a
12 revenue stream.

13 COUNCILMAN JONES: Functional
14 word, "brief."

15 MR. CAMINITI: Very brief.
16 Very brief.

17 Smart metering. You take your
18 stored hydrogen, you reconvert it back
19 into electricity, sell it back to the
20 grid at peak rates and then fill up your
21 hydrogen tank in the middle of the night
22 at off-peak rates and capitalize on the
23 differential. It's a revenue stream
24 that's generated.

25 COUNCILMAN JONES: And I think

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2 what the -- and we're going to, if my
3 panel has questions, we're going to move
4 to the next panel. If not -- the thing
5 that it was, integration. I think the
6 one word --

7 MR. CAMINITI: Integration.

8 COUNCILMAN JONES: -- that I
9 saw was integration and storage
10 capacity --

11 MR. CAMINITI: Correct.

12 COUNCILMAN JONES: -- that made
13 sense. That's what I want to take a look
14 at as we do these zones to figure out
15 what the subtle right combination of
16 solar, wind power, thermal and all of
17 that working together in systems that can
18 be mass produced.

19 MR. CAMINITI: Correct.

20 COUNCILMAN JONES: But the
21 point of it is, not to make that
22 assertion and assumption citywide at
23 first.

24 MR. CAMINITI: We're not
25 only -- just one last sentence and then

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2 I'll be quiet, I promise.

3 COUNCILMAN JONES: Functional
4 word, "last."

5 MR. CAMINITI: We not only
6 provide custom solutions for multi-family
7 units or things like this, but we're also
8 looking to commercialize exactly the way
9 you're describing, Councilman, so that we
10 can mass produce and create the clean
11 tech jobs that are connected with that.
12 That's where we're going with our
13 company.

14 COUNCILMAN JONES: Thank you,
15 and keep doing what you're doing, because
16 we're going to try to catch up with you
17 by way of government.

18 Thank you.

19 Can the Clerk introduce the
20 last panel.

21 THE CLERK: We have Dennis Lee
22 from American Cities; James White, the
23 Policy Coordinator for Philadelphia
24 Association of CDCs; Vanessa Brown, West
25 Philadelphia Coalition; and Lindsey

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2 Gilmour from --

3 COUNCILMAN JONES: We are going
4 to ask this panel to condense and codify.
5 Now, I'm going to say it again. Make
6 short your testimony. So we can keep the
7 written testimony on the record, but we
8 want to get it in and be out by the next
9 committee's hearings.

10 Thank you all. Please come up
11 and state your name for the record.

12 (Witnesses approached witness
13 table.)

14 COUNCILMAN JONES: Thank you,
15 and thank you for your patience. I
16 appreciate -- we've gotten so much good
17 testimony, and it's food for thought, but
18 we want to make sure everybody gets on
19 the record.

20 Who is going first? Mr. Lee?

21 MR. LEE: I guess I am. Good
22 afternoon, and I will make my comments
23 brief.

24 COUNCILMAN JONES: Your name
25 again for the record.

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2 MR. LEE: Dennis Lee, American
3 Cities Foundation.

4 COUNCILMAN JONES: Thank you.

5 MR. LEE: Good afternoon,
6 Councilman Jones. Good afternoon,
7 Councilman Greenlee. Good afternoon,
8 Councilwoman Blondell Reynolds Brown and
9 to many friends, partners who are here
10 with us today. Thank you for the
11 opportunity to participate in today's
12 hearing on sustainable development
13 initiatives and strategies. My name is
14 Dennis Lee, as I stated before, Director
15 of Project NEAT, an environmental program
16 of American Cities Foundation.

17 American Cities Foundation
18 through the Project NEAT --

19 COUNCILMAN JONES: You don't
20 have to go that fast.

21 MR. LEE: Are you sure?

22 COUNCILMAN JONES: We want to
23 understand you.

24 MR. LEE: Okay. -- (continued)
25 focuses on educating the public about

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2 environmental issues through the
3 implementation of best management
4 practices designed to revitalize and
5 uplift Philadelphia communities. As a
6 catalyst for addressing issues facing
7 minorities, American Cities Foundation
8 has created programs that combat those
9 issues ranging from educational programs
10 for youth, urban transportation issues
11 and entrepreneurship to urban
12 environmentalism, including environmental
13 justice.

14 I appreciate having this
15 opportunity to comment about American
16 Cities' contributions and its support for
17 the City's sustainable developments and
18 strategies.

19 As a community advocate for
20 over a decade, I've had the opportunity
21 to be confronted firsthand with many
22 issues from community residents about the
23 need for more impactful revitalization
24 and sustainable efforts in their
25 communities. Since 1992, American Cities

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2 Foundation has addressed this need. What
3 differentiates American Cities Foundation
4 from other community-based organizations
5 is that we have actually developed a
6 green workforce known as NEAT Team,
7 comprised of residents who live in our
8 inner city neighborhoods. These NEAT
9 Teams are trained to implement physical
10 improvement projects throughout
11 communities in the Philadelphia region.
12 These physical improvement projects
13 include, but are not limited to, tree
14 plantings, concrete cutting, rain barrel
15 installations and debris removal.

16 Through our outreach and survey
17 efforts, we learned that residents were
18 willing to incorporate some storm water
19 best management practices in their
20 communities in conjunction with other
21 physical improvement projects being
22 performed by Project NEAT. These green
23 projects have now become the cornerstone
24 for revitalizing communities. They have
25 made a positive impact on the community

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2 on so many levels. They have enhanced
3 the physical appearance of these
4 communities. They have encouraged
5 residents to develop their own unique
6 urban greening initiatives, and they have
7 sparked an interest in the economic
8 growth of the local business community.
9 Like the Sustainable Business Network,
10 ACF encourages communities to engage in
11 the triple bottom line by creating
12 community wealth through education and
13 environmental responsibility.

14 We've done this, and it works.
15 ACF's promotion of environmental
16 initiatives coincides with and strongly
17 supports the objectives of the City of
18 Philadelphia's sustainable development
19 and strategies.

20 With regards to creating green
21 districts in the City of Philadelphia, we
22 would like to suggest that neighborhoods
23 that have demonstrated and encouraged
24 greening initiatives, such as storm water
25 management, green businesses, recycling,

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2 green collar jobs, green building and
3 educating the community on ways to
4 increase their green footprint, should be
5 given special incentives towards
6 continuing these efforts. There is a
7 need to continue to grow concept
8 awareness in these communities. We have
9 learned that in any community, one
10 segment of the population will be quick
11 to value the benefits and attributes of
12 environmental initiatives. However,
13 creating awareness among those who are
14 not actively seeking knowledge and
15 information in this area or are reticent
16 to change behavior is vital to improving
17 the urban environment. In the long run,
18 this will allow such entities such as
19 community groups, businesses and schools
20 to spread the environmental message and
21 expand their constituencies. It works.
22 In our targeted areas, West,
23 Southwest and North Philly, we have
24 planted over a thousand trees with our
25 partners. Trees enhance the physical

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2 appearance of a neighborhood while
3 reducing the amount of storm water runoff
4 entering Philadelphia's combined sewer
5 system. In the areas where we have
6 planted trees, the results are visible
7 and remarkable.

8 We would also like to suggest
9 that according to this resolution, these
10 areas are a great fit for being
11 classified as green districts within the
12 strategies presented in this resolution.
13 Classifying them as designated zones
14 would illustrate environmental measures
15 that promote sustainability in our city.

16 One important example of a
17 community which could have benefited from
18 being a green district is the West
19 Parkside community, which welcomed the
20 construction of the Park West Town
21 Shopping Center to their neighborhood.
22 This construction project has encouraged
23 economic growth in the West Parkside
24 community and transformed the
25 neighborhood's appearance. What you may

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2 not know is that the shopping center is a
3 341,000 square foot center that has a
4 rain garden basin that captures 70
5 percent of the storm water runoff. Let
6 me say that again. It has a 341,000
7 square foot center that has a rain garden
8 basin that captures 70 percent of storm
9 water runoff. American Cities Foundation
10 through Project NEAT, along with other
11 partners, was instrumental during the
12 planning of the Park West Town Shopping
13 Center in getting this project to
14 incorporate a storm water management plan
15 in its design. Today, this project has
16 become an outstanding educational model
17 to community residents and students for
18 its green building designs and water
19 conservation initiatives.

20 The Business and Technology
21 Center, which is adjacent to the Park
22 West Town Center, has begun to
23 incorporate green initiatives in their
24 321,000 square foot building. Building
25 managers are recapturing water from one

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2 of their roofs, and they have container
3 gardens in the parking lots, and there
4 are plans to develop one of the largest
5 green roofs in the City. This process
6 has been slow because of costs and lack
7 of incentives, not because of lack of
8 desire.

9 Another project that American
10 Cities Foundation helped cultivate in the
11 Philadelphia area is the Triangle Park
12 project, not in Overbrook, but in
13 Wynnefield section of the City. This
14 will involve transforming a
15 triangular-shaped lot into a beautiful
16 mini park, enhancing the beauty of the
17 neighborhood as well as incorporating
18 several storm water best management
19 practices, such as a porous walking
20 track, trees and flowers and solar
21 lighting in the design.

22 These are just two of the many
23 demonstration projects in Philadelphia's
24 inner city neighborhoods being carried
25 out by American Cities Foundation. We

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2 believe that any one of these
3 neighborhoods could be considered a
4 designated zone for sustainable
5 development.

6 There is an urgent need for an
7 expansion of these demonstration
8 projects. Therefore, there should be
9 some special interest and incentives
10 given to those residents and businesses
11 that look to explore and implement
12 environmental measures that promote
13 sustainable change in our city.

14 We suggest a few
15 recommendations. The creation of
16 residential green districts such as
17 neighborhoods the American Cities
18 Foundation, community development
19 corporations and other organizations have
20 already worked with.

21 Identifying and targeting
22 communities for energy conservation and
23 weatherization initiatives. Areas where
24 there is a high ratio of vacant,
25 abandoned properties to occupancy would

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2 be prime targets for energy conservation
3 and weatherization initiatives, given the
4 row house structure of most
5 neighborhoods.

6 Creating green business
7 districts in commercial corridors and
8 provide tax incentives and low-interest
9 loans and even grants through the
10 creation and capitalization of a green
11 fund. These incentives would encourage
12 neighborhood businesses to recycle,
13 practice storm water management and
14 weatherize their retail establishments.

15 American Cities Foundation
16 strongly supports your efforts and this
17 timely resolution.

18 Thank you again for the
19 opportunity to present our testimony and
20 to further the environmental
21 sustainability of neighborhoods in
22 Philadelphia.

23 I believe that was within four
24 minutes.

25 COUNCILMAN JONES: I just

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2 wanted to point out that we grew up in
3 the same kind of neighborhood together
4 and I always was afraid of you. That's
5 why I didn't cut you off. So I just
6 wanted to state that for the record.

7 But in sincerity, I want to
8 thank you and American Cities for all you
9 have done, not just in West Philly but
10 throughout the City. I don't think short
11 of Johnny Appleseed there are more
12 private citizens and non-profits that
13 have planted more trees than you have in
14 the recent months, and we appreciate
15 that. The first I ever heard the concept
16 of rainwater runoff, I heard it from you
17 and American Cities.

18 So we applaud what you do. We
19 want to encourage you to be a part of
20 that.

21 What you guys in this panel
22 particularly represent are the bottoms-up
23 approach to what this green thing will
24 be. Not from the federal government but
25 from communities, and so we appreciate

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2 what you do.

3 MR. LEE: Thank you.

4 COUNCILMAN JONES: Who is next?

5 I didn't grow up with you, so
6 you're going to condense that.

7 MR. WHITE: Good afternoon and
8 thank you for the opportunity to testify.
9 My name is James White. I am the Policy
10 Coordinator of the Philadelphia
11 Association of Community Development
12 Corporations, PACDC. PACDC is a citywide
13 association of 80 community development
14 corporations and other organizations that
15 have extensive experience working to
16 revitalize neighborhoods and meeting the
17 community development needs of local
18 residents.

19 We would like to applaud the
20 Committee on Transportation and Public
21 Utilities and the Committee on the
22 Environment for providing a public forum
23 to discuss the proposed creation of
24 designated areas in which demonstration
25 projects, environmental tools and

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2 sustainability strategies such as
3 renewable energy, green building design
4 and construction can be advanced. PACDC
5 believes that there are many
6 opportunities for green infrastructure
7 practices to be applied to revitalize and
8 enhance our neighborhoods and provide
9 benefits to our residents, and look
10 forward to the opportunity to work with
11 Council and other stakeholders in the
12 development of pilot programs and
13 incentives to advance sustainable
14 development in Philadelphia.

15 I would like to focus my
16 testimony on the need to build a green
17 infrastructure in Philadelphia and
18 connect it to the work of CDCs, such as
19 transit-oriented development and green
20 affordable housing development.

21 Transit-oriented development,
22 TOD, is growing in popularity, but often
23 the focus of such projects is on the
24 environmental benefits and the innovative
25 design. In addition, we need to look at

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2 how TOD can serve the needs of working
3 families by expanding access to
4 affordable housing and/or jobs for
5 community residents and providing a
6 better transit linkage for community
7 residents to commute to job opportunities
8 elsewhere. In many cities across the
9 country, TOD projects stimulate new
10 higher density, mixed-use real estate
11 development. However, such projects do
12 not maximize their potential to benefit
13 the community if all of the housing is
14 upscale and the jobs are polarized
15 between well-paying professional
16 positions and minimum-wage service jobs.

17 In order to ensure that
18 Philadelphians reap all the benefits of
19 transit-oriented development, the City
20 needs to put zoning and other measures in
21 place to support appropriate TOD. For
22 example, the City should link proposed
23 TOD projects to the City's affordable
24 housing goals and initiatives,
25 emphasizing investments in designated

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2 areas where private sector resources and
3 public affordable housing funds can be
4 maximized when combined with sustainable
5 development initiatives. Furthermore,
6 TOD projects should be developed as
7 gateways to communities and designed to
8 increase local access to goods, services
9 and products in communities. Several
10 CDCs are currently working on such TOD
11 projects at rail stations in their
12 neighborhoods, such the Asociacion
13 Puertorriquenos en Marcha, the Enterprise
14 Community CDC/Enterprise Heights Real
15 Estate Development Company, and the
16 Ogontz Avenue Revitalization Corporation.

17 My other point that I want to
18 focus on here, and I'll be brief, is
19 green building. A number of our CDC
20 members are currently undertaking green
21 affordable housing development in
22 Philadelphia. This summer PACDC convened
23 a working group with some of these
24 members and the Pennsylvania
25 Environmental Council staff to examine

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2 barriers and solutions to advancing green
3 building in Philadelphia, specifically as
4 it relates to affordable housing
5 development.

6 CDCs recognize the benefits of
7 green building both to the future
8 residents of these homes and the
9 environment and are working to integrate
10 these practices into their development.

11 However, they are grappling with the
12 issue of how to pay for very real
13 additional upfront costs of the green
14 building given the limited public
15 resources for affordable housing
16 development and the difficulty in
17 accessing private sector green funding.

18 As a result, they must value engineer
19 some green building features out to make
20 more affordable developments financially
21 feasible.

22 The working group researched
23 what other cities have done to foster
24 green building, including the City of
25 Chicago. In the late '90s, Chicago

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2 adopted a number of green infrastructure
3 practices to facilitate sustainable
4 development and encourage smart growth.
5 The City Administration led by example by
6 implementing new construction standards
7 for all public buildings. The City's
8 Department of Planning and Environment
9 developed green building initiatives such
10 as green rooftops on municipal buildings,
11 including City Hall, and sponsored pilot
12 projects such as the Green Homes
13 initiative. Green Homes for Chicago
14 demonstrated how energy-efficient and
15 environmentally friendly practices can be
16 incorporated into affordable housing
17 design and construction. In 2000, the
18 City of Chicago's Departments of
19 Environment and Housing held a
20 competition to solicit green
21 single-family home designs. The purpose
22 of the competition was to generate the
23 most creative and resourceful
24 applications of existing green technology
25 and simultaneously make it affordable.

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2 These outstanding pilot programs paved
3 the way for Chicago to become recognized
4 as a model city and an international
5 leader for sustainable development.

6 Like Chicago, we believe we
7 need to put a more supportive
8 infrastructure in place if we want to
9 significantly advance green building and
10 sustainable development strategies here.
11 The proposed creation of green zones and
12 related incentives would provide
13 Philadelphia with an opportunity to pilot
14 such initiatives and help create the
15 environment to advance green
16 infrastructure practices locally.

17 PACDC and Pennsylvania
18 Environmental Council invite you to join
19 us for a workshop and discussion that we
20 are sponsoring on advancing green
21 building in Philadelphia on Wednesday,
22 November 12, 2008. And I have attached
23 to my testimony a flyer for that. Also
24 attached you will find a description of
25 what APM is doing around green building

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2 on Sheridan Street. They proposed 13
3 affordable homes that are costing us, due
4 to the constraint of public funding,
5 about 300,000 a piece to develop, but
6 will be sold, because they're affordable
7 homes, through the Housing Trust Fund at
8 between 150 and 175 thousand.

9 But what we need and what we
10 hope that the Committee moves forward in
11 doing when they make these designated
12 areas is to consider to link them to
13 existing community development projects
14 and to bolster and provide incentives for
15 all of green development in the
16 community.

17 Thank you.

18 COUNCILMAN JONES: That was the
19 sound of the next Chairman saying they're
20 going to get me if I don't move this
21 along.

22 No. Thank you for your
23 testimony, and I really did underscore,
24 as Councilwoman Brown talks about,
25 linking it to existing projects, linking

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2 this zoning to affordable housing and
3 making sure that also a third link would
4 be to green job opportunities at the
5 community level that aren't all high-end
6 jobs. So I took that from your
7 testimony, and we'll make sure that's a
8 part of the record.

9 MR. WHITE: Thank you,
10 Mr. Chair.

11 MS. GILMOUR: Good afternoon.
12 Thank you so much for this opportunity to
13 address the joint committees today. My
14 name is Lindsey Gilmour. I'm a Founder
15 and Co-Chair of Green Village
16 Philadelphia, and Green Village is a
17 coalition of local business owners,
18 socially responsible investment
19 specialists, sustainable design
20 professionals and business development
21 experts whose purpose is to create a
22 vibrant model of sustainable urban
23 renewal and revitalization, developing
24 underutilized land adjacent to an
25 economically sensitive residential area

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2 in a neighborhood near Central
3 Philadelphia.

4 The heart of the Green Village
5 strategy is the development of a green
6 business marketplace built around public
7 common spaces that will be a diverse
8 community of sustainable local
9 businesses, mission-aligned non-profits
10 and mixed income residents.

11 The Marketplace will
12 incorporate green public open spaces,
13 house an incubator and accelerator for
14 clean technology, green retail and triple
15 bottom-line businesses. It will foster
16 and support urban farming initiatives,
17 but, most important, it will cluster in
18 one accessible destination the goods and
19 services and jobs of a local green
20 economy.

21 Now, you've heard a lot about
22 the kind of development that we want to
23 create and the benefits that it will
24 provide to the City and to the City
25 residents, so I don't really need to go

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2 into great detail. But I will just point
3 out a few quick things.

4 This kind of clustered urban
5 business marketplace development will
6 benefit the City in the following ways.
7 Not exclusively these ways, but it will
8 include public transit-oriented urban
9 development that reduces the need for
10 personal transportation and dependency on
11 fossil fuels; living landscapes on, in
12 and around buildings that significantly
13 absorb storm water and reduce urban
14 heat-island effects; easier access to
15 locally produced goods and services,
16 keeping wealth circulating in the
17 communities that need it most; local jobs
18 and equitable land ownership, preventing
19 displacement of marginalized residents.

20 We're very concerned about this
21 kind of development not simply being the
22 typical gentrification effect on a
23 community -- having the typical
24 gentrification effect, and a safer,
25 healthier and more beautiful urban

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2 environment that encourages people to
3 feel more connected and responsible to
4 their neighbors and to their environment.

5 Right now in terms of location
6 we are looking for a vacant site
7 approximately one acre in size for the
8 Marketplace. The plan is to build and/or
9 rehabilitate several buildings
10 surrounding a central public marketplace
11 utilizing 75 percent of the total
12 footprint, and 25 percent of the
13 available footprint will be reserved as
14 open green space for the community.

15 Total building square footage
16 of the development will be approximately
17 127,000 square feet. The built space
18 will likely comprise three or four
19 floors, divided between commercial and
20 residential space, with retail businesses
21 occupying the first floor, other
22 commercial tenants occupying the second
23 floor and residential tenants on the
24 third and fourth floors.

25 At this time, we are looking at

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2 several different neighborhoods, but
3 Green Village Marketplace would ideally
4 serve as a bridge between a high poverty
5 zone and the affluent business and
6 residential zones closer to Center City.
7 Locating the Marketplace on or near
8 commercial corridors that create the
9 borders between these communities would
10 ensure a sustaining customer base for the
11 businesses, while providing economic
12 development opportunities for workers,
13 entrepreneurs and residents in the less
14 affluent neighborhoods.

15 And the particular point here
16 is that it will be very difficult for
17 this kind of marketplace to survive in a
18 very poor neighborhood. It needs to have
19 access to more affluent -- a more
20 affluent community and provide services
21 and jobs and so on for the less affluent
22 community.

23 Examples of such bridge
24 locations include South Kensington and
25 its connection to Northern Liberties and

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2 Fishtown, Francisville and its connection
3 to Fairmount and the Art Museum district,
4 and Mantua and its connection to the
5 Powelton neighborhood.

6 As you've heard today, in the
7 long term this kind of development will
8 decrease the financial burden on City
9 government for public infrastructure and
10 services, as well as the cost to City
11 businesses and residents. A crucial goal
12 of this project is to ensure
13 affordability, and we're hoping that we
14 can work with concerned members of City
15 Council to explore ways to expedite this
16 process.

17 Now, I have more in my
18 testimony on suggestions for how this
19 could -- suggestions for ways that City
20 Council could expedite the process
21 specifically from a developer's point of
22 view. You've heard today about ways that
23 City Council could help residents
24 incorporate green design into their
25 existing homes. This will be how can

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2 developers creating new developments and
3 rehabilitating existing buildings and
4 infrastructure cut down on their
5 pre-development and development costs and
6 reduce the cost of the total development
7 so that we can make a more affordable --
8 create more affordable spaces for people.

9 So I'm going to stop there,
10 because I know we have very little time.
11 The pictures that I added included with
12 this testimony are simply illustrative.
13 They're not specific to this project.

14 Thank you so much for your time
15 and attention, and please don't hesitate
16 to contact me about the project.

17 COUNCILMAN JONES: I really
18 think some of the illustrations, we have
19 to figure a way technologically to make
20 sure people out there that are watching
21 and looking at these can see some of
22 these --

23 MS. GILMOUR: I actually have a
24 little travel drive with some really
25 crazy-looking pyramid farms and all kinds

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2 of things.

3 COUNCILMAN JONES: They're
4 intriguing, to say the least.

5 MS. GILMOUR: Well, we wanted
6 to intrigue you.

7 COUNCILMAN JONES: Okay. We're
8 going to get to our final testimony,
9 Ms. Brown from the West Philadelphia
10 Coalition.

11 MS. BROWN: Good afternoon.

12 COUNCILMAN JONES: Good
13 afternoon.

14 MS. BROWN: It started good
15 morning, but now good afternoon, and I'll
16 be very brief. Actually, I just want to
17 say I'm looking forward to bridging a
18 very strong relationship with our
19 Councilmembers and especially my
20 Councilwoman, Jannie Blackwell. And I'm
21 here today to really speak from my heart
22 about what I feel is happening in the
23 community where I live as far as our
24 engagement in sustainability and the
25 whole green culture that's coming very

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2 soon and very quickly.

3 What I realize is that the
4 people who live in my neighborhood that
5 come from low-income communities bear the
6 burden of the crisis. When the crisis
7 hits -- or for many of us, it has already
8 hit -- we have less options when it comes
9 to paying our utility bills, repairing
10 our homes. We don't have as many options
11 as many other people do who are
12 participating in a lot of the initiatives
13 and the tax credits that are available
14 right now to build the infrastructure of
15 their home, to include solar panels, to
16 do the geothermal, waterless tanks, all
17 of the different improvements that are on
18 the table right now. We have the least
19 options to retrofit our homes. So it's
20 important that we give a voice to those
21 communities when we talk about this
22 process.

23 Often I see when I attend the
24 conferences that we're very
25 underrepresented in those venues, and as

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2 we move forward and we talk about
3 creating legislation, I hope that we
4 would just think about how do we inspire
5 those communities to not only
6 participate, but some type of mandatory
7 reforms that would level the playing
8 field for those communities, because in
9 the near future, I would like to see more
10 of the folks that I represent being the
11 presenters and coming up with these
12 innovative ideas and technologies, and
13 the only way we're going to do that is as
14 we move forward, we put the incentives in
15 there and make sure that we have minority
16 participation, make sure that we have
17 programs that inspire young people today
18 to be a part of this process.

19 I'm not going to sit here and
20 take a lot of your time, because we will
21 be working together for a long time on a
22 lot of these initiatives, and just to
23 know that this is where I'm coming from.
24 I always want to make sure that we're
25 inspiring the next generation to come up

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2 and make sure that we're there.

3 So I just want to say thank you
4 so much for that opportunity.

5 COUNCILMAN JONES: Well,
6 Ms. Brown, thank you for that testimony,
7 and you were the only one who followed --
8 no. I won't say that.

9 You also followed instruction.

10 I don't know if it's a sexual
11 orientation thing, but I'm just glad you
12 did.

13 But let me say this: I am
14 encouraged by the possibility of you at
15 the Harrisburg level taking this interest
16 there, and it is only through state,
17 federal and local synergy that public
18 policy will have an ability to impact
19 what's already going on around us. And
20 if we learned anything from the testimony
21 today, that things are happening around
22 us, and sometimes it takes government a
23 little longer to catch up to what the
24 private sector and non-profit communities
25 are doing, but what we don't want to be

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2 is obstructionists. We want to figure
3 out ways to get out of your way to help
4 you along and to facilitate more
5 resources, not less, but more resources
6 so that you can continue your good works
7 at the local level.

8 So I look forward to working
9 with you in the near future.

10 Now, do my colleagues have any
11 questions?

12 COUNCILWOMAN BROWN: My only
13 closing comment -- a couple of things. I
14 want to first commend the Chairman of
15 this Committee for the breadth and mix of
16 panelists that came before us, number
17 one.

18 Number two, it is important to
19 have those in the trenches, like some of
20 you are, on the front line who are aware
21 of the issue.

22 Number three, you should know
23 that I called for hearings on how we
24 indeed educate consumers across the board
25 on this new phenomena called green jobs

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2 and the green economy.

3 And then, lastly I will say,
4 government can't do it alone. Government
5 shouldn't do it alone. It's going to
6 take all of us that have participated
7 here today to reach to the constituencies
8 that we represent and care about to
9 share, pass on, educate, inform,
10 enlighten and then let them know where
11 the opportunities are around this.

12 So we have to do our part, but
13 CDCs have to do their part and
14 non-profits have to do their part, the
15 elected officials have to do their part,
16 and the experts, the gurus on this issue,
17 have to do their part as well.
18 Government cannot do it alone.

19 Thank you very much.

20 COUNCILMAN GREENLEE:

21 Mr. Chairman, I will follow your lead and
22 be brief. I just second everything
23 Councilwoman Brown said, and thank you
24 for everything you did.

25 COUNCILMAN JONES: Well, with

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2 that, I again thank you. All of this
3 will result in -- we will compile a
4 report taking the salient points out of
5 here, things we've learned, and also if
6 there is an opportunity to propose a bill
7 that will create these green zones, it
8 will be based on this testimony and
9 shaping it and guiding it.

10 So I want to thank you all for
11 your contribution and your patience.

12 This Committee will stand
13 adjourned -- recessed. I'm sorry. I'm
14 new. I'm still new. We're at recess.
15 Thank you very much.

16 (Joint Committees on
17 Transportation and Public Utilities and
18 the Environment adjourned at 1:30 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter on October 28, 2008, and that
this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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