

1

2

COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE THE COMMITTEE OF THE WHOLE

3

4

- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, April 8, 1999
11:33 a.m.
- - -

5

6

7

Bill 990110 - Amending an ordinance approved
February 8, 1999 (Bill No. 980845), which created
the Pavilion Market East Tax Increment Financing
District. . .

8

9

Bill 990186 - Authorizing the Director of Finance
of the City to enter into an agreement with the
Philadelphia Parking Authority providing for the
Parking Authority to issue and sell its parking
revenue bonds. . .

10

11

12

Bill 990114 - Amending an ordinance approved July
1, 1997 which created the Philadelphia Navy
Business Center TIF. . .

13

14

(Full text of all bills within transcript.)

15

PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DAVID COHEN
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILWOMAN MARIAN B. TASCO
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK DICICCO
COUNCILMAN RICHARD T. MARIANO
COUNCILMAN FRANK RIZZO

16

17

18

19

20

CHARLES MCPHERSON, Chief Financial Off.

21

22

- - -
VINCENT VARALLO ASSOCIATES, INC.
Registered Professional Reporters
Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

23

24

25

1 PUBLIC HEARING - COMMITTEE OF THE WHOLE

2 I N D E X

3 Page

4 Bill No.'s 990110, 990186

5 William Hankowsky, President 4
Philadelphia Industrial Development Corporation

6 Whitney Reid, City Treasurer 7

7 Rina Cutler, Executive Director. 13
8 Philadelphia Parking Authority

9 Robert Fina, PIDC. 48

10 Laurie Flynn, Vice President 58
11 Goldenberg Group

12 Charles Solomon, Director. 59
13 Economic Development
Greater Philadelphia Urban Affairs Coalition

14
15 Bill No.'s 990114

16 William Hankowsky, President 124
17 Philadelphia Industrial Development Corporation

18

19

20

21

22

23

24

25

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 P R O C E E D I N G S

3 COUNCIL PRESIDENT VERNA: Good

4 morning. I apologize to everyone for the delay.

5 This is the public hearing of the
6 Committee of the Whole. I would ask the clerk to
7 please read the title of Bill No.'s 990110 and
8 990186.

9 MR. MCPHERSON: Bill No. 990110, an
10 ordinance amending an ordinance approved February
11 8, 1999 (Bill No. 980845), which created the
12 Pavilion Market East Tax Increment Financing
13 District by approving the amended project plan for
14 the redevelopment of the district submitted to
15 City Council by the Philadelphia Authority for
16 Industrial Development, and making certain
17 findings and declarations, all in accordance with
18 the Tax Incremental Financing Act.

19 Bill No. 990186, an ordinance
20 authorizing the Director of Finance of the City to
21 enter into an agreement with the Philadelphia
22 Parking Authority providing for the Parking
23 Authority to issue and sell its parking revenue
24 bonds to finance and to proceed with a project
25 consisting of the acquisition and/or construction

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 of an off-street parking facility at Eighth and
3 Chestnut Streets, including, under certain
4 circumstances, acquisition of an adjacent property
5 for development as additional parking facilities
6 or for resale with the proceeds of any such resale
7 to be used to finance completion of the mentioned
8 garage facility or to finance additional or
9 substitute parking facilities approved by City
10 Council.

11 COUNCIL PRESIDENT Verna: Good morning.
12 Mr. Hankowsky, are you going to testify?

13 MR. HANKOWSKY: Yes.

14 COUNCIL PRESIDENT Verna: Please
15 identify yourself for the record and proceed with
16 your testimony.

17 MR. HANKOWSKY: Yes. I am Bill
18 Hankowsky, President of the Philadelphia
19 Industrial Development Corporation. I might ask
20 the Chair, are we also doing 990114?

21 COUNCIL PRESIDENT Verna: We'll do that
22 later.

23 MR. HANKOWSKY: Okay, thank you.

24 We have three people to testify with
25 regard to the Pavilion Market Street East project

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 and the garage -- myself; Whitney Reid, the City
3 Treasurer; and Rina Cutler, the Executive Director
4 of the Parking Authority.

5 So I will begin. Today's hearing is
6 required by the Pennsylvania Tax Increment
7 Financing Act to amend a TIF district. Should the
8 committee approve this bill, the Act requires that
9 Council wait at least three weeks for final
10 approval, which means that Council cannot approve
11 the bills until its meeting of April 29, 1999.

12 Since introduction of this bill, we
13 (PIDC) have met with City Council, Council staff,
14 and representatives of the School District to
15 review the amended project plan. And on Monday,
16 March 22, 1999, the School District agreed by
17 resolution to participate in the district should
18 it be so amended by Council.

19 The amendment of the Pavilion Market
20 East TIF was required, and is required, to
21 accommodate the second ordinance that you have in
22 front of you, which is the purchase of the parking
23 component by the Parking Authority for
24 \$38 million. Although the Parking Authority is
25 expected to make a payment in lieu of taxes, or a

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 pilot payment with regard to the real estate
3 portion of that facility, it not pay use and
4 occupancy taxes otherwise payable by private
5 owners for parking facilities. The result is a
6 decrease of \$4.9 million in revenues to the School
7 District over 20 years, or approximately \$245,000
8 per year.

9 In addition, this amendment allows the
10 Parking Authority or the developer to transfer all
11 or a portion of their respective interests in the
12 project at any time. So if I could, just for a
13 moment, step away from my written testimony. . .

14 So the amendment to the TIF is to allow
15 the evidence that the Parking Authority is
16 participating as a new funding source for the
17 garage and then subsequently amending the tax
18 analysis to show the deletion of the use and
19 occupancy tax. And thirdly, to allow these
20 transfers.

21 The rest of the testimony which I've
22 prepared is with regard to the naval business
23 center, so I'll just hold that for that ordinance.

24 And so in closing, we would ask for
25 Council's favorable consideration of this TIF

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 amendment, which, as the other testimony
3 transpires, you'll understand the garage aspect of
4 this and how it all links together -- if that
5 would be acceptable to the Chair.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 MR. REID: Good morning. I'm Whitney
8 Reid, City Treasurer. With me today is Rina
9 Cutler, Executive Director of the Philadelphia
10 Parking Authority.

11 Miss Cutler and I are here today to
12 testify in support of Bill No. 990186. The
13 purpose of Bill 990186 is to authorize the
14 Director of Finance to enter into an agreement
15 with the Philadelphia Parking Authority,
16 authorizing the issuance of bonds to finance the
17 acquisition, expansion, or operation of parking
18 facilities in conjunction with the DisneyQuest
19 project, located at Eighth and Chestnut Streets.

20 Matching the size of the proposed
21 Series 1999-A parking revenue bond issue is not to
22 exceed \$53 million. And that consists of two
23 parts: a \$48 million revenue bond portion; and if
24 necessary, completion bonds not to exceed
25 \$5 million.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 So I am requesting your favorable
3 consideration of the proposed ordinance and a
4 suspension of the rules in order to obtain a
5 second reading and final passage on April 22,
6 1999.

7 The preliminary schedule for sale of
8 the Series 1999-A bonds was early May, with
9 closing scheduled for toward the end of May. I've
10 enclosed with my written testimony a listing of
11 the finance team assigned to the transaction.

12 And this concludes my testimony. Miss
13 Cutler will provide testimony proposed on the use
14 of the bond proceeds. And afterwards, I'd be
15 happy to answer any questions you may have.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 MR. REID: Madam President, at this
18 time, I'd also like to note that I have a couple
19 amendments on the ordinance and the exhibit that
20 I'd like to read into the record. If you prefer
21 that now or after, it's --

22 COUNCIL PRESIDENT VERNA: Do you have
23 copies of the amendments?

24 MR. REID: Yes. Yes, ma'am. We've
25 submitted copies along with written testimony to

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 Marie Hauser, and they should be forwarded to each
3 of the members of Council.

4 COUNCIL PRESIDENT Verna: Does everyone
5 have copies of the amendments? It's a copy of the
6 bill. I think you may have it in your packet.
7 Does everybody have it?

8 All right, Mr. Reid, would you please
9 read the amendments that you're proposing.

10 MR. REID: Yes, ma'am.

11 To Bill No. 990186, on Page 2, the
12 second paragraph, we are changing the
13 not-to-exceed amount, as noted. There are \$45
14 million; we are changing that to \$48 million
15 dollar.

16 And on Page 3, Section 1, you'll see a
17 not-to-exceed amount of \$50 million; we are
18 changing that to correspond to the revenue bond
19 change, so that now should read \$53 million.

20 COUNCIL PRESIDENT Verna: Thank you.

21 MR. REID: Okay, I have a couple more.

22 There is an attached Exhibit A, which
23 is a contract for parking services, and there are
24 a couple changes there. The majority of the
25 errors are typographical, but I will go through

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 them one by one.

3 On the second page, the first "whereas"
4 paragraph, again, you'll see a principal amount of
5 \$45 million, and you should have a black-lined
6 copy of that, and you'll see that has been changed
7 to \$48 million to correspond to the ordinance.

8 On the next page, Page 3, under Section
9 1, paragraph (b), you'll see a date there that
10 says January 29th; we're amending that to read
11 January 28th.

12 The remainder of the changes are
13 typographical.

14 If you turn to Page 5, section 5, under
15 "Parking Charges and Fees and Rents," you'll see
16 we've added a subparagraph (a); and as a result of
17 that, on the subparagraphs, the small Roman
18 numerals have also been changed.

19 COUNCIL PRESIDENT VERNA: So instead of
20 (a), it would be i?

21 MR. REID: Under Section 5, right.

22 COUNCIL PRESIDENT VERNA: Under Section
23 5?

24 MR. REID: We added the small (a), and
25 then underneath that are subsections of (a). So

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 they are now Roman numerals.

3 COUNCIL PRESIDENT VERNA: On my copy,
4 it appears as though (a), (b), (c), and (d) are
5 deleted. I think the (a) you're referring to in
6 parentheses is immediately after the title
7 "Parking Charges and Fees and Rents"?

8 MR. REID: Yes, ma'am.

9 COUNCIL PRESIDENT VERNA: Okay. And
10 then immediately under that --

11 MR. REID: Yes, that is a Roman numeral
12 i, it's a small i. I'm sorry, it's a number 1, a
13 Roman numeral, it's a small. . .

14 COUNCIL PRESIDENT VERNA: So (a) would
15 be changed to i; (b) would be changed to 22?

16 MR. REID: Right, (a) is changed to i;
17 (b) is changed to ii; (c) is changed to iii; (d)
18 is changed to iv; and (e) is changed to v. And we
19 go all the way through (h).

20 COUNCILWOMAN VERNA: And I believe --

21 MR. REID: And then we added a
22 paragraph, number 9.

23 COUNCIL PRESIDENT VERNA: I think there
24 are some changes on Page 5 also, are there not?
25 The very next page that we're -- oh, that's not 5.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Under Section 4 -- Section 5, I'm
3 sorry. Under Section 5, when we turn the page,
4 there are also some changes made?

5 MR. REID: Yes, ma'am. That is a
6 continuation of the previous page. So we changed
7 paragraph (f) to vi; paragraph (g) to vii;
8 paragraph (h) to viii; and then we've inserted ix
9 for the following paragraph.

10 COUNCIL PRESIDENT VERNA: And then also
11 under Section 2(b), there have been some changes?

12 MR. REID: Yes, ma'am. We changed
13 paragraph (j) to (b) and paragraph (k) to (c).

14 On Page 7, under Section 11, titled
15 "Authority Remedies," we've added the (a), we've
16 denoted that as paragraph (a). And then below
17 that, that has subsequently changed the other
18 paragraph identifiers. So underneath that, we've
19 changed paragraph (a) to (b), paragraph (b) to (c)
20 and --

21 COUNCILMAN NUTTER: Madam Chair?

22 COUNCIL PRESIDENT VERNA: Yes.

23 COUNCILMAN NUTTER: Couldn't we just
24 stipulate to these changes?

25 COUNCIL PRESIDENT VERNA: I don't see

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 why not.

3 COUNCILMAN NUTTER: Is there anything
4 substantive in fact whatsoever on the material in
5 front of us?

6 COUNCIL PRESIDENT VERNA: I don't
7 believe so, but I think we're just about finished
8 anyway.

9 COUNCILMAN NUTTER: Okay.

10 MR. REID: Right. The only substantive
11 changes were the date and the dollar amount.

12 On Page 8, Section 12, again, we've
13 inserted a paragraph identifier, (a). And then
14 below that, we've changed the (a) to (b).

15 And that concludes my remarks and the
16 changes that I'm submitting.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 MR. REID: Thank you.

19 COUNCIL PRESIDENT VERNA: Miss Cutler?

20 MS. CUTLER: Good morning, President
21 Verna and members of Council.

22 COUNCIL PRESIDENT VERNA: Good morning.

23 MS. CUTLER: My name is Rina Cutler.

24 I'm the Executive Director of the Philadelphia
25 Parking Authority.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 I appreciate the opportunity to testify
3 this morning in support of Bill 990186. The bill
4 will allow the Philadelphia Parking Authority to
5 proceed with the acquisition of a 988-car garage
6 located at Eighth and Chestnut Streets as part of
7 the DisneyQuest project.

8 There are three components to the
9 ordinance:

10 Item 1 is approval of the City contract
11 in connection with the issuance of tax-exempt
12 revenue bonds in an amount not to exceed
13 \$48 million;

14 Item 2 is a City contract which
15 obligates the City of Philadelphia to appropriate
16 City funds to advance to a debt service reserve
17 fund in the event that revenues from the proposed
18 garage are insufficient to pay the operating costs
19 and the debt service on the bonds -- which is
20 Exhibit 8 of the ordinance. However, such
21 payments made by the City will be repaid to the
22 City if and when funds become available for such a
23 purpose;

24 Item 3 allows bond proceeds to be used
25 for alternative garage projects with the approval

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 of City Council.

3 The highlights of the 1999-A parking
4 revenue bonds are as follows:

5 Use tax-exempt bond proceeds to pay off
6 the 10.3 interim loan used to acquire the garage
7 site at Eighth and Chestnut Streets, in
8 anticipation of the DisneyQuest project;

9 Use tax-exempt bond proceeds to acquire
10 a fully-built, multilevel 988-space parking garage
11 at Eighth and Chestnut Streets for an additional
12 \$28 million;

13 \$3.5 million in capitalized interest
14 payments until August 2001 to ensure revenue flow
15 to pay debt service until garage is delivered and
16 fully operational;

17 Allows for the use of an amount not to
18 exceed \$12 million to purchase the adjacent parcel
19 along Eighth and Market Streets if necessary;

20 Pay for related costs associated with
21 the project, including professional services and
22 issuance costs.

23 Summary of acquisition agreement:

24 The acquisition agreement dated 1/28/99
25 between the Philadelphia Parking Authority and

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Pavilion East Associates (PEA) stipulates several
3 significant dates which are important to
4 understand:

5 January 29, 1999: Philadelphia Parking
6 Authority purchased land for \$10 million at Eighth
7 and Chestnut Streets for a 988-car garage, plus an
8 obligation under certain conditions to purchase a
9 completed garage in conformity with a completion
10 schedule for the DisneyQuest project for an
11 additional payment of \$28 million.

12 May 1 to May 15, 1999: Anticipated PPA
13 bond closing.

14 June 1, 1999: Date for Pavilion East
15 Associates (PEA) to obtain full construction
16 financing for DisneyQuest and related commercial
17 development as well as garage facility.

18 June 10, 1999: Ten-day period for
19 joint vent negotiations to occur.

20 July 10, 1999: Seller may elect to
21 acquire all of PPA's parcel by paying all of PPA's
22 costs related to this development, including all
23 bond costs, or PPA will acquire all of the
24 developer's interest.

25 December 1, 1999: Date by which PEA

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 (Pavilion East Associates) must complete work on
3 the portion of the DisneyQuest project to be
4 occupied by Disney under the terms of the Disney
5 lease.

6 June 1, 2000: Date by which garage by
7 completed under the Disney lease and the purchase
8 of garage may occur.

9 January 15, 2001: Latest date, if
10 Disney lease deadline is extended, by which the
11 garage must be completed and PPA purchase may
12 occur.

13 Any time between the construction loan
14 of 6/1/99 through 1/15, 2001: If there is a
15 default by PPA (Pavilion East Associates) PEA's
16 lender may acquire PPA's full interest in the
17 garage portion within 60 days by payment of all of
18 the Parking Authority's costs. If PEA's lender
19 declines to acquire the Parking Authority's
20 interest, the Parking Authority will pay costs
21 advanced by the lender to construct the garage,
22 and acquisition agreement will terminate.

23 Conclusion. In addition to this
24 testimony, a briefing package has been prepared
25 and submitted to City Councilmembers. This

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 respects. One is from a tax standpoint. We
3 contemplated that with this project, over the
4 20-year life of the TIF district, the City would
5 receive taxes in the amount of \$54.9 million. And
6 originally, we estimated that the School District
7 would receive taxes in the amount of
8 \$60.1 million.

9 I should add that in addition to those
10 hard benefits to their budgets, this project
11 contemplates the hiring of approximately 1,000
12 people once it is up and operational and tenanted.
13 And in addition, we anticipate there will be about
14 750 construction jobs during the construction
15 phase of the project.

16 So it has both those direct tax results
17 and those indirect economic results.

18 COUNCIL PRESIDENT VERNA: How do the
19 benefits derived by the School District compare to
20 the other TIFs that the City has approved?

21 MR. HANKOWSKY: In response to the
22 various discussions we've had over the last
23 several years with regard to TIFs in these
24 chambers and at various briefings, in this
25 particular project, we attempted to minimize the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 effect on the School District or -- to put it on
3 the other side -- maximize their benefit.

4 So in this proposed TIF, we are not
5 affecting any of the taxes that go to the School
6 District directly -- for example, the use-and-
7 occupancy and liquor-by-the-drink taxes. The only
8 impact on School District taxes is their portion
9 of the real estate taxes.

10 So this was an attempt to create a TIF
11 that was more beneficial to the School District.
12 And, in fact, when you compare the benefits that
13 we estimate will go to the School District versus
14 the benefits that will go to the City, in fact in
15 this TIF, which is unusual for one thing -- and
16 perhaps it's the first one I've ever brought to
17 City Council -- the District will fare better than
18 the City.

19 COUNCIL PRESIDENT VERNA: Thank you. I
20 have a number of questions I'd like to ask, but I
21 don't want to dominate this.

22 Why are we being asked to approve the
23 issuance of Parking Authority bonds at this time?

24 MS. CUTLER: President Verna, as I did
25 explain during several Council briefings, in

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 December of 1998, the Parking Authority was asked
3 to get involved with this project in order to
4 allow the DisneyQuest project to move forward. We
5 did an analysis relative to both the need for
6 parking demand in general in the Market Street
7 East corridor as well as specific demands for
8 parking that would be related to Disney and the
9 other retail uses in the DisneyQuest project.

10 Initially, there was some thought --
11 the Parking Authority was not initially in this
12 deal. There was some thought that the garage
13 would be done and could be done as a private
14 venture. That turned out financially to be not
15 the case. The Parking Authority, as you know, is
16 an economic development agency which deals with
17 the parking components of development projects.

18 We think the garage will be a huge
19 success and have agreed to come before Council to
20 request that a City contract be approved in order
21 to issue bonds to buy a fully-constructed garage
22 at this site.

23 COUNCIL PRESIDENT Verna: Councilman
24 Kenney, you want to be recognized?

25 COUNCILMAN KENNEY: Thank you, Madam

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 President.

3 The major requirement of the Disney
4 people is a thousand-car garage at this location
5 for this particular project?

6 MS. CUTLER: In fact, the garage we're
7 going to build is just under a thousand spaces.
8 The Disney lease does require parking on the
9 location adjacent to their parcel, and I believe
10 it's 800 spaces in their lease.

11 COUNCILMAN KENNEY: So between 800 and
12 1,000 spaces is their requirement in order for
13 them to move forward with this project?

14 MS. CUTLER: That is correct.

15 COUNCILMAN KENNEY: The major
16 difference then today, as we sit here, is that the
17 original belief was that it could be constructed
18 and operated privately. And now the Parking
19 Authority is moving forward because of the
20 economic circumstances that precluded that to
21 construct and maybe run or not run this particular
22 garage at this location. Is that the major
23 difference?

24 MS. CUTLER: The difference is really
25 -- the component change which is related to the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 TIF specifically is that the parking garage will
3 be a public parking facility, not a private one,
4 that's correct.

5 COUNCILMAN KENNEY: And this is
6 something that the Parking Authority does as part
7 of its nature, I would guess, is construct and
8 operate parking facilities.

9 MS. CUTLER: That is correct. In fact,
10 the State legislation, which creates the Parking
11 Authority, anticipates that it acquire land and
12 construct parking facilities as part of economic
13 development.

14 COUNCILMAN KENNEY: In the worse-case
15 scenario, if Disney is no longer involved with
16 this location at this site, does the construction
17 of a garage by the Parking Authority make sense as
18 a stand-alone project, and why?

19 MS. CUTLER: I think there are two
20 parts to that answer, Councilman Kenney. The
21 first is, as you're aware, prior to construction
22 beginning on the site, this was a surface parking
23 lot.

24 COUNCILMAN KENNEY: So to speak.

25 MS. CUTLER: So to speak. Cratered as

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 it may have been.

3 COUNCILMAN KENNEY: It's like a moon
4 walk, kind of.

5 MS. CUTLER: But in fact, even in spite
6 of its physical deficiencies, it did manage to
7 generate a healthy profit every year, without
8 anything else on the site. So the answer to part
9 A is: yes, as a stand-alone parking facility,
10 without anything else on the site, we would
11 probably choose to build smaller facility, but
12 certainly we would proceed with a parking facility
13 in either case.

14 Part B of that answer is that under a
15 worse-case scenario, if there was no Disney on the
16 site, the remainder of the site would still be a
17 development location for something that would go
18 there. And, therefore, the need for parking would
19 increase over the current demand, without anything
20 on the site, as is.

21 COUNCILMAN KENNEY: In the hopefully
22 unlikely event that the developers cannot meet
23 their financing deadlines, explain the special
24 circumstance that protects the Authority and the
25 City as it relates to the potential or the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 and intent to attempt to keep Disney on the site
3 regardless of who the developer is. But in any
4 event, we at that point would want to control the
5 entire development parcel.

6 COUNCILMAN KENNEY: And is that an
7 unprecedented or a special circumstance that would
8 allow the City to in the, again, hopefully
9 unlikely event that they cannot meet their
10 deadlines, that we then become -- they're required
11 to sell this site to us if we so desire.

12 MS. CUTLER: Well, it goes, in fact,
13 both ways. After June 1st, if the conditions have
14 not been met, in fact, the developer also has the
15 option of stepping forward to purchase the Parking
16 Authority's interests and pay all related costs.
17 But in either case, one of those entities will, in
18 fact, have control of the entire site, after that
19 point.

20 COUNCILMAN KENNEY: And, finally, Mr.
21 Hankowsky, if Disney's out of the picture, what do
22 you think the potential of the development of this
23 particular site in that particular corridor is?
24 Could you give an explanation of what you think
25 the potential is of development for that location.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MR. HANKOWSKY: My estimate would be
3 that if the Eighth and Market parcel were
4 available, and -- candidly -- available with a
5 capacity of parking adjacent to it, so it's even
6 enhanced, it is an extremely valuable and
7 marketable site. And there are probably parties
8 that I've talked to over the course of the last
9 two years who would immediately be interested in
10 seeing whether they could put a project on that
11 property.

12 COUNCILMAN KENNEY: Fine, thank you.

13 MR. HANKOWSKY: There is fairly heavy
14 interest in the Market Street corridor at this
15 point.

16 COUNCILMAN KENNEY: Thank you, Madam
17 President.

18 COUNCIL PRESIDENT VERNA: Miss Cutler,
19 I was distracted, and I don't know whether
20 Councilman Kenney asked this, but what happens in
21 the event that the developer does not secure his
22 financing for this project? Will the garage be
23 completed? And if so, who will build the garage?

24 MS. CUTLER: There are several
25 scenarios, and I'd like to try to walk you through

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 them.

3 One scenario is that the Parking
4 Authority purchase the remainder of the
5 development site, find a developer who wants to
6 develop that site, and then in fact will sell the
7 remainder of the land to a developer, and will
8 proceed with this bond money under public bid to
9 build its own parking garage.

10 A second scenario is that the Parking
11 Authority will own the entire site at some point
12 and will make a decision that it will proceed with
13 the garage portion or the smaller parking garage
14 until we know what type of usage would happen on
15 the remainder of the site -- also under the same
16 bond money that we are going to issue for this
17 package.

18 Or the best-case scenario is this
19 proceeds as is, and at the end of the day, we
20 purchase a fully built garage. But we also have
21 the capacity to go out to public bid and construct
22 our own parking facility.

23 COUNCIL PRESIDENT VERNA: And what are
24 the remedies if there is a default after the
25 closing of the construction loan?

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MS. CUTLER: After the developer -- on
3 the assumption that the developer gets full
4 construction financing by June 1st, there is a
5 mechanism in place at that point which, in fact,
6 allows the developer's lender to buy out the
7 Parking Authority's interest, pay all costs
8 expended to date, and take over the garage portion
9 of the project.

10 If the lender does not wish to buy out
11 the Parking Authority at the point of a default by
12 the developer, the Parking Authority will pay for
13 the improvements on the garage site only, and then
14 continue on and construct the parking facility
15 ourselves.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 The Chair recognizes Councilman Rizzo.

18 COUNCILMAN RIZZO: Thank you, Madam
19 President.

20 Could you just go back over the
21 changes, the amendments. How did we go from
22 45 million to 48 million, and from 50 to 53?
23 Could you explain that again, please.

24 MS. CUTLER: I will be happy to,
25 Councilman.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 One of the things that we always -- two
3 of the things that we always include in our bonds
4 issuance. We calculate the amount of time it will
5 take for the construction to occur and for a fully
6 operational garage to be bullet. Normally that is
7 a window somewhere between two years and three
8 years for the construction period. Because the
9 City in essence guarantees those bonds, we do not
10 want those bond payments during those years to
11 have to come out of the City's General Fund. So
12 we capitalize that interest in the bond in order
13 to pay the interest out of the bond money until
14 the garage is fully operational.

15 Because there are buy-out clauses along
16 the way here, which could, for some period of
17 time, stop construction, we did not want the
18 City's General Fund to be on the hook for the
19 revenue, so we added an additional six months of
20 capitalized interest into the bond issuance in
21 order not to have to come to the City to pay for
22 it before construction was completed. That also
23 is -- that is how it got from 45 million to
24 48 million. That \$3 million is the additional
25 capitalized interest that has been put in there.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 The other thing typical in Parking
3 Authority revenue bonds and, in fact, was in the
4 last bond deal that we did with Council last
5 December, we build in the ability to issue
6 \$5 million in what we call "completion bonds" if
7 necessary. So that at a point where we haven't
8 adequately figured out all the contingencies that
9 might occur particularly in a project like this
10 one, where there are a lot of answers we do not
11 have yet, the additional 5 million is for, in
12 fact, completion bonds in the event the current
13 amount is insufficient to complete.

14 COUNCILMAN RIZZO: My next question is,
15 could you describe the Parking Authority's
16 day-to-day operation. The Parking Authority owns
17 certain parking lots and leases those to parking
18 operations throughout City, I understand. There
19 are various lots that you own and that other
20 people operate. Could you describe the operation
21 of this lot, whether you plan to operate it on a
22 day-to-day basis.

23 MS. CUTLER: Back in 1994 -- in fact,
24 my first year at the Parking Authority -- the
25 Parking Authority privatized the operation of all

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 of its parking garages. In fact, we (the Parking
3 Authority) still operate all of our own surface
4 parking lots, and there are 43 of those, and those
5 are still operated by the Authority. But all of
6 our garage structures are now operated under
7 contract with private parking operators.

8 Those contracts, while they are
9 professional-service contracts, and in fact, under
10 Parking Authority law, do not need to be bid, we
11 generally bid them because we believe it gives us
12 the best competitive price for the operation of
13 those facilities.

14 It is certainly the intent of the
15 Parking Authority to not personally manage the
16 garage at DisneyQuest, but in fact have it managed
17 by a private operator.

18 COUNCILMAN RIZZO: Could you again
19 describe -- you mentioned that you will put this
20 out to competitive bidding. Could you be more
21 specific and tell me how you're going to pick an
22 operator of this facility?

23 MS. CUTLER: In fact, it is not a
24 competitive bidding process; it is a request for
25 qualifications that gets issued in general.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 In this particular garage, because the
3 owner of the land, prior to our purchasing it in
4 January, was in fact a parking company -- the
5 entire site was owned by Central Parking, who in
6 fact was given the opportunity to purchase and
7 build a garage, and in fact chose not to do so.
8 But as a condition of that land sale, they had the
9 right of first refusal to operate this garage if
10 and when it gets built.

11 So it is my expectation at this point,
12 assuming that this project moves forward as it's
13 currently intended, that I will at some point
14 negotiate a management agreement with Central
15 Parking to operate the facility upon its
16 completion.

17 COUNCILMAN RIZZO: Does that
18 negotiation include -- are there standards,
19 pricing, etc. that you establish? Or does that
20 person have flexibility on fee structure and
21 hourly rates, etc.?

22 MS. CUTLER: Rates are, in fact, set by
23 the Parking Authority; the operators do not set
24 rates for our parking garages.

25 COUNCILMAN RIZZO: Thank you very much.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Thank you, Madam President.

3 COUNCIL PRESIDENT VERA: Thank you.

4 The Chair recognizes Councilman Nutter.

5 COUNCILMAN NUTTER: Thank you, Madam

6 Chair.

7 Mr. Hankowsky, on Page 2 of your
8 testimony and in response to an earlier question,
9 you had articulated that the share of the tax
10 revenues on the TIF aspect was a 60/55; is that
11 correct?

12 MR. HANKOWSKY: I believe, Councilman
13 Nutter, that in response to the Council
14 President's question, I was asked, What were the
15 original numbers? And those are the numbers I
16 have provided.

17 The amended numbers, pursuant to this
18 change -- revised transaction, would be
19 \$54.9 million for the City, and \$55.2 million for
20 the School District.

21 COUNCILMAN NUTTER: 55.2?

22 MR. HANKOWSKY: Correct.

23 COUNCILMAN NUTTER: -- for the School
24 District; 54.9, City. Okay.

25 Is my recollection just totally

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 incorrect, though, that the first original sheet
3 we got on this had it at 65 - School District and
4 55 - City? Or am I just wrong about that?

5 MR. HANKOWSKY: I believe the original
6 project plan that was the originally approved TIF
7 was 60/54.

8 COUNCILMAN NUTTER: 60/54.

9 MR. HANKOWSKY: Yeah, 60/54.

10 COUNCILMAN NUTTER: Okay, all right.
11 And so on Page 2 of your testimony, when you say
12 the result is a decrease of \$4.9 million that's
13 going from the 60.1 down to the 55.2?

14 MR. HANKOWSKY: Correct.

15 COUNCILMAN NUTTER: Okay, all right.

16 Miss Cutler, you had some discussion
17 just a little while ago, and it's mentioned in
18 Mr. Reid's testimony about the completion bond, or
19 maybe he just articulated it and I wrote it on the
20 page of his testimony.

21 Can you go back over that again? The
22 statement I took down from you in response to an
23 earlier question was, in case the current amount
24 is insufficient -- I assume you're talking about
25 the \$48 million.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MS. CUTLER: That is correct.

3 COUNCILMAN NUTTER: Then you have
4 \$5 million in completion bonds. And let's play
5 the rest of this scenario out. There is some
6 default and you have \$5 million in completion
7 bonds, what does that actually mean, what does
8 that get you?

9 MS. CUTLER: Well, the first answer to
10 the question is, in all projects that we do -- at
11 least that I have done -- there is a an ability to
12 borrow an additional 5 million to complete a
13 project.

14 COUNCILMAN NUTTER: Okay.

15 MS. CUTLER: In this particular case,
16 as we do not know at this moment which of the
17 several scenarios are going to play out here, we
18 in fact are, for consistency purposes, building in
19 an amount that it may take to finish the parking
20 garage. It is only for the parking garage portion
21 that there are completion bonds ever envisioned --
22 not for any of the other scenarios that come here,
23 but let me give you a hypothetical.

24 We issue \$48 million in bonds;
25 \$10.3 million will go to pay back the bank for the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 initial land purchase the Parking Authority made.
3 In the event that the current developer does not
4 have the ability to receive full financing and
5 move forward, the Parking Authority, under that
6 agreement, will pay up to an additional 12 million
7 to acquire the rest of the site.

8 There may be a lag time between the
9 resale of that portion and the completion of the
10 garage. The 12 million that we will have put out
11 for the remaining portion, in fact, is needed to
12 build and complete the garage.

13 So the completion bonds are just in
14 there in the event we are three-quarters or
15 nine-tenths the this project and need to complete
16 the garage. But even the 48 million is a
17 not-to-exceed number.

18 COUNCILMAN NUTTER: No, I understand
19 that. So, I mean, it's almost essentially like a
20 10 percent contingency?

21 MS. CUTLER: That is correct.

22 COUNCILMAN NUTTER: Okay. And let's
23 say the project gets built, it gets built on time,
24 gets built with the \$48 million, what happens to
25 the 5 million?

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MS. CUTLER: We will have never bonded
3 for it. It's not in the amount we will go to bond
4 for in June; it is just an authorization to go
5 back and bond 5 million more if we need it down
6 the road.

7 COUNCILMAN NUTTER: So your testimony
8 is the deal you're putting on the street is a
9 \$48 million, but you're getting authorization for
10 53; and if in the event you need the additional 5,
11 you don't necessarily have to come back to get
12 authorization for it because you're getting
13 authorization today, even though you're only going
14 to go out for 48.

15 MS. CUTLER: That is correct. And as
16 it is not to exceed 48, it actually may be less
17 than that.

18 COUNCILMAN NUTTER: Okay. Now, your
19 earlier testimony, it sounded like you're going to
20 put out an RFQ for the garage; is that correct?

21 MS. CUTLER: No. In answer to
22 Councilman Rizzo's question, I told him that the
23 general process is not a competitive bid; it is
24 really an RFQ process.

25 But in this particular deal, as part of

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 the land sale to both Pavilion East on their
3 portion of the project and the Parking Authority
4 on their portion of the project --

5 COUNCILMAN NUTTER: Previously owned by
6 Central.

7 MS. CUTLER: Previously opened by
8 Central.

9 COUNCILMAN NUTTER: Right.

10 MS. CUTLER: There is a right of first
11 refusal for Central to operate the fully completed
12 garage. So while I have not negotiated the terms
13 of that with them yet, as I don't know at this
14 point know what size the garage will be or what it
15 will have next to it, they will be, if they have
16 the desire to, they will have first option on
17 managing this facility.

18 COUNCILMAN NUTTER: No, I understand
19 that; that's after it's done. I'm asking you a
20 question about the actual construction. Who's
21 going to build the garage?

22 MS. CUTLER: The developer. This is
23 not -- the Parking Authority is not building this
24 garage. We will buy a fully completed garage with
25 these bonds.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 COUNCILMAN NUTTER: All right, so
3 you're going to borrow the money, fund the
4 construction, and then have a fully completed
5 garage turned over to you; is that the way this
6 transaction is working?

7 MS. CUTLER: No, no. We are going to
8 sell the bonds. Immediately upon selling the
9 bonds, we will pay off the land acquisition price
10 for our \$10.3 million loan. The rest of the
11 money, in fact, will go into an account, an
12 investment account, and will be turned over upon
13 the completion of the garage.

14 So the funding of the construction
15 comes from the developer, not from the Authority.

16 COUNCILMAN NUTTER: So the developer
17 has to find the financing to construct the garage.

18 MS. CUTLER: To construct the garage
19 and the remainder of the project.

20 COUNCILMAN NUTTER: And then when it's
21 done --

22 MS. CUTLER: Then we pay for it.

23 COUNCILMAN NUTTER: You get the goods.

24 MS. CUTLER: Then we pay for it.

25 COUNCILMAN NUTTER: Okay. What's the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 MBE/WBE plan for the garage construction?

3 MR. HANKOWSKY: Do you want me to --
4 yeah.

5 I think, Councilman, the plan for the
6 garage construction is the same as for the entire
7 project. Back when we were before Council on the
8 original TIF, a plan was developed at that time;
9 that plan applies to the entire project. That
10 plan will --

11 COUNCILMAN NUTTER: Could you in 25
12 words or less refresh our recollection about
13 that --

14 MR. HANKOWSKY: Yes, I'm happy to.

15 COUNCILMAN NUTTER: -- 500 hearings ago
16 about that.

17 MR. HANKOWSKY: There was a
18 construction workforce -- percentages of
19 workforce:

20 30 percent minority and 5 percent
21 female under construction contracting;

22 22 percent minority disadvantaged
23 business;

24 12 percent women disadvantaged;

25 And 2 percent disabled disadvantaged.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Then in the operational phase goals
3 related TO permanent employees, there was the
4 category for hourly and a category for management.

5 Under hourly, it was 40 percent
6 minority, 30 percent female, 2 percent
7 disadvantaged.

8 Under permanent management, it was 25
9 percent minority, 35 percent female, 2 percent
10 disabled.

11 And then there was, again, in the
12 operational phase a goal related to service
13 operational contracts of 22 percent minority
14 disadvantaged, 12 percent women disadvantaged, and
15 2 percent disabled disadvantaged.

16 The Greater Philadelphia Urban Affairs
17 Coalition has been engaged by the developer to be
18 monitoring that activity. As you know, obviously,
19 I think we all know there is -- construction has
20 commenced, though it is in the early faces. At
21 this point, the employment goals in terms of
22 workers on the job are being exceed at this phase
23 against those goals.

24 There have been 20 percent MBE
25 commitments and 7 percent WBE and 1 percent on

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 contracting to date, but most of the contracting
3 hasn't happened. The big packages are coming up,
4 you know, the cement and steel, etc.

5 COUNCILMAN NUTTER: Okay.

6 MR. HANKOWSKY: So I think there's a
7 general feeling that the goals will be fairly
8 closely met, if not exceeded.

9 COUNCILMAN NUTTER: I'm sure you've
10 handed that up possibly in the previous Market
11 East Pavilion hearing, but if you could give us,
12 through the Chair, an up-to-date copy of that,
13 that would be helpful.

14 MR. HANKOWSKY: We would be pleased to
15 do that.

16 COUNCILMAN NUTTER: Okay. I guess this
17 might be for Miss Cutler.

18 Can you tell us what the financial
19 status of the overall project is? It's, I think,
20 in response maybe to a question from Councilman
21 Kenney, and you had kind of touched on some fits
22 and starts. Where we today with the money in the
23 financing of this project?

24 MS. CUTLER: We are, at least at the
25 moment, on schedule. Construction has begun, the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 developer has until June 1st to complete the total
3 financing package to construct DisneyQuest, the
4 rest of the retail space, and the garage.

5 Certainly, one of the requirements for
6 the developer's construction loan is that they are
7 sure that the TIF piece of the project is in place
8 as well as that the garage piece of the project is
9 in place. Hence, we had put the date out for
10 closing the big construction loan from the
11 developers to allow us the time to make sure that
12 the other two pieces were in place for the
13 financing package to move forward.

14 We expect once this passes -- if it is
15 the will of this body to so pass it -- the bank
16 will then proceed with the remainder of the
17 project financing, which is somewhere around
18 \$100 million.

19 COUNCILMAN NUTTER: Okay, all right.
20 Last question. And thank you, Madam Chair, for
21 your indulgence.

22 Mr. Reid, attached to your testimony is
23 the financing team sheet. I recognize that this
24 is not a half-a-billion-dollar bond offering. But
25 in terms of the bank side of this transaction, it

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 is exceedingly light as it relates to MBE/WBE. Is
3 that the normal for Parking Authority financing?

4 MS. CUTLER: Councilman Nutter, if I
5 may, I think I can answer your question.

6 At the point at the end of January when
7 we closed on the land, in order to meet a variety
8 of both construction and financing deadlines, and
9 given the short amount of notice we had that we
10 had to put a bond deal together to get this
11 moving, we essentially moved fast. And hence,
12 when we requested a bond team, we basically just
13 said, you know, I need enough bodies to, you know,
14 get this job done.

15 So in fact, this is a much smaller team
16 than you will see on any other bond deal --
17 certainly that I am aware of, and certainly that
18 the Parking Authority has done. But, in fact, I
19 might just state for the record that they have
20 done yeoman's work to get us here in literally
21 seven weeks to prepare the bond document, so I do
22 need to point that out.

23 But, yes, it's smaller.

24 COUNCILMAN NUTTER: Just for the
25 record, I have no complaints about the composition

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 of the team. I happen to know some of the people
3 on it and that they do excellent work.

4 I think you know what my concern is,
5 but I also, I guess, want to make sure that the
6 record is clear. It's not your testimony that you
7 move quickly and, therefore, could not find
8 anybody.

9 MS. CUTLER: No, Councilman, that is
10 not my comment. And as I generally do not have a
11 hand in picking the financing team, I can't tell
12 you -- all I can tell you is it is smaller than it
13 normally is on a Parking Authority transaction.

14 COUNCILMAN NUTTER: Mm-hmm.

15 MS. CUTLER: And I think there was some
16 sense, and I certainly articulated it when we
17 realized we were going to have to go into the bond
18 market. That has been my experience, that the
19 least number of people you have in a meeting
20 trying to do the work, the faster the work tends
21 to move. That is my testimony.

22 COUNCILMAN NUTTER: I understand that.
23 I know some people that work pretty quickly, let
24 us try not to leave people out of the room. Thank
25 you.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Thank you, Madam Chair.

3 COUNCIL PRESIDENT Verna: You're
4 welcome.

5 The Chair recognizes Councilwoman
6 Tasco.

7 COUNCILWOMAN TASC0: Thank you very
8 much.

9 I just need to have you walk me through
10 this one more time. We're borrowing the money --
11 the Parking Authority's borrowing the money to
12 acquire the land to construct a garage. The
13 developer is going to construct the garage?

14 MS. CUTLER: (Nods.)

15 COUNCILWOMAN TASC0: Okay. And then we
16 purchase the garage from the developer?

17 MS. CUTLER: When it's completed.

18 COUNCILWOMAN TASC0: When it's
19 completed.

20 MS. CUTLER: That is correct.

21 COUNCILWOMAN TASC0: And the purchase
22 price should not exceed 28 million?

23 MS. CUTLER: The purchase price will
24 not exceed 38 million, but we have already
25 purchased the land for 10 million. So an

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 additional 28 million will be owed upon completion
3 of the parking garage construction.

4 COUNCILWOMAN TASC0: So what happens if
5 there are cost overruns? Who picks up the cost
6 overruns?

7 MS. CUTLER: That is a maximum amount
8 we will pay for the garage, so those would be the
9 developer's costs.

10 COUNCILWOMAN TASC0: Councilman Nutter
11 asked about the WBE/MBE participation. If the
12 developer is in charge of the construction, who is
13 -- who oversees the minority female participation
14 on the project?

15 MS. CUTLER: It's -- there are -- I
16 mean, this isn't a Parking Authority question, but
17 I'll be pleased to try to answer it for you.

18 MR. FINA: For the record, my name is
19 Robert Fina, I'm with PIDC. William Hankowsky
20 will return in a moment. But for expediency, I
21 can answer the question.

22 The developer has, at the suggestion of
23 Council staff, has hired the Urban Coalition to
24 monitor the total economic opportunities plan that
25 they have prepared and that becomes part of the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 documentation that the developer's obligated to
3 adhere to.

4 We will provide copies, as requested by
5 Councilman Nutter, to the Chair for all
6 Councilpeople to see that economic opportunities
7 plan.

8 COUNCILWOMAN TASC0: And so when the
9 developer proceeds to secure financing for the
10 project on the front side, he has to also secure
11 financing for the purchase for the construction of
12 the garage?

13 MS. CUTLER: Yes, total construction
14 financing needs to be achieved.

15 COUNCILWOMAN TASC0: So we're kind of
16 like giving the up-front money?

17 MS. CUTLER: We have purchased the land
18 that the garage would go on. We will not give the
19 developer the remainder of the money until the
20 garage is completed.

21 In the event the developer cannot
22 complete it, we now own the land and will move
23 forward to build our own garage. Or we will come
24 back to Council to use the bond money that we are
25 asking for here to go to a substitute garage

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 project.

3 Part of it depends, Councilwoman, on
4 what stage the construction is.

5 COUNCILWOMAN TASC0: So if we do not
6 proceed with this developer, you have to build the
7 garage. We get another developer; do we sell the
8 garage to the new developer?

9 MS. CUTLER: We certainly have the
10 option of doing so. If the developer who's
11 looking at the remainder of the site, in fact,
12 requires that they control and own the parking,
13 then, certainly, we could at that point sell the
14 parcel, getting all of our costs back to a new
15 developer.

16 COUNCILWOMAN TASC0: There is in
17 Exhibit A a statement about the City having to
18 cover debt service. Do you see that circumstance
19 ever happening?

20 MS. CUTLER: There are preliminary
21 numbers in this, and those preliminary numbers
22 from both the Disney-projected attendance at the
23 Eighth and Market facility as well as the parking
24 study numbers done by Chance Management indicate
25 that this garage will more than pay for itself.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 COUNCILWOMAN TASC0: Okay. Something
3 you said earlier that -- if you would just clarify
4 for me the statement that you made about building
5 a smaller garage. Did I hear you say that you
6 would build a smaller garage?

7 MS. CUTLER: In the worse-case scenario
8 that Bill Hankowsky was referring to, one of the
9 options that we might have -- if in a worse-case
10 scenario, there was no immediate development,
11 Disney decided for whatever reason that they were
12 not coming to Philadelphia, what I said was, at
13 that point, we have the option of deciding we will
14 build a 400-space garage while we figure out what
15 will happen on the remainder of the site.

16 So, yes, there is a scenario where we
17 could build a smaller garage without knowing what
18 type of other activity would happen on the Eighth
19 and Market side of the site.

20 COUNCILWOMAN TASC0: So when do you
21 determine when you begin construction? Are you
22 going to wait till June?

23 MS. CUTLER: Well, certainly,
24 construction has begun in terms of the site on the
25 Eighth and Market portion. In fact, the Parking

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Authority-owned portion on Eighth and Chestnut is
3 still being used as a parking lot.

4 COUNCILWOMAN TASC0: Okay, so you would
5 build a smaller garage because the developer has
6 to build a garage associated with this project.

7 MS. CUTLER: Correct.

8 COUNCILWOMAN TASC0: Okay, I'm
9 straight.

10 I think that's all.

11 COUNCIL PRESIDENT VERNA: Thank you.
12 Councilman Ortiz.

13 COUNCILMAN ORTIZ: Thank you, Madam
14 Chair.

15 I just have really one question as a
16 follow-up on what Michael Nutter was doing. We
17 had the Kvaerner problem, and you know that we
18 then had to come back here in terms of the lack of
19 minority participation in the contracting and
20 minority contractors and so on. And I want to be
21 assured this time that we don't find ourselves in
22 the same sort of situation down the road, that
23 there is in place, a mechanism in which
24 African-American, Latino, and women contractors
25 have full access to the subcontracts.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Who's the main contractor that has been
3 hired in this project? Or has there been one?

4 MR. HANKOWSKY: I believe, and there
5 are representatives from the developer here, so if
6 I get this wrong, I'll ask them to jump up.

7 But basically, Driscoll and Intech have
8 the overall construction responsibility, which I
9 believe is responsive to your question, as
10 construction manager, that they are doing multiple
11 bid packages as they go through each phase.

12 And, Councilman, I do exactly
13 appreciate your question, 'cause I don't want to
14 be here either in that circumstance.

15 And in this instance, I think what we
16 see is that instead of after the fact bringing in
17 someone to see what's going and kind of after the
18 fact trying to catch up, this is a scenario where
19 the developer puts somebody in place at the
20 beginning. One is the plan was in place at the
21 beginning, they hired their own -- the Urban
22 Affairs Coalition to work with them to monitor at
23 the beginning. They were monitoring it monthly so
24 that there is the kind of information.

25 And I cited to you -- I forget, but I

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 think it was in response to Councilman Nutter's
3 question, kind of where it is at this snapshot in
4 time so that we're much more collectively informed
5 and on top of it than what happened in the other
6 instance you cite.

7 COUNCILMAN ORTIZ: And so if the
8 African-American Contractors Association, the
9 Latinos Contractors Association wants information
10 or wants to be bidding in this project, then --

11 MR. HANKOWSKY: They should contact the
12 Goldenberg Group, and I think the right person is
13 -- Laurie Flynn is the right person on that team
14 to contact, yes.

15 COUNCILMAN ORTIZ: Okay. So that if
16 there's going to be access information and
17 accountability to us here at City Council as to
18 what this is --

19 MR. HANKOWSKY: Yes, yes.

20 COUNCILMAN ORTIZ: Thank you, Madam
21 President.

22 COUNCIL PRESIDENT VERNA: Thank you.

23 If my memory serves me, I believe I
24 heard that there was going to be some retail space
25 within the parking garage. I don't think that's

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 been mentioned this morning. Are we still
3 anticipating that to happen? And if so, who will
4 operate that space?

5 MS. CUTLER: Under the current project
6 plan, the first floor along the Chestnut Street
7 corridor will be retail space; it will be operated
8 by the developer.

9 COUNCIL PRESIDENT VERNA: At this time,
10 the Chair would recognize Councilman Rizzo.

11 COUNCILMAN RIZZO: Thank you, Madam
12 Chair.

13 Could you please provide to the Chair
14 the documents associated with the transaction, the
15 sale of this property to the Parking Authority --
16 specifically the language, the rights of first
17 refusal that the parking operation has received in
18 that deal?

19 MS. CUTLER: I will be happy to,
20 Councilman.

21 COUNCILMAN RIZZO: Thank you, Madam
22 Chair.

23 COUNCILWOMAN TASC0: You're welcome.

24 The Chair recognizes Councilwoman
25 Miller.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 COUNCILWOMAN MILLER: Thank you, Madam
3 President.

4 Mr. Hankowsky, I'd like to know exactly
5 what the Greater Philadelphia Urban Affairs
6 partnership does, step by step, when it monitors
7 MBE and WBE participation on these types of
8 projects.

9 MR. HANKOWSKY: Let me give you an
10 overview. And as I indicated a moment ago to
11 Councilman Ortiz, Mrs. Flynn is here, Laurie
12 Flynn, who is the point person within the
13 Goldenberg Group on that, and she may be able to
14 further amplify these comments.

15 But basically, the Goldenberg Group --
16 or in this particular instance, their Market
17 Street Pavilion entity has engaged the Greater
18 Philadelphia Urban Affairs Coalition. They are
19 looking, for example, to give a specific example,
20 at the payroll information monthly provided by the
21 contractors of the workforce the contractors have
22 engaged, to what degree is that workforce
23 minority, to what degree is that workforce female,
24 so that on a monthly basis, they can track that.

25 They are looking at the actual bidding

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 of, for example, excavation as a bid package and
3 what is that excavation contractor bringing in
4 terms of minority and female and disabled firms as
5 subs to that, what are the percentages, where are
6 the contract, so that, you know, in a hard sense
7 that there are contractual commitments in place.
8 And then seeing in fact that those firms being
9 employed, are they on the site, are they getting
10 the percentage of the total package of that bid
11 package that was evidenced in the contractual
12 agreement.

13 So they are sort of deep into following
14 it on that kind of -- as it happens, on an ongoing
15 basis.

16 COUNCILWOMAN MILLER: And who do they
17 report that to?

18 MR. HANKOWSKY: I believe they report
19 that -- they report it to the Goldenberg Group,
20 and I believe specifically --

21 (Unidentified woman addresses Council
22 inaudibly off mike.)

23 COUNCIL PRESIDENT VERNA: I'm sorry,
24 I'm sorry, you're going to have to come up to the
25 table and identify yourself for the record and

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 respond, please.

3 Yes, Councilwoman Tasco?

4 COUNCILWOMAN TASCO: I was going to ask
5 if we could ask the Urban Coalition to come forth
6 'cause I had some questions around their
7 monitoring also. Maybe we could ask them to come
8 to the table.

9 COUNCIL PRESIDENT VERNA: Would you,
10 please.

11 (Laurie Flynn comes forward.)

12 MS. FLYNN: My name is Laurie Flynn,
13 I'm a vice president with the Goldenberg Group.

14 And, Councilwoman Miller, just to give
15 you a little bit of an idea of what the
16 Philadelphia Urban Affairs Coalition does for us
17 is, they visit the site usually three or four
18 times a week and physically inspect people who are
19 working there.

20 They also receive certified payrolls
21 from anyone who is working on the site, which
22 indicate age and race and gender and address, so
23 that we can measure how many of the people working
24 there are Philadelphia residents, race, gender,
25 and all of these items.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 In addition to that, however, what they
3 are also doing with us in this instance is not
4 simply monitoring this information after the fact
5 as we make awards. Instead, we are proactively
6 trying to look at all of the bid packages
7 associated with this project and match
8 opportunities to capacities in the City --
9 minority-, female-, and disabled-owned firms.

10 So that's what we're doing together.

11 (Charles Solomon comes forward.)

12 MR. SOLOMON: Good afternoon. My name
13 is Charles Solomon, and I'm the Director of
14 Economic Development --

15 COUNCIL PRESIDENT VERNA: I'm sorry,
16 Mr. Solomon, would you pull that microphone closer
17 to you, please.

18 MR. SOLOMON: All right. My name is
19 Charles Solomon, and I'm the Director of Economic
20 Development of the Greater Philadelphia Urban
21 Affairs Coalition.

22 I'd like to speak to our efforts in
23 terms of this project and talk specifically about
24 the two areas that we are monitoring or
25 facilitating and monitoring -- the first being the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 cracking area.

3 On a per-bid package, per-trade area,
4 we are reviewing each element of the work and
5 identifying minority- and female-owned firms and
6 disabled firms that are certified by the City's
7 Minority Business Enterprise Council, providing
8 that information to the bidders on the project if,
9 in fact, we do not have a minority or a female
10 prime contractors for consideration.

11 We work very closely with the
12 L.F. Driscoll Company and with the owners in
13 reviewing the responses. In the event that a
14 contractor who bids and he's the apparent low
15 bidder, he or she's the apparent low bidder, that
16 contract does not respond to the 22, 12 and 2
17 participation levels, we'd like to know why and
18 we'd like to work with that contractor.

19 So far we have about five packages that
20 are on that's been bid, if you will. One is
21 (unintelligible) in a contract which is with the
22 Winsinger Company (ph.). They have committed to a
23 22, 12 and 2 participation level. At this point,
24 we're asking them to give us a more clear
25 definition about who and which firms they're going

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 to use.

3 On the other packages, we've got
4 reasonable participation, but we are still meeting
5 with those contractors assure that we do get good
6 participation.

7 This is all more a proactive approach
8 as opposed to waiting until after the fact, when
9 the contracts are in fact awarded and we're going
10 back, trying to clean up something.

11 COUNCILWOMAN MILLER: What happens when
12 you don't get good whatever number or percentage
13 that might be participation?

14 And I ask this because we constantly
15 hear from vendors and contractors that just cannot
16 seem to get a piece of this TIF action, and I
17 believe that we have to -- maybe it's lack of
18 information, but the information that I receive
19 continuously is from contractors who cannot get a
20 part of the TIF.

21 And if it has to do with capacity or
22 whatever problems might be there, then I need to
23 know about that.

24 MR. SOLOMON: Okay. Well, there are
25 contractors who have the capacity to perform work,

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 and by and large, those contractors are
3 participating.

4 Now, there are other contractors who
5 may have some difficulties -- maybe their pricing
6 is not right, maybe they're unable to secure a
7 bond, there may be some problems associated with
8 that. But by and large, we're getting
9 participation.

10 Now, are we getting it at the level
11 we'd like to get it on the project we're
12 affiliated with? In some instances, we are; in
13 some instances, we are not. But what we're doing
14 is working -- in this case, we're working with the
15 contractors, meeting, discussing their
16 participation and offering options for them to get
17 real participation, or better participation.

18 We're also working with the minority
19 and female contractors to help them kind of
20 increase their capacity. For instance, on this
21 project, we had one minority firm that was
22 interested in prime participation on one of the
23 smaller structural steel packages. He worked that
24 package up to the point where he had become to --
25 he came to the realization that he couldn't

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 perform the work, so he backed off, and now we're
3 trying to get him some subcontract participation.

4 MS. FLYNN: What I'd like to point out
5 to you is if have heard that problem about this
6 project, that's really something we want to know
7 about. And if anybody hears that problem about
8 this project, please contact us. I would like to
9 know if you've heard that complaint about this
10 project in particular, and I certainly hope not,
11 but if anybody does, then we need to be made aware
12 of that immediately.

13 So sometimes the information is simply
14 lacking and we don't know that there's somebody
15 out there who could participate with us on the
16 project, so we want to know that.

17 COUNCILWOMAN MILLER: I have not heard
18 any specific examples, but people -- the general
19 attitude is, Well, here's another TIF that you
20 guys are approving and we're going to be left out.

21 Now, if I wanted to get information on
22 a participation activity, then I could call your
23 office because this gentleman gives you the weekly
24 report or the monthly report?

25 MR. SOLOMON: Monthly report.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MS. FLYNN: That's correct.

3 COUNCILWOMAN MILLER: Okay.

4 MS. FLYNN: Just for your information,
5 it is also shared on a monthly basis with City
6 Council technical staff, Marla Hamilton. So you
7 can get it from us, you can get it from her -- a
8 couple of ways.

9 COUNCILWOMAN MILLER: And if we have a
10 question about a particular contractor that's
11 applied and hasn't heard anything, we can also get
12 that information too, and if there's a capacity
13 issue or any other issue then we'd know that,
14 correct?

15 MR. SOLOMON: That's correct.

16 COUNCILWOMAN MILLER: All right, thank
17 you, Madam President. I don't have any more
18 questions.

19 COUNCIL PRESIDENT VERA: Thank you.

20 The Chair recognizes Councilman Cohen.

21 COUNCILWOMAN TASC0: (Inaudible, off
22 mike.)

23 COUNCIL PRESIDENT VERA: Just a
24 moment, please.

25 COUNCILMAN COHEN: I'll yield for

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Councilwoman Tasco to continue.

3 COUNCILWOMAN TASC0: Thank you.

4 Mr. Solomon, how many projects are you
5 monitoring that are associated with City Council
6 action?

7 MR. SOLOMON: I believe three.

8 COUNCILWOMAN TASC0: Three?

9 MR. SOLOMON: Yes, I believe so.

10 COUNCILWOMAN TASC0: How much staff do
11 you have?

12 MR. SOLOMON: Seven individuals right
13 now.

14 COUNCILWOMAN TASC0: Seven staff
15 members. Are these staff members required to go
16 out and monitor the various projects?

17 MR. SOLOMON: Yes.

18 COUNCILWOMAN TASC0: And how often do
19 they go out?

20 MR. SOLOMON: We generally agreed to a
21 schedule of once to twice a week, sometimes three,
22 depending on the size of a project.

23 COUNCILWOMAN TASC0: If you find that a
24 prime is not in compliance and you are trying to
25 get that contractor in compliance and you're not

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 successful, where do you go to let -- how do you
3 let us know what's going to happen? Or do you let
4 us know?

5 MR. SOLOMON: Okay. Well, since we're
6 contracted with an owner in most cases, that
7 information goes to the owner. A great deal of
8 whether or not a project is successful or not has
9 to do with the commitment of the owners. And if
10 the owners are clearly committed to making this
11 thing happen, generally we'll get the kind of
12 participation we'd like to get because it's a
13 bottom line when we're taking about sitting down
14 and negotiating with each contractor to get the
15 appropriate participation really.

16 So in instances where we reach a dead
17 end, that dead end is generally at the owners --
18 at the owners' --

19 COUNCILWOMAN TASC0: I can't hear you.

20 MR. SOLOMON: That dead end is
21 generally with the owner.

22 COUNCILWOMAN TASC0: So if the owner is
23 not really forceful in negotiating, do you come
24 back to Council and say that you're having a hard
25 time?

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MR. SOLOMON: Historically, we have
3 not. I mean, again, we are contracted with the
4 owners --

5 COUNCILWOMAN TASC0: But through the
6 will and desire of City Council to make sure what
7 we bid on when we approve these contracts --

8 MR. SOLOMON: Right.

9 COUNCILWOMAN TASC0: -- we ask, and
10 everybody knows we're concerned about minority and
11 women participation, so they go hire the Urban
12 Coalition. And I'm like Councilwoman Miller; we
13 constantly get complaints from contractors and
14 workers that they are not on these projects, why
15 do they ride by, they don't see any people of
16 color or women on these projects. And nobody -- I
17 don't hear from you saying that this is not
18 happening.

19 MR. SOLOMON: Okay.

20 COUNCILWOMAN TASC0: And it's very
21 frustrating that we sit here and we go through
22 this charade every time and we are told we're
23 going to have all this participation, and then we
24 constantly have to spend a lot of staff time
25 calling, trying to make sure that there is

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 participation on the project.

3 MR. SOLOMON: Well, I'd like to say
4 this: you know, we do a great deal of research,
5 if you will. We talk to the minority contractors,
6 we talk to the majority contractors, and we're
7 right on top of the problem. I think we've got a
8 fairly good fix on why the problem exists, where
9 there have been successes, where there have been
10 failures.

11 To solve this problem I think for us
12 would be clearly to get some agreement from the
13 owners. Again, we contract with the owners and
14 get some agreement from the owners that we be able
15 to provide City Council with whatever information
16 they might want about a project, and we'll be glad
17 to do it.

18 COUNCILWOMAN TASCO: Well, I think that
19 if there's public money in a project, I mean, we
20 have a right to that information --

21 MR. SOLOMON: I agree.

22 COUNCILWOMAN TASCO: -- whether the
23 owner agrees or not.

24 MR. SOLOMON: Okay, all right.

25 COUNCILWOMAN TASCO: Thank you.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 COUNCIL PRESIDENT VERNA: Councilman
3 Cohen, do you still want to be recognized?

4 COUNCILMAN COHEN: Yes.

5 COUNCIL PRESIDENT VERNA: You're
6 light's not on.

7 COUNCILMAN COHEN: Well, I didn't
8 realize it went off. Thank you, Madam President.

9 Just pursuing that for a moment, who do
10 you mean when you say "owner"?

11 MR. SOLOMON: In this instance, we're
12 contracted with the Goldenberg Group, and they're
13 the developers for the project.

14 COUNCILMAN COHEN: The one that we
15 generally call "the developer" in these, that's
16 the same person.

17 Does -- do you monitor the contracts
18 between the subcontractor and the general
19 contractor?

20 MR. SOLOMON: Yes, we do, when that's
21 the case, yes.

22 COUNCILMAN COHEN: Because the most
23 frequent complaint in that area is that general
24 contractors retain a portion of the amount of
25 money, usually about 10 percent.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MR. SOLOMON: 10 percent, standard.

3 COUNCILMAN COHEN: And give to the
4 subcontractor 90 percent. And then at the end of
5 the work, when the subcontractor is getting his
6 final payment and expecting to get all of the 10
7 percents that have accumulated, instead we're told
8 generally the subcontractors get a letter from the
9 contractor saying that you have not -- that
10 certain -- I'm using examples that may or may not
11 apply -- windows or doors or other work was done
12 improperly. Therefore, instead of getting, say,
13 \$10,000, which is the accumulated sum, you know,
14 you're only going to get \$2,000.

15 MR. SOLOMON: Right.

16 COUNCILMAN COHEN: And is that
17 monitored? If that happens, does your agency in
18 any way offer any help to the subcontractor to
19 determine whether or not that is a proper
20 dispute?

21 Most subcontractors believe that they
22 are ultimately forced to accept a sharp reduction
23 in the amount of money they feel is coming to them
24 because otherwise, the contractor says, You're
25 going to have to sue us, you're going to have

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 legal expenses, the case is going to go on for
3 years, but if you accept instead of this \$2,000
4 we're offered you or 3,000, you can have it now,
5 otherwise we're going to give you nothing, and
6 you're going to spend years, and most of these
7 subcontractors are not in a position to get
8 involved in litigation, pay the costs, and wait
9 the time out.

10 Now, does your monitoring include
11 dealing with those kinds of problems?

12 MR. SOLOMON: Yes, it does. We take a
13 look at final payment. We understand the
14 retention approach -- the retainage approach,
15 excuse me, where the 10 percent generally of the
16 contractor's invoices is withheld pending
17 acceptance of the work and the workmanship and the
18 quality of the work.

19 Now, in an instance where there is a
20 dispute on projects that we're affiliated with,
21 then we will sit down with both parties in trying
22 to help resolve that issue really, you know, to
23 the satisfaction of both parties.

24 More often than not, the --

25 COUNCILMAN COHEN: And you would

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 continue even beyond the end of the work period?
3 Because often on the final payment, it only comes
4 when the project is, as far as the rest of the
5 world is concerned, completed.

6 MR. SOLOMON: We generally continue on
7 a project 30 to 60 days after it's been accepted
8 in terms of doing the final reporting, yes.

9 COUNCILMAN COHEN: In the percentage
10 figures that have been given as to the
11 participation of female and minority employees,
12 does the information that you monitor, does it
13 include a breakdown by positions? Or is it an
14 overall percentage, say, that there are 22 percent
15 or 35 percent or 5 percent, whatever the number
16 may be, employed by this subcontractor or by this
17 contractor?

18 MR. SOLOMON: We break down the
19 employment in several different ways. We do it
20 based on the trade, the contract of the trade, the
21 individual's Social Security number, address, zip
22 code, etc. We have a fairly clear profile of each
23 worker, where they work, and in what trade.

24 COUNCILMAN COHEN: Well, if I told you
25 that the general perception is that where the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 talk in terms of maintaining a reasonable level of
3 participation by minority and female employees at
4 the upper levels, does that reasonable level, is
5 that the same figure as the goals set forth in the
6 contract? Or --

7 MR. SOLOMON: No, it's not. I mean,
8 for instance, if a -- in this case, let's say for
9 minorities, the goal's set at 22 percent.

10 COUNCILMAN COHEN: Right.

11 MR. SOLOMON: Now, that 22 percent
12 would be a combination of the participation at the
13 skill level and at the laborers' level, so it
14 would be a combination of the two that we speak to
15 total hours worked, 8 percent of total hours
16 worked.

17 COUNCILMAN COHEN: Well, is it
18 possible, for example, that you may have a
19 situation which, at the lowest levels of pay, the
20 most unskilled, you might have 40 to 50 percent
21 minority, and at the upper levels of skill, you
22 might have as few as 5 to 10 percent, say, in an
23 area where your overall goal may be 20 percent.

24 MR. SOLOMON: It's generally between
25 the 15 and 20, 22 percent area for the field.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 COUNCILMAN COHEN: The general goal.

3 MR. SOLOMON: For the skilled trades.

4 And it's true that the unskilled or labor areas is
5 generally between 40 to 70 percent, depending on
6 the project.

7 COUNCILMAN COHEN: Excuse me. When you
8 set goals, do you have separate goals for the
9 skilled and the unskilled?

10 MR. SOLOMON: No, we do not; we have an
11 overall goal for the project.

12 COUNCILMAN COHEN: Well when, for
13 example, Mr. Hankowsky gave at the earlier part of
14 the testimony the goals and the apparent meeting
15 of those goals, he was dealing with the overall
16 percentages.

17 MR. SOLOMON: Right. He mentioned the
18 overall employment participation of 35 percent --
19 30 percent minority and 5 percent females. And
20 that's the overall goal for employment for this
21 project.

22 There is another breakdown that we do
23 in our reports. It breaks down the skill levels
24 and the --

25 COUNCILMAN COHEN: Would there be a

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 specific goal with respect to skilled trades?

3 MR. SOLOMON: No, there is not. On
4 this project, we do not have a goal for skilled
5 trades exclusively, no, we do not.

6 COUNCILMAN COHEN: Do you have it on
7 other projects?

8 MR. SOLOMON: To the best of my
9 recollection, we have not had that on any
10 projects.

11 COUNCILMAN COHEN: So then I gather
12 that when you talk in terms of goals, what you do
13 is to say, we'll have an overall goal covering
14 everybody, and we'll work hard, without figures,
15 without knowing precisely what the figure will
16 be. We get as much skills, you know, get the
17 highest possible percentage that we're able to get
18 at the skill trades, but we'll meet the overall
19 goal really because we will go far, we will far
20 surpass the goals at the unskilled level.

21 MR. SOLOMON: The effort is really to
22 get more participation at the skill level because
23 the labor level is a no-brainer.

24 COUNCILMAN COHEN: That's what I
25 thought.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 MR. SOLOMON: Roughly 80 percent of the
3 laborers union are minority individuals, so that's
4 not really an effort.

5 We work more to get participation at
6 the skill levels, and we do have an actual
7 percentage on a monthly basis. We look at the
8 skill level of participation and the labor level
9 of participation each month, so we have a clear
10 fix on just what that is at any given point in
11 time.

12 COUNCILMAN COHEN: Well, wouldn't it be
13 more open and more direct then to speak not of the
14 overall goals but to speak in terms of what our
15 specific goals are at the skill level?

16 Because I agree with you, I've never
17 known -- I think I can say "never" known any
18 instance in which there was a problem at the
19 unskilled level. You know, if it happened -- you
20 know, maybe it happened somewhere, but that's
21 never been the problem. Except maybe for females,
22 it may have been a problem, even at the very
23 unskilled level.

24 MR. SOLOMON: It still is.

25 COUNCILMAN COHEN: But not the minority

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 participation. But we're really, when we're
3 expressing our concern, we're expressing our
4 concern at the higher skill levels, you know. And
5 wouldn't it be more realistic and wouldn't we be
6 in a position to have the better information so
7 that we can deal with our constituents on it, if
8 we knew at what level of skill, what the goal was,
9 and how that goal was met?

10 I know it would complicate Mr.
11 Hankowsky's life because he'd have to tell us a
12 number of goals rather than, you know, one single
13 overall goal. But I think it would finally
14 overcome this constant attention that the whole
15 Council pays to this issue, because all us --
16 well, I can't speak for all of us, but I think the
17 overwhelming majority of Councilmembers really
18 want to be able to go to their constituency and
19 say that if this projects develops, we want to
20 make sure that there is a fair division of the
21 work that goes to Philadelphians, that it's
22 distributed fairly amongst all Philadelphians.

23 I'm just concerned generally that the
24 goals tell us nothing about those areas where the
25 problems have existed in the past and which we're

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 aiming to correct.

3 MR. SOLOMON: Okay, well, let me say
4 just the one thing. A part of the thought process
5 behind the overall goal is to be able to measure
6 economic impact in terms of dollars and taxes and
7 that kind of stuff being paid. So that's part of
8 that thought process, if you will.

9 However, we clearly understand that the
10 interest is really in getting more minorities and
11 females into the skilled trades areas, and we're
12 doing that. We try to work to offer as much
13 opportunity as is available --"available" meaning
14 the number of people available to work in the
15 skilled trades areas. And we are augmenting that
16 with training and apprenticeship programs and
17 getting contractors to buy into that so that we
18 can get more minorities and females into the
19 skilled trades areas.

20 And we are measuring it, but a lot of
21 it has to do with availability.

22 COUNCILMAN COHEN: Well, would it be a
23 fair request to make of you or of Mr. Hankowsky or
24 of Mr. Fina to tell us what your goals are for the
25 skilled trades that are going to be involved in

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 the development of this project and then keep us
3 informed as to the degree we're meeting that?
4 Rather than dealing with the overall percentages.

5 MR. HANKOWSKY: Yeah, why don't we --

6 COUNCILMAN COHEN: And I would ask if
7 that could be done, if it could be sent to the
8 President who could then, you know, circulate it
9 to the Councilmembers.

10 MR. HANKOWSKY: Right. Why don't we
11 take a look at that. I only want to add for the
12 record, though, that we do -- we are working with
13 the owner or developers, present these plans, and
14 actually, there is a dialogue between our office
15 and Council's technical staff to do that. And I
16 think perhaps, with the assistance of Council's
17 technical staff, we could take a look at such a
18 revision or perfection, or whatever it may be.

19 COUNCILMAN COHEN: Well, I know that,
20 but in addition to that discussion, could there be
21 a calculation arrived at periodically as to what
22 the goals are and how they've been met?

23 MR. HANKOWSKY: Yes.

24 COUNCILMAN COHEN: Could that be put in
25 some written form to the President for circulation

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Madam President.

3 Mr. Hankowsky, when you sit down in the
4 initial stages with the owner of the project and
5 discuss the minority and women and disabled
6 participation levels, one of the problems that I
7 keep hearing from various agencies, and as
8 Mr. Solomon just stated, that if the owner doesn't
9 buy into this, it doesn't happen -- or it's more
10 difficult to get the participation levels that we
11 really want without the owner.

12 Are there any ways that you can think
13 of that would help the owners, and perhaps
14 Councilpeople could be informed? And maybe
15 there's some resistance to participation. And
16 sometimes it may not be the owner; it could be the
17 persons that are sending the messages right under
18 the owner.

19 But I guess I'm just a little bit
20 frustrated that we keep coming here and talking
21 about the same thing each time there's a TIF --
22 with minority participation and just fair,
23 equitable access to projects from everybody, all
24 residents of Philadelphia. And I'm just thinking
25 that maybe this is for a different later

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 discussion.

3 But I wonder if there's something that
4 you've come up with. I'm glad I heard Mr. Solomon
5 say at the trade level, where you're talking about
6 training programs and apprenticeship programs, and
7 I would hope that you will work with the
8 Philadelphia school system so that that could all
9 be built in, and those types of needs could be
10 built in to the curriculum.

11 It's amazing. I did not know that
12 someone is -- if you want to get into the
13 sheetmetal workers' apprenticeship program, you
14 needed trigonometry. I had no idea of that. But
15 it told help us too.

16 But what is it with the owners? We had
17 Mr. Rafdal here from Kvaerner. He said he was
18 very, very committed to meeting the goals of the
19 project, but it appeared that it was the vice
20 president, or whatever his title was, right under
21 him that was not as committed to those goals.
22 'Cause I, as a Councilperson, am very committed.
23 If we're spending public money, as far as I'm
24 concerned, it has to be for everybody, and
25 everybody should have an economic development

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 opportunity to participate.

3 So that's what I'd like to know. What
4 do you think? I know it's --

5 MR. HANKOWSKY: I'm not really sure
6 what the question is, but let me just say that we,
7 I think -- again, I'll never say "all of the time"
8 because maybe once, you know, we didn't do it.
9 But I think basically, in every instance where we
10 begin a discussion, I think we always do it
11 literally at that first meeting, when people are
12 seeking, for example, a TIF or whatever. And we
13 advise them that one of things that they need to
14 understand, they need to appreciate, and they need
15 to buy into is an equal, you know, opportunity
16 plan that would be part that, that would have to
17 be done prior to coming to this body, that would
18 have to be something that, you know,
19 quote/unquote, wasn't just "words on paper," but
20 that they would have to actually execute and
21 perform.

22 And so we try to do that. And then, as
23 Mr. Solomon points out, you know, in some
24 instances, they engage -- the Urban Affairs
25 Coalition or others to work with them to either

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 put that plan together, implement that plan in a
3 proactive sense, and/or monitor that plan.

4 There clearly are instances -- you
5 know, there could be instances where, as you very,
6 I think, correctly pointed out, where there's a
7 commitment and something -- you know, it's some
8 other person in the chain of command or whatever,
9 it falls down, and that we try to jump on those
10 problems as quickly as possible.

11 COUNCILWOMAN MILLER: Well, I want to
12 set up a meeting and just kind of talk about some
13 of this later.

14 I completely understood what you said,
15 but there still must be a breakdown somewhere
16 'cause we would not hear from as many people as
17 we hear from if things were going okay.

18 MR. HANKOWSKY: Okay.

19 COUNCILWOMAN MILLER: Thank you, Madam
20 President.

21 COUNCIL PRESIDENT VERNA: Thank you.

22 The Chair recognizes Councilman Kenney.

23 COUNCILMAN KENNEY: Thank you, Madam
24 President.

25 I agree that there needs to be a

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 continuing effort to expand the skilled trades
3 minority participation, female and minority
4 participation. And, for example, I'll point to
5 one in particular trade that has experienced a
6 full 10 points increase in minority membership
7 over the past three or four years, from a 7
8 percent minority component to almost a 20 percent
9 minority component.

10 The International Brotherhood of
11 Electrical Workers have actually gone out and
12 attempted to create programs to be attractive to
13 African-American minorities and Latino and Asian
14 minorities, male and female. And I think that
15 that needs to be expanded and encouraged in those
16 other skilled trades.

17 But I don't want anyone reading this
18 record to come away with the belief that somehow,
19 the position of laborer and the contracts
20 negotiated by the International Association of
21 Laborers and Mr. Staten is somehow less dignified
22 in wage-earning and family-raising work that
23 someone reading this record might indicate.

24 And for the record, if you know on this
25 project and in general terms, what's the hourly

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 wage rate of a laborer under prevailing wage
3 conditions? First, the hourly rate and then the
4 benefit the fringe benefit rate. If you know that
5 from your experience.

6 MR. SOLOMON: Not exactly, but I'll say
7 the rate's somewhere in the 23, 25 dollars per
8 hour.

9 COUNCILMAN KENNEY: Per hour?

10 MR. SOLOMON: For -- that's the
11 paycheck.

12 COUNCILMAN KENNEY: That's a package,
13 that's wages and benefits?

14 MR. SOLOMON: It doesn't include
15 benefits.

16 COUNCILMAN KENNEY: It does not include
17 benefits?

18 MR. SOLOMON: Benefits are on top of
19 that, yes.

20 COUNCILMAN KENNEY: So on top of that,
21 whatever the average percentage is, benefits
22 versus hourly rate, we're talking in the
23 \$30-an-hour range?

24 MR. SOLOMON: Easily, easily.

25 COUNCILMAN KENNEY: See, again, I'll

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 preface my statement by saying that I want to see
3 more minority men and women laying pipe and wiring
4 and doing other types of rod-setting and other
5 things. But to somehow characterize a laborer
6 position at 30-some dollars an hour I think is a
7 mischaracterization. And I think that if
8 Mr. Staten were here today, he would be the first
9 one to step to the mike to say that he negotiates
10 the best wages and rates for his people.

11 And if this job, as I understand it is,
12 is a prevailing-wage job, then those protections,
13 both Statewide and with the passage of our own
14 prevailing wage ordinance, provides those
15 protections for many individuals in the laborers
16 union who are earning dignified, family-raising
17 wages.

18 Do you agree with that?

19 MR. SOLOMON: I agree with that
20 totally.

21 The issue was simply around what we'd
22 want to call, I guess, "equitable participation."
23 There is significant participation in the laborers
24 union and viable participation in terms of people
25 being employed, earning reasonable incomes.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 The only concern was that when you look
3 at the other trade areas, once you get passed the
4 electricians and the carpenters, you see a sharp
5 downturn in terms of overall participation. That
6 was the only consideration there.

7 COUNCILMAN KENNEY: And I agree with
8 you, and I also agree that those continuing
9 efforts in apprenticeship, training, and other
10 types of training, in order to get our young
11 people from every neighborhood in the City
12 involved in every aspect of the construction
13 industry, I think is absolutely critical.

14 But I didn't want anyone to go away
15 from this room today thinking that somehow being a
16 card-carrying union member of the laborers union
17 somehow has put you in a second-class status as a
18 result of the construction industry, and I think
19 the laborers union would take objection to that.

20 MR. SOLOMON: I agree.

21 COUNCILMAN KENNEY: My second question
22 and final question is, in your opinion, as an
23 individual who is involved in this day to day,
24 what is your estimation of the efforts of this
25 particular developer as it relates to this

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 particular project in trying to meet the goals
3 that have been set initially?

4 MR. SOLOMON: I think from the very,
5 very start, we started to talk about this project
6 when we sat down to talk about participation
7 levels. It's been very proactive. We've worked
8 on it on an element-by-element basis. We've been
9 very, very aggressive and very, very pointed in
10 talking or dialoguing with the construction
11 management firm and with contractors to speak to
12 that participation as being real, and we really
13 want this to happen.

14 So, you know, again, we have four or
15 five packages now, and we are scheduled to meet
16 with four of the five contractors to talk about
17 participation.

18 We've also gone forward at the
19 suggestion of the owner to identify capacity trade
20 area matches, if you will, to start talking about
21 where we can get better participation, knowing
22 that on some packages, we will get less
23 participation because of the lack of availability.
24 And we will look at packages where there's higher
25 availability to get better participating.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 So I think this has been a win-win kind
3 of a relationship so far.

4 COUNCILMAN KENNEY: Thank you very
5 much.

6 Thank you, Madam President. Just
7 before I leave, though, I'd like to -- I have an
8 appointment and I'd like to leave my vote -- aye
9 on all three of the bills before the committee
10 today.

11 COUNCIL PRESIDENT Verna: Thank you.

12 The Chair recognizes Councilwoman
13 Tasco.

14 COUNCILWOMAN TASC0: Yes, thank you,
15 Madam President.

16 COUNCIL PRESIDENT Verna: Excuse me,
17 excuse me, Councilwoman.

18 Councilman, are you also in favor of
19 the amendments?

20 COUNCILMAN KENNEY: Yes. I'd like to
21 be recorded as voting aye on all amendments and on
22 the final bill coming out of committee.

23 COUNCIL PRESIDENT Verna: Thank you.

24 COUNCILWOMAN TASC0: One of the
25 problems that causes the decline in the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 participation of skilled workers on these projects
3 is because of the lack of participation of at
4 least minorities into the labor trades. And I'm
5 glad that the electricians are improving their
6 participation, and we have to hope that the others
7 will follow suit. Because (unintelligible) does
8 have far more people down there awaiting to work
9 than when they probably would like to go into
10 other skilled trades.

11 The Mayor has an executive order which
12 requires training on projects of this nature. And
13 do we seek to train people in this? Do the unions
14 agree to provide the training on projects of this
15 nature? 'Cause this is the issue that is a
16 constant refrain all the time around these
17 projects, and we get sort of like some quick
18 fix, "We're going to do this," and you and I know
19 it doesn't happen.

20 Can there be any training? It has
21 nothing to do with the developer. You know, your
22 intentions are good. But what happens and what do
23 you do to see that the training takes place? Are
24 you aware of the executive order?

25 MR. SOLOMON: Yes, I'm aware of it. On

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 this particular project, we've had some
3 discussions with OHCD, and we've talked about
4 being responsive to the Section 3 requirements and
5 getting an agreement, if you will, from the
6 contractors to employ more apprentices --
7 specifically from Congreso 'cause they're doing it
8 already, they have some people on deck to take
9 advantage of apprenticeship opportunities. Our
10 role now is to develop those opportunities within
11 the contracting community, those contractors on
12 this project.

13 The coalition. We're involved in
14 several different training activities geared to
15 the same thing in terms of the -- that are kind of
16 project-specific to train individuals from the
17 community, to get them to the apprenticeship test
18 and pass, and then get those folks placed with the
19 contractors.

20 COUNCILWOMAN TASC0: Okay, we won't
21 burden the record further -- at least I won't, but
22 we do plan to come back to this issue.

23 And Mr. Hankowsky, I appreciate your
24 offer to Councilman Cohen to look at how we could
25 probably incorporate in the contracts the skills

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 level requirements as opposed to a general overall
3 participation.

4 MR. HANKOWSKY: Also, I probably should
5 just put on the record that --

6 COUNCILMAN MARIANO: (Inaudible, off
7 mike.)

8 MR. HANKOWSKY: I'm sorry.

9 COUNCILMAN MARIANO: Councilwoman Tasco
10 spoke about the minority participation piece, and
11 this gentleman here, you mentioned Congreso de
12 Latino Unidos.

13 Congreso has been working with me and a
14 couple members of this Council in order to do
15 exactly what you're talking about, and I've done
16 some things with Alva Martinez and Congreso,
17 Councilwoman. And what she is doing up there is
18 way ahead of her time.

19 The problem with the building trades --
20 and I think I can speak freely with that and
21 openly since I came from the building trades and
22 from the International Brotherhood of Electrical
23 Workers that Councilman Kenney spoke about with
24 our minority participation piece.

25 What Alva has done is, she has taken

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 young Latino and African-American minority youths
3 and schooled them in being able to take the
4 apprentice test. But what everyone needs to
5 understand is, there's not a gate open where
6 there's -- the electricians can take a thousand
7 people, no matter what color, shape or size or who
8 they are.

9 And the sprinkler fitters -- nobody
10 mentions the sprinkler fitters. The sprinkler
11 fitters are currently working with Alva and
12 Congreso. The carpenters are working with Alva
13 and Congreso. We're talking to the sheetmetal
14 workers, we're talking to the plumbers, we're
15 talking to the operating engineers.

16 And there's just not a gate where there
17 is a thousand people or even a hundred people.
18 Every union -- the electricians I can speak for
19 'cause we negotiate in our contract how many
20 apprentices we can take every year, so it's
21 negotiated. If it's a three-year contract, we may
22 take 25, 50, 100.

23 But Congreso is one of the only
24 organizations that I've found that is actively
25 having people come up and take these tests. So

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 when that apprentice test opens in April -- in
3 fact, the electricians is open now, this week and
4 next week, and you come up, you fill out an
5 application, you take a test. Now, you have to
6 pass a test. You can know everybody in the union,
7 but if you don't pass that test -- and it's not a
8 fail/pass; it's low, medium and high, and they
9 start with the highs, then work down to the
10 mediums and then work down to the lows.

11 But what happens is, if everybody comes
12 in high and there's not enough openings, they'll
13 have to wait another year and another year. So it
14 becomes very burdensome.

15 But Congreso has been doing great
16 things. They have people train for the test. So
17 if the electricians aren't available, the plumbers
18 may be. It's pretty much the same test. It's a
19 mechanical aptibility (sic) test.

20 And you brought up Congreso, and
21 they're doing things way ahead of time, and it's
22 about time that all happens.

23 Thank you.

24 COUNCIL PRESIDENT VERNA: Thank you.

25 Councilwoman Tasco do you want to

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 continue? Thank you.

3 Councilman Cohen, do you want to be
4 recognized?

5 COUNCILMAN COHEN: One more with him
6 before Miss Cutler.

7 You are a part of the Urban Affairs
8 Coalition that's monitoring?

9 MR. SOLOMON: Yes. I am the Director
10 of Economic Development Projects for the Greater
11 Philadelphia Urban Affairs Coalition.

12 COUNCILMAN COHEN: Where does
13 Mr. Underwood fit in? He works for the City?

14 MR. SOLOMON: Mr. Underwood? I'm not
15 familiar with that person.

16 COUNCILMAN COHEN: Who is the person in
17 charge of monitoring for Kvaerner?

18 Mr. Roundtree? And is Mr. Roundtree
19 with the City or is he a part of the Coalition
20 monitoring group?

21 MR. SOLOMON: He's with the City, he's
22 with MBEC.

23 COUNCILMAN COHEN: He's with MBEC.

24 MR. SOLOMON: That's correct.

25 COUNCILMAN COHEN: And you're with the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 Coalition, and the Coalition has been hired by the
3 developer or by the City? Who hires the
4 Coalition?

5 MR. SOLOMON: The developer.

6 COUNCILMAN COHEN: The developer hires
7 the Coalition to see that these goals are met.

8 MR. SOLOMON: Yes.

9 COUNCILMAN COHEN: Very good. I just
10 wanted that cleared up.

11 Thank you very much.

12 COUNCIL PRESIDENT Verna: The Chair
13 recognizes Councilman Mariano.

14 COUNCILMAN MARIANO: Thank you.

15 Can you stay here? (Addressing Mr.
16 Solomon.)

17 MR. HANKOWSKY: Charlie?

18 COUNCILMAN MARIANO: I still have some
19 things I want to speak about.

20 My main concern, and every time we do a
21 public project, we come up here and do the same
22 thing. And the Urban Coalition piece, what you
23 need to do here. I mean, are we trying to get
24 minority contractors and minority tradeswomen and
25 tradesmen? Is it a double thing we're trying to

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 do here?

3 MR. SOLOMON: Yes.

4 COUNCILMAN MARIANO: Because what I
5 would see is like if the contractor is a minority
6 or isn't a minority, the contractor, especially if
7 it's a prevailing-rate job and they're union, they
8 have to go back to the same union hall and hire
9 the same men and the same women. So if it's not a
10 minority contractor, or if it's a minority
11 contractor, they're the same workers.

12 So is there anything that the workers
13 actually -- not just the contractors -- the
14 workers have to have a minority participation
15 number?

16 MR. SOLOMON: Yes.

17 MR. HANKOWSKY: Yes. There are goals
18 for the workforce.

19 COUNCILMAN MARIANO: Right. So if
20 Michael Nutter owns the contracting company or I
21 own it, we're going to hire the same people,
22 okay? 'Cause if hiring electricians, we're hiring
23 out of the same union hall. So if they have to be
24 -- if there's 20 electricians and, what, 10 of
25 'em have to be minorities, we're going to get the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 same people. Is that the goal here?

3 MR. SOLOMON: Well, no. The point for
4 both areas as it relates to the contractors, we're
5 looking to increase capacity. I mean, if
6 contractors do more work, get more projects, an
7 increase in the sophistication of their work,
8 they're able to hire more people. Yes, there's a
9 moving number of people in the electricians union
10 at this particular point in time.

11 But we also understand that in many of
12 the skilled trade areas, there's an under-
13 representation of minorities and even a greater
14 under-representation of females. So what we're
15 attempting to do, along with Congreso and other
16 organizations, is to get more folks into the
17 unions.

18 Now, what we've been doing is to, on a
19 per-project basis, talk to the contractors who are
20 on the project and get their cooperation. For
21 instance, the electricians is the only union that
22 has helpers, which is a real easy fix for us.

23 COUNCILMAN MARIANO: Well, we only have
24 helpers with the kindness of the business office
25 and the kindness of the contractors, but that

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 could end tomorrow because there's really --

3 there's helpers but there's not helpers, ya know

4 what I mean?

5 MR. SOLOMON: Okay.

6 COUNCILMAN MARIANO: If the apprentices

7 are out of work, there's no helpers.

8 MR. SOLOMON: Okay.

9 COUNCILMAN MARIANO: If the journeymen

10 are out of work, there's no apprentices.

11 MR. SOLOMON: Well, fortunately, we're

12 at a point in time now where --

13 COUNCILMAN MARIANO: Thank God.

14 MR. SOLOMON: Right.

15 COUNCILMAN MARIANO: It's either feast

16 or famine, and it's a feast now.

17 MR. SOLOMON: That's correct. We're

18 getting the cooperation of the unions across the

19 board. We're working on them one by one, and it's

20 just a matter of getting more apprentices in the

21 pipeline, and that's working. So we want to see

22 just where it goes.

23 COUNCILMAN MARIANO: While we're on

24 this, there's a couple things I want to ask you

25 and a couple things I want to say -- only because

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 I have a background.

3 MR. SOLOMON: Sure.

4 COUNCILMAN MARIANO: And it's something
5 that's been important for me, working with
6 Congreso 'cause Alva has a great heart, and she
7 understands. Getting kids to the table to take
8 the test is great, but they have to be prepared to
9 take the test, and it may take three months, it
10 may take six months, it may take a year. But she
11 has the wherewithal in trying to get her funds to
12 be able to do that.

13 The problem as I see it is with women.
14 There's not a lot. I was an apprentice in 1977,
15 1978. There was a lot of women in my apprentice
16 class, and I say a lot -- in that days, there was
17 ten, and there's one left There's not a history
18 in the building trade, and we look for it. I
19 mean, we actively look for women. And maybe the
20 first ten years, we didn't know where to look.

21 But now (unintelligible) Congreso,
22 we're getting women. But for a woman to come in
23 here the last four years and decide, Whoa, this
24 isn't for me, to do all this stuff, go through the
25 whole training, waste all the money, and then

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 decide, Oh, ya know, I think I'm going to do this.

3 There's no women in the building trades
4 that are in their 50s and 60 years old that have
5 been doing this. So what we need to do is to make
6 sure -- and I don't know how you do that, but
7 maybe you could help me and the building trades
8 with that. Maybe you could -- is there a way? I
9 mean, they have to be serious when they -- it
10 can't be a ten-year fix, it has to be 15, 20 years
11 to be able to last and get their pension and their
12 annuity.

13 'Cause, you know, one of the women in
14 my class is a contractor. One of the guys I
15 worked for is a contractor, Larry McCray (ph.),
16 and Larry does well because of where he is in
17 life.

18 MR. SOLOMON: The situation is changing
19 as it relates to women. We have one project that
20 we just checked a few weeks ago. There's 17, 18
21 women working on that project, which is --

22 COUNCILMAN MARIANO: In the skilled
23 trades?

24 MR. SOLOMON: Well, it's a blend, it's
25 a blend, but it's probably half and half, which is

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 unusual. So it's changing. We've found also that
3 women tend to do better in the apprenticeship
4 testing and that kind of stuff.

5 So the point is that we've got to keep
6 working away at it and plugging away at it.

7 COUNCILMAN MARIANO: Well, I personally
8 think women can handle the physical demands of the
9 job but I just think there's no one to mentor them
10 that's 50 or 60 years old to say, Look, kid, I've
11 been doing this 40 years. I had my father, I had
12 my uncle, I knew what was going to happen.
13 There's no women in their 50s and 60s that can
14 say, "Stick with it, there's a light at the" --
15 they should be out in their 50s anyhow, 55.

16 But that's what we need to do with
17 women. We need to make sure that they're serious
18 about this because all they're doing, if they're
19 only in it for two years, is taking the space of
20 somebody else, you know.

21 And in my world, it's whoever needs it
22 really wants to be in it, you know, regardless of
23 race or what sex they are. I mean, whoever can do
24 it do and do the job and build the building, it's
25 great if they're women, it's great if they're

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Latinos.

3 But, you know, we've got to make sure
4 that there are people that understand this. This
5 is a lifelong commitment and it's not easy. If it
6 was easy, I wouldn't be sitting here right now;
7 I'd be --

8 MR. SOLOMON: We're selling it as a
9 career, as a career option.

10 COUNCIL PRESIDENT VERNA: Pardon me?

11 COUNCILMAN ORTIZ: One point.

12 COUNCIL PRESIDENT VERNA: Point of
13 order.

14 COUNCILMAN ORTIZ: The one problem that
15 when you get to the skilled trades in terms of the
16 building trades and so on is that currently, the
17 level of minorities in those trades doesn't rise
18 to a very high percentage. And if you take 'em by
19 trade -- carpenter, electrician and so on, and
20 Congreso is doing a good program. But even if all
21 of the individuals, for example, that Congreso
22 trains, they may not rise up to being 1 percentage
23 of the membership of the electricians, for
24 example.

25 So what we have is that we have a --

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 because of all those years, and we've been here
3 since 1984 arguing about these issues. And which
4 we had the Convention Center, we had the hotel
5 boom from '84 to '91, and the percentages haven't
6 grown. I've seen some of the new leadership that
7 is coming into the trades and it's good because
8 they're talking about really opening up the
9 process.

10 But the numbers are not there within
11 the trades. The numbers don't reach -- at least
12 from the Latino perspective, they don't reach even
13 to a percentage -- in any of the trades. And if
14 you go into African-American, I don't think we get
15 to 6 or 7 percent of the trades at that level.

16 So we have a problem that we have to be
17 able to address very clearly in terms of as we go
18 building all of these new buildings in terms with
19 City money and City contracts. And I'm very glad
20 that we have leadership like Johnny Dougherty and
21 some of these other folks that are talking about
22 opening up that process.

23 But it is not yet there at that point.

24 COUNCIL PRESIDENT VERNA: Thank you.

25 COUNCILMAN MARIANO: Can I --

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 COUNCIL PRESIDENT VERNA: May I just
3 say that I do want nine Councilmembers to be
4 present in order for us to be able to vote this
5 bill up or down. We are losing members because
6 they have other commitments, so I would please
7 urge, if there are questions or statements to be
8 made, that they be very, very brief.

9 COUNCILMAN MARIANO: Back to Councilman
10 Ortiz, can I just say ask the Councilman --

11 COUNCIL PRESIDENT VERNA: Is this going
12 to be a personal conversation?

13 COUNCILMAN MARIANO: No, no, it's not.

14 COUNCIL PRESIDENT VERNA: Please talk
15 to the Chair.

16 COUNCILMAN MARIANO: To Councilman
17 Ortiz through the Chair, your statement, and I
18 understand it, but what do we do, throw the baby
19 out with the bath water? I mean, that's where we
20 are, and I appreciate that. And I've only been
21 here since 1996, and I've only been involved with
22 the union, and I don't take that as a personal
23 attack.

24 But I mean, this is a question. So
25 what do we do? I mean, we're trying to get the

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 minorities in, they have to be schooled, and I
3 explained at the beginning that we continue what
4 we're doing, but we have to have some faith in --
5 like you said, you mentioned the leadership up
6 there, but that has to keep happening, you know? I
7 mean, they get disillusioned there's other members
8 in there who have been in there for years that may
9 not have been -- that are not minorities, and they
10 still have a fair shake at the jobs, too. So
11 that's what everyone has to understand.

12 COUNCILMAN ORTIZ: I have no problem in
13 that in opening up the process.

14 COUNCILMAN MARIANO: Okay, thank you.

15 COUNCIL PRESIDENT VERNA: Councilman
16 Cohen, do you want to be recognized?

17 COUNCILMAN COHEN: Yes. I had only
18 yielded on the labor matter while --

19 COUNCIL PRESIDENT VERNA: That was some
20 time ago.

21 COUNCILMAN COHEN: Miss Cutler, can you
22 tell me, what's the specific mission of the
23 Parking Authority?

24 MS. CUTLER: There are several. Some
25 are stated in law, as in the state-enabling

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 legislation which created parking authorities in
3 the State. That is, in fact, to acquire and
4 construct parking facilities. That is part of the
5 enabling legislation of parking authority law in
6 Pennsylvania -- and in fact, in most parts of
7 country.

8 There are internal policy missions as
9 well. Obviously, since 1983, we have, on behalf
10 of the City -- we have, on behalf of the City,
11 done all of the City's on-street parking
12 management. And so clearly, a mission for the
13 agency is to manage a limited parking supply in
14 order to move traffic, have goods delivered, and
15 provide parking in the City of Philadelphia.

16 So I would say that those are the two
17 main missions of the Authority.

18 COUNCILMAN COHEN: I raise that because
19 it's always been my understanding that basically
20 that second purpose that you mentioned -- I agree
21 with the first purpose enunciated in the law,
22 which was tied in with it, was for -- the public
23 role in parking was to deal with those situations
24 in which the private sector was unable to fulfill
25 the need of Philadelphians or the need of people

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 who are within the area of Philadelphia at any
3 given time, whether they're residents or not, to
4 have ample parking facilities.

5 MS. CUTLER: Well, it's not clear to
6 me, Councilman, that there is a public-private
7 piece in there. I mean, clearly, the overall
8 mission of the agency at this point, both
9 on-street and off-street, is to try and provide
10 adequate public parking in the City of
11 Philadelphia.

12 COUNCILMAN COHEN: Even if, say, if the
13 private industry were able to provide all of the
14 parking needed, you think, nonetheless, there
15 might be an additional public parking need?

16 MS. CUTLER: I think there are many
17 public-policy questions that certainly get
18 answered when a governmental entity does parking
19 as part of the mission, yeah.

20 So I think there is a role for both the
21 public and the private side to both develop
22 parking and operate parking in any city.

23 COUNCILMAN COHEN: Mm-hmm. Well, I'm
24 not sure I may be in agreement on that. This was
25 one area where I always conceded because, as you

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 know, I'm not wedded to the fact that only the
3 private sector can do everything. I think there
4 are public services that ought to be performed by
5 public employees.

6 Parking was one area where I always
7 felt that the particular mission of the Parking
8 Authority was to come in and provide for the
9 parking needs of the City where the private sector
10 couldn't, and I always felt that the private
11 sector kind of had a prior right if they could do
12 it.

13 But all of this is generated -- my
14 questions are generated that it seems to me that
15 in this case, the Parking Authority is moving from
16 being a -- and I'm not necessarily saying it's
17 wrong; I'm just trying to define what it is. That
18 the mission of a Parking Authority now involves an
19 economic development role. And the reason for my
20 concerns in general -- let me state the issue so
21 you could, you know, deal in your answer with it.

22 I have been kind of silently applauding
23 the Delaware River Parking Authority for its
24 sudden emergence at various times in the economic
25 development field saying money is being made

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 available for this development or that
3 development. It was something that I've been
4 aware of, maybe have heard before, but I've only
5 become aware of it over the last few years. I
6 thought that means they're doing very well. They
7 must have developed surpluses over the years and
8 they're trying to, you know, invest it and help
9 the economy generally.

10 But then I read at the beginning of
11 this week that they're thinking of raising the
12 tolls by as much as 50 percent. And then I begin
13 to wonder, Well, is it that the bridge-users are
14 the ones that paying for the development? I don't
15 know the answer as to whether there would be a
16 need for an increase in parking tolls if the money
17 had not been invested, you know, in economic
18 development projects, the Delaware River Parking
19 Authority money.

20 Now, that's what's caused a lot of
21 questions in my mind. What is the role? Is the
22 Parking Authority now going to be cast in the role
23 of being a partner? I'm not saying it's
24 necessarily bad; I don't have any opinion on that,
25 but I am wanting to get information.

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186

2 Is the role of the Parking Authority
3 changing? Are you going to be supplementing the
4 PIDC or coming in where, for reasons they cannot
5 or believe it's not appropriate for them, are you
6 coming in to be a partner?

7 MS. CUTLER: I would be happy to give
8 you my opinion --

9 COUNCILMAN COHEN: Yeah, well --

10 MS. CUTLER: -- on the matter. Parking
11 authority law was created sometime in the '50s.
12 And, in fact, when with it was created across the
13 country, its mission was to do economic
14 development.

15 Many cities, including both of the
16 former cities I did this in used the Parking
17 Authority to do economic development stimulus for
18 the parking portions of the development. It had
19 not been done in Philadelphia for a variety of
20 reasons and has certainly been taking place in
21 Philadelphia since my arrival here in 1994 because
22 I believe that parking is an economic development
23 activity.

24 So we will certainly continue to get
25 involved in developments where there is a need for

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 project going, which is, in fact, I believe the
3 role that the Parking Authority should play, which
4 is the parking component of economic development
5 projects.

6 COUNCILMAN COHEN: Well, to Mr. Fina,
7 does the PIDC pay a developer's role in projects?
8 I know we give loans, you know, at favorable
9 rates, that PIDC arranges a whole lot of things,
10 puts them in order and tries to, you know, develop
11 the necessary pieces that go together to, you
12 know, create a project.

13 But I don't have the impression that
14 the PIDC has been a developer, you know, to the
15 extent, for example, that the Parking Authority is
16 going to be. Maybe that's not the role of PIDC.

17 So I don't know, I'm asking. I'm
18 trying to get clarification. It seems to me that
19 the Disney project, which is a very attractive
20 project and which has enormous public support
21 because of the Disney name. Had the project been
22 -- say if you had come to us originally and said,
23 We have the chance for a Disney project but
24 they're not really interested but they say if we
25 take all the risks involved, they will be prepared

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 to put something on, we might very well have
3 agreed to do that, you know, because of the
4 popularity of Disney in general. I mean, that's a
5 possibility.

6 But looking at it from a development
7 point of view, that's not been the approach we
8 have used, and I am concerned that this Disney
9 development is charting a new course. And if so,
10 I think it just ought to be, you know, very fully
11 discussed. It may well be the right course, but
12 it might not be, but it's leading us in into, I
13 believe, a different channel than we've ever done.

14 And what's disquieting about it is that
15 it's coming in sort of just like an amendment, as
16 if it's not significant change. I think it's a
17 really significant change. A significant change
18 doesn't necessarily make it undesirable; it's just
19 that it's a significant change, and I think we all
20 ought to be aware of it.

21 We tried to help projects with tax
22 abatements, with TIFs, you know, with every kind
23 of ordinary arrangement. But now we're into the
24 risk-taking process. And that to me, you know,
25 makes us a co-developer, and I don't remember us

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 being that in the past. And that's the whole
3 question that I'm raising.

4 When people have raised with me, why
5 are there public garages, why don't we permit
6 private operators? The answer I've always given
7 is that field's always been open to private
8 operators; we only come in as a government body
9 when the private sector doesn't meet the needs,
10 and somebody's got to provide for parking, and
11 that's the area where the public sector comes in.

12 But here, it seems to me, that we're
13 becoming a developer where we don't have to be.
14 Didn't I read in yesterday or this morning's paper
15 that there are two department store chains that
16 are showing interest in the downtown area east of
17 Broad, I think around 11th Street that the papers
18 reported? It seems to me that this parcel of land
19 is a very attractive parcel of land.

20 And I just find it very difficult to
21 see the City being a separate developer, but if it
22 is to be, you know, or a co-developer, but if it
23 is to be, I think it raises an interesting
24 question which we ought to be talking about.
25 Maybe this is the role. Maybe, you know, cities

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 are going to have to become developers, you know,
3 if the private sector doesn't come back.

4 But my understanding -- I think
5 Mr. Hankowsky was the first one that mentioned it
6 to me, and I've been observing it since, and he
7 seems to have been right in that area, that there
8 seems to be a return to an understanding in the
9 private sector that urban areas are places where
10 the private sector can operate successfully.

11 So I've stated all of my concerns, and
12 I would like to hear your responses from all of
13 you at the table.

14 MR. HANKOWSKY: I'd be happy to do it.

15 COUNCILMAN COHEN: Am I right in my
16 analysis, am I wrong? And where am I right or
17 where am I wrong?

18 MR. HANKOWSKY: If I could, let me
19 answer in part and let Miss Cutler answer part 2.

20 With regard to the question of have we
21 ever been a developer before? we'll start with the
22 premise, and I was going to say, that we're not a
23 developer in this deal.

24 But to that question, the answer is,
25 we've been a developer since 1958. We developed a

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 food distribution center publicly. Today, we own
3 the seafood market, the produce market. We have
4 developed a multi-tenant building on American
5 Street because no one in the private sector would
6 do it. PIDC owns it, and we've leased it out. In
7 fact, we leased it out to a day care center that's
8 employing welfare-to-work women who are getting
9 jobs, so they have day care in that neighborhood
10 that they didn't have before. If we hadn't built
11 it, no one would have built it.

12 We have been a developer. Through the
13 Redevelopment Authority, the Reading Head House,
14 the Hard Rock Cafe is a tenant of the
15 Redevelopment Authority of the City of
16 Philadelphia. We did that project because the
17 private sector wouldn't do it and couldn't get it
18 done.

19 We have been a developer of One
20 Parkway, where the City now houses itself. It's
21 owned by PIDC, we lease it to the City, and we
22 serve that role, again, as a way to do it in a
23 most cost-effective way for the public.

24 We were the developer of the project
25 where -- which will open in about 60 days, I hope,

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 to bring the Amtrak Reservation Center here, bring
3 400 jobs, because the private sector wasn't going
4 to put a proposal on the table and get those jobs
5 here, and they would have been -- they weren't
6 here in the first place, but they probably would
7 have even left the region.

8 So we have done many things in
9 different instances to achieve the purpose of
10 getting some project development and benefit done.

11 All of that said, -- a segue, I'm going
12 to hand the mike over, so to speak -- that is not
13 what is happening here. And Rina might want to
14 respond to that.

15 MS. CUTLER: Yes. In this particular
16 case, Councilman, I do not view my role as a
17 developer. In this particular case, I am planning
18 on purchasing a fully built garage at the end of
19 the construction period for an agreed-upon price.

20 So in this particular project, unlike
21 other projects, I actually do act as a developer.
22 This is not one of them. And in this case, I
23 would like to reiterate, that way before the
24 public side got involved -- the public side in
25 this case being the Parking Authority -- this

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 garage was shopped to almost every large private
3 parking operator that I am aware of in the City of
4 Philadelphia, all of which said no.

5 At the point I came into this deal,
6 this deal was going to die, unless the Parking
7 Authority stepped in, looked at the deal, and
8 purchased this garage at the end of the day.

9 COUNCILMAN COHEN: Then let me ask Mr.
10 Hankowsky, does what Miss Cutler just said
11 indicate that Disney has such questions about the
12 economic viability of this project that they're
13 not really willing to put very much of their own
14 credit on the line? Is that -- why -- they're a
15 huge organization, financially speaking.

16 MR. HANKOWSKY: I think we're
17 absolutely, in that question, mixing apples and
18 orange.

19 COUNCILMAN COHEN: Okay.

20 MR. HANKOWSKY: Disney has signed a
21 lease. Disney is prepared to pay rent, pay base
22 rent, participation rent, occupy space, and invest
23 their own \$80-some million to outfit that space
24 and put in all kinds of interesting attractions.
25 They're committed to do that. That's their

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 commitment and it's their risk that people will
3 come to it and pay such that they will get a
4 return on capital.

5 What they're saying is, We believe for
6 that to be successful, you, the developer, who we
7 have signed a lease with, need to do a couple of
8 other things: rent some more space to some other
9 people so that there's a critical mass of
10 activity, and you need to do that, then there will
11 be other tenants who will sign leases and will put
12 their credit at risk to do that. And there needs
13 to be a level of parking and a garage to service
14 this complex.

15 The Parking Authority has evaluated
16 that economically. This is not a -- we are not
17 granting this money to this developer such that,
18 you know -- with no return. This is an economic
19 transaction that says, Here's a parking garage
20 that the Parking Authority believes, both by
21 studies done by the developer and independent
22 studies, that will create a revenue that will pay
23 for the cost of this garage, that it makes sense.

24 It has the ancillary benefit of being a
25 condition to make the Disney project successful so

1 4/8/99 - COMM. OF THE WHOLE - 990110, 990186
2 that when people come, they have a place to park
3 and, in fact, go there.

4 So I don't think there's any
5 relationship between the fact that Disney is
6 putting their money at risk, equity in investing
7 of the property, and putting a long-term
8 commitment to pay their rent and do their piece,
9 and other people need to do their pieces.

10 COUNCILMAN COHEN: All right, thank
11 you.

12 Thank you, Madam President.

13 COUNCIL PRESIDENT VERNA: Thank you.

14 Mr. Reid, I understand that you want to
15 withdraw your request for suspension of the rules
16 so that both bills could be moved at the same
17 time.

18 MR. REID: Yes, ma'am.

19 COUNCIL PRESIDENT VERNA: Would you
20 make that motion, please.

21 MR. REID: Oh, yes. I'd like to make a
22 motion to withdraw.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 Do we have anyone else to testify on
25 Bill No.'s 990110, 990186?

1 4/8/99 - COMM. OF THE WHOLE - 990114

2 (No response.)

3 COUNCIL PRESIDENT VERNA: Seeing none,
4 I would please ask Mr. McPherson to read the title
5 of Bill No. 990114.

6 MR. MCPHERSON: Bill No. 990114, an
7 ordinance amending an ordinance approved July 1,
8 1997 (Bill No. 970120) which created the
9 Philadelphia Navy Business Center Tax Increment
10 Financing District by accepting three certain
11 areas from inclusion in the District by approving
12 the amended project plan for the redevelopment of
13 the District submitted to City Council by the
14 Philadelphia Authority for Industrial Development,
15 and making certain findings and declarations in
16 ordinance with the Tax Increment Financing Act.

17 COUNCIL PRESIDENT VERNA: Before you go
18 on with your testimony, I would ask all
19 Councilmembers who are in their offices and
20 listening to the testimony to please come down to
21 the chambers so that we could cast a vote on these
22 bills today. Thank you.

23 Mr. Hankowsky?

24 MR. HANKOWSKY: I will, in respect for
25 time, summarize. I've included written testimony

1 4/8/99 - COMM. OF THE WHOLE - 990114
2 that was part of my testimony on both TIF bills
3 before Council today.

4 This bill is fairly simple. We
5 submitted it, as you know, which, because Council
6 approved it, an application to create Keystone
7 Opportunity Zones. That application has since
8 been approved by the State.

9 We included in that application a
10 portion of the Naval Business Center. Previously,
11 that had been inside a Tax Increment Financing
12 District. We now need to take it out of the
13 District. It represents 12 percent of the area of
14 the original district. So this bill simply
15 deletes it from the TIF so that those acres are no
16 longer eligible to be TIFed. They're in the
17 Keystone Zone, and we readjusted in the project
18 plan the tax projections, etc., to reflect that.

19 COUNCIL PRESIDENT VERNA: How were you
20 able to make the determination of the acres that
21 you wanted to be included in KOZ?

22 MR. HANKOWSKY: That's a great
23 question, Council President.

24 We actually engaged the accounting firm
25 of Deloitte Haskins and did an analysis sort of

1 4/8/99 - COMM. OF THE WHOLE - 990114

2 from a business perspective, a client's
3 perspective of the differential benefits of the
4 TIF mechanism versus the KOZ mechanism in order to
5 determine sort of what property might make sense.

6 As an example, it seems as if KOZ's
7 would attract manufacturers more than TIFs would
8 attract manufacturers, so we have taken the Ship
9 Yard, the portion not being used by Kvaerner, but
10 the other industrial buildings, existing
11 buildings, and put them in the KOZ so that we
12 could actually have companies in by renting and
13 putting in, you know, an assembly or pipe fitting
14 or, you know, some type of manufacturing
15 operation.

16 And then we took the site that we
17 believed was the most desirable from an office
18 perspective. And, again, KOZ seems like it would
19 drive office tenants more than TIFs would drive
20 office tenants, which is right at the front of the
21 Naval Business Center, and put that in the KOZ.

22 It seemed for distribution and
23 warehousing, TIFs would be better, so we left our
24 Distribution Center in the TIF and did not include
25 it in the KOZ.

1 4/8/99 - COMM. OF THE WHOLE - Public Meeting

2 So there was a fair amount of actual
3 thought in this.

4 COUNCIL PRESIDENT Verna: Thank you.

5 Are there any questions from members of
6 the committee?

7 (No questions.)

8 COUNCIL PRESIDENT Verna: Anyone else
9 to testify on this bill?

10 (No response.)

11 COUNCIL PRESIDENT Verna: Thank you
12 very much.

13 This will conclude our public hearing.

14 - - -

15 COUNCIL PRESIDENT Verna: We will now
16 go into our public meeting. Again, I would ask
17 all Councilmembers who are in their offices to
18 please come down to the chamber so that a vote can
19 be taken on the bills that were just heard.

20 Councilman DiCicco, the bills were in
21 your district, so I would like to recognize you
22 regarding Bill No. 990110.

23 COUNCILMAN DICICCO: There's an
24 amendment to that bill, right?

25 COUNCIL PRESIDENT Verna: No, I believe

1 4/8/99 - COMM. OF THE WHOLE - Public Meeting
2 the amendments are to Bill 186.

3 COUNCILMAN DICICCO: Okay. All right,
4 I make a motion that Bill No. 990110 be reported
5 out of this committee with a favorable
6 recommendation.

7 (Duly seconded.)

8 COUNCIL PRESIDENT Verna: It has been
9 properly moved and seconded that Bill No. 990110
10 be reported out of committee with a favorable
11 recommendation.

12 All in favor signify by saying aye?
13 And the record will indicate that Councilman
14 Kenney did cast his vote as "aye" before leaving.

15 All opposed?

16 The ayes have it, the motion carriers.

17 The Chair recognizes Councilman DiCicco
18 regarding Bill No. 990114.

19 COUNCILMAN DICICCO: Madam President, I
20 make a motion that Bill No. 990114 be reported out
21 of this committee with a favorable recommendation.

22 (Duly seconded.)

23 COUNCIL PRESIDENT Verna: It has been
24 moved and properly seconded that Bill No. 990114
25 be reported out of committee with a favorable

1 4/8/99 - COMM. OF THE WHOLE - Public Meeting
2 recommendation.

3 All in favor will signify by saying
4 aye.

5 Those opposed?

6 The ayes have it, the motion is
7 carried.

8 The Chair recognizes Councilman DiCicco
9 regarding Bill No. 990186. And an amendment was
10 proposed.

11 COUNCILMAN DICICCO: Madam President, I
12 make a motion that the amendment to Bill No.
13 990186 be approved.

14 (Duly seconded.)

15 COUNCIL PRESIDENT VERNA: It has been
16 moved and seconded that the amendment, as read
17 earlier today, be approved.

18 All in favor will signify by saying
19 aye.

20 Those opposed?

21 The ayes have it, the motion is
22 adopted.

23 The Chair recognizes Councilman
24 DiCicco.

25 COUNCILMAN DICICCO: Madam President, I

1 4/8/99 - COMM. OF THE WHOLE - Public Meeting
2 move that Bill No. 990186, as amended, be reported
3 out of this committee with a favorable
4 recommendation.

5 (Duly seconded.)

6 COUNCIL PRESIDENT VERNA: It has been
7 moved and properly seconded that Bill No. 990186
8 be reported out of committee with a favorable
9 recommendation, as amended.

10 All in favor will signify by saying
11 aye.

12 Those opposed?

13 The ayes have it, the motion is
14 carried.

15 And this concludes the public meeting
16 of the Committee of the Whole. Thank you very
17 much.

18 (Adjourned at 1:53 p.m.)

19 - - -

20

21

22

23

24

25

1

2

C E R T I F I C A T E

3

4

5

6

7

8

9

10

11

12

13

RE: COUNCIL COMMITTEE OF THE WHOLE

14

BILL NO.'S 990110, 880186, 990114

15

16

17

18

19

20

21

22

23

24

25

JOSEPHINE CARDILLO,

Registered Professional Reporter