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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON COMMERCE

5

AND ECONOMIC DEVELOPMENT

6

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, March 3, 2005
3:45 p.m.

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10 RESOLUTION 040827 - Resolution authorizing
11 the Committee on Commerce and Economic
12 Development to hold hearings to review The
13 findings and recommendations of the
14 Philadelphia 21st Century Economic
15 Development Summit...

14

15 PRESENT:

16 COUNCILMAN W. WILSON GOODE, JR., Chair
17 COUNCILMAN FRANK DICICCO
18 COUNCILWOMAN MARIAN B. TASCO
19 COUNCILWOMAN BLONDELL REYNOLDS BROWN
20 COUNCILMAN JUAN RAMOS
21 COUNCILMAN FRANK RIZZO
22 COUNCILWOMAN DONNA REED MILLER
23 COUNCILMAN DARRELL CLARKE

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2 COUNCILMAN GOODE: Good afternoon.

3 This hearing called to order. This is the
4 hearing of the Commerce Economic Development
5 Committee on Resolution No. 040827. My name
6 is W. Wilson Goode, Jr., Chair of the
7 Committee. I note for the record Councilwoman
8 Marian Tasco is here, Councilman Frank
9 DiCicco. Other Committee Members will be
10 joining us. A quorum is necessary to begin.

11 The title of Resolution No. 040827,
12 authorizing the Committee on Commerce and
13 Economic Development to hold hearings to
14 review the findings and recommendations of The
15 Philadelphia 21st Century Economic Development
16 Summit, to take public testimony related to
17 the Street Administration's proposed Economic
18 Development Blueprint and Investment Fund, and
19 further authorizing the Committee to issue
20 subpoenas to compel the attendance of
21 witnesses and the production of documents and
22 other evidence.

23 Our only scheduled witness today is
24 the Commerce Director, Ms. Stephanie Naidoff.
25 We will ask her to please state her name for

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2 the record and to thank her being patient and
3 then proceed with her testimony.

4 MS. NAIDOFF: You're certainly
5 welcome. I'm Stephanie Naidoff and I'm City
6 Representative and Director of Commerce for
7 the City of Philadelphia.

8 Good afternoon, Mr. Chairman and
9 Members of City Council. My name is Stephanie
10 Naidoff, as I just said, and I'm the City's
11 Representative and Director of Commerce. I'm
12 here today to provide testimony responding to
13 the invitation to testify at this public
14 hearing. As I understand it, the purpose of
15 the hearing is to review the Street
16 Administration's proposed Economic Development
17 Blueprint.

18 I'm really pleased to have this
19 opportunity to review with City Council and
20 the public the recommendations arising out of
21 the Blueprint process and how the
22 Administration plans to use these
23 recommendations to shape public policy and
24 inform economic development efforts in this
25 City.

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2 As previously indicated in testimony
3 to City Council last fall, the Department of
4 Commerce has undertaken a strategic planning
5 process for the City's economic development, a
6 process that we have indicated will result in
7 a strategic plan to be known as the Economic
8 Development Blueprint. The Blueprint will
9 provide focus and context for our economic
10 development efforts, allowing the
11 Administration to allocate limited resources
12 in an informed way that best serves the
13 interests of the City and lays the foundation
14 for continued growth.

15 Bringing the Blueprint to fruition
16 has proven to be a dynamic and dialectic
17 process. Building on the input we received
18 from our stakeholders, we began to craft a
19 document that was responsive to these
20 suggestions and informed by public policy and
21 public comment. My staff and I met with and
22 sought more information from a number of
23 experts so that our document would be relevant
24 and discuss the latest developments. Draft
25 Blueprint documents were distributed within

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2 the Administration to create a dialog and
3 examine current policies. Administration
4 review provided the context to translate these
5 ideas into public policy terms and prioritize
6 them in a manner that we feel is responsive to
7 the needs of the City and realistic in terms
8 of our fiscal responsibility. The resulting
9 objectives will serve to frame the economic
10 development efforts of the Administration in
11 the years to come. These objectives
12 illustrate the path the Administration will
13 take to achieve economic growth in
14 Philadelphia.

15 In his speech to the Greater
16 Philadelphia Chamber of Commerce on February
17 23rd, the Mayor outlined some of the
18 objectives that came out of the summit process
19 and indicated the full Blueprint document
20 would be available to the public within 30
21 days. As the Administration continues to
22 define and flesh out these priorities and
23 accept comments garnered from the on-line
24 posting of the executive summary, I would like
25 to update you on our progress and highlight

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2 some of the most important Blueprint
3 initiatives that have developed since we last
4 met to discuss this issue.

5 First, the knowledge industry. The
6 knowledge industry is Philadelphia leading
7 economic sector, representing 26 percent of
8 the City's economy. The knowledge industry is
9 to the 21 Century is what the industrial
10 revolution was to the 19th and 20th Centuries.
11 It represents a diversified economy that
12 encompasses education, healthcare, life
13 sciences, technology, telecommunications,
14 financial and profession services, and
15 occupations where creative service is key.
16 Philadelphia already has world class
17 universities, students, hospitals, research
18 facilities, and service industries. In short,
19 all the necessary ingredients for a strong and
20 expansive knowledge industry. The Blueprint
21 recognizes our strengths and sees the
22 knowledge industry as an asset to build on in
23 order to grow our economy.

24 To do this, the Administration will
25 work more closely with the knowledge industry

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2 partnership to attract students to our
3 universities, engage them in the City while
4 they study here, and retain them in our City's
5 workforce after their graduation. We will
6 commit \$1 million over the next three years to
7 KIP's programming efforts as a means of
8 achieving this goal. Within the student
9 population, we're committed to reaching out
10 and retaining international students. We will
11 do this by supporting strategies to attract
12 international students and knowledge-based
13 workers, enhancing the marketing efforts of
14 KIP's International Student Attraction
15 Campaign and by promoting the City's language
16 and cultural diversity as assets to attract
17 and retain knowledge workers.

18 The Blueprint takes our established
19 focus on students and expands it to include 25
20 to 34-year-olds. We will reach out to these
21 young professionals through targeted marketing
22 efforts that promote Philadelphia's quality of
23 life, promote job opportunities for young
24 professionals and the creation of a
25 comprehensive housing assistance program to

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2 act as a local clearing house and information
3 delivery system for first-time home buyers in
4 Philadelphia.

5 In addition, the Administration
6 recommits itself to workforce readiness and
7 training programs that will prepare our
8 residents to take advantage of growth in the
9 knowledge industry. The City will actively
10 pursue public resources to support training
11 for incumbent workers so they can be prepared
12 increase the productivity of their current
13 employers as well as support the growth of the
14 knowledge industry. For those individuals not
15 in the labor force, the Street Administration
16 will continue to strengthen career preparation
17 and job access services so that all
18 Philadelphians have the opportunity to
19 contribute to the economy. Finally, the City
20 will continue to work with the Philadelphia
21 Workforce Investment Board to aggressively
22 align public job training investments in
23 support of key growth clusters, including
24 identifying and pursuing new sources of
25 capital to support our economic development

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2 objectives.

3 The second is supporting civic and
4 cultural development. We will focus our civic
5 and cultural investments to enhance our world
6 class amenities for the enjoyment of our
7 residents and to attract the attention of
8 conventions, trade shows, and tourist. To
9 this end, we will provide support and
10 cooperation for the expansion of the
11 Pennsylvania Convention Center. We will work
12 closely with the Pennsylvania Convention
13 Center Authority as needed to move this
14 project forward.

15 Civic development also means
16 ensuring the City has a voice in how and where
17 development occurs. The introductions of
18 gaming and expanded retail choices are poised
19 to affect the quality of life experienced by
20 residents and the perception of Philadelphia
21 taken home by visitors. Philadelphia's Gaming
22 Advisory Task Force will offer an opportunity
23 for municipal influence on location decision
24 that impact short and long-term City
25 development plans.

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2 Philadelphia is a world class City
3 with the third largest Center City population
4 in the country, but our Center City retail mix
5 is not as comprehensive as in comparable
6 cities. In order to make Philadelphia more
7 competitive in the region and to grow jobs, we
8 propose the creation of a Retail Advisory
9 Board to compliment our arts and cultural
10 development with a vibrant retail mix. The
11 Board will be an advocate Center City retail,
12 developing a plan to attract high-end
13 retailers and jobs supported by a growing
14 residential population.

15 Our Blueprint will build on yet
16 another City strength, our vibrant arts and
17 culture amenities. There are exciting new
18 developments on the Benjamin Franklin Parkway,
19 including the expansion of the Free Library of
20 Philadelphia, the relocation of the Barnes
21 Foundation, and the creation of the Calder
22 Museum. To maximize the benefit of these
23 developments, we support the Central
24 Philadelphia Development Corporation vision
25 for the Benjamin Franklin Parkway that calls

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2 for creating a cultural campus in the center
3 of the City that is inviting to residents,
4 workers, and visitors all year round. We will
5 focus our efforts to assist the building of
6 new cultural attractions and make the Parkway
7 more vibrant and pedestrian friendly. We will
8 also renew our efforts on the Avenue of the
9 Arts and explore the possibility of creating
10 an entertainment district in the area of Broad
11 and South Streets.

12 Thirdly, the MBE/WBE business
13 participation. Philadelphia's economic
14 success is inextricably linked to the success
15 to our minority and women-owned businesses.
16 The Blueprint reflects the Administration's
17 commitment to increased and equitable
18 participation of minority and women-owned
19 businesses in our economy. By Executive
20 Order, the City will provide a strong
21 compliance and enforcement arm for its
22 vendors, initiate appropriate tracking tools
23 to track the effectiveness of our efforts, and
24 introduce streamlined certification processes
25 to encourage minority and women-owned firms to

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2 conduct business with the City of
3 Philadelphia.

4 In order to increase the number of
5 WBE and MBE firms in Philadelphia and improve
6 access to capital, the Department of Commerce
7 will spearhead an effort to create a funding
8 pool that will provide financial assistance
9 for the start-up and expansion of
10 minority-owned businesses. This Banker's Task
11 Force will work to craft a program that will
12 provide, among other things, low interest
13 loans for business priorities such as working
14 capital and equipment purchase. In addition,
15 the Bankers Task Force will determine
16 appropriate underwriting criteria as well as
17 administration and monitoring
18 responsibilities.

19 The Administration's goal is to
20 increase the number of City contracts awarded
21 to MBE/WBE firms by 25 percent. While these
22 represent proactive steps the City will take
23 to engage under-represented businesses, our
24 goal is to increase opportunities beyond those
25 provided by City government. We will

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2 challenge the private sector to match our
3 efforts and increase private sector
4 opportunities for our minority and women-owned
5 businesses to grow.

6 Fourth, New River City. The Mayor
7 has repeated stated his commitment to
8 reconnecting residents with and introducing
9 our visitors to our waterfronts. The
10 Administration's public investment in
11 planning, site assemblage, and infrastructure
12 has yielded widespread private investments on
13 our waterways, including at the navy yard, on
14 the Lower Schuylkill River, and the North
15 Delaware. The Administration is prepared to
16 commit \$125 million of available water and
17 sewer bond reserve funds for appropriate New
18 River City infrastructure improvements. These
19 funds will leverage state and federal
20 investments and create opportunities for
21 private development on the waterfronts.

22 In order to coordinate, oversee, and
23 manage this investment, the Commerce
24 Department will convene a New River City Task
25 Force, bringing together the various entities

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2 that are managing waterfront development and
3 providing a forum for communication and
4 strategic implementation. Members will
5 include representatives from PIDC, SRDC, Penns
6 Landing Corporation, Planning Commission,
7 Philadelphia Water Department, and the
8 Philadelphia Environmental Council, among
9 others.

10 An executive summary of the
11 Blueprint document focussing on our four
12 priority objectives has been posted on our web
13 site in an effort to engage the public in the
14 continuing Blueprint process. We are
15 accepting comments based on the posted execute
16 summary as we continue to work diligently on
17 the full Blueprint document.

18 In his speech to the Greater
19 Philadelphia Chamber of Commerce, the Mayor
20 set a 30-day deadline for the release of the
21 full document, and we look forward to
22 presenting with that complete document at that
23 time. I ask for your continued cooperation as
24 we complete this exciting and rewarding
25 process.

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2 Thank you for the opportunity to
3 speak on this important issue. I'll be happy
4 to answer any questions you have.

5 COUNCILMAN GOODE: Thank you, Ms.
6 Naidoff. Let me first for the record say that
7 Councilwoman Donna Reed Miller was here, had
8 to leave, and will be back. Also members of
9 the Committee present include Councilman
10 Ramos, Councilman Rizzo, Councilman Clarke and
11 Councilwoman Blondell Reynolds Brown.

12 I have a series of questions, many
13 of which I've shared with you. It's part of
14 my focus to today, and I'm sure there are many
15 Committee members with questions, so we will
16 try to move as quickly as possible.

17 The top of my list in terms of
18 priorities, as you know, is access to capital
19 and credit for minorities and women. Would
20 you speak to both in your testimony within
21 executive summary of the Blueprint as well as
22 within the economic development portion of the
23 City's Five-Year Plan?

24 Let me ask the question if you know
25 yet, how much money is going to be invested in

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2 the revolving loan fund to help minority and
3 women-owned business?

4 MS. NAIDOFF: No, we don't,
5 Councilman. We're just beginning the process.
6 As of February 23rd when the Mayor announced
7 the creation of the task force and the notion
8 that we will be examining all of our programs
9 on access to capital, that was the start of
10 the process and we haven't defined it better
11 than that.

12 COUNCILMAN GOODE: Do you have any
13 range of possibilities?

14 MS. NAIDOFF: No.

15 COUNCILMAN GOODE: Wouldn't a loan
16 guarantee fund be more effective rather than
17 having a revolving loan fund?

18 MS. NAIDOFF: That could be. And we
19 would certainly be happy to talk about that
20 with you and certainly with the bankers we
21 gather in the task force.

22 COUNCILMAN GOODE: That led to my
23 next question, which is, has members of the
24 Bankers Task Force been identified?

25 MS. NAIDOFF: No. We have spoken to

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2 some and actually said we'll have volunteered
3 their services, but we haven't begun to put it
4 together.

5 COUNCILMAN GOODE: Are you aware
6 that a group of banks has already been
7 organized by the Greater Philadelphia Urban
8 Affairs Coalition.

9 MS. NAIDOFF: Yes, I am.

10 COUNCILMAN GOODE: How will you
11 reconcile that? Will you work with that
12 group, or will you reinvent the wheel?

13 MS. NAIDOFF: Well, I don't think
14 we're going to reinvent the wheel. I think
15 that Bankers Task Force has been successful,
16 has been some very good work. But we believe
17 that the opportunity to bring the clout, the
18 power, the resources of the City to this
19 process is an important piece in moving it
20 forward. We hope to gather information about
21 what they have been doing, but frankly, we
22 have had a number of the bankers, as I said,
23 approach us about wanting to work with us, so
24 I think we may be on the right track just from
25 that indication.

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2 COUNCILMAN GOODE: It seems a little
3 bit strange to me. There was a Small Business
4 Lending Task Force that was convened by GPUAC
5 that has been in existence for a couple years.
6 They made formal recommendations that were
7 adopted by City Council through resolution
8 unanimously. In addition to that, those
9 recommendations were part of recommendations
10 that came out Economic Development Summit.
11 Among members of that task force, there were
12 included all the leading banks in
13 Philadelphia, specifically, Wachovia is at the
14 table, PNC is at the table, Citizens is at the
15 table, in addition to No. 4, No. 5, No. 6
16 banks and they've reached out to other banks.
17 Through their process, they claim that they
18 can increase small business lending by
19 \$100 million a year, from \$100 million a year
20 to \$200 million a year with a specific public
21 investment outlined. And the largest vehicle
22 they pointed to was actually a loan guarantee
23 fund. So they essentially have said that, if
24 the City is willing to work with us as we
25 determine underwriting criteria so that we can

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2 serve people who right now we don't consider
3 to be loan ready and bankable, depending upon
4 how far the City wants to go in terms of
5 reaching people who at this point don't have
6 access to capital, we will actually seize
7 public investment.

8 They're starting off saying that
9 they want to use their traditional products.
10 They want to then maybe alter their products
11 to reach a new market. Then based upon that
12 underwriting criteria, look at a loan
13 guarantee fund through public investment that
14 will help them go further. I'm not sure they
15 mentioned a revolving loan fund or essentially
16 the public doing the small business lending
17 but helping them to reach people who they are
18 not reaching now.

19 Where did the idea for a revolving
20 loan fund come versus a loan guarantee fund?

21 MS. NAIDOFF: I don't remember where
22 it originated. We've had so many
23 conversations about this, but I would say to
24 you that we are not so wedded to it that we
25 wouldn't be open to talking to those who have

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2 been involved and getting their best thinking
3 on it and hopefully working together. I think
4 collaboration is a very important piece of
5 everything we do.

6 COUNCILMAN GOODE: And to be
7 perfectly honest with you, I received a phone
8 call yesterday from people associated with
9 that project. And in that conversation, what
10 I said to them was if everyone's talking to
11 the same people, eventually they will end up
12 at the same table for the same purpose. We
13 will get where we need to be.

14 MS. NAIDOFF: Right.

15 COUNCILMAN GOODE: Let me ask more
16 generalized questions.

17 The Mayor in his speech on February
18 23rd said that the Economic Blueprint will be
19 done in 30 days. Is that a specific date or
20 was that a period of time identified --

21 MS. NAIDOFF: I took it as a
22 specific date and I took as an obligation to
23 have it ready by March 23rd.

24 COUNCILMAN GOODE: So when will the
25 Economic Development Blueprint be released?

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2 MS. NAIDOFF: Well, I take it as my
3 deadline to have it ready for release on March
4 23rd.

5 COUNCILMAN GOODE: Thank you.

6 In the end, who were or are the
7 decisionmakers in determining priorities
8 within the Blueprint?

9 MS. NAIDOFF: The proposals that
10 we've made went through very many stages of
11 review, but ultimately after review by the
12 cabinet and the Mayor's staff, it was the
13 Mayor himself who chose those objectives.

14 COUNCILMAN GOODE: To the best of
15 your knowledge, what is the greater priority
16 for the City, growing jobs or growing
17 population?

18 MS. NAIDOFF: That's like which of
19 the children do you love the most.

20 COUNCILMAN GOODE: To be honest
21 there are some people who love some children
22 better than others.

23 MS. NAIDOFF: Don't ever say that.

24 COUNCILMAN GOODE: I don't have
25 children, so I can say that.

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2 (Laughter.)

3 MS. NAIDOFF: I would say that from
4 the knowledge that I have after less than one
5 year on the job, it seems to me that growing
6 jobs is the priority. If you have the jobs
7 and you have the opportunity to provide them
8 to people, we will attract the population.

9 COUNCILMAN GOODE: Are there or will
10 there been specific goals for both? Are there
11 going to be specific goals in the Blueprint
12 for how many jobs you want create and how many
13 residents you want to attract?

14 MS. NAIDOFF: There are not specific
15 numerical goals, but there are certainly goals
16 in the sense that we do not believe that the
17 scholarship, the studying that's been done on
18 these subjects is sufficiently clear that
19 we're willing to give one as opposed to the
20 other. So we have, as you can see in the
21 Executive Summary, indicated that we are going
22 to be doing certain things to work on
23 increasing the population at the same time,
24 but I think the primary goal is increasing the
25 jobs.

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2 COUNCILMAN GOODE: But there won't
3 be specific goals set for job creation or
4 population growth?

5 MS. NAIDOFF: No, there will not.

6 COUNCILMAN GOODE: I'll get back to
7 that in a second.

8 Do you believe the attendees of the
9 Economic Development Summit will in the end
10 agree with the priorities outlined in the
11 Blueprint?

12 MS. NAIDOFF: Well, we had 200 very
13 thoughtful, very smart, very engaged
14 individuals at that meeting, and I think there
15 were probably 250 different opinions. I think
16 that it is quite clear that when you involve
17 that many good, thoughtful people in a
18 process, you're never going to get 100 percent
19 agreement. So I'm sure there will be some who
20 do not agree.

21 COUNCILMAN GOODE: Do you intend to
22 poll them in any way?

23 MS. NAIDOFF: No, I do not.

24 COUNCILMAN GOODE: Last question,
25 which has a couple of follow-ups before I move

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2 to Members of the Committee. Does the
3 Administration still plan to pursue
4 \$500 million investment fund?

5 MS. NAIDOFF: We have no immediate
6 plans for that.

7 COUNCILMAN GOODE: Good answer. No
8 immediate plans for it.

9 Do you still plan to pursue --

10 MS. NAIDOFF: I do not intend to
11 run.

12 COUNCILMAN GOODE: The last time you
13 were asked that question in this Chambers, you
14 said yes.

15 MS. NAIDOFF: Yes, that's correct.

16 COUNCILMAN GOODE: So does the
17 Administration still intend to pursue
18 \$500 million investment fund?

19 MS. NAIDOFF: I would say that at
20 this point we're not thinking about that,
21 we're not pursuing it. We're trying to work
22 on the first 125 million and we're pursuing
23 the opportunities that come with that.

24 COUNCILMAN GOODE: Is that yes, no,
25 you don't know?

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2 MS. NAIDOFF: That's a yes of
3 125 million is our priority at the moment.

4 COUNCILMAN GOODE: Could it be just
5 125 million? Could that end up being all that
6 you pursue?

7 MS. NAIDOFF: Could conceivably be
8 all we pursue. There's three more years left.
9 I don't know how much we will get done, but
10 certainly if there is an opportunity to
11 expand, we will do that.

12 COUNCILMAN GOODE: The question is,
13 if it's just 125 million, it's 125 million for
14 New River City initiative, which means that
15 there is no new public investment conceived
16 for all of the priorities you've laid out.

17 MS. NAIDOFF: Well, I think there
18 are other avenues of investment, certainly in
19 the Capital Budget and other areas. I think
20 for the moment the original plan for the
21 \$500 million investment fund is on the back
22 burner.

23 COUNCILMAN GOODE: So this resolving
24 loan fund for minority and women-owned
25 businesses, you believe, will be 100 percent

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2 private sector funding?

3 MS. NAIDOFF: I don't know.

4 COUNCILMAN GOODE: But you have not
5 identified any sources for public sector
6 funded involvement.

7 MS. NAIDOFF: We haven't even looked
8 at it yet, Councilman.

9 COUNCILMAN GOODE: So in fact, the
10 revolving loan fund minority women-owned
11 businesses is a wish list that may not be
12 achieved in this Administration?

13 MS. NAIDOFF: That's right. This a
14 strategic plan. It's to set our policy
15 objectives for future and it's to set the
16 guidelines under which we will work for the
17 next three years.

18 COUNCILMAN GOODE: The Chair
19 recognizes Councilwoman Tasco.

20 COUNCILWOMAN TASCO: Thank you.

21 Good afternoon. I have several
22 questions. I had not read the report, but as
23 I glanced through it, I see nothing related to
24 neighborhoods; and I represent a neighborhood.
25 And when you talk about the Greater

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2 Philadelphia Economic Development Blueprint
3 for a greater Philadelphia, does that include
4 neighborhoods?

5 MS. NAIDOFF: It certainly does.
6 You will see when you see the full Blueprint
7 that another one of our priorities is
8 neighborhood economic development. We just
9 haven't gotten that into this executive
10 summary part. What we did is we concentrated
11 on the four priorities that contained new
12 initiatives and that were primarily within the
13 purview of the Department of Commerce. There
14 are 10 objectives. The summary lists the
15 other six, and the full Blueprint will talk
16 about the other six; one of which, a very
17 important one of which, is neighborhood
18 economic development.

19 COUNCILWOMAN TASCO: Well, which is
20 a part of the Department of Commerce.

21 MS. NAIDOFF: It is, but there are
22 many other stakeholders within the
23 Administration. There's the NTI Program, the
24 Office of Housing and Community Development,
25 the Police Department to the extent that the

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2 Safe Streets Program is involved --

3 COUNCILWOMAN TASCO: I'm talking
4 neighborhood economic development around on
5 the commercial corridors. All those other
6 issues are surrounding issues, but where is
7 the plan to help stimulate economic growth in
8 the community -- today, I met with a gentleman
9 from Rising Sun Avenue. We've been working
10 with him to try to help maintain that corridor
11 and prevent flight from that business corridor
12 by existing businesses. And if we lose
13 businesses, what do we do to attract new
14 businesses and how that's done. I think it's
15 very important. Downtown is very important.
16 I've always supported economic growth and
17 development downtown, but when a large
18 majority of our residents live in
19 neighborhoods and they live near commercial
20 corridors, we want them to look great also.
21 And what I find frustrating is the ability to
22 get people to focus in on those neighborhoods
23 and how we support businesses, how we do
24 zoning overlays to control the kind of
25 businesses that go into a neighborhood and

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2 that we determine what the neighborhood will
3 look like. And while Philadelphia downtown is
4 a smaller environment, you have a much greater
5 environment commercial corridors in the
6 community. And certainly, I would like to see
7 more focus on that, for me. I can only be
8 supportive of anything that is going to
9 enhance the economic growth of my commercial
10 corridors which we are struggle with. And
11 even when we struggle to try to get them to do
12 something, you get very little support.
13 There's no plan on the part of the City to
14 provide any support or stimulus for them.

15 I notice you have a Retailer
16 Advisory Board. Will that Advisory Board
17 extend their interest beyond Center City to
18 the neighborhoods, and who will be on that
19 Retail Advisory Board? Because it's important
20 that those people who are making the decisions
21 about the retail environment in the City
22 understand and know what's happening in the
23 community around that because a lot -- we do
24 have some retail stores, we just don't have
25 naileries, hairdressers and takeouts. We want

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2 more of a variety of businesses in these
3 communities. And I'd like to see the task
4 force focus in on what is going to happen in
5 the communities.

6 The other thing, I look here and you
7 have all these task forces. You've got a
8 Retail Advisory Board, you have a bankers Task
9 Force, and you're going to River City Task
10 Force. Well, who's going to coordinate these
11 task forces? Because, see, what happens is we
12 get all the little groups and nobody talks to
13 each other. They plan and nobody is talking.
14 And then are they talking to the people in the
15 City who has to make this stuff happen? Are
16 they talking to City Planning? Are they
17 talking to Streets? Are they talking to the
18 Zoning Board?

19 This is a very nice idea, but when
20 you get to the day-to-day implementation of
21 all of this, it comes down the nit and grit of
22 having to deal with how all this stuff gets
23 done. So I think having discussion and come
24 out with great ideas, but you know we deal
25 with this every day -- I guess I'm ranting and

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2 raving because I'm a little frustrated because
3 I had this meeting with this guy today and I
4 can't figure out how I'm going to help him
5 through the City of Philadelphia to work with
6 Rising Sun Avenue, or for that matter
7 Wadsworth or the upper half of Ogontz or other
8 businesses when I can't cooperation I need to
9 make it happen.

10 MS. NAIDOFF: Well, I'd be able to
11 talk to you about this and --

12 COUNCILWOMAN TASCO: And it's not
13 just my area, it's all areas. How do we make
14 it happen? It just can't be for downtown.
15 You've got to go to the table. And the people
16 who are empowered to help us in the
17 neighborhood who are assigned to help us have
18 to be empowered to help us to find a way to
19 spread some of the resources around that you
20 talk about to the community. So that's what
21 I'm going to be looking at when we talk about
22 a Blueprint for Greater Philadelphia, because
23 I want to know how to help the Lawncrest Group
24 and the upper half of Ogontz and Vernon Road
25 and Wadsworth Avenue and Washington Lane and

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2 Fifth Street that are in my district. What
3 are the plans for those areas?

4 MS. NAIDOFF: Your points are all
5 well taken. Let me just say as a matter of
6 summary that, of course, we haven't released
7 the part of the Blueprint, the objective that
8 relates to neighborhood economic development.
9 At this point, we have, I'd say, two major
10 points in it. One is that we want to make
11 sure that over the next three years we sustain
12 and maintain the incredible achievements of
13 the first five years of the Street
14 Administration in improving life, the quality
15 of life in our neighborhoods, and we will be
16 spending a fair amount of our time making sure
17 that we do that so those achievements are not
18 lost. And the second thing is a very specific
19 reference to commercial corridors and putting
20 our efforts in that.

21 COUNCILWOMAN TASCO: Well, I hope
22 you go back and take the message that I'd like
23 some help by cooperation and not blocking of
24 projects that I want done in my district. And
25 I want the staff of those departments who have

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2 the authority to do it, to make it happen.

3 I've asked for things to get done. They don't

4 get done. And when I ask about the staffing,

5 there's no problem with it, but nothing gets

6 done.

7 MS. NAIDOFF: We'll certainly take

8 that message back.

9 COUNCILMAN GOODE: The Chair

10 recognizes Councilman DiCicco.

11 COUNCILMAN DICICCO: Thank you, Mr.

12 Chairman.

13 Good afternoon. I concur with or I

14 understand exactly what Councilwoman Tasco is

15 speaking to. And I'll just digress for a

16 minute. Way back in 1995 when I first ran for

17 City Council, there was a lot of criticism the

18 neighborhoods that the Rendell Administration

19 was paying so much attention to Center City.

20 And I defended the Rendell Administration

21 because I tried to explain to people the

22 importance of economic engine for the City is

23 Center City and there's 300,000 jobs and the

24 pressure some day would move further north,

25 south, east and west. And for me in my

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2 district east of broad, I've seen the results
3 of a lot of that activity south in South
4 Philadelphia where I live and further up the
5 river. But I haven't seen the reinvestment in
6 the neighborhood corridor, shopping corridors,
7 commercial corridors that I would like to have
8 seen. Housing is there. There's demand for
9 housing, but -- and I can go on like the
10 Councilwoman said, I can give you Ninth
11 Street, Market, I can talk about South Seventh
12 Street which now an Asian
13 commercial/residential community and would be
14 very helpful if we could talk a little bit
15 more about that, not that C Center City has
16 been totally completed to where we want it to
17 be, but it's pretty much far along. We've
18 accomplished, I think, the things we wanted to
19 do for City. So just to piggyback on her
20 statement, I think that's something I'd like
21 to see involved in this Economic Development
22 Plan as bell.
23 You mention in your statement
24 something about developing an entertainment
25 venue at Broad and South. Is that the plan

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2 that Kenny Gamble had presented? Is that a
3 follow-up to that plan? Is that something all
4 new and different?

5 MS. NAIDOFF: We are working with
6 Kenny Gamble and his group and studying the
7 feasibility of an entertainment district. And
8 as you probably saw in the press recently, we
9 have assisted in the efforts to relocate the
10 R&B Foundation to Philadelphia, and we hope
11 that it will be a galvanizing force in moving
12 this whole project forward.

13 COUNCILMAN DICICCO: Just for your
14 information purposes, I wanted to be certain
15 that it was the same piece as opposed to a new
16 plan.

17 MS. NAIDOFF: Yes. We're not going
18 off and doing our own thing

19 COUNCILMAN DICICCO: So that's still
20 on track, which is a good thing.

21 When you refer to North Delaware
22 Avenue, what is North Delaware Avenue in your
23 mind?

24 See, for me, North Delaware Avenue
25 is north of Spring Garden.

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2 MS. NAIDOFF: The North Delaware for
3 most of the purposes that we've discussed is
4 north of the Betsy Ross Bridge. But there are
5 some projects that are below that, but I would
6 say that Spring Garden Street may come within
7 some person's definition of central waterfront
8 district. It's a moving line.

9 COUNCILMAN DICICCO: AND the reason
10 I ask that is because in your statement you
11 say that under the New River City item you
12 mentioned that in order to coordinate, oversee
13 and manage this investment you're bringing
14 together various entities to manage the
15 waterfront development and you do have Penns
16 Landing Corporation, which by your definition
17 is not North Delaware Avenue. And they really
18 have no investment or any holdings, I believe,
19 north of Spring Garden.

20 MS. NAIDOFF: That's correct, but we
21 were also looking at the central waterfront
22 district as part of the River City Initiative.

23 COUNCILMAN DICICCO: That's good.

24 So my next question is, will there
25 be any community representation on that task

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2 force?

3 I think you may recall that I had
4 asked the Mayor to convene a meeting with a
5 number of community groups that are
6 representing the riverfront development area,
7 Penns Landing, for the purpose of the Penns
8 Landing development. We have invested \$50,000
9 in a study that we engaged Wallace and Roberts
10 and Todd to do. We are prepare, thanks to the
11 gracious generation of Senator Fumo, another
12 50,000 to further that. So we obviously want
13 to be a part of it early on. And in addition
14 to myself who represents the District, if we
15 can figure out a way we could get some
16 community representation on that, I think it
17 would be helpful. Because we don't want to do
18 what we've been doing in the past, coming up
19 with a plan that may not be acceptable or
20 satisfactory to the needs of the community and
21 then we have to get into all those debates on
22 figuring out what we have to do to make the
23 community happy anyway. So I think it's
24 important that we bring somebody on board very
25 early, and that could be among others.

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2 MS. NAIDOFF: I must say, though,
3 going back to what Councilwoman Tasco was
4 talking about before, one of my motivations
5 for presenting this idea to the Mayor was the
6 notion that it seemed to me there was large
7 opportunity coordination even within the
8 Administration and among all of these
9 organizations that are mentioned. There's a
10 lot of one-on-one dialog, a lot of
11 conversation. A lot of us attend a lot of
12 meetings. But getting everyone around the
13 same table, I think, would be very productive.
14 And then beyond that, involving the
15 communities that have a stake in the outcome
16 is certainly an important step.

17 COUNCILMAN DICICCO: Because for, I
18 guess, two years now even before this recent
19 task force that I put together, the prior task
20 force that was in place to deal with the Simon
21 project development, I've been asking when
22 that project went away. The Planning
23 Commission keep telling me they have a plan.
24 And I keep asking to see it and I have not
25 seen a plan. So if you know of a plan and

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2 have access to it, I'd like to see the plan.
3 Again, only for the purpose of involving the
4 community earlier on, because they're going to
5 be involved. There's no way of getting around
6 them, and they should be involved. I'd like
7 to have some input into that as well.

8 The brain drain --

9 MS. NAIDOFF: We'd like to call it
10 the brain gain.

11 COUNCILMAN DICICCO: What
12 distinguishes what you're proposing from what
13 we already have in place from several years
14 ago where we have the college festivals and
15 all those other things?

16 MS. NAIDOFF: Thank you for
17 acknowledging that.

18 COUNCILMAN DICICCO: Senator Fumo
19 and I originally funded all that. And it's a
20 good thing. I had gotten away from it. The
21 City Rep's office, I think, was primarily in
22 charge of putting that event together, and
23 it's been successful. Just curious, is there
24 any change to that in your mind?

25 MS. NAIDOFF: Well, there's been

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2 tremendous progress, as you noted, over the
3 three years that the knowledge industry
4 partnership has been in existence. The Mayor
5 started it three years ago, and it's been
6 growing and I think growing well in that time.
7 But our sense is that it's time for it to go
8 to a whole new level. That's why we're
9 talking about increased funding. We're
10 talking about increasing the focus to the 25
11 to 34-year-olds because we think that's a very
12 important segment of our population that we
13 need to devote effort to and make sure that
14 we're reaching out and encouraging them to
15 stay in Philadelphia and be part of our growth
16 potential. And also making specific efforts
17 with respect to international students and
18 international knowledge workers. These are
19 all efforts that we hope to use as a way of
20 expanding the focus of the knowledge industry
21 partnership. I think it's time to go in that
22 direction.

23 COUNCILMAN DICICCO: And I agree.

24 One more question, Mr. Chairman.

25 Again, with the KIP industry, the

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2 housing assistance program, could you expound
3 on that a little bit?

4 I presented some thoughts a few
5 years back, getting some sort of a tax credit
6 to students. Or students who were, as an
7 example, graduate students who were pursuing a
8 career in education, if they would devote so
9 many hours of community service or working in
10 the school system that the value of the their
11 work would somehow help offset the cost of the
12 mortgage or the monthly payments, provided
13 they live in a house for a certain number of
14 years. Kind of like what the military does.
15 You know, if you join the Air Force and you up
16 for five years, we'll give you an education
17 but you have to stay three or more years as a
18 way of paying back for that education.

19 Is there anything that you can tell
20 us about -- and those ideas they said were
21 good, but they were supposedly
22 unconstitutional, under the Uniformity Act we
23 couldn't do certain things. Could you expound
24 on where you think you're going to be?

25 MS. NAIDOFF: Well, I can't really

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2 expound on details, because, again, I want to
3 remind you all this is a strategic plan. This
4 is really just an effort to set forth what our
5 goals are. We haven't really developed a
6 plan, it's just that we thought it was a good
7 idea to explore that. We think that part of
8 encouraging the 25 to 34-year-olds and
9 particularly encouraging the creative class,
10 as we talk about through this document, may be
11 to try to come up with something that makes it
12 possible for them to really put down roots
13 here and buy a house and stay in Philadelphia.

14 COUNCILMAN DICICCO: You mean
15 Drexel's done it. It's similar to the Drexel
16 plan, and I think we can do it on a much
17 larger scale from the City and I encourage
18 that. Again, if there's anything I can do to
19 be involved in that --

20 MS. NAIDOFF: Well, we'd like to
21 hear more about your idea.

22 COUNCILMAN DICICCO: Look forward to
23 talking to you. Thank you.

24 COUNCILMAN GOODE: The Chair
25 recognizes Councilwoman Reynolds Brown, then

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2 Councilman Rizzo, then Councilwoman Tasco.

3 COUNCILWOMAN BROWN: Good afternoon.

4 MS. NAIDOFF: Good afternoon.

5 COUNCILWOMAN BROWN: I have one
6 comment, and then I want to go on record with
7 where my very narrow interest will be.

8 I have on Page 6 of your testimony
9 document, it speaks to the Mayor's effort to
10 determine appropriate arts and cultural
11 funding models. So know that I will be paying
12 close attention to the efforts of the
13 Administration along the way and say to you
14 publicly what I've said privately, that I'm
15 interested and willing to be a part of
16 discussions to be a part of discussions and
17 task force or whatever that move us to that
18 reality as you put in the next three years,
19 capital region funding plan, knowing that I
20 believe it was in 1996 the Philadelphia
21 Inquirer had a very comprehensive way of
22 looking at regional funding for the arts and
23 then it reached a place of no return. There
24 was no action taken on their recommendations.
25 So to know that that is back on the table,

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2 because I think we need to look that way if
3 we're serious about dedicated funding streams
4 for the arts, know that my interest remains.

5 My very narrow focus in this
6 document and the actual strategic plan around
7 Economic Development Blueprint for our City
8 will rest in this one area. Looking to see
9 how we as a City can do better and/or
10 differently when it comes to eliminating the
11 cost and barriers, impediments, hurdles, red
12 tape, that emerging small businesses have to
13 endure. So we're taking that up in my office.
14 I'm doing the homework now. I know I have to
15 talk to a number of city department heads who
16 are at some juncture intimately involved with
17 individuals who want to start small
18 businesses. That's separate from the capital
19 concerns that Councilman W. Wilson Goode has.
20 So I will be looking to hear what and how we
21 as a city can to better with regards to
22 streamlining that whole process.

23 MS. NAIDOFF: Well, I would urge you
24 to talk to Vincent Dougherty in our department
25 who is the head of the Mayor's Business Action

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2 Team. We do a lot of that. Obviously, can't
3 do it all with the small group that we have,
4 but we're very eager to work with you and find
5 ways that we can make our work more efficient
6 and more applicable to the kinds of things
7 you're concerned about.

8 COUNCILWOMAN BROWN: I appreciate
9 that.

10 To the extent that we can do better
11 at that, then I believe all of us get less
12 noise from budding entrepreneurs who want to
13 create jobs but have to jump hoops for months
14 and years to where they're licensed and
15 legally able to open up a business and create
16 jobs.

17 MS. NAIDOFF: I would say also the
18 PCDC activity with small business --

19 COUNCILWOMAN BROWN: They're
20 definitely on my list to have a sit-down.

21 MS. NAIDOFF: I had a call just
22 yesterday from a person I've known for many
23 years in the community who's been a very
24 successful businessman, and he was up in North
25 Philadelphia this week and got involved with a

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2 young man who wants to start a printing
3 business and he wanted to support him and he
4 wants to support him financially, but he
5 wanted to know how to get through some of the
6 City system. And I said that we would have
7 our MBAT represent walk her through the
8 process.

9 COUNCILWOMAN BROWN: And that
10 gentleman's name again is Vince Dougherty?

11 MS. NAIDOFF: Vince Dougherty.

12 COUNCILWOMAN BROWN: Very well. We
13 put the name with the face. Thank you.

14 COUNCILMAN GOODE: Councilman Rizzo.

15 COUNCILMAN RIZZO: Director, this is
16 a little bit off the subject. Bear with me
17 for a moment because it will, I think, come
18 back on subject.

19 You drive through Center City, I'm
20 sure, a lot or walk through it also. The
21 conditions of the roadway in our City, Center
22 City, are disgraceful. Just on the way over
23 here walking myself, Juniper and Market,
24 there's a prime intersection. It's got a
25 pothole that is -- it will gobble someone up

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2 if they walk. But I drive up Market Street, I
3 drive up Walnut, Chestnut occasionally. It's
4 like you need an all-terrain vehicle. The
5 roadways in our Center City so bad. Someone
6 has to do something about it. And to see a
7 pothole in the 1500 block of Market -- and no
8 disrespect to the District Councilpeople
9 because they have a lot to do. But we really
10 need to do something about the condition of
11 the roadways in Center City. I mean, I have
12 people from out of town that they just can't
13 believe how the streets are. And you walk
14 them and I know -- I mean, we can't even get a
15 curb cut right where it rains and you four
16 inches of water when you come down the curb.
17 Doesn't somebody understand you've got to
18 level and grade something so when it rains the
19 water goes the other way? I mean, it is so
20 embarrassing when I'm walking with visitors
21 through this City and see the condition of the
22 streets in Center City. I mean, we really
23 need to do something, coordinate with the
24 utilities better because when they dig the
25 streets up they don't repair them properly.

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2 It's just not a good situation, and I think
3 that you need or your department needs to
4 coordinate with the Streets Department. I
5 know there are state highways to look for
6 funding to get them resurfaced, but they are
7 in such bad shape.

8 COUNCILWOMAN TASC0: They just gave
9 it to SEPTA.

10 COUNCILMAN RIZZO: Well, maybe we
11 can get SEPTA since their busses probably
12 ruined m many of the roadways.

13 I'm not making light of this. I
14 think anybody in this room will agree if
15 you've driven -- occasionally I like to drink
16 a cup of coffee while I drive. You don't do
17 it in Center City because you'll be wearing
18 it.

19 COUNCILWOMAN TASC0: You're not
20 suppose to be drinking and driving.

21 COUNCILMAN RIZZO: I'm just trying
22 to use as an example. It's just a very, very
23 embarrassing and bad situation, the condition
24 of the streets in Center City.

25 MS. NAIDOFF: Well, again, in my

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2 interest in being a good person for
3 coordination and collaboration within
4 government, if there's ever an opportunity for
5 you to let me know about a situation that you
6 think needs attention, I'll be happy to work
7 with the Managing Director and the Streets
8 Department.

9 COUNCILMAN RIZZO: I've asked the
10 Center City District about this. I walk down
11 the Avenue of the Arts. The blocks, the
12 Belgian blocks, are missing at Broad and
13 walnut. Well, I figure within a few days this
14 would have to be fixed. Broad and Walnut,
15 this could not go on like this.

16 I've suggested to this
17 Administration that not just in Center City
18 but throughout the City that they create a
19 position of a facilities inspector. If a
20 Councilmember, all my colleagues and their
21 staff can come with a legal pad full of stop
22 signs down and potholes and street lights that
23 are out, if we only had a person who was out
24 looking seeing the same thing that we see, it
25 would proactively take care of these things.

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2 I had to call Paul Levy and say,
3 "Paul, the Belgian blocks are missing and
4 people are tripping at the corner of Broad and
5 Walnut. "Well, our people are supposed to
6 report that kind of thing." Well, you would
7 think that -- and I'd appreciate maybe talking
8 about that to see if there is a way where that
9 group of people that are in the Center City
10 District that see dangerous conditions like a
11 post was knocked down in front of the Union
12 League, directional post, and it was in the
13 gutter for two weeks before it got picked up.
14 This just can't be in a major City when you
15 have tripping hazards that are on one of the
16 premiere intersections in our City. How can
17 that be and first class? It can't be.

18 MS. NAIDOFF: I agree. I'm certain
19 that the Managing Director would be happy to
20 talk to you about it, and I'll be happy to
21 work with him if you'd like.

22 COUNCILMAN RIZZO: I'm going to wait
23 for the new one.

24 COUNCILMAN DICICCO: I thought you
25 were directing the questions to Stephanie

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2 because you had the inside information that
3 she will be the new Managing Director.

4 MS. NAIDOFF: Oh, no.

5 COUNCILMAN RIZZO: The new Managing
6 Director is going to be Pedro Ramos, correct?

7 MS. NAIDOFF: Right.

8 COUNCILMAN RIZZO: But I would think
9 that the Commerce Department would be as
10 interested in this as I am because how do you
11 showcase Center City when it looks like a
12 third world country in some areas on the
13 streets, the roadways?

14 MS. NAIDOFF: I think we have to put
15 our best foot forward always, and I think we
16 ought to be attentive to those kinds of
17 things.

18 COUNCILMAN RIZZO: And I think there
19 are people in this room who are probably
20 agreeing with me because they've experienced
21 what I've experienced.

22 Thank you.

23 Thanks for that opportunity, Mr.
24 Chairman.

25 COUNCILMAN GOODE: Councilwoman

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2 Tasco.

3 COUNCILWOMAN TASCO: I guess,
4 Stephanie, we're not angry with you, it's just
5 that as Councilpeople we hear, you know, the
6 issues that people raise with us are -- and we
7 want to look at the big picture in terms of
8 the growth for Philadelphia. But it's the
9 basic little things that make the quality of
10 life better for the visitors as well as the
11 people who live in the City, residents of this
12 City.

13 I want to ask you a question about
14 River City. This \$125 million, I've heard it
15 bantered around so often for water and sewer,
16 for infrastructure. What are the boundaries
17 of River City. What is River City? Where is
18 it? What does \$125 million buy?

19 MS. NAIDOFF: The boundaries of
20 River City are hard to define. What we've
21 always said is River City 38 miles of
22 riverfront along the Delaware and the
23 Schuylkill. So it's the attention to the
24 waterfronts of Philadelphia and that haven't
25 fully developed despite all of the efforts of

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2 of many years standing. So we are now going
3 to try to coordinate a lot of separate
4 projects, the Navy Yard, the Schuylkill River
5 projects that are being carried out by the
6 Schuylkill River Development Corporation, the
7 North Delaware planning efforts by the
8 Planning Commission and the Planning
9 Department, and try to bring all of that
10 together so that we are approaching it all in
11 a more coordinated fashion.

12 COUNCILWOMAN TASC0: But what does
13 the \$125 million buy?

14 MS. NAIDOFF: We don't know the
15 specifics, but I think what we --

16 COUNCILWOMAN TASC0: How did we get
17 125 million? Why isn't it 200 million or 40
18 million or 300 million?

19 MS. NAIDOFF: I think that I can
20 explain. Actually, I think the Finance
21 Department will be able to give you more
22 technical explanations. But as I understand
23 it, it is the amount of money that sits in the
24 reserve funds in our water and sewer bond
25 transactions. And by having a surety bond

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2 which we can purchase for, I believe it was
3 \$4 million, we can then unlock the 125 million
4 that sits in the reserve fund and use that
5 money for water and sewer related purposes.

6 COUNCILWOMAN TASCO: But where? Do
7 you have projects identified where you're
8 going to spend the money? Or do we just set
9 \$125 million and set it in a bank account and
10 spend it as we need to? Are there definite
11 plans for -- because it's only for water and
12 sewer infrastructures, I understand. And there
13 ought to be some idea about where this money
14 is going to be spent, how much, what you're
15 going to strengthen, sure up, how much it
16 costs. Is a defined plan for it? Does it
17 cover two blocks, three blocks? If you get to
18 two blocks or three blocks, who's going to
19 purchase those blocks? If it's not enough
20 money, you need six blocks you only get two
21 blocks, who will do the other four blocks?

22 There are a lot of questions around
23 -- you know, 125 looks like a lot of money,
24 but it's not enough money for what you want to
25 do if you're talking about the entire

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2 riverfront. So that's what I'm interested in.

3 MS. NAIDOFF: At this point, the
4 Administration is working to identify specific
5 projects. The first step in that is that
6 we're working with the Law Department to
7 determine what the eligibility criteria are
8 under the various bond restrictions.

9 COUNCILWOMAN TASC0: But is there a
10 plan?

11 MS. NAIDOFF: Yes. I will tell you
12 that we have identified four separate
13 categories of funds that we've asked them to
14 look at for eligibility purposes. One is
15 infrastructure to support the new residential
16 communities on the North Delaware. The second
17 is infrastructure improvements of the Navy
18 Yard. The third is infrastructure to support
19 the Waters Edge improvements and the extension
20 of the Schuylkill Trail south to Grace Ferry.
21 And infrastructure to support the water
22 quality and sewer employment in NTI
23 neighborhood projects.

24 COUNCILWOMAN TASC0: Well, is there
25 a budget attached to each of those projects?

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2 MS. NAIDOFF: No. That's my point.

3 That's what we're trying to do now, but we
4 have to work first with the Law Department to
5 find out whether those general categories of
6 interest that we have at this point meet the
7 criteria for the restrictions that exist in
8 the bond deal.

9 And then we've also suggested to
10 them --

11 COUNCILWOMAN TASCO: Well, it seems
12 to me that you ought to have a plan before you
13 float a bond about where you're going to spend
14 the money and what the overall plan -- we've
15 been dealing with this waterfront long before
16 I came on Council. And certainly, there was
17 some early activity about development and
18 there were plans brought forth to the City for
19 development and then the economy dropped and
20 the plans weren't followed through. So now we
21 land banked and we put up clubs and parking
22 lots and all that.

23 I don't see any definitive plan for
24 the waterfront. It seems to me always been
25 piecemeal. It's always been my contention the

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2 City should have an overall plan for it and
3 let people come in and buy into it. But this
4 lot here could be a circus. This could be a
5 gym. This could be a hotel. This could be
6 something else. It's just a hodgepodge of
7 nothing. It doesn't look like anything. You
8 have hotels, you have this, you have that.
9 Where is the theme? Where is the theme for
10 the waterfront? We have no theme for the
11 waterfront. It's whoever has the money to
12 develop it, you just give them the land and
13 let them develop.

14 So I'm really concerned about just
15 plucking 125 million out because we could
16 probably find some neighborhood stuff that we
17 could spend this \$125 million on street
18 infrastructure or water infrastructure in
19 neighborhoods. I want to see a plan for it.
20 I want to know the overall plan for the
21 waterfront, what is the theme and all of that.
22 Because I think it's very important because we
23 just don't seem to do things here in a
24 coordinated way. It's just haphazard.

25 Just my day, Stephanie. I'm sorry.

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2 MS. NAIDOFF: That's okay. I
3 obviously only have one year's experience with
4 this, but I will tell you that when the Mayor
5 announced his vision about New River City last
6 year at the Chamber speech, it was with
7 exactly that idea in mind. It was the idea
8 that we needed to coordinate, we needed to
9 integrate all of these separate projects that
10 were going on. We have this enormous
11 potential with the 38 miles of waterfront that
12 we weren't capitalizing on. And the whole
13 idea of New River City was to try to do it in
14 a coordinated fashion.

15 I think that these steps with the
16 125 million is really only one piece of it.
17 Putting a task force together so we get
18 everybody around the table talking to one
19 another and we have the side guidelines and
20 the same conversations going on with each of
21 the projects that are going on is really the
22 most important part of this.

23 COUNCILWOMAN TASCO: Thank you.

24 COUNCILMAN GOODE: Councilman Ramos.

25 COUNCILMAN RAMOS: Good afternoon,

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2 Madam Director.

3 More or less on the same line of
4 what my colleague Councilwoman Tasco has asked
5 already on two occasions this afternoon.
6 Before this hearing, we had a hearing in the
7 Committee of Labor and Civil Service on the
8 reality of unemployment in Philadelphia. I
9 believe the last person to testify was my
10 long-time friend, Mr. Curtis Jones of the
11 PCDC. And he wrapped up his testimony by
12 saying that -- I believe he indicated he was
13 part of a visit to the Republic of China and
14 that there was an international joint venture
15 by China's manufacturing mall project and that
16 over 100 manufacturers wish to make
17 Philadelphia their corporate headquarters in
18 America. Are you involved in this project?

19 MS. NAIDOFF: Our department is.
20 Mjenzi Traylor, our First Deputy, has been our
21 leader on the international activities and has
22 been working very hard, as a matter of fact,
23 on something called Splendor of China which is
24 very much connected to that. Perhaps he can
25 address this.

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2 COUNCILMAN RAMOS: But I want to go
3 right to the second part of my questioning. I
4 want to, if you can if you have done it, how
5 is it that you coordinate this with PCDC? You
6 take a trip to China. You have a hundred
7 manufacturers that want to set up shop in
8 Philadelphia. They're going to create jobs.
9 I don't know what kind of manufacturing jobs.
10 But how are you coordinating that? How are
11 you following up? Because anyone that comes
12 into my office on a much, much smaller scale,
13 comes up with an idea, I usually jump on it,
14 get a letter out, make some calls, get moving,
15 call a meeting, get a task force, do something
16 to get it moved past the idea stage. If you
17 have doing anything, can you describe what you
18 have done?

19 MS. NAIDOFF: Yes. This is the
20 gentleman that he has done, and he has done it
21 many times.

22 COUNCILMAN RAMOS: Tell me how close
23 are you to bringing these 100 manufacturers?

24 I came here to City Council with one
25 mission, not the only mission, but my

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2 principal mission, job creation. And this
3 definitely, as we were wrapping up the another
4 hearing before this one, grabbed ahold of my
5 attention.

6 MR. TRAYLOR: Councilman --

7 COUNCILMAN GOODE: Mr. Traylor,
8 please state your name for the record.

9 MR. TRAYLOR: It's Mjenzi Traylor.
10 I'm First Deputy Director of Commerce
11 Department.

12 I think the first thing that we want
13 to make certain that's clearly understood is
14 that they will not be bringing manufacturing
15 operations. These will be manufacturers who
16 will be seeking to have primarily distribution
17 operations here in the United States. So most
18 of the jobs would be in terms of warehousing,
19 maybe some packaging, maybe some final
20 assembly work for those items that may justify
21 being finally assembled here. But for the
22 most part, these would be showrooms,
23 warehouses, and they would be wholesaling
24 operations. They're looking primarily at the
25 old Defense Supply Center.

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2 And to answer your question of how
3 soon we can anticipate 100 of them locating
4 here, we don't really know that yet. We know
5 that there are a handful that are ready to
6 make the move now. It does not justify going
7 to the Defense Supply Center until there are a
8 greater number of them. So the developer that
9 is working on this here in the United States
10 is seeking to temporarily locate some of them
11 in other places until that larger number has
12 been identified to come here at the Defense
13 Supply Center.

14 COUNCILMAN RAMOS: So there's a
15 handful of the 100 that are ready starting.
16 And what you describe as what they would do
17 are things that will create jobs, without a
18 doubt. How do you coordinate with PCDC? Did
19 the ball get passed over to you? Do you pass
20 it over back to them? Or are you working
21 together with Mr. Jones' office to make this
22 happen in a timely manner?

23 MR. TRAYLOR: We are working
24 directly with Mr. Jones' office. In fact, we
25 specifically asked for the involvement of PCDC

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2 because we think that a lot of these
3 businesses, as they locate here, will use the
4 types of services that are already provided by
5 PCDC.

6 COUNCILMAN RAMOS: That's what I see
7 us needing to do more of. I always get very
8 skeptical when I read reports and we have
9 formed a Committee there, a task force there,
10 not that they're not necessary. And all of a
11 sudden, we're now trying to coordinate maybe
12 what PCDC and Commerce is doing but now we're
13 trying to coordinate four or five or six
14 different new committees that we have formed.
15 So I get skeptical about too many committees.
16 But I know that to a certain extent they are
17 very much needed.

18 Is that coordination, are we going
19 to get anything done the next few years that
20 we definitely need to get some of these good
21 ideas, put them into action by getting
22 together with all the interested parties to
23 get these moved. Because if not, these ideas,
24 like many ideas, will land up in the trash
25 can. We want them to land up in the history

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2 books as projects that have actually had an
3 impact on the economy and the job creation for
4 our people.

5 MR. TRAYLOR: Well, I think we're
6 doing -- in this case, we're doing a pretty
7 good job of leveraging our strengths in the
8 correct way to get them here.

9 COUNCILMAN RAMOS: Thank you.

10 That's it, Mr. Chairman. Thank you.

11 COUNCILMAN GOODE: Councilman
12 DiCicco.

13 COUNCILMAN DICICCO: Thank you
14 again. I just want for the record -- earlier
15 when I made my comments about Center City and
16 the investments and the consideration was
17 given to Center City, I don't want you to
18 think that I don't appreciate the work that
19 Mjenzi and Duane and Vince have done in my
20 district and helping me with some of the
21 commercial corridors. But when I hear about
22 bonds about 125 and \$500 million, I just would
23 like to see some of that significant money get
24 invested into those commercial corridors.
25 We've done as best we can. With the exception

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2 of the Ninth Street infrastructure which had
3 to be done, it was a hundred-something years
4 old. We get a quarter of a million dollars
5 here, 200,000 there, and it's helpful, we
6 appreciate it; it's just not that infusion
7 that we think we can use and would better move
8 those commercial corridors up to speed.

9 So, again, I don't want anyone to
10 think I don't appreciate all the work that
11 your department has done and PIDC and others.
12 Thank you.

13 MS. NAIDOFF: Thank you very much.

14 COUNCILMAN GOODE: Questions or
15 comments from Members of the Committee?

16 (No response.)

17 COUNCILMAN GOODE: Ms. Naidoff,
18 thank you for your testimony. Thank you for
19 the work you've done so far on the Blueprint.
20 I believe in the last hearing you heard a lot
21 about neighborhood commercial corridors from
22 people who testified. I believe today you've
23 heard a lot about neighborhood commercial
24 corridors from Members of this Committee. I
25 think you will continue to hear a lot about

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2 it. So far the Executive Summary of the
3 Blueprint talks about coordinating existing
4 resources. We don't believe that's enough.
5 Part of what we believe will help neighborhood
6 commercial corridors, aside from a lot of the
7 great things that are done in terms of capital
8 improvements and storefront rebates and all of
9 those great things, is access to capital for
10 those businesses there.

11 New River City in and of itself is
12 not an economic development Blueprint for the
13 City, it's not a strategy for the City. There
14 are lost opportunities every day by things
15 that are absolutely within this Executive
16 Summary, things that I expect to be within the
17 Blueprint, but things I still don't believe
18 are going to be realized under this
19 Administration unless they get serious very
20 quickly. I'm not sure whether that's going to
21 affect the \$125 million that you want for New
22 River City or not, but I can say that this
23 City is hungry for economic growth. This
24 document begins to speak to it, but it does
25 not lay out a plan yet and definitely does not

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2 go where people who have testified before this
3 Committee and Members of this Committee have
4 asked that it go.

5 So we look forward to the release of
6 that document on March 23rd. And this hearing
7 is recessed to March 31st at 2:00 p.m.

8 MS. NAIDOFF: Thank you very much.

9 (Council recessed at 4:55 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 Thursday, March 3, 2005, were
reported fully and accurately by me, and that
this is a correct transcript of the same.

RE: COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

Lisa C. Bradley, RPR