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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE OF THE WHOLE

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Room 696, City Hall
Philadelphia, Pennsylvania
May 6, 2003
2:15 p.m.

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BILL 030242 - an Ordinance providing for the
contingent exemption, abatement or credit of certain
taxes within specified geographic area, including by
amending Bill No. 970788-A (approved December.....
BILL 030252 - an Ordinance removing the Properties
known generally as the Brewerytown Development from
the Philadelphia Keystone Opportunity Zone, subject
to the request and consent of the owners of said....

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA

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COUNCILMAN MICHAEL A. NUTTER

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COUNCILMAN FRANK DICICCO

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COUNCILMAN DARRELL L. CLARKE

19

COUNCILMAN DAVID COHEN

20

COUNCILMAN ANGEL ORTIZ

21

COUNCILWOMAN BLONDELL REYNOLDS BROWN

22

COUNCILMAN JAMES F. KENNEY

23

COUNCILMAN FRANK RIZZO

24

COUNCILWOMAN JANNIE L. BLACKWELL

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COUNCILWOMAN MARIAN B. TASCO

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2 COUNCILMAN DICICCO: We are going to
3 recess the public meeting on City Streets for a few
4 more minutes to go into the Committee of the Whole.
5 There is an additional amendment that will be
6 offered to the Bill 000682 that is being prepared as
7 we speak. It shouldn't take all that long, but in
8 the interest of time, we'll go into the Committee of
9 the Whole.

10 Thank you, Madam President.

11 COUNCIL PRESIDENT Verna: Good
12 afternoon, everyone. This is the public hearing of
13 the Committee of the Whole regarding Bill Nos.
14 030242 and 030252. I would ask Mr. McPherson to
15 please read the title of the bills.

16 THE CLERK: Bill No. 030242, an
17 Ordinance providing for the contingent exemption,
18 abatement or credit of certain taxes within
19 specified geographic areas, including by amending
20 Bill No. 970788-A (approved December 30, 1998),
21 relating to the boundaries of the Keystone
22 Opportunity Zone, and by amending Bill No. 010092
23 (approved February 28, 2001), relating to the
24 boundaries of the Keystone Opportunity Expansion
25 Zone, and by amending Chapter 19-3200 of The

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2 Philadelphia Code, entitled Keystone Opportunity
3 Zone, by providing for a Keystone Opportunity
4 Improvement Zone, and by amending certain effective
5 dates, all under certain terms and conditions.

6 Bill No. 030252, an Ordinance removing
7 the Properties known generally as the Brewerytown
8 Development from the Philadelphia Keystone
9 Opportunity Zone, subject to the request and consent
10 of the owners of said Properties, under certain
11 terms and conditions.

12 COUNCIL PRESIDENT VERNA: Thank you.

13 Mr. Cuorato, would you please take the
14 witness table.

15 Good afternoon. Please identify
16 yourself for the record and proceed with your
17 testimony.

18 MR. CUORATO: Good afternoon, Madam
19 President, members of City Council. My name is
20 James Cuorato. I'm a City Representative and
21 Director of Commerce for the City of Philadelphia.

22 With me is Vince Dougherty, Keystone
23 Opportunity Zone Program administrator for the
24 Commerce Department.

25 Madam President, I actually have

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2 testimony on both bills. The longer testimony is
3 for 030242, which establishes the Keystone
4 Opportunity Improvement Zones, and then I have a
5 shorter statement on 030252, which removes one area
6 from the KOZ.

7 So with your permission, I will proceed
8 with my testimony on Bill 030242.

9 COUNCIL PRESIDENT VERNA: Please do.
10 Has your testimony been circulated to members of the
11 Committee?

12 MR. CUORATO: I believe it is being
13 circulated right now, Madam President.

14 COUNCIL PRESIDENT VERNA: Thank you.
15 And Mr. Cuorato, would the map there indicate what
16 is definitely under a KOZ presently and what you're
17 proposing? Is that what the map will do?

18 MR. CUORATO: Yes, Madam President.

19 We can get you a reduced copy,
20 Councilman.

21 COUNCIL PRESIDENT VERNA: I'm sorry. I
22 can't hear you.

23 MR. CUORATO: I'm sorry, Madam
24 President. Councilman Ortiz --

25 COUNCIL PRESIDENT VERNA: The noise

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2 level is really much too high.

3 Please proceed.

4 MR. CUORATO: I'm sorry, Madam
5 President. Councilman Ortiz asked me if we would be
6 able to provide reduced copies of this map for him,
7 and we certainly will do that for both him and other
8 members of City Council.

9 COUNCIL PRESIDENT VERA: Thank you.

10 MR. CUORATO: Bill 030242 would
11 authorize the designation of three Keystone
12 Opportunity Improvements Zones in the City and also
13 authorize the City to add additional parcels
14 throughout the City to the existing Keystone
15 Opportunity Zones or KOZs.

16 Briefly by way of background, in the
17 closing days of the fall session of 2002, the state
18 legislature passed Senate Bill 1478. This bill
19 amended the Keystone Opportunity Zone Program by
20 first authorizing the creation of Keystone
21 Opportunity Improvement Zones; second, allowing for
22 the addition of properties to exist in Keystone
23 Opportunity Zones; and, third, creating a mechanism
24 for removing properties from the KOZ.

25 Keystone Opportunity Improvement Zones,

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2 simply put, are another round of KOZs. The
3 benefits, the regulations and procedures are the
4 same as the KOZ. The tax benefits in the KOIZs will
5 begin on January 1, 2004 and will last for 15 years.

6 The intent of the KOIZ is to grant KOZ
7 benefits to specific areas that had potential
8 projects in the pipeline that would have a
9 substantial and immediate impact.

10 What is different about the KOIZs is the
11 process by which they were designated. The law
12 stated that KOIZs could only be designated by the
13 Governor by way of executive order. Furthermore,
14 the designation had to be made by December 31, 2002,
15 effectively making the choice of areas the decision
16 of Governor Schweiker.

17 While local governments were encouraged
18 to submit recommendations for inclusion, the final
19 decision rested solely with the Governor. Once
20 designated by the Governor, the local taxing bodies
21 would need to pass legislation approving the
22 designation and authorizing the required local tax
23 exemptions and abatements under the KOZ program.

24 If the local taxing bodies fail to pass
25 the required legislation and/or the local KOZ

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2 administrator fails to submit the required
3 application by June 1, 2003, the KOIZ will not go
4 into effect.

5 On December 31, 2002, Governor Schweiker
6 officially designated 11 KOIZs statewide, three of
7 which are in Philadelphia. They are 2000 Kubach
8 Road, a 25.6 acre site in Byberry East, portions of
9 the University City area, including the 30th Street
10 Post Office complex, the City-owned portions of the
11 Civic Center complex, Amtrak's 30th Street rail yard
12 and vacant land owned by the University City Science
13 Center and 385 acres of vacant property in the
14 Philadelphia Naval Business Center.

15 2100 Kubach Road is the former Conrail
16 Control Center for the East Coast. Since the
17 breakup of Conrail, this property has sat vacant and
18 available. The special construction and security
19 systems in the building limit the reuse of the
20 facility.

21 One potential user that has come forward
22 is Vanguard Group. In the aftermath of September
23 11th, this Malvern-based financial services company
24 is looking for a secured data center. This building
25 would be a good fit for Vanguard.

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2 The KOIZ benefits are critical to make
3 this project work for Vanguard. This project will
4 lead to an investment by Vanguard of \$5 to \$10
5 million in leasehold improvements in the property
6 and \$80 million for computer and telecommunications
7 systems.

8 Vanguard projects that 50 new jobs for
9 the City of Philadelphia will be created
10 immediately, with the expectation of an additional
11 150 jobs being added incrementally over the next few
12 years. We have been trying for a number of years to
13 attract this nationally renowned company to
14 Philadelphia, and the KOIZ designation finally gives
15 us the opportunity.

16 In the University City Science Center
17 KOIZ, there are four significant reasons for
18 supporting KOIZ designation. First, the properties
19 designated for KOIZ are already designated KOZ. As
20 a result, the KOIZ effectively resets the KOZ clock
21 to allow for development.

22 Second, inclusion of the Civic Center
23 and the University City Science Center parcels, as
24 well as others in this KOIZ, are critical to the
25 City's strategy to develop, grow and attract

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2 Governor is 385 acres at the Philadelphia Naval
3 Business Center. This area is already designated as
4 K0Z. Like the Post Office complex and some other
5 K0Z sites throughout the City, issues beyond our
6 control have prevented development of the sites from
7 occurring in a timely fashion. As a result, by the
8 time new construction can occur, six or seven years
9 of the original K0Z benefits will have lapsed,
10 leaving little K0Z incentives left to attract new
11 investment and new businesses. The K0IZ designation
12 will reset the K0Z clock allowing time for
13 development to occur.

14 The second issue that this bill
15 addresses is the addition of properties to the
16 existing K0Zs. Senate Bill 1478 allows additions to
17 the zone subject to the same qualifications as the
18 original zones. For example, the added properties
19 must be contiguous to existing K0Z; the total
20 acreage of the zone cannot exceed the original
21 limits; the property must meet the vacant
22 underutilized tax-delinquent defective criteria;
23 and, finally, the added properties expire at the
24 same time as the K0Z in which it is placed.

25 The properties we are proposing to add

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2 to the program can be placed into two categories:
3 Cleanup of existing sites or new sites.

4 Cleanup sites are generally sites that
5 were not included in the original KOZ or KOEZ
6 because they were occupied by an operating business
7 or were an occupied home or in some cases, they were
8 just overlooked. They are often the missing teeth
9 in a block that is otherwise KOZ or are sites that
10 abut a KOZ parcel that by adding them to the KOZ
11 enlarges the original KOZ site making it a more
12 attractive development parcel.

13 These sites clean up these issues. The
14 City or one of its delegate agencies, such as the
15 Redevelopment Authority or PIDC, has or will have by
16 the end of 2003 acquired every site in this category
17 except one. The total KOZ cost to the City under
18 this category is the real estate taxes on the one
19 privately owned property at 1711 West Allegheny
20 Avenue, and that is \$1,963 per year.

21 The new sites are, as the name suggests,
22 properties that are in the KOZ areas and make sense
23 to add to the KOZ program. They complement the
24 economic development efforts we are undertaking in
25 the areas where they are located. Most of the sites

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2 are located in the old industrial areas of Allegheny
3 West, Hunting Park West and American Street.

4 The largest of these sites is the Budd
5 Company complex on Hunting Park Avenue. As I am
6 sure you know, after years of struggling to survive,
7 Budd has announced that it will close its
8 Philadelphia manufacturing facility this September.
9 The Budd closing will create a major void in what is
10 otherwise a strong industrial area of the City.

11 Since most of the Budd buildings are old
12 and functionally obsolete, there is limited reuse of
13 the buildings without significant investment.
14 Vacant industrial properties would have negative
15 impact on the area and the surrounding companies
16 such as Tastykake, Pep Boys and Penn Fishing Reel.

17 The total lost revenue to the City for
18 all of the properties in this legislation as they
19 now stand, both KOIZ and additions to existing KOZs,
20 is approximately \$770,000. A preliminary analysis
21 based on proposed projects in just the KOIZ areas
22 shows a potential \$11 million wage tax income from
23 construction and an annual \$18 million wage tax
24 income once the properties are fully developed and
25 occupied.

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2 in its first four years and because of the great
3 opportunities offered by the parcels that we propose
4 adding to the KOZ program, I would respectfully
5 request your favorable consideration of Bill 030242.

6 Finally, I would also respectfully
7 request that the rules of Council be suspended to
8 allow for first reading at the next session of
9 Council. Again, we have a June 1st deadline to
10 submit our application to the state, so this waiver
11 would be very helpful in enabling us to meet that
12 deadline.

13 Thank you for your attention, and I'd be
14 glad to answer any questions that members of Council
15 may have.

16 COUNCIL PRESIDENT VERNA: Thank you very
17 much.

18 The Chair recognizes Councilman Mariano.

19 COUNCILMAN MARIANO: Thank you, Madam
20 Chairwoman.

21 I would like at this time to take the
22 opportunity to leave to take care of business up in
23 my council district and vote yes for this bill and
24 any other bills and for all the amendments to the
25 Committee today.

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2 COUNCIL PRESIDENT Verna: You want to
3 vote yes on the two bills?

4 COUNCILMAN MARIANO: Vote yes. Thank
5 you.

6 COUNCIL PRESIDENT Verna: Thank you.
7 The Chair recognizes Councilwoman Tasco.

8 COUNCILWOMAN TASCO: Madam President, I
9 do have to leave on Council business. I'd like to
10 be recorded as voting aye on this bill and any other
11 bills and amendments.

12 COUNCIL PRESIDENT Verna: Thank you.
13 Leave will be granted.

14 Mr. Cuorato, for the record, would you
15 please explain the differences between a Keystone
16 Opportunity Zone, a Keystone Opportunity Expansion
17 Zone and a Keystone Opportunity Improvement Zone?

18 MR. CUORATO: I would be glad to do
19 that, Madam President. I will tell you, I have
20 trouble keeping track of them myself.

21 COUNCIL PRESIDENT Verna: Well, I think
22 it should be very clear on the record, if you don't
23 mind.

24 MR. CUORATO: The concept is basically
25 state authorization by which cities can designate

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2 certain areas as tax-free zones; that is, businesses
3 that move into these areas pay no state or city
4 business taxes for a period of years.

5 The first round of these zone
6 designations were simply designated Keystone
7 Opportunity Zones, KOZs for short. The City
8 designated 12 such zones, went through the City
9 Council approval process, and we were operating with
10 12 KOZs.

11 The legislature in Harrisburg then came
12 back and basically wanted to provide a mechanism for
13 cities to add additional areas and a longer period
14 of time for those tax exemptions. The Keystone
15 Opportunity Zone benefits expire in 2010. When the
16 legislature passed the bill enabling cities to add
17 new zones, that period of time during which no taxes
18 are paid extended to 2013.

19 The second round, just to differentiate
20 them from the first round, the second round was
21 called Keystone Opportunity Expansion Zones. The
22 City added eight additional zones for a total of 20.
23 So we had 12 KOZs and eight KOEZs.

24 The third round, which just occurred
25 right at the end of 2002, set some new rules. Same

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2 basic concept, no city or state business taxes paid
3 for a period of years, but it set the time frame at
4 15 years, beginning January 1st, 2004 and extending
5 to 2019.

6 So we now had a third set of zones that
7 would be designated, but the mechanism by which
8 these zones were established was different from the
9 first two. The first two, KOZs and KOEZs, were up
10 to the City to designate based on certain criteria,
11 which we did. For the third round, the KOIZs, which
12 encompassed the 15-year period, they could only be
13 designated by the Governor by executive order, which
14 then Governor Schweiker did in December of 2002.

15 The Governor designated three areas in
16 Philadelphia, and those are the three that we are
17 bringing to City Council today for its consideration
18 and approval. We do support all three of those
19 being added as KOIZs.

20 So we're in a situation now, Madam
21 President, where it can be a little confusing. We
22 do the best job we can to explain the differences to
23 the businesses that we deal with, but depending on
24 which area that you move into, your tax benefits
25 could last either through 2010, 2013 or 2019.

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2 And I know it's a convoluted
3 explanation. I did the best I could.

4 COUNCIL PRESIDENT Verna: Were there
5 limitations on the size of the zones?

6 MR. CUORATO: KOIZs? No, Madam
7 President, there was not.

8 COUNCIL PRESIDENT Verna: How about on
9 the KOZ? I know at one point in time there were
10 limitations.

11 MR. CUORATO: Madam President, I'll ask
12 Mr. Dougherty to respond to that question.

13 COUNCIL PRESIDENT Verna: Mr. Dougherty,
14 please identify yourself.

15 MR. DOUGHERTY: Good afternoon, Madam
16 Chair. My name is Vincent Dougherty. I am the KOZ
17 administrator for the Commerce Department.

18 The original Keystone Opportunity Zone
19 allowed for a maximum of 2500 acres in the KOZ,
20 citywide or zonewide. KOEZs allowed for 1500
21 additional acres in the KOEZ, and the KOIZ had no
22 limitations in the state legislation.

23 COUNCIL PRESIDENT Verna: Mr. Cuorato,
24 what is the administration's position with regard to
25 including existing business in a Keystone Zone? You

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2 state in your executive summary that 1831 West
3 Allegheny Avenue is a potential new site due to the
4 fact that the property is surrounded by KOZ
5 properties and, therefore, at a competitive
6 disadvantage as far as leasing is concerned.

7 Are there any other properties that have
8 similar circumstances that you are not proposing to
9 include in the KOZ?

10 MR. CUORATO: Madam President, we looked
11 hard and long at numerous properties for inclusion,
12 and, actually, the list of properties that were on
13 our original list for consideration of inclusion is
14 much, much longer than the properties that we're
15 here recommending to you today.

16 We tried to be very prudent in only
17 looking at properties that were vacant, underused,
18 underutilized and, frankly, needed this designation
19 in order to have a chance at being developed.

20 So I believe I can say the answer to
21 your question is that any property that we've
22 included on our list was the result of our belief,
23 the administration's belief, that it was quite
24 possibly the only way we could have these properties
25 developed in the time frame within the next five to

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2 ten years.

3 COUNCIL PRESIDENT Verna: What is the
4 administration's position with KOZ and residential
5 development?

6 MR. CUORATO: We do not support KOZ
7 designation for any residential development, and, in
8 fact, Madam President, the companion bill before
9 consideration by the Committee of the Whole today,
10 Bill 030252, actually asks for authorization to
11 remove a property from the KOZ specifically because
12 it is designated for residential development.

13 COUNCIL PRESIDENT Verna: Would you
14 describe the procedure that was used in selecting
15 the new sites that you are proposing in Section 3 of
16 your summary?

17 MR. CUORATO: Yes. Madam President,
18 what we did was look at existing areas, and, again,
19 I'll refer back to my testimony. We looked at
20 existing KOZ or KOEZ areas to see what had changed
21 over the last four or five years and if there was a
22 basis for, in some cases, making a development
23 parcel larger and more attractive.

24 Again, referring to my testimony, if
25 they complemented existing economic development

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2 efforts that were undertaken in certain areas, most
3 of the sites that are in Section 3 are concentrated
4 in Allegheny West, Hunting Park West and American
5 Street.

6 And, again, the example that I cited I
7 think gets to the heart of what we were trying to
8 accomplish here, which is the Budd Company. Back
9 when we designated KOZs and KOEZs, the Budd Company
10 was operating, and I actually had gone out to meet
11 with them and had every expectation they would
12 continue to operate. Things changed. The company
13 ended up going out of business here in Philadelphia,
14 and that property, in our judgment, would not be
15 developable without the incentive of a KOZ.

16 So this legislation gives us the
17 opportunity to give a KOZ designation and make it
18 more attractive and I think give it a good chance to
19 be redeveloped.

20 COUNCIL PRESIDENT VERA: Mr. Cuorato,
21 did you consult with the District Councilperson to
22 ask if they wanted any other site added to this
23 ordinance?

24 MR. CUORATO: We did, Madam Chair.
25 Primarily through the efforts of Mr. Dougherty, we

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2 is correct.

3 And, again, I would just note in my
4 testimony strictly from a cost benefit analysis, our
5 projections are that with this tax-free designation,
6 the projects that will be generated will produce in
7 the KOIZ areas alone potentially \$11 million in wage
8 tax and \$18 million annually in wage tax once the
9 properties are fully developed.

10 So we are foregoing less than a million
11 dollars in revenue from the existing properties
12 because most of them are vacant, nearly all of them
13 are vacant properties right now. Our expectation
14 and our hope is that with this designation, we will
15 be able to attract development, and we do have a
16 good track record of doing that, and that will lead
17 to projects and new jobs and new wage taxes.

18 COUNCIL PRESIDENT Verna: Mr. Cuorato,
19 isn't that a million dollars per year? Is that what
20 it amounts to, about \$15 million?

21 MR. CUORATO: Yes, Madam President.
22 It's \$770,000 in today's dollars for this year. So,
23 yes, it would be -- it wouldn't be 770,000 for the
24 full 15 years, because the 770,000 includes
25 properties that are in the KOIZs, which would run

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2 for 15 years, but also properties that are being
3 added to KOZs and KOEZs, which in some cases would
4 be either until 2010 or until 2013.

5 COUNCIL PRESIDENT VERNA: What is the
6 administration's -- I'm sorry. Councilman Nutter
7 has a point of information.

8 Councilman Nutter.

9 COUNCILMAN NUTTER: Thank you, Madam
10 President.

11 Mr. Cuorato, I thought that the
12 President's question was actually a two-part
13 question. One, the President asked about a 15-year
14 schedule, which actually you have to incorporate the
15 770 per year for the 15. But, I mean, if this works
16 right, the number would actually be much greater in
17 terms of anticipated revenues which will not be
18 realized as a result of development.

19 Now, when we do TIFs, for instance, you
20 usually give us a full schedule of the anticipated
21 revenues generated and then a separate schedule with
22 the revenues that will not either come to the City
23 or the School District because they've usually been
24 diverted to deal with the TIF loan or something like
25 that.

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2 So you may not be able to predict with
3 absolute certainty about all of these sites, but
4 there is some anticipated development at some of
5 these sites. And so do you have a schedule that
6 shows tax revenues abated or forgiven City and
7 School District as the sites are developed? I
8 thought that was the real question.

9 MR. CUORATO: You mean looking forward,
10 Councilman?

11 COUNCILMAN NUTTER: Yes.

12 MR. CUORATO: As we look forward?

13 COUNCILMAN NUTTER: Yes. We know what
14 looking backward gets us.

15 MR. CUORATO: Right. And, again, with
16 what we're proposing, the properties we're proposing
17 to add today, our judgment is that without KOZ
18 designation, it will be very difficult for these
19 properties to be developed, and it's hard for me --

20 COUNCILMAN NUTTER: I understand that.

21 MR. CUORATO: -- to go through this list
22 and make judgments as to which properties would be
23 developed if we took no action. If we took no
24 action --

25 COUNCILMAN NUTTER: I understand. Let

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2 me make sure we're not going down the wrong path.

3 I'm in full support of the concept here.

4 I'm just trying to make sure that the question that
5 was asked, or the one I thought that was asked, gets
6 an appropriate answer.

7 I believe that we should do this. I
8 believe that we should get the development. The
9 question was on the tax side, and if at the moment
10 you don't have the full schedule by zone or by
11 project that lays out what the anticipated -- if
12 this project happens, it will generate X amount of
13 dollars in city tax, state tax, all of the other
14 taxes, most of which will be forgiven as a part of
15 the zone, but I think we're trying to put some
16 context as to what does this all mean. And if there
17 are not those kinds of schedules available at the
18 moment, I can understand that.

19 You don't have to defend kind of the
20 "but for" conversation. We don't have to have that.
21 That wasn't my point of information. It was an
22 add-on to the question that was asked by the Council
23 President. We can go into that further in my own
24 round of questioning, but thank you.

25 Thank you, Madam President.

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2 COUNCIL PRESIDENT Verna: Mr. Cuorato, I
3 only have two more questions, or maybe three.

4 Would the \$770,000 per year be reflected
5 in the five-year plan?

6 MR. CUORATO: I don't know, Madam
7 President, and I can certainly get you an answer
8 quickly on that.

9 COUNCIL PRESIDENT Verna: Thank you.
10 What is the administration's economic
11 development strategy and how are the KOZ areas
12 integrated into your strategy?

13 MR. CUORATO: Our overall economic
14 development strategy is multi-faceted, but I would
15 put at the top of our list of priorities
16 neighborhood economic development. And the Keystone
17 Opportunity Zone Program fits in perfectly with the
18 strategy, because it enables us to provide what I
19 believe is the most powerful economic development
20 incentive that I've seen in my career and target it
21 specifically to neighborhoods that we are looking to
22 get developed that otherwise I don't think -- where
23 otherwise I don't think development would occur.

24 And, again, I would point to the
25 neighborhoods that we are targeting with the

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2 additions to the KOZs, which are Allegheny West,
3 Hunting Park and American Street. These are
4 neighborhoods where we've made some progress, but
5 the potential for additional development to really
6 build those neighborhoods up is there, and what we
7 need to do to get over the top is to have an
8 economic development tool like the KOZ in place.

9 If we are able to pass this legislation,
10 I believe it will greatly enhance our efforts to
11 market properties in these neighborhoods. And,
12 otherwise, I don't think we would see the type of
13 development that we will with the KOZ.

14 COUNCIL PRESIDENT VERNA: Now, recently
15 we had public hearings regarding the land value tax,
16 and they talked about the benefits and how that
17 would spur development.

18 I don't know that we heard the
19 administration's position on this concept. What is
20 your concept? If we had land value tax, would we
21 still need the KOZ and the KOIZ and the KOEZ? What
22 is your position on that?

23 MR. CUORATO: Well, this program
24 provides us with an extremely effective tool to
25 market properties to businesses. It is aimed solely

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2 at business attraction and retention. It does not
3 really -- I mean, I don't necessarily bring the land
4 value tax issue into this discussion. And I
5 understand your question. My position would be that
6 the KOZ program should stand on its own merits, and
7 what it does is give us a very valuable tool to
8 market properties in underdeveloped areas to
9 businesses.

10 I don't know that the land value tax
11 would come up in discussions with businesses. What
12 they're concerned about, quite frankly, is their
13 cost of doing business in Philadelphia, and this
14 program is aimed directly at that, because it gives
15 us the ability, for instance, in a KOIZ to try to
16 bring a new business into an area and they will pay
17 no city or state business taxes for 15 years.
18 That's an extremely powerful incentive. That's what
19 this program is aimed at.

20 COUNCIL PRESIDENT VERA: Thank you.

21 The Chair recognizes Councilman Cohen.

22 COUNCILMAN COHEN: Thank you, Madam
23 President.

24 Tell me, is an apartment building a
25 residential or a business opportunity?

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2 MR. CUORATO: I'm sorry, Councilman --

3 COUNCILMAN COHEN: I mean, is there
4 anything that determines that?

5 MR. CUORATO: I'm sorry, Councilman.
6 Could you repeat the question, please?

7 COUNCILMAN COHEN: Is an apartment
8 house, say a complex of 25 apartments, which is
9 vacant, which has been vacant for many years and if
10 it were brought back to life, it would be very
11 healthy for a community, is that considered a
12 business or a residential property?

13 MR. CUORATO: Residential property.

14 COUNCILMAN COHEN: What causes that to
15 be considered residential?

16 MR. CUORATO: Single or multi-family
17 housing or rental apartment units or condominiums
18 are residential, we consider residential.

19 COUNCILMAN COHEN: Even though the
20 people are taxed as businesses? The ownership is
21 taxed as a business, isn't it?

22 MR. CUORATO: Yes, sir.

23 COUNCILMAN COHEN: Because I think that
24 can do more for economic development in many
25 neighborhoods than almost anything else.

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2 I'm thinking of an apartment building at
3 16th and Grange, which has about 25 apartments, a
4 beautiful building that's been empty for 10 or 15
5 years. Fortunately, it's still maintained in the
6 sense that it hasn't completely been destroyed, but
7 it threatens the neighborhood because it does
8 attract trash, and people are worried about what
9 might happen at some point later on.

10 What would prevent that from being
11 considered a business? Because suppose there was an
12 ownership that wanted to acquire it. And it would
13 appear to me there's no way it's ever going to be
14 developed under current requirements, but if
15 something can be done on the tax laws, maybe it
16 could be.

17 Why would that not be considered a
18 business?

19 MR. CUORATO: Councilman --

20 COUNCILMAN COHEN: Is there anything
21 that requires the description of it to be maintained
22 as residential, or would that be within your ability
23 to make a decision citywide?

24 MR. CUORATO: Councilman, we --

25 COUNCILMAN COHEN: We tried every

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2 conceivable way to get that property covered.

3 MR. CUORATO: And, Councilman, I
4 understand completely. There are many examples of
5 situations where we would like nothing better than
6 to see residential buildings developed.

7 I think with the whole issue of
8 residential development, we just had to establish a
9 policy that we would not include any residential
10 units in the Keystone Opportunity Zone because the
11 people who lived in those units would not pay wage
12 taxes, and it really does get to a fairness issue in
13 that certain people would not be paying wage taxes
14 while their neighbors literally next door or across
15 the street would.

16 So it really was an issue of fairness.

17 COUNCILMAN COHEN: Don't you have that
18 in the business world?

19 MR. CUORATO: Actually, we do, except
20 we've tried to take the same approach in not
21 including into the KOZs or any of the new zones any
22 existing businesses for that reason.

23 What we have proposed are vacant
24 buildings or vacant properties from which no wage
25 taxes are now being generated. We didn't want to

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2 put businesses in a situation where -- we did,
3 Councilman, believe me, we got a number of requests
4 from existing businesses who said, you know, we're
5 in a bad area, we need the area to be built up, can
6 you include us in the zone, but it really got down
7 to a fairness issue and we had to tell them we just
8 can't do it.

9 COUNCILMAN COHEN: But your example
10 seems to me not to be appropriate because the
11 existing businesses are operating businesses and,
12 therefore, I would say the comparison would be with
13 operating apartment houses. This is not an
14 apartment house that's operating. No one could say
15 that they were hurt by this building being brought
16 back to life.

17 I don't understand why, if we have the
18 power, why we can't change the definition and select
19 places. Why can't we expand the zone? Because,
20 otherwise, what you do is, you have no other means
21 of revitalizing these buildings as business
22 enterprises. A big apartment house is a business
23 enterprise. The only way this place will ever be
24 successfully rehabilitated would be if the
25 investment required to provide market-based or even

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2 subsidized rentals if somehow or other there was a
3 means of dealing with that. I would like to urge
4 you and the City to rethink it.

5 There are other areas that are not fair
6 and we've decided to go ahead with them. Councilman
7 DiCicco has introduced a number of bills which
8 provide for wealthy people the ability to acquire
9 apartments, and we reached a conclusion that that
10 was good. And, of course, there's some people that
11 say, How come so-and-so makes more money than I do,
12 but pays much less taxes on their habitation? Well,
13 we do it because you can't be perfect in formulating
14 the policy, and you've got to have priorities.

15 It seems to me the priority ought to be
16 find a way of utilizing these buildings, because,
17 first, there's a big residential need for it, but
18 it's a business, and we ought to use every tool
19 available to restore them. And you would strengthen
20 neighborhoods, you'd help NTI, you'd have all kinds
21 of impacts.

22 So I would just urge the City to rethink
23 it. You can't always have an absolute element of
24 fairness, because with the standard we're using is
25 how to revitalize the City, not just how to produce

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2 bill and this list of properties was include as many
3 properties as we could that met our criteria, but we
4 also had to abide by state guidelines, and one of
5 those guidelines is that if you're going to add a
6 building or a property, it has to be contiguous to
7 an existing zone, and that building is not.

8 COUNCILMAN COHEN: No. I understand
9 that, but aren't there other tools? So it seems to
10 me that the City gets fixated on one approach, and
11 the approach here is through cause and ignores other
12 opportunities.

13 COUNCIL PRESIDENT Verna: Mr. Cuorato, I
14 know it's been quite a while that Councilman Cohen
15 has been bringing up this very issue. I think it
16 would really be very helpful if you and someone from
17 your staff and maybe someone from PIDC, or whoever,
18 can give the Councilman some suggestions as to how
19 this problem can be addressed. I think it would be
20 very help. Because I think it's well over two years
21 that he's been talking about this.

22 MR. CUORATO: Madam President, we'd be
23 glad to do that.

24 COUNCIL PRESIDENT Verna: Thank you.

25 Councilman Cohen, do you have any other

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2 questions, sir?

3 COUNCILMAN COHEN: No. Thank you,
4 Madam.

5 COUNCIL PRESIDENT VERNA: Thank you.
6 Councilman Nutter.

7 COUNCILMAN NUTTER: Thank you, Madam
8 Chair.

9 Mr. Cuorato, just to get back to the one
10 point that we were discussing earlier. I guess what
11 I would be asking for is similar to -- I'm looking
12 at your testimony. I'm not sure what page it is,
13 but it's third from the back.

14 Similar to the calculations that you
15 did, it makes reference to the preliminary analysis
16 based on proposed projects in just the K0IZ area
17 shows potential \$11 million wage tax income from
18 construction and an annual \$18 million wage tax
19 income once the properties are fully developed and
20 occupied.

21 I'm assuming that some model was used to
22 arrive at those particular figures and, therefore,
23 based on that same model, we should be able to
24 figure out what the annual tax revenues that would
25 be generated from these various developments, and

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2 then based on the KOIZ incentives, we would then be
3 able to figure out what the split is between the
4 City and the School District taxes, for instance,
5 that are, in essence, being forgiven.

6 That's the kind of schedule I was
7 talking about, and any other expansion zones
8 somewhat with a similar analysis. Again, somewhat
9 similar -- exactly the model that you've used on TIF
10 legislation when we get the revenue projections, as
11 well as the tax proceeds.

12 MR. CUORATO: Councilman, if I
13 understand your question, you would want us to make
14 assumptions that -- you want us to make some
15 assumptions about certain developments occurring and
16 what taxes would have been paid if the designation
17 were not there?

18 COUNCILMAN NUTTER: Right.

19 MR. CUORATO: In the KOIZs, we gave some
20 estimates because there's a little bit more
21 certainty. There are only three of them. One we
22 know will be the Vanguard project, so we were able
23 to make some assumptions about that. The second is
24 the Navy yard. We were able to make some
25 assumptions about that, and the third is the Post

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2 Office complex in University City and the Cira
3 Center, so we were able to make some reasonable
4 assumptions about that.

5 For some of the properties in the
6 neighborhoods, it's going to be a little more
7 difficult because we don't know what types of
8 businesses we'll attract.

9 COUNCILMAN NUTTER: I understand.

10 MR. CUORATO: And, of course, the real
11 unknown out there is the business privilege tax,
12 because it's hard to do that. Having said that, we
13 certainly will take a crack at trying to come up
14 with those estimates.

15 COUNCILMAN NUTTER: Okay. Or at least
16 the whole real estate tax issue, and we know exactly
17 what the City/School District split is, but just
18 take a look at it, if you will.

19 MR. CUORATO: Okay.

20 COUNCILMAN NUTTER: Your testimony and
21 we've certainly talked and put on the record that we
22 did have an opportunity to talk about Budd, and I'm
23 pleased about that. If you could show me, and I'm
24 assuming it's in 030242, I know with the K0IZ sites
25 or I guess what you're calling subzones. Is that

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2 Kubach Road, Naval business and West Philadelphia
3 subzones? Where would I find in the bill, for
4 instance, the Budd location? Because I don't see it
5 presently.

6 MR. DOUGHERTY: Councilman, there's
7 attachments to this bill, exhibits which should be
8 part of the bill. They were submitted with the
9 bill, to the best of my knowledge.

10 COUNCILMAN NUTTER: I just got the pink.

11 MR. DOUGHERTY: Okay.

12 COUNCILMAN NUTTER: Where are the
13 attachments?

14 MR. DOUGHERTY: The attachments should
15 have been submitted as part of the bill when it was
16 introduced, so I can't speak to that. I can get you
17 copies, but, quite, frankly, Councilman, --

18 COUNCILMAN NUTTER: Are you saying they
19 were introduced as a part of the bill?

20 MR. DOUGHERTY: I would have expected
21 them to be. They should have been sent over with
22 the legislation, so I can't speak to what happened
23 afterwards.

24 COUNCILMAN NUTTER: Well, okay, but
25 let's slow down for a second. If they're supposed

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2 to be attachments to the bills, then we need the
3 attachments, because I don't think the bill makes
4 any reference that I can see very quickly to an
5 attachment. And if we do have attachments, we need
6 to amend them in.

7 I see on Page 4 of the bill we talk
8 about the subzones, more specifically defined in the
9 attached Exhibit C1, C2, C3. I don't have any
10 attachments.

11 MR. CUORATO: Councilman, I have a copy
12 of the bill as it was sent over and it does have the
13 attachment with all of the properties listed by
14 parcel ID number. So I guess --

15 COUNCILMAN NUTTER: I can greatly
16 appreciate that. I've got a pink. It's got four
17 pages. It makes no reference to an attachment, and
18 there are no attachments on the back of the bill. I
19 just want to make sure that we get this right.

20 COUNCIL PRESIDENT VERA: Mr. Cuorato,
21 are you referring to your executive summary?

22 MR. CUORATO: No, Madam President. I
23 have a copy of the bill that we sent over to the
24 Mayor's office, and it's the four pages that
25 Councilman Nutter referred to, but it also has the

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2 exhibits with all of the properties listed. And,
3 frankly, I don't know why that attachment is not
4 part of the pink copy. I guess I would ask --

5 COUNCILMAN NUTTER: Do you know if the
6 attachments were -- I don't want to use the same
7 word. Do you know if the attachments were attached
8 to the bill that was actually introduced, and are
9 they referenced?

10 MR. CUORATO: Councilman, I don't know.
11 I mean, we thought --

12 COUNCILMAN NUTTER: Are the attachments
13 just the Exhibit C1, C2 and C3 or are there more?
14 For instance, the Budd issue, is that a separate
15 attachment? Is that C4 or some other designation?

16 MR. CUORATO: They're all here. They're
17 all here, Councilman. Exhibit C1 is the Kubach Road
18 property. Exhibit C2 is the Philadelphia Naval
19 Business Center.

20 They're all here, and they should have
21 been introduced as part of the -- they should have
22 been introduced as an attachment when the ordinance
23 was introduced, and I'm just at a loss to explain
24 why they were not.

25 COUNCILMAN NUTTER: Well, let me ask

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2 this question. I mean, we'll get to the bottom of
3 what happened to the attachments, but, again, for
4 instance, with regard to the Budd site, how is it
5 being attached to this bill? What's the section
6 that would deal with that particular attachment?

7 The reason I'm asking that question is,
8 normally when you have attachments, there's a
9 reference in a particular section anticipating those
10 attachments and it will say "in accordance with
11 Attachment A," so you know to look for something.

12 I don't see a section in the bill at the
13 moment that would accommodate an attachment or makes
14 any reference to an attachment other than the KOIZs,
15 which is on Page 4 and there's a reference for each
16 one to C1, C2 and C3. Other than that, the bill
17 does not appear to be written in a fashion to
18 accommodate attachments in the first place.

19 MR. CUORATO: Councilman, in Sections 1
20 and 2 of the bill, there are references to amending
21 exhibits to prior ordinances which approved KOZs,
22 Bill No. 980788-A which references amendments to
23 exhibits, all as set forth in Exhibit A hereto. And
24 then Section 2 references Bill 010092, which amends
25 Exhibits 1, 2 and 8, all as set forth in Exhibit B

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2 hereto.

3 COUNCILMAN NUTTER: That's a start.

4 MR. CUORATO: So the references to the
5 attachments are all here. Again, I just don't know
6 why the attachments aren't. They apparently are in
7 the clerk's office, I am told. The attachments are
8 in the clerk's office, but why they're not attached
9 to the pink copy, I don't know.

10 COUNCILMAN NUTTER: Let me suggest a
11 couple things. One, it would at least be my more
12 personal request, I'm not speaking on behalf of the
13 Council, but if we find ourselves in this kind of
14 situation where we're amending a previous bill, for
15 instance, 980788-A, which is almost two and a half
16 years ago, Section 1 is saying that we're amending
17 that bill by amending Exhibits 1, 2, 5, 7, 9 and 11.
18 Now, I don't know about you, but I tend not to keep
19 all of my exhibits by my bedside. So it would be
20 helpful, I think, if we had those attachments and
21 could then see what Exhibit A is amending.

22 I'm not trying to make the bills any
23 bigger than they are, but it would probably just
24 speed up the process. And then the same for Section
25 2.

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2 But I think lastly, notwithstanding the
3 fact that the exhibits are in the clerk's office,
4 the bill says that they are in Exhibit A hereto. I
5 think that means the exhibits have to be attached to
6 this bill. I do not believe that we meet the
7 standard just by having them in the clerk's office.

8 I'm not trying to be technical here with
9 you. I want to be safe. I want to be careful. So
10 if we have the exhibits, we can get our hands on the
11 exhibits, it would certainly be my strong
12 suggestion, I'll wait the ruling of the Chair on
13 this kind of matter, but it would be my strong
14 suggestion that we actually amend the bill and
15 attach the attachments. Because if the attachments
16 are there, I wouldn't then have to ask you where's
17 the Budd Company. At the moment, I don't have
18 anything here.

19 MR. CUORATO: Again, Councilman, the
20 attachments are right here. I don't have an
21 explanation as to why they are not included in the
22 bill.

23 COUNCILMAN NUTTER: Do you want to put
24 that forward as the attachments?

25 MR. CUORATO: Yes.

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2 COUNCILMAN NUTTER: Let's see if we can
3 get some copies, put them all around, and then
4 everyone will have them, and then I don't have to
5 torture you.

6 MR. CUORATO: Yes.

7 COUNCIL PRESIDENT VERNA: Would the
8 sergeant-at-arms please get the materials from
9 Mr. Cuorato and make enough copies for each Council
10 member, please.

11 Councilman Nutter, I understand that
12 copies are being prepared and sent up by the chief
13 clerk's office.

14 COUNCILMAN NUTTER: That will be great,
15 Madam President. I'm sorry for the -- sorry.

16 MR. CUORATO: Councilman, if I could
17 just make one other statement. Thank you for
18 pointing this out to us, because we certainly did
19 not want to be in a position where the bill was
20 technically flawed. We have a June 1st deadline and
21 we're very anxious to meet that.

22 I would also point out that the
23 attachments that will be incorporated into the
24 ordinance with Council's approval are listed by
25 parcel ID number, so it might be a little bit hard

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2 for you to find the Budd Company on here because
3 it's listed as a parcel ID number. However, the
4 list of properties by parcel ID number that are
5 contained in the attachments matches up exactly with
6 the executive summary that you received, which lists
7 all of the properties and describes them and has
8 their address.

9 COUNCILMAN NUTTER: Thank you.

10 And, lastly, the documents that are
11 being copied, do they also incorporate the exhibits
12 that are referenced on Page 4 that are specific to
13 the KOIZ? There's a specific reference to Exhibits
14 C1, C2 and C3.

15 MR. CUORATO: Yes.

16 COUNCILMAN NUTTER: So at the moment, we
17 don't have those and they would not have been
18 attached; is that the --

19 MR. CUORATO: Yes. The attachments are,
20 Exhibit A are additions to existing KOZs; Exhibit B
21 are additions to existing KOEZs; and Exhibit C
22 represents the new KOIZs.

23 COUNCILMAN NUTTER: Got you. All right.
24 So at that point, we'll have all the attachments, we
25 can move them in where they need to be moved?

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2 MR. CUORATO: Yes.

3 COUNCILMAN NUTTER: Okay. All right.

4 Thanks.

5 MR. CUORATO: Thank you, Councilman.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 Are there any other questions from
8 members of the Committee?

9 (No response.)

10 COUNCIL PRESIDENT VERNA: Mr. Cuorato,
11 would you please check about the five-year plan
12 also?

13 MR. CUORATO: Yes, Madam President, I
14 will.

15 COUNCIL PRESIDENT VERNA: Thank you.

16 MR. CUORATO: Madam President, I also
17 had a short statement on Bill 030252. Did you want
18 me to read that?

19 COUNCIL PRESIDENT VERNA: Yes, would
20 you, please.

21 MR. CUORATO: Bill No. 030252 would
22 authorize the removal of properties within the
23 Brewerytown Development area from the Keystone
24 Opportunity Zone. The removal is subject to the
25 consent of the property owners.

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2 As mentioned in my previous testimony,
3 the state legislature recently passed Senate Bill
4 1478 creating a mechanism for the removal of
5 properties from the KOZ. That mechanism requires
6 that a formal request from the City, including a
7 City Council ordinance and the binding consent of
8 the owner and anyone having an equitable interest in
9 the property, be submitted to Harrisburg.

10 Since the production of the first KOZ
11 legislation in 1998, it has been the City's policy
12 to exclude residential uses from sites designated
13 within the KOZ. Some buildings and areas that at
14 the time of KOZ designation looked like good
15 candidates for commercial or industrial development
16 never were developed for such uses. In some cases,
17 however, there has been strong interest expressed in
18 residential development of the sites. This placed
19 the City in a difficult situation. We wanted to
20 spur investment and new development in many of these
21 areas, but our policy prevented us from supporting
22 residential development. Fortunately, Senate Bill
23 1478 has given us the ability to preserve our policy
24 while supporting residential development.

25 In this particular case, Westrum

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2 Development has proposed converting much of the area
3 generally bounded by 31st Street, 33rd Street,
4 Girard Avenue and Oxford Street into market rate
5 housing. This area is zoned industrial and much of
6 it is designated KOZ. This bill will allow us, with
7 the owner's consent, to remove the properties from
8 the KOZ clearing the way for the Brewerytown
9 residential development to proceed.

10 I believe that over the next few years
11 we will be before this Committee on a number of
12 occasions seeking approval to remove additional
13 properties from the KOZ for similar projects.

14 Since this bill actually puts properties
15 back on the tax roll and since the Brewerytown
16 development is a very positive development for an
17 area that has been desolate for years and since this
18 development will further the goal of the Mayor as
19 well as City Council to retain and grow the
20 population in the City of Philadelphia, I would
21 respectfully request your favorable consideration of
22 Bill 030252.

23 Finally, as with the previous bill, I
24 would also request respectfully that the rules of
25 Council be suspended to allow for first reading at

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2 the next session of Council. Thank you.

3 COUNCIL PRESIDENT Verna: Thank you.

4 Are there any questions from members of
5 Committee?

6 Seeing none, are there any other
7 witnesses to testify on either bill?

8 (No response.)

9 COUNCIL PRESIDENT Verna: Thank you,
10 gentlemen.

11 MR. CUORATO: Thank you, Madam
12 President. Thank you, members of Council.

13 COUNCIL PRESIDENT Verna: The Committee
14 will stand in recess until Thursday, May 8th at
15 10:00 a.m.

16 Do you have a problem?

17 COUNCILMAN NUTTER: I'm trying to figure
18 out what just happened.

19 COUNCIL PRESIDENT Verna: Mr. Cuorato,
20 you look puzzled.

21 MR. CUORATO: I frequently do, Madam
22 President.

23 COUNCIL PRESIDENT Verna: Is there a
24 problem with our continuing it until Thursday, May
25 the 8th?

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2 COUNCILMAN NUTTER: It's two days from
3 now. We have to make the amendments, attach the
4 exhibits.

5 MR. CUORATO: I'm just trying to figure
6 my schedule; that's all.

7 COUNCIL PRESIDENT Verna: And at the
8 present moment, we don't have a quorum and I don't
9 know that we'd find one. And we want to know the
10 impact from --

11 COUNCILMAN NUTTER: Madam President,
12 Mr. Cuorato I think is also concerned about his
13 schedule. I think we've pretty much taken all of
14 the testimony. We know what the exhibits are, and
15 with every respect to him, I don't necessarily know
16 that we need him if he's concerned about his
17 schedule. But I think he's also concerned about the
18 timing of what's going on with his bill.

19 What the President has laid out is the
20 Committee would convene on Thursday morning, we'll
21 move the exhibits, go into the public meeting, adopt
22 them, get the bill out, I'm assuming with the
23 suspension of the rules. You'll still get a first
24 reading on Thursday, and the bill will be ready for
25 a vote next Thursday, the 15th.

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2 COUNCIL PRESIDENT Verna: There's a
3 problem?

4 COUNCILMAN Nutter: There's something
5 else.

6 MR. Cuorato: Madam President, on the
7 second bill --

8 COUNCILMAN Nutter: 252.

9 MR. Cuorato: -- 030252, there is also
10 reference to an exhibit which lists the properties
11 that would be removed from the KOZ. And given the
12 misunderstanding we had with the previous bill, I
13 want to make sure that this exhibit is attached.

14 COUNCILMAN Nutter: Just the one?

15 COUNCIL PRESIDENT Verna: We're checking
16 with the chief clerk's office. They will make
17 copies of that, too.

18 COUNCILMAN Nutter: Mr. Cuorato, is that
19 just the one reference that says Exhibit A?

20 MR. Cuorato: Yes, Councilman.

21 COUNCILMAN Nutter: In Section 1 of Bill
22 252?

23 MR. Cuorato: Yes, Councilman.

24 COUNCILMAN Nutter: Madam President.

25 COUNCIL PRESIDENT Verna: Yes,

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2 Councilman Nutter.

3 COUNCILMAN NUTTER: Mr. Cuorato has
4 handed up the additional Exhibit A for Bill 030252.
5 We'll need the same copies, but as it appears, we're
6 probably not going to take action -- Madam
7 President, I would just note for the record I
8 believe that there are actually nine members here.

9 COUNCIL PRESIDENT VERNA: There are.

10 COUNCILMAN NUTTER: There are now nine
11 members in the room.

12 Madam President --

13 COUNCIL PRESIDENT VERNA: Everyone has
14 copies of Exhibit A?

15 COUNCILMAN NUTTER: No. Madam
16 President, the second Exhibit A for Bill 252 is now
17 being copied. The first set of exhibits of A, B and
18 C for Bill 242 I believe are now being distributed.
19 We'll have 252's Exhibit A in a second.

20 Mr. Cuorato, since you're here and what
21 at least started me down this path was the search
22 for the Budd Company. Can you just tell me where
23 I'd find that?

24 COUNCIL PRESIDENT VERNA: We have copies
25 that have just come up from the chief clerk's

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2 office.

3 MR. CUORATO: Councilman, in Exhibit A,
4 it's Exhibit-7, Hunting Park. It's Exhibit-7 to
5 Exhibit A, Hunting Park.

6 COUNCILMAN NUTTER: Got you. Thank you.
7 Okay. Thank you very much.

8 MR. CUORATO: You're welcome,
9 Councilman.

10 COUNCIL PRESIDENT VERNA: We're
11 withdrawing the recess until Thursday, May the 8th
12 since we have nine members now. Do we still have
13 nine members? They seem to be coming and going.

14 I wish all of the Council members would
15 please stay in the chambers so that we can conduct
16 business.

17 COUNCILMAN NUTTER: We got nine.
18 Councilwoman Reynolds Brown is over there.

19 COUNCIL PRESIDENT VERNA: Are there any
20 other witnesses that would like to be heard?

21 Seeing none, this will conclude the
22 public hearing of the Committee of the Whole. We
23 will now go into our public meeting, and the Chair
24 recognizes Councilman Nutter regarding Bill No.
25 030242.

1 5/6/03 - Committee of the Whole - Bill 030252

2 COUNCILMAN NUTTER: Thank you, Madam

3 Chair. We're in the public meeting now?

4 COUNCIL PRESIDENT VERNA: Yes, we are.

5 COUNCILMAN NUTTER: Thank you.

6 Madam Chair, there was a set of exhibits
7 that are stapled, a multi-page pack, Exhibit A,
8 Exhibit B and Exhibit C, which go with Bill 030242.
9 I'd move the adoption of those amendments into the
10 proper sections of the bill.

11 (Motion seconded.)

12 COUNCIL PRESIDENT VERNA: It has been
13 moved and seconded that the amendments all be
14 approved. All in favor will indicate by saying aye.

15 MEMBERS: Aye.

16 COUNCIL PRESIDENT VERNA: Those opposed?

17 (No response.)

18 COUNCIL PRESIDENT VERNA: The ayes have
19 it. The motion carries.

20 And the Chair once again recognizes
21 Councilman Nutter.

22 COUNCILMAN NUTTER: Thank you, Madam

23 Chair.

24 I move that Bill 030242 as amended be
25 reported out of this Committee with a favorable

1 5/6/03 - Committee of the Whole - Bill 030252
2 recommendation, a further recommendation that the
3 rules of Council be suspended so as to permit first
4 reading at our next session.

5 (Motion seconded.)

6 COUNCIL PRESIDENT Verna: It has been
7 moved and properly seconded that Bill No. 030242 as
8 amended be reported out of Committee with a
9 favorable recommendation. Also, a recommendation
10 that the rules of Council be suspended so as to
11 permit first reading at our next session of Council.

12 All in favor will indicate by saying
13 aye.

14 MEMBERS: Aye.

15 COUNCIL PRESIDENT Verna: Those opposed?

16 (No response.)

17 COUNCIL PRESIDENT Verna: The ayes have
18 it and the motion carries.

19 The Chair recognizes Councilwoman
20 Blackwell regarding Bill No. 030252.

21 COUNCILWOMAN BLACKWELL: Thank you,
22 Madam President. I move that Bill 030252 be
23 reported --

24 COUNCIL PRESIDENT Verna: I'm sorry.
25 That's Councilman Clarke's bill.

1 5/6/03 - Committee of the Whole - Bill 030252

2 COUNCILWOMAN BLACKWELL: It sure is, and
3 he's here.

4 COUNCIL PRESIDENT Verna: Councilman
5 Clarke.

6 COUNCILMAN CLARKE: Thank you, Madam
7 President.

8 Madam President, I make a motion that
9 Exhibit A be listed as an amendment to Bill No.
10 030252.

11 (Motion seconded.)

12 COUNCIL PRESIDENT Verna: It has been
13 moved and seconded that the amendments be adopted.

14 All in favor will signify by saying aye.

15 MEMBERS: Aye.

16 COUNCIL PRESIDENT Verna: Those opposed?

17 (No response.)

18 COUNCIL PRESIDENT Verna: The ayes have
19 it. The motion carries.

20 Again, the Chair recognizes Councilman
21 Clarke.

22 COUNCILMAN CLARKE: Thank you, Madam
23 President.

24 I move that Bill No. 030252 as amended
25 be reported out of Committee with a favorable

1 5/6/03 - Committee of the Whole - Bill 030252
2 recommendation and a request for suspension of the
3 rules.

4 (Motion seconded.)

5 COUNCIL PRESIDENT VERNA: It has been
6 moved and seconded that Bill No. 030252 as amended
7 be reported out of Committee with a favorable
8 recommendation. Also, a recommendation that the
9 rules of Council be suspended so as to permit first
10 reading at our next session of Council.

11 All in favor will indicate by saying
12 aye.

13 MEMBERS: Aye.

14 COUNCIL PRESIDENT VERNA: Those opposed?

15 (No response.)

16 COUNCIL PRESIDENT VERNA: The ayes have
17 it. The motion carries.

18 And this concludes our public meeting.

19 Thank you all very much.

20 (Committee of the Whole adjourned at
21 3:40 p.m.)

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CERTIFICATE

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MICHELE L. MURPHY

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RPR-Notary Public

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I HEREBY CERTIFY that the proceedings,
evidence and objections are contained fully and
accurately in the stenographic notes taken by me
upon the foregoing matter on May 6, 2003, and
that this is a true and correct transcript of
same.

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