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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE ON FINANCE

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, October 26, 2005
2:20 p.m.

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PRESENT:

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COUNCILWOMAN JANNIE BLACKWELL, CHAIRWOMAN
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JUAN RAMOS
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILWOMAN MARIAN B. TASCO

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BILL 050471 - An ordinance authorizing the
Philadelphia Authority for Industrial
Development ("PAID") to file an application
with the Office of the Budget, Commonwealth of
Pennsylvania, under the Redevelopment
Assistance Capital Program, in an amount not
to exceed One Million Dollars (\$1,000,000) to
assist in the construction of a new rehearsal
facility for the Rock School of Ballet; and
authorizing the City to enter into an
agreement with PAID in furtherance of grant
requirements; all under certain terms and
conditions.

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V A R A L L O Incorporated
Litigation Support Services
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

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COUNCILWOMAN BLACKWELL: Good

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afternoon. Thank you for your patience.

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The Committee on Finance for

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City Council will hold a public hearing

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now with regard to testimony for the

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following bill: Bill No. 050471.

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We will ask the Clerk to please

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read the title of the bill.

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THE CLERK: Bill No. 050471,

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authorizing the Philadelphia Authority

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for Industrial Development to file an

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application with the Office of the

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Budget, Commonwealth of Pennsylvania,

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under the Redevelopment Assistance

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Capital Program, in an amount not to

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exceed \$1 million to assist in the

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construction of a new rehearsal facility

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for the Rock School of Ballet; and

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authorizing the City to enter into an

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agreement with PAID in furtherance of

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grant requirements; all under certain

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terms and conditions.

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COUNCILWOMAN BLACKWELL: Thank

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you very much.

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2 The Chair will note as we ask
3 those testifying, I assume it's you
4 Mr. Fina, please come to the witness
5 table, and we will note that we have a
6 quorum present. To my right, Councilman
7 W. Wilson Goode, who was here first. To
8 his right, Councilman Frank DiCicco, in
9 whose district this project is. To my
10 left, Councilwoman Marian Tasco and to
11 her left, the Vice-Chair, Councilwoman
12 Blondell Reynolds Brown.

13 Welcome again. Thank you.
14 Please identify yourself for the record
15 and begin your testimony.

16 MR. FINA: Good afternoon,
17 Chairwoman Blackwell and members of the
18 Finance Committee.

19 COUNCILWOMAN BLACKWELL: Good
20 afternoon.

21 MR. FINA: My name is Robert
22 Fina. I am Senior Vice-President of the
23 Philadelphia Industrial Development
24 Corporation, PIDC, and I am appearing on
25 behalf of the Philadelphia Authority for

1 10/26/05 - FINANCE - BILL 050471

2 Industrial Development, PAID. With me
3 today is my colleague, Krista Williams,
4 from PIDC.

5 I am here today to testify in
6 support of Bill No. 050471, authorizing
7 PAID to apply for a Redevelopment
8 Assistance Grant from the Commonwealth of
9 Pennsylvania in the amount of \$1 million
10 for renovations to the Rock School of
11 Ballet in South Philadelphia.

12 The Rock School provides
13 pre-professional dance training at its
14 facility at Broad Street and Washington
15 Avenue. The new rehearsal facility will
16 enable the school to continue and expand
17 its excellent programs. The total cost
18 of the project will be approximately \$2
19 million. The Rock School will provide
20 the required matching funds from private
21 sources.

22 To apply for a Redevelopment
23 Assistant, three principal actions must
24 occur. First, the Commonwealth's
25 legislature must name the project and the

1 10/26/05 - FINANCE - BILL 050471
2 amount of funding in the approved state
3 capital budget.

4 Second, the Commonwealth's
5 Office of the Budget or the Governor's
6 Office must authorize PAID to submit an
7 application to the Office of the Budget
8 on behalf of the approved project.

9 Third, City Council must
10 approve an ordinance, such as Bill 050471
11 presently under consideration.

12 In addition to these three
13 primary requirements, the grant recipient
14 must provide documentation that the state
15 funds are matched dollar for dollar with
16 non-Commonwealth funding. When PAID
17 submits a project's Redevelopment
18 Assistance Grant application to the
19 Commonwealth's Office of the Budget, the
20 grant recipient must demonstrate that at
21 least 50 percent of the matching funds,
22 the non-Commonwealth funding, is secured
23 at that time.

24 The Office of the Budget
25 reviews the application materials

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2 extensively with its team of consultants
3 and PIDC. Based upon this review, the
4 Office of the Budget drafts and executes
5 the project's grant agreement that
6 includes specific conditions the grant
7 recipient must satisfy before receiving
8 any funding. The Commonwealth only funds
9 those projects with approved
10 applications, executed grant agreements
11 with all conditions achieved, and those
12 projects in compliance with all program
13 requirements.

14 The Redevelopment Assistance
15 Capital Program operates on a
16 reimbursement basis for eligible project
17 expenses, such as construction and
18 acquisition costs. Throughout the
19 process, PAID acts as the
20 Applicant/Grantee, and the grant
21 recipients are referred to as the
22 Sub-Applicant/Sub-Grantee. Similar to
23 PIDC's other financing programs,
24 PAID/PIDC act as a conduit lender; that
25 is, when the Commonwealth releases the

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2 grant funds, it is by a check made out to
3 PAID that we, in turn, disburse to the
4 designated grant recipients. The
5 disbursement process is closely monitored
6 by the project auditors in the
7 Commonwealth's Budget Office and by my
8 colleagues at PIDC. No funds are
9 disbursed unless the projects have
10 documented their compliance with program
11 requirements.

12 I request the Finance
13 Committee's favorable consideration of
14 Bill No. 050471 and that the rules of
15 Council be suspended to permit the first
16 reading at the next regularly scheduled
17 session of City Council.

18 I will be happy to answer any
19 questions you may have. I thank you for
20 your consideration.

21 COUNCILWOMAN BLACKWELL: Thank
22 you very much, Mr. Fina.

23 Are there any questions or
24 comments?

25 COUNCILWOMAN TASC0: I just

1 10/26/05 - FINANCE - BILL 050471

2 have one question.

3 COUNCILWOMAN BLACKWELL: Yes.

4 COUNCILWOMAN TASC0: On Page 2

5 where it says, "The Redevelopment

6 Assistance Capital Program operates on a

7 reimbursement basis for eligible project

8 expenses," would you explain that? Does

9 the money that they're giving to the

10 project have to be paid back to them?

11 MR. FINA: No, the money

12 doesn't have to be paid back, but the

13 state will not advance any funds, so the

14 Sub-Applicant, the recipient, must expend

15 the dollars first through a loan or their

16 own funds and then they apply through

17 PAID for reimbursement.

18 COUNCILWOMAN TASC0: Okay.

19 Thank you.

20 MR. FINA: You're welcome.

21 COUNCILWOMAN BLACKWELL:

22 Councilwoman Reynolds Brown.

23 COUNCILWOMAN BROWN: Thank you.

24 Good afternoon. At what

25 juncture are considerations around

1 10/26/05 - FINANCE - BILL 050471

2 MBE/WBE factors factored in? At what
3 juncture is there a look at that
4 particular concern?

5 MR. FINA: That is discussed
6 with the recipients, but it's on a
7 volunteer basis.

8 COUNCILWOMAN BROWN: And it's a
9 volunteer basis because there are no City
10 dollars involved in the initiative?

11 MR. FINA: That is correct,
12 Councilwoman.

13 COUNCILWOMAN BROWN: So then
14 let me ask, does PIDC, given the role
15 that you play in this kind of
16 transaction, make that an option, a
17 requirement or what in the process?

18 MR. FINA: It is not a
19 requirement, because we were acting as a
20 conduit for the state dollars.

21 COUNCILWOMAN BROWN: Okay.
22 Then thank you very much.

23 MR. FINA: You're quite
24 welcome.

25 COUNCILWOMAN BLACKWELL: Thank

1 10/26/05 - FINANCE - BILL 050471

2 you very much.

3 The Chair notes that Councilman
4 Juan Ramos is present as well.

5 Are there any other questions
6 or concerns from members of the
7 Committee?

8 (No response.)

9 COUNCILWOMAN BLACKWELL: Seeing
10 none, that will end the public hearing
11 part of our deliberations. We will now
12 enter into the Stated meeting, and the
13 Chair recognizes Councilman DiCicco with
14 regard to a motion and the suspension of
15 the rules for Bill No. 050471.

16 COUNCILMAN DICICCO: Thank you,
17 Madam Chair. I move that Bill No. 050471
18 be reported out of this Committee with a
19 favorable recommendation and a further
20 recommendation that the rules of Council
21 be suspended.

22 (Duly seconded.)

23 COUNCILWOMAN BLACKWELL: It has
24 been moved and seconded that Bill No.
25 050471 be reported out of Committee with

1 10/26/05 - FINANCE - BILL 050471
 2 a favorable recommendation and,
 3 furthermore, that a recommendation for
 4 the suspension of the rules will occur at
 5 this time.

6 All in favor say aye.

7 (Aye.)

8 COUNCILWOMAN BLACKWELL:

9 Opposed?

10 (No response.)

11 COUNCILWOMAN BLACKWELL: The
 12 ayes have it and so this bill is reported
 13 out of Committee, and that ends all our
 14 business here today, and we thank you
 15 all.

16 (Committee on Finance adjourned
 17 at 2:30 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me upon the

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foregoing matter on October 26, 2005, and that

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this is a true and correct transcript of same.

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MICHELE L. MURPHY

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RPR-Notary Public

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certifying reporter.)

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