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COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE ON COMMERCE AND

4

ECONOMIC DEVELOPMENT

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, November 30, 2005
10:15 a.m.

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PRESENT:

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COUNCILMAN W. WILSON GOODE, JR., CHAIRMAN

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COUNCILMAN MICHAEL A. NUTTER

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COUNCILMAN DARRELL L. CLARKE

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COUNCILMAN FRANK DiCICCO

15

COUNCILWOMAN BLONDELL REYNOLDS BROWN

16

COUNCILWOMAN MARIAN B. TASCO

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RESOLUTION 041057 - Resolution authorizing the
Committee on Commerce and Economic Development
to hold hearings to review the status of
neighborhood commercial revitalization in
Philadelphia, including a needs assessment of
neighborhood commercial corridors and an
evaluation of various business district
development programs.

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Litigation Support Services

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Eleven Penn Center

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COUNCILMAN GOODE: Good

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morning. This hearing is called to

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order. This is the public hearing of the

5

Commerce and Economic Development

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Committee on Resolution No. 041057. My

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name is W. Wilson Goode, Jr., Chair of

8

the Committee. A quorum is not necessary

9

because this is an educational and

10

informational hearing, but I do note for

11

the record that I'm joined by

12

Councilwoman Marian Tasco, Councilman

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Frank DiCicco and Councilman Darrell

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Clarke.

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The title of Resolution No.

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041057, a resolution authorizing the

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Committee on Commerce and Economic

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Development to hold hearings to review

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the status of neighborhood commercial

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revitalization in Philadelphia, including

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a needs assessment of neighborhood

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commercial corridors and an evaluation of

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various business district development

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programs.

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We have one panel scheduled for

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2 today. I'll ask Eva Gladstein, Rick
3 Sauer and Andy Toy to please approach the
4 witness table.

5 Ms. Gladstein, will you please
6 state your name for the record and
7 proceed with your testimony.

8 MS. GLADSTEIN: Thank you. My
9 name is Eva Gladstein. I'm Director of
10 Neighborhood Transformation for the City
11 of Philadelphia.

12 Good morning, Councilman Goode,
13 Councilman Tasco, Councilman DiCicco.
14 I'm happy to be here today to testify
15 with regard to NTI's new focus on
16 neighborhood commercial corridors. I
17 welcome the opportunity to share this
18 information with you.

19 In June 2005 at the City
20 Council hearings on the fiscal year '06
21 NTI Program Statement and Budget, we
22 first discussed a planned transition of
23 NTI into a new phase that would promote
24 the integration of the City's
25 neighborhood economic development

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2 activities with those of NTI. The goal
3 is to sustain and support the significant
4 impacts we have made in blight removal,
5 housing development and preservation, and
6 improved government delivery systems for
7 strategic investments in neighborhood
8 commerce. This is consistent with the
9 Mayor's Economic Development Blueprint,
10 which prioritizes increasing investment
11 in neighborhood commercial corridors as a
12 means of sustaining the positive changes
13 initiated by NTI. These investments will
14 promote commercial corridors as healthy,
15 vibrant hubs for steadily improving
16 neighborhoods. Our collective efforts
17 will help realize the Mayor's vision that
18 all neighborhoods should be great places
19 to live, work, learn, shop and play.

20 I am proud to report that in
21 less than six months we have made
22 significant progress. We have begun to
23 coordinate existing resources and have
24 secured new resources to support
25 development of neighborhood commercial

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2 corridors. Primary among these resources
3 is a talented staff of 24, six of whom
4 are focused full time on neighborhood
5 economic development activities. Other
6 NTI staff support these functions through
7 contract administration and evaluation,
8 planning and communications. In
9 addition, in order to increase
10 coordination with the City's Commerce
11 Department, three Commerce Department
12 employees have been detailed to work
13 directly through NTI.

14 The goal of our staff is to
15 develop a framework for the strategic
16 investment of City resources on
17 neighborhood commercial corridors to
18 support community-driven planning and to
19 leverage new public sector and private
20 sector resources. The funding includes a
21 little bit over 1.9 million in NTI
22 tax-exempt bond proceeds for Commercial
23 Corridor Support Program; 800,000 that
24 has been granted to the City from the
25 Pennsylvania Department of Community and

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2 Economic Development for Main Street
3 activities; and approximately 9.3 million
4 of Community Development Block Grant
5 funds targeted to Community Economic
6 Development.

7 In addition, we've applied to
8 the Delaware Valley Regional Planning
9 Commission for funding to help with three
10 other projects, one to knit the West
11 Philadelphia community with the
12 Centennial District in Fairmount Park, to
13 plan for transportation and economic
14 development uses in the Central
15 Germantown Business District, and for the
16 development of model safety and security
17 programs that could be utilized on a
18 variety of the City's neighborhood
19 commercial corridors.

20 We view collaboration and
21 partnerships as a key to maximizing the
22 use of available resources. We have
23 forged strong working relationships with
24 key partners, including the City's
25 Commerce Department and its two economic

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2 development engines, PCDC and PIDC.

3 These partnerships help us provide a more

4 seamless support to neighborhood

5 entrepreneurs seeking financing,

6 technical assistance, facade improvements

7 and to community development corporations

8 and business associations seeking

9 economic development project support or

10 capital improvements and other

11 infrastructure support for their

12 commercial corridors.

13 We have also reached out to key

14 partners outside of City government, two

15 of whom are sitting with me today,

16 including the Philadelphia Association of

17 CDCs and LISC, as well as the

18 Philadelphia Neighborhood Development

19 Corporation and the Greater Philadelphia

20 Urban Affairs Coalition. We routinely

21 attend meetings of neighborhood business

22 associations as well.

23 Our accomplishments have been

24 significant. We have begun to implement

25 a Philadelphia Main Street program,

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2 putting four CDCs under contract and
3 establishing a Main Street resource group
4 with the state.

5 We are working closely with the
6 Commerce Department to leverage other
7 state funding resources such as the
8 Hometown Streets Program and the Business
9 in Our Sites Programs to rebuild
10 commercial corridors.

11 We have begun to coordinate
12 support to commercial corridors with PCDC
13 and the Mayor's Business Action Team. We
14 have reviewed neighborhood commercial
15 corridor plans that have been recently
16 completed in order to be able to support
17 their implementation. We have begun to
18 develop an initiative with the Commerce
19 Department to promote retail
20 opportunities on neighborhood commercial
21 corridors. As an example, at the recent
22 International Conference of Shopping
23 Centers meeting here in September, we
24 distributed materials for Baltimore,
25 Lancaster, Ridge, Germantown and Mt. Airy

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2 and Chestnut Hill, and Woodland Avenues,
3 as well as for 40th Street in East Falls.

4 We're working with LISC and the
5 William Penn Foundation on the
6 development of a framework and investment
7 strategy for neighborhood commercial
8 corridors similar to the early NTI
9 framework based on neighborhood housing
10 markets.

11 We're actively working with the
12 Commerce Department and GPUAC to advance
13 Economic Development Blueprint objectives
14 of increasing financial resources that
15 can be made available for the start-up
16 and expansion of minority-owned
17 businesses.

18 We're working with the
19 Reinvestment Fund, the Commerce
20 Department and PIDC to encourage
21 supermarket development in underserved
22 neighborhoods, especially in locations
23 where such development can also
24 strengthen other neighborhood retail
25 activities.

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2 We've met with a number of CDCs
3 active in economic community development
4 in order to better understand their goals
5 and their needs. We recently began to
6 explore ways in which we can help enable
7 local organizations managing Neighborhood
8 Improvement Districts to receive
9 technical assistance, and we have
10 continued to advance Empowerment Zone
11 commercial corridor activities in West
12 Philadelphia, North Central and American
13 Street neighborhoods.

14 While we feel that we've
15 accomplished much, we recognize that
16 there's a lot that remains to be done.
17 We intend to release a request for
18 proposals next month for projects that
19 will support improvements to commercial
20 corridors. This RFP process will be used
21 to allocate funding from three sources:
22 Commonwealth support for Main Street
23 activities, the NTI-funded Commercial
24 Corridor Support Program and the
25 CDBG-funded Neighborhood Commercial Area

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2 Transformation Program.

3 This last program was created
4 in August 2005 to support pre-development
5 activities for projects that will
6 substantially transform older,
7 income-impacted communities by changing
8 the nature of the existing economically
9 distressed neighborhood, as well as
10 creating permanent jobs.

11 The RFP process will be used to
12 select corridors based on their
13 geographic diversity, ability to leverage
14 other public and private investments,
15 level of organization, existence of plans
16 and capacity of local CDCs or other
17 neighborhood-based organizations. The
18 Mayor's office will work with City
19 Council and the City's economic
20 development entities, including the
21 Commerce Department and PCDC, to develop
22 selection criteria and a process for
23 targeting appropriate investments.

24 Other activities that were
25 planned for the next 60 days include

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2 meeting with all of the CDBG-funded
3 sub-grantees to clarify goals and
4 expectations in terms of coordinating
5 resources on commercial corridors, what
6 our desired impacts are for those
7 corridors and whatever technical
8 assistance needs they may have.

9 We've also begun planning our
10 annual event, the Developers Breakfast
11 and Neighborhood Tour. This spring event
12 is used to showcase investment and
13 development opportunities throughout
14 Philadelphia's neighborhoods.

15 In addition to all of the
16 above, NTI continues to coordinate other
17 NTI bond-funded measures, blight
18 prevention and removal, demolition,
19 acquisition housing preservation, and
20 information technology improvements. We
21 also continue to support Empowerment Zone
22 planning and implementation in the
23 American Street, North Central and West
24 Philadelphia neighborhoods. These
25 efforts include significant commercial

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2 corridor initiatives, the administration
3 of business revolving loan pools,
4 neighborhood funding streams that provide
5 an ongoing community planning role and
6 source of grant funds for projects to
7 support the Empowerment Zone vision.

8 With that, I'd like to thank
9 you for this opportunity to share our
10 goals, accomplishments and plans. We
11 look forward to continuing to work with
12 you to support the achievement of these
13 goals in the next year.

14 Thank you.

15 COUNCILMAN GOODE: Thank you.

16 Good morning, Mr. Sauer. Do
17 you have additional copies of your
18 testimony?

19 MR. SAUER: Yes, I do.

20 MS. GLADSTEIN: As do I.

21 COUNCILMAN GOODE: Please state
22 your name for the record.

23 MR. SAUER: Good morning,
24 Chairman Goode and members of Council.
25 Thank you for the opportunity to testify

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2 today. My name is Rick Sauer, and I'm
3 the Executive Director of the
4 Philadelphia Association of Community
5 Development Corporations.

6 Neighborhood commercial
7 corridor revitalization is an issue that
8 is key to organization and our members
9 that are working in communities to
10 revitalize these corridors. I want to
11 thank you for focusing attention on this
12 important issue and for your leadership
13 over the last several years to increase
14 resources available for neighborhood
15 economic development and support the role
16 of CDCs in that activity.

17 I am constantly in contact with
18 community development corporations around
19 the City that are working to revitalize
20 their neighborhoods and rebuild
21 communities, and, in fact, we have more
22 than 30 CDCs that are directly engaged in
23 various aspects of neighborhood economic
24 development, ranging from commercial
25 corridor or commercial real estate

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2 development projects to broader efforts
3 to revitalize and strengthen neighborhood
4 commercial corridors, to workforce
5 development activities and other direct
6 assistance to businesses. And I would
7 like to, before I go further, also
8 acknowledge the important role I think
9 that Eva Gladstein and the NTI office is
10 playing in working to integrate
11 neighborhood economic development with
12 NTI. As she mentioned, we've had several
13 meetings with them around some important
14 issues, and I think there's some clear
15 progress being made. And also our
16 colleagues at LISC are providing
17 important support to CDCs in these
18 efforts as well.

19 CDCs strive to grow
20 neighborhood economies every day, and we
21 know this is not an easy task. When you
22 asked me to come testify today, I was
23 thinking how can the City best support
24 these front-line efforts by CDCs. In our
25 discussions with a number of members and

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2 other practitioners in the field, I've
3 come up with five larger issues that I
4 wanted to discuss today that I think are
5 really key to advancing more successful
6 neighborhood commercial corridor
7 revitalization, and those are the need
8 for local capacity to guide
9 revitalization efforts, better
10 coordination among the various funding
11 sources, greater transparency and
12 accountability in how funds are
13 allocated, increased and more flexible
14 funding and policies and, finally,
15 assistance to small businesses.

16 So briefly touching on each of
17 these. The first, building local
18 capacity, I think we've realized that
19 when there is a local entity in place
20 that can coordinate and manage the
21 variety of tasks that are needed to
22 advance successful revitalization on
23 commercial corridors, especially those
24 that have faced disinvestment and
25 distress, that's really key, because

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2 there's several really critical factors
3 that have shown to prove to be important
4 to successful revitalization, such as
5 coordinating clean and safety efforts on
6 corridors, facilitating physical
7 improvements, whether it's to facades or
8 streetscapes or rehabbing vacant
9 buildings, marketing the corridor to new
10 businesses and customers, consumers, and
11 assisting in bringing local businesses
12 together to work together to strengthen
13 that corridor.

14 As mentioned, many CDCs are
15 playing this role around Philadelphia and
16 should be supported through both funding,
17 especially funding that can cover
18 administrative costs, such as hiring a
19 Commercial Corridor Manager, as well as
20 through training and technical assistance
21 to further build their capacity to carry
22 out their efforts.

23 We realize that not every
24 corridor is served by a CDC with strong
25 capacity, and so it is important, I

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2 think, that the City give further thought
3 to where there are corridors that don't
4 have that capacity in place, what can be
5 done either to partner up with other CDCs
6 or other neighborhood organizations that
7 have capacity or how you can build
8 capacity on those corridors where it
9 really makes sense to target resources.

10 The second issue, coordination
11 of funding sources. The funding
12 environment for neighborhood economic
13 development, in particular in commercial
14 corridor revitalization, has really
15 changed over the last several years.
16 Back several years ago, Councilman, you
17 sponsored legislation that required the
18 City to set aside five percent of its
19 CDBG funds on an annual basis to support
20 neighborhood economic development by
21 CDCs, and that resulted in a significant
22 increase in funding for those purposes.

23 Since then, though, our federal
24 allocation that the City receives every
25 year, CDBG allocation, has been

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2 decreasing and there's been increasing
3 competition among the variety of uses
4 that the City uses to fund those funds,
5 and the end result is that there's been a
6 pretty significant reduction, about 30
7 percent, over the last four or five years
8 in the amount of CDBG funding that's
9 actually being allocated in neighborhood
10 economic development activities.

11 There's been some critical
12 programs in particular that have faced a
13 funding cut of up to 50 percent overall,
14 such as pre-development planning and
15 marketing grants, GAAP financing for
16 commercial real estate development
17 projects in special service districts.
18 And at the same time, the City has been
19 putting less funds into the Economic
20 Stimulus Program, which provides flexible
21 resources that also can be used to
22 support neighborhood economic development
23 activity.

24 On the other hand, while CDBG
25 and Economic Stimulus has declined, there

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2 has been a number of new resources that
3 have been brought to the table that are
4 really having a significant impact.
5 Again, thanks to your leadership, the CDC
6 Tax Credit Program was created. Now
7 there's 25 partnerships between
8 businesses and the CDCs that provide
9 flexible funding to advance neighborhood
10 economic development activities. Most of
11 the groups are using that support to
12 advance their commercial corridor
13 revitalization activities.

14 LISC is funding nine CDCs to
15 work on commercial corridors. Other
16 foundations have put money in for this
17 purpose. In addition, as Eva mentioned,
18 there's five CDCs now that receive
19 support through the state Main Street
20 Program. Several groups have recently
21 gotten funding through the Hometown
22 Streets Program, which provides dollars
23 for streetscape improvements, and we have
24 nearly \$2 million in NTI funds that are
25 being allocated towards commercial

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2 corridor support.

3 And while we certainly welcome
4 these new funds and it's an important
5 development, much needed development, I
6 think one of the questions it begs is,
7 how will all these funding sources fit
8 together and are they addressing the
9 range and needs that are out there. And
10 so as a result of all these changes in
11 the funding environment in the last few
12 years and the variety of different
13 actors, both the various public agencies,
14 whether the City or state, and local
15 agencies, I think there really is an
16 obvious need for better coordination
17 among the various sources so that we can
18 achieve better targeting, leveraging and
19 impact from the use of these funds.

20 The third issue is greater
21 transparency and accountability in the
22 award and use of funds. There's a
23 variety of different programs that the
24 City runs and there's been a range of
25 experiences CDCs have had in accessing or

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2 trying to access those resources, but one
3 thing that we have continuously heard is
4 that there really is a lack of a clear,
5 open and transparent process for applying
6 for an award in funds for neighborhood
7 economic development, and so we think
8 it's important that there be written
9 guidelines or criteria for how programs
10 are going to work and how funds will be
11 awarded so that folks have a sense up
12 front before they apply what the fit is,
13 what the opportunity is, and it's a fair
14 process.

15 In general, we have been
16 encouraging the City to utilize the RFP
17 process to allocate funds, and we're very
18 pleased to see that they are doing that
19 now for these three funding sources that
20 Eva referred to earlier beyond NTI, the
21 new NCAT Program and the additional Main
22 Street funding that will be available.

23 And at the same time, too, we
24 also believe that there should be
25 increased accountability on behalf of

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2 groups receiving funds to make sure that
3 recipients are being held accountable for
4 the performance and that scarce resources
5 are being used to their fullest
6 potential.

7 The fourth issue, adequate and
8 flexible funding and policies. We know
9 that there's a range of needs that our
10 communities face when it comes to
11 commercial corridor revitalization. The
12 issues facing groups working in East
13 Falls or Roxborough, Mt. Airy may be
14 different than groups working in East or
15 North Philadelphia or South Philadelphia,
16 or the degree of the issues are
17 different. And the funding that's
18 currently available doesn't always match
19 up with what the needs that are out there
20 in the community. As a result, there can
21 be a gap between what needs to be done
22 and what groups are actually able to get
23 done.

24 Many programs also restrict the
25 use of funds. Often times there are

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2 private organizations of resources to
3 cover the cost of administering programs.
4 You might get dollars to do actual
5 physical improvements, but you have to
6 have the dollars that allow you to go out
7 and actually run those programs and pay
8 for staff to do that, and you have to
9 have the ability to be flexible and
10 innovative in the way programs are being
11 implemented.

12 For example, the state Home
13 Street Program -- again, several groups
14 have recently gotten funding, more groups
15 are applying to that now -- can provide
16 critical resources for streetscape
17 improvements; for example, improving
18 lighting on the commercial corridor,
19 making it more pedestrian friendly, which
20 can have the benefit of increasing a
21 sense of safety, attracting more
22 customers during the evening time hours
23 when many purchases are made.

24 You can't use those funds, my
25 understanding, though, is to cover

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2 administrative costs. So an organization
3 that wants to implement that strategy on
4 their corridor has to make sure they have
5 administrative costs, and then they can
6 go out and purchase those new light
7 fixtures and all that. But the Streets
8 Department has a policy of saying you can
9 only use certain types of light fixtures.
10 Then they also won't pay for the
11 maintenance of those light fixtures or
12 for the electricity costs for it.

13 So there needs to be better
14 policies that allow resources to be used
15 together in an effective way to advance
16 important strategies such as that.

17 One example where the City has
18 provided the need for flexibility is for
19 facade improvements. It's been realized
20 that often times it can be difficult to
21 use CDBG funds for facade improvements
22 for businesses due to the restrictions
23 that come with those federal funds, and
24 so the City has allocated for several
25 years now, I believe, Economic Stimulus

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2 funds to support that type of activity.
3 That's the right idea, but it's only one
4 piece of the bigger puzzle. So we need
5 to identify additional flexible funding
6 sources such as the CDC tax-cutter
7 program or the newly available NTI funds
8 that can be used in a flexible way.

9 When programs are inflexible,
10 they are often also underutilized. One
11 example I just wanted to point out is
12 with the Commercial Acquisition Program
13 that I believe PCDC and/or Commerce have
14 run. There's a really strong need for
15 pre-development acquisition funds in
16 commercial corridors, but the acquisition
17 program that's been out there has really
18 seen a lack of demand, and in large part,
19 I think it's because of folks' previous
20 experiences going through and trying to
21 access those funds. There is a number of
22 restrictions that make it very difficult
23 to utilize that program effectively on
24 corridors. And so as we move forward and
25 think about how we can better address

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2 systems or how we can bring new resources
3 to bear, we need to make sure that we're
4 implementing those programs in a flexible
5 way that can really advance our goals on
6 those corridors.

7 And, finally, small business
8 assistance. Many small businesses we
9 know need help building their capacity so
10 they can run their businesses more
11 successfully, which also leads to more
12 successful neighborhood corridors where
13 they're located. They both need training
14 and technical assistance, though, whether
15 it's from the Small Business Development
16 Center, a CDC or another entity, that
17 allows them to develop stronger business
18 plans, operate their businesses more
19 effectively and efficiently and, of
20 course, increase their access to capital
21 to grow their business.

22 The last issue I know you've
23 held several hearings on before this
24 Committee, and I think we have been
25 involved with GPUAC's efforts to both

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2 increase support to small businesses so
3 they have greater capacity to go after
4 financing from banks, but also to push
5 the banks so that they would be more
6 flexible in the way they have dollars
7 available to support small business
8 development in minority and lower-income
9 neighborhoods.

10 We are committed to helping
11 assess the needs of organizations and
12 fostering neighborhood economic
13 development. Along this line, we're
14 currently conducting some research for a
15 report that we plan on completing this
16 spring called the Community Audit of
17 Neighborhood Economic Development. The
18 report is going to look at a range of
19 issues, from what funding programs are
20 out there, how funds are being allocated
21 in those programs and how they're being
22 drawn down, to where there are gaps in
23 the current programs or where there's
24 policy changes that are needed to make
25 the programs run more effectively, and we

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2 look forward to being able to report back
3 to you further on our findings when that
4 is completed.

5 In closing, I'd just like to
6 emphasize the important nature of
7 commercial corridor revitalization.
8 Businesses located in our neighborhoods
9 are the backbone of Philadelphia's
10 economy, providing jobs as well as local
11 access to goods and services. And CDCs
12 are playing a critical role in supporting
13 and developing these neighborhood
14 economies. By addressing the five issues
15 identified above, we believe the City can
16 go a long way towards advancing
17 successful neighborhood commercial
18 corridor revitalization.

19 Thank you.

20 COUNCILMAN GOODE: Thank you
21 for your testimony.

22 MR. SAUER: I should mention
23 that attached to our testimony is some
24 preliminary numbers that we've pulled out
25 of the consolidated plans that show how

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2 CDBG funds have been allocated over the
3 last several years.

4 COUNCILMAN GOODE: Thank you.

5 Good morning, Mr. Toy. Would
6 you state your name for the record and
7 proceed with your testimony.

8 MR. TOY: Sure. Good morning,
9 Honorable Councilmen and women and
10 Honorable Councilman Goode. My name is
11 Andrew Toy, and I'm here to testify in
12 regard to the state of neighborhood
13 commercial corridor development and the
14 effort my organization has been making in
15 this area over the last three years in
16 Philadelphia.

17 I represent the Local
18 Initiative Support Corporation in
19 Philadelphia, which is a nationwide
20 funder and supporter of community
21 development that helps non-profit
22 community development corporations, or
23 CDCs, transform distressed neighborhoods
24 into healthy communities of choice and
25 opportunity, good places to work, live,

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2 do business and raise children.

3 As the largest non-profit
4 community development supporter in the
5 nation, LISC brings a broad perspective
6 and understanding of best practices that
7 should be helpful in organizing,
8 directing and implementing programs to
9 build better communities.

10 Before going into specifics, I
11 wish to state that we appreciate the
12 opportunity to comment before Council on
13 this very important subject in a public
14 hearing, thanks to Councilman Goode.

15 LISC began its Philadelphia
16 Commercial Corridor Redevelopment
17 Initiative in 2002 in response to an
18 assessment survey that highlighted the
19 need for additional support for
20 neighborhood commercial corridors. To
21 date, LISC's commitment to Philadelphia
22 totals over \$2 million as we continue
23 into Year 4 of the initiative.

24 LISC's investments, program
25 design and advocacy have also attracted

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2 other funding, including the state Main
3 Street Program that is now in five
4 neighborhoods in the City. With the
5 support of LISC, the City and other
6 partners, including PACDC, many of our
7 neighborhood commercial corridors are
8 showing great signs of improvement, with
9 new businesses, more shoppers, improved
10 and greener streetscapes, rising property
11 values and a renewed sense of pride.
12 Places like Ogontz Avenue in West Oak
13 Lane, Germantown Avenue in Mt. Airy and
14 5th Street above Lehigh are just three
15 examples of places where LISC has
16 partnered with local CDCs to make a real
17 difference.

18 With NTI making a more
19 deliberate effort towards commercial
20 corridor revitalization, we see a great
21 opportunity to work more closely with the
22 City to leverage our efforts. As an
23 example, recently we have been discussing
24 a City-wide assessment of corridors that
25 would help both LISC, the City and other

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2 stakeholders better focus efforts on
3 strategies that work and on areas where
4 our efforts will have the greatest
5 impact, rather than spreading resources
6 around thinly with little real impact.

7 Over the past three years, we
8 have already worked closely with the
9 Empowerment Zone to improve the Girard
10 Avenue corridor to take advantage of the
11 return of the trolley and growing
12 neighborhoods nearby.

13 There are many lessons learned
14 over the past three years, and I can
15 discuss them of greater length with you,
16 but in order to be brief, here's a short
17 summary: First, invest and coordinate
18 support rationally where there is
19 capacity, and that's capacity of the
20 commercial core, the neighborhood market
21 potential and local leadership. In
22 short, consistency of support, full time
23 operating and planning at the ground
24 level rather than a top-down approach.

25 Safety and cleanliness are

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2 critical, and good lighting, cleaning and
3 policing are necessary. Good
4 pedestrian-oriented design and
5 streetscapes are worth the investment.
6 Nearby residential development and
7 density are closely related to corridor
8 health and should be considered.

9 Provide technical assistance
10 and information at the ground level.
11 LISC has helped many workshops and worked
12 with corridor managers around a modified
13 Main Street approach and has also
14 provided market analysis tools for
15 planning.

16 Aim for measurable outcomes
17 that help corridor managers stay focused
18 and demonstrate progress and allow us to
19 know whether progress is really being
20 made.

21 Funding commercial acquisition
22 and improvements, as well as upstairs
23 residential redevelopment, is important
24 in impacted neighborhoods. The need to
25 find and attract good retail businesses

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2 to neighborhood corridors is a continuing
3 challenge.

4 Understand and build upon
5 neighborhoods' assets and niches, both
6 physical; for example, buildings and
7 transportation, and social; for example,
8 ethnic, arts, education and other market
9 niches. And sometimes the best lessons
10 learned are those shared between
11 neighborhood corridor managers, as we
12 found as we've pushed our program out and
13 used that as a crucible for corridor
14 managers to work together.

15 LISC looks forward to building
16 our partnership with the City and others
17 and we appreciate the leadership of
18 Councilman Goode in this effort.

19 Thank you.

20 COUNCILMAN GOODE: Thank you,
21 Mr. Toy. And I'd like to thank the whole
22 panel for being able to develop testimony
23 on short notice, but I know you are all
24 actively engaged in this, so it's not
25 hard to talk about what you're thoroughly

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2 engaged in.

3 I'd like to ask several
4 questions to the entire panel. I'm
5 trying to create some context in terms of
6 we've been doing this for over 30 years.
7 The Office of Housing and Community
8 Development actually developed a
9 Neighborhood Commercial Revitalization
10 Program in 1974.

11 What is the status of
12 neighborhood commercial revitalization in
13 2005 versus 1995 or in 1985 or 1975?
14 Where are we?

15 MS. GLADSTEIN: They're looking
16 at me, aren't they? I mean, I think some
17 of this has been highlighted in the
18 testimony to date in that I think there's
19 a heightened interest among a number of
20 parties and there are new funding
21 sources, all of which is an increased
22 capacity and technical assistance
23 available. You've heard about some of it
24 sitting right here.

25 LISC has received funding and

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2 can support groups. The CDC associations
3 provide a lot of peer support to other
4 groups, and we're working actively with
5 business associations and others.

6 The state has new resources
7 available that hadn't been there before,
8 and at the City, we've tried to create
9 more flexible opportunities using
10 Economic Stimulus and now NTI funding.

11 I think those are all good
12 things. I think that it, however, calls
13 for increased coordination. The good
14 thing leads to a challenge, which is
15 making sure it all, in the end, fits
16 together into kind of the best puzzle
17 that you can put together. So making
18 sure that the right resources are matched
19 to the right needs. Where, frankly,
20 sometimes public funding isn't going to
21 be able to fill a particular niche, then
22 you have to identify who are the private
23 funders out there that have these
24 interests and hopefully help direct them
25 to those other places where the public

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2 money isn't going to work as well.

3 And that's a challenge we've
4 taken on. I don't think it's something
5 that can happen overnight, but I think
6 we're fueled by the interest and activism
7 and resources that are available. So,
8 again, I think that's a good thing.

9 COUNCILMAN GOODE: Mr. Sauer.

10 MR. SAUER: I certainly can't
11 comment back to the 1970s since I wasn't
12 active in Philadelphia back that far, but
13 I would say that we have seen a
14 significant increase in involvement by
15 CDCs in neighborhood commercial corridor
16 activities in the last several years, and
17 I think part of that is driven by the
18 availability of new funding sources and
19 increased attention that is being paid by
20 various stakeholders on this important
21 issue.

22 Groups in the past that may be
23 focused more on housing development have
24 really seen that in order to achieve
25 broader successful neighborhood

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2 revitalization, they need to address a
3 range of things, and that includes
4 strengthen the local economy, working on
5 the commercial corridor, making sure
6 there is good access to goods and
7 services in all neighborhoods, as well as
8 local job opportunities.

9 So I think it's been a natural
10 progression or maturity of the CDC
11 industry to recognize the importance of
12 that role, but also the support of
13 policies and resources that have been
14 coming the last few years have helped
15 push groups as well.

16 COUNCILMAN GOODE: Mr. Toy.

17 MR. TOY: I would say that our
18 Philadelphia experience mirrors what's
19 happening around the country. In many
20 cities, the CDCs that, as Rick was
21 saying, started out as housing,
22 affordable housing proponents, are now
23 getting into commercial corridors and
24 other things, because they understand the
25 holistic importance of dealing with

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2 everything within the community, not just
3 housing. And I think that the knowledge
4 that we're gaining both locally and
5 nationally and regionally I think is
6 helping us to better frame our approach,
7 and hopefully we'll actually be able to
8 target our resources in a better way so
9 that we create better impact and not just
10 put money out on the street without
11 really any knowledge about what the
12 outcome might be.

13 COUNCILMAN GOODE: And what do
14 you see as the primary goal now? Is it
15 the provision of goods and services? Is
16 it job creation? Is it blight
17 elimination? What do you see as the new
18 focus of neighborhood commercial
19 revitalization?

20 MR. TOY: I think it's all of
21 the above to some extent, but it's really
22 about the neighborhood more than -- I
23 think jobs are important, but it's really
24 about creating neighborhoods of choice,
25 neighborhoods that are healthy, that

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2 people want to live in, that people can
3 shop, feel safe. So it's connected more
4 to the neighborhood than to just the job
5 creation, I think.

6 MR. SAUER: I would concur to
7 that. I don't think you can single out
8 one factor saying that has to be the
9 leading goal of commercial corridor
10 revitalization activities. I think
11 they're all important. If you don't have
12 local access to quality goods and
13 services, it is hard to attract new
14 residents. If you don't reduce the
15 blight in the neighborhood, it's hard to
16 attract new businesses to that corridor.
17 But you certainly want to use this as an
18 engine to create local jobs and the local
19 neighborhood economy as well.

20 So I think they're all
21 complementary goals and the question is,
22 as you design programs and implement
23 them, how can you ensure that all three
24 of those goals are being achieved by the
25 programs overall.

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2 COUNCILMAN GOODE:

3 Ms. Gladstein.

4 MS. GLADSTEIN: I'm going to be
5 a broken record here. Just coming from a
6 different point of view, having directed
7 the Empowerment Zone for a number of
8 years, I think that what we learned
9 really is that you do need a
10 comprehensive approach, and whereas the
11 goal is going to be through our lens
12 economic growth and revitalization, you
13 don't do that without, for example,
14 removing blight, making vacant land more
15 attractive, encouraging development and
16 attracting new business.

17 Most business growth is going
18 to happen through small businesses, since
19 that's an important component of it, but
20 we found whenever we focus on just one
21 aspect of this, the other was found to be
22 lacking, and residents and businesses
23 would approach us around the other
24 components of it. So we couldn't just do
25 one piece of it at a time. We wouldn't

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2 be successful.

3 COUNCILMAN GOODE: What's the
4 most recent needs assessment conducted of
5 commercial corridors City-wide?

6 MR. TOY: Excuse me?

7 COUNCILMAN GOODE: What's the
8 most recent needs assessment conducted of
9 commercial corridors City-wide?

10 MS. GLADSTEIN: There have been
11 several reports. I don't know if I would
12 characterize them as needs assessments.
13 The City Planning Commission completed
14 its Philly Shops update. Was it last
15 year?

16 Last year, looking at all of
17 the City's commercial corridors, vacancy
18 and other physical attributes on those
19 corridors. And also the William Penn
20 Foundation funded a report by Econsult I
21 think managed through the Economy League.

22 COUNCILMAN GOODE: Speaking
23 more of a needs assessment more so than
24 an analysis of what's going on, but an
25 actual maybe surveying of business

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2 associations or community development
3 corporations or individual businesses as
4 to what the actual needs on a
5 corridor-by-corridor basis are.

6 MR. TOY: In 2001, LISC, before
7 I got there actually, LISC had done a
8 survey, commissioned a survey of CDCs
9 mainly, I think, in 13 neighborhoods, and
10 out of that, the program at LISC was
11 born, because there was a critical need
12 in certain areas, such as technical
13 assistance and coordination and local
14 funding, core funding, that came out of
15 that as needs.

16 COUNCILMAN GOODE:
17 Ms. Gladstein, what's the timetable for
18 developing selection criteria for your
19 RFP?

20 MS. GLADSTEIN: That will be
21 occurring over the next month. We hope
22 to have it out in the next month, which
23 means in the next week or two, we'll
24 probably have a draft that then we'll
25 start to share and review with people.

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2 COUNCILMAN GOODE: I know you
3 said you're going to release the RFP in a
4 month, but you also talked about working
5 with City Council and the stakeholders on
6 selection criteria. The RFP is being
7 released within a month. When is the
8 selection criteria going to be developed?

9 MS. GLADSTEIN: My goal would
10 be to have a draft that would be
11 available for discussion with members of
12 Council in the next two weeks.

13 COUNCILMAN GOODE: Okay.

14 MR. SAUER: Just quickly back
15 to the needs assessment issue, one other
16 report or sort of process that happened
17 recently is that a number of CDCs worked
18 with GPUAC to survey small businesses in
19 their community, and while it wasn't an
20 exhaustive survey, it did get a better
21 grasp on some of the issues around access
22 to capital that I think are important to
23 address and help identify some needs.

24 But it does point to a larger
25 issue of ensuring that we are reaching

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2 out to the stakeholders in the community
3 to find out from the folks who are
4 working at the ground level, whether it's
5 small businesses or CDCs, of what the
6 actual needs are in their communities,
7 where they have a need for resources to
8 bring to bear on improving commercial
9 corridor revitalization.

10 So I think as the City looks at
11 how it's going to allocate its funds in
12 the future, it's really important to have
13 a process to get that input to make sure
14 that we're targeting resources
15 effectively.

16 COUNCILMAN GOODE: What
17 commercial corridors would you deem
18 success stories versus those you might
19 consider to be failures?

20 MR. TOY: I mentioned three in
21 my testimony. I don't know about
22 failures. I'd like to not think about
23 failures, but...

24 COUNCILMAN GOODE: Could you
25 restate the three that you deem to be

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2 success stories?

3 MR. TOY: Ogontz Avenue in West
4 Oak Lane, Germantown Avenue in Mt. Airy
5 and 5th and Lehigh. Those are just ones
6 that we work in. Certainly there are a
7 lot of successful ones.

8 COUNCILMAN GOODE: Of course,
9 I'm not pointing this question at the
10 three of you, but you are at the table.
11 Thirty years into neighborhood commercial
12 revitalization, how many success stories
13 do we actually have?

14 MS. GLADSTEIN: I think
15 corridors as communities in 30 years go
16 through lots of phases and cycles and
17 what was -- I mean, I think one of the
18 concerns in front of all of us is that
19 corridors that might have been thriving
20 and very successful in 1975 may not be
21 now, and that has to do with a range of
22 larger issues, obviously.

23 COUNCILMAN GOODE: I guess my
24 question is, what corridors have actually
25 been successful at any point during that

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2 more than 30-year history of neighborhood
3 commercial revitalization?

4 MS. GLADSTEIN: I mean, I think
5 a lot of corridors have a lot of things
6 going for them now, and naming them means
7 that there are many others that I'm not
8 naming, but I think North 5th Street; I
9 think Girard Avenue is starting to
10 prosper both on the very far east and
11 west side of it; Passyunk Avenue. I'm
12 trying to kind of go around the City.

13 MR. TOY: If you want to go
14 into other neighborhoods, there's
15 Germantown.

16 MS. GLADSTEIN: Germantown
17 Avenue, East Falls.

18 MR. SAUER: 22nd Street.

19 MS. GLADSTEIN: North 22nd
20 Street.

21 If you're saying over the last
22 five years that have been able to do well
23 or improve, I think that there are a
24 number that could be cited. Frankford
25 Avenue.

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2 MR. SAUER: I think with the
3 increased attention that has been given
4 on commercial corridors in the last
5 several years, you see more progress as
6 of late. It doesn't mean there's not a
7 long way to go in many corridors. I
8 mean, the decline that happened in these
9 corridors happened over a number of years
10 and for a number of factors, as we
11 mentioned, so it's not going turn around
12 overnight, but I think one of the real
13 questions is how can we sustain the
14 advances that are being gained on those
15 corridors over the long term.

16 COUNCILMAN GOODE: Which
17 development agencies do you believe
18 performed better in terms of commercial
19 corridor revitalization; for instance, a
20 Manayunk development corporation or
21 University City District? What others
22 would you name that perform well in terms
23 of commercial corridor revitalization?

24 MR. TOY: I think each corridor
25 has its niche and each group has certain

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2 strengths. I wouldn't say one is better
3 than the other at doing it. And then the
4 market --

5 COUNCILMAN GOODE: Clearly,
6 some are better than others. I'm looking
7 for examples of what type of development
8 organizations should be utilized to
9 revitalize commercial corridors.

10 MR. TOY: Well, if you want my
11 opinion, I mean, CDCs are what we work
12 with, and because they already have a
13 core of operations within neighborhoods,
14 they're the natural to work in impacted
15 neighborhoods rather than building a new
16 organization around some other entity or
17 having it come from above, because
18 they're the ones that are at the ground
19 level already.

20 MR. SAUER: As I said in my
21 testimony earlier, I think it really is
22 key to have that local entity to
23 facilitate the corridor revitalization
24 process. I think you can have different
25 people playing that role, whether it's a

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2 CDC or a business association or someone
3 else, but it needs to be an entity that
4 really has capacity to coordinate all the
5 different actors involved and bring the
6 resources to bear. And I think as Andy
7 mentioned, CDCs are well positioned to
8 play that role. Are they the only
9 entity? No, I wouldn't say they're the
10 only entity. I mean, there are other
11 entities, too, that can play an important
12 role, but I think we need to look at
13 where we have capacity now, how we can
14 build on that and where we don't have
15 that capacity, again, how can we develop
16 it there in those neighborhoods as well.

17 Otherwise, if you just -- I
18 mean, some corridors are strong enough,
19 they don't need that, but in areas that
20 have been disinvested, without that
21 coordinated effort, you're just going to
22 get a scattershot approach or further
23 disinvestment, I think.

24 COUNCILMAN GOODE:
25 Ms. Gladstein, who is eligible to receive

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2 funds through this RFP?

3 MS. GLADSTEIN: It's going to
4 be -- we will have eligibility criteria,
5 but essentially it will be non-profit
6 organizations who are engaged in
7 commercial corridor support programs.
8 So, for example, for the Main Street
9 funding, there will be specific
10 eligibility guidelines, because that
11 flows from the state and they have
12 certain criteria for Main Street
13 organizations.

14 COUNCILMAN GOODE: One last
15 question, is there a superior model for
16 commercial corridor revitalization; for
17 example, Main Street or PCDC's program or
18 the initiative by LISC? Have we
19 developed a superior model after these
20 years of our being engaged in
21 revitalization?

22 MS. GLADSTEIN: I think we've
23 learned a lot, and you've heard some of
24 it in the testimony today. Do we know
25 the absolute -- are we at the pinnacle?

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2 Probably not. There's probably more to
3 learn. And I think in Philly you see
4 different models. PCDC doesn't
5 necessarily see its role -- because it's
6 City-wide and it's working in support of
7 a number of corridors, but there are
8 local entities there. They don't
9 necessarily see their role the same as a
10 community development corporation or a
11 neighborhood business association. Some
12 of it is sort of apples and oranges.

13 I think that what we have
14 learned is that there have to be a
15 variety of skills present on the
16 corridor. They may come from one
17 organization or from several
18 organizations. It may be a CDC working
19 with the business association or business
20 association having the support of another
21 group or PCDC, as an example, but there
22 are a variety of kind of management
23 skills, as well as development skills, as
24 well as marketing skills that we start to
25 see coming together to make healthier

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2 corridors.

3 COUNCILMAN GOODE: Mr. Sauer.

4 MR. SAUER: I would agree that
5 I don't know if we found the final best
6 model, but I think we've made a lot of
7 progress. I think LISC with its program
8 working on a number of commercial
9 corridors has really identified some key
10 ingredients to doing successful work on
11 those corridors. And I think it's an
12 ongoing learning process that we can
13 improve over time. I mean, they're
14 learning more from what's worked in other
15 cities as well as what's working or not
16 working here in Philadelphia.

17 So I think we need to continue
18 to have a focused effort. It can't just
19 be commercial corridor is the flavor of
20 the year and we're going to focus
21 attention now and next year and then
22 fundors move on to something else. I
23 mean, this really has to be sustained
24 over time, both so we can improve the
25 model that we have but also ensure that

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2 resources are coming to bear for the long
3 term so we can have success in these
4 corridors.

5 COUNCILMAN GOODE: I guess the
6 question, Mr. Toy, is, if LISC is engaged
7 in this activity in a number of different
8 cities nationally, is there a model
9 that's being employed or is there a model
10 that's being specifically employed in
11 Philadelphia?

12 MR. TOY: Well, I would say,
13 generally speaking, there is a model that
14 we use, which is a modified Main Street
15 approach, first of all, in terms of
16 looking at the different facets of work
17 and getting some organization around
18 that, but also I think, more importantly,
19 it's the idea that the local people
20 really know what's going on and need to
21 be supported in their efforts.

22 So the funding really does flow
23 down to the CDC or local level,
24 neighborhood level. And I think that's
25 probably one of the more important

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2 aspects of how we approach it rather than
3 having an agency, a super agency, trying
4 to figure out what's good for everybody,
5 having the planning actually -- and
6 something we forgot to mention was the
7 planning that has been going on in a lot
8 of neighborhoods now. And I think that's
9 really important, because not only does
10 it map out your future, it also brings
11 people together and creates a shared
12 vision, which many times before there was
13 no shared vision. It was just the vision
14 of a few and they couldn't get people to
15 follow.

16 So I guess having community
17 involvement is really key and having
18 support at that level is key for us.

19 COUNCILMAN GOODE: Thank you.

20 Let me note for the record
21 we've been joined by Councilman Nutter
22 and Councilwoman Reynolds Brown, and the
23 Chair recognizes Councilman DiCicco.

24 COUNCILMAN DICICCO: Thank you,
25 Mr. Chairman, and good morning.

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2 A lot of things have been said
3 here, and I'll try to get through this as
4 quickly as possible. I do agree with
5 some of the statements that were made,
6 and I think Mr. Toy may have made them,
7 that I've always been of the belief that
8 the way the commercial corridor goes is
9 the way the residential community goes
10 and vice versa. If you lose your
11 commercial corridor, you will certainly
12 lose your residential community and vice
13 versa again.

14 I've been involved with a
15 number of projects in my district and I
16 appreciate all the work that goes
17 through, but one of the things that I
18 have some difficulty is that as a
19 Councilperson, I may call up and say to
20 the Commerce Department, say, I'd like to
21 talk to someone about putting some
22 resources into the East Passyunk Avenue
23 corridor, as an example. And we've done
24 that, but for me, it becomes confusing
25 because there's so many different

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2 entities that may have to participate in
3 that.

4 I thought I heard somewhere in
5 this testimony that some of that
6 transparency or ability to combine or
7 compress the agencies and make it more
8 seamless is what your goal is, and if
9 that's what your goal is, I appreciate it
10 immensely, because it just -- I'm one who
11 likes to be on top of these things
12 personally at least to get them off the
13 ground, and then staff will handle it
14 after that. So for me, it becomes trying
15 to remember who I spoke with about what,
16 and where the money is coming from does
17 pose a problem for me personally.

18 When you look to do investments
19 in commercial/retail corridors, will
20 there or is there, are there resources
21 that could be used for a residential
22 component that may be part of that
23 commercial corridor as well? Because you
24 don't always have just all retail. We
25 have the mom-and-pop stores, most

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2 neighborhoods, with family living above
3 them. That has kind of dissipated, but
4 there are some blighted properties in and
5 around these corridors that probably the
6 best use would be residential, and,
7 again, it's the support of each that will
8 go a long way.

9 MR. SAUER: You're right.
10 That's a very typical scenario in many of
11 our neighborhood commercial corridors,
12 where you have a storefront on the first
13 floor and residential apartments,
14 whatever, above, and our members are
15 finding it very difficult to access
16 financing for those mixed-use type
17 projects. You went to a bank and they
18 would want to treat the store as a
19 commercial loan and then treat the
20 apartments as a residential loan, and it
21 was just very complicated financing.

22 Back two, three years -- three
23 years ago, I guess it was, we actually
24 brought together a group of folks. LISC
25 was around the table, PHDC, us, Regional

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2 Housing, Legal Services, PNC Bank, a
3 number of CDCs, to really take a closer
4 look at that issue, and came up with a
5 proposal for a new program that PHFA
6 actually adopted. It's called the MUFFI
7 Program, the Mixed-Use Facility Financing
8 Initiative, that specifically supports
9 the development of mixed-use space on
10 neighborhood commercial corridors. It's
11 been a very successful program. It's
12 part of the PHFA's Home Choice programs
13 that also does the larger-scale
14 residential development. And I think
15 it's received more applications in the
16 last year or two than any of the other
17 Home Choice programs they operate.

18 So, clearly, there's a demand
19 for that type of product, not just here
20 in Philadelphia, but state-wide it's been
21 tapped into, and I think that's one way
22 to address that important need.

23 COUNCILMAN DICICCO: In my
24 district, I actually have a specific
25 corridor that's somewhat depressed over

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2 the last couple decades and we've
3 invested some significant money in the
4 corridor to do some facade improvements,
5 but to the southern end of where we've
6 made those improvements, we still have a
7 lot of blighted properties, and one of my
8 ideas was to take this big old building
9 and convert it into a senior citizen
10 housing complex with maybe some retail on
11 the first floor. And I already have some
12 people working on that. I have a
13 non-profit and some other folks with some
14 ideas of their own to see if that makes
15 sense.

16 Who would I call? Who do I go
17 to to talk about expanding that vision?
18 Whether it's the right vision or not, I
19 don't know. It's an idea I have. It
20 could be the worst idea in the world, but
21 it's a start.

22 Where do I go? Who should I
23 call? Do I call Commerce? Do I call
24 Andy? Do I call Eva?

25 MR. SAUER: We're certainly

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2 more than willing to talk to you further
3 about that.

4 MS. GLADSTEIN: Let me give you
5 my phone number. How's that? I think if
6 you call me, we would try to pull
7 together the right folks, because there's
8 also sources of housing development
9 funding for a project like that.

10 I want to mention one other
11 resource that we administer. While it's
12 not actual cash, it's very valuable, and
13 those are the renewal community tax
14 incentives, and there have been a number
15 of projects that have attracted
16 investment on commercial corridors,
17 including some mixed-use projects, where
18 the investor -- we've done this on North
19 22nd Street, on Lancaster Avenue, on
20 Girard Avenue, on Ridge.

21 The investor has been able to
22 get a significant tax incentive, a tax
23 deduction, for the investment for the
24 capital improvements they've made in the
25 property, and in many cases, it's made a

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2 difference. And that's a federal tax
3 incentive. It's not cash coming out of
4 the City, but it can really help the
5 investor meet their bottom line. So we'd
6 be happy to continue that conversation
7 with you.

8 COUNCILMAN DICICCO: Thank you,
9 and two other points and I'll end. I
10 think Councilman Goode raised the
11 question about where the successes are
12 over the last 30 years and all. I'm of
13 the age that I can remember the
14 neighborhood corridors when that's where
15 everybody shopped, and a lot of reasons
16 for those corridors failing and becoming
17 vacant. Some have to do with the fact
18 that we lost jobs in the City and
19 manufacturing jobs went, so did the
20 population, and those neighborhoods
21 became basically vacant, for the most
22 part.

23 I think that in the last
24 several years, maybe in the last two or
25 three years, more importantly, that the

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2 City of Philadelphia is poised, I
3 believe, to really take advantage of the
4 changes in society, if you will, that
5 caused some of the blight initially for
6 these commercial corridors when shopping
7 habits of individuals change with the
8 development of malls. I mean, South
9 Philadelphia where I'm born and raised,
10 South Jersey is where everybody still
11 goes to shop, for the most part. They
12 drive over the bridge, get stuck in
13 traffic for two hours and all those crazy
14 things, but yet they think it's more
15 convenient.

16 But we're seeing more and more
17 of the residents who are moving back into
18 the City or new residents that are moving
19 in who are moving for obvious reasons.
20 The reasons that they choose are
21 convenience, not having to get in their
22 car and drive to malls and get into
23 gridlock, who want the experience that I
24 grew up, being able to walk to a
25 neighborhood butcher shop, bakery shop.

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2 That's the nice things, and that's what
3 made our neighborhoods very viable and
4 attractive. So we're kind of going full
5 circle. With the rising costs of fuel,
6 traveling to the mall is becoming more
7 expensive and all those things.

8 So what I'm getting at is, in
9 the East Passyunk Avenue corridor, we're
10 still doing work. There was a non-profit
11 that was a subsidiary of Citizens
12 Alliance, which gets written up often
13 times in the papers, and they acquired a
14 number of properties and they're doing
15 the investment to do some major work on
16 those properties and offer some
17 attractive rental/lease opportunities.

18 Despite their best efforts, we
19 still have not really seen any increase
20 in the activity for shoppers. Some of it
21 may have to do with the two prior
22 Executive Directors of the bid. Not
23 being too critical, but I don't think
24 they were really the right people for the
25 job, and they're seeking another person

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2 to fill that slot, and I think the new
3 person that they have in mind will do an
4 excellent job.

5 But despite all those best
6 efforts, unlike the Center City District,
7 which in the last decade has made
8 tremendous gains, but they have a huge
9 chunk of money because of the volume and
10 the taxes that they get by way of their
11 bid. The smaller neighborhoods, East
12 Passyunk Avenue, maybe they can come up
13 with \$100,000 a year, and once you back
14 out the cost of the Executive Director
15 and other costs, there's really little
16 left for marketing. On their own as
17 individual retailers, they do their ads
18 in the local newspapers and all, which is
19 pretty expensive. I mean, advertising in
20 the South Philadelphia Review is very
21 expensive. I don't know what other local
22 newspapers are.

23 Is there money, will there be
24 money, could there be money that could be
25 used for marketing, not just for East

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2 Passyunk Avenue but for the neighborhood
3 corridors throughout the City, talking
4 about shopping in Philadelphia, but not
5 just only downtown, and talk about some
6 of the things that -- it's like a sales
7 pitch. If you shop in your neighborhood
8 compared to going to the Deptford Mall --
9 and I always get in trouble because I
10 kind of pick on South Jersey, but that's
11 okay. But as opposed to the fuel, your
12 wear and tear on your car, your tolls and
13 all those other things most people don't
14 even think of, but the shopping
15 experience in Philadelphia could be a
16 great opportunity for people.

17 Will we be spending any money
18 in that area of marketing, again not just
19 for downtown, but the neighborhoods as
20 well? Because that's really one of the
21 big ticket items for neighborhood
22 corridors. You got the people who live
23 there. There's no question about it, but
24 how do you draw some other folks in from
25 a mile or two away?

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2 MS. GLADSTEIN: The short
3 answer is yes. This is something that's
4 a significant need. We're looking at
5 marketing --

6 COUNCILMAN DICICCO: I should
7 ask Councilman Goode. He's got an
8 advertisement.

9 MS. GLADSTEIN: He's got one
10 right there.

11 I mention in my testimony we
12 went to ICSC for materials from a number
13 of neighborhood organizations that were
14 put together in fairly short notice so
15 that we could promote those corridors as
16 the City in front of a number of vendors,
17 but I think that there's more that can be
18 done. It's an eligible activity for a
19 Main Street organization, and we're
20 hoping very much that it will be one of
21 the activities in this request for
22 proposals.

23 We also think that a lot of the
24 groups probably need to learn more about
25 how to do marketing. So some of it may

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2 be about technical assistance and some of
3 it may be about the money to do it, and
4 we'll be looking at that.

5 COUNCILMAN DICICCO: I'll end
6 with this. I have to leave, and I
7 appreciate getting the extra time. And
8 Councilman Goode, I want to thank him for
9 putting this together. I think this is
10 very helpful, and I'm certainly going to
11 work with the Councilperson.

12 Transportation, public
13 transportation, I believe -- and, again,
14 I could be wrong -- I think is very
15 crucial to a lot of these things we're
16 talking about, and I'll give you one
17 quick example. A couple years back I was
18 able to convince SEPTA to put the 23
19 trolley line back in service during the
20 holidays from Market Street or Arch
21 Street down to Bigler and make that loop,
22 and people started using it. Because I
23 understand from reading about a lot of
24 this stuff, that people are actually
25 intimidated by buses but they're not as

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2 intimidated using trolleys.

3 Now, we got a lot of work to
4 try to convince SEPTA that trolleys work
5 better. Every other city figured it out
6 because they bought our trolleys, but we
7 can't do that here for some reason.

8 I think that SEPTA could be a
9 component to this neighborhood shopping
10 experience, whether it's trolleys or some
11 sort of a Phlash type of bus. I think
12 that that could make it not only more
13 attractive, as attractive or more
14 attractive, because it makes it more
15 accessible and convenient for people to
16 get there.

17 So my opinion is, it's a big
18 package of financial investment, facade
19 improvements, all of those things
20 combined, but how do you get people to
21 and from there is also, I think, a --
22 because in a lot of these commercial
23 corridors in neighborhoods, there's no
24 place to park when you get there, and,
25 unfortunately, a lot of people don't walk

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2 anymore. So you got to get them there,
3 and in lieu of the car, public
4 transportation I think is critical.

5 MS. GLADSTEIN: I know that the
6 Girard Coalition has asked SEPTA to work
7 with them, just as an example, to use the
8 trolley in a way that would support
9 shopping along that line.

10 COUNCILMAN DICICCO: The 15,
11 which I tried to get on the 23, but
12 Councilman Nutter wouldn't give it up.

13 MS. GLADSTEIN: Well, the 15 is
14 first and if it's successful, then the
15 rest will come along.

16 COUNCILMAN DICICCO: Thank you.

17 Thank you, Mr. Chairman, for
18 allowing me the extra time.

19 MR. TOY: Can I comment on a
20 few things that you said? You went
21 through a number of points.

22 COUNCILMAN DICICCO: Sure.

23 MR. TOY: First, on the
24 transportation, as you probably know, all
25 of our commercial corridors are in

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2 transportation centers.

3 COUNCILMAN DICICCO: A lot of
4 trolley tracks go through those areas.

5 MR. TOY: Right. There's bus
6 lines or trolleys or subways on every one
7 of our commercial corridors. So that's
8 how they became the centers, I think.

9 And your issue of the City
10 advantages, I think that's what we're
11 trying to play to with all of our
12 corridors and all of our neighborhoods,
13 that the City is the place that people
14 should be coming to rather than fleeing.
15 We have tremendous advantages in quality
16 of life and being able to walk to the
17 store or walk through your neighborhood.

18 And then the marketing side, I
19 think we've had a little bit of
20 experience at LISC in our programs, and,
21 unfortunately, we only cover nine
22 corridors now. So we can't cover every
23 place that you are as well, but at least
24 with our small program, there have been
25 some joint marketing approaches, for

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2 example, at 5th and Lehigh. Ossa (ph)
3 has brought the merchants together. So
4 you need that organization sort of piece
5 to it to bring people together to do the
6 promotion part. And they've gotten good
7 rates from the newspaper if they all take
8 a page together. And that's one
9 approach.

10 And then, interestingly, in Mt.
11 Airy, our CDC Director there, Farah
12 Jiminez, says, Sometimes you have to sell
13 the sizzle before the steak and create a
14 buzz. And I think that's what they've
15 done in Mt. Airy, and people are saying,
16 Wow, Mt. Airy, we should go there
17 because -- well, what's there? I mean,
18 it's growing and it's doing well, but
19 without that sort of buzz, people
20 wouldn't be thinking about going there.

21 So I think promotions is really
22 important to the corridors and making
23 them feel like places that people want to
24 go.

25 COUNCILMAN GOODE: I think what

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2 Councilman DiCicco was saying goes beyond
3 just real estate marketing or promotions,
4 but really some intensive technical
5 assistance in terms of cooperative
6 advertising, which I did when I was at
7 PCDC back in '92, '93, '94. It has been
8 continued, but not with any intensity in
9 terms of just telling people to use the
10 5th Street model that basically if you
11 can pull your resources to take out
12 full-page ads that list all the
13 businesses and send the message to the
14 neighborhood that we want you to shop
15 closer to home.

16 COUNCILMAN DICICCO: And,
17 again -- I get hung up on this trolley
18 stuff, but the 23 line is the longest
19 line in the country, and it probably goes
20 through several Councilmanic districts.
21 And it's not your problem. I'm sure you
22 have your opinion on SEPTA, but we all
23 need to collectively try to figure out
24 how we can convince them that maybe we
25 need to look at redefining the way their

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2 transit system could be helpful to the
3 economic development of this City. I
4 mean, it goes from the lower end of South
5 Philadelphia all the way through
6 Germantown, Chestnut Hill and back again.

7 And you're right, Mr. Toy,
8 every neighborhood that it goes past,
9 there is a commercial corridor. There
10 are many commercial corridors along that
11 23 line route. And, again, we're
12 fighting a losing battle with SEPTA
13 because we don't have enough
14 representatives on the Board, but I think
15 if we can make the pitch that it's
16 economic development, that may help at
17 least create a pilot program.

18 Thank you again.

19 Thank you, Mr. Chairman. I
20 appreciate it.

21 COUNCILMAN GOODE: Councilwoman
22 Tasco.

23 COUNCILWOMAN TASCO: She has a
24 follow-up question.

25 COUNCILWOMAN BROWN: I wanted

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2 to speak on Councilman DiCicco's point,
3 which I think is extremely well taken,
4 the notion of global, meaning
5 Philadelphia, global marketing in a very,
6 very strategic way, and the one agency I
7 believe in town that has mastered that
8 formula from a tourism standpoint is
9 Greater Philadelphia Tourism and
10 Marketing Bureau, where they, in a very,
11 very strategic way on a regular basis,
12 tour neighborhoods for a number of
13 reasons. And when you look at their
14 annual report and what that has yielded
15 in terms of tourism opportunities, it's
16 huge.

17 So right here in the City we
18 have a model that works, and if we're
19 serious about the illustration that
20 Councilman Frank DiCicco has pointed out,
21 we have a formula that works and it's
22 just a matter of thinking outside of
23 government and going to a place where
24 it's working, and there it works
25 extremely well.

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2 And as Councilman Goode
3 mentioned, PCDC does that in some way
4 right now. If we take that City-wide,
5 then it goes directly to the economic
6 development uptake that we get as a
7 result of approaching it in that way.

8 And so with the RFP process, I
9 have a number of subsequent questions
10 when my turn comes, but I'm curious to
11 hear more about that process and the
12 criteria that speak to the goals you're
13 trying to achieve with the upcoming RFP.

14 MR. TOY: Just one comment on
15 that. We've worked with GPTMC and I
16 worked with them on their neighborhood
17 tourism network, which is what you're
18 talking about, I think, and what they've
19 done is, they found the niches that I
20 mentioned before, like the cultural or
21 ethnic or university or university area
22 or 5th Street, Latino area, Chinatown or
23 the historic nature of Germantown, you
24 know, the history piece. So they've
25 taken those little chunks and --

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2 COUNCILWOMAN BROWN: And they
3 put it all together.

4 MR. TOY: Yeah, and they've
5 made that an attraction for people.

6 COUNCILWOMAN BROWN: Yes, they
7 have, and in an extremely successful way
8 in that they have pulled in every single
9 neighborhood -- it is an impressive tour,
10 and if you've never taken it, I would
11 encourage you to do that if you want to
12 move towards coming up with a global
13 marketing strategy of business corridors.

14 Councilwoman Tasco has given me
15 the opportunity to ask subsequent
16 questions tied to those raised already.

17 Speak in some greater detail
18 about this pending RFP process. What
19 opportunities exist for new or emerging
20 CDCs as it relates to this? And there
21 may be none, but I'm curious to know, are
22 they factored in when RFPs are coming
23 down the pike?

24 MS. GLADSTEIN: Our goal was
25 to --

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2 COUNCILWOMAN TASC0: That's my
3 question.

4 MS. GLADSTEIN: Is that your
5 question? I spoke about this back in, I
6 guess, June or July during the NTI
7 hearings, and so some of this is an
8 update on it and a refresher and our new
9 thinking about it, but our goal was to be
10 as flexible as we could be to cast a
11 broad net, because we really -- not that
12 this serves as a needs assessment, but we
13 wanted to be able to understand truly
14 what all of the projects are that are out
15 there, who are the groups who are focused
16 on commercial corridors and what they
17 perceive as their needs for funding.

18 So we're trying to not narrow
19 it, but really sort of to understand the
20 full range of opportunity out there. And
21 so in order to do that and, again, to be
22 as flexible as possible, we're looking at
23 the three different sources of funds that
24 are available to us. The largest is
25 about 1.9 million from Neighborhood

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2 Transformation Initiative, NTI bond
3 proceeds. We're working with bond
4 counsel just to make sure we understand
5 any of the restrictions involved because
6 of the bond proceeds, but we believe that
7 those will be able to be used both for
8 hard costs kinds of things, improvements
9 on corridors, and we're hoping we will be
10 able to use it as well through grants for
11 services on corridors.

12 So that's our goal, but we're
13 still finalizing with bond counsel all of
14 the eligible uses for it.

15 The second source, as I
16 mentioned, is that there is additional
17 funding that's come from DCED for Main
18 Street type programs, and, again, they
19 have some more specific criteria about
20 the length of the corridor and the model
21 that Andy talked about a lot, but there
22 will be resources from there that will be
23 available through this RFP as well.

24 And the third resource is,
25 we're looking at previously granted

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2 Community Development Block Grant funds
3 but funds that haven't been spent, and
4 we're reviewing with the Finance
5 Department how much is available. And
6 there we're looking at funding
7 pre-development for projects, larger
8 projects, that will help to actually
9 transform a corridor. And many corridors
10 have kind of that building in there that
11 could be the anchor, but really needs
12 some significant investment. So this
13 would enable us to support some groups in
14 doing projects such as that.

15 So that's the range of what
16 we're looking at right now, and because
17 it's three different funding sources,
18 we're just trying to tie down to make
19 sure we know exactly what's eligible and
20 what's not to do that.

21 COUNCILWOMAN BROWN: In short,
22 the funding sources will drive what you
23 fund?

24 MS. GLADSTEIN: Well, we're
25 hoping that we'll be able to match the

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2 needs and proposals with the funding
3 sources rather than telling any group
4 they can only apply for one, that we'll
5 be able to mix and match, again, to
6 create the most flexibility.

7 COUNCILWOMAN BROWN: You have
8 subsequent questions on that?

9 COUNCILWOMAN TASC0: How do you
10 outreach to the emerging groups? How do
11 they know you exist? How do you make the
12 connection?

13 COUNCILWOMAN BROWN: How do
14 they access any one of you?

15 MS. GLADSTEIN: We're still
16 thinking about this, but just as an
17 example, we've talked to Rick about doing
18 a briefing through the CDC Association
19 about the RFP. We intend to post it on
20 the City and other available websites so
21 that we can get the word out, and we'll
22 work with the other organizations, that
23 we're willing to go travel and kind of
24 spread the word. We'll work with the
25 Mayor's Business Action Team, which is

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2 out on corridors, and with PCDC to try to
3 do as broad a sweep as possible.

4 COUNCILWOMAN TASC0: Do you let
5 the Councilpeople know?

6 MS. GLADSTEIN: Absolutely.
7 You'll know before they will.

8 COUNCILWOMAN BROWN: All right.
9 On Page 2 of your testimony, you mention,
10 and I quote, We have begun to coordinate
11 support to commercial corridors with PCDC
12 and the Mayor's Business Action Team.

13 Speak to me about what that
14 means, and is it implied then that those
15 agencies don't or didn't have a practice
16 of talking with each other with regards
17 to efforts out in the trenches?

18 MS. GLADSTEIN: I think we're
19 just trying to be a little bit more
20 strategic. The Mayor's Business Action
21 Team has a number of employees, and they
22 tend to be geographically focused. PCDC
23 has four people on its NCR, neighborhood
24 commercial corridor, staff, and they have
25 over 40 corridors. And then we on our

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2 staff have some people who are funded
3 through the Empowerment Zone to work on
4 specific corridors in West Philadelphia
5 and American Street.

6 What we're trying to do now is
7 make sure we know who is where and, where
8 there are gaps, to assign staff from at
9 least one of the three places so that
10 there won't be areas of the City that
11 aren't covered, and to make sure we have
12 sort of a point just for communication so
13 we're not duplicating efforts and we're
14 not leaving gaps in any communities. And
15 we've agreed to get there. I mean, we're
16 not there perfectly now, but we've had a
17 number of conversations already about
18 that.

19 COUNCILWOMAN BROWN: Okay.

20 COUNCILWOMAN TASC0: We're
21 going to do this as a duo, because
22 there's no point in coming back.

23 Are all of those departments
24 under you now?

25 MS. GLADSTEIN: No. No. The

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2 Mayor's Business Action Team is within
3 the City's Commerce Department.

4 Let me back up and say one
5 thing that we did with this transition
6 that I didn't mention in the testimony,
7 is that we moved our offices to the 12th
8 Floor of One Parkway, and we did that --
9 that's where the Commerce Department is
10 located, Mayor's Business Action Team is
11 located there, and so we're --

12 COUNCILWOMAN BROWN: Is PCDC
13 there?

14 MS. GLADSTEIN: PCDC is not
15 there. In fact, they just moved, but
16 they're not in a City building, but
17 they're near us. They moved to the
18 Packard Building at 15th and Sansom, so
19 that we could, just by proximity, even
20 have better communication among
21 ourselves.

22 But, as I said, the Mayor's
23 Business Action Team is part of the
24 Commerce Department. PCDC, their
25 contractual relationship with the City,

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2 they get funding through Community
3 Development Block Grant funds. I am now
4 the signer on that contract. So they're
5 under contract, and I'm, with my staff,
6 managing that contractual relationship.

7 COUNCILWOMAN TASC0: What does
8 that mean?

9 MS. GLADSTEIN: That means
10 we're monitoring and evaluating their
11 work and working with them to make sure
12 they're adequately funded and able to
13 provide the best service as possible.

14 COUNCILWOMAN TASC0: What does
15 that mean?

16 COUNCILMAN GOODE: It means
17 she's been with Jim O'Toole.

18 MS. GLADSTEIN: I'm not saying
19 that on the record.

20 COUNCILWOMAN TASC0: So you
21 monitor the contract, but do you have any
22 coordinating effort with them?

23 MS. GLADSTEIN: Yes. Well,
24 beyond monitoring the contract, as I
25 said, our staff has met with their

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2 neighborhood commercial corridor
3 managers, just as an example, and will
4 also be reinvigorating a coordinating
5 entity that had existed before called the
6 Neighborhood Commercial -- Neighborhood
7 Economic Development Collaborative -- I'm
8 not getting the exact name correctly --
9 that had existed in previous years where
10 we all come together on a regular basis.

11 MR. TOY: I just had one
12 comment on the coordination issue, which
13 is that it's not just the Commerce
14 Department and NTI and PCDC and us.
15 There are other departments in the City
16 that actually are important. And we've
17 tried to work with, for example, the
18 Streets Department on street lighting,
19 which without direction from above it's
20 kind of hard sometimes to get them to
21 also buy into the vision of commercial
22 corridors as important places to invest
23 in. So I think that's something Eva is
24 going to have to work on as she goes
25 forward.

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2 MS. GLADSTEIN: And we are. I
3 mean, just one of the examples is, I
4 mention in my testimony that we had
5 applied for funding from DVRPC. Well,
6 within the City, we sat down, the Streets
7 Department, the Commerce Department, the
8 Planning Commission, and looked at what
9 opportunities might exist to bring that
10 resource in, and that's an ongoing
11 process. There's coordination in terms
12 of applications to the state for Hometown
13 streets, for greening, DCNR grants.

14 So I'm never one to say it's
15 perfect. One can always do better, but
16 that's something that we've been very
17 conscious of, that it's important to do
18 that. And, again, I don't want to
19 under-emphasize that there are two
20 partners sitting here with me and some
21 others who are not here today who are
22 equally important. We're very clear that
23 we have certain obligations and
24 responsibilities and resources as the
25 City, but also sometimes some of these

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2 things are better done through non-profit
3 organizations. They might have more
4 flexibility or freedom or a different set
5 of skills. So we think it's real
6 important for all of us to know what
7 we're doing and to work towards the same
8 goal.

9 COUNCILWOMAN BROWN: Councilman
10 Goode opened his questioning with a
11 number of big-picture vision types of
12 focus, and the answers I wasn't extremely
13 happy with, so I'm going to repeat some
14 of them.

15 When you consider, Rick Sauer,
16 your statement that this is a window of
17 opportunity and when you hear from
18 Councilman Goode that the City has been
19 actively engaged in neighborhood
20 commercial corridors for X number of
21 decades and you mention three success
22 stories immediately, Ogontz Avenue,
23 Germantown Avenue, what part of
24 Germantown Avenue?

25 MR. TOY: Mt. Airy.

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2 MR. SAUER: Mt. Airy.

3 COUNCILWOMAN BROWN: And 5th
4 and Lehigh. In addition to strong
5 leadership, what were the other
6 ingredients of those three? I think you
7 mentioned some others, North 5th Street,
8 Girard Avenue, Passyunk.

9 What other common ingredients
10 are needed so that ten years from now
11 there are two dozen on the list versus
12 six that immediately pop? In addition to
13 strong leadership, what else should a CDC
14 have that moves them to what they're
15 designed to be and, that is, to energize
16 neighborhoods.

17 MR. SAUER: I think Andy -- go
18 ahead.

19 MR. TOY: We're actually
20 engaged in putting together a study as to
21 what are those ingredients, but I think
22 when we did our RFP to pick the eight or
23 nine groups that we started with, we
24 looked at capacity of the groups, we
25 looked at the market itself of the

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2 neighborhood. So, yeah, those three
3 areas have markets. People that live
4 there that are going to shop there.

5 They're not blown-out
6 neighborhoods necessarily. There is
7 enough density of residential around to
8 provide support for the commercial
9 corridor, and there was enough
10 infrastructure on the commercial corridor
11 so there's not -- in some neighborhoods,
12 you have so many missing buildings and
13 it's really hard to get off the ground
14 even if you have new residential coming
15 in, and that's a challenge in some
16 neighborhoods. And then in some
17 neighborhoods, I have to say that there
18 is, and we've all discussed this, the
19 need to shrink the commercial corridors
20 because the density of the neighborhood
21 has shrunk itself, so the market is
22 smaller.

23 But that's something -- you
24 need to look at the market, I think, as
25 well as the capacity on the ground level.

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2 COUNCILWOMAN BROWN: Okay.

3 MR. SAUER: And I think it
4 makes sense, too, to look where there has
5 been success or significant improvement.
6 Let's go back. What really were the key
7 factors in moving that corridor forward,
8 and compare that to other corridors where
9 there's been resources invested and there
10 hasn't been that same result.

11 I mean, I think we have a lot
12 to learn in that respect that can really
13 inform programs going forward. So that's
14 part of what the work that I think LISC
15 is looking to do, but I think that's
16 really critical to this.

17 COUNCILWOMAN BROWN: Is it fair
18 to say there is not -- this is not to be
19 critical. I'm trying to learn this based
20 on discussion and questioning.

21 Is it fair to say there's not a
22 one-stop-shop for a new or emerging CDC
23 for them to go to and get the A, B, C, D,
24 E, F, G script that they need to put in
25 place? You just ticked off several. Is

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2 there a one-stop-shop for new or emerging
3 CDCs where they can go to get the
4 blueprint to help them move towards the
5 level of success as experienced by
6 Ogontz, Germantown Avenue and Lehigh?

7 MR. TOY: On a workshop level,
8 yes, but in terms of day-to-day support,
9 not from us. Perhaps from other people,
10 but our workshops are -- we try to open
11 them up to all the CDCs in the City.

12 MR. SAUER: We get very
13 frequent inquiries from start-up groups
14 about what they need -- they're trying to
15 figure out what they need to do to put an
16 effective organization in place, whether
17 it's around a commercial corridor or
18 housing or something else.

19 So we try to provide some
20 limited assistance in that respect and
21 referrals to other organizations that I
22 think can be of more assistance. But I
23 don't think there is really a
24 comprehensive program in place to support
25 those new start-up organizations.

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2 The other issue, too, you got
3 to factor in is, when there's limited
4 resources, it's a balancing act between
5 supporting groups that already have
6 capacity so they can do more and better
7 things in their corridors and trying to
8 build capacity where it is not quite as
9 strong. So figuring out where that
10 balance is I think is really important.

11 COUNCILWOMAN BROWN: Does that
12 then present an opportunity for
13 government given the new coordination
14 that you've illustrated, Eva?

15 MS. GLADSTEIN: We've
16 identified a number of areas where we
17 think there aren't enough resources yet.
18 Capacity building, training, technical
19 assistance for these groups is one of
20 them. An acquisition pool is another.

21 Again, I don't have the answer
22 right now, and I don't even know that we,
23 the government, should be doing it, but I
24 think we should be helping figure out
25 where the resources are to support those.

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2 I wanted to answer your
3 question in a little bit different way,
4 which is I think there's not going to
5 be -- while there can be a blueprint, for
6 every neighborhood it's going to be
7 different, and I think that there are
8 sort of two parallel pieces of work that
9 have to happen. One is for the
10 individual organization building, its
11 capacity, which we're talking about, and
12 the other, which has been mentioned, is
13 having a vision and a plan in place. And
14 those are two different things, because
15 you have to get people to coalesce around
16 something positive and then have the
17 wherewithal to attract the resources to
18 implement it.

19 And so you can be doing both of
20 those on a parallel basis, but I think
21 you've got to be looking both at the key
22 organization or organizations as well as
23 what the community sees as what it wants
24 to see there.

25 COUNCILMAN GOODE: As a quick

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2 follow-up question, who is in charge or
3 who should be in charge?

4 MS. GLADSTEIN: Of what?

5 COUNCILMAN GOODE: Neighborhood
6 commercial revitalization.

7 MS. GLADSTEIN: I don't even
8 like that terminology. I think for the
9 City of Philadelphia --

10 COUNCILMAN GOODE: Neighborhood
11 commercial corridor element.

12 MS. GLADSTEIN: For the City of
13 Philadelphia, I've been asked to play
14 that role for now and our office,
15 Neighborhood Transformation Initiative.
16 I just think that we are not going to do
17 it alone. There are too many components
18 to it, and that's why I talked about
19 partnerships.

20 COUNCILMAN GOODE: My question
21 is not how many stakeholders or partners
22 there are going to be, but who is in
23 charge and who should be in charge?

24 MS. GLADSTEIN: I think I
25 answered.

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2 COUNCILMAN GOODE: So you're in
3 charge now?

4 MS. GLADSTEIN: That's been the
5 assignment I've been given.

6 COUNCILWOMAN TASC0: Following
7 up on that, I have an emerging CDC. Are
8 you familiar with the Lawncrest/Lawndale
9 Revitalization Program?

10 MS. GLADSTEIN: I've reviewed
11 the initial planning work that happened
12 there, yes.

13 COUNCILWOMAN TASC0: Because we
14 have someone from MBAT that works with
15 them, but does MBAT coordinate with them
16 all the other services that could be
17 available to them through PCDC or through
18 LISC, letting them know about LISC, or
19 even knowing that they might join the CDC
20 Association? Because they're new at this
21 and I'm fairly new at this, having not
22 too many CDCs in my district. We have
23 ORC, but they're self-sufficient and I
24 don't have to bother with them. But all
25 of those --

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2 MS. GLADSTEIN: Actually, MBAT
3 has been a good leader here, I think, in
4 bringing other resources and making us
5 aware of that plan and the desires of
6 that group. Hold on one second.

7 I thought it might have been an
8 area where we had done a tour, but I
9 think not yet. Again, I think that
10 they've been -- the Northeast
11 representative who is working there is
12 somebody who is aggressive and
13 conscientious.

14 MR. SAUER: We actually have a
15 pretty diverse membership as far as CDCs
16 from groups that have been around for 20,
17 30 years, have a lot of capacity to newer
18 start-up organizations that are just
19 getting their feet wet in different
20 issues, and I think there's a real
21 benefit from them coming together with
22 the other CDCs to learn and have an
23 opportunity to use them as a resource to
24 figure out what makes sense in their
25 neighborhood. So I can certainly follow

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2 up with your office around that as well.

3 COUNCILWOMAN TASC0: Okay. Let
4 me just ask one question. A lot of the
5 questions I had have been asked by
6 Councilwoman Blondell Reynolds Brown, but
7 I go back to MBAT with your working with
8 them. I know they come under the
9 Commerce Department. We had an issue
10 with their involvement with business in
11 my district that created a real problem
12 for some of my neighbors in East Oak Lane
13 and Olney, and we had hoped and wished
14 that they will have a better working
15 relationship with the local
16 Councilmembers before they move to help a
17 business to expand or take any action in
18 the community that could be a negative.

19 MS. GLADSTEIN: I'll certainly
20 share that. Again, they're still within
21 the Commerce Department, so I don't
22 supervise, but I'll share that, and I'm
23 sure they would appreciate that concern
24 and take action on it.

25 COUNCILWOMAN TASC0: Let me ask

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2 you, which neighborhoods are you taking
3 the tour?

4 MS. GLADSTEIN: I have done
5 this on an as-requested basis. I'm
6 available. If not myself, members of my
7 staff. So I had recently sent a letter
8 to Councilmembers and I did one during
9 the summer as well. So please contact me
10 if you think there's a particular
11 neighborhood that we should go out to.

12 COUNCILWOMAN TASCO: Okay. I'm
13 finished.

14 COUNCILWOMAN BROWN: You
15 triggered another question. I was
16 curious, too, to know what CDCs are
17 considered in the pipeline and what
18 criteria -- let me just put this in
19 context.

20 Right before this meeting, I
21 met with a woman from Councilwoman
22 Tasco's area who is looking to do this,
23 and I said, You need to start first with
24 your District Councilperson and then she
25 needs to call Eva Gladstein and Rick

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2 Sauer. So it's just ironic that we then
3 have a hearing following a meeting with
4 the woman who wants to move in this
5 direction. So it's an opportune time for
6 me to learn, but to also help her
7 understand what she needs to do.

8 You say 40 corridors?

9 MS. GLADSTEIN: There are 40
10 corridors that PCDC provides some level
11 of corridor support to.

12 COUNCILWOMAN BROWN: And so
13 does --

14 MS. GLADSTEIN: There are many
15 more corridors in the City.

16 COUNCILWOMAN BROWN: Does a
17 business strip have to attain some level
18 of value or status, or whatever, to
19 access the services that you provide? Do
20 they have to be a certain something
21 before? All they have to do is ask for
22 help; is that what I'm hearing?

23 MS. GLADSTEIN: Right.

24 COUNCILWOMAN TASC0: They don't
25 have to comply to any kind of guidelines

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2 anymore?

3 MS. GLADSTEIN: Again, let me
4 be clear. For the groups that are
5 supported by PCDC, these have to be
6 Community Development Block
7 Grant-eligible corridors, and there's a
8 list of them in the Consolidated Plan,
9 which I have with me. I think it's 43
10 corridors that fit those requirements.

11 COUNCILMAN GOODE: And
12 technically there is an application
13 process.

14 MS. GLADSTEIN: For that. But
15 that is not the only vehicle through
16 which we can provide support. So there's
17 no pre-qualification if somebody is not
18 in a CDBG-eligible commercial corridor.

19 COUNCILWOMAN BROWN: Very
20 helpful.

21 Thank you, Mr. Chairman.

22 COUNCILMAN GOODE: Councilman
23 Nutter.

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

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2 Ms. Gladstein, just a couple of
3 questions, and I think they're primarily
4 on Page 2 of your testimony.

5 You mention the commercial
6 corridors that are in the Consolidated
7 Plan as a part of the PCDC work, but you
8 did kind of indicate that there are many
9 more corridors in the City.

10 MS. GLADSTEIN: Right.

11 COUNCILMAN NUTTER: Is there an
12 official list of corridors, and
13 specifically as it relates now to the
14 RFP, could you be anywhere, or do some of
15 the same income bonds apply?

16 MS. GLADSTEIN: It's
17 attached -- and I can make it available
18 to you. There was a list of all the
19 corridors which we took from the City
20 Planning Commission's Philly Shops
21 document. It's 300 corridors,
22 approximately. So it's virtually any and
23 every corridor or commercial center in
24 the City.

25 COUNCILMAN NUTTER: Okay. And

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2 you said that there was a document
3 attached to --

4 MS. GLADSTEIN: Not to this
5 testimony. So I can make it -- it was
6 attached to the NTI Program Statement for
7 fiscal year '06.

8 COUNCILMAN NUTTER: Okay. A
9 lot of paper to keep track of.

10 MS. GLADSTEIN: I have it with
11 me, just not a copy to hand you.

12 COUNCILMAN NUTTER: I
13 understand. If you could provide that to
14 the Chair.

15 On Page 2, you made reference
16 down the bottom that you're going to
17 implement the Philadelphia Main Street
18 Program putting four CDCs under contract
19 to manage Main Street Programs and
20 establishing a Main Street resource group
21 with the state.

22 Who are the four CDCs?

23 MS. GLADSTEIN: The four CDCs
24 are the PEC, People's Emergency Center,
25 for a segment of lower Lancaster Avenue;

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2 Frankford CDC; Allegheny West for North
3 22nd Street; and Mt. Airy USA. Those
4 groups are Roxborough -- there's an
5 additional group that has funding but not
6 through the City of Philadelphia, and
7 that's Roxborough. They have funding
8 directly from DCED from the state, but
9 also to operate a Main Street program.

10 COUNCILMAN NUTTER: So it's PEC
11 on Lancaster Avenue, Frankford -- was
12 that group?

13 MS. GLADSTEIN: Frankford CDC.

14 COUNCILMAN NUTTER: Frankford
15 CDC.

16 MS. GLADSTEIN: Allegheny West
17 Foundation and Mt. Airy USA.

18 COUNCILMAN NUTTER: You made
19 reference on Allegheny West that it was 2
20 22nd Street?

21 MS. GLADSTEIN: No. It was the
22 North 22nd Street corridor.

23 COUNCILMAN NUTTER: Okay. And
24 the last one? I'm sorry.

25 MS. GLADSTEIN: Roxborough.

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2 That funding doesn't flow through the
3 City but comes directly from the state.
4 That's a fifth one. Did you miss one?

5 MR. SAUER: Mt. Airy.

6 MS. GLADSTEIN: Mt. Airy USA.

7 Sorry.

8 COUNCILMAN NUTTER: It's those
9 small numbers that get you every time.

10 And how did you decide on the
11 four? I understand about the Roxborough
12 issue.

13 MS. GLADSTEIN: This is a
14 process that I was not deeply engaged in.
15 The selection process occurred before I
16 assumed this position. My understanding
17 is that there was basically a matrix
18 created of all of the corridors and
19 active CDCs that met the qualifications.
20 There was a review process with those
21 CDCs. There were some very competent
22 CDCs that for one reason or another even
23 chose not to be interested because the
24 program is so specialized. But they went
25 through a process of elimination that

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2 way.

3 COUNCILMAN GOODE: My
4 understanding is that the state dictated
5 to the City what corridors would be --

6 MS. GLADSTEIN: The state had a
7 significant role.

8 COUNCILMAN GOODE: My
9 understanding is the state chose those
10 four.

11 MS. GLADSTEIN: The City gave
12 the state a larger number and the state
13 came back with this selection.

14 MR. TOY: Actually, there were
15 six that the state identified, and they
16 did an assessment and they ended up with
17 the four that were chosen.

18 COUNCILMAN NUTTER: Okay.
19 Good. Thank you.

20 And you made reference to the
21 phrase "matrix," and I have written a
22 note to myself earlier about a grid. I
23 mean, it kind of doesn't matter, and I
24 don't know what your matrix has on it,
25 but I think in light of your response to

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2 either Councilwoman Tasco or Councilwoman
3 Reynolds Brown, given that we have
4 different programs that seem to have
5 different guidelines, something like that
6 might be helpful --

7 MS. GLADSTEIN: Yes.

8 COUNCILMAN NUTTER: -- to
9 better understand and be able to point
10 people in the right direction. If you're
11 over in this neighborhood and you meet
12 certain guidelines, you can access this
13 way and other organizations that may not,
14 but want to access some other program. I
15 think it might just be helpful to keep
16 track.

17 MS. GLADSTEIN: I agree. We're
18 working right now to try to figure out
19 how to best represent this graphically.

20 COUNCILMAN NUTTER: Okay. How
21 many commercial corridors do you
22 anticipate could be funded through this
23 RFP, and what's the total? Did I miss it
24 somewhere? What's the total dollar
25 amount available?

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2 MS. GLADSTEIN: I didn't put it
3 in because, frankly, I'm still
4 ascertaining that. There will be about
5 150,000 available in Main Street funds.
6 There's up to 1.9 million in the NTI
7 Commercial Corridor Support Program, and
8 we're still reviewing available Community
9 Development Block Grant funds. I don't
10 have the number for that.

11 COUNCILMAN NUTTER: Are these
12 the same numbers that are at the top of
13 Page 2?

14 MS. GLADSTEIN: The top of Page
15 2 is sort of the total set of resources
16 that are used to support neighborhood
17 economic development. Some of those are
18 already under contract to organizations
19 or are available on an ongoing basis for
20 neighborhood economic development
21 projects.

22 COUNCILMAN NUTTER: And I know
23 you're still going through the assessment
24 trying to figure out what, I guess, the
25 total resource available is, but do you

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2 have any sense at the moment of what the
3 average grant might be?

4 MS. GLADSTEIN: We haven't
5 looked at an average grant size yet.

6 COUNCILMAN NUTTER: Okay. The
7 top of 2, you made reference to applying
8 to the DVRPC for funding regarding the
9 Centennial District. I don't need you to
10 go through what that's all about, but, of
11 course, I have an interest in the
12 Centennial District, so can we talk later
13 about what the grant is and --

14 MS. GLADSTEIN: Absolutely. We
15 can share a copy with you.

16 COUNCILMAN NUTTER: That would
17 be great. Thank you.

18 Last comment. There was
19 discussion -- I know Councilman DiCicco
20 desperately would love to have the
21 trolleys, which at some point I was
22 probably more than happy to give to him.
23 It was probably after about the second or
24 third article that I was more than
25 willing to give him the trolleys, but in

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2 any event, they are back.

3 My only real comment about that
4 is, that is a line that runs through a
5 number of different neighborhoods, and
6 Andy Toy and I have discussed this. I
7 think that as much as kind of the Girard
8 Avenue Coalition was very passionate
9 about the trolleys -- and I understand
10 that sense of passion a little better
11 today -- I think that when we have these
12 kind of multi-district issues, it would
13 be helpful if the planning focused on as
14 many components of those different
15 districts so that we don't in some aspect
16 almost have a bit of the tail wagging the
17 dog on what should get done and how it
18 should happen. The neighborhood that may
19 be experiencing a little more pain about
20 the thing that's wanted should get at
21 least as much attention or close to as
22 much attention as the neighborhood who
23 thinks that it's the greatest thing since
24 sliced bread but having none of the
25 hassle that goes with it.

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2 In addition, there are multiple
3 components of Girard Avenue. It's a very
4 long street, and there is some amount of
5 commercial activity on the western end of
6 Girard Avenue, nowhere near what may go
7 on in North Philadelphia, but it may have
8 helped ease some of that process if the
9 western Girard Avenue folks, who were
10 pretty much never included in the
11 conversation, could have better
12 understood what some of the potential
13 benefits would be from the return of the
14 trolley. Their view on this was probably
15 best characterized as, We have a bus, it
16 runs, it gets us the same place we want
17 to go as a trolley, what's the big
18 difference. So I think some of this is,
19 process and procedure still matters.

20 MS. GLADSTEIN: No, and I think
21 we've learned a lot. I mean, part of it
22 just had to do with what resources,
23 people resources, were available. There
24 were some conversations with East
25 Parkside, but, clearly, not enough and

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2 not -- East Parkside is not West Parkside
3 and it's not Haddington.

4 Just to follow up on that, one
5 of our concerns and areas we've been
6 looking at is Lancaster Avenue, which is
7 also an extremely long corridor, many
8 districts, lots of different components,
9 lots of plans in place, and one of the
10 things we are looking at is just trying
11 to find a way to pull everybody together
12 to talk about that, because there are a
13 lot of opportunities as well as needs and
14 resources for that corridor. It's
15 another example.

16 COUNCILMAN NUTTER: Okay. I
17 look forward to continuing to work with
18 all of you. Thank you.

19 Thank you, Mr. Chairman.

20 COUNCILMAN GOODE: Thank you.

21 Is there anyone else to testify
22 on this resolution?

23 MR. TOY: I did have one more
24 question, actually, regarding the
25 mixed-use piece that we talked about

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2 earlier, which is one that we're looking
3 at LISC to try to help -- and the City is
4 trying to figure out how to help finance
5 those kinds of developments, upstairs
6 residential and downstairs commercial.

7 The question I had was, there
8 are a lot of places where there are
9 boarded up windows now still on our
10 corridors, and I was under the impression
11 that there was an ordinance that
12 prohibited that or required people to put
13 windows in, but that has not happened in
14 many of our corridors, and I was out on
15 60th Street yesterday and it was upstairs
16 boarded up windows.

17 COUNCILMAN GOODE: I believe it
18 was Councilman DiCicco's bill.

19 COUNCILMAN NUTTER: Clarke.

20 COUNCILMAN GOODE: Clarke.

21 MR. TOY: I mean, there's also
22 an L&I enforcement issue.

23 MS. GLADSTEIN: It's probably
24 an enforcement issue.

25 MR. TOY: That will allow

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 2 people to push people in the right
 3 direction to develop the upstairs for
 4 residential, I think.

5 COUNCILMAN NUTTER: Okay.
 6 Thanks.

7 COUNCILMAN GOODE: Thank you.
 8 Is there anyone else to
 9 testify?

10 (No response.)

11 COUNCILMAN GOODE: This is the
 12 first of several hearings we will have on
 13 this issue. I thank everyone for
 14 testifying.

15 This hearing is recessed to the
 16 call of the Chair.

17 (Committee on Commerce and
 18 Economic Development adjourned at 12:00
 19 p.m.)

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