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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, December 4, 2007
10:30 a.m.

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PRESENT:

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COUNCIL PRESIDENT ANNA C. VERNA

COUNCILWOMAN JANNIE BLACKWELL

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COUNCILWOMAN CAROL ANN CAMPBELL

COUNCILMAN DARRELL L. CLARKE

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COUNCILMAN FRANK DiCICCO

COUNCILMAN W. WILSON GOODE, JR.

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COUNCILMAN WILLIAM GREENLEE

COUNCILMAN JACK KELLY

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COUNCILMAN JAMES F. KENNEY

COUNCILWOMAN DONNA REED MILLER

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COUNCILMAN BRIAN O'NEILL

COUNCILMAN JUAN RAMOS

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COUNCILWOMAN BLONDELL REYNOLDS BROWN

COUNCILMAN FRANK RIZZO

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COUNCILMAN DANIEL SAVAGE

COUNCILWOMAN MARIAN B. TASCO

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COUNCIL PRESIDENT VERNA: Good morning, everyone. This is a continued public hearing of the Committee of the Whole regarding Bill No. 070994.

I would ask the City Solicitor to please approach the witness table, and if you will, sir, I would ask that you please explain the amendments that we just received.

MR. DIAZ: Good morning, Madam Chair and members of City Council. I apologize for the late delivery. This has been a negotiation continuing until this morning.

I'm Romulo L. Diaz, Jr., City Solicitor.

We have attempted to distribute copies to all members. I've got three additional copies here if there's anyone who needs a copy.

What we have done, Madam Chair, is to develop an amendment based upon the hearing conducted last Friday to have a legally binding Economic Opportunity Plan

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2 prepared that you see before you. In
3 addition to the Economic Opportunity
4 Plan, which would constitute a new
5 Exhibit F to the bill before you, we also
6 have drafted a covenant that is binding
7 on all of the parties, the Commonwealth,
8 the Authority and the City.

9 You see that in connection with
10 the covenant on Page 1 of the amendment
11 that's been circulated, you'll see that
12 at the bottom of the Page 1 there is an
13 Exhibit E. This is in connection with
14 the Convention Center agreement.

15 You'll recall that there are
16 two agreements that were testified to
17 last week. One is the Convention Center
18 agreement, which is the transition
19 document until defeasement of the bonds
20 no later than June '08. And so that is
21 an Exhibit E, would be the Economic
22 Opportunity Plan to that document.

23 On Page 2, you will see that
24 there is a covenant and on the following
25 page a reference to Exhibit F for the

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2 operating agreement. This is the
3 long-term operating agreement once the
4 current bonds have been defeased.

5 In a summary form, I think what
6 you have before you is an Economic
7 Opportunity Plan that looks like what
8 City Council has previously required in
9 connection with other development
10 projects within the City. It provides
11 for the expectation of a new
12 pre-qualification document. One has
13 already been let based upon the earlier
14 lower mandatory requirements that were
15 discussed last Friday. There is an
16 expectation that there will be a new
17 pre-qualification of contractors based
18 upon the new higher aspirational goals,
19 which are 35 percent for minority
20 contractors, 15 percent for women
21 contractors with regard to construction
22 contracts.

23 I believe there was testimony
24 by Mr. Eisenstadt last Friday that with
25 respect to the architectural and design

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2 work, that the Authority had been
3 successful in exceeding its targets, but
4 certainly for all future work, these are
5 the new aspirational goals that would be
6 expected for contractors.

7 Apprentices are provided for.
8 I think they're covered in Pages 10 and
9 11 of the document. There is a
10 requirement for OIC, among other groups,
11 to be considered as part of this review,
12 which I think was raised by Councilwoman
13 Reynolds Brown. We have incorporated
14 also at her request the inclusion of the
15 African-American Chamber of Commerce and
16 the Hispanic Chamber of Commerce in the
17 Oversight Committee provisions.

18 I believe, in summary then,
19 that all of the issues that I heard
20 raised last week have been addressed,
21 hopefully satisfactorily to the members
22 of Council.

23 And the last point I would make
24 is that in connection with the post
25 construction, you will see that there are

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2 permanent employment opportunities that
3 are also covered for the first time as
4 shown on Page 11. We understand that the
5 additional workforce levels are not
6 expected to be huge, but nonetheless, the
7 same commitment in connection with
8 participation by minorities and women and
9 disabled will also apply to the permanent
10 workforce that's contemplated by this
11 development.

12 So with that, Madam Chair, at
13 an appropriate time, I would request that
14 this be an amendment to the current bill
15 before you, 070994, and request
16 suspension of the rules, as previously
17 indicated by the Director of Commerce.

18 Thank you.

19 COUNCIL PRESIDENT VERNA: Thank
20 you. Thank you very much.

21 The Chair recognizes Councilman
22 Goode.

23 COUNCILMAN GOODE: Thank you,
24 Madam President.

25 Just a few questions. I don't

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2 know if Mr. Diaz wants to answer them or
3 who else is appropriate.

4 Just to start, for the record,
5 the Convention Center expansion is a \$700
6 million project. It's the largest public
7 works project in the history of the
8 Commonwealth. For the record again, what
9 contract participation goals are set for
10 disadvantaged businesses?

11 MR. DIAZ: I'm going to ask,
12 Councilman, Ms. Ahmeenah Young, who is
13 with the Authority, to address that
14 particular question.

15 MS. YOUNG: Good morning. I'm
16 Ahmeenah Young, Executive Vice-President
17 and General Manager for the Pennsylvania
18 Convention Center.

19 The goals that have been set,
20 Councilperson, there are aspirational
21 goals of 35 percent minority and 15
22 percent female.

23 COUNCILMAN GOODE: What's the
24 contract participation goal for
25 African-American-owned businesses?

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2 MS. YOUNG: In the current
3 contract, as we talked last week, there
4 was a disparity study done and those
5 goals were 12 percent and 13 percent.

6 COUNCILMAN GOODE: My question
7 was, what is the contract participation
8 goal for African-American-owned
9 businesses? If the aspirational goal is
10 35 percent for minority-owned businesses,
11 what is the aspirational goal for
12 African-American-owned businesses?

13 MS. YOUNG: 35 percent.

14 COUNCILMAN GOODE: You said
15 that's the minority goal.

16 MS. YOUNG: Yes.

17 COUNCILMAN GOODE: What is the
18 African-American goal?

19 MS. YOUNG: We didn't break it
20 down that way.

21 COUNCILMAN GOODE: So is there
22 an aspirational goal for
23 African-American-owned businesses?

24 MS. YOUNG: No, there's not an
25 aspirational goal for

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2 African-American-owned businesses.

3 There's a minority goal of 35 percent.

4 COUNCILMAN GOODE: Considering
5 that African-Americans constitute
6 three-quarters of the minority population
7 in Philadelphia and own over half of the
8 minority businesses, don't you think it's
9 appropriate there might be a specific
10 African-American business goal as well?

11 MS. YOUNG: I think it is
12 appropriate to set a goal for minority
13 businesses, sir, and I think that goal is
14 35 percent.

15 COUNCILMAN GOODE: And you
16 don't think it's appropriate to set a
17 separate African-American goal when we
18 know that -- and I've provided you with
19 census data and left census data on the
20 table as well. We know that 75 percent
21 of minority residents are
22 African-Americans and we know that over
23 50 percent of minority-owned businesses
24 are owned by African-Americans. So
25 should we break out part of that 35

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2 percent?

3 MR. DIAZ: Councilman, if I
4 could respond, I'm not aware that any
5 program of this type has set such
6 subsidiary goals within the minority
7 community, both for policy reasons, which
8 would suggest that there needs to be
9 competition among the minorities who are
10 eligible --

11 COUNCILMAN GOODE: Mr. Diaz,
12 I'm going to stop you right now. The
13 reason I'm going to stop --

14 MR. DIAZ: If I could finish my
15 answer, Mr. Goode.

16 COUNCILMAN GOODE: Actually,
17 you can't. Mr. Diaz, actually, the City
18 of Philadelphia has broken out those
19 goals, and you should know that. The
20 City of Philadelphia actually has
21 separate goals among minority businesses.
22 Did you not know that?

23 MR. DIAZ: What I'm suggesting
24 is that I'm not aware of it and, in fact,
25 what we have done here because of the

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2 sensitivity associated with the Supreme
3 Court rulings and the strict scrutiny
4 applicable to these programs, we thought
5 it was appropriate to have a minority
6 business enterprise participation goal.
7 There are three certifying agencies that
8 the certified contractors can be drawn
9 from, and if I recall correctly, one of
10 the issues that was raised by several
11 Councilmembers last Friday was the
12 concern that we not be restricted
13 geographically to whatever the minority
14 participation is within Philadelphia or
15 the region. So we've provided for a
16 situation where, through the
17 pre-qualification approach, you might be
18 able to have contractors, prime and
19 subcontractors, come from outside the
20 state, and so long as there is a
21 reciprocal certification in the home
22 state of that contractor, MBEC, for
23 example, has a reciprocity arrangement
24 for certification that this Council has
25 been previously supportive of.

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2 COUNCILMAN GOODE: Mr. Diaz,
3 these are the City's goals right here.
4 There's an MBE goal, there's a WBE goal,
5 there's a DSBE goal, there is a DBE goal
6 for African-Americans, there's a DBE goal
7 for Hispanic-Americans, there's a DBE
8 goal for Asian-Americans, there's a DBE
9 goal for native Americans, there's a DBE
10 goal for DBEs operating within the City
11 of Philadelphia, and those are the City
12 goals and that's as a result of a Charter
13 change over a year ago.

14 MR. DIAZ: The DBE goal -- I'm
15 going to ask Michelle Flamer from the Law
16 Department to join me, but the DBE, as a
17 disadvantaged business enterprise, which
18 is a federal concept, it is not one that
19 is used by MBEC for these contracts.

20 COUNCILMAN GOODE: MBEC
21 developed these goals. Mr. Diaz?
22 Mr. Diaz, MBEC developed these goals.

23 MR. DIAZ: What I'd like to do,
24 if I may, is ask Michelle Flamer to
25 address the issue of DBE and the

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2 allocation within the DBE community of
3 specific numerical goals for
4 African-Americans and other minority
5 groups.

6 I just said it's a federal
7 concept, so if you could explain that,
8 I'd appreciate it.

9 MS. FLAMER: Sure. Is this on?

10 MR. DIAZ: Yes. And identify
11 yourself.

12 MS. FLAMER: Michelle Flamer,
13 City of Philadelphia's Law Department,
14 Senior Attorney.

15 The DBE, the reference to
16 disadvantaged business enterprise, refers
17 to the Department of Transportation
18 program. In that directory, which is
19 published through the Pennsylvania
20 Unified Certification program, there is a
21 breakout for African-Americans,
22 businesses owned by Hispanic businesses,
23 female and various subgroups within
24 minority and by gender. That's actually
25 in the Pennsylvania Unified Certification

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2 program directory.

3 Similarly in the MBEC directory
4 is certified minorities, women and
5 disabled businesses. The directory also
6 contains a breakout in terms of whether
7 or not they're African-American, whether
8 or not they're owned by Latino businesses
9 and so forth. So that information is
10 collected by the certifying agency. So
11 we would know, for example, if someone
12 presents as a minority-owned business, we
13 would know whether or not that was an
14 African-American business or some other
15 minority classification.

16 COUNCILMAN GOODE: Therefore,
17 it's very easy to set separate goals.

18 MR. DIAZ: Is it a goal or
19 reporting of the facts after the
20 contracts have been awarded.

21 MS. FLAMER: We're talking
22 about the Convention Center plan?

23 MR. DIAZ: No. I'm talking
24 about the DBE African-American
25 percentage.

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2 COUNCILMAN GOODE: You can't
3 create the law. If the law says that
4 you're allowed to break out the goals,
5 you're allowed to break out the goals.

6 MS. FLAMER: That's true. We
7 have aspirational goals for different
8 classifications, different minority
9 classifications, but the definition of
10 "minority business" includes those goals
11 or those aspirations for various ethnic
12 minorities depending upon their
13 availability and also their use in the
14 previous fiscal year.

15 COUNCILMAN GOODE: So this
16 Economic Opportunity Plan could in fact
17 break out those goals within the
18 classification of MBE to essentially have
19 goals for African-American-owned
20 businesses, particularly considering the
21 fact that particularly in Philadelphia
22 over 75 percent of the minority
23 population is African-American and over
24 half of the minority businesses are owned
25 by African-Americans. So it is

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2 particularly legitimate, legal and
3 credible to break out a goal for
4 African-Americans.

5 MS. FLAMER: Yeah. There could
6 definitely be a breakout. In fact, if
7 you look at the City's participation
8 report for last year on the minority
9 companies who bid as prime contractors;
10 for example, on construction contracts,
11 the majority of those prime contracts
12 were not held by African-American firms,
13 but they were held by other minority
14 groups.

15 COUNCILMAN GOODE: Thank you.

16 Ms. Young, what percentage of
17 Philadelphia businesses are owned by
18 African-Americans?

19 MS. YOUNG: Thank you for the
20 cheat sheet, Councilman. 15.8 percent.

21 COUNCILMAN GOODE: And what
22 percentage of Philadelphia businesses are
23 owned by minorities?

24 MS. YOUNG: 2.8 percent.

25 COUNCILMAN GOODE: I'm sorry.

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2 I said what percentage of Philadelphia
3 businesses are owned by minorities?

4 MS. YOUNG: Just a second. 2.8
5 percent in Pennsylvania and 15.8 percent
6 in Philadelphia.

7 COUNCILMAN GOODE: That's
8 actually not the question I was asking.
9 I did provide the cheat sheet, but I'm
10 not following it totally.

11 In Philadelphia, 15.8 percent
12 of the businesses are owned by
13 African-Americans.

14 MS. YOUNG: Yes, sir.

15 COUNCILMAN GOODE: 9.5 percent
16 of businesses are owned by Asians, 4.8
17 percent of businesses are owned by
18 Hispanic-owned firms, which actually
19 constitutes over 30 percent of the
20 businesses in the City of Philadelphia.
21 But in the state of Pennsylvania only 2.8
22 percent of firms are owned by
23 African-Americans, only 2.6 percent are
24 owned by Asian-owned firms and only 1.3
25 percent are owned by Latinos, hence why

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2 we want to use Philadelphia numbers
3 rather than Pennsylvania numbers, as I
4 raised in the last hearing.

5 MS. YOUNG: Yes. And that's
6 what we intend to do, and as you raised
7 just in this previous conversation, that
8 we are certainly willing to break out the
9 African-American-owned businesses and
10 have that as a percentage as well.

11 COUNCILMAN GOODE: Okay. Just
12 a couple more questions since we're
13 moving along.

14 Did anyone actually read the
15 City's disparity study?

16 MS. YOUNG: Did we actually --
17 I'm sorry.

18 COUNCILMAN GOODE: Did anybody
19 actually read the City's disparity study?
20 I know the state did its own disparity
21 study.

22 MS. FLAMER: I have. Yeah, I
23 have certainly. Econsult, yes.

24 COUNCILMAN GOODE: Our
25 disparity study shows particular

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2 underutilization of African-American
3 male-owned companies in public works
4 contracting, only 0.3 utilization, 1.0
5 equalling full utilization. Therefore,
6 only 30 percent of available companies
7 are being utilized. Are you familiar
8 with that statistic?

9 MR. DIAZ: I'm sorry. The
10 question is?

11 COUNCILMAN GOODE: The question
12 is, were you familiar with the fact that
13 our disparity study says that
14 African-American male-owned companies in
15 public works contracting are being
16 particularly underutilized?

17 MS. FLAMER: Yeah.

18 COUNCILMAN GOODE: They only
19 have a 0.3 percent utilization, 1.0
20 equalling full utilization. Therefore,
21 only 30 percent of available companies
22 that are owned by African-American males
23 are being utilized for public works
24 contracting. Were you aware of that?

25 MS. FLAMER: Yes, I'm aware of

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2 it. In fact, as I stated previously,
3 there were no awards of prime
4 construction contracts to
5 African-American-owned businesses in the
6 last fiscal year.

7 COUNCILMAN GOODE: Does the
8 state's disparity study show the same
9 findings?

10 MS. FLAMER: I don't have the
11 Mason Tillman study in front of me. I
12 don't believe it's a valid comparison
13 necessarily because of the geographical
14 differences. I mean, I believe the state
15 Mason Tillman study was a five-region
16 study and Philadelphia is only part of
17 that, and our goals in Philadelphia are
18 usually higher because we have a greater
19 number of certified businesses.

20 COUNCILMAN GOODE: We're
21 actually not talking about goals right
22 now. What we're talking about is a
23 utilization study, and whether the
24 numbers are the same in Philadelphia,
25 within the region or on the state level,

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2 I'm asking whether your disparity study
3 showed a particular underutilization of
4 African-American male-owned companies in
5 public works contracting, because that's
6 what our study shows.

7 MS. FLAMER: I'm not as
8 familiar with the Department of General
9 Services study as I am the City's study.
10 I have looked at it and I've read it and
11 I believe it did find significant
12 disparities, but I couldn't speak to it,
13 because I don't have it in front of me.

14 COUNCILMAN GOODE: Is there
15 anything within the state's disparity
16 study that suggests how we address that
17 type of underutilization?

18 MS. YOUNG: Yes, there was in
19 the Mason Tillman state study.

20 COUNCILMAN GOODE: And what
21 does it say about addressing the
22 underutilization of African-American
23 male-owned companies in public works
24 contracting?

25 MS. YOUNG: Well, it talked

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2 about that there needed to be outreach in
3 particular, that there were no firms that
4 were grown over a period of time that
5 they were aware of, and about the lack of
6 opportunities for these prime
7 contractors.

8 COUNCILMAN GOODE: And do you
9 believe that has any impact on black male
10 unemployment?

11 MS. YOUNG: Yes.

12 COUNCILMAN GOODE: And what are
13 the other implications there?

14 MS. YOUNG: Well, I think
15 the -- I mean, this is my editorializing
16 it at this point, because, of course, I
17 am not an expert in the area, but
18 certainly if there were more prime
19 contractors who were African-American
20 male, by definition, there certainly
21 would be more opportunities given to
22 other subcontractors who were males and
23 there would be more opportunities for
24 hiring African-American males. So I
25 think it does have a relationship.

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2 COUNCILMAN GOODE: Okay. Our
3 disparity study also tracked DBE
4 utilization availability in 2006 versus
5 1998 to 2003. DBE availability and
6 utilization decreased in public works
7 contracting but increased in contracting
8 related to both personal and professional
9 services, as well as services, supplies
10 and equipment. Did your disparity study
11 have similar findings?

12 MS. YOUNG: The state's
13 disparity study? Yes, it did.

14 COUNCILMAN GOODE: Are there
15 separate contracting goals for these
16 three areas, public works, personal and
17 professional services, and services,
18 supplies and equipment?

19 MS. YOUNG: The contracting
20 goals that was certainly suggested to us
21 at our last hearing we are going to
22 incorporate now, but they had not been
23 prior to this.

24 COUNCILMAN GOODE: But the
25 question is, are you going to break them

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2 out by contract category in terms of
3 public works, personal and professional
4 services, and service, supply and
5 equipment in view of the fact that
6 there's varying capacity? The capacity
7 of disadvantaged businesses has decreased
8 in the area of public works, but has
9 increased in the area of personal and
10 professional services, as well as
11 services, supplies and equipment. And so
12 in order to maximize economic
13 opportunity, are you going to break out
14 separate goals in order to reach the
15 overall goal?

16 MS. YOUNG: Yes, absolutely.
17 In fact, that gives us the greatest
18 opportunity to make those goals.

19 COUNCILMAN GOODE: So what is
20 the DBE goal for public works?

21 MR. DIAZ: If I could respond,
22 Ahmeenah.

23 Councilman, on Page 10, you'll
24 see that the categorizations of the
25 aspirational goals is different. There's

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2 no distinction that's made between the
3 design and the professional services
4 contracts, many of which have already
5 been let and the work has been done from
6 the sealed bid, the public works type
7 contracts. What we've attempted --

8 COUNCILMAN GOODE: That's not
9 my question.

10 MR. DIAZ: What we've attempted
11 to do as part of this effort to cast the
12 net more widely is to utilize the concept
13 of responsibility and the commitment to
14 these aspirational goals as part of that
15 eligibility.

16 COUNCILMAN GOODE: My question
17 is whether there are separate goals for
18 different contract categories. Is there
19 an actual DBE goal for public works? Is
20 there a DBE goal for personal and
21 professional services? Is there a DBE
22 goal for services, supply and equipment?
23 Is it broken down that way in terms of
24 separate areas of contracting?

25 MR. DIAZ: And I think as I had

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2 testified, no, there is not.

3 COUNCILMAN GOODE: Do you
4 believe we can increase DBE participation
5 by having separate targets for these
6 categories?

7 MR. DIAZ: Personally, no.

8 COUNCILMAN GOODE: Why not?

9 MR. DIAZ: Because I think the
10 most difficult area in connection with
11 applying these aspirational goals is in
12 connection with the sealed bid or the
13 public works contracts, as you mentioned.
14 What we have attempted to do -- and I
15 think we had testimony to this effect
16 from Mr. Eisenstadt last Friday that the
17 state has also done a similar process at
18 the Authority -- is that we've attempted
19 to use the commitment to these
20 aspirational goals as a responsibility
21 issue. Before you even get to the issue
22 of comparing price, we want to know
23 whether somebody is committed to this
24 kind of participation effort.

25 In other words, if we went

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2 strictly by the state law and the city
3 law on public works contracts and you did
4 not build in this up-front process that
5 we have attempted to build in, you would
6 make a decision only on the basis of
7 price, and at the lowest bidder, you
8 would not look at the color or the gender
9 of the lowest bidder. What we've
10 attempted to do is up front say that we
11 think this is such an important issue, it
12 goes to the essence of responsibility of
13 a bidder and, therefore, we want to know
14 whether people are committed to these
15 aspirational goals first.

16 COUNCILMAN GOODE: Mr. Diaz,
17 the question I'm asking is, if you're
18 trying to reach an overall contracting
19 goal of 35 percent for disadvantaged
20 businesses and you know that capacity may
21 be limited in one area but expanding in
22 other areas, is there an attempt to look
23 at increasing percentage goals in certain
24 areas over others? In other words,
25 you're not seeking to do 35 percent

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2 across the board. So in order to achieve
3 35 percent, if you're trying to achieve
4 35 percent, doesn't it mean that you have
5 to look at the different areas, public
6 works, personal and professional
7 services, and service, supplies and
8 equipment and those type of things,
9 separately in terms of goal-setting in
10 order to achieve the overall goal?

11 MR. DIAZ: I think the answer
12 is that this commitment reflected in this
13 EOP is the 35 percent overall
14 aspirational goal for minority
15 participation. Recognizing that it is
16 more difficult in the public works
17 contract area to achieve, we would try to
18 build in a process by which we could do
19 it, but I think the expectation is that
20 we're going to have success in all areas
21 to the extent those contracts have not
22 been let. Many of these professional
23 services contracts with regard to
24 architecture and design have already been
25 let. That work has been done. But the

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2 35 percent is applicable to all
3 categories.

4 COUNCILMAN GOODE: Ms. Young,
5 can we increase DBE participation by
6 recruiting DBE general contractors from
7 elsewhere if they're available?

8 MR. DIAZ: This provides for
9 that opportunity.

10 COUNCILMAN GOODE: My question
11 was to Ms. Young.

12 MS. YOUNG: Yes.

13 COUNCILMAN GOODE: So if we
14 actually go out to try to find DBE
15 general contractors, whether they're
16 available locally or within the state,
17 probably not, but even nationally, can we
18 actually increase overall DBE
19 participation by recruiting any DBE
20 general contractors that exist out there?

21 MS. YOUNG: Yes, and that's
22 what the plan calls for, that we would go
23 out beyond the borders of our
24 Commonwealth to find certified firms that
25 could do work here on this project to

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2 increase the numbers.

3 COUNCILMAN GOODE: One last
4 question for you, Ms. Young, and then I
5 have a question again for Mr. Diaz.

6 When do you envision local DBE
7 contractors receiving general contract
8 work in public works contracts? When is
9 a local firm ever going to get a general
10 contract?

11 MS. YOUNG: I'm sorry?

12 COUNCILMAN GOODE: When do you
13 envision any local DBE firm ever
14 receiving a general contract for public
15 works contracting?

16 MR. DIAZ: I think are you
17 suggesting, Councilman, that you want to
18 know when a local minority or woman-owned
19 or disabled-owned business might be a
20 prime contractor?

21 COUNCILMAN GOODE: That's
22 correct.

23 MR. DIAZ: What we are hoping
24 is that through this process of casting
25 the net widely, allowing the

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2 certification from any post state to be
3 reciprocally accepted by the three
4 authorities.

5 COUNCILMAN GOODE: The question
6 was local firm. When is a local firm
7 going to receive a prime contract? Five
8 years? Ten years? Fifteen years?

9 MR. DIAZ: I don't have a
10 crystal ball.

11 MS. YOUNG: Right. I have no
12 idea. I have no way to be able to
13 determine when in the future we'll be
14 able to award a prime contractor. We
15 wish it was sooner than later.

16 COUNCILMAN GOODE: Well,
17 wouldn't bringing in an African-American
18 prime contractor from outside address
19 that issue in terms of capacity building
20 of local contractors?

21 MR. DIAZ: That's what I
22 thought, Councilman, was the guidance
23 that we heard last Friday and that's why
24 we built into this EOP an opportunity to
25 bring out-of-town, out-of-state

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2 contractors who are minority so that they
3 could help build local capacity, and
4 because of the time frame associated with
5 the construction activities, we've
6 provided for acceptance of reciprocal
7 certification to do that.

8 COUNCILMAN GOODE: But if you
9 don't use a prime contractor on the
10 largest public works project in the
11 history of the Commonwealth, if you don't
12 use one on this project -- you already
13 know the other prime contractors have not
14 and will not build the capacity of local
15 minority contractors to ever receive a
16 prime contract. Is that not true? It
17 got quiet in here.

18 MR. DIAZ: I understand -- I
19 don't know if that's true, but I
20 understand that there is a desire to
21 build local capacity.

22 COUNCILMAN GOODE: Do you
23 understand there's never been a prime
24 contractor that's been African-American
25 or minority, right, on a public works

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2 contract?

3 MR. DIAZ: I don't think that's
4 true.

5 MS. FLAMER: No, that's not
6 true. No. Well, that's not true for the
7 City of Philadelphia. We have had prime
8 awards to minority contractors or
9 African-American.

10 COUNCILMAN GOODE: Public works
11 contracts?

12 MS. FLAMER: Yeah, on public
13 works. Very, very few, and there were
14 none in the last fiscal year, that is
15 true.

16 COUNCILMAN GOODE: Can you list
17 some of them?

18 MR. DIAZ: I'm sorry. We
19 didn't hear you.

20 COUNCILMAN GOODE: Can you list
21 some of them?

22 MS. FLAMER: I'm sure I could
23 send that to you. I would have to look
24 back in the archives, but there have been
25 awards -- I'm being honest when I tell

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2 you there were no awards in the last
3 fiscal year. I can look in our records.

4 COUNCILMAN GOODE: You get my
5 point. If there's not local capacity and
6 if there is more than a perception but
7 reality that prime contractors are never
8 trying to build up local subcontractors
9 who receive prime contract work, then the
10 only way we're ever going to achieve it
11 is if we bring in people in other places
12 that are not as backwards, where
13 African-Americans actually receive prime
14 contracts on major construction projects
15 and they are allowed to come in and build
16 the capacity of local subcontractors so
17 that they can get to the point where they
18 receive prime contracts. And if you
19 don't do it on this, the largest public
20 works contract in the Commonwealth of
21 Pennsylvania, then you're still full of
22 crap.

23 MR. DIAZ: Well, if there's a
24 question there, the answer would be,
25 Councilman, that's what we've attempted

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2 to build into this EOP, because the
3 earlier version that you saw did not
4 contemplate a reissuance of the
5 pre-qualification, did not contemplate
6 acceptance of reciprocal certifications
7 from outside jurisdictions, and what we
8 are attempting to do is to allow for that
9 possibility of a non-local minority
10 contractor to come in as a prime.

11 COUNCILMAN GOODE: Mr. Diaz,
12 let me ask you a question that you can
13 answer. Is "aspirational goals" a legal
14 term?

15 MR. DIAZ: I believe so. I
16 have used it in a legal context and I
17 think the courts probably have accepted
18 that term.

19 MS. FLAMER: From a legal
20 perspective, Councilman, we have to
21 characterize them as aspirational,
22 otherwise they are deemed a quota or a
23 sure standard, and it's something that we
24 are legally prohibited from doing under
25 the Crossin case and its progeny.

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2 COUNCILMAN GOODE: So how are
3 aspirational goals legally binding?

4 MR. DIAZ: The colloquy that I
5 had with Councilman Clarke last Friday I
6 think is an example. We would issue the
7 pre-qualification document. We would
8 include in it 35 percent minority
9 participation, 15 percent women
10 participation as an aspirational goal.
11 We would want to see whether the
12 contractors who want to bid and not yet
13 eligible to bid, we want to know about
14 their eligibility or do they agree with
15 that, will they accept that.

16 COUNCILMAN GOODE: And, lastly,
17 we're going to break out an
18 African-American goal, aren't we?

19 MR. DIAZ: I'm sorry?

20 COUNCILMAN GOODE: We're going
21 to break out an African-American goal
22 within the 35 percent, aren't we?

23 MR. DIAZ: I think what I heard
24 is that Ms. Young said the Authority
25 would be prepared to do that.

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2 COUNCILMAN GOODE: Thank you.

3 Thank you very much.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 The Chair recognizes
7 Councilwoman Brown.

8 COUNCILWOMAN BROWN: Thank you,
9 Madam President.

10 Good morning. Let me first
11 thank you for honoring the request to
12 make sure that it was in writing or is in
13 writing that both the Hispanic Chamber of
14 Commerce and the African-American Chamber
15 of Commerce is in the text of the
16 amendment, and the same for Philadelphia
17 OIC.

18 With the other agencies that
19 you mention on Page 11, will these
20 organizations have to bid for the
21 opportunity to provide training to the
22 Convention Center or have you thought
23 through how all of these opportunities
24 get a fair shake at training?

25 MS. YOUNG: We're hoping that

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2 we don't have to go through a bid
3 process, Councilwoman. What we'd like to
4 do is to reach out to them, to use them
5 in a consultative role, as a referral
6 funnel that we can go to and do it on an
7 equal basis. I mean, we don't want to
8 just -- as you're stating, we don't want
9 to just narrowly use one, but we want to
10 use all of them.

11 COUNCILWOMAN BROWN: Last week,
12 Ms. Young, you responded to Councilman
13 DiCicco's question regarding the
14 continued interest in the lack of people
15 of color and women in the building trade
16 stage of any building that takes place in
17 the City. On Page 11 of your testimony,
18 you talk about the apprentice piece and
19 you actually walked us through still the
20 challenges from going from apprentice to
21 journeyman.

22 Does this new language address
23 the question raised by Councilman Frank
24 DiCicco last Friday? The top paragraph
25 on Page 11.

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2 I guess what I'm looking for
3 and what I don't see -- and correct me if
4 I'm wrong, because this is legal
5 language -- does the Convention Center
6 have teeth to hold contractors
7 accountable for ensuring that those who
8 come in as apprentices actually do find
9 their way in the pipeline to become
10 journeymen?

11 MS. YOUNG: That is not in
12 there. What we are hoping is that we are
13 setting up a process and a precedent,
14 that we would be able to go to the
15 various programs that currently have
16 apprenticeship and, as Councilwoman Tasco
17 so aptly put it, sit by the phone waiting
18 for a phone call so they can actually
19 have a place where they are working, and
20 what the Convention Center is planning to
21 do is to cause that to occur, that we
22 have the project and we are putting
23 pressure in terms of our documents for
24 our construction that in this process
25 that all the contractors, contractors who

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2 are working on this site, that they have
3 the apprentices that come through our
4 referral program, and these apprentices
5 are then full-fledged apprentices. So
6 that they're not the Authority's
7 apprentices, but they are apprentices in
8 the full sense of the word on that job
9 site.

10 So we're providing the job site
11 and we're providing the sponsorship by
12 the contractors who are going to work on
13 the site.

14 COUNCILWOMAN BROWN: Okay. I
15 think I followed that. So how do they
16 move to journeymen then and how does the
17 Convention Center exercise its teeth to
18 ensure that those apprentices make the
19 leap?

20 MS. YOUNG: What we are doing,
21 Councilperson, is getting the
22 apprenticeship certified, because, of
23 course, we can't make those decisions
24 that the unions ultimately make.

25 COUNCILWOMAN BROWN: Okay.

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2 MS. YOUNG: The union -- as you
3 well know, apprentices could be on the
4 site and the union can decide that that
5 apprentice would go to another site. So
6 what we are attempting to do in this
7 program is provide two things, a
8 construction site and sponsorship by the
9 contractors who are on the site.

10 COUNCILWOMAN BROWN: And those
11 two steps are unprecedented compared to
12 other public works projects?

13 MS. YOUNG: Correct.

14 MR. DIAZ: If I could just add
15 one more thing. There's a new concept in
16 here of a pre-apprentice, a new
17 apprentice. In other words, in addition
18 to assuring a certain number of hours are
19 going to be available for apprentices so
20 that they can grow to the journeyman
21 level, you also are bringing in new folks
22 who can be certified and are -- and at
23 least 50 percent of the hours that are to
24 be given to apprentices on the job are
25 going to be new people who have never

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2 been in an apprenticeship program at all.

3 COUNCILWOMAN BROWN: All right.
4 Thank you.

5 Related to the Convention
6 Center but unrelated to this amendment,
7 for the record, what is the formula for
8 the selection of Convention Center Board
9 members? How does one end up being --

10 MS. YOUNG: We're going to give
11 you the process.

12 MR. MEZZAROBBA: Albert
13 Mezzaroba, President and CEO of the
14 Convention Center Authority.

15 I have to apologize,
16 Councilwoman. I didn't hear the
17 question. Could you please repeat it?

18 COUNCILWOMAN BROWN: Not a
19 problem at all.

20 Unrelated to this amendment but
21 very much related to the Convention
22 Center, how does one ultimately win the
23 prize to be a Convention Center Board
24 member? What's the formula? What's the
25 process?

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2 MR. MEZZAROBBA: We're
3 governmental appointees. City Council
4 gets two appointees. One is the District
5 Councilperson where the Convention Center
6 resides, which is Frank DiCicco. Then
7 the Minority Leader makes an appointment,
8 and that would be Brian O'Neill. The
9 four counties, surrounding counties, get
10 an appointment. Each caucus in
11 Harrisburg gets an appointment. Then the
12 Governor gets two appointments. Those 14
13 elect an outside Chair. And the Mayor
14 gets two appointments. So that
15 constitutes 14 members, and the 14
16 members then elect an outside Chair.

17 COUNCILWOMAN BROWN: I see.
18 Are there any women currently on the
19 Board at the Convention Center?

20 MR. MEZZAROBBA: There is not.

21 COUNCILWOMAN BROWN: Different
22 question, again related to the Convention
23 Center. Is there or have there been any
24 discussions around expectations with what
25 are now known as sustainable strategies

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2 in the design and construction of the
3 Center?

4 MR. MEZZAROBBA: I don't --

5 COUNCILWOMAN BROWN: Anything
6 in the language or the text of the bill
7 that speaks to LEED standards?

8 MR. MEZZAROBBA: No, and part of
9 that was, we looked at LEEDs early on,
10 and as you know, LEEDs requires usually a
11 higher capital investment and typically
12 over time, there's a formula where you --
13 there's an analysis where it's typically
14 cheaper to operate, but there's a larger
15 capital investment. Based on the fact
16 that we've probably been busting the
17 budget for the last two years we've been
18 designing, there are no real LEEDs that
19 we have incorporated at this point.

20 COUNCILWOMAN BROWN: So is that
21 a missed opportunity? Is it too late to
22 revisit that new emerging standard for
23 new construction?

24 MR. MEZZAROBBA: If we find
25 something, we'd be glad to institute it,

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2 but to say that we would be a
3 LEED-certified building, we've missed
4 that opportunity, that's correct.

5 COUNCILWOMAN BROWN: Okay. Let
6 me just double-check.

7 Thank you, Madam President.
8 That's it.

9 COUNCIL PRESIDENT Verna:
10 You're welcome.

11 The Chair recognizes
12 Councilwoman Tasco.

13 COUNCILWOMAN TASCO: Thank you,
14 Madam President.

15 I'd like to go back to the
16 apprenticeship program. Apprentices work
17 for various labor unions. You have the
18 various trades. And so how do you sort
19 of like coalesce the two, your program
20 with the building trades apprenticeship
21 program? Because I don't know
22 technically how they connect. Do you
23 have, I guess, a cooperation of the
24 building trades in your program or were
25 you getting pushed back from that?

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2 MS. YOUNG: We are meeting with
3 the trades. In fact, yesterday we met
4 with Palm (ph), who is their
5 representative, and there is an exchange
6 that's going on, and, as you know,
7 Councilwoman, it is not easy. The trades
8 have not been asked to do what we are
9 presenting as a program in a while.
10 Unfortunately, we don't have an ongoing
11 construction program. So we see this as
12 an important opportunity to take
13 advantage, where we can, to include more
14 minorities and women on these job sites.

15 There is a ratio between the
16 number of journeymen and apprentices for
17 each trade on the job site, and we are
18 using those ratios, as well as the
19 overall number of hours that the trades
20 union will have on a site like that. So
21 the CM makes a projection about how many
22 workers, and then they are able to look
23 at, from that amount of workers, how many
24 hours, and then each trade has a ratio
25 between journeymen and apprentices on a

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2 site, how many will be there, and what
3 we've asked for is 50 percent of those
4 hours, of the apprentices that are going
5 to be on that work site.

6 COUNCILWOMAN TASC0: How do we
7 enforce that?

8 MS. YOUNG: We have an
9 Oversight Committee that is going to
10 review not only our contracting
11 opportunities but our work site
12 workforce. And if because through the
13 process a contractor has to sponsor --
14 and we've put that in the documents.
15 We're going to treat it in the same way
16 in terms of enforcement and penalties
17 that we would if a subcontractor or a
18 contractor was out of compliance.

19 So if someone came in and said
20 that they were going to have 25 percent
21 minority participation, this Oversight
22 Committee sees it and if they don't do
23 that, then there is hearing and penalties
24 and it's described in it. We want to do
25 the same process for anyone who is out of

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2 compliance in those hours on the job.

3 COUNCILWOMAN TASC0: So really
4 the person responsible for the compliance
5 with this program is really the
6 contractor?

7 MS. YOUNG: Well, yes, the
8 contractor, because ultimately we can
9 hold someone's paycheck, and that is the
10 ultimate enforcement. But we have
11 ongoing monitoring through certified
12 payrolls. So everyone has to have their
13 hours on that, and we review these
14 payrolls.

15 MR. DIAZ: And the payrolls
16 will identify the categories of the
17 workers, which is how the enforcement or
18 compliance is handled, Councilwoman.

19 COUNCILWOMAN TASC0: And so
20 your goal is to recruit and include those
21 individuals who have not had an
22 opportunity to work on construction sites
23 but may have the skill and wherewithal to
24 do that and not necessarily those people
25 who are already in the apprenticeship

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2 program?

3 MS. YOUNG: I'm sorry. I
4 didn't hear the first part of the
5 question.

6 MR. DIAZ: That's correct.
7 That's correct.

8 COUNCILWOMAN TASC0: So your
9 goal is to get new people and not
10 necessarily people already in
11 apprenticeships? You know, we got a lot
12 of apprenticeship programs.

13 MS. YOUNG: Absolutely.

14 COUNCILWOMAN TASC0: Every time
15 we do a program, there's an
16 apprenticeship program, but we never see
17 those people go to work. They stay in
18 the apprenticeship program forever.

19 MS. YOUNG: In fact --

20 COUNCILWOMAN TASC0: Until the
21 project is over, then they go to the next
22 apprenticeship program to get on the
23 project. So it's a revolving door for
24 people, so they never get to the
25 journeyman level or ever get into the

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2 union, and at the end of the day, my
3 concern is how many of them really make
4 it.

5 MS. YOUNG: In fact, the
6 emphasis is on new, and these are people
7 who have not been on a site, been in
8 programs before. So we're getting those
9 people there.

10 COUNCILWOMAN TASC0: Okay. But
11 your goal here -- suppose you can't reach
12 the goal that you want with the new
13 people. Will you take apprentices that
14 already may be apprentices in a trade
15 union apprenticeship program to fill the
16 gap if they meet the minority quota,
17 minority goal?

18 MS. YOUNG: Right.

19 COUNCILWOMAN TASC0: I'm trying
20 to say this delicately.

21 MS. YOUNG: I understand. We
22 are working with about six or eight
23 programs that have apprentices in them
24 that have trained them. We're not going
25 to create yet another apprenticeship

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2 program, as you just so eloquently spoke
3 to. We're going to use those places that
4 have already trained. But we are not in
5 the apprenticeship training business.

6 COUNCILWOMAN TASCO: Now, based
7 on your experience -- and you've been in
8 this business a long time -- do you see
9 this really working?

10 MS. YOUNG: I do. This is the
11 first time I have felt really
12 enthusiastic about this, and if we get
13 the cooperation from the areas that we
14 do, I think it's going to be
15 unprecedented. We should be able to do
16 this.

17 So I do. I certainly feel more
18 positive about this than in past years
19 when we just said we want to make sure
20 that we have X amount of apprentices on
21 the site, without having a program that
22 is monitoring, without having -- and we
23 have an administrator for this program.
24 It's going to be Jim Roundtree, as we
25 planned, and we're going to be able to

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2 support people through every level, and
3 at least all of the issues that
4 traditionally kept people out, we think
5 that we have anticipated them. We're
6 going to have staff in place. We're
7 going to have the monitoring. We're
8 going to be on the site. We're going to
9 be vigilant about it, and we're going to
10 call the unions in when there is a
11 problem.
12 COUNCILWOMAN TASCO: Okay.
13 Thank you very much, Madam
14 President.
15 COUNCIL PRESIDENT VERNA:
16 You're welcome.
17 Are there any other questions
18 from members of the Committee?
19 The Chair recognizes Councilman
20 Clarke.
21 COUNCILMAN CLARKE: Thank you,
22 Madam President.
23 Good morning.
24 MR. DIAZ: Good morning.
25 COUNCILMAN CLARKE: A couple of

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2 quick questions. The minority
3 participation program that was initially
4 submitted to us and subsequently amended,
5 was that presentation or plan given to
6 the Board of the Convention Center for
7 their review?

8 MS. YOUNG: Yes. The initial
9 program that we went through the
10 development and having a disparity
11 program and coming up with the numbers,
12 yes.

13 COUNCILMAN CLARKE: Were there
14 any concerns raised at that review
15 process by members of the Board at all,
16 given the obvious significant concerns
17 that were raised by this Council? I'm
18 just wondering.

19 MS. YOUNG: Absolutely,
20 Councilman. First of all, when we went
21 out to do the disparity study and the
22 numbers came back to us -- and that would
23 have been Duane Morris with Nolan
24 Atkinson and myself -- we were appalled
25 at the numbers. We then said to the

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2 consultant, Go back out, there must be a
3 mistake here, we cannot accept these
4 numbers.

5 So we were as concerned as you
6 were. Our Board was concerned.

7 COUNCILMAN CLARKE: When you
8 say "we," who are you referring to?

9 MS. YOUNG: I'm talking to,
10 first, when we commissioned the study and
11 we commissioned that with the help of
12 Duane Morris, the company was Mason
13 Tillman. When she initially set out to
14 do the research and we received the first
15 draft of these numbers, that week was
16 concern.

17 COUNCILMAN CLARKE: You keep
18 saying "we." Are you saying "we" as only
19 you and Duane Morris? The question
20 was --

21 MS. YOUNG: No. I'm saying
22 "we" as --

23 COUNCILMAN CLARKE: The
24 question was about the Board.

25 MS. YOUNG: Yes, the Board.

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2 Yes, the Board was concerned.

3 COUNCILMAN CLARKE: All of the
4 Board?

5 MS. YOUNG: Yes, all of the
6 Board was concerned.

7 COUNCILMAN CLARKE: And so the
8 assumption is that questions were raised
9 about this low percentage?

10 MS. YOUNG: Yes.

11 COUNCILMAN CLARKE: So was
12 there a need to change the percentage? I
13 guess I'm wondering, how could this have
14 passed the muster at the Convention
15 Center Board? And now you're saying that
16 there were concerns raised, significant
17 concerns, but yet it was sent over here.

18 MS. YOUNG: See, our market
19 area was the Commonwealth, because, as
20 you know, the whole process -- that
21 market area was the Commonwealth, and
22 those were the numbers. The Board was
23 concerned. Councilman, now we have --

24 COUNCILMAN CLARKE: The
25 question is, did they do anything other

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2 than just be concerned?

3 MS. YOUNG: I mean, what could
4 we -- I'll have the Board speak to it.

5 MR. RILEY: Councilman Clarke
6 and Madam Chairman, my name is Buck Riley
7 and I'm Chairman of the Board.

8 I think that the answer to your
9 question was, yes, the Board was
10 concerned. The Board discussed the
11 issue. As I mentioned at our last
12 hearing, as far as we were concerned,
13 that was a floor. We felt we had put the
14 best team together that had ever been put
15 together and that was -- the goals were
16 way beyond what that floor was. And so
17 that's -- the Board looked at it from the
18 standpoint that the sky is the limit,
19 we're going to do the best job that's
20 ever been done.

21 COUNCILMAN CLARKE: Were you
22 under the belief that you were not able
23 to put aspirational goals in?

24 MR. RILEY: I don't think
25 anybody really discussed aspirational

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2 goals. As I mentioned the last time --
3 and I understand the concerns of
4 Council -- I think that the Board's
5 position, the feeling of the Board was
6 results talk. We can put any numbers on
7 the table we want to put on, but results
8 are what are going to talk, and we're
9 going to produce results.

10 COUNCILMAN CLARKE: So with
11 respect to the Oversight Committee,
12 what's the makeup of the Oversight
13 Committee?

14 MR. RILEY: Maybe Al can speak
15 to that. Carl Singley is the Chairman,
16 and I think Ahmeenah can probably give
17 you a better rundown of the folks who are
18 on that Oversight Committee.

19 MS. YOUNG: Do you want to know
20 specifically who they are on it? But the
21 Oversight Committee does not begin to
22 work until the bids come back in from the
23 contractors.

24 COUNCILMAN CLARKE: I
25 understand.

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2 MS. YOUNG: So it's --

3 COUNCILMAN CLARKE: Has it been
4 established?

5 MS. YOUNG: Oh, yes.

6 COUNCILMAN CLARKE: Who are
7 they?

8 MS. YOUNG: From the Hispanic
9 Chamber is the Chair of the Chamber. We
10 have Carl Singley, who is the Vice-Chair
11 of the Board, and he chairs the Oversight
12 Committee. Sam Staten, who is a Board
13 member. We have a representative from
14 the union, Mr. Piacelli (ph), I think his
15 name is, from the union on it. We have
16 Beverly Harper. We have Carol Smith.

17 COUNCILMAN CLARKE: Who is
18 that?

19 MS. YOUNG: Carol Smith? She's
20 an entrepreneur in town here.

21 COUNCILMAN CLARKE: What does
22 she do?

23 MS. YOUNG: She runs a
24 technology company.

25 COUNCILMAN CLARKE: Okay.

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2 MS. YOUNG: I can't think who
3 else is on it. Bruce Crawley will be on
4 this Oversight Committee.

5 COUNCILMAN CLARKE: As a member
6 of the Chamber, the African-American
7 Chamber?

8 MS. YOUNG: Delilah is going to
9 be on it from the African-American
10 Chamber. I'm sorry; Delilah Winder, who
11 is the Chair of the African-American
12 Chamber. John Chin from PCDC,
13 Philadelphia Chinatown Development
14 Corporation. I think those are the
15 members.

16 COUNCILMAN CLARKE: All right.
17 And it will be chaired by Mr. Singley?

18 MS. YOUNG: That's correct.

19 COUNCILMAN CLARKE: All right.
20 The reason I ask that question, because
21 as you have said and we all understand,
22 that you can set whatever goals that you
23 want, but at the end of the day, if the
24 oversight is not adequate or the
25 aggressive nature of the Oversight

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2 Committee -- and I'm not sure how far
3 your Oversight Committee will go in terms
4 of identifying, because there's one thing
5 to oversee and monitor the program, but
6 it's another thing to be in a position to
7 go out and solicit businesses to get to
8 where you need to get. So if you simply
9 deal with the existing companies, you're
10 probably not going to reach the level
11 that we would be interested in. And I
12 guess given that -- and now I'm hearing
13 that there's an expanded role for other
14 individuals, because I think some of
15 these members on the Oversight Committee
16 were amendments, additions?

17 MS. YOUNG: Yes. And just as
18 we are talking, we've got Peter Speaks
19 from the Commonwealth who will be on as
20 well. Ernie Jones from PWDC,
21 Philadelphia Workforce Development
22 Corporation.

23 COUNCILMAN CLARKE: All right.
24 Because I'm just concerned that I think
25 earlier on, the Oversight Committee was,

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2 in terms of membership, was kind of heavy
3 towards existing Board members and
4 entities that were already in the mix as
5 it relates to this issue, and the fact
6 that they allow whatever you brought over
7 to us initially to come here without any
8 significant goals or aggressive
9 strategies in getting where we need to
10 get, I'm a little concerned or was a
11 little concerned that those individuals
12 would not adequately be in a position to
13 oversee this the way it needs to be
14 overseen. Because if you allowed it to
15 go through initially, then I don't feel
16 very confident that you're going to do
17 what you need to do on the oversight. If
18 you thought it was okay to come over here
19 with a 13 percent floor -- and I
20 understand it was a floor -- but no
21 aggressive goals, then my level of
22 confidence in making sure that the
23 appropriate thing was done during the
24 implementation phase is not where it
25 needs to be. But you have now said

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2 there's other individuals involved in the
3 process on the Oversight Committee.

4 MS. YOUNG: This is an entirely
5 new group on the Oversight Committee, and
6 this new group will be meeting very
7 shortly. Now that we have these goals,
8 then we are also hoping from some of the
9 names that these are people who have been
10 in the mix around business development in
11 the City of Philadelphia for minorities
12 and women and, within their own right,
13 can outreach because they have a
14 constituent base. That will all be very
15 helpful in what we're doing. But they
16 also have had various experiences -- and
17 not all of them have been positive -- in
18 being an entrepreneur in the City of
19 Philadelphia, and we're looking forward
20 that that experience even causes us to be
21 more aggressive in terms of the
22 monitoring that will go on.

23 COUNCILMAN CLARKE: All right.
24 How will we, members of Council, know
25 what the numbers are as this project

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2 evolves? How will we be kept abreast of
3 what's actually happening on this? Not
4 that we can do anything about it once we
5 pass this legislation.

6 MS. YOUNG: But we also have a
7 representative on that Oversight
8 Committee from Council as well.

9 COUNCILMAN CLARKE: We do have
10 a representative?

11 MS. YOUNG: And we are hoping
12 that that Council -- that that
13 representative will make sure that you
14 have information. And, of course, we are
15 more than willing to do whatever Council
16 would like us to do by way of reporting,
17 but we do have a representative from
18 Council on that Oversight Committee as
19 well.

20 COUNCILMAN CLARKE: Was that
21 also an add-on?

22 MS. YOUNG: Yes.

23 COUNCILMAN CLARKE: All right.
24 Where's Mr. Mezzaroba?

25 MR. MEZZAROBA: I'm sorry.

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2 COUNCILMAN CLARKE: I had a
3 couple of questions. I wanted to talk
4 about the existing workforce at the
5 Convention Center and to project that
6 workforce at the Convention Center upon
7 completion of the --

8 MR. MEZZAROBBA: I'm sorry,
9 Councilman.

10 COUNCILMAN CLARKE: Good
11 morning. Mr. Mezzaroba, currently what's
12 the existing workforce at the Convention
13 Center in terms of who actually works for
14 the Convention Center Authority?

15 MR. MEZZAROBBA: We have
16 approximately 78 to 80 people at any one
17 time that work for the actual Authority.
18 They're state employees.

19 COUNCILMAN CLARKE: What's the
20 breakdown in terms of MBE, WBE, DBE?

21 MR. MEZZAROBBA: Minority
22 employees probably make up, I believe,
23 about 65 percent of the total workforce.

24 COUNCILMAN CLARKE: What
25 percentage are in the management?

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2 MR. MEZZAROBBA: Well, what we
3 consider senior management are three
4 individuals, which would be myself,
5 Ahmeenah Young and Madeline Apollo. So
6 it would be two-thirds woman and
7 one-third African-American.

8 COUNCILMAN CLARKE: That's
9 senior?

10 MR. MEZZAROBBA: That's senior.

11 COUNCILMAN CLARKE: And is
12 there mid-level management?

13 MR. MEZZAROBBA: Yes.

14 COUNCILMAN CLARKE: What's
15 mid-level?

16 MR. MEZZAROBBA: At
17 vice-president level, I can go kind of in
18 my head where we're at with
19 vice-presidents. Close to 50 percent.
20 Our entire legal department is made up of
21 minorities.

22 COUNCILMAN CLARKE: Minorities
23 as in?

24 MR. MEZZAROBBA: Two
25 African-American females and one white

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2 female.

3 COUNCILMAN CLARKE? And then is
4 it just senior management, mid-level
5 management and that's it, that's the
6 extent of it?

7 MR. MEZZAROBBA: And then there
8 are directors and just --

9 COUNCILMAN CLARKE: Are
10 directors similarly diverse?

11 MR. MEZZAROBBA: Yes. Yes.

12 COUNCILMAN CLARKE: In terms of
13 the projected new jobs, in the testimony
14 it indicated it could be upwards of 20
15 permanent jobs?

16 MR. MEZZAROBBA: No. Whose
17 testimony? I'm sorry. Unfortunately,
18 because of not having much time to go
19 through this...

20 Well, our pro forma right now
21 is not showing direct 20 employment, new
22 employees for the state, but it's not
23 taking into effect that most of our
24 employees at the Center are non-state
25 employees. So, for example, if you

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2 looked at who works in the Center every
3 day, we'd probably have closer to 300
4 total employees. Out of those 300, most
5 of whom are with private companies, so
6 most of the Convention Center has been
7 privatized since its opening.

8 COUNCILMAN CLARKE: So this
9 number is not correct?

10 MR. MEZZAROBBA: Out of the
11 20 -- you'll have more than 20 new
12 employees, not all state employees,
13 though. Out of direct state employees
14 who will be on the Authority's payroll,
15 we're estimating five to six.

16 COUNCILMAN CLARKE: Okay. And
17 the jobs that are contracted out, how
18 many additional jobs do you anticipate?
19 Because the assumption is if you're going
20 to add, what, 360,000 square feet of new
21 space?

22 MR. MEZZAROBBA: We're actually
23 adding close to -- well, if you're
24 looking at it from that, Councilman, I
25 would say we're adding a million feet of

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2 would be what, hotels, all the other
3 things? The reason I ask, when we're
4 talking about spending \$700 million, I
5 don't want to tell people we're only
6 creating 25 jobs.

7 MR. MEZZAROBBA: No, but I think
8 what the question and what I think the
9 EOP says is that there's 20 new jobs
10 permanently at the Convention Center.

11 COUNCILMAN CLARKE: I
12 understand that.

13 MR. MEZZAROBBA: And if you look
14 at the Convention Center and our
15 business, I would estimate that total man
16 hours, you're adding probably 300 new
17 jobs for construction workers, who set up
18 and dismantle the shows on the floor
19 because of the increase in the shows.

20 COUNCILMAN CLARKE: What about
21 spinoffs?

22 MR. MEZZAROBBA: Yeah. The
23 project is expected to produce an
24 additional 1,438 City jobs on an average
25 for each year of construction. The

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2 employment benefits of the expanded
3 Center will reach far beyond the
4 facility. Based on estimated events,
5 attendees and exhibitors, permanent jobs
6 in the region will total 11,505.

7 COUNCILMAN CLARKE: That will
8 include what, like hospitality-related
9 jobs?

10 MR. MEZZAROBBA: That will
11 include hospitality jobs and all the
12 spinoffs that come from hospitality.
13 There's many levels that we looked at at
14 spinoff, because for every hospitality
15 job, those people have to have their
16 uniforms cleaned, things of that nature.
17 They're going to the supermarket. But
18 direct jobs would be the 11,500.

19 COUNCILMAN CLARKE: And the
20 average salary, estimate?

21 MR. MEZZAROBBA: I don't have --
22 I couldn't even guess at that.

23 COUNCILMAN CLARKE: Do we know
24 if they're --

25 MR. MEZZAROBBA: The total

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2 impact is about \$12 million in wage tax.

3 COUNCILMAN CLARKE: So they're
4 traditionally, what, lower/mid-level in
5 terms of jobs?

6 MR. MEZZAROBBA: I think it
7 really depends what you're going to --
8 the 11,000, the majority of those will
9 probably be lower to mid-level, but I
10 think you are creating some real careers
11 for people. And I think our program that
12 we've run with OIC, the School District
13 and Academies, Philadelphia Academies,
14 along with Merion Mercy, has really given
15 people real careers where they come in at
16 these mid-level jobs and they increase
17 and become management in these hotels.
18 We're probably looking at between 2,000
19 and 3,000 new hotel rooms.

20 COUNCILMAN CLARKE: Okay. All
21 right. Thank you. Thank you.

22 Thank you, Madam President.

23 COUNCIL PRESIDENT VERNA:

24 You're welcome.

25 I don't know if Councilman

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2 DiCicco is in the room.

3 (No response.)

4 COUNCIL PRESIDENT VERNA: He's
5 not.

6 The Chair recognizes Councilman
7 Ramos.

8 COUNCILMAN RAMOS: Thank you,
9 Madam President.

10 Ms. Ahmeenah, I share your view
11 of optimism, because as a person by
12 nature, I'm optimistic. So I'm
13 optimistic that things will work itself
14 out with the minority participation goals
15 as amended or proposed amendments
16 indicate today to correct goals that seem
17 very unfair and outdated, but do you feel
18 confident that you have a tight enough
19 plan so when you do see on a Tuesday that
20 the workforce, whether it be on the job
21 site or vendors, do not reflect these
22 minority goals, do you feel that you have
23 a plan in place that when it happens on
24 that Tuesday, that you be able to have
25 corrective measures in place to keep the

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2 job going?

3 MS. YOUNG: Yes, I do.

4 COUNCILMAN RAMOS: Can you
5 explain to me what makes you feel so
6 secure that on a Tuesday when you go out
7 there and see that you don't have the
8 apprentices or that your apprentices have
9 been replaced by journeymen, based on
10 unions having to call their halls to have
11 someone on that day fill the spot of
12 another person of color, I mean, how do
13 you -- do you feel confident enough, you
14 have a plan? Because if you don't, what
15 will happen -- and I have a little bit of
16 experience in this -- is that the job
17 must go on, and when the job must go on,
18 it means it must go on. It doesn't
19 matter if the person looks like
20 Councilman Wilson Goode, Jr. or talks
21 como yo on a job site. The bottom line
22 is that the job has to move forward,
23 because we're on a deadline.

24 MR. MEZZAROBBA: Councilman, if
25 I could, you're 100 percent correct, and

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2 I know you have a lot of experience in
3 the building trades industry, and what
4 you will also, I guess, understand is
5 apprentices are paid at a fraction of
6 what journeymen make. So if they want --
7 if "they," being the union or "they,"
8 being the contractor, would like to
9 replace a first-year apprentice with a
10 journeyman, I don't think we can stop the
11 job that day, but what we can do is only
12 reimburse at a first-year apprenticeship
13 rate. And there's no contractor, in my
14 estimation, in the world that's going to
15 accept a \$12-an-hour reimbursement for a
16 \$72-an-hour employee.

17 COUNCILMAN RAMOS: Or for that
18 matter, that you have a journeyman of
19 color on the job site or a handful and
20 then on that particular day or for
21 whatever reasons those people cannot
22 be -- those individuals cannot be
23 replaced. I just have very, very -- as
24 optimistic as I am, I'm very much
25 concerned that the implementation and the

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2 enforcement, unless you have it down to a
3 very tight system, even have to rehearse
4 it, that you will run into a situation
5 where the job has to get done.

6 Do you have in your plan right
7 now the involvement of the program of the
8 SRC and the Philadelphia building trades
9 on minority participation in the trades
10 and the program that is out there for
11 high school students to enter the trades?
12 Are they involved in your plan already?

13 MS. YOUNG: Absolutely. In
14 fact, as I referenced a meeting that we
15 had yesterday, we were told that there
16 are 316 eligible candidates for the
17 apprenticeship programs in Philadelphia.
18 Of course, we're not going to take all
19 316 from the School District, but they
20 have that, and we are listening as their
21 representative was talking us through the
22 process.

23 Of course and I don't want to
24 say to you in any way that a comfort
25 level means that I don't have anxiety

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2 about these processes, because anyone
3 knows that on any given day, that there
4 are a multitude of variables that we just
5 don't control, but what we are trying to
6 do is extrapolate from existing programs
7 what the challenges were for those
8 programs, certainly be in concert with
9 the union as to how we can do this as a
10 partnership, not an adversarial
11 relationship, then set up appropriate
12 administrative and management parts of
13 this so that we do have a successful end.

14 But am I completely comfortable
15 in this? No, not at all. Do I have
16 anxiety? Until the last brick is laid,
17 the last dirt is turned, I won't be able
18 to say to you that, Oh, no, I'm fine and
19 I'm confident that this is going to
20 happen. But I do assure you that we are
21 trying to do everything that we possibly
22 can to make this a successful program.
23 And given your experiences, if you have
24 some things that you would share with us
25 that would certainly help us to overcome

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2 some of these challenges, we would be
3 more than happy to listen to your
4 direction.

5 COUNCILMAN RAMOS: I appreciate
6 that, but the talking through, there's an
7 amount of talking through that has to be
8 done and completed very soon if this
9 project is going to stay within the reach
10 of its time schedule. That's why it's
11 important that whatever plan you have and
12 through the Oversight Committee, that
13 this plan will have to address all those
14 different particular scenarios that will
15 develop in the process. You take a look
16 at 300-some students that have gone
17 through this joint program of the SRC and
18 the building trades, the question is how
19 many of those young folks are still
20 available out there, how many of them
21 still want to do this. What you don't
22 want to do is be in a situation where the
23 project gets started on Wednesday and you
24 find out two weeks later that there's
25 only 50 young folks available for that

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2 minority community for so long and that
3 this is the biggest project of its kind
4 in the Commonwealth, that unless we make
5 it happen now, it doesn't have to be
6 written into law, but can we be -- could
7 we open our eyes and see what has
8 happened here for so long, and that while
9 other cities have addressed this issue
10 with the support of, in many cases, of
11 our unions, most of them that work hard
12 in trying to do the right thing when it
13 comes to inclusion, I just see that
14 there's a whole lot of work that needs to
15 be done with the implementation
16 enforcement, and it seems like we don't
17 have a whole lot of time left.

18 So if I could be of any
19 assistance in that, in regard to making
20 sure that this is implemented and
21 enforced as I sit here in City Council,
22 that I'm sure -- I've been part of the
23 SRC Oversight Committee as well, and it's
24 a bit frustrating, because you will hear
25 contractors saying and even some of the

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2 unions say, Well, I don't see many young
3 minority youth wanting to do this kind of
4 work.

5 So we have -- this is not --
6 this is a very difficult issue. And I
7 think that there's some remedies out
8 there that are not as difficult, but if
9 we're being promised here by the
10 Authority at the Convention Center and
11 all related parties, including the local
12 administrative government, we have to
13 live up to those criteria set forth in
14 these amendments today.

15 Thank you, Madam President.

16 COUNCIL PRESIDENT VERNA:

17 You're welcome.

18 The Chair recognizes
19 Councilwoman Brown.

20 COUNCILWOMAN BROWN: Thank you,
21 Madam President.

22 Councilman Clarke's line of
23 questioning triggered a couple of
24 additional questions and concerns.

25 Back to the Oversight

19 MS. YOUNG: I'm sorry,
20 Councilwoman?

24 MR. MEZZARONA: For the
25 expansion?

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2 COUNCILWOMAN BROWN: Yes.

3 MR. MEZZAROBBA: We've let --
4 approximately 1998 they let a contract
5 for design, which was with the firms
6 of Vitetta, Thompson, Ventulett in
7 Atlanta, and the minority firm was
8 Kelly/Maiello, and that's the same exact
9 team who designed and built the first
10 Center. And that's been in place since,
11 like I said, I believe '98, '99, in that
12 time frame.

13 Since that point, we've also
14 let our construction management team,
15 which is a team of Tishman/Jingoli, with
16 a minority component being provided by
17 both Angelo Perryman and Universal.

18 COUNCILWOMAN BROWN: What is
19 the percentage breakdown?

20 MR. MEZZAROBBA: Of the CM?

21 COUNCILWOMAN BROWN: Yes.

22 Well, let's go back to the design.

23 What's the percentage breakdown there?

24 MR. MEZZAROBBA: The overall
25 percentage breakdown was approximately, I

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2 believe, 25 percent.

3 COUNCILWOMAN BROWN: Okay.

4 And --

5 MR. MEZZAROBA: Excuse me,
6 Councilwoman, but as part of that 25
7 percent was also printing, which, believe
8 it or not, is probably as large as any
9 other component of the contract.

10 COUNCILWOMAN BROWN: Okay. So
11 that was the design, and then you went on
12 to?

13 MR. MEZZAROBA: The
14 construction management, the CM.

15 COUNCILWOMAN BROWN: Yes. And
16 the breakdown there is?

17 MR. MEZZAROBA: And the CM was,
18 again, 20 percent for Angelo Perryman.

19 COUNCILWOMAN BROWN: Okay.
20 Anything else?

21 MR. MEZZAROBA: And there is a
22 component for outreach being handled by
23 Universal and GPUAC.

24 COUNCILWOMAN BROWN: Anything
25 else?

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2 MR. MEZZAROBBA: That's all that
3 we've let so far.

4 COUNCILWOMAN BROWN: Who is
5 handling the demolition contract?

6 MR. MEZZAROBBA: The RDA handled
7 that.

8 COUNCILWOMAN BROWN: So that
9 means what?

10 MR. MEZZAROBBA: So that means
11 DGS contracted with the RDA to handle
12 both the condemnation and acquiring the
13 property, along with the demolition of
14 the property.

15 COUNCILWOMAN BROWN: And who
16 received the contract?

17 MR. MEZZAROBBA: Geppert was the
18 successful bidder.

19 COUNCILWOMAN BROWN: Any
20 minorities with that contract?

21 MR. MEZZAROBBA: Yeah.
22 Twenty-eight percent was minority on the
23 Geppert contract.

24 COUNCILWOMAN BROWN: Define
25 "minority." What does that mean?

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2 MR. MEZZAROBBA: MBE, WBE, I'm
3 just being told, overall is 22 percent in
4 the first phase of that contract. There
5 will be a second phase.

6 COUNCILWOMAN BROWN: So of the
7 MBE, WBE, the total number is 22 percent?

8 MR. MEZZAROBBA: That's been
9 achieved thus far on Phase I of the
10 contract.

11 COUNCILWOMAN BROWN: And what's
12 the breakdown there?

13 MR. MEZZAROBBA: That I don't
14 know. Again, it's being run through the
15 RDA.

16 COUNCILWOMAN BROWN: So help me
17 understand something here. When the
18 Convention Center links up with another
19 in this case quasi-governmental agency,
20 do the same rules apply?

21 MR. MEZZAROBBA: It's a little
22 complicated. We have our \$700 million,
23 so to speak, to build this through the
24 state's capital budget, which means it's
25 really DGS's money, Department of General

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2 Services of the Commonwealth. They
3 contracted with the Authority to design
4 and eventually build the Convention
5 Center. They further contracted with the
6 RDA directly to condemn, acquire the
7 property and do the demolition.

8 COUNCILWOMAN BROWN: So --

9 MR. DIAZ: Could I add to that,
10 Councilwoman?

11 COUNCILWOMAN BROWN: Please.

12 MR. DIAZ: One of the things I
13 pointed out in my opening statement is
14 that each of the two agreements for the
15 Convention Center agreement and the
16 operating agreement have covenants, and
17 under those covenants, there is a legal
18 requirement that under any contract going
19 forward -- Mr. Mezzaroba has been talking
20 about the contracts that have been let
21 previously, but going forward, this
22 Economic Opportunity Plan, if it meets
23 with Council approval today, will be
24 incorporated into any new contracts that
25 are let either by the Convention Center

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2 Authority or its agents.

3 COUNCILWOMAN BROWN: Okay.

4 That's helpful.

5 So Geppert received the
6 demolition contract, and Geppert is what?

7 MR. MEZZAROBBA: Geppert is --

8 COUNCILWOMAN BROWN: Majority,
9 minority, woman?

10 MR. MEZZAROBBA: It's a majority
11 firm. And, in fact, the RDA at that
12 time, with DGS's input, was the third
13 lowest bidder. I mean, the RDA is under
14 low bid requirements for demolition.
15 They were actually the third lowest
16 bidder, because the first two were
17 considered non-responsive because they
18 didn't have a substantial minority WBE
19 component.

20 Further than that, the RDA has
21 also withheld payment to Geppert, because
22 when they -- again, it's usually a
23 retroactive. It's as Councilman Ramos
24 has said, that it's hard to stop a job,
25 but what you can do is review what's been

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2 done, look at certified hours, look at
3 all the contractors that have worked in
4 that past month. And I believe the RDA
5 has actually held up money to Geppert
6 until they got those numbers that they
7 promised.

8 COUNCILWOMAN BROWN: All right.
9 Thank you.

10 So we're clear about the
11 provision where there's a reporting-back
12 step for this amendment?

13 MR. DIAZ: I would suggest,
14 Councilwoman, on Page 7 under Paragraph
15 F(1) insert the following phrase after
16 the sentence that -- or that line that
17 reads "Project Oversight Committee will
18 engage in monitoring, reporting," I would
19 put a parenthesis and insert "including
20 to City Council."

21 COUNCILWOMAN BROWN: Thank you.
22 Thank you very much.

23 MR. DIAZ: Yes, ma'am.

24 COUNCILWOMAN BROWN: Thank you,
25 Madam President.

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2 COUNCIL PRESIDENT VERNA:

3 You're welcome.

4 The Chair recognizes Councilman
5 DiCicco.

6 COUNCILMAN DiCICCO: Thank you,
7 Madam President.

8 I need to distribute some
9 amendments.

10 This morning I received a
11 letter from Mike Masch, Budget Secretary,
12 concerning my questions to him last week
13 about the Governor releasing the funds
14 for the Convention Center expansion, and
15 I think I was very poignant in my
16 question when I asked that either he ask
17 the Governor to either call or write to
18 me and document or memorialize that the
19 Governor will in fact, once all the
20 approvals are in place, the design and
21 the costs of the expansion have been met,
22 that the Governor would in fact release
23 the funding for the Convention Center
24 expansion. The letter, you will see,
25 really is not a response to that

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2 question, and I'm really disappointed
3 that the Governor still has not yet
4 committed to releasing that \$700 million.
5 Therefore, this morning I will be
6 offering an amendment that I hope will
7 convince the Governor that it is in his
8 best interest, the city and the state's
9 best interest that these funds be
10 released.

11 The provisions of the amendment
12 would not allow for the issuance of any
13 permits or licenses for gaming facilities
14 unless and until the Governor releases
15 the appropriate funds for this Center.
16 Because the Governor has been such a
17 wonderful advocate for both the casinos
18 and the Center, I can't imagine why he
19 would say no.

20 So I will be offering that as
21 an amendment this morning, Madam
22 President. The amendment is on the last
23 page of the amendments that have been
24 brought -- it's the last page. There's
25 two separate packets. One was

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2 amendments, one was the letter from Mike
3 Masch.

4 COUNCIL PRESIDENT VERNA: Does
5 everybody have a copy of the amendment
6 being proposed?

7 Thank you.

8 Councilman DiCicco, are you
9 finished?

10 COUNCILMAN DiCICCO: Yes.

11 COUNCIL PRESIDENT VERNA: Are
12 there any questions by members of the
13 Committee?

14 (No response.)

15 COUNCIL PRESIDENT VERNA: Do we
16 have anyone else to testify on this bill?

17 (No response.)

18 MR. DIAZ: Madam Chair, if I
19 could just simply reiterate the request
20 that the proposed amendment that has been
21 provided by me and my colleagues today be
22 approved by Committee and the previous
23 request that there be suspension of rules
24 to allow the consideration at a first
25 reading this Thursday be approved.

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2 COUNCIL PRESIDENT VERNA: Yes.

3 And also there were amendments proposed
4 on Friday that I believe we were asking
5 to be approved.

6 MR. DIAZ: I believe that the
7 amendment that is before you today takes
8 the place of the amendment that was
9 requested by me orally on Friday.

10 COUNCIL PRESIDENT VERNA: No.

11 There was another amendment.

12 COUNCILMAN GOODE: Point of
13 order.

14 COUNCIL PRESIDENT VERNA: Yes.

15 The Chair recognizes Councilman Goode.

16 COUNCILMAN GOODE: Thank you.

17 I also had --

18 COUNCIL PRESIDENT VERNA: I'm
19 sorry. Your microphone is not on.

20 COUNCILMAN GOODE: Thank you,
21 Madam President. I also ask that the
22 goals within the Economic Opportunity
23 Plan be broken down in terms of minority
24 participation to set a separate goal for
25 African-Americans for contracts and jobs,

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2 and I'm not in favor of approving this
3 Economic Opportunity Plan unless it
4 includes that broken-out goal.

5 MR. DIAZ: Madam Chair, I think
6 that's been accepted by the Authority.
7 It will be added and, yes, indeed --

8 COUNCILMAN GOODE: And when
9 it's added, we can approve it.

10 MR. DIAZ: I'm sorry?

11 COUNCILMAN GOODE: And when
12 it's added, we can approve it.

13 MR. DIAZ: I can't speak for
14 the Authority as to how quickly they can
15 develop that goal, but I would indicate
16 that if it's with the approval of
17 Councilman Goode and Council, we could --
18 well, let me see what Mr. Mezzaroba has
19 to say.

20 MR. MEZZAROBA: Councilman,
21 earlier you were referring to a chart.
22 If it pleases you, we could just take a
23 look at that and maybe agree to that
24 being the amendment as to the breakdown.

25 COUNCILMAN GOODE: Whatever you

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2 use to get toward the goal, as long as
3 the goal is included before we vote on
4 it, I'm fine with it, but it needs to be
5 in writing in whatever we approve.

6 MR. MEZZAROBBA: Would it be
7 possible to see a copy of what you were
8 holding up?

9 COUNCILMAN GOODE: Yes.

10 MR. MEZZAROBBA: Thank you.

11 MR. DIAZ: Madam Chair, sorry
12 for the confusion, but in response to
13 your earlier question, yes, there was a
14 set of amendments that was proposed in
15 connection with indemnification last
16 Friday. Both sets of amendments I would
17 ask be approved by Committee of the
18 Whole. Thank you.

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 Councilwoman Brown, did you
22 want to be recognized?

23 COUNCILWOMAN BROWN: Yes. Is
24 there a representative here from the
25 Redevelopment Authority, Madam President?

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2 COUNCIL PRESIDENT VERNA: I'm
3 sorry. I didn't hear you.

4 COUNCILWOMAN BROWN: Is there a
5 representative here from the
6 Redevelopment Authority?

7 COUNCIL PRESIDENT VERNA: No,
8 there is not.

9 COUNCILWOMAN BROWN: I'll ask
10 our Commerce Director to come to the
11 witness table.

12 Thank you. Thank you.

13 I think it was Mr. Mezzaroba
14 who indicated that for the demolition
15 contract, the state engaged in an
16 agreement with the RDA and RDA executed
17 the contract. Please speak, if you know,
18 does RDA have the role -- no. What is
19 RDA's role when it comes to the handling
20 of contracts?

21 MS. NAIDOFF: The RDA is the
22 agent of the Commonwealth.

23 COUNCILWOMAN BROWN: So talk
24 that through for me. That doesn't help
25 me get to --

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2 MS. NAIDOFF: They're the agent
3 of the Commonwealth to handle the
4 acquisition, condemnation of properties
5 and the demolition at the site.

6 COUNCILWOMAN BROWN: And so the
7 state negotiated with RDA for the
8 demolition piece, and RDA went through
9 its internal procedures to actually let
10 the contract; is that what I'm hearing?

11 MS. NAIDOFF: That's correct.

12 COUNCILWOMAN BROWN: Is that
13 standard operating procedure for RDA?

14 MS. NAIDOFF: I believe it is.

15 COUNCILWOMAN BROWN: Al?

16 MR. MEZZAROBBA: I don't really
17 know what the standard operating
18 procedure for the RDA is, Councilwoman,
19 but the Commonwealth -- and I know from
20 our dealings, as well as the dealings
21 that we go through every day, and I'm
22 assuming it's the same -- the
23 Commonwealth hired the RDA because
24 they're the experts in takings.

25 COUNCILWOMAN BROWN: Hired the

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2 RDA. Okay.

3 MR. MEZZAROBBA: So when we say
4 their agent, it's really not too much
5 different than the Commonwealth coming in
6 and hiring a law firm or a construction
7 firm to do the same. The RDA is probably
8 the best group of people to take property
9 and then demolish the property.

10 COUNCILWOMAN BROWN: Okay.

11 MR. MEZZAROBBA: So it was a
12 requirement of the Commonwealth, as well
13 as what the RDA's internal workings were,
14 to come up with a minority percentage.

15 COUNCILWOMAN BROWN: Okay. All
16 right. That goes to the question I
17 raise.

18 And you said in your testimony
19 that 22 percent of the demolition piece
20 went to MBE, WBE?

21 MR. MEZZAROBBA: That's what's
22 been attained so far. What I'm being
23 told is that that's the attained number
24 as to what's actually going on in Phase I
25 of the demolition. Phase II of the

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2 demolition has yet to be let.

3 MS. NAIDOFF: Councilwoman, may
4 I suggest that we will consult the RDA
5 and we will provide information to you
6 about the contracts that have been let?

7 COUNCILWOMAN BROWN: I think I
8 might be okay with that, but what I've
9 learned the hard way here is that if it's
10 not on the record and there's not the
11 public discourse for the record, then
12 when we get the report back from the
13 Oversight Committee, we get surprises.
14 So the more we're able to put on the
15 record now, we're at a better and
16 different place once we begin to
17 anticipate those reports.

18 So let me just wrap this up.
19 The Phase I -- so you say that it's 22
20 percent right now in Phase I of this
21 demolition process.

22 MR. MEZZAROBBA: That's correct.

23 COUNCILWOMAN BROWN: And so
24 with the new covenant that the City
25 Solicitor just mentioned, the Phase II of

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2 this process will reflect this Equal
3 Opportunity Plan; is that what we're
4 hearing?

5 MR. MEZZAROBBA: That's a
6 question I can't answer, because the RDA
7 is not party to the underlying contract.
8 It would be to the Commonwealth using the
9 RDA as their agent to insist on the EOP
10 being part of that secondary contract. I
11 have no control whatsoever as the
12 Pennsylvania Convention Center Authority
13 over what the RDA and DGS have between
14 themselves.

15 COUNCILWOMAN BROWN: Then I
16 need to hear back from the City
17 Solicitor, because I thought I heard --
18 well, let me not attempt to interpret or
19 editorialize.

20 City Solicitor?

21 MS. NAIDOFF: He's consulting
22 with someone.

23 MR. DIAZ: I'm sorry.

24 COUNCILWOMAN BROWN: I did not
25 want to misspeak and I need clarity once

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2 again on the question of Phase II of the
3 demolition going forward. How or will it
4 reflect the guts of the Equal Opportunity
5 Plan even though this is a
6 state-authorized project?

7 MR. DIAZ: Subject to any
8 question that might be raised by the
9 Authority, I believe the new Economic
10 Opportunity Plan would not only be
11 applicable to any new contract that has
12 never been negotiated, but I also believe
13 that it would be appropriate for the
14 Authority to the extent that it has not
15 implemented phases previously approved, I
16 think there should be an opportunity to
17 go back and review those.

18 Mr. Mezzaroba points out that
19 there's not a direct contract between the
20 Authority and the RDA. On the other
21 hand, one of the three signatories to
22 this agreement is the Commonwealth, and
23 certainly the General Services Department
24 of the Commonwealth would be subject to
25 the same provisions. What I don't know,

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2 Councilwoman -- and this is why there's a
3 little bit of fuzziness here. What I
4 don't know is if the Phase II or other
5 contracts that haven't yet been
6 implemented have already been negotiated,
7 but I think in the spirit of all this
8 discussion, we would want to go back and
9 review any contract that has not yet been
10 implemented even if it has previously
11 been signed following negotiation,
12 because I hear the message and I believe
13 the Commonwealth Secretary of the Budget
14 heard the message last Friday that the
15 expectation is that all actors involved
16 in this process are going to meet this
17 commitment going forward.

18 COUNCILWOMAN BROWN: Thank you.

19 Thank you, Madam President.

20 COUNCIL PRESIDENT Verna:

21 You're welcome.

22 The Chair recognizes Councilman
23 Greenlee.

24 COUNCILMAN GREENLEE: Madam

25 President, I don't know if this is the

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2 appropriate time. I just had a question
3 regarding the amendment Councilman
4 DiCicco offered, if I could.

5 Councilman, if I may, my
6 initial -- and I know I'm just reading
7 this now. My initial off-the-top thought
8 is we're kind of in a way mixing apples
9 and oranges here, and I wonder -- and I
10 guess maybe as an aside question to the
11 Solicitor if he has one -- how this all
12 fits in. I know that's a general
13 question, but, I mean, I just don't -- I
14 mean, are we going on a different track
15 here when we start mixing in the Gaming
16 Act here? And I know your fervor on this
17 and I understand that.

18 COUNCILMAN DiCICCO: Up
19 until --

20 COUNCIL PRESIDENT VERNA:
21 Councilman, your light is not on.

22 COUNCILMAN DiCICCO: Up until
23 probably last Friday, it was the general
24 opinion of most people that the two
25 gaming facilities to be built in

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2 Philadelphia, that portions of that
3 revenue were needed for the Convention
4 Center expansion. We found out last
5 Friday that that is not the case.
6 Mr. Masch testified that even if the
7 casinos were not built in the City of
8 Philadelphia, there is enough revenues
9 from the other gaming facilities and
10 wherever else the money is coming from to
11 support the debt service for the
12 expansion.

13 Yesterday the Supreme Court of
14 Pennsylvania basically said to the
15 citizens of this City and to everybody in
16 this room, all of those who are elected
17 officials, that the City of Philadelphia
18 doesn't matter in the eyes of the Supreme
19 Court. Decisions that we make, laws that
20 we pass are irrelevant. And I think if
21 the Governor is really sincere about this
22 Convention Center expansion, which I do
23 not believe that he is, because by delays
24 that he has caused for the past three
25 years, as I testified on Friday, the cost

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2 of this project has gone from about \$450
3 million to \$700 million.

4 So I don't know. It may sound
5 like apples and oranges, but I think they
6 are connected somehow, because if the
7 Governor is real, why didn't he send a
8 letter today at my request that I made to
9 Mike Masch that he would release the
10 funds? They skirt around it. If you
11 read the letter, it doesn't answer the
12 question at all.

13 So since the Governor and the
14 Supreme Court are making decisions for us
15 in everything it seems that we're doing
16 these days, I'd like to know if he really
17 intends to release the funds. And there
18 are some issues with the minority stuff
19 that has already been discussed again
20 this morning.

21 COUNCILMAN GREENLEE: I
22 understand.

23 COUNCILMAN DiCICCO: And I'm
24 not comfortable with those numbers,
25 because I don't think we ever get to

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2 those numbers, as I said last Friday,
3 because you're never going to get to the
4 journeyman position, so you're never
5 going to be able to reach those numbers.
6 And no one is addressing -- notice,
7 there's no one from the building trades
8 here. Forget the posse. Forget the
9 posse that follows me, but there's not
10 the leadership from the building trades
11 who can speak to that who is here today.
12 Mr. Gillespie is a member of the
13 Convention Center Authority Board. He's
14 not here today to answer those questions
15 as it relates to the hiring practices and
16 the minority and women participation.

17 So in our business, sometimes
18 you got to throw everything at the wall
19 and see what sticks, and that's what I'm
20 doing.

21 COUNCILMAN GREENLEE: I mean, I
22 certainly understand that. I guess maybe
23 if I could ask the Solicitor's opinion,
24 given particularly the court decision
25 that was issued yesterday, which I

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2 understand certainly Councilman
3 DiCicco's -- and I think a lot of us have
4 concerns about that. I understand that.

5 COUNCILMAN DiCICCO: You know,
6 Councilman, if I could just answer that.
7 It's been the casino issue lately, but we
8 did a resolution last week. I don't know
9 if anybody really looked at it closely.
10 Ten years ago or so, the Supreme Court of
11 Pennsylvania said to the Commonwealth of
12 Pennsylvania, You must fund the courts in
13 the City of Philadelphia. They haven't
14 done it, but they go yesterday, the
15 Supreme Court, make a ruling that says
16 that we can't decide where casinos go,
17 but the state Legislature gets off the
18 hook in giving us a hundred million
19 dollars a year to fund our courts. They
20 want it both ways. And this may be a
21 message to both the Governor and the
22 Supreme Court. I don't know.

23 I'm trying everything. I will
24 try everything and anything to get
25 relief, to get the Supreme Court to back

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2 off a little bit, to let us decide the
3 destiny for the people who we represent.
4 And, again, I will say, I don't believe
5 that the Governor is sincere in funding
6 this Convention Center expansion.

7 COUNCILMAN GREENLEE: I
8 certainly understand --

9 COUNCILMAN DiCICCO: That's my
10 opinion.

11 COUNCILMAN GREENLEE: I'm
12 sorry. I certainly understand the
13 criticism of the Governor and some of the
14 other things, but given that decision I
15 guess is what I'm getting at, and, again,
16 to the Solicitor, can this amendment even
17 be enforced, I guess is the question, in
18 your opinion, obviously?

19 MR. DIAZ: The Supreme Court
20 decision yesterday in the appeal by
21 SugarHouse directs the City of
22 Philadelphia to issue, in my view, the
23 permits required to construct the
24 SugarHouse Casino. To the extent that
25 there is a different direction to the

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2 City Administration by the amendment, it
3 would be my opinion that that would not
4 be upheld by the Supreme Court of
5 Pennsylvania.

6 COUNCILMAN GREENLEE: It would
7 not be what? I'm sorry. Upheld?

8 MR. DIAZ: It would not be
9 upheld. In other words, I believe they
10 have spoken very clearly that they
11 believe that the failure to act is in
12 fact an action that was appealable, and
13 as a consequence, they have directed the
14 City to implement rezoning and to proceed
15 to consider permits for the SugarHouse
16 Casino as if City Council had approved
17 both the CED designation for SugarHouse
18 and the plan of development and the
19 related City strikes and easement changes
20 that were included in a third bill before
21 City Council.

22 COUNCILMAN DiCICCO: I think
23 that goes to the heart of this question.
24 City Council never approved the CEDs.
25 The City Administration made the decision

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2 to support it and then went to the
3 Supreme Court.

4 Again, the Supreme Court has
5 overridden everything we've attempted to
6 do in this Council. It might be -- the
7 casinos are in my district and it's a
8 district issue and it's not, and I
9 understand and appreciate that, but who
10 is to say that something else doesn't
11 come down the pike at some point in the
12 future and we're going to be faced with
13 the same dilemma? Any District
14 Councilperson could have that same issue.
15 I mean, would it have been right if the
16 courts came in and decided for
17 Councilwoman Blackwell and overruled the
18 decision of this body not to move forward
19 on the relocation of the Youth Study
20 Center? I mean, pretty much we might as
21 well just pack it up and go home.

22 COUNCILMAN GREENLEE: I
23 understand.

24 Council President, if I could.

25 Councilman, I agree with a lot

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2 of the points you're making. I guess I
3 just -- my concern is --

4 COUNCILMAN DiCICCO: Not to
5 interrupt you. I'm not taking it as a
6 hostile question. I'm just making my
7 point.

8 COUNCILMAN GREENLEE: I guess
9 I'm getting to the effectiveness of this
10 and do we just -- are we, in a sense,
11 hurting the Convention Center issue on
12 something that the courts already said
13 unfortunately, in a lot of our opinions,
14 there's nothing we can do anything about?
15 I guess that's what I'm --

16 COUNCILMAN DiCICCO: Well, do
17 we roll over and just play dead? I don't
18 think so.

19 COUNCILMAN GREENLEE: Okay.

20 COUNCILMAN DiCICCO: I don't
21 think that's what we got elected to do.
22 I don't think we -- and I appreciate your
23 question, but I don't think that's what
24 we were elected to do.

25 COUNCILMAN GREENLEE: Okay. I

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2 wouldn't characterize it exactly rolling
3 over. I understand. Thank you.

4 Thank you, Madam President.

5 COUNCIL PRESIDENT VERNA: Thank
6 you.

7 Councilwoman Brown.

8 COUNCILWOMAN BROWN: No
9 questions.

10 COUNCIL PRESIDENT VERNA:
11 Councilman Clarke.

12 COUNCILMAN CLARKE: Thank you,
13 Madam Chair.

14 I just want to direct a couple
15 of questions at my good friend and my
16 colleague, Councilman DiCicco.

17 Councilman, you asked very
18 pointed questions last week on Friday
19 about this whole tying of the Convention
20 Center and the ability to fund the
21 gaming -- I'm sorry; the gaming and the
22 ability to fund the Convention Center,
23 and I must say that it was masterfully
24 done, because you did in fact get the
25 state to come to the conclusion that the

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2 Convention Center could proceed without
3 the Philadelphia gaming facilities, and
4 that was, I think, some of the points
5 that you've been trying to make over the
6 period of the last several months. And
7 with that, as it relates to Councilman
8 Greenlee's question, it enhances the
9 premise that the two -- his suggestion
10 that the two are not connected. So I
11 don't understand how you now could tie
12 these two together in this legislation.

13 And I understand what you're
14 doing. I mean, I've supported you
15 throughout all of -- in spite of what
16 I've been hearing from SugarHouse and you
17 know what I have under my table in the
18 Fishtown community, in spite of that,
19 I've supported you and to the point where
20 I've actually stopped having meetings to
21 let that process work its way through,
22 and I suggested to the residents during
23 the course of several meetings that at
24 some point, I thought it was appropriate
25 to have a community benefits agreement in

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2 place in the event that the state steps
3 in, and the Supreme Court has in fact
4 done that, and now it concerns me that
5 our ability to negotiate an agreement is
6 lessened. And if there are issues with
7 respect to the Convention Center that are
8 not appropriate, I think that we should
9 deal with them on the merits of that, and
10 you've laid out quite a few of them and a
11 number of us have, but I don't know why
12 we should support an amendment that then
13 ties it particularly to SugarHouse.

14 I definitely understand why
15 you're doing the --

16 COUNCILMAN DiCICCO: Well --

17 COUNCILMAN CLARKE: We've gone
18 through the entire process.

19 COUNCILMAN DiCICCO: I'm trying
20 to do it as gently and as civilly as I
21 could. You know, I don't know if it
22 would hold -- if I were to move that this
23 bill be recessed, it dies, and I can hang
24 my hat on councilmanic prerogative.
25 Whether it holds up in this Chamber, I

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2 don't know. People will have to make a
3 decision.

4 So I'm giving them an
5 opportunity to put their money where
6 their mouth is, the Governor and
7 everybody else that's involved in this
8 expansion. I mean, I can pull that right
9 now, and I don't want to do that, and
10 maybe I'll lose, but it will be the first
11 time that a District Councilperson's
12 prerogative will not have been honored.

13 COUNCILMAN CLARKE: But,
14 Councilman, if you want to do that, you
15 could just simply do that on the
16 Convention Center bill. My question is,
17 how are you going to tie it to
18 SugarHouse, which has nothing to do with
19 this particular legislation?

20 COUNCILMAN RAMOS: Madam
21 President, point of order.

22 COUNCIL PRESIDENT VERA: The
23 Chair recognizes Councilman Ramos for a
24 point of order.

25 COUNCILMAN RAMOS: I'm very

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2 much interested in the debate that's
3 going on right now, but I believe that we
4 have other people that are -- they still
5 want to testify on the broader issue of
6 the expansion of the Convention Center,
7 and if we could get that done, then we
8 can go into --

9 COUNCIL PRESIDENT VERNA: I
10 think that question was asked before and
11 I don't know that anybody approached the
12 witness table.

13 COUNCILMAN GOODE: Mr. Crawley
14 is here to testify.

15 COUNCIL PRESIDENT VERNA: I beg
16 your pardon?

17 COUNCILMAN GOODE: Mr. Crawley
18 is here to testify.

19 COUNCIL PRESIDENT VERNA: All
20 right. Well, I think this issue has to
21 be settled first, because I believe
22 Councilman DiCicco has a prior
23 commitment.

24 COUNCILMAN DiCICCO: Well, I do
25 have -- I have to be in arbitration in

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2 ten minutes at 20th and Market.

3 Councilman, I understand and
4 respect your concern and your question.
5 I'm trying to get to a point where, A, we
6 get a commitment from the Governor,
7 which, again, I will say I don't believe
8 is coming and all of our efforts are for
9 what? And I'm also using this as some
10 leverage to get something back on the
11 casino stuff for the people I represent.

12 COUNCILMAN CLARKE: But,
13 again --

14 COUNCILMAN DiCICCO: And I'm
15 going to ask for a recess. I'm going to
16 insist on councilmanic prerogative if I
17 don't get the amendment.

18 COUNCILMAN CLARKE: As the
19 District Councilperson, that's within
20 your right, but I'm still saying what
21 does that have to do --

22 COUNCILMAN DiCICCO: Because I
23 have casinos in my district. I'm going
24 to ask that this bill not be reported
25 out -- I'm going to ask for a recess on

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2 this bill.

3 COUNCILMAN CLARKE: That's
4 between you and the President. My
5 question is -- and as the District
6 Councilperson, that's your prerogative.
7 I'm suggesting that this still has
8 nothing to do with the casino,
9 particularly given the fact that the
10 testimony of Mike Masch indicated that
11 this Convention Center can be built
12 regardless of revenues from the casinos.

13 COUNCILMAN DiCICCO: Then let
14 the Governor send us a letter saying he's
15 going to release the funds.

16 COUNCILMAN CLARKE: I'm with
17 you on that, but I still don't think it
18 should have anything to do with the
19 casino.

20 Madam President, I'm done.

21 COUNCILMAN KENNEY: Madam
22 President?

23 COUNCIL PRESIDENT VERNA: Yes.
24 Councilman Kenney.

25 COUNCILMAN KENNEY: Thank you.

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2 Thankfully, for the record, I
3 will be abstaining on all amendments on
4 the bill due to information that I
5 provided and disclosed early on in the
6 earlier hearing about the firm I'm
7 associated with, they're part of the
8 design team. But I am enjoying the
9 debate.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 Can I just have the City
13 Solicitor's attention for a moment,
14 please. In reading Councilman DiCicco's
15 amendments, it states, "The provisions of
16 this section are not severable from the
17 previous sections of this ordinance." So
18 if in fact this were not approved, then
19 the entire ordinance would go down the
20 tubes?

21 MR. DIAZ: That is the way I
22 read it, Madam Chair.

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 The Chair recognizes

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2 Councilwoman Tasco.

3 COUNCILWOMAN TASCO: You
4 answered my question. That's what I
5 wanted to -- I had the same question in
6 terms of what impact does this amendment
7 have.

8 MR. DIAZ: I'm sorry?

9 COUNCILWOMAN TASCO: I wanted
10 to ask the same question, what impact
11 does this amendment have on the
12 ordinance, the proposal before us.

13 MR. DIAZ: Because I believe
14 that the Supreme Court decision yesterday
15 was very clear that the actions that
16 have -- let me go back.

17 Yesterday's opinion, I think,
18 was very clear in terms of the
19 Pennsylvania Supreme Court's concern
20 about efforts to undermine the state's
21 statutory requirements. Let me just read
22 one sentence. "A political subdivision
23 has no power to override the statutory
24 provisions of the Gaming Act regarding
25 the status of a licensed gaming facility

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2 or to use its authority to zone to impede
3 implementation of the Gaming Board's
4 decision in that regard." And then
5 skipping ahead, "As recognized by the
6 City of Philadelphia, the City has no
7 discretion to preclude gaming." And in
8 that light, among other things, it orders
9 that "the City of Philadelphia is
10 directed to take all actions necessary to
11 implement the relief granted, including
12 making all necessary changes to City
13 records, maps and plans and receiving,
14 reviewing and acting upon all
15 applications from HSP," SugarHouse, "in
16 the ordinary course and in compliance
17 with this Court's order."

18 I believe the amendment is
19 illegal under the decision rendered
20 yesterday by the Pennsylvania Supreme
21 Court. However, because it also states
22 in the amendment that it is not
23 severable, it would be my view that when
24 the Pennsylvania Supreme Court says that
25 that amendment is illegal, all of the

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2 bill associated with the approval of the
3 Convention Center expansion would also
4 fail.

5 COUNCILWOMAN TASC0: Thank you.

6 COUNCIL PRESIDENT VERNA: Does
7 anyone else want to be recognized, any
8 other Councilmember want to be
9 recognized?

10 (No response.)

11 COUNCIL PRESIDENT VERNA: Bruce
12 Crawley, is he still in the room? Yes.
13 Please approach the witness table.

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

17 MR. CRAWLEY: Good afternoon,
18 Madam President. I'm Bruce Crawley and I
19 am the President of a small black-owned
20 business here in the City of Philadelphia
21 and I'm also here as a member of the
22 Board of the Technical Assistance Center
23 for Emerging Contractors, an organization
24 that devotes itself to the development of
25 African-American contractors specifically

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2 for involvement in public sector and
3 private sector opportunities.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 MR. FULLARD: Anthony Fullard,
7 Vice-President of Millenium 3 Management.

8 COUNCIL PRESIDENT VERNA:
9 Excuse me. Is the microphone on? Maybe
10 if you pull it closer to you.

11 MR. FULLARD: Sure. Anthony
12 Fullard, Vice-President of Millennium 3
13 Management, also serve as the Director of
14 Construction for the Technical Assistance
15 Center.

16 MR. CRAWLEY: First of all, let
17 me say how pleased I am at the
18 substantially enhanced recognition of the
19 minority participation issues at the
20 proposed Convention Center expansion just
21 since last Friday. The Council is to be
22 commended for the vigilance on this
23 issue. I was most disappointed, as were
24 most people involved in the
25 African-American and minority

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2 construction industry, when we heard of
3 the initial goals that were available in
4 the plan.

5 I'm here to register formal
6 objection to the lack of substantive
7 commitment to black and minority
8 workforce and business involvement in the
9 original Equal Opportunity Plan for the
10 Pennsylvania Convention Center expansion.
11 I'm especially concerned at the fact that
12 the Authority seems to have adopted a
13 defensive approach to this issue rather
14 than seeing the project as a proactive
15 opportunity to grow the economy in the
16 City's minority communities.

17 Any attempt to minimize black
18 and minority involvement in this vitally
19 important economic issue is especially
20 disturbing given the history of the
21 current Convention Center, which opened
22 in 1993. As you may recall, the
23 discussions in City Council back in the
24 late 1980s were absolutely crucial to
25 ensuring diversity in the project, to the

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2 eventual success of that building and to
3 the growth of the hospitality industry
4 here and throughout the region. It was
5 largely through the efforts of City
6 Council, supported by then-Mayor W.
7 Wilson Goode, that plans to ensure that
8 people other than white male-owned
9 developers, white male-owned construction
10 management companies, white male-owned
11 lodging companies and largely white
12 male-owned business would share in the
13 economic impact that was promised to the
14 City back then.

15 Today our City's population is
16 approximately 60 percent comprised of
17 blacks and minorities, a greater level of
18 diversity than existed 20 years ago when
19 these decisions were first made. But
20 even back then, Councilmembers, in their
21 great wisdom, included in the City's bond
22 issue funds to ensure inclusion of
23 minority school students, that they be
24 educated to become members of the
25 hospitality industry, the inclusion of

As a result of those efforts, for example, the City's hospitality workforce, including at the managerial level, has increased substantially, and more than \$1 billion in black and minority conference and meeting revenues have been attracted to the City's hospitality-related businesses.

19 I should also point out that
20 the Greater Philadelphia Tourism
21 Marketing Corporation advises us that
22 about one in four of all tourists
23 visiting our City on a given year are
24 also, quote/unquote, "minorities." They
25 also pump money into the local industry.

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2 So here we are 20 years later,
3 in a substantially more diverse City with
4 a significantly more diverse business
5 community, and we somehow have a plan in
6 place that is designed to produce less
7 minority inclusion than we had 20 years
8 ago. We have a plan in place for this
9 critically important economic generator
10 that will provide economic opportunity to
11 virtually every demographic segment
12 except blacks and minority residents, who
13 desperately need employment in the City,
14 black and minority businesses, which
15 desperately need contracts, to expand our
16 neighborhood economic and job creation
17 efforts. That job creation, of course,
18 will be primarily targeted at the very
19 segment of our City's population that
20 suffers most severely from the highest
21 poverty rate among the country's ten
22 largest cities.

23 This is a recipe for disaster.
24 This is the kind of economic policy that
25 created our City's impoverished black and

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2 minority communities in the first place.

3 This is a plan that will simply
4 continue to transfer the City's jobs and
5 economic benefits to people who live
6 elsewhere. And even though the City
7 doesn't have a Convention Center bond
8 issue on the table this time, its elected
9 officials still have a very real and
10 tangible responsibility to ensure that
11 there is meaningful inclusion in all
12 aspects of this project by the people who
13 elected them.

14 Regrettably, as we await the
15 inauguration of our City's next Mayor
16 with great anticipation and optimism,
17 this certainly does not constitute a new
18 day. In fact, it is very much business
19 as usual.

20 My issue is to ensure that with
21 all of these aspirational goals on the
22 table we also develop, before this
23 conveyance is approved, an effective
24 compliance monitoring mechanism; i.e.,
25 one with teeth and instead consequences

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2 or penalties that will be visited upon
3 those who violate the proposed
4 effectiveness of the programs.

5 Over the past two years we met,
6 for example, with a large mainstream
7 construction management company general
8 manager and he told us that he was not
9 very impressed with the City of
10 Philadelphia's minority participation
11 goal-setting and compliance. In fact, he
12 said that as they begin to do projects,
13 they really don't care what the goal is
14 provided by the City for the projects for
15 inclusion. He said that what they simply
16 do is accept the goal, whether it's ten
17 percent, 20 percent, 35 or 50. They
18 accept the goal, and as they get asked by
19 the City whether or not the goal has been
20 achieved as they move towards completion
21 of the project, they simply say, We're
22 making best effort. And as they continue
23 to say they're making best effort, over
24 time one-fourth of the project is done,
25 one-half of the project is done,

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2 three-fourths of the project is done and
3 eventually the project is complete and
4 they're still making best effort.

5 They said to me -- and in a
6 moment of absolute candor, he said, We
7 know this is going to happen. Our
8 project is done. We haven't achieved the
9 goal, and nothing happens.

10 Our great concern is that the
11 compliance mechanism, the structure and
12 meaningful composition of the Oversight
13 Committee at the Convention Center be
14 studied, be structured in a way that it
15 will have some impact, and that the
16 Oversight Committee itself have within
17 its structure an authority to have
18 meaningful impact within the Convention
19 Center Authority's Board oversight
20 structure. I don't think right now,
21 given what we've heard about the
22 Oversight Committee, its composition and
23 the authority that will be let to that
24 committee, I don't think it is structured
25 now. I don't think it has the teeth now

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2 to ensure that any of the things that
3 were discussed today really will take
4 place, and I would hope that we can work
5 on that and have that resolved before the
6 conveyance is approved.

7 I encourage the members of City
8 Council to take principal stand today
9 with the citizens who voted for you and
10 not approve this conveyance in transfer
11 until you are satisfied, that there is a
12 plan and a credible monitoring effort in
13 place that will guarantee that this
14 project's economic benefits are shared
15 with all segments of our community,
16 including blacks, minorities, white
17 females and the disabled.

18 Thank you.

19 COUNCIL PRESIDENT VERNA: Thank
20 you very much.

21 Good afternoon. Are you going
22 to testify, sir?

23 MR. FULLARD: Oh, no. I'm just
24 here if anybody had any questions.

25 COUNCIL PRESIDENT VERNA: Thank

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2 you.

3 The Chair recognizes

4 Councilwoman Brown.

5 COUNCILWOMAN BROWN: Thank you,
6 Madam President.

7 Thank you for your testimony.

8 Given your observation with regards to
9 the Oversight Committee as has been
10 outlined thus far, what recommendations
11 would you offer that would strengthen, if
12 you will, the, I guess, duties of the
13 Oversight Committee and, to use your
14 words, give it teeth?

15 MR. CRAWLEY: Well, certainly
16 the Oversight Committee has to be tied to
17 a set of penalties, have with any
18 authority an ability to recommend that
19 those penalties be imposed. And whether
20 those penalties be imposed by the
21 operating management of the Convention
22 Center Authority or by the Board itself,
23 that Oversight Committee would be in
24 place and would have a perspective so
25 that they could recommend that there be

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2 accountability for those people who have
3 signed on who have said that they would
4 have the inclusion that has been dictated
5 by the Equal Opportunity Plan.

6 If that is not done, if you
7 don't have the penalties, you don't have
8 any concern about achievement, as we
9 stated is the case with the large
10 construction management company that we
11 just described. And also I think that
12 there has to be an insurance in the org
13 chart of this committee structure that
14 the Chairman of the Board of the
15 Convention Center Authority and that the
16 Board members of the Convention Center
17 Authority, whose members do include
18 members of the trades unions, that they
19 have some responsibility for being
20 accountable to the recommendations that
21 come up from that Oversight Committee.

22 I think that often times, too
23 often, oversight committees are a PR
24 strategy for people who say, Look, we're
25 doing the right thing, we have an

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2 oversight committee. Those oversight
3 committees have no teeth. They have no
4 authority and they have no ability to
5 carry out the mission as has been
6 described.

7 So I think that, one, there has
8 to be a set of penalties, debarment, loss
9 of contract, fines, all the standard
10 things that could comprise penalties for
11 people who intentionally violate that
12 which they've signed on to do. And there
13 has to be a governmental mechanism
14 through that Board to ensure that the
15 recommendations of that Oversight
16 Committee see the light of day at the
17 level of the operating management in the
18 Board, and I don't know that that's
19 structurally in place right now.

20 About three years ago I served
21 for a while as a member of one of the
22 minority inclusion committees on the
23 Convention Center Authority, and I
24 remember us having meetings and lots of
25 Danish and orange juice, but at the end

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2 of the day, none of the things that we
3 recommended ever saw the light of day,
4 never got to the level of the Board
5 meetings and were virtually never
6 implemented.

7 So I just want to make sure
8 that there's not that disconnect and that
9 this talk about an Oversight Committee is
10 not just another PR strategy to get us
11 off the point and into the construction
12 process.

13 COUNCILWOMAN BROWN: Do you
14 have any models or examples of an
15 oversight committee where you
16 participated where all of what you just
17 recommended was in place and implemented?

18 MR. CRAWLEY: Well, it doesn't
19 have to be an oversight committee. There
20 are a number of ways that you could build
21 in compliance. And so having an
22 oversight committee is one way and it's a
23 very visible way and it's something that
24 people like to share with media, but the
25 compliance apparatus can be built right

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2 into the operating management of the
3 Authority, and the operating management
4 can give a report to the Board on a
5 regularly scheduled basis and they can
6 have data supplied by people who do
7 daily, weekly, monthly monitoring
8 provided to the Board. And when the
9 Board sees a disparity, when the Board
10 sees a variance, they can, with the full
11 support of the operating management, do
12 the kinds of things that have been
13 outlined in the list of penalties and
14 consequences.

15 So I don't know -- I mean,
16 people say they have oversight
17 committees. That's all well and good,
18 but the reality is where do you get the
19 accountability to ensure that the
20 companies that participate in bringing
21 the workforce to the table, bringing the
22 contracts to the table, that they feel an
23 obligation to do so? And, again, the
24 Oversight Committee is just one way, and
25 we've had oversight committees on

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2 virtually every major project in this
3 City in the past 25 or 30 years and some
4 of their results have been disastrous.

5 COUNCILWOMAN BROWN: Thank you
6 for your testimony indeed.

7 Thank you, Madam President.

8 COUNCIL PRESIDENT Verna:
9 You're welcome.

10 COUNCILWOMAN BROWN: Has the
11 City Solicitor left?

12 MS. NAIDOFF: Yes, he did.

13 COUNCIL PRESIDENT Verna: Yes,
14 he did.

15 COUNCILWOMAN BROWN: Very well.
16 I'll e-mail him.

17 COUNCIL PRESIDENT Verna: Thank
18 you, gentlemen.

19 MR. CRAWLEY: Thank you very
20 much.

21 COUNCIL PRESIDENT Verna: Thank
22 you.

23 Do we have anyone else that
24 would like to testify on this bill?

25 (No response.)

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2 COUNCIL PRESIDENT VERNA:

3 Seeing no one, this hearing will be
4 continued until Thursday at 9:45. And I
5 would ask that Councilman Goode's
6 concerns be addressed by that time.
7 Certainly we are hoping for a better
8 letter from the Governor so that
9 Councilman DiCicco's concerns can also be
10 addressed, and maybe one day we'll be
11 able to consider this bill.

12 COUNCILWOMAN BROWN: Madam
13 President?

14 COUNCIL PRESIDENT VERNA: Yes.

15 COUNCILWOMAN BROWN: For the
16 record, I want to revisit with the City
17 Solicitor the important additional points
18 raised from witness A. Bruce Crawley on
19 the issue of accountability to see if we
20 can shape language that indeed addresses
21 what I believe is a legitimate --

22 COUNCIL PRESIDENT VERNA:
23 Concern.

24 COUNCILWOMAN BROWN: --
25 reasonable concern around penalties and

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2 fines. So that should be -- and
3 reporting requirements. So that should
4 be stipulated to as an outstanding
5 unresolved matter.

6 COUNCIL PRESIDENT VERNA: Well,
7 we're doing this and I think that if
8 we're doing it, we ought to do it right.

9 COUNCILWOMAN BROWN: Indeed.

10 COUNCIL PRESIDENT VERNA: And
11 everybody feel very comfortable with what
12 we're doing.

13 Thank you very much.

14 COUNCILWOMAN BROWN: Thank you.

15 COUNCIL PRESIDENT VERNA: Also,
16 may I remind my colleagues that 11
17 o'clock this morning the Handicapped and
18 Disabled Committee was to meet. They
19 will meet immediately after we recess.
20 And the Rules Committee hearing is
21 scheduled for 1 o'clock. So I would
22 suggest that we all make our ourselves
23 available.

24 Thank you.

25 (Committee of the Whole

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2 adjourned at 12:40 p.m.)
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