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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

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COMMITTEE OF THE WHOLE

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Room 696, City Hall
Philadelphia, Pennsylvania
Wednesday, May 14, 2003
10:50 a.m.

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BILL 030222 - an Ordinance creating the Progress
Plaza Tax Increment Financing District.

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PRESENT:

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COUNCIL PRESIDENT ANNA VERNA
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN MICHAEL NUTTER
COUNCILMAN ANGEL ORTIZ
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN TASCO
COUNCILMAN DARRELL CLARKE

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BILL 030222

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PAULA PEEBLES 35

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PAMELA PENDLETON-SMITH, Yorktown Community

Organization 40

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2 COUNCIL PRESIDENT VERA: Good morning,
3 everyone. This is the public hearing of the
4 Committee of the Whole regarding Bill No. 030222.

5 I would ask Mr. McPherson to please read
6 the title of the Bill.

7 MR. MCPHERSON: An Ordinance creating
8 the Progress Plaza Tax Increment Financing District.

9 COUNCIL PRESIDENT VERA: Thank you.

10 Mr. Cuorato, good morning. Please
11 identify yourself for the record and proceed with
12 your testimony.

13 MR. CUORATO: Good morning, Madam
14 President and Members of the City Council. My name
15 is James Cuorato. I'm City Representative and
16 Director of Commerce for the City of Philadelphia,
17 and I am appearing here today to testify in support
18 of Bill No. 030222, creating the Progress Plaza Tax
19 Increment Financing District. Also here with me
20 this morning are the representatives of the
21 developer, and the Philadelphia Authority for
22 Industrial Development, which is responsible under
23 the TIF Act for preparing and submitting the Project
24 Plan.

25 Progress Plaza, located at 1501 North

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2 Broad Street between Oxford and Jefferson Streets,
3 was originally developed by Progress Investment
4 Associates in 1968 as a 65,000 square foot shopping
5 center. As Council Members may recall, construction
6 of Progress Plaza had been led by the late Reverend
7 Leon Sullivan in what was then an innovative
8 structure recognized around the country for its
9 melding of community control and for-profit economic
10 development. After 35 years in operation, the site
11 remains in community control, but is now largely
12 vacant and in need of substantial renovation.

13 Creation of the Progress Plaza TIF will
14 enable Progress Investment Associates, in
15 association with Progress Trust, Inc. and the Kravco
16 Company, to demolish the obsolete grocery store and
17 portions of the existing retail and office
18 buildings, construct a modern 46,000 square foot
19 supermarket, and renovate and add to the remaining
20 retail and office space. In all, the minimum
21 build-out will total approximately 93,000 square
22 feet.

23 The development plan further authorizes
24 construction of a 67,000 residential tower that
25 would be located above the supermarket on Broad

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2 Street. Ultimate construction of this element is
3 still under consideration.

4

Creation of this TIF District will
5 stimulate \$12 to \$25 million of investment in this
6 under-utilized and largely vacant property, which
7 the Board of Revision of Taxes values at
8 \$4.1 million. This investment translates into
9 between 124 and 225 construction jobs, and
10 approximately 200 to 230 full-time equivalent
11 permanent jobs.

12 I might point out that the testimony
13 that was submitted in advance to City Council
14 contains a number of construction jobs that is
15 somewhat higher than the numbers that I just gave
16 you. The numbers that I just gave are the correct
17 numbers, which is our calculation of between 124 and
18 255 construction jobs. The range that we are
19 estimating for construction jobs for the project is
20 between 124 and 255.

21 Over the term of the TIF District, new
22 revenues are estimated at approximately \$3.1 million
23 for the School District and approximately 7.3
24 million for the City. Beyond these additional
25 revenues, the redevelopment of Progress Plaza

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2 represents a key element in our overall development
3 strategy for North Broad Street. We are currently
4 working on a number of projects, including the
5 legendary Blue Horizon, a new mixed-use project at
6 Broad and Cecil B. Moore Avenue, the expansion of
7 the Pennsylvania Academy for the Fine Arts, and
8 additional housing for Temple University, just to
9 name a few, in an effort to spur the revitalization
10 of North Broad Street. While the Avenue of the Arts
11 South has enjoyed great success, it is now time for
12 us to turn our attention and resources to Avenue of
13 the Arts North. Progress Plaza can be a keystone of
14 our efforts in this area.

15 The City and School District are being
16 asked to approve a TIF loan of up to \$6.5 million to
17 be repaid from the new real estate, City sales,
18 business privilege, and half of new use and
19 occupancy taxes. PIDC may provide a HUD 108 Loan of
20 up to \$6.5 million to fund all or a portion of the
21 TIF note. The developer will obtain the balance of
22 the project funding.

23 Since introduction of the Bill, PIDC has
24 met with City Council staff, representatives of the
25 School District, the Department of Revenue, and

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2 representatives of the Controller's Office to review
3 the Project Plan. School District staff has
4 indicated that they will recommend approval of the
5 Plan to the School Reform Commission at their
6 meeting this evening.

7

8 In closing, I would like to note that
9 today's hearing is required by the Pennsylvania Tax
10 Increment Financing Act to create a TIF District,
11 and that the Act requires City Council to wait at
12 least three weeks for final consideration. Under
13 the State Act, Council will not be able to act on
14 this Bill until the regularly scheduled meeting on
15 June 5th, 2003.

16 In order to expedite redevelopment of
17 Progress Plaza, I am respectfully requesting your
18 approval of Bill No. 030222, creating the Progress
19 Plaza Tax Increment Financing District prior to
20 Council's summer recess.

21 That concludes my testimony, Madam
22 President. I would be glad to answer any questions
23 that Councilmembers may have. As I said, also with
24 me today are representatives of Philadelphia
25 Industrial Development Corporation, who can also
answer questions.

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As I mentioned to you prior to the hearing, Madam President, I have an engagement that I'd like to try to get to by 11:30, but I will stay as long as I can, if necessary. And representatives of PIDC can answer these questions, as well.

COUNCIL PRESIDENT VERNA: Fine.

The Chair at this time recognizes Councilman Ortiz.

COUNCILMAN ORTIZ: Mr. Cuorato, in terms of the development and the construction, I'd like for the record -- as you know, we've approved new legislation in terms of the set asides. And I'd like to find out the percentage of individuals, the goals that we're trying to achieve in terms of minorities in the building of this, and contracts.

How many minority contracts are we looking at? What is the participation of minority contractors in all phases of the development from the architecture drawings, all the way down to engineering; all the way to actual contracts in terms of steel, roofing, whatever it is; and then in the skill trades. Not just in the laborers. I'd like to know what's going to be the participation of minorities in all of the different skill trades that

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2 are going to be put forward.

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MR. CUORATO: Councilman, as part of the
4 TIF approval, an Economic Opportunity Plan is
5 required, and City approval of that plan is required
6 as a condition prior to closing on the financing.

7

The development team has submitted an Economic
8 Opportunity Plan. This is not the final plan and is
9 still subject to negotiation. But at this point, I
10 can provide you with the goals that have been set.

11 And, again, I would emphasize this is not the final
12 plan, but what the developer has presented to us
13 thus far.

14 COUNCILMAN ORTIZ: What has he presented
15 so far?

16 MR. CUORATO: First, I would note that
17 the development ownership equity is 60 percent
18 minority.

19 For construction management, the
20 developer will make good faith efforts to engage a
21 construction management team with at least 50
22 percent participation by a minority firm.

23 For architecture and engineering and
24 design, the stated goals are 29 percent minority, 10
25 percent female, 1 percent disadvantaged.

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For other professionals, the same percentages would be sought.

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For subcontracts --

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COUNCILMAN ORTIZ: Who's going to be the general contractor? Has that been established?

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MR. CUORATO: I don't believe a general contractor has been selected yet, Councilman.

9

COUNCILMAN ORTIZ: Is the general contractor going to be from the City of Philadelphia?

12

MR. CUORATO: I hope so. As you know, the retention of City of Philadelphia firms for all contracts is an issue that is very important to me.

15

COUNCILMAN ORTIZ: Are minority contractors going to be considered for being the general contractor?

18

MR. CUORATO: Again, I would hope so. And we can certainly ask the developer that question. I would certainly hope so.

21

For all subcontracts, the goals are, again, 29 percent minority, 10 percent female and 1 percent disabled.

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COUNCILMAN CLARKE: Point of order.

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COUNCIL PRESIDENT VERNA: The Chair

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2 recognizes Councilman Clarke for a point of order.

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4 COUNCILMAN CLARKE: Madam President, I
5 don't think those numbers are the corrected version.
6 If I can, I'd like to ask Mr. Rhoads from PIDC to
7 talk about the agreed upon numbers as it relates to
8 contracts and employment.

8

9 COUNCIL PRESIDENT VERNA: Mr. Rhoads,
10 identify yourself for the record.

10

11 MR. RHOADS: My name is Sam Rhoads. I'm
12 with the Philadelphia Industrial Development
13 Corporation.

13

14 As the Commerce Director indicated, the
15 Opportunity Plan, we've had some productive
16 discussions, and the numbers that he put forward is
17 what we had talked about to date initially. And the
18 numbers that we are considering at this point would
19 be in terms of labor.

19

20 In terms of employment on hours would be
21 40 percent minority and 5 percent female.

21

22 In terms of the contracting --

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23 COUNCILMAN ORTIZ: When you say hours,
24 that's at the different skill levels?

24

25 MR. RHOADS: Yes. That would be
blended all together between skilled and

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2 semi-skilled. The blended rate put together would
3 be 40 percent and 5 percent that we would aim to
4 hit.

5 COUNCILMAN ORTIZ: Well, that bothers me
6 a little bit. Because usually when you blend them
7 like that, you raise up the numbers of the lower
8 levels. I like to see a separation of those, not
9 blended. I'd like to see a separation of laborers
10 and the trades, and I'd like to see a higher
11 percentage of minorities along those lines.

12 MR. RHOADS: The Opportunity Plan does
13 discuss the difference between unskilled and skilled
14 labor, but sets in place those overall goals.

15 COUNCILMAN ORTIZ: When you say
16 blending, blending really leads to the distortion.

17 MR. RHOADS: I'm sorry. This is on the
18 entire project.

19 COUNCILMAN GOODE: Point of information.

20 COUNCIL PRESIDENT Verna: The Chair
21 recognizes Councilman Goode.

22 COUNCILMAN GOODE: Thank you, Madam
23 President.

24 Is the Opportunity Plan attached to this
25 legislation?

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MR. RHOADS: It is not attached to the
legislation. But the City Code requires that there's
an Opportunity Plan in place prior to settlement.

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COUNCILMAN GOODE: So you don't intend
for the Opportunity Plan to be approved by City
Council?

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9

MR. RHOADS: No. The City Code does not
require that.

10

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COUNCILMAN GOODE: But you do not intend
for the Opportunity Plan to have to be approved by
City Council?

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MR. RHOADS: The Opportunity Plan has
been circulated to the Council District person and
to technical staff.

16

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COUNCILMAN GOODE: That's a mistake. It
won't pass in this Council without the Opportunity
Plan being passed by City Council.

19

Thank you, Madam President.

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22

MR. RHOADS: One thing I think we can
talk about it is whether we would circulate it to
you prior to the vote.

23

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COUNCILMAN CLARKE: You will provide an
Opportunity Plan to Council before it passes?

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MR. RHOADS: Correct.

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2 COUNCILMAN GOODE: Point of information.

3 COUNCIL PRESIDENT VERNA: Councilman
4 Goode.

5 COUNCILMAN GOODE: The Economic
6 Opportunity Plan has to be part of the legislation,
7 has to be approved by City Council in order for us
8 to pass it within this Council. Period.

9 COUNCILMAN ORTIZ: We have to see it and
10 discuss it.

11 MR. RHOADS: Okay. What we have at this
12 point, we obviously do have a Plan that we've been
13 in discussions with the developer on, and we can
14 circulate a copy of that Plan.

15 COUNCILMAN ORTIZ: Well, I think that
16 Plan should be circulated. I think it has to be.
17 Before we vote for approval of this, we need to be
18 able to approve the Plan and attach it to the TIF.

19 COUNCILMAN CLARKE: Is it the corrected
20 Plan, the final negotiated number?

21 MR. RHOADS: I have the revised Plan.

22 COUNCIL PRESIDENT VERNA: You have
23 discussed this with the District Councilperson?

24 MR. RHOADS: Yes, we have.

25 COUNCILMAN ORTIZ: Do you have that

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2 revised and final Plan, so that we can take a look
3 at it?

4 MR. RHOADS: Yes, I do.

5 COUNCIL PRESIDENT VERNA: The
6 Sergeant-at-Arms will make copies for Members of the
7 Committee.

8 COUNCILMAN ORTIZ: Could you explain to
9 me -- the general contractor has not been hired,
10 right?

11 MR. RHOADS: That's correct.

12 COUNCILMAN ORTIZ: But you have a
13 general plan in terms of the utilization of
14 subcontractors within the project?

15 MR. RHOADS: That is correct.

16 COUNCILMAN ORTIZ: And how are these
17 subcontractors going to be divided and what's going
18 to be the participation of African Americans and
19 Latino contractors within the building of Progress
20 Plaza?

21 MR. RHOADS: The numbers in the Plan
22 that are being circulated to you now contemplate 35
23 percent in terms of minority contracting, and I
24 believe it's 10 percent female controlled
25 businesses, and 1 percent disabled controlled

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2 businesses.

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COUNCILMAN ORTIZ: Do you have that in
4 terms of a job division in terms of contracts? Do
5 you have a schedule of how these contracts are going
6 to be done? And 35 percent, why so low?

7

MR. RHOADS: I mean, 35 percent we
8 thought was a relatively aggressive goal and thought
9 that that would require the developer to stretch,
10 and is what we sought from the developer.

11

COUNCILMAN ORTIZ: Do you have a
12 schedule of that you can show us?

13

MR. RHOADS: Yes. It's in the Plan
14 that's being circulated now.

15

COUNCILMAN ORTIZ: I'll have more
16 questions after I see the Plan, Madam Chair.

17

COUNCIL PRESIDENT VERNA: Thank you.

18

Mr. Cuorato, do we have ample parking
19 spaces between a supermarket and the residential
20 tower?

21

MR. RHOADS: The answer is yes. There
22 are 240 parking spaces that will be available in the
23 project on the parcel.

24

COUNCIL PRESIDENT VERNA: Thank you.

25

The Chair recognizes Councilman Clarke.

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COUNCILMAN CLARKE: Thank you, Madam

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President.

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Mr. Cuorato -- and I don't know if Mr.

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Rhoads may need to answer this. There was a letter

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circulated to Members of Council from the City

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Controller's Office that referenced various

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wage and business taxes, and he indicated that some

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of the language in the proposal was inaccurate. Can

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you explain that and clear that up?

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MR. CUORATO: Yes, Councilman. I'll be

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glad to do that.

13

The Controller raised several issues

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following their review of the Project Plan. They

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asked about the fact that our wage tax revenue

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projections were based on a calendar year rather

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than a fiscal year, and asked if that discrepancy

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had any impact on our cost benefit balance. And the

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answer is, no. We did the recalculations on a

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Fiscal Year basis, and the difference is that we

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underestimated wage taxes by \$5,000 over the 20-year

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term, which is basically negligible. So for all

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intents and purposes, that number remains the same.

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The Controller also asked why we did not

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compute the net revenue portion of the Business

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2 Privilege Tax. And the answer is simply it's nearly
3 impossible to calculate the net profit without a
4 detailed knowledge of the specific business. We
5 made some projections and calculated the gross
6 revenue portion of the Business Privilege Tax only.
7 So that's all we've included. So our number is
8 effectively a more conservative estimate, since it
9 doesn't include the net profits portion of the
10 Business Privilege Tax.

11 The Controller also referenced the
12 construction job estimates. As I've already
13 mentioned in my testimony, we do agree that the
14 number that was originally submitted in the Project
15 Plan was high due to an inadvertent error on our
16 part. We are confident with the new numbers, which
17 is, again, a range between 124 and 225 jobs, if we
18 do the maximum build out.

19 The Controller asked if future wage tax
20 reductions would effect our projections, and the
21 answer is, yes, that we have calculated our wage
22 taxes based on the current approved Five-Year Plan
23 for the City.

24 And finally, the Controller raised some
25 questions about whether or not there's a City

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2 guarantee at stake in this particular TIF. We
3 pointed out that it is the developer that's at risk
4 if the project fails. There may be a HUD 108 Loan,
5 which would be the source of financing for this
6 project. If that is the case, then PIDC would
7 underwrite that loan through it's normal due
8 diligence process and be assured that we have
9 sufficient collateral.

10 Councilman, I believe those are the
11 issues that the Controller's Office raised.

12 COUNCILMAN CLARKE: Yes. In a recent
13 community meeting, there was, to my understanding,
14 some issues raised about the proposed residential
15 aspect of the project. Could you address that?
16 Because I'm not sure that the information that was
17 put out in various sources -- it could be accurate.
18 It may not be accurate. I just need for the record
19 for you to reference that housing component.

20 MR. CUORATO: Councilman, I will give
21 you my answer. If you want more information, I'd be
22 glad to ask the developer to address that issue
23 directly.

24 The base project, the minimum project,
25 is the entire retail portion of the development,

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2 which is the supermarket and, I believe, another
3 25,000 square feet or so of retail space. If a
4 residential component of the project proves
5 feasible, that would be the maximum build out, and
6 that's why we provided ranges in this TIF proposal.
7 That would add about 67,000 square feet of
8 residential development to the project. It would be
9 market rate rental units. And, again, that would be
10 the full build-out scenario. That is our
11 understanding of the development.

12 COUNCILMAN CLARKE: At what point would
13 you determine if that's feasible?

14 MR. CUORATO: Councilman, within 90
15 days, and certainly prior to closing on the TIF,
16 because that would determine whether we're in the
17 low range or the high range of the TIF amount. So
18 that decision would be made within 90 days.

19 COUNCILMAN CLARKE: Is there a
20 particular process that we will utilize to make that
21 determination, not just from the economic side of
22 the project, but also in terms of its impact on the
23 community?

24 MR. RHOADS: Obviously, it would be
25 acceptable to the owner. And as the Councilman

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2 knows, the ownership of this project is 60 percent
3 controlled by a community group. So it effectively
4 would have to be acceptable to the community.

5 COUNCILMAN CLARKE: I'm not talking
6 about just the owner of the development. I'm
7 talking about the surrounding community, the elected
8 representatives of the community. Understanding
9 that the ownership obviously has to do his due
10 diligence to determine the feasibility of the
11 project, but I'd like to talk about what process
12 will be used in terms of having the necessary
13 support for the expanding project that will include
14 the residential portion?

15 Because initially, when the project
16 first came to us, it was simply a commercial
17 development. And here recently there was a proposal
18 to include housing. I'm just trying to find out
19 what the process will be in terms of the surrounding
20 community, not the community organization or the
21 non-profit developer.

22 MR. RHOADS: It would be in consultation
23 with the District Councilperson.

24 COUNCILMAN CLARKE: Are you shifting it
25 to me?

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MR. RHOADS: In terms of settlement on the ultimate loan, when the developer has made their determination about what the ultimate project is, we will make a determination with the Administration and with the District Councilperson that it's within the confines of the TIF Project Plan.

COUNCILMAN CLARKE: Well, since we have a representative from the non-profit, quote/unquote, community entity in this deal, can we ask them speak to the process? While I'm very excited about the possibility of having a supermarket, I just want to make sure that it's clear, first, what's being proposed; and secondly, what it's impact will be on the community. And at the end of the day I'd like to have consensus of both the community and the developer on proceeding with the project with the residential component.

MR. TUCKER: Good afternoon. My name is Alvin Tucker. I'm the Treasurer of the Board for Progress Investment Associates.

Progress Investment Associates owns and operates Progress Plaza, and we also are the developers in partnership with the Kravco Company for this redevelopment and expansion project.

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In terms of the tower, residential tower, that was introduced in the testimony this morning, that's part of the expansion that's still under consideration. Last week, we had a community meeting, Progress Investment Associates had a community meeting where we went through our plans. And that part of the plan was introduced in that community meeting.

Now, it's our understanding, as a result, there's some misconceptions that we, Progress Investment, will continue as we have since then -- in fact, I was on the radio yesterday with WHAT, and we promise -- we have a date for our next scheduled community meeting where we are going to continue to have these community meetings to not only explain our project, but also to get community feedback and acceptance and to dispel all of the misconceptions that seem to have filtered in this process to date.

Progress Plaza, founded by the late Leon Sullivan, has been for over 30 years a very good neighbor in the North Central Philadelphia area. In fact, our neighbors, most of them, are part of our close to 4,000 shareholders that actually owns

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2 Progress Investment Associates. Therefore, we
3 intend to continue to be good neighbors.

4 The issue on housing, as it was
5 introduced at this Council hearing this morning, is
6 continuing to be studied in terms of the economic
7 feasibility because Progress Plaza, owned by
8 Progress Investment Associates, is the only Leon
9 Sullivan entity that's for-profit. Reverend Sullivan
10 has many OICs and other organizations. But he chose
11 to create, over 30 years ago, a for-profit
12 organization to introduce to the community that
13 model in hopes that the community will be able to
14 learn and demonstrate asset creation and all other
15 kinds of things that make economic sense in America.

16 So when we embarked on this project, we
17 looked at it from a business standpoint. But as I
18 mentioned earlier, we're good neighbors. And our
19 shareholders are our neighbors. So we would never
20 do anything to create a problem or to harm our
21 neighborhood. So we are going to have a process of
22 community hearings. We're going to have a process
23 of community feedback and approval.

24 COUNCILMAN CLARKE: You said your second
25 meeting is next week?

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MR. TUCKER: June 5th. Anyone who wishes to attend that meeting, it will be on June 5th, 7:00 at Progress Plaza.

COUNCILMAN CLARKE: What is our intended date of passage for the Bill?

MR. CUORATO: June 5th, Councilman.

COUNCILMAN CLARKE: Can you have that meeting before June 5th?

MR. TUCKER: Certainly. Certainly.

COUNCILMAN CLARKE: I would like to have that meeting before we pass the Bill.

MR. TUCKER: We'll change the date, make it earlier, and everyone will be notified.

COUNCILMAN CLARKE: All right. Thank you.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

If anyone has any questions of Mr. Cuorato, I would appreciate it if you would ask him now, because I think he has to be somewhere at 11:30.

Are there any questions of Mr. cuorato?

(No response.)

COUNCIL PRESIDENT VERNA: Mr. cuorato,

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2 you're excused.

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MR. CUORATO: Thank you, Madam

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President.

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Thank you, Members of Council.

6

COUNCIL PRESIDENT VERNA: Thank you.

7

Do we have anyone else to testify on

8

this Bill?

9

Would anybody like to testify?

10

Please approach the witness table.

11

Good morning. Please identify yourself

12

for the record and proceed with your testimony.

13

MS. ROBINSON: Good morning. My name is

14

Judith Robinson. I am a resident of North

15

Philadelphia, North Central. I'm here today to

16

testify on Ordinance 030222.

17

I have three areas of concern. Most

18

importantly is the neighborhood benefit strategy. I

19

understand there's an economic opportunity strategy

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put forth. I would appreciate if we could have a

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copy of that, as I will be taking that back to the

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community to discuss, prior to this meeting coming

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on or before June 5th.

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We're very much concerned that these 200

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to 220 jobs, permanent jobs, that these jobs will

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2 be -- members of our community will be considered
3 for these jobs. Not only considered, but that they
4 do receive part of these jobs. Because as you know,
5 a community cannot grow and develop if there's not
6 economic development and benefit strategy for the
7 general community.

8 In addition, I'm concerned about
9 subcontracting. I'm sure that will be addressed in
10 this economic opportunity strategy that we will
11 receive. That's an area that's very much of concern
12 to me, from professional services that are starting
13 at this point, to subcontracting opportunities. I
14 contend when African Americans contractors have
15 contracts, they bring African American workers. We
16 know that from past experience.

17 There was an Executive Order recently
18 let down by our Mayor. I would like to know, how
19 does this Executive Order affect this project? I
20 understand the Executive Order was to take place
21 immediately, and I'm concerned that this project and
22 all other projects in the future come under this
23 Executive Order. It's only 180 days that the Mayor
24 has allowed for us to gather information as to
25 remedial measures that may be needed in the future.

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2 So I want to make sure that we have all projects,
3 small and big, taking place under the Executive
4 Order.

5 The other area of concern is this Temple
6 student housing. I am a real estate broker. And in
7 the past, this project, along with the one at Broad
8 and Cecil B. Moore, was presented to me, and it was
9 presented as having student housing. I saw that
10 with my own eyes. It was presented as very much a
11 possibility. I live in the area. I'm very much
12 interested in development. I am happy about it. I
13 would be able to walk to the supermarket and partake
14 in all of the retail that's in there, and I'm happy
15 about that. But the impact of student housing in a
16 community must be considered, especially in light of
17 the fact that I know for sure Temple is looking for
18 housing for 5,000 students and faculty. That is no
19 secret. If there is to be student housing as a part
20 of this project, we just want to know. We want to
21 deal with the impact that student housing will have,
22 not just on the immediate community, but the general
23 community of North Central. We don't want to feel
24 like we're being overrun by student housing, while
25 the residents and homeowners are disrespected. We

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2 want to be real clear on that.

3

4 In the past, Councilman Nutter had a
5 Bill related to college students because there was
6 an issue in his district. I want to know how that
7 Bill will come into play in the area near Temple
8 University. Because, for instance, we will have
9 student housing, as it's being proposed at Broad and
10 Cecil B. Moore near the movie theater project.
11 There will be student housing at this particular
12 project, which is about half a block away, and we
13 know that Amirah Jeffries (ph), which was a
14 long-term care home, there will be student housing,
15 and that's one block west of this project. So
16 that's a high concentration of student housing.

17 Temple is a great employer in our
18 community, and we welcome the opportunity to work
19 with them. However, to have such a high
20 concentration of student housing and not have some
21 interaction with the community beforehand would be
22 totally out of order and very disrespectful. We are
23 homeowners. A lot of us. Although our neighborhood
24 is tattered, we're on the rise. We're being
25 revitalized and we're going to be very much a part
of it.

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2 In addition, an area of very much grave
3 concern to me is that we have a quality of these
4 resources. As a matter of fact, I'm sitting here
5 with the developer from our area, who I know 12
6 years. She's worked very hard to get a supermarket
7 near 12th and Girard. I would like to know why
8 these same resources that are pushed to help this
9 particular developer are not pushed -- and I'm
10 asking PIDC and the Commerce Department and all of
11 you to help her to get -- not just her, but the
12 community, because we support her. Why aren't you
13 all putting your resources behind her and behind
14 that project? I'm not going to get personal about
15 it, because I don't know anything personal. All I
16 want to know is about a project that's in our
17 community, that one of our residents is working very
18 hard to see through, and it's not getting the same
19 kind of support. I understand you're giving a HUD
20 108 Loan. I know from sitting through OHCD
21 hearings, that you're taking money from OHCD to pay
22 off the 108 Loan. I thought there wasn't that much
23 money left to be giving out loans. If these are
24 scarce resources, we need to make sure that we're
25 putting money in projects in an equitable manner.

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A big supermarket, I understand, would be a value to our community, as well as a smaller market, such as this Green Grocer will be, like the Green Grocer over in the University of Penn area. It's more like a smaller specialty type of market. The market that's being proposed by the Renaissance CDC -- and I don't want to put Paula on the spot. She's just one person. But there's many people involved with her as the community. I just would like to know about resources being allocated in our community in an equitable manner. That's pretty much all I have to say.

I hope I can get a copy of that economic opportunity proposal that has been advanced for this project.

In addition, I would like to make sure that the trust board understands that you're not just dealing with a small area. You're dealing with the whole of North Central, because you all are going to expect that I and other residents will come and shop at the Progress Plaza, and we certainly will. That's why we want to make sure we know what's going on along the whole process.

Thank you very much.

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COUNCIL PRESIDENT Verna: Thank you very

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much.

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The Chair recognizes Councilman Nutter.

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COUNCILMAN NUTTER: Thank you, Madam

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Chair.

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Ms. Robinson, you made mention of one

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piece of legislation that I had introduced in this

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Council, and this Council supported, the Educational

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Housing District Bill. And I believe your question

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was, what impact would that legislation have with

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regard to this particular proposal. The response is

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the Educational Housing District legislation that I

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introduced only pertains to the 4th Councilmanic

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District, which I represent. So that legislation

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would not extend to the area that you're concerned

17

about with regard to this legislation, as that

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location is in the 5th Councilmanic District. I

19

just wanted to respond to that particular issue.

20

MS. ROBINSON: Well, is there any way

21

your Bill can be amended?

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COUNCILMAN NUTTER: Yes. But I think

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Councilman Clarke will respond to that particular

24

issue.

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COUNCILMAN CLARKE: Thank you,

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2 Councilman.

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4 Good morning. Ms. Robinson, actually, as
5 a result of Councilman Nutter's passage of his Bill,
6 I've been getting numerous inquiries from people
7 around the university about a similar Bill or a
8 comparable Bill to address the concerns, and I've
9 actually talked to the Planning Commissioner about
10 possibly doing an overlay or a similar Bill, a
11 student housing Bill.

12

13 We will be introducing in the near the
14 future the difference is as it relates -- I want to
15 say that, in this particular case, Temple University
16 is cooperating with us on this Bill in that they
17 foresee that it is problematic for them because of
18 the concerns that are raised as a result of their
19 students creating problems in communities. And Mr.
20 Adamati (ph) is going to be supportive of the
21 legislation, so we don't have to fight them at
22 least. Not that I don't mind having that fight.
23 But we will be introducing something for this
24 particular neighborhood. It's a little different
25 environment. I want to tailor it specifically to
that area. But it is a problem; the parking, the
cutting up of properties in Yorktown, making them

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2 into multi-family units. That's why I want to put
3 the zoning aspect in there, because some of the
4 things that they're doing are creating a problem as
5 it relates to the fabric of the community, not
6 necessarily just the behavior. But when you have
7 probably the most stable housing development in the
8 history of North Philadelphia being turned into
9 apartments, that's problematic, regardless of the
10 behavior of the students. So we're looking at the
11 zoning aspect. We will be introducing something
12 very shortly for the 5th Councilmanic District.

13 MS. ROBINSON: Prior to housing being
14 placed there?

15 COUNCILMAN CLARKE: Yes. All of the
16 recent proposals -- there's about three of them of
17 significant size -- none of them will be completed,
18 I don't believe, frankly speaking, by the end of
19 year. I think all the projections are for to meet
20 the student population or the resident population in
21 2004. So there's more than enough time to have the
22 legislation in place before any of these units are
23 completed.

24 COUNCIL PRESIDENT VERNA: Thank you very
25 much, Ms. Robinson.

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Good morning. Please identify yourself
for the record and proceed with your testimony.

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Before you do that, I would like to
recognize Councilman Kenney.

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COUNCILMAN KENNEY: Thank you, Madam
President.

8

I must leave the Chamber on business and
would like in my absence to leave my yes vote on all
amendments and the final Bills, getting them out of
Committee. Hopefully, I will return before the end
of the hearing. But if I'm missing when you vote, I
would like to be recorded as voting aye.

14

COUNCIL PRESIDENT VERNA: Thank you.

15

COUNCILMAN RIZZO: I have to leave also
to take care of some Council business outside of the
building, so I'm going to leave my vote also.
Hopefully, I'll be back before the end of the
hearing. But I'm going to be here for about another
15, 20 minutes, then I'll be leaving.

21

COUNCIL PRESIDENT VERNA: Thank you.

22

MS. PEEBLES: Good morning, Madam
President and Members of City Council. My name is
Paula Peebles, and I am a lifelong resident of North
Central Philadelphia, residing on the east side of

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2 Broad Street where Progress Plaza was built by the
3 late, great Leon Sullivan presently still stands. I
4 am here on behalf of the residents, vendors and
5 businesses that oppose a TIF being approved for
6 Kravco, the for-profit development company for the
7 proposed new Progress Plaza.

8 For the record, we support community
9 progress to revitalize, to rebuild and entrap
10 reinvestments into North Central; however, not at
11 the cost of displacement or forced removal of the
12 indigenous people due to gentrification. We oppose
13 the approval of the TIF for the proposed Progress
14 Plaza project, as the developer has been less than
15 honest with the residents of the community regarding
16 their intentions to rebuild Progress Plaza,
17 accompanied by the development of an upscale Temple
18 student apartment complex at the location known as
19 Progress Plaza presently. We oppose this plan. We
20 believe no tax increment financing should be given
21 to the project under its present proposal.

22 On May 1st at a meeting, with limited
23 distribution of flyers in the community, was
24 convened by Kravco and Progress Investment
25 Corporation. Several times during the meeting, Mr.

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2 Louis Gammons (ph) from Kravco was asked by the
3 community residents of their intention to build
4 housing at the Progress Plaza site. Mr. Gammons, in
5 his arrogance, refused to confirm or deny Kravco's
6 intentions to institute this plan. Again, we oppose
7 the TIF of Kravco. No tax breaks should be granted
8 to Progress Plaza under their current intentions.

9 Why do we oppose a plan that would
10 incorporate development of upscale Temple student
11 housing? Temple University continues to encroach on
12 the North Central community. We have learned from
13 the University of Penn, now University City, which
14 removed primarily black families from West
15 Philadelphia. We do not intend to allow Temple Town
16 to be developed under the guise of progress for
17 North Central Philadelphia.

18 Under the immediate past president Peter
19 Liacorus (ph), we, the residents of North Central,
20 spent over three decades of fighting to keep our
21 homes and to keep Temple from displacing our entire
22 community. Constance Clayton, the former
23 superintendent of the School District, his family
24 was displaced by Temple's forced expansion into
25 North Central. Today, Temple's new president is

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2 more covert with the Temple plan in that he uses
3 for-profit developers to expand Temple into our
4 community.

5 A more recent exam of this is with the
6 old Cardon (ph) Building at 10th and Berk Street.
7 We, the community, were not informed about this
8 project until it was well underway when we were
9 actually informed. We were told that this building
10 renovation would provide apartment housing for all
11 -- and that's underlined -- all residents. Nothing
12 could be further from the truth. In fact, the rents
13 were set, not to accommodate our children,
14 residents' children, or working class families of
15 North Central.

16 Amirah Jeffries, a senior care facility
17 that provided long-term healthcare to area seniors
18 located at 15th and Jefferson has now been closed by
19 Temple and is presently being renovated to provide
20 housing for Temple students in September. Another
21 Temple expansion effort. My point being, Temple
22 alleges to get involved in projects for one purpose,
23 to camouflage their real intentions, which is to
24 expand further into North Central, thereby
25 displacing more and more families.

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In closing, we want to appeal to you to deny the TIF for the Progress Plaza project until the developers confirm their full intentions regarding the proposed project. We shall not be moved. Yes, today the developer may state that Temple's relationship would only be to direct students to the new proposed housing; however, just as in the case of Amirah Jeffries on the west side of Broad, and the Cardon facility on the East side of Broad, trust us, if you fail to deny the TIF request, the red and white Temple flag will be flying all around what was once a national example of black economic empowerment, Progress Plaza.

We request that this be tabled until such time a full community meeting could be held where the developers will have an opportunity to fully disclose their plan.

We thank you for this time.

COUNCIL PRESIDENT Verna: Thank you very much.

Are there any questions or comments from Members of the Committee?

(No response.)

COUNCIL PRESIDENT Verna: Thank you very

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2 much.

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Do we have any other witnesses to
testify?

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Please approach the witness table. Good
morning. Please identify yourself for the record.

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MS. SMITH: Good morning, Madam
President, esteemed Members of Council. My name is
Pamela Pendleton-Smith. I am the treasurer of the
of the Yorktown Community Organization. I am here
this morning on behalf of the President of the
Yorktown Community Organization, by her authority,
because she could not be here herself. Also, I am
here on behalf of people who have signed petitions
in support of Ordinance 030222, on behalf of 36
shareholders' letters of support -- that's in
addition to the 373 petition signatures in
support -- and also my fellow community members, who
accompanied me here today.

We, as residents of Yorktown Jefferson
Manor, Harrison Plaza, Richard Allen Homes, Zion
Garden Apartments, Gladys B. Jacobs Apartments and
other parts of the local community, strongly urge
you to pass this Ordinance creating the Progress
Plaza Tax Increment Financing District.

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I have copies for Madam President and
for Councilman Darryl Clarke for the signatures and
the letters of support.

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Those of us in the aforementioned
communities support the development plan for a new
Progress Plaza in keeping with the vision of the
late Pastor Leon Sullivan to improve services to the
North Central Philadelphia community and prevent the
further blight in our community. Our expectation is
that the Ordinance will allow Progress Plaza to
reach the goal Pastor Leon Sullivan originally
intended when he named it Progress. That is, to
have a local, full service supermarket to service
the needs of the community; to have a large
construction project that creates a large number of
construction jobs for local minorities; to make
several management job opportunities available to
African Americans; and to provide opportunities that
will encourage the growth and success of local
entrepreneurs.

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The proposed TIF District is an area
that would otherwise not be adequately developed to
meet the well-documented needs of our community as a
whole. This community has been without a

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2 supermarket for several years, which creates a
3 hardship for residents, especially for the
4 handicapped and the elderly of the community, who
5 have to shop for basic grocery items, such as milk
6 and bread, at the local Rite Aid and pay a premium
7 price for it. Other residents have to travel miles
8 to a supermarket each week, adding a travel expense
9 they would not normally have incurred. Since I
10 drive, I shop in South Philadelphia each week to get
11 the fine quality of food stuffs I am used to buying.

12 It is time to stop the hemorrhage of
13 community retail dollars. It is time for qualified
14 members of the community to have the opportunity to
15 have permanent jobs locally. It is time for
16 Progress Plaza to be restored to the glory that it
17 enjoyed as the first major African American
18 sponsored shopping center in the United States. It
19 is time for Progress Plaza to represent the Avenue
20 of the Arts North. The new Progress Plaza promises
21 to do all of that by developing a full service
22 supermarket that offers fresh produce, well-stocked
23 groceries, a bakery, deli, fresh meats, and fresh
24 seafood. It is my hope that the Progress Plaza area
25 becomes a destination for everyone, rather than

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2 becoming blight in our community.

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4 So in conclusion, we ask that you
5 approve this Ordinance so that the injustice of
6 leaving our community so long without a supermarket
7 can be abated by developing and opening the Fresh
8 Grocer Supermarket, by designing the plaza in such a
9 way that will bring vitality back to the community,
10 by offering construction jobs to local skilled
11 craftsman and un skilled laborers, by providing
12 opportunities for a significant amount of permanent
13 jobs for qualified local residents that include
14 managerial and entrepreneurial opportunities.

14

Thank you.

15

16 COUNCIL PRESIDENT VERNA: Thank you very
17 much.

17

The Chair recognizes Councilwoman Tasco.

18

COUNCILWOMAN TASCO: Thank you.

19

20 Good morning. I just have a couple of
21 questions to ask you, particularly around the
22 involvement of construction jobs to local skilled
23 craftsman. You know we have been in City Council
24 working very hard to include more local people, be
25 they African American or majority, but particularly
African American and Latino, in construction

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2 projects.

3 What is your enforcement mechanism with
4 the developer? Because I read the contract where it
5 says that they will make good faith efforts. They
6 will try. What have you all looked at in terms of
7 how you can enforce the participation of minorities
8 on the contract?

9 MS. SMITH: To date we have nothing in
10 place in terms of enforcement. We had one meeting
11 that was referenced on May 6th, I think was the
12 date. That was our community meeting where the
13 proposal -- that the renderings were introduced to
14 the community. There were other meetings that were
15 set up that the community is waiting to be notified
16 of, hoping that we could bring something to the
17 table in terms of having the project proceed
18 according to the community and the developers coming
19 together.

20 COUNCILWOMAN Verna: Mr. Rhoads, do you
21 mind coming to the witness table to address this?

22 MR. RHOADS: Again, my name is Sam
23 Rhoads with PIDC.

24 The Economic Opportunity Plan would be
25 part of the loan documentation when we settle on the

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2 TIF loan, so it would become part of the legal
3 documentation for this project. In the Project Plan
4 you'll see that there's provisions for reporting
5 throughout the construction process as we're
6 dispersing money into the project. So that would be
7 the means for monitoring those numbers.

8 COUNCILWOMAN TASCO: Given the state of
9 the membership of minorities in some of the skilled
10 trades, have you looked at how you might attain
11 these goals? If the goals are not obtained, what is
12 the enforcement mechanism? Do you have the ability
13 to stop the project until the goals are met?

14 MR. RHOADS: We have not looked in
15 detail at how we would obtain those because a
16 detailed construction budget has not been done yet.
17 But as the plan contemplates, we would be sitting
18 down with the developer, which again is a
19 partnership between Kravco and Progress Investments,
20 to look through the project budget in detail to come
21 up with the plan for attaining those goals.

22 COUNCILMAN ORTIZ: Point of order.

23 COUNCIL PRESIDENT VERNA: The Chair
24 recognizes Councilman Ortiz.

25 COUNCILWOMAN TASCO: I yield.

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COUNCILMAN ORTIZ: We've been going

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through many, many hearings over the last few years

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to get opportunities for Philadelphia residents,

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specifically minorities, in all of these projects

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that get built in our neighborhoods. And for you to

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say that it's monitoring -- I think the word

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Councilwoman Tasco used was enforcement.

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Enforcement, not monitoring. If the goals are not

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met, in terms of minority contracting and minority

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hiring, not the lower skilled job, but in terms of

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the high skilled jobs, the ones that really produce

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money, if those goals are not met, what is the

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enforcement? Not monitoring.

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COUNCIL PRESIDENT VERNA: Is there a

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penalty?

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MR. RHOADS: There -- I understand your

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question, and you're right. We've obviously

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discussed this many times.

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COUNCILMAN ORTIZ: The new law that we

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passed requires enforcement, and there are penalties

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in the new law. And I want to know whether that new

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law is going to be applied and enforced?

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MR. RHOADS: Absolutely.

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COUNCILMAN ORTIZ: Is it going to be

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2 part of the contract?

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MR. RHOADS: The contract will require
4 them to comply with all laws of the City and State,
5 absolutely.

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COUNCILWOMAN TASCO: Let me just finish
7 here. I'll be finished in a minute.

8

What I want to say -- because a lot of
9 my people I know are in the audience, and I'm not
10 into whether it's Temple or anybody. That's not my
11 issue. I think the project is a fine project, and I
12 support it. But I just caution you in trying to
13 negotiate a contract with a developer, that if your
14 goal is to have minorities on this project, that you
15 are able to enforce the contract; that you look at
16 some mechanism so that the individuals that you want
17 working on this project are people from the
18 community. There are skilled tradesmen out there,
19 women, that you want on this project. And that's
20 what my concern is. I support your project, but be
21 very mindful.

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We're having this experience in my
23 community with a project that's being built. There
24 was a discussion about minority participation, but
25 when the folks looked up, the workers were not

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2 there. So you have the ability as you negotiate
3 this contract to make sure that it's enforceable.
4 That's the key word, enforceable. That's why I
5 asked the questions.

6 I yield to Councilman Clarke.

7 COUNCIL PRESIDENT VERNA: Yes, sir?

8 MR. BURKES: My name is Donald Ducky
9 Burkes (ph). I'm a member of the Board of PIA. I'm
10 a member of the Trust Board. I was the first black
11 contractor with Reverend Sullivan in 1968 when
12 Progress Plaza was first built. I'm a stockholder.
13 My family is a stockholder.

14 I will guarantee, Councilman, Mrs.
15 President, there will no Progress Plaza if the
16 blacks are not getting the contracts, are not
17 digging the dirt, not putting the bricks up, not
18 doing the plumbing. There will be no Progress
19 Plaza. There will be no deal if the blacks do not
20 get a piece of it. We're not going to pussyfoot
21 around here with this 5 percent, 10 percent, 20
22 percent. The blacks are going to get the action or
23 there won't be no Progress Plaza. Period.

24 COUNCIL PRESIDENT VERNA: Councilman
25 Clarke, did you have something?

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COUNCILMAN CLARKE: I think I like Mr.

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Burkes' method of enforcement. I think that's

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better than anything we at the City can do.

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I did want to add that under the recent

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Executive Order and the law that Council passed,

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that it authorizes the City to disbar or terminate a

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contract of any entity or any individual who does

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not adhere to the existing participation goals and

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Ordinances that are currently on the books, so there

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is a mechanism within government to allow that. We

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just have to make sure that we implement that

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mechanism in time to effect this project. I just

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want to add that to the discussion.

15

COUNCIL PRESIDENT VERNA: Thank you very

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much.

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The Chair recognizes Councilwoman Brown.

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COUNCILWOMAN BROWN: Yes. I have to

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acknowledge and say that I appreciate the

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frustration expressed by Ducky Burkes because he was

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there when the first Progress Plaza was built.

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To underscore the remarks of my

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colleague, Councilman Darrell Clarke and Angel

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Ortiz, it suggests that benchmarks need to be

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written in the contracts so at different intervals

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2 there is a look-and-see to ensure that the
3 provisions are being honored. And I think the word
4 that troubled me most was the word "contemplate."
5 Because it's not really up to the developers to
6 contemplate. The law is written as it is with the
7 stipulations and the enforcement mechanisms built
8 in, so it's really not something up for negotiation.
9 That needs to be adequately shared with the
10 developers, if they indeed want the support of the
11 community and of this legislative Body.

12 MR. RHOADS: My apology. The use of the
13 word "contemplate" wasn't to soften it. Obviously,
14 the Opportunity Plan speaks for itself and it does
15 put in the mechanism for monitoring that throughout.

16 COUNCILWOMAN BROWN: Thank you.

17 COUNCIL PRESIDENT VERNA: Thank you very
18 much.

19 Do we have anyone else to testify?

20 The Chair recognizes Councilman Nutter.

21 COUNCILMAN NUTTER: Thank you, Madam
22 Chair.

23 This is not directed at the PIDC as an
24 agency, because there are a number of others who
25 would be included within the context of my comments.

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Councilman Ortiz and Councilman Clarke and Councilwoman Reynolds Brown and Councilwoman Tasco have asked a series of questions. The President has asked questions. My colleagues are surprised and stunned that I have not asked questions. And the reason is that my colleagues have covered all the territory.

But I guess what I would say is, it seems to me that at some point we would actually start to get this right. And it would become so easy, so commonplace for us with these projects. Because all of the time and effort that goes into putting these projects together by obviously well-meaning and smart people to make these things work, all of the elements, all of the components, the numbers, the analysis, the marketing studies, all of it, is always done ahead of time. It's always done ahead of time.

No one comes here to this table and says, "You know, we're thinking about maybe contemplating talking about having a project, and we'd like to come to Council and see what you think about it."

I mean, there are serious people in this

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2 room, both from the community and from the
3 development side who have studied this thing.
4 They've figured out that the economics work. They've
5 talked to banks, financial institution, a whole host
6 of folks, and put a project together. And every one
7 of them that comes over the past few years, we
8 always end up in a long, drawn-out, painful debate
9 about this minority hiring and minority contracting.
10 Half of the time we're not even paying that much
11 attention to, you know, what's the project really
12 about. How big is it, how wide is it, how many
13 square feet is it, what kind of furniture are you
14 going to have, or what color the walls are going to
15 be. One, half the time that's none of our business.
16 Two, we figure you guys know how to do that in the
17 first place. But we always end up in this fight at
18 the end with this last little piece on the minority
19 side. And it just gets tiring after a while.

20 I'm saying to the collective government,
21 because we have our responsibility in this, the
22 Commerce Department, the direct part of the
23 government, PIDC, quasi-agencies and all the rest,
24 if you would spend a little more time and effort on
25 this particular piece like you do on the

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2 financing -- no one has ever come over here and
3 said, "You know, we have this project. We're not
4 sure if it's going to work. We don't know if the
5 numbers are going to add up. We're not sure if
6 we're going to make any money, but we'd like to do
7 it anyway." No one has ever come here and said that
8 to me. They already know that it's a winner.

9

Do the homework on the minority piece.
10 Come with the full package. Give people the
11 assurance up front when they walk in the door that
12 all of the pieces and elements are already in place.

13 So, what I'm going to say now is just
14 suggest that maybe there should be some opportunity
15 between the Council and the Administration and all
16 of the economic development agencies, that we have a
17 chance to sit down with you and tell you basically
18 up front what it is that we need, what we're looking
19 for, what do we want when you bring a project over
20 here. If it's not completely ready, take an extra
21 week, take another 10 days, take a month, and get it
22 right. So that when you come, everybody is working
23 in concert. We know what the deal is and there are
24 no mysteries. It's not, "what can I bull you about
25 today. How do I have to hold you, jack you up, beat

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2 you in the head, talk about your family, follow you
3 home." We all got other stuff to do. I'm not
4 trying to have a fight here.

5 (Applause.)

6 COUNCILMAN NUTTER: I would say if the
7 interest rate is important and if the financing is
8 important and if who you're borrowing your money
9 from is important, then just acknowledge and accept
10 that the minority participation or the neighborhood
11 participation or whatever participation is as
12 important as all the elements, and let's move on
13 from this issue. You're going to do what we end up
14 asking you to do anyway. What are we fighting
15 about?

16 Thank you.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 The Chair recognizes Councilman Ortiz.

19 COUNCILMAN ORTIZ: I was just perusing
20 this quickly, so I haven't even taken an in-depth
21 look at the Economic Opportunity Plan. But words --
22 I'm a lawyer -- words have meanings. Words turn a
23 contract one way or the other.

24 I previously said that I don't like the
25 aspect of the combining of the hours. I think you

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2 have to separate that because you don't get a clear
3 record of real minority participation along those
4 lines.

5 The word "encouraged" is used throughout
6 different paragraphs. The word "encourage" means
7 absolutely nothing. Absolutely nothing. I would
8 suggest you replace the word "encourage" with
9 "require." Wherever that word is at, you replace
10 it. Those are just the Paragraph A in Section 1 and
11 2, and it appears a few times. I haven't looked at
12 this. But wherever it is, it isn't an
13 encouragement.

14 I think Ducky said it very well. It is a
15 demand, a requirement. If you don't meet it, you
16 don't do it. If you don't do it, you're out of the
17 contract. That's it. We'll get somebody else to
18 build Progress Plaza. Because there's other people
19 who are willing to come in and develop and do it.
20 And it's going to be done with the TIFs and the
21 loans. And those loans will be there for whatever
22 developer that does the things that we're asking
23 them to do.

24 So I would suggest that before we
25 approve this legislation, this Economic Opportunity

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2 Plan be well written in order to express the
3 thoughts that this Council has expressed, the
4 thoughts that Mr. Burke has expressed, and then come
5 forward with it. We don't want any nebulous words,
6 any vague words that can be interpreted in many,
7 many myriads of ways. We want very specific words
8 that say, "We are going to do this; if we don't do
9 this, this is the penalty."

10 COUNCIL PRESIDENT VERNA: Thank you.

11 The Chair recognizes Councilwoman Brown.

12 COUNCILWOMAN BROWN: Thank you, Madam
13 President.

14 I put my light on, not knowing
15 Councilman Ortiz had done the same. But my
16 sentiment is absolutely the same. I've been here
17 for three years now, and I can clearly remember
18 supporting the first TIF, even though I had a lot of
19 reservations about it. And my colleague and I,
20 Councilman Goode, talked many, many times about
21 supporting future TIFs. And now with the
22 legislation in place, that all members of this
23 Legislative Body supported unanimously,
24 overwhelmingly, the legislation authorized by
25 Councilman Angel Ortiz, the message we believe has

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2 gone forth throughout this entire City for those who
3 want to do business in this City. It's part of a
4 bigger picture to the extent that you employ people
5 from neighborhoods, to the extent that you give
6 young people and those who want to do the training,
7 get the training done, jobs. The periphery domino
8 effect is priceless. So it's unacceptable for those
9 who want to come here and ask for TIFs any more in
10 the future to think that someone on this Body is not
11 going to raise the question, and what are you doing
12 for the local community. It's unacceptable.

13 (Applause.)

14 COUNCIL PRESIDENT VERNA: Are there any
15 other questions or comments from Members of the
16 Committee?

17 The Chair recognizes Councilman Clarke.

18 COUNCILMAN CLARKE: Thank you, Madam
19 President.

20 I didn't hear the testimony of
21 Councilman Ortiz, but I'm assuming that he was
22 referencing the Economic Opportunity Plan. What I'd
23 like to do -- and I need to talk to you about the
24 timing of it, because there is a time limit in terms
25 of when we need to get the Bill out. I think there

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2 may be one or two issues in the Plan that needs to
3 be addressed. So I would like to either amend the
4 Bill, to have as a part of the Plan in the Bill,
5 either on the 5th or the 29th, if we can talk about
6 the scheduling, so we can make sure that it gets
7 passed in a timely way. But I would like to have a
8 little more lengthy discussion about Economic
9 Opportunity Plan with all of the pertinent parties.

10 COUNCIL PRESIDENT VERNA: Didn't I
11 understand that it's to be passed by the 5th?

12 COUNCILMAN CLARKE: It can't be passed
13 until the 5th. And the only day is the 12th. So
14 the question is, do we amend it on the 5th, then
15 final passage on the 12th, or suspend the Rules on
16 the 29th and amend it at that time? But there are a
17 couple of issues that I'd clean up. And then
18 obviously the issue with respect to the community
19 meeting to deal with the housing, so I would offer
20 that amendment at that time.

21 COUNCIL PRESIDENT VERNA: Great. Thank
22 you.

23 Any other questions or comments from
24 Members of the Committee?

25 (No response.)

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COUNCIL PRESIDENT Verna: Seeing none, I

thank you all for coming in. We really appreciate
your attendance.

This Committee will stand in recess
until tomorrow, Thursday, May 15th at 9:30.

Thank you very much.

(Council adjourned at 5:00 p.m.)

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

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of May 14, 2003, were reported fully
and accurately by me, and that this is a correct
transcript of the same.

RE: COMMITTEE OF THE WHOLE

Lisa C. Bradley, RPR
and Notary Public