COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE THE COMMITTEE OF THE WHOLE

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
3/8/00, 12:40 p.m.

- - -

BILL 000079 - Authorizing Mayor enter amendments to lease agreement with Eagles and Phillies. . .
BILL 000080 - Authorizing Mayor to enter into agreements with PAID for lease of football practice facility at Broad and Pattison. . .
BILL 000082 - Authorizing Mayor to enter into amendments to lease with Eagles and Phillies. . .
BILL 000083 - Adding new chapter to Philadelphia Code imposing a tax on rental vehicles. . .
BILL 000084 - Authorizing Mayor to enter into agreements with PAID for lease of football practice facility and for leaseback. . .
BILL 000085 - Amending Phila. Code on "Contracts and Procurement" by providing Council approval for contract for construction, acquisition, lease, operation of building or structure. . .

PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN DAVID COHEN
COUNCILMAN FRANK J. DICICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILMAN W. THACHER LONGSTRETH
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN BRIAN J. O'NEILL
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

- - -

VINCENT VARALLO ASSOCIATES, INC.
Registered Professional Reporters
Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

3/8/00 - WHOLE - BILLS 79, 80, 82, 83, 84, 85

I N D E X

Page

Stephanie Franklin-Suber. 3
Mayor's Chief of Staff

William Hankowsky, President, PAID. 7

3/8/00 - WHOLE - BILLS 79, 80, 82, 83, 84, 85

P R O C E E D I N G S

COUNCIL PRESIDENT VERNA: Good morning, everyone. This is the continued public hearing of the Committee of the Whole regarding Bill No.'s: 79, 80, 82, 83, 84, and 85.

At this time, I would ask Stephanie Franklin-Suber to please take the witness table.

(Stephanie Franklin-Suber comes forward.)

COUNCIL PRESIDENT VERNA: Mr. Hankowsky, are you going to join Miss Suber?

MR. HANKOWSKY: I'd be pleased to.

(William Hankowsky comes forward.)

COUNCIL PRESIDENT VERNA: Good afternoon.

MS. FRANKLIN-SUBER: Good afternoon.

COUNCIL PRESIDENT VERNA: Please proceed. It is my understanding that you would like to make a statement for the record.

MS. FRANKLIN-SUBER: Thank you, Council President Verna.

I am pleased to represent Mayor Street today my. Name, for the record, is Stephanie Franklin-Suber. I am his Chief of Staff. On

behalf of the Mayor, I want to express his appreciation to Members of Council for their full and complete review of these Administration bills.

I want to confirm on behalf of the Mayor and the Members of Council that it is the Mayor's intention to conduct an open process as the Administration considers locations for potential new football and baseball stadiums and an open process as the Administration conducts negotiations with the Eagles and the Phillies. This open process will include discussions with residents of potentially impacted neighborhoods. It will also include periodic briefings of City Council.

The Mayor has also asked that there be two Members of Council staff to join us on the negotiating team to work with the Eagles and Phillies in structuring the transactions. We believe that this will be a way of facilitating the flow of information about the negotiations and the issues that arise during the course of the negotiations to Council.

In addition, we will select a proposed location for the new stadiums based on a mutually

agreed-upon public process that the Mayor will establish after receiving a report from the Transition Stadium Committee.

It is also the Mayor's objective that the City will make every reasonable effort to consummate a conceptual agreement with each of the Eagles and the Phillies by the end of June 2000. These conceptual agreements would include the basic business terms for the transactions, and we anticipate that the negotiating teams will be working throughout the summer to translate these conceptual agreements to full and complete documentation, which would then be submitted to City Council for its review and approval.

The Mayor is also committed to providing a full legislative package, including all ordinances necessary for the financing and development of new football and baseball facilities, with substantially final drafts of any exhibits to City Council by September 8th of 2000.

We have also confirmed with each of the teams that they will agree that in the event the legislative package is not submitted by September 8th, that this there be a day-to-day extension in

the deadline for Council's approval of the ordinances and a day-to-day extension in the deadline for the City's obligation to purchase the Eagles' practice facility and invest in the rehabilitation of Veterans Stadium, up to a last and final deadline of November 30th of 2000.

Finally, Members of Council have expressed concern that the Administration has provided that the Vets Stadium improvements will be financed from the City's Capital Budget. The Mayor has asked me to confirm to you that the Administration will explore every possible alternative source of financing for these improvements, including, but not limited to, financing through State or other types of authorities so that the Capital Budget will not be impacted if the Vets Stadium improvement contingency occurs. And the Mayor is confident that, working together with members of Council, our legal and financial advisors, that we can arrive at financing alternatives which meet these objectives.

So on behalf of the Mayor, we thank you, all Members of Council, for your full

consideration of the ordinances, and I hope that this preliminary statement has clarified any questions that you may have.

We would also request at this point a suspension of the rules.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any statements that you wanted to make regarding the practice facility issue? About the lease terms?

MR. HANKOWSKY: Council President, and Members of Council, again, let me just add at least my personal thanks for the willingness to talk this issue through and reach where we are today.

In addition to the items that Miss Franklin-Suber enumerated that have been transmitted to Council via a letter addressed to yourself, we've also therefore -- also agreed that any lease that we will enter into, should we buy back the practice facility between PAID and the Eagles, would be subject to review by this body and the requirement that it be approved by this body by a resolution.

And I believe before you -- which,

again, I want to also particularly thank Council staff who've worked with us to mechanically put this all together -- are amendments to the appropriate ordinances that incorporate the rolling date of November 3rd and November 30th and also incorporate the requirement that a subsequent what we call now "the buy-back lease" -- that is, should we ever buy it, there would be a lease -- come before in body and be required to be approved by this body.

So that's a further elaboration.

MS. FRANKLIN-SUBER: And in connection with the negotiation of that lease, issues such as naming rights, issues such as the rent payable under the lease -- and again, this is after the City buys back the practice facility if the contingency occurs -- and issues like taxes and any other economical business terms will not be addressed at this point in time because it is the Mayor's strong belief that we enhance the City's leverage and negotiating posture at that point in time.

And we appreciate the opportunity to speak with and work with Members of Council and

appreciate their support in the Mayor's strategy, negotiating strategy.

COUNCIL PRESIDENT VERNA: And I am assuming that one of the other negotiating points would be that the Eagles would at the practice facility until the year 2010?

MS. FRANKLIN-SUBER: That is correct. It is the Mayor's view that all of the issues that have been discussed, and many others that related to the economic and business terms, will be open for negotiation, and the City has maintained its leverage and negotiating posture.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any questions from members of the committee?

(No questions.)

COUNCIL PRESIDENT VERNA: Thank you very much.

MR. HANKOWSKY: Thank you again.

MS. FRANKLIN-SUBER: Thank you.

COUNCIL PRESIDENT VERNA: Do we have anybody else to testify on these bills?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing none,

3/8/00 - WHOLE COMMITTEE - PUBLIC MEETING

this will conclude our public hearing.

- - -

COUNCILWOMAN VERNA: We will now go into our public meeting.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President. On behalf of all Members of Council, we submit an amendment to Bill No. 000080, which has been circulated to all Members of Council.

COUNCIL PRESIDENT VERNA: I don't see any reason for the amendments to be read into the record since they are rather lengthy. If no one has any objection, we would certainly give a copy of this to the stenographer and to the Chief Clerk, and every Member has been provided a copy of the amendments.

Does anyone have any objection?

(No objections stated.)

COUNCIL PRESIDENT VERNA: Do you want someone to explain what the amendments to --

COUNCILMAN NUTTER: That would be good.

COUNCIL PRESIDENT VERNA: We also have

charts on everyone's desk. However, if you feel that you want someone to explain what the amendments do, I would ask Mr. McPherson to do that, please.

COUNCILWOMAN BLACKWELL: Madam President, then perhaps I should submit amendments to Bill 000082.

COUNCIL PRESIDENT VERNA: Let's just deal with one bill at a time, Councilwoman.

COUNCILWOMAN BLACKWELL: Okay.

COUNCIL PRESIDENT VERNA: Thank you.

COUNCILWOMAN BLACKWELL: You're welcome.

MR. MCPHERSON: The amendments to proposed Bill No. 80 will create the rolling date that was testified to that the Mayor will seek to transmit stadium ordinances to City Council by September 8, 2000, with a requirement for Council action by November 3rd, 2000, subject to a rolling approval date for each day stadium ordinances are submitted after September 8, 2000, for up to 56 days with Council action required no later than November 30th 2000.

City will purchase the practice

facility and will proceed to perform up to $80 million of agreed-upon repairs to Veterans Stadium upon approval of a repair list by City Council. All rights under the existing lease stay the same.

As was mentioned, terms of the buy-back -- if City through PAID buys a completed practice facility for the actual cost but not to exceed $23 million, the lease for the practice facility between PAID and the Eagles is subject to approval by resolution.

Okay, that's it.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Madam Chair, we move that the amendment as everyone has and that will listed in the -- for the stenographer be accepted.

(Duly seconded.)

COUNCIL PRESIDENT VERNA: It has been moved and properly seconded that the amendment be adopted.

All in favor will signify by saying aye.

Those opposed?

The ayes have it and the motion is carried.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President. We move, on behalf of City Council, that the rules of Council be suspended and that -- no?

COUNCIL PRESIDENT VERNA: A favorable recommendation as amended.

COUNCILWOMAN BLACKWELL: Sorry, Madam President. We move that Bill 000080, as amended, be reported out of committee with a favorable recommendation and also for a suspension of the rules, that it be considered at our next session of Council.

(Duly seconded.)

COUNCIL PRESIDENT VERNA: It has been moved and seconded that Bill No. 80 be reported out of committee with a favorable recommendation, as amended, and that the rules of Council be suspended so as to permit first reading at our next session of Council.

All those in favor will signify by saying aye.

Those opposed?

The ayes have it and the motion is carried.

The Chair recognizes Councilwoman Blackwell regarding Bill No. 82.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

On behalf of City Council, we submit proposed amendments to Bill No. 82.

COUNCIL PRESIDENT VERNA: Thank you.

I would ask Mr. McPherson to please read the amendments regarding Bill No. 82.

MR. MCPHERSON: The amendments to Bill No. 82 will require that the lease amendments to the Veterans Stadium facility, that the repairs to the stadium are subject to the approval by City Council by resolution, and that all rights currently existing under the lease stay in full force and effect.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Madam

President, we move that these amendments be approved.

(Duly seconded.)

COUNCIL PRESIDENT VERNA: It has been moved and properly seconded that the amendments be adopted.

All those in favor will signify by saying aye.

Those opposed?

The ayes have it and the motion is carried.

The Chair recognizes Councilwoman Blackwell.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

We move that Bill 000082, as amended, be reported out of committee with a favorable recommendation, and furthermore, that the rules of Council be suspended so as to permit first reading at our next session of Council.

(Duly seconded.)

COUNCIL PRESIDENT VERNA: It has been moved and properly seconded that Bill 82 be reported out of committee with a favorable

recommendation, as amended, and that the rules of Council be suspended so as to permit its consideration at our next session of Council.

All in favor will signify by saying aye.

Those opposed?

The ayes have it and the motion is carried.

The Chair recognizes Councilwoman Blackwell regarding Bill No. 83.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

We move that Bill No. 83 be approved.

(Duly seconded.)

COUNCIL PRESIDENT VERNA: It has been moved and properly seconded that Bill No. 83 be reported out of committee with a favorable recommendation and also a recommendation that the rules of Council be suspended so as to permit first reading at our next session of Council.

All those in favor will signify by saying aye.

Those opposed?

The ayes have it.

The vote 17 to 0.

(Applause.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman -- I have asked the Members who have submitted other bills, I would ask that they withdraw the bills at this point in time because, in essence, the bills are meaningless after our action today.

The Chair recognizes Councilman Kenney, if you so desire to withdraw your bill.

COUNCILMAN KENNEY: Thank you, Madam President. I was only waiting for you to ask me to withdraw those bills. And at your request, I am pleased to withdraw my bill.

COUNCIL PRESIDENT VERNA: And I thank the gentleman.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam President. As well upon your request, I am pleased to withdraw the bill that I sponsored.

COUNCIL PRESIDENT VERNA: And I thank you.

COUNCILMAN NUTTER: You're welcome.

COUNCIL PRESIDENT VERNA: The Chair

recognizes Councilman Ortiz.

COUNCILMAN ORTIZ: Madam Chair, I'm glad to abide by your wish, and I wish at this time to withdraw the bill that I sponsored.

COUNCIL PRESIDENT VERNA: Thank you.

I would just like to make a few comments, if I may.

The practice facility package that was passed today is one, in my opinion, that is fair to the teams, but more importantly, it is fair to the taxpayers of Philadelphia.

This Council has proven that through an open and legitimate legislative process, a fair deal can be struck between business and government. I could not be more proud of the membership of this Council, who resisted the extraordinary pressure that was placed upon them for the passage of this legislation. I think that this Council has set a tone for the next four years, that it is going to be an open and democratic process and that our mandated responsibilities to the citizen of Philadelphia will be carried out to the letter. But I truly feel that we have shown ourselves to be

business-friendly, and we will work tirelessly to keep this city moving in the right direction.

Finally, I would like to take this opportunity to congratulate Mayor Street on the passage of this legislation and to keeping the issue of new stadiums moving forward. I think we're all looking forward to that.

And, again, I want to publicly thank each and every Member here for all the time, effort, and energy that we have put into the passage of this bill. Thank you all very much.

(Applause, standing ovation.)

COUNCIL PRESIDENT VERNA: And at long last, this concludes the hearing of the Committee of the Whole.

I would just like to remind my colleagues that at 2 o'clock, we do continue with our public hearings of the School District.

Thank you all very much.

(Adjourned at 12:55 p.m.)

- - -

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing proceedings of the Council of the City of Philadelphia of Wednesday, March 8, 2000, were reported fully and accurately by me, and that this is a correct transcript of same.

RE: COUNCIL COMMITTEE OF THE WHOLE
BILL NO.'S 000079, 000080, 000082,
000083, 000084, 000085

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter