

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

5

- - - -

6

Room 696, City Hall
Philadelphia, Pennsylvania
Tuesday, October 7, 2003
11:18 a.m.

7

8

- - - -

9

10 BILL 030561 - An Ordinance amending Chapter 19-2600
11 of The Philadelphia Code, entitled "Business
12 Privilege Taxes," by making permanent and expanding
13 the pilot program under which a credit against
14 business privilege taxes is given to certain
15 businesses that contribute monies to community
16 development corporations undertaking economic
17 development activities within the City of
18 Philadelphia; all under certain terms and
19 conditions.

15

16

PRESENT:

17

COUNCILMAN MICHAEL NUTTER, Chair
COUNCILMAN FRANK DICICCO, Vice Chair
18 COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DARRELL CLARKE
19 COUNCILMAN W. WILSON GOODE
COUNCILWOMAN DONNA REED MILLER
20 COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO
21 COUNCILWOMAN MARIAN TASCO

22

- - - -

23

V A R A L L O Incorporated
Litigation Support Services
Eleven Penn Center
24 1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
25 215.561.2220 215.567.2670

25

1		
2	I N D E X	
3	BILL 030561	PAGE
4	RICK SAUER, PACDC	4
5	CARLOS PERAZA, LISC	9
6	JOHN MACDONALD, Impact Services	14
7	TRACY HUNT, Coca-Cola	20
8	SHAHIED DAWAN, Universal Companies	22
9	GINA SNYDER, East Falls CDC	24
10	SHELLI PENNICK-HOWARD, Project H.O.M.E.	28
11	FARAH JIMINEZ, Mt. Airy USA	33
12	SCOTT KRISANDA, Kensington South CDC	43
13	DAN JENNINGS, Partnership CDC	49
14	JOHN UNGAR, Ogontz Ave. Revitalization Corp..	53
15	MAJEEDAH RASHID, Nicetown CDC	60
16	CHRISTOPHER PATUSKY, Fairmount CDC	69
17	D.K. JOHNSTON, United Communities CDC	74
18	DONNA HENRY, Southwest CDC	77
19		
20		
21		
22		
23		
24		
25		

1 10/07/03 - COMMERCE - BILL 030561

2 COUNCILMAN NUTTER: Good morning, ladies
3 and gentlemen. This is a committee hearing on the
4 Committee on Commerce and Economic Development, Bill
5 No. 030561. I'm Councilman Nutter, Chair of the
6 Committee. There is a quorum of members present:
7 To my left, Councilwoman Blondell Reynolds Brown,
8 Councilman Goode, Councilwoman Blackwell,
9 Councilwoman Miller, Councilwoman Tasco and
10 Councilman Rizzo.

11 We have a series of panels which I will
12 call you up in the order on the list that I was
13 given. Let me read the title and we'll be ready to
14 go.

15 This is Bill No. 030561, amending
16 Chapter 19-2600 of The Philadelphia Code, entitled
17 "Business Privilege Taxes," by making permanent and
18 expanding the pilot program under which a credit
19 against business privilege taxes is given to certain
20 businesses that contribute monies to community
21 development corporations undertaking economic
22 development activities within the City of
23 Philadelphia; all under certain terms and
24 conditions.

25 The first panel is Mr. Rick Sauer and

1 10/07/03 - COMMERCE - BILL 030561

2 Carlos Peraza. Please identify yourselves for the
3 record and begin your testimony.

4 MR. SAUER: Thank you, Chairman Nutter
5 and Members of the Committee and City Council.

6 Thanks for the opportunity to testify today. My
7 name is Rick Sauer and I'm the Executive Director of
8 the Philadelphia Association of Community
9 Development Corporations. I'm here today to express
10 our strong support for Bill No. 030561 sponsored by
11 Councilman Goode and Councilwoman Blackwell and
12 Reynolds Brown. I do have copies of my testimony
13 here to share with Committee, and we did circulate
14 an advanced copy of the report we recently released.
15 If anyone doesn't have that report, we have
16 additional copies of that as well.

17 In the fall of 2001, City Council
18 unanimously passed legislation to create an
19 innovative, new pilot program encouraging
20 partnerships between community development
21 corporations, businesses in the City of
22 Philadelphia. And the program is designed to both
23 strengthen the tax base of the City as well as spur
24 economic growth in our neighborhoods. In return for
25 supporting economic development through CDCs in

1 10/07/03 - COMMERCE - BILL 030561

2 Philadelphia neighborhoods, businesses receive
3 credit against their business privilege tax from the
4 City. And in last fall, due to the overwhelming
5 demand for the program from both CDCs and
6 businesses, Council agreed to expand the program to
7 five additional different neighborhoods.

8 Currently, there are 15 partnerships
9 between CDCs and business engaged in economic
10 development through this vehicle in return for
11 contributing \$100,000 a year to support a CDC's
12 economic development activities. As mentioned, the
13 business receives credit against its City tax
14 obligation each year.

15 The net effect of this, though, will be
16 a stream of more than \$15 million in new private
17 investment flowing to support Philadelphia's
18 neighborhoods and their economies. A very important
19 issue that we've been working to address here in
20 Philadelphia.

21 As I mentioned in my introduction, we
22 just recently completed a report highlighting what's
23 been accomplished during the first year of this
24 program. And what we found is that even though the
25 program is only just up and running a little bit

1 10/07/03 - COMMERCE - BILL 030561

2 less than a year, there's already some impressive
3 results. CDCs have been using their tax credit
4 funds to strengthen commercial corridors, to develop
5 commercial real estate, to help new businesses get
6 started, assist existing businesses, to market their
7 neighborhoods and help residents obtain jobs.
8 Hundreds of businesses have been assisted already,
9 and over \$3 million in additional funds have been
10 leveraged from other sources as a result of the tax
11 credit commitment.

12 Many CDCs are here to testify about
13 their economic work, so I'm not going to try to
14 capture that myself in my testimony; I'll leave that
15 up to them. But I would like to use the remainder
16 of my time just to emphasize a few quick
17 observations about the importance of this program
18 overall.

19 The CDC Tax Credit Program provides an
20 ongoing stream of revenue that CDCs can count on to
21 plan and carry out neighborhood economic
22 development. And the flexible nature of these funds
23 also enable CDCs to use that funding to leverage
24 resources for a wide range of projects and programs
25 as well as to support their staff to coordinate

1 10/07/03 - COMMERCE - BILL 030561

2 economic development activities in their
3 neighborhoods. Both the long-term nature of this
4 funding as well as the flexibility that it provides
5 is critical to enabling CDCs to facilitate strong
6 neighborhood economies.

7 In addition to the fact that the program
8 has encouraged many businesses to develop
9 partnerships with CDCs for the first time, one of
10 the most encouraging findings from our report is
11 that the strength of the partnerships being farmed
12 between the businesses and CDCs is very impressive.
13 It's not just a financial commitment that these
14 businesses are making; they're getting involved in
15 their partner's work through a number of other ways.
16 For example, one CDC has received help in leasing
17 its newly completed commercial building. Another
18 partnership assisted with creating a wireless
19 computer network in its neighborhood. In fact, of
20 the 12 businesses that we were able to survey that
21 are participating in the program right now, 10 are
22 involved with their partners in other ways beyond
23 that financial commitment.

24 The neighborhoods participating in the
25 program are already reaping its benefits. And in

1 10/07/03 - COMMERCE - BILL 030561

2 May 2003, PACDC recommended expanded the CDC Tax
3 Credit Program as part of our invest in
4 neighborhoods policy agenda, which I believe City
5 Councilmembers hopefully remember, since 15
6 Councilmembers actually endorsed those
7 recommendations. There are a number of CDCs and
8 businesses interested in participating in this
9 program. The map on both the back of the report as
10 well as reproduced up here at the front of the room
11 shows the location of both the CDCs currently
12 participating in the red dots, as well as additional
13 groups that could participate in the program if it
14 were expanded in the green circles.

15 The bill before you today would do just
16 that - span the CDC Tax Credit Program to 25
17 partnerships and make it permanent. CDCs have a
18 long-term commitment to their neighborhoods. The
19 CDC Tax Credit Program provides long-term, flexible
20 funding to support that commitment. This program is
21 already having a strong impact on the City. We
22 think this program deserves to be expanded and made
23 a permanent part of Philadelphia's economic
24 development strategy. So we encourage the Committee
25 on Commerce and Economic Development to favorably

1 10/07/03 - COMMERCE - BILL 030561

2 report this bill from Committee today. Thank you.

3 COUNCILMAN NUTTER: Thank you. Mr.

4 Peraza, before you start, let me note for the record
5 that Councilman DiCicco, the Vice Chair of the
6 Committee, is here and also Councilman Clarke is
7 with us. I think we have the entire full
8 complement. If we get another member or so, we may
9 have a Council Session right here this afternoon and
10 just get the week started early. This is at least
11 one matter that a lot of us are pretty interested
12 in.

13 Please go on with your testimony.

14 MR. PERAZA: Good morning, everyone.

15 Really glad to see all of you here today. My name
16 is Carlos Peraza, and I am the Senior Program
17 Director of the Local Initiative Support Corporation
18 in Philadelphia. I'm here today also to express my
19 full support for the proposed expansion of the tax
20 credit bill; that's Bill 030561.

21 As many of you know, LISC is the largest
22 national community development funder or provider of
23 technical support to CDCs. We work in some 40
24 cities around the country, and our program support
25 the development of housing and economic development

1 10/07/03 - COMMERCE - BILL 030561

2 initiatives in invested neighborhoods. Today we
3 have helped finance 110,000 homes and 14 million
4 square feet of commercial space. And many of the
5 local offices have comprehensive community economic
6 development programs that support CDCs and help
7 stabilize neighborhoods.

8 In Philadelphia about a year ago LISC
9 began the Philadelphia Commercial Corridor
10 Redevelopment Program. The program is a partnership
11 between LISC and CDCs to help revitalize eight
12 commercial corridors around the City. LISC plans to
13 invest a total of \$4 million, including 1 1/2
14 million dollars in grants in the next three years or
15 so in the commercial corridors.

16 We provide grants for commercial
17 corridor managers, marketing strategies, cleaning
18 programs, and to improve building facades. We also
19 target loans and investments to redevelop commercial
20 properties and provide training and technical
21 support to CDCs.

22 In the proposed tax credit expansion and
23 the tax credit as it is, is a critical component of
24 the work that CDCs are doing in community economic
25 development and it certainly helps leverage the

1 10/07/03 - COMMERCE - BILL 030561

2 investment that LISC can put into commercial
3 development and community economic development. I
4 think it also puts Philadelphia in the forefront
5 naturally of supporting community economic
6 development initiatives.

7 I know Councilman Goode, Jr., is going
8 to speak tomorrow at a national conference that
9 we're hosting and hope will be speaking about this
10 tax credit program. We're going to have 500 people
11 here tomorrow from around the country that are going
12 to be looking at strategies on how to expand
13 commercial strategies in neighborhoods and community
14 development strategies.

15 So I think you should be commended for
16 this program, and I hope that you will expand the
17 program and support additional CDCs in their work on
18 community economic development. Thank you very
19 much.

20 COUNCILMAN NUTTER: Thank you.

21 Any questions?

22 (No response.)

23 COUNCILMAN NUTTER: I just have a
24 couple. I'm trying to refresh my recollection. Two
25 years ago wasn't that long ago.

1 10/07/03 - COMMERCE - BILL 030561

2 Now when this started, we started with
3 the 15 -- 10 and then we went with 15, okay.

4 And you may have touched on some of this
5 in your testimony. This is for Mr. Sauer. Can you
6 tell us a little bit based on your experience what
7 some of the initiatives or programs that many of the
8 CDCs have been able to do as a result of -- if you
9 have any specifics -- as a result of the program?

10 MR. SAUER: Sure. It's varied by group.
11 I think it is important. And that relates back to
12 the flexible nature of the funding. So what I think
13 CDCs have done is they've looked at what their
14 neighborhoods need, and the program provides the
15 flexibility for them to respond to the particular
16 needs in their neighborhood. So some CDCs had been
17 working to rehab commercial space in their
18 neighborhood so they can attract new businesses in
19 and they can have a larger impact on the physical
20 look of the neighborhood. Related to that, as
21 Carlos mentioned during in his testimony, a number
22 of groups are working to strengthen the commercial
23 corridor overall, and there's a number of different
24 activities they're doing to pursue that.

25 Beyond commercial real estate

1 10/07/03 - COMMERCE - BILL 030561

2 development, some folks are hiring safety
3 ambassadors, cleaning up the streets. They're
4 marketing the neighborhood, doing festivals, things
5 along that line. So it's both sort of the hard
6 things of building new buildings as well as some of
7 the more softer things of improving -- strengthen
8 the commercial corridor to make it a more attractive
9 place both to shop and for businesses to locate to.
10 And then some groups are also involved in making
11 sure that neighborhood residents are actually
12 getting trained and placed in new jobs that are
13 being created or are available.

14 And certainly, the CDCs that will be
15 testifying today can speak more in depth to the
16 specifics of what they've done.

17 COUNCILMAN NUTTER: Thank you. And I
18 did get the report which I will read through. It
19 does have a good amount of information in it, but
20 it's just helpful for the record to have your
21 perspective on that.

22 Any other questions?

23 Councilwoman Miller.

24 COUNCILWOMAN MILLER: Thank you. How
25 are businesses recruited to participate in this

1 10/07/03 - COMMERCE - BILL 030561

2 program? Or is up to the CDC to go out and find a
3 partner?

4 MR. SAUER: In most cases, it has been
5 up to the CDC to go out and identify a business that
6 has that level of tax liability and would have an
7 interest to participate in the program. And
8 clearly, the 15 CDCs in the program so far were able
9 to do that. A number of additional CDCs have either
10 in the process of lining up a partner if the program
11 were expanded already have a potential partner
12 identified. So there is a lot of interest in both
13 the CDC as well as the business community to
14 participate and expand their program.

15 COUNCILWOMAN MILLER: Is there some type
16 of recruitment packet?

17 MR. SAUER: There are regulations that
18 were put together for the program. There is an
19 application form. And then there is also a
20 contribution agreement between the business and the
21 City that can certainly be made available.

22 COUNCILWOMAN MILLER: Okay. Thank you.

23 COUNCILMAN NUTTER: Any other questions?

24 (No response.)

25 COUNCILMAN NUTTER: Thank you very much.

1 10/07/03 - COMMERCE - BILL 030561

2 The next panel will be Mr. John
3 MacDonald, Ms. Tracy Hunt and Rahim Islam.

4 MR. MACDONALD: Good morning. I am John
5 MacDonald. I am the President and CEO of Impact
6 Services Corporation. Tracy Hunt is representing
7 our partner, and Tracy is the Vice President for
8 Human Resources for Philadelphia Coca-Cola Bottling
9 Company and member of our Board of Directors. I do
10 have copies of the testimony here. And again,
11 trying to cite some key examples what we've been
12 able to do as a result of having the opportunity to
13 have a partner to provide some dollars to us that
14 are flexible. I won't belabor the point. I'll kind
15 of skip over this for you.

16 When we made our application, we said
17 that we would improve the employment prospects of
18 unemployed and under-employed area residents by
19 running community job fairs and offering free GED
20 and ESL classes to community residents. This
21 program support has helped us launch a community job
22 placement program and serve 449 area residents who
23 did not qualify for any of the other nine employment
24 programs and training programs that Impact runs. We
25 ran evening and weekend workshops that produced

1 10/07/03 - COMMERCE - BILL 030561

2 resumes and taught people how to find jobs, how to
3 act in interviews and how to land jobs. We had our
4 job developers match residents with job openings
5 that they uncovered and we let residents ride our
6 vans to go to interviews. Over 40 percent of the
7 449 people who attended the workshops did get jobs
8 or better jobs.

9 We also said that we would organize and
10 off ESL and GED programs for interested community
11 members. And we ran and run that twice a week, both
12 in the afternoon and during the evenings.

13 It's hard to get a picture of better
14 many employment levels in the area. It was a
15 substantial area of the accomplishment and
16 achievement that we were proud of and given the job
17 situation during the year.

18 Impact's Loan Fund started operating in
19 2002 with some assistance from this funds and was
20 able to make five loans to small businesses in the
21 area. We also were able to work with PIDC, and we
22 thank them for significant help in this endeavor.

23 The picture that Randy is showing here
24 is just of one of the businesses that we were
25 working with. It's Lamboro Motors (ph). And they

1 10/07/03 - COMMERCE - BILL 030561

2 and money from Senator Tartaglione who contributed
3 \$4,000 to buy trash receptacles for the area that we
4 put at key locations. In addition, we had 16 new
5 businesses join the association as a result of the
6 increased outreach and effort in the area that was
7 made possible through the availability of these
8 funds.

9 And Philadelphia Coca-Cola Bottling has
10 increased its level of involvement and leadership in
11 the outreach part of the business by hosting all of
12 our monthly WEB meetings at their location; again,
13 taking the burden of finding locations and then
14 taking care of the refreshments that we all know is
15 key to these meetings in getting people out.

16 Around the K & A business community, we
17 were really excited when we had the new Walgreens
18 come in at the corner of Kensington and Allegheny,
19 and that created 30 new jobs. In our relationship
20 with them, through the whole endeavor of getting
21 them into the neighborhood, especially, as many of
22 you know, there were some significant problems from
23 a labor standpoint and trying to nurture them not to
24 get discouraged because it had nothing to do with
25 Walgreens; it had more to do with the people that

1 10/07/03 - COMMERCE - BILL 030561

2 own the property. So we're delighted to have them
3 in the area. It is one of the best start-up stores
4 that they've had. Very few locations exist for a
5 Walgreens where every couple of minutes another El
6 Train stops at the corner of K & A and people feed
7 right into their parking lot. So they're delighted
8 with their location.

9 In addition, what we've done is the
10 K and A Business Association twice a year has tried
11 to increase marketing efforts to the community so
12 that they would return to that commercial strip.
13 And Lenny has pictures of two activities that we ran
14 that drew 3700 people to the area of K and A. And
15 one is a festival that we run in June that now,
16 frankly, has over 3500 folks that are attending.
17 And both moms, dads, folks in the neighborhood,
18 kids, a lot of rides, a lot of activities, a lot of
19 food and a flee market as well. And the merchants
20 are really kind of latching on to this as a real key
21 marketing effort for the strip.

22 In addition, in the winter months right
23 prior to Christmas, we have the other picture
24 presented there. We have a photo shoot for the kids
25 and their families with Santa Clause. And again,

1 10/07/03 - COMMERCE - BILL 030561

2 the help of the Commerce Department PCDC and 22
3 sponsoring businesses have made all that possible in
4 addition to Philadelphia Coca-Cola Bottling.

5 And then one other additional thing that
6 we're looking at in working with is a planning
7 effort in the neighborhood to work on some of the
8 vacancies that exist, and we hope to acquire four of
9 what will become 60 units through the NTI effort
10 that will provide additional families that would do
11 shopping on a commercial strip that are only located
12 one block off of K and A.

13 And finally, we've been working on
14 bringing in a new business actually from Australia
15 looking to locate and build a brand-new
16 state-of-the-art warehouse facility. We're hoping
17 to have that done in one of our KOZ sites in the
18 neighborhood. And everybody is kind of excited
19 about the prospects of bringing in 40 additional
20 jobs there.

21 With that, I'd like to turn it over to
22 Tracy Hunt and give you a perspective from the
23 corporate side.

24 MS. HUNT: Good morning. I'll be very
25 brief. As we know, we place a major focus on

1 10/07/03 - COMMERCE - BILL 030561

2 economic development. And when we originally went
3 into this partnership with Impact, of course, our
4 senior staff was asked what our opinions were. And
5 my first response was that if we're going to enter a
6 partnership, we want to enter a partnership with one
7 of the top notch CDCs in the area. And having had
8 some experience in dealing with John MacDonald, we
9 thought that it was the perfect match for us.

10 I happen to sit on the Board of Impact
11 and have been for almost a year now. And I have the
12 opportunity to see firsthand the diversity of their
13 initiatives. They touch the community in so many
14 different ways. I see them touch the single moms.
15 I see them touch the people who are unemployed to
16 get them to a point of being employ. I see them
17 partnering with us on the Web, the Whitaker Erie
18 Business Association, that's part of the American
19 Street Association. And they play a major role.
20 They were ready to get out there and give us the
21 resources we needed from them to make our
22 initiatives happen as a result of us being on this
23 particular Committee. And what that did was -- you
24 know what the Coca-Cola name does, but then when you
25 see us jumping out there and partnering with a CDC

1 10/07/03 - COMMERCE - BILL 030561

2 to make some things happen in the neighborhood, it
3 kind of sparked a new interest from all of the local
4 businesses. So I think what we see happening is a
5 community of businesses making the determination
6 that it's going to take them along with the CDCs to
7 make things happen.

8 So I think that if you were to expand
9 the program, based on the relationship that they
10 witness between Philly Coke and Impact, it would not
11 be that much of a surprise as to what they believe
12 the outcomes would be. So you would probably have
13 additional corporations ready to jump at the
14 opportunity to do such a thing.

15 As I said, John has been phenomenal.
16 The entire Board that Impact has has been
17 impressive. So I think as long as you've got the
18 CDCs that are worthy of carrying out the initiatives
19 and you get some good business partners, I can't see
20 why you wouldn't want to expand this program. Thank
21 you.

22 COUNCILMAN NUTTER: Thank you.

23 Joining us and taking the place of Mr.
24 Islam is and Shahied Dawan who's the Chief Operating
25 Officer for Universal Companies.

1 10/07/03 - COMMERCE - BILL 030561

2 MR. DAWAN: Good morning. I'm pleased
3 to be here in support of this program for Universal
4 Companies, for our Chairman Mr. Kenneth Gamble and
5 our Chief Executive Officer Rahim Islam.

6 This program supports one of the very
7 important aspects of our comprehensive approach to
8 community development, and that is economic
9 development. Besides the education initiative, our
10 real estate initiative, our home buyers initiative,
11 and all of the other initiatives that we are engaged
12 in in South Philadelphia, this program is very, very
13 important to us because it supports the small
14 businesses which helps us create jobs.

15 A couple of the things that we're
16 engaged in now are with the Point Breeze network of
17 businesses on Point Breeze Avenue and the South
18 Street Business Association. We support these
19 organizations in helping them to maintain their
20 wherewithal to do business on the corridors, because
21 they are the ones that are employing our people, the
22 small businesses in the corridors. We have, through
23 this program, increased our support of businesses.
24 We've had 538 businesses to come into our small
25 business development center, and that is an increase

1 10/07/03 - COMMERCE - BILL 030561

2 of 200 percent over last year. We have been able to
3 increase our outreach for our micro loan program.
4 We have also been able to leverage this funding with
5 other financial institutions, including Commerce
6 Bank, Wachovia, and First Trust. They have come in
7 to help us to develop our loan pool for the CDFI.

8 So in short, I'm just here to say that
9 we support this program because of its importance in
10 helping us to continue to develop our small
11 businesses in the region. Thank you.

12 COUNCILMAN NUTTER: Thank you.

13 Any questions?

14 (No response.)

15 COUNCILMAN NUTTER: Thank you very much.

16 We appreciate your testimony.

17 The next panel is Gina Snyder, Carolyn
18 Placke, Farah Jiminez, and Steve Culbertson.

19 Please proceed. You can identify
20 yourselves for the record.

21 MS. SNYDER: Good morning, Councilman
22 Nutter. I'm Gina Snyder from the East Falls
23 Development Corporation. Thank you for the
24 opportunity to testify today. The East Falls
25 Development Corporation is a not-for-profit

1 10/07/03 - COMMERCE - BILL 030561

2 organization that's existed since 1995 and is really
3 dedicated towards addressing the blight and
4 deterioration and under-utilization of the
5 commercial corridor in East Falls. And under the
6 direction of our Board of Directors, in partnership
7 with many City agencies and LISC and the business
8 association, the Community Council, we have
9 comprehensive plans for development in East Falls.

10 I think in contrast to the some of the
11 prior statements you've heard, East Falls comes to
12 you as an extremely small CDC. Is it really through
13 the Business Privilege Tax Credit Program that we
14 have the capacity to have staff and an office and to
15 move projects forward. While the development
16 corporation was started in '95 and had a
17 comprehensive master plan funded by DCED in 1998, it
18 was not until last year that we had staff on board
19 with capacity to move projects forward. We are very
20 fortunate in East Falls to have a number of small
21 businesses. And as folks probably are aware, small
22 business owners, while they might be an
23 entrepreneurial spirit for their business, they may
24 not have the capacity to cut through the City's red
25 tape and to understand where to go to move their

1 10/07/03 - COMMERCE - BILL 030561

2 business forward.

3 We have helped four businesses expand
4 their businesses by getting community approval for
5 outdoor seating, cafe seating, which is a long
6 process that involves a lot of community negotiation
7 in our community. We have also helped a couple
8 other business, again, small residents-owned
9 businesses starting up and creating jobs in the
10 community and helping them through the zoning
11 process.

12 Another issue that has been a serious
13 concern has been criminal activity. Most of the
14 businesses in the commercial district have been
15 subject to crime, including a new business which was
16 robbed in the first couple months of being open. We
17 now have secured increased police patrol in the area
18 and have been successfully working with the police.
19 It's those kinds of things that eat away at small
20 business owners and their willingness to take risk
21 in the community.

22 Business privilege tax credit has also
23 helped us move forward in developing a parking lot
24 that will be used for employees, businesses, and
25 recreation users. And we hope those recreation

1 10/07/03 - COMMERCE - BILL 030561

2 users will come and use the businesses in East
3 Falls.

4 It's also helped us with up-front design
5 costs in a program that we have through the DCNR and
6 the Schuylkill River Greenway Association to have a
7 new plan for East Falls called East Falls
8 Reconnects. And so we are spending a lot of time
9 working on making the infrastructure in East Falls
10 appropriate for development.

11 While a lot of investment is going on,
12 it's also at a standstill because of real concern
13 about the infrastructure, the traffic congestion,
14 and the lack of amenities in the community, in the
15 commercial district in particular.

16 One benefit to our partnership with the
17 Pep Boys has been really new-found investment in a
18 relationship in the community. And I have a
19 statement from the Director for Development, Glen
20 Fink from the Pep Boys to provide to you today. I
21 would draw to your attention that they now sit on
22 our Board. They have provided us with real
23 assistance, both design assistance, marketing
24 assistance, public relations assistance, all because
25 they have a very large professional staff. They

1 10/07/03 - COMMERCE - BILL 030561

2 also now advertize in the local newspaper, which
3 they hadn't done previously. So there are a number
4 of ways that the Pep Boys is connecting to the East
5 Falls community. They are a national headquarters
6 and they've been in the community for years, but we
7 haven't had this kind of opportunity and this has
8 created a wonderful opportunity for them.

9 That's all I have to say. I'll just
10 give you my written comment from the Pep Boys.
11 Thank you.

12 COUNCILMAN NUTTER: Thank you.

13 Any questions?

14 (No response.)

15 MS. PENNICK-HOWARD: Good morning. My
16 name is Shelli Pennick-Howard. I'm the Commercial
17 Corridor Liaison for Project H.O.M.E. I'm here in
18 place of Carolyn Placke. I also will be providing
19 testimony from Project H.O.M.E. and from our
20 corporate sponsor.

21 Project H.O.M.E. is a multi-service
22 agency providing street outreach, supportive
23 housing, comprehensive services, affordable housing,
24 and community and economic development. I come
25 before you today to offer testimony concerning the

1 10/07/03 - COMMERCE - BILL 030561

2 CDC Tax Credit Program. I'm pleased to have this
3 opportunity to comment on behalf of Project H.O.M.E.

4 Project H.O.M.E. thanks Councilman W.
5 Wilson Goode, Jr., and cosponsors Councilpersons
6 Blackwell and Reynolds Brown for making the
7 strategic decision to develop a program that credits
8 business taxes to local companies that contribute to
9 community development corporations.

10 Through the ongoing flexible funding of
11 the CDC Tax Credit Program and the generous support
12 of our corporate sponsor, Klehr, Harrison, Harvey,
13 Branzburg & Ellers, LLP, we have seen a measurable
14 increase in overall stability of our commercial
15 corridor, Ridge Avenue. Project H.O.M.E. provides
16 technical assistance to the Cecil B. Moore Ridge
17 Avenue Business Association, which focuses on
18 marketing, quality of life, and physical
19 improvements along the corridor. These investments
20 of money and time and talent has contributed to
21 increasing the business occupancy rate from 69
22 percent in 2002 to approximately 72 percent in 2003.
23 This increase in occupancy has helped to strengthen
24 past investments and will help secure the long-term
25 viability of Ridge Avenue and the surrounding

1 10/07/03 - COMMERCE - BILL 030561

2 neighborhoods for future generations.

3 Additionally, Philadelphia Association
4 of CDCs city-wide survey clearly demonstrates the
5 far-reaching benefits of the CDC Tax Credit Program.
6 Economic benefits ultimately link with housing and
7 neighborhood services that will help preserve and
8 rebuild neighborhoods which will result in a
9 stronger Philadelphia.

10 I'm now going to read the testimony from
11 our corporate sponsor, Klehr, Harrison, Harvey,
12 Branzburg & Ellers.

13 "The law firm of Klehr, Harrison,
14 Harvey, Branzburg & Ellers has been a participant in
15 the pilot CDC Tax Credit Program in which we are
16 donating \$100,000 annually to Project H.O.M.E. in
17 exchange for a credit on the firm's City business
18 privilege tax. Specifically, we form a partnership
19 with Project H.O.M.E. to boost economic development
20 along the Ridge Avenue commercial corridor. The
21 boundaries of the Ridge Avenue commercial corridor
22 include Ridge Avenue from 21st to 30th Street and
23 Cecil B. Moore Avenue from 21st to 24th Street, an
24 area that has suffered from years of economic
25 neglect.

1 10/07/03 - COMMERCE - BILL 030561

2 "Other than the obvious benefits of the
3 tax credit and the opportunity to give back to the
4 community, the firm sees numerous benefits from this
5 project.

6 "Economic development is good for the
7 City, for us, and for our clients. The project is
8 designed to create opportunities for private sector,
9 and many of our clients are developers who will make
10 productive use of these opportunities.

11 "As a direct result of our
12 participation, Project H.O.M.E. was selected from
13 the NTI/PHS Green City Strategy Program on Ridge
14 Avenue. They developed a civic park and gateway
15 along the core commercial node. They have designed
16 and installed promotional banners along Ridge
17 Avenue. They have provided technical assistance to
18 the local business association. They've constructed
19 affordable housing and rental housing. They've
20 established adult and youth education and enrichment
21 programs. They've established community-based
22 healthcare services. And in the future our
23 commitment will help to support streetscape and
24 facade improvements along the commercial corridor,
25 which we plan to begin later in the fall of this

1 10/07/03 - COMMERCE - BILL 030561

2 year.

3 "Klehr Harrison believes that this is an
4 incredible positive project which should be made
5 permanent and expanded to 25 participants. We are
6 very much in support of Councilman Goode's Bill No.
7 030561, cosponsored by Councilwomen Blackwell and
8 Reynolds Brown. We sincerely hope that you will see
9 the wisdom in making the project a permanent part of
10 the revitalization landscape in Philadelphia."

11 And I thank you for this opportunity.

12 COUNCILMAN NUTTER: Thank you.

13 Questions?

14 Councilwoman Reynolds Brown.

15 COUNCILWOMAN BROWN: Good morning,

16 ladies. I'm curious to know how old is the

17 relationship with each one of your partners?

18 MS. SNYDER: Our relationship is one

19 year old, and it is based on this partnership.

20 COUNCILWOMAN BROWN: When you say this

21 partnership, you mean?

22 MS. SNYDER: The Business Privilege Tax

23 Credit Program. It was the beginning of our

24 relationship.

25 COUNCILWOMAN BROWN: Is it fair to draw

1 10/07/03 - COMMERCE - BILL 030561

2 the conclusion that this bill sort of sparked the
3 interest? You saw the value in it and the need to,
4 therefore, bring on a partner?

5 MS. SNYDER: Absolutely.

6 MS. JIMINEZ: Well ours have been around
7 -- our partner has been a donor for four years and
8 then increased their funding level. They used to
9 give us a thousand dollars a year. They increased
10 it, obviously, as a direct result of this and
11 continue to make the original commitment every year
12 as well.

13 MS. PENNICK-HOWARD: And ours has been
14 involved approximately a year and has been
15 definitely because of the Tax Credit Program.

16 COUNCILWOMAN BROWN: So the tax credit
17 has in every way served as a great incentive?

18 MS. PENNICK-HOWARD: Yes.

19 COUNCILWOMAN BROWN: Prior to this, what
20 would have been the hurdle or hurdles for
21 partnerships like this to develop?

22 MS. JIMINEZ: My testimony speak to it,
23 but I guess if I can give you a little preview, one
24 of the realities is that a lot of businesses don't
25 partner with the CDCs because there's no real

1 10/07/03 - COMMERCE - BILL 030561

2 incentive to do that. They may not be located or
3 headquartered in the community. A lot of us are
4 serving neighborhoods which means we don't have
5 really large employers. So it's very difficult for
6 them to have a significant impact on the mainstream
7 unless they're incentivised in a different way. So
8 often, when CDCs have partnered with larger funders
9 through other kinds of tax credits, it's really been
10 because they've been direct beneficiaries of our
11 work, for example, lending institutions or insurers
12 who have been hit with obligations because of past
13 red lining activities. This has allowed us to
14 expand our relationships to businesses who typically
15 wouldn't have partnered.

16 Our partner is Rittenhouse Claridge LLP.
17 They have no investments in Mount Airy, they have no
18 reason to really invest in Mount Airy except for the
19 fact that we have a personal relationship with them
20 and this was an opportunity for them to grow that
21 relationship and now start also providing us
22 technical assistance.

23 COUNCILWOMAN BROWN: My final question
24 is around process and the identification of the
25 partners. Did you do the outreach, or did they see

1 10/07/03 - COMMERCE - BILL 030561

2 the value and look to connect with a CDC? Where was
3 the initial outreach, on whose side? I'm just
4 curious.

5 MS. PENNICK-HOWARD: Well, actually, the
6 initial outreach was our side for the project, but
7 they were more than willing to come aboard once they
8 saw the benefit and what we were going to be able to
9 do with their funding.

10 COUNCILWOMAN BROWN: And the same for
11 the others.

12 MS. JIMINEZ: We reached out, but I have
13 to tell you, we were rejected by at least four
14 businesses before we got to our last one. And often
15 it's because they are gun shy about partnering
16 because they don't understand the industry. What
17 this has allowed us to do is at least 15
18 organizations have showed that there's value for the
19 private sector to partner with CDCs, that we have
20 capacity to deliver on our promises and to improve
21 the neighborhoods and, therefore, the economic
22 vitality of the City as a whole.

23 COUNCILWOMAN BROWN: Congratulations.
24 Thank you for your testimony.

25 MS. JIMINEZ: My name is Farah Jiminez.

1 10/07/03 - COMMERCE - BILL 030561

2 I'm the Executive Director of Mount Airy USA and I
3 thank you for the opportunity to testify in support
4 of the tax credit legislation and the expansion of
5 it. This is really an exciting opportunity to do
6 this publicly because we were one of the five CDCs
7 that boo-hooed after the last drawing when we
8 thought we weren't going to have an opportunity to
9 be part of the Tax Credit Program. And as I drove
10 through my tears from Harrisburg to Philadelphia to
11 discover that information, one of the things that
12 was really fortunate is that Councilman Goode was
13 always thinking about ways to make it better for us
14 to help expand resources for CDCs. So I want to
15 thank you, Councilman Goode, for your early and
16 continued commitment.

17 Mount Airy USA's mission is to improve
18 the quality of the life of the residents in Mount
19 Airy through community development. Our theory of
20 change has always been that if we improve the
21 commercial corridor, that will improve the
22 residential community that exists right off of
23 Germantown Avenue. One of the realities is that
24 when we think about neighborhoods and we think about
25 neighborhood transformation, we do a lot of talk

1 10/07/03 - COMMERCE - BILL 030561

2 about housing. But when we start thinking about
3 those neighborhoods in Philadelphia that have had
4 the most impact and most change, we think about
5 Manayunk and, therefore, Main Street. We Old City
6 and, therefore, Second Street and Market Street. We
7 think with Center City and then we think about
8 Rittenhouse Square and the vitality on Walnut or
9 Chestnut Street. Northern Liberties, we think about
10 Second Street. So we think about the commercial
11 corridor; that's what comes to mind. It's not
12 necessarily the housing stock. So we really need
13 to, as a City, be focused on ways that we can
14 improve economic development in Philadelphia.

15 The funding sources have been quite
16 limited. In the early stages, we had Community
17 Development Block Grant dollars which are dollars
18 that cost you money to take advantage of because
19 they come with unfunded mandates and primarily
20 become a difficult source to utilize. And the
21 alternative, there was through a creative invention,
22 an Economic Stimulus Fund that was created under the
23 Rendell Administration that continues now under the
24 Street Administration, albeit at a reduced level.
25 So we have about \$5 million that are available.

1 10/07/03 - COMMERCE - BILL 030561

2 Those are wonderful delicious dollars because they
3 don't come with restrictions and they often are
4 administratively very easy to use and also to
5 access. But it's only \$5 million for an entire city
6 so, as you can see, it's not very much in terms of
7 resources. And usually, those dollars go to the
8 project with the most cachet, which means more focus
9 on Center City than in neighborhoods. But our
10 neighborhoods need a resource. And CDCs have
11 traditionally been neighborhood transformers. And
12 being able to use these tax credit dollars have
13 allowed us to not choose to use a hundred thousand
14 dollars in our main streets but to leverage those
15 dollars beyond that.

16 Our project, the way we used our hundred
17 thousand dollars -- which over 10 years is a million
18 dollars so you can imagine how it starts multiplying
19 in terms of leveraging -- is that we've decided to
20 acquire a complex of buildings, four buildings that
21 are historic. After four years in negotiation with
22 a lender who knew he was going to start taking a
23 bath on it, but we also saw the opportunity to take
24 these buildings and transform them. And we're doing
25 a 15,000 square foot mix-use project which includes

1 10/07/03 - COMMERCE - BILL 030561

2 ground floor retail and apartments above,
3 introducing a new product to Germantown Avenue,
4 Mount Airy, where we have large, spacious apartments
5 and bilevel with an elevator building, dedicated
6 parking, fireplaces, washer and dryer, and start
7 really transforming our neighborhood, transforming
8 what it is to live on Germantown Avenue, energizing
9 and exciting people about the potential.

10 In the past, using City dollars we were
11 able to have a 18,000 square foot commercial and
12 retail development project and now houses Mount
13 Airy's post office with a 20-year lease. It has
14 Nationwide Insurance office, the Philadelphia
15 Federal Credit Union, and it is a daily buzz at that
16 location. And we're starting to see additional
17 investment that is created as a result of that
18 project. We've had three storefront sells within
19 months of our building opening. One is going to be
20 opening this weekend as a Mount Airy Violin and Bow
21 Shop, with clients all over the country with a
22 fabulous feature in the Philadelphia Inquirer. We
23 have a Chinese restaurant that's opening up and a
24 mosaic art studio and supply house. So we're
25 starting to see that economic development can

1 10/07/03 - COMMERCE - BILL 030561

2 leverage additional private investment. And our
3 work in the past five years has introduced
4 \$20 million of private investment to Mount Airy.

5 So this Tax Credit Program, what it
6 let's us do is it lets us leverage flexible funds on
7 our Main Street, invest in economic development,
8 which means greater vitality for our neighborhood.
9 And what it also lets us do is increase our
10 capacity. So in addition to using the dollars to
11 put the down payment on the purchase of this 15,000
12 square feet of buildings, we also were able to hire
13 a director of real estate development. So we really
14 expect that in the next several years we're going to
15 be seeing another \$20 million investment over a much
16 shorter time period.

17 I really want to thank, again,
18 Councilman Goode for his leadership and creativity
19 in creating this vehicle. I also want to thank our
20 partner, Rittenhouse Claridge, LLP, for deciding to
21 take a leap of faith with us and partnering in
22 helping us be able to take advantage of these
23 dollars, but also in continuing their commitment to
24 Mount Airy USA and our neighborhood through
25 continued technical assistance.

1 10/07/03 - COMMERCE - BILL 030561

2 COUNCILMAN NUTTER: Councilman Clarke
3 had a question.

4 COUNCILMAN CLARKE: Thank you, Mr.
5 Chairman. Mr. Chairman, I just want to briefly
6 commend and thank representatives from Project
7 H.O.M.E., the wonderful work you've done in our
8 community. And I want to thank you. And continue
9 to do that wonderful work. The greening project
10 Saturday before last was wonderful. It stimulated
11 participation in the neighborhood, stimulated the
12 participation particularly of the business
13 association, so I want to congratulate you on that
14 wonderful work that you're doing.

15 Thank you, Mr. Chairman.

16 COUNCILMAN NUTTER: Any other questions?

17 COUNCILMAN DICICCO: I just have a
18 question.

19 COUNCILMAN NUTTER: Councilman DiCicco.

20 COUNCILMAN DICICCO: Thank you, Mr.
21 Chairman. Ms. Howard, I believe it is -- or maybe
22 anyone else up there might be able to answer. I'm a
23 little bit confused. In your testimony, Ms. Howard,
24 you testified that the law firm of Klehr, Harris and
25 Harvey contribute \$100,000 annually or donating

1 10/07/03 - COMMERCE - BILL 030561

2 \$100,000 annually to the Project H.O.M.E. And I'm
3 not sure, maybe I had this wrong. In this program
4 annual report it indicates \$30,000. Is that the
5 money that is leveraged against the hundred
6 thousand? I'm just not clear on that.

7 MS. PENNICK-HOWARD I believe it was an
8 error.

9 COUNCILMAN DICICCO: So that \$30,000
10 should actually be -- someone's shaking their head
11 in the back.

12 MS. SNYDER: The chart is indicating the
13 amount leveraged in addition to the 100,000 given by
14 the -- in our case it's \$500,000.

15 COUNCILMAN DICICCO: I thought it was.
16 I just wanted to double-check.

17 Does Project H.O.M.E. or any of the
18 entities who benefit by this program have any legal
19 support? Or is there one law firm that oversees all
20 of these different entities that are part of this
21 Tax Credit Program?

22 MS. JIMINEZ: No. We all work with
23 different law firms.

24 MS. PENNICK-HOWARD: We actually work
25 with Regional Housing Legal Service. They provide

1 10/07/03 - COMMERCE - BILL 030561

2 legal support for our organization.

3 COUNCILMAN DICICCO: So for the most
4 part, would I be correct in saying that no one is
5 really paying any legal fees to any of these law
6 firms that we know of? Because that would be kind
7 of self-defeating if we're taking money from a law
8 firm and then paying them back for legal services.
9 Things like that do happen occasionally.

10 MS. SNYDER: I would add that the Pep
11 Boys has provided free legal services to the East
12 Falls Development Corporation.

13 COUNCILMAN DICICCO: Okay. Thank you.
14 No further questions. Thank you.

15 COUNCILMAN NUTTER: I'm sure that was a
16 quite interesting exchange. I'm sorry I missed it.

17 Any other questions?

18 (No response.)

19 COUNCILMAN NUTTER: I'll read the
20 record, though. Thank you very much.

21 Sandy Salzman, Scott Krisanda, and Dan
22 Jennings.

23 MR. KRISANDA: Good afternoon. My name
24 is Scott Krisanda. I'm the Director of Kensington
25 South CDC. Kensington South is not as widely known

1 10/07/03 - COMMERCE - BILL 030561

2 as maybe Old City Northern Liberties, but it is
3 bounded, so that you know where it is, by Girard on
4 the south, Berk Street to its north, Frankford
5 Avenue to the east, and we serve all the way to
6 about Sixth Street to our west.

7 I'm here today to testify on behalf
8 Kensington South Community Development Corporation
9 and also for our corporate sponsor in the program
10 Wolf, Block, Schor & Solis-Cohen, LLP.

11 In anticipation of maybe a question, we
12 used Regional Housing Legal Services as well.

13 Kensington South CDC is pleased and very
14 grateful for the opportunity to participate in the
15 CDC Tax Credit Program and the testimony today in
16 support of perpetuating the program that has had
17 such a tremendous impact on our community.

18 Historically, Kensington South has been
19 an industrial neighborhood. In the past decades,
20 our community has seen the decline in this
21 industrial activity, especially in regard to the
22 businesses that occupy the large buildings a century
23 or more old. The vertical design and high cost of
24 maintaining or rehabilitating these structures is no
25 longer desirable to new or expanding businesses in

1 10/07/03 - COMMERCE - BILL 030561

2 our area.

3 Hidden costs relating to possible
4 contamination of these sites from vague and
5 sometimes undocumented prior use furthermore inhibit
6 the entrepreneurial spirit of private businesses
7 that can easily avoid all of these challenges by
8 starting from scratch on a fresh and untainted site.

9 As a part of our CDC's strategic plan
10 for economic development and because Kensington
11 South residential neighborhood has always been
12 intertwined with industrial structures and uses,
13 Kensington South CDC sought to advocate and
14 actively participate, where possible, in the
15 reclamation of this now under-utilized or abandoned
16 industrial property so that these barren expanses
17 and architectural gems were not lost to blight and
18 further deterioration. Kensington South found its
19 first opportunity to pilot this reclamation strategy
20 in its Putnam Building Economic Development Project.

21 The Putnam Building is a 100-year-old
22 five-story mill style building occupied by a
23 business that had downsized over time to the point
24 where it could no longer prevent the elements and
25 harsh conditions of an urban environment from

1 10/07/03 - COMMERCE - BILL 030561

2 overwhelming their ability to keep pace with the
3 necessary maintenance required to do so. We know
4 how it happens. It is evidenced to all when you
5 look at the landscape of an industrial neighborhood
6 like Kensington South. It starts with replacing the
7 first broken window with a piece of plywood and then
8 it diminishes from there.

9 As I mentioned earlier, Kensington South
10 CDC privately negotiated the purchase of such a
11 building with its previous owner. The retainage of
12 existing business in Kensington South is essential
13 to our economic strategy as establishing new
14 businesses. Therefore, Kensington South CDC was
15 able to retain this existing business by assisting
16 in its consolidation to one floor of this building.

17 The Michael J. Woldow Company remains as
18 one of our commercial tenants today and services
19 operating tables for Philadelphia area hospitals.
20 Our CDC offices were relocated here also, relieving
21 the cramped conditions of the borrowed space out of
22 which we facilitated our programs.

23 Because of our efforts in the economic
24 development of Kensington South, especially our work
25 to transform the Putnam Building into a place of

1 10/07/03 - COMMERCE - BILL 030561

2 commerce and community resource, Kensington South
3 CDC was eligible to participate in this Tax Credit
4 Program. Since its introduction and implementation,
5 our CDC has welcomed five additional commercial
6 tenants to the Putnam Building Project. Six new
7 jobs have been created as a result of this occupancy
8 since the CDC first took possession of the building
9 in December 2002. Once the full potential of the
10 building is realized, Kensington South CDC expects
11 to have created a total of 35 new job opportunities
12 and 10 to 15 new businesses and community resources.

13 For the first time ever, Kensington
14 South CDC has forum in which to meet with its local
15 residents and stakeholders. On July 17th our CDC
16 hosted an open house for the Putnam Building and
17 kicked off a new era in community and corporate
18 participation in the physical and economic
19 development of our neighborhood. It is now a place
20 for conducting the business of overall community
21 development.

22 Prior to the Tax Credit Program, our
23 CDC's organizational operations relied exclusively
24 on revenues generated by the seven homeownership
25 rehabilitation projects developed since its start-up

1 10/07/03 - COMMERCE - BILL 030561

2 in May of 2001. For a little over a year, our CDC
3 led a modest existence, streamlining every operation
4 in order to stay the course and follow through with
5 its strategic plan.

6 Today, although efficient operations
7 remain a must, the Tax Credit Program has not only
8 leveraged the potential of our Putnam Building
9 Project and created a model to replicate this
10 effort, it has afforded our organization the tools
11 and the resources for a sustainable effort towards
12 community and economic development in Kensington
13 South.

14 Our hope is that this program has
15 afforded its other participants the same tremendous
16 and far-reaching opportunity for community
17 revitalization as it has Kensington South. We hope
18 that the cooperation that they receive from their
19 corporate sponsors and the program does go beyond
20 the financial contribution as it does with ours.
21 New resources, more potential, and increased
22 capacity to deliver the community services and
23 economic stimulus needed for our neighborhood are
24 what Kensington South has received from its partner
25 in this powerful program.

1 10/07/03 - COMMERCE - BILL 030561

2 Because of the benefits the Tax Credit
3 Program has had for our organization and our
4 community as well as because of the benefits shown
5 City-wide by PACDC's survey of this program, the Tax
6 Credit Program should be made permanent and Bill No.
7 030561 should be passed.

8 I thank you again for the opportunity to
9 testify today in support of sustaining this program
10 in which we are most grateful to be participating.

11 COUNCILMAN NUTTER: Thank you.

12 Please identify yourself for the record.

13 MR. JENNINGS: My name is Dan Jennings.

14 I'm the Director of Economic Development for the
15 Partnership CDC, filling in for our Director Blaine
16 Stoddard.

17 First, we'd like to acknowledge and
18 thank the Council Committee for holding this hearing
19 on this very important initiative. We at the
20 Partnership CDC believe this pilot program is very
21 important for three reasons: One is it puts the
22 investment directly where investment is needed most,
23 and that's in the neighborhoods. And I think we all
24 agree that in order for the City to grow, we have to
25 continue to strengthen both the residential and

1 10/07/03 - COMMERCE - BILL 030561

2 economic base of our neighborhoods. And investing
3 in CDCs through this legislation will help
4 accomplish this goal. The second important reason
5 is ever CDC here today can testify how difficult
6 it's become to raise funds in this current
7 environment. And not only does this program provide
8 the needed dollars, but it also provides the kind of
9 flexible funding that is very difficult to obtain.
10 This is the partnership CDCs first year under the
11 pilot program and the law firm of Reed Smith is our
12 partner.

13 And to address Councilman, we've had
14 this relationship for eight years. In addition to
15 the contribution that Reed Smith will provide, they
16 give the Partnership CDC pro bono legal services
17 every year.

18 We're using the contribution from Reed
19 Smith for three of the Partnership CDC's economic
20 development initiatives. And these initiatives are
21 borne out of the economic development strategy for
22 West Philadelphia.

23 The first initiative is the 60th Street
24 Project. Under the leadership of Councilwoman
25 Blackwell and with support with State Senator

1 10/07/03 - COMMERCE - BILL 030561

2 Anthony Williams and Councilman Mike Nutter, we're
3 working with City and State agencies and the
4 community to craft and implement a revitalization
5 plan for the 60th Street corridor. The corridor is
6 bordered by Arch Street to the north and Katherine
7 Street to the south. Over the last several decades
8 this corridor, like others, has suffered major
9 disinvestment and blight, but we at the Partnership
10 CDC believe that this corridor is poised for a major
11 turnaround. The City and State is investing over a
12 million dollars on infrastructure improvements.
13 SEPTA is Spending hundreds of millions of dollars to
14 upgrade the Frankford El. And the Commerce
15 Department is funding a major facade initiative
16 which will begin soon. The partnership CDC is
17 beginning to identify projects to support the
18 revitalization of this corridor, and the
19 contribution that we will use from Reed Smith will
20 support some of the pre-development work associated
21 with these projects.

22 The second initiative that the
23 contribution will support is the Mercy Special
24 Service District. The MSSD, like most special
25 services districts around the City, provide

1 10/07/03 - COMMERCE - BILL 030561

2 supplemental cleaning, mainly sidewalk cleaning and
3 graffiti removal. The MSSD cleans more than 300
4 blocks per week, including the commercial corridors
5 of 52nd Street and 60th street. In the case of 52nd
6 Street, the MSSD has had a huge impact. 52nd Street
7 is now one of the most vibrant commercial corridors
8 in the City.

9 The third initiative the contribution
10 will support are the Partnership CDCs activities
11 around 40th and Market Streets. To date, we have
12 renovated three mix-used buildings on the 4000 block
13 of Market Street and it's made a big difference. We
14 are pursuing a retail development for 4100 block of
15 Market Street, and we're also working with property
16 owners in the area to develop a retail strategy for
17 the area that would address both the unmet needs of
18 community residents and also the students at the
19 local universities.

20 The Partnership CDC is confident that
21 this \$100,000 contribution will leverage another
22 \$500,000 in investment. In the case of the Mercy
23 Special Services District, we know that the
24 contribution has helped retain six jobs directly and
25 scores of jobs more indirectly through the

1 10/07/03 - COMMERCE - BILL 030561

2 businesses that the MSSD benefits. Our activities
3 on the 40th Street and the 60th Street projects, we
4 believe will create more than 100 permanent
5 full-time jobs.

6 Again, we'd like to thank the City
7 Council for their leadership on this important issue
8 and we look forward to its expansion and we fully
9 support its passage. Thank you.

10 COUNCILMAN NUTTER: Thank you very much.
11 Councilwoman Blackwell.

12 COUNCILWOMAN BLACKWELL: Thank you very
13 much. Obviously, we work daily with the Partnership
14 CDC. This is your drawing?

15 MR. JENNINGS: No.

16 COUNCILWOMAN BLACKWELL: Certainly, we
17 want to commend them for the work we have done and
18 certainly for all we hope to do on Samson Street and
19 other areas West Philadelphia. Thank you for your
20 presentation.

21 MR. JENNINGS: Thank you very much,
22 Councilwoman.

23 COUNCILMAN NUTTER: Any other questions?

24 (No response.)

25 COUNCILMAN NUTTER: Thank you.

1 10/07/03 - COMMERCE - BILL 030561

2 John Ungar.

3 MR. UNGAR: Thank you very much. I just
4 want to point out at this point I think you're
5 switching from the groups that are participating in
6 the program to those of us who want to be in the
7 program. So I desperately want to join that group.

8 My name is John Ungar. I'm the Director
9 of Housing and Economic Development with the Ogontz
10 Avenue Revitalization Corporation. We've been
11 around since 1983 serving the West Oak Lane
12 community of Philadelphia, and that is located in
13 the northwest part of the City. As I said, we were
14 founded back in 1983. Our mission is to create and
15 stimulate economic development and improve the
16 quality of life in West Oak Lane. We do that
17 through working in four areas, which is housing
18 education, community and economic development and
19 workforce development. We believe it requires all
20 of these things to stimulate and revitalize a
21 neighborhood.

22 I just briefly want to talk a little bit
23 about the neighborhood itself. It's a working and
24 middle class African-American community that borders
25 Montgomery County. It is not completely blighted.

1 10/07/03 - COMMERCE - BILL 030561

2 It has problems, individual problems. It's exactly
3 the type of neighborhood where strategic investment
4 can leverage additional dollars and really just turn
5 it around. It's really a perfect opportunity for
6 private dollars and a group to target a specific
7 area and make a real difference.

8 In our 20-year history, we've developed
9 over 207,000 square feet of commercial institutional
10 educational space. There are projects valued at
11 over \$24 million. Between work and our related
12 entities and projects we've completed, we're
13 providing full-time employment to approximately 240
14 people in the community and providing educational
15 and social services to approximately 1,000 children
16 per year. Some of the developments we've
17 accomplished over the past 20 years include the
18 rehabilitation of an abandoned shopping center.
19 When we first started in the early '80s, the main
20 shopping center Ogontz Plaza was just a shell of its
21 former self with no services. It was our first
22 project. We brought it back up to a decent
23 standard, filled it, and we're now in the middle of
24 actually a second renovation of this same plaza. It
25 is good shape. We're giving it a facelift,

1 10/07/03 - COMMERCE - BILL 030561

2 attracting some new tenants and trying improve the
3 quality of services available to tenants and
4 residents in the neighborhood.

5 One of our other projects was a
6 multi-purpose community center with social service
7 and day care. Also currently has a School District
8 of Philadelphia Day Care Program, one of the best in
9 the area with a long waiting list. We've helped
10 establish two charter schools, one of which we
11 actually are affiliated with. The West Oak Lane
12 Charter School, and we have developed space and
13 helped sort of develop the curriculum for the Hope
14 Technology and Training Center, which serves high
15 school age students. We've developed a restaurant
16 on the avenue, 46 units of affordable rental housing
17 and we're one of the eight CDCs funded by LISC for
18 their Main Street Program. That has been a
19 tremendous boon to the neighborhood. We have a
20 full-time business district manager now who is out
21 there every day working with the businesses,
22 attracting new businesses. We've done some
23 landscaping. Not related to us, but we've also been
24 fortunate to have Ogontz Avenue repaved which was
25 desperately need. But that in conjunction with our

1 10/07/03 - COMMERCE - BILL 030561

2 effort is helping to revitalize the corridor. It's
3 turned into a very vibrant corridor. It will be one
4 of the neighborhoods featured in the LISC conference
5 this week. We've had articles written about the
6 corridor in the City Paper and the Philadelphia
7 Tribune. We work on having events such as jazz
8 concerts, poetry nights, farmers market, a lot of
9 excitement and basically making this the kind of
10 place people want to come to shop to open their
11 businesses. And Ms. Jiminez had mentioned if you
12 have a vibrant commercial corridor, obviously it's
13 going to make it more attractive for people to live
14 nearby. We're really trying to address all these
15 things at once because we believe it's very
16 important.

17 Finally, in the last couple years, we've
18 also focused on housing. We have some spot
19 vacancies in the neighborhood and some homes that
20 have been in bad shape. So through our housing
21 efforts, we've been able to rehabilitate about seven
22 houses so far. Obviously we'll be working on a lot
23 more and provide needed home improvements and
24 repairs to about 36 owner-occupied homes.

25 By helping to provide support for

1 10/07/03 - COMMERCE - BILL 030561

2 organizations such as OARC and other CDCs, I believe
3 this is a good investment for the City. We're
4 getting a good return on the investment. We create
5 jobs, housing opportunities and retain and attract
6 families to our community. Many of the projects we
7 work on, we also ourselves try and leverage private
8 dollars. I don't have numbers of how much we've
9 leveraged in total, but some current examples, a few
10 years ago we develop Amoco McDonald's on a former
11 brown field site. Obviously, we put in our piece
12 through grants and loans, but the combination of
13 Amoco and McDonald's put in their own money to
14 develop the site. We cleaned up another brown field
15 in that same corner, and now a Rita's Water Ice
16 franchise will be there and the operator is going to
17 invest 400,000 of his own dollars into that project.

18 Finally, we're also developing a
19 full-service restaurant on the avenue with the
20 owner/operator of the Chestnut Grill in Chestnut
21 Hill. It's going to be called the Ogontz Grill,
22 outdoor dining. Again, we're putting in some money,
23 but this is someone who's coming from Chestnut Hill
24 and felt that West Oak Lane is the kind of place he
25 wants to be, he wants to put his money in it, he

1 10/07/03 - COMMERCE - BILL 030561

2 believes this is a neighborhood on the rise.

3 And again, the last point, I'm just
4 going to repeat what others have said. This kind of
5 funding, this flexible funding to help support the
6 operation of CDCs is the hardest kind to get.
7 Obviously, we've been able to do it, but it's a
8 struggle. If we're going to continue doing the work
9 we do, it's very important we have this kind of
10 general operating support. And by expanding the
11 program and allowing groups like ourselves with a
12 proven track record to get in, I believe there will
13 be a real turnaround in many of these City
14 neighborhoods. Thank you very much.

15 COUNCILMAN NUTTER: Thank you.

16 Any questions?

17 Councilwoman Tasco.

18 COUNCILWOMAN TASCO: I don't have any
19 questions. I just want to thank Mr. Ungar for
20 coming in to testify. OARC has done an outstanding
21 job in the West Oak Lane community in the last --
22 since 1983, just amazing work in revitalizing the
23 corridor, and not only working to stabilize and
24 revitalize the business corridor, but looking at
25 housing opportunities and taking vacant buildings

1 10/07/03 - COMMERCE - BILL 030561

2 that sat for years and made homes for people. So we
3 work very closely together, and I have to say that
4 they are just a prize in the City. And when we had
5 the National League of Cities here in 1997, they
6 included the Ogontz area on their agenda for a
7 mobile tour and we took two bus loads of
8 councilmembers and mayors from around the country to
9 show what community effort can result in that kind
10 of redevelopment and revitalization. And so we're
11 just real pleased to have a good relationship with
12 them and certainly support their request to become
13 part of this whole economic development Tax Credit
14 Program. And I have to give kudos to my partner
15 State Representative Dwight Evans for his
16 leadership. Thank you.

17 COUNCILMAN NUTTER: Thank you
18 Councilwoman.

19 Any other questions?

20 (No response.)

21 COUNCILMAN NUTTER: Thank you.

22 The last panel that I have on the list
23 -- and if there is someone who would like to testify
24 after this particular group, if I do not call your
25 name, please identify yourself. I have Ms. Rashid,

1 10/07/03 - COMMERCE - BILL 030561

2 Mr. Patusky, Mr. Johnston, and Ms. Henry.

3 Is there anyone's name I did not call
4 who wishes to testify on this particular bill?

5 (No response.)

6 Please identify yourself for the record
7 and proceed.

8 MS. RASHID: Good afternoon. My name is
9 Majeedah Rashid. I'm the Chief Operating Officer of
10 the Nicetown CDC and also serve as the Executive
11 Director of the Nicetown Neighborhood Advisory
12 Committee, the NAC. I wish to take this opportunity
13 to thank the Council for allowing me to testify
14 today and bring some attention to the Nicetown
15 community, its need and its promising potential.

16 The Nicetown CDC is a member of the
17 Philadelphia Association of CDCs, and we do agree in
18 our belief that neighborhood economic development
19 benefits the City of Philadelphia through this CDC
20 Tax Credit Program and it's already, as people have
21 testified previously, it's shown its success in
22 supporting Philadelphia neighborhoods. And we also
23 believe that this program expanded and made
24 permanent.

25 When asked to describe our experience in

1 10/07/03 - COMMERCE - BILL 030561

2 jobs created and businesses assisted, the Nicetown
3 CDC has been engaged in assessing the business
4 corridor that runs down Germantown Avenue through
5 our service area, which is between Hunting Park and
6 Germantown Avenue to Germantown and Windrim. We
7 have been heavenly engaged in supporting the
8 education of business owners in the stabilization of
9 their business association. We have held community
10 meetings that have focused on business with the
11 assistance of PCDC and EMBEC. With the
12 revitalization of our business corridor, we project
13 that there will be more than 50 new opportunities
14 for employment in the initial phases of our
15 strategic planning, and this will be the catalyst to
16 stimulate our economic base.

17 The Nicetown CDC has been awarded a
18 \$25,000 planning and marketing grant from the
19 Department of Commerce in order to develop a
20 commercial revitalization plan for Nicetown. There
21 is abundance of vacant lots and properties along our
22 business corridor that have been an eyesore for
23 decades, and we have submitted a list of them to the
24 Redevelopment Authority for acquisition.

25 Further, we have hired a consultant,

1 10/07/03 - COMMERCE - BILL 030561

2 Beverly Harper Portfolio Associates who is going to
3 assist us with expediting our plan, and we also have
4 identified a fully capable developer that shares in
5 our vision.

6 This summer we will provide a gap
7 funding from the Commerce Department in order to
8 produce our Give Back to the Community Festival and
9 Concert, which drew hundreds to our historic Stenton
10 Park and Recreation Center. The festival was also
11 an opportunity for our neighborhood businesses and
12 vendors to be a part of our efforts to mobilize and
13 stimulate interest in our area businesses.

14 Our chairman and CEO Zachariah Abdul
15 Rakman (ph) has been a successful Nicetown business
16 owner for almost 10 years with businesses that have
17 employ more than 25 people. His primary business,
18 Z & Z Distributors is the largest African-American
19 owned snack and beverage distributorship in the
20 area. It is with his guidance and diligence that we
21 are directed towards a vision of economic
22 self-sufficiency for Nicetown. The Nicetown CDC
23 also has employed a project manager who is our
24 liaison to the community, with the business
25 community in particular.

1 10/07/03 - COMMERCE - BILL 030561

2 Various other projects have allowed us
3 to hire neighborhood residents and others on an
4 as-needed basis. The tax credit program would allow
5 us to do this permanently, giving employees job
6 security and, more importantly, the fringe benefits
7 that they need such as medical insurance. It is our
8 experience that economically stable and healthy
9 employees are more effective employees as
10 stakeholders in the community.

11 And when asked to describe the work that
12 we could do in our neighborhood if we were to
13 participate in the program, we would reply that the
14 Nicetown CDC would be allowed the capacity to more
15 effectively address the more than 70 vacant
16 properties that we have identified on several
17 block-by-block street assessments of Nicetown. With
18 the support of our Councilwoman Donna Reed Miller,
19 we have submitted these properties for acquisition
20 under the NTI Program. Even though we have that
21 number of blighted and abandoned properties,
22 Nicetown still has a homeownership rate of 71
23 percent. We want to sustain and even enhance that
24 rate, and the rehabilitation of these and other
25 properties will help to do that.

1 10/07/03 - COMMERCE - BILL 030561

2 The Nicetown CDC was not able to
3 participate in the targeted Basic System Repair
4 Program, but we will be able to replicate the
5 concepts of the program incorporating with the Basic
6 System Repair Program to some degree. We are
7 currently participating with the Philadelphia
8 Neighborhood Housing Service and Model Blocks
9 Program which gives homeowners up to a 70 percent
10 subsidy to get repairs and renovations done on their
11 homes. The Tax Credit Program will also allow us to
12 support our area schools, boys and girls clubs,
13 churches and other institutions and organizations.

14 Since October 1, 2002, we have been
15 fiduciary agent for the Nicetown Advisory Committee,
16 which is social service arm. The NAC is contracted
17 by the Office of Housing and Community Development
18 to engage the residents of Nicetown as well as serve
19 as a resource for housing counseling, food programs,
20 energy assistance, PHA resident advocacy, and
21 neighborhood conditions monitoring, among other
22 things. The Tax Credit Program will allow us to
23 enhance the services of the NAC, which is under the
24 administration of a community-elected board.

25 I also want to point out that the

1 10/07/03 - COMMERCE - BILL 030561

2 Nicetown CDC has a community outreach initiative
3 that has identified more than block captains of
4 which 25 have been participating in Livable
5 Neighborhoods Program, which is a program that we
6 collaborate with in order to develop and train our
7 block leaders. It is our intent to assure that all
8 of our block leaders have been trained in this
9 methodology which engages residents and teaches them
10 how to more effectively utilize existing City
11 agencies for more positive outcomes.

12 We also want full utilization and
13 marketing of our brand-new portal system that we
14 received from PCDC which has the capability of video
15 conferencing with other CDCs, businesses,
16 universities, prisons, and boardrooms all over the
17 world. For example, our new principal at Gartz High
18 School, Dr. Delores Williams, has expressed an
19 interest in having her staff professional
20 development conferences be held there instead of a
21 much further away university where they usually go
22 for their video conferencing.

23 The Nicetown CDC also want to establish
24 a business support and technology center in a
25 facility that we're trying to rehabilitation at 4300

1 10/07/03 - COMMERCE - BILL 030561

2 Germantown Avenue we have just acquired from PHDC,
3 and this will have a base featuring a computer lab
4 that will be used for professional development and
5 training for our staff, students, and area
6 businesses and institutions. Our goal is to be the
7 hub that will link all of these area institutions,
8 including the Gratz High School Service Learning
9 Center, Triumph Baptist Church, the Nicetown
10 Business Association, Steele Elementary School and
11 both of our Nicetown Boys and Girls Clubs. This
12 network will also produce and expand our quarterly
13 newsletter which will keep the residents accurately
14 informed of current initiatives in Nicetown and how
15 they can get involved in this transformation.

16 As you've heard from previous testimony,
17 the benefits and opportunities for leverage of
18 additional funds is absolutely phenomenal. These
19 positive outcomes of the program is proof that
20 expansion of the program will benefit our
21 neighborhoods tremendously as well as the entire
22 City.

23 Understanding of this program is
24 essential. And I did hear our Councilwoman Donna
25 Reed Miller inquire earlier in the testimony about

1 10/07/03 - COMMERCE - BILL 030561

2 an application process or recruiting process for
3 potential partners. Its has been our experience
4 that corporations have little or no understanding of
5 this Tax Credit Program and, therefore, do not
6 express interest in a timely manner. An example of
7 that is our current attempts to partner with a
8 corporation that seems to think they maybe
9 overextended in their tax credit liabilities, and
10 we're currently waiting on an answer from them for
11 that. We have a couple other interested parties and
12 we're trying to educate them in that regard as well.

13 COUNCILMAN NUTTER: I'm sorry, could you
14 say that again or could you explain that? They said
15 they were overextended?

16 MS. RASHID: They think that they're
17 already overextended in their tax credit, what they
18 can actually do. They think they're already up to
19 the limit.

20 COUNCILMAN NUTTER: Councilman Goode.

21 COUNCILMAN GOODE: I'm assuming what
22 she's saying is that they're already doing enough
23 tax credit contributions that they don't have enough
24 liability left to justify that participation.

25 COUNCILMAN NUTTER: All right. I

1 10/07/03 - COMMERCE - BILL 030561

2 understand.

3 MS. RASHID: Are there any other
4 questions?

5 COUNCILMAN NUTTER: No. Thank you for
6 your testimony.

7 MS. RASHID: You're welcome. Mr.
8 Johnson or Mr. Patusky.

9 MR. PATUSKY: Thank you, Councilman. My
10 name is Christopher Patusky. I'm the President of
11 the Fairmount Community Development Corporation,
12 which is a volunteer position at this point. I'm
13 also the Deputy Director of the Fels Institute of
14 Government at the University of Pennsylvania.
15 That's my day job.

16 I first want to tell you I think this
17 program is so important and inspired and then tell
18 you what Fairmount CDC is doing very briefly.

19 First, I think this is a truly inspired
20 program, and I want to congratulate and thank
21 Councilman Goode for this initiative. It works on
22 so many different levels in a way that other City
23 programs are not able to that may attempt to but
24 cannot. It, first of all, directs public monies
25 toward problems that the City is not really designed

1 10/07/03 - COMMERCE - BILL 030561

2 to address or handle or even know about because
3 they're localized. And it also brings corporations
4 into the partnership, which they really need an
5 incentive to do because their job is to make money
6 for their owners. And this gives them a reason to
7 come in. And once they're in, they become
8 interested and the people work there become
9 interested and they can expand their commitment in
10 many ways. To combine those two things together in
11 this way, I've never heard of anyone doing this
12 before, so congratulations.

13 First, I want to say I have three
14 reasons why I think this is an important project.
15 First, neighborhoods need the tools to help
16 themselves. The City needs the help of the
17 neighborhoods to solve their problems. Cities are
18 very good and city government is good at solving
19 city-wide problems, problems that are uniform across
20 the City like trash and our police protection and
21 our fire protection and our streets and our
22 utilities all of these things the City is very good
23 at doing and should do. However, when you get down
24 to the smaller neighborhood level, each neighborhood
25 has it's own idiosyncratic concerns. One

1 10/07/03 - COMMERCE - BILL 030561

2 neighborhood is worried about housing, one
3 neighborhood is worried about commercial blight,
4 another neighborhood wants a park fixed up or a
5 community center. And the City representatives do a
6 great job trying to identify some of them and
7 solving them, but really there are dozens of them.
8 And only the residents know what these problems are.
9 Only we know day-to-day what can be done and how to
10 go about getting sort of the resident consensus, the
11 neighborhood consensus on what should be done and
12 moving forward with it. What we need as CDCs is the
13 capacity to organize and address these problems. So
14 my first reason for supporting this program is it
15 gives tools to the neighborhoods to solve the
16 problems themselves.

17 The second thing is, it has a long time
18 frame. And dreams are not achieved in one day or
19 one year; they're achieved many years of sustained
20 effort by people who are deeply committed to their
21 neighborhoods. And no one is as committed to a
22 neighborhood as the people who live there. So this
23 program allows people to achieve their dreams over
24 time. It takes 10 years to rebuild a commercial
25 strip. It takes years to build a community center

1 10/07/03 - COMMERCE - BILL 030561

2 and to get programs into the community center. You
3 can't just take a shot at it and then leave. And
4 this program addresses by sustaining over time.

5 The third is the partnership strengthens
6 neighborhoods. We need the corporations to be
7 involved in our neighborhoods, as I have described
8 before. They have expertise. They have money.
9 They have volunteers. They have advice. They can
10 move jobs into the neighborhood. So this encourages
11 them to do that and gets them involved. So I salute
12 this program.

13 Now I want to talk briefly about
14 Fairmount and the CDC. Fairmount CDC was founded
15 two years ago. On the Board are the President of
16 the Girard College, the head of Philadelphia LISC,
17 myself, some business owners in the neighborhood,
18 elderly. It's just a representative group. In
19 addition, we have created a 15-member neighborhood
20 advisory panel planning Committee to give us more
21 input to make sure that we represent the
22 neighborhood and not a few individuals in the
23 neighborhood.

24 What we've done in the past two years is
25 get our 501(c)(3) status, and then we raised money.

1 10/07/03 - COMMERCE - BILL 030561

2 We had a big fund-raiser at Girard College, which
3 was successful, and we filed other grant
4 applications. We have hired WRT which has just
5 completed a major plan with about 50 recommendations
6 of what we're going to do next, and we're ready to
7 go. First off, we're deeply involved on Girard
8 Avenue, on West Girard with the Girard Avenue
9 Coalition. We were one of the key players in the
10 effort to get a supermarket at 27th and Girard. I
11 was one of the litigants in that case. Also, up on
12 Girard, we're active in all of the Girard Avenue
13 Coalition meetings to ensure the neighborhood is
14 represented in what's happening there. And we're
15 also raising money for that effort.

16 It is also a big concentration of blight
17 and abandonment between Poplar and Girard Avenue.
18 And that is our primary focus. We don't believe
19 that Girard Avenue will be able to revive unless
20 that abandonment is taken care of. And a CDC is
21 necessary to make that happen, and we are ideally
22 situated to eliminate that blight. We have a plan
23 to do that, and we're meeting with our councilman,
24 Councilman Clarke, on that and we appreciate all of
25 his assistance as well with this.

1 10/07/03 - COMMERCE - BILL 030561

2 In addition to the removal of the blight
3 between Poplar and Girard, which we believe will
4 kick off the development of West Girard Avenue,
5 we're working on a parking study to improve parking
6 because the Art Museum has overflowed. The Rodan is
7 there and all of this is only going to increase this
8 problem. Somebody has to solve it, and we have set
9 ourselves up to solve that.

10 So what we would do with the funding
11 would be hire our first part-time staff, leverage
12 that money and that staff to obtain additional funds
13 to complete our removal of the blight between Poplar
14 and Girard, fund our parking study to green our
15 streets, improve our parks, provide a community
16 center and do all of the things that the other CDCs
17 have been doing such a great job on.

18 Fairmount is a healthy neighborhood.
19 And it can serve as a base for the growth of health
20 in the City, and we're looking forward to working
21 with you on that. Thank you.

22 COUNCILMAN NUTTER: Mr. Johnston.

23 MR. JOHNSTON: Good afternoon. My name
24 is D.K. Johnston. I'm Executive Director of United
25 Communities Community Development Corporation in

1 10/07/03 - COMMERCE - BILL 030561

2 South Philadelphia. We were founded in 1996 as an
3 outgrowth of United Community Southeast Philadelphia
4 which operates four community centers, settlement
5 house, social services agency. And up to this time,
6 we have focused primarily on affordable housing. We
7 do, however, have a major commercial strip in the
8 target neighborhood that we're working on. That's
9 South 7th Street. A portion of it is severely
10 blighted, north of Snyder Avenue, the 1900 and 2000
11 blocks. And a portion of it, south of Snyder Avenue
12 which would be the 2100, 2200 and 2300 blocks has
13 been somewhat revitalizing on its own in the last 10
14 years or so. We have come to call it the Asian
15 Market. The reinvestment is primarily southeast
16 Asian businesses, Cambodian, Laotian, Vietnamese and
17 Indonesian investors taking over buildings there and
18 opening stores. There's still a level of
19 disinvestment down there. There are vacant
20 buildings in that strip.

21 And simply put, I think this is a great
22 program. I think the neighborhood commercial strips
23 in the City have been long neglected. I commend
24 Councilman Goode for having the idea to start this
25 and Councilwoman Blackwell and Reynolds Brown for

1 10/07/03 - COMMERCE - BILL 030561

2 supporting the expansion of this very fine program.
3 As an example of what had happened in the past
4 without this program, in reorganizing some portions
5 of our archives, I came upon these boxes in a
6 corridor at the Houston Community Center where I
7 work that were labeled "The Business Support
8 Program." And I've been there only a year, and I
9 asked some of my coworkers what was this about.
10 Well, United Communities got a grant in the
11 mid-1990s for one year from a foundation who
12 typically the foundations like to fund something for
13 one year as a pilot program. At the end of that one
14 year, a certain level of enthusiasm and growth had
15 taken place and it was not refunded. So the people
16 who were working on business development in this
17 neighborhood went somewhere else and took other
18 jobs.

19 If we were to be able to apply to the
20 CDC Tax Credit Program, the types of activities that
21 we would like to undertake would be a litter and
22 cleaning program and a neighborhood safety program
23 similar to what some of the other CDCs have talking
24 about. We would certainly want to be able to rehab
25 some of the vacant store fronts, initiate a facade

1 10/07/03 - COMMERCE - BILL 030561

2 improvement program, a business district identify
3 program of banners or signage, some off-street
4 parking development.

5 I'm sorry Councilman DiCicco is not here
6 to hear that because I know that's one of his
7 interests in supporting the Asian market.

8 And some activities simply to market the
9 district that has already established itself there
10 so that it can grow and prosper.

11 Clearly there would be more jobs added
12 to the neighborhood. We would expect that the crime
13 and drugs and prostitution in the more blighted
14 blocks might decrease on a natural basis because of
15 the increased activity. And I think that we're
16 currently undergoing an community organizing
17 activity with the business district as part of an
18 overall neighborhood planning effort. The Seventh
19 Street Business Association that existed some years
20 ago has been largely dormant, needs to be
21 reactivated incorporating the Asian businesses that
22 are there today, and this would be a stepping stone
23 for our efforts with redevelopment and reinvestment
24 in that district. And we would definitely apply to
25 this program if it's expanded. Thank you.

1 10/07/03 - COMMERCE - BILL 030561

2 COUNCILMAN NUTTER: Any questions?

3 (No response.)

4 COUNCILMAN NUTTER: We have one more
5 person. Please identify yourself for the record.

6 MR. HENRY: Good morning. I'm Donna
7 Henry, the Executive Director of the Southwest
8 Community Development Corporation. I am here to
9 support the request to expand the Tax Credit Program
10 to make the permanent. The most difficult type of
11 funding to raise is unrestricted funds that can be
12 used for operations in specific projects. CDC tax
13 credits would be unrestricted and capable of
14 supporting a variety of economic development
15 activities, as already mentioned this morning.

16 Southwest CDC began economic development
17 planning in 1998. We now have multiple documents
18 outlining development strategies. Southwest CDC has
19 created a subsidiary, Southwest Initiative for
20 Transformation to help redevelop Southwest through
21 site assembly of vacant and under-utilized
22 industrial properties to attract developers, spur
23 economic investment and create jobs. Swift is
24 currently focusing on the 90-plus acres of
25 developable land along the west shores of the

1 10/07/03 - COMMERCE - BILL 030561

2 Schuylkill River below Bartram's Garden.

3 The Woodland Avenue Revitalization
4 project will address the need for a variety of
5 improvements along the three-mile stretch of
6 Woodland Avenue, including the creation of a Special
7 Services District in the 10-block core retail area.
8 A task force has been created to develop Woodland
9 Avenue between 45th and 52nd Streets.

10 The Southwest Business Partnership was
11 created in 2002 to bring together southwest
12 businesses, primarily those Eastwick Industrial Park
13 to discuss their needs. Since beginning, we have
14 address short dumping, auto thefts, street lighting,
15 drag racing, and the new post office facility.
16 Other initiatives needing to be implemented and
17 could use the additional resources the Tax Credit
18 Program would bring is the Business and Employment
19 Expansion Improvement Program. Southwest has more
20 than 29,000 private sector full-time jobs, but only
21 12 percent of Southwest residents fill these
22 positions. The goal is to expand the economy of
23 Southwest by encouraging and supporting business
24 development opportunities by establishing a
25 Southwest Employment Resource Center and

1 10/07/03 - COMMERCE - BILL 030561

2 establishing procurement opportunities among
3 Southwest businesses.

4 Second initiative is ways in recycling
5 business zoning. Approximately one-third of all the
6 City's waste and recycling businesses are located in
7 Southwest. We plan to review, update, and enforce
8 zoning, encourage designation of waste and recycling
9 business zones and establish screening and signage
10 guidelines.

11 The third initiative needing to be
12 implemented is the auto-related businesses.
13 Southwest Philadelphia has over 130 separate
14 auto-related businesses, many of which make a
15 negative impact on the residential communities. We
16 plan to review and enforce zoning codes, establish
17 screening and signage guidelines, and designate and
18 develop auto-related business zones.

19 We do have a corporate partner lined up,
20 a local business that is interested in being a
21 partner with Southwest CDC. We just need the
22 program expanded to take advantage of that. Thank
23 you.

24 COUNCILMAN NUTTER: Thank you.

25 Any questions?

1 10/07/03 - COMMERCE - BILL 030561

2 (No response.)

3 COUNCILMAN NUTTER: Seeing none. Is
4 there anyone else who wishes to testify on Bill
5 030561?

6 (No response.)

7 COUNCILMAN NUTTER: Seeing none, we will
8 move into our public meeting. And adjourn the
9 public hearing.

10 - - - -

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC MEETING

4

COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

5

- - - -

6

Tuesday, October 7, 2003

7

- - - -

8

9 Public meeting conducted by the
Committee on Commerce and Economic Development,
10 held in Room 696, City Hall, Philadelphia,
Pennsylvania, on the above date, to consider action
11 on the following:

BILL 030561.

12

13 PRESENT:

COUNCILMAN MICHAEL NUTTER, Chair
14 COUNCILMAN FRANK DICICCO, Vice Chair
COUNCILWOMAN JANNIE BLACKWELL
15 COUNCILMAN DARRELL CLARKE
COUNCILMAN W. WILSON GOODE
16 COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN BLONDELL REYNOLDS BROWN
17 COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN TASCO

18

19

20

21

22

23

24

25

1 10/07/03 - COMMERCE - PUBLIC MEETING

2 COUNCILMAN NUTTER: The Chair recognizes
3 Councilman Goode for a motion on Bill 030561.

4 COUNCILMAN GOODE: Thank you, Mr.
5 Chairman. I move that Bill 030561 be reported out
6 of the Committee with a favorable recommendation,
7 with a further recommendation that we have first
8 reading of this bill at our next Council Session.

9 (Duly seconded.)

10 COUNCILMAN NUTTER: All in favor
11 indicate by saying aye.

12 (Aye.)

13 COUNCILMAN NUTTER: Any opposed, say
14 nay.

15 (No response.)

16 COUNCILMAN NUTTER: The ayes have it.
17 Bill 030561 will be reported out of this Committee
18 with a favorable recommendation and a further
19 recommendation for Rules of Council to be suspended
20 so as to permit first reading at our next session.

21 That completes the business of the
22 Committee. Thank you very much.

23 - - - -

24 (Council adjourned at 12:55 p.m.)

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 October 7, 2003, were reported fully
and accurately
by me, and that this is a correct transcript of the
same.

RE: COMMITTEE OF COMMERCE AND ECONOMIC DEVELOPMENT

Lisa C. Bradley, RPR