

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON COMMERCE AND
ECONOMIC DEVELOPMENT

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 1, 2011
1:20 p.m.

PRESENT:

COUNCILMAN W. WILSON GOODE, JR., CHAIR
COUNCILMAN DARRELL CLARKE
COUNCILMAN FRANK DiCICCO
COUNCILMAN BILL GREEN
COUNCILMAN CURTIS JONES, JR.

BILL 110370 - An ordinance adopting an
Amendment to Section V of the Articles of
Incorporation of the Philadelphia Authority
for Industrial Development by increasing the
Authority's term of existence to a date fifty
years from the date of approval of Articles of
Amendment by the Secretary of the
Commonwealth...

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2 COUNCILMAN GOODE: Good
3 afternoon. This hearing is called to
4 order. This is a public hearing of the
5 Commerce and Economic Development
6 Committee on Bill No. 110370. My name is
7 W. Wilson Goode, Jr., Chair of the
8 Committee.

9 I note that a quorum is
10 present. To my left is Darrell Clarke,
11 Councilman Bill Green, Councilman Frank
12 DiCicco.

13 The title of Bill No. 110370,
14 adopting an Amendment to Section V of the
15 Articles of Incorporation of the
16 Philadelphia Authority for Industrial
17 Development by increasing the Authority's
18 term of existence to a date fifty years
19 from the date of approval of Articles of
20 Amendment by the Secretary of the
21 Commonwealth, under certain terms and
22 conditions.

23 Our first and only witness is
24 Duane Bumb.

25 (Witnesses approached witness

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2 table.)

3 COUNCILMAN GOODE: Please state
4 your name for the record and proceed with
5 your testimony.

6 MR. BUMB: Good afternoon,
7 Chairman Goode, members of the Committee.
8 My name is Duane Bumb, Senior Deputy
9 Director of Commerce. I'm joined here by
10 Sam Rhoads and Paul Deegan from the
11 Philadelphia Authority for Industrial
12 Development, and I'm here today to
13 testify in support of Bill No. 110370.

14 This bill amends Section V of
15 the Articles of Incorporation of the
16 Philadelphia Authority for Industrial
17 Development, or PAID, by increasing the
18 Authority's term of existence to a date
19 fifty years from the date of approval of
20 the Articles of Amendment by the
21 Secretary of the Commonwealth.

22 The City created PAID for a
23 50-year term by ordinance in 1967 to
24 finance and implement economic
25 development projects in the City,

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2 pursuant to the State Economic
3 Development Financing Law of 1967. The
4 State Act provides that the term of PAID
5 cannot exceed 50 years.

6 The original expiration date of
7 the Authority's term was 2017, so in
8 1991, City Council approved the extension
9 of the term to the year 2041. As of this
10 year, the remaining term will become less
11 than 30 years. This makes it impossible
12 to issue bonds for 30 or more years or
13 enter into agreements, including leases,
14 with terms of 30 years.

15 This seriously impacts the
16 ability of the City to implement
17 financings and other economic development
18 projects through PAID. In the last ten
19 years alone, PAID has approved over 4.6
20 billion of financing for projects in
21 every area of the City. These projects
22 include manufacturing, cultural,
23 educational and healthcare facilities to
24 serve and employ the citizens of
25 Philadelphia.

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2 PAID has also, at the request
3 of the City, entered into numerous
4 important long-term leases and agreements
5 to implement the job and
6 investment-creating projects critical to
7 the economic well-being of the City.

8 Unless the existing term of the
9 Authority is extended, the City will be
10 increasingly hampered in its efforts to
11 attract and create new jobs and
12 investments for its citizens.

13 This concludes my testimony. I
14 ask that the Committee report this bill
15 out with a favorable recommendation and
16 with a recommendation that the rules of
17 Council be suspended to permit first
18 reading at the next regularly scheduled
19 meeting of the whole Council.

20 Thank you for the opportunity
21 to testify, and we would be happy to
22 answer any questions you might have.

23 COUNCILMAN GOODE: Thank you
24 for your testimony, Mr. Bumb.

25 Let me note for the record

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2 we've been joined by Councilman Curtis
3 Jones as well.

4 Are there questions from
5 members of the Committee?

6 (No response.)

7 COUNCILMAN GOODE: Seeing none,
8 we will move from -- is there anyone else
9 to testify?

10 (No response.)

11 COUNCILMAN GOODE: Seeing none,
12 we will move from our public hearing into
13 a public meeting to consider Bill No.
14 110370.

15 The Chair recognizes Councilman
16 Green for a motion on Bill No. 110370.

17 COUNCILMAN GREEN: Thank you,
18 Mr. Chairman. I move that Bill No.
19 110370 be reported out of this Committee
20 with a favorable recommendation and with
21 a suspension of the rules so that this
22 may be read at our next meeting of
23 Council.

24 (Duly seconded.)

25 COUNCILMAN GOODE: All in

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2 favor?

3 (Aye.)

4 COUNCILMAN GOODE: Those

5 opposed?

6 (No response.)

7 COUNCILMAN GOODE: Bill No.

8 110370 is reported out of the Committee

9 with a favorable recommendation and

10 suspension of the rules to allow first

11 reading at our next Council session.

12 This concludes our public

13 meeting. Thank you very much.

14 (Committee on Commerce and

15 Economic Development concluded at 1:30

16 p.m.)

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2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on June 1, 2011, and that
8 this is a true and correct transcript of same.

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13 -----
14 MICHELE L. MURPHY
15 RPR-Notary Public
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20 transcript does not apply to any reproduction
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